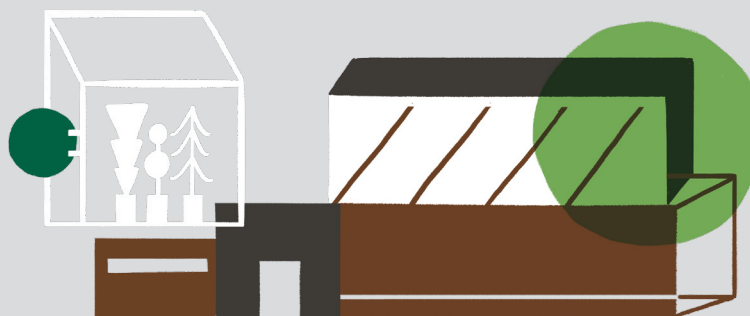
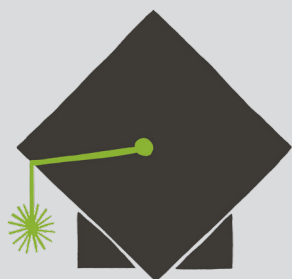


STARBUCKS®

2016
**GLOBAL
SOCIAL IMPACT**
PERFORMANCE



Good things are happening.

Our 2016 Global Social Impact Performance report marks our progress as a company, one that's performance-driven through the lens of humanity. Thanks to the efforts of more than 330,000 partners in 75 countries around the world, we've exceeded many of our goals to help the communities we serve, while achieving another year of record financial performance. Our enduring strategic partnerships with organizations like Conservation International and Feeding America as well as hundreds of community service partners around the world enable us to use our scale for good.

We've made this progress together by being purposeful in our decisions and our collective actions, and we have bold, new aspirations for the years ahead.



Kevin Johnson
president and ceo



The way forward.

We will 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**
- **CREATING PATHWAYS** to employment for 1 million people
- **STRENGTHENING COMMUNITIES** by welcoming all and creating impact on issues that matter

SUSTAINABLE
COFFEE 4

GREENER
RETAIL 8

CREATING
OPPORTUNITIES 11

STRENGTHENING
COMMUNITIES 15



Our future in SUSTAINABLE COFFEE

Starbucks is proud to have reached the milestone of 99 percent ethically sourced coffee.

However, we are not done yet. We will continue to work with that last 1 percent to bring producers along on this journey with us, like we do with Starbucks Reserve® Eastern D.R. Congo Lake Kivu coffee, where we are working with farmers to expand our ethical sourcing effort.

We believe we can increase the prosperity and resiliency of 1 million farmers and workers who grow our coffee in coffee communities around the world. We will do this by investing in coffee communities, sharing our technical coffee knowledge and innovating with new approaches. Moving beyond our 100 percent ethically sourced commitment, we are joining with others to make coffee **the world's first sustainable agricultural product**.

INVESTING IN FARMERS

Thanks to our partners and customers, more than 25 million trees have been donated to coffee farmers. This effort began in September 2015, when Starbucks launched the One Tree for Every Bag Commitment to help ensure the long-term supply of coffee and the economic future of coffee farmers. Its goal was to raise enough funds by the end of 2016 to plant 20 million coffee seedlings that will replace trees declining in productivity due to age and disease such as coffee leaf rust. With the help of our customers, we exceeded this goal in just over a year.

To build on that success, Starbucks will quadruple its commitment by providing 100 million healthy coffee trees to farmers by 2025 by leveraging our green coffee purchases in coffee-growing communities most impacted by climate change.

We will work in collaboration with Conservation International (CI) and our partners on the ground and will share what we learn across the industry, to ensure that other farming communities that need to replace their trees can benefit from this program.

The Starbucks Global Farmer Fund is a \$50 million commitment to provide financing to coffee farmers. Through these loans, farmers have the ability to support agronomy, restoration and infrastructure improvements. This work directly influences coffee quality, sustainability and the economic benefit for the specialty coffee industry.

To support critical issues coffee communities are facing, the Starbucks Foundation partners with organizations with local expertise to build sustainable solutions. Since 2014 the Starbucks Foundation has awarded origin grants to support smallholder-farming families in coffee- and tea-growing communities, reaching approximately 47,000 direct and indirect beneficiaries. By 2020 the Foundation plans to reach 250,000 people.

In 2016 Starbucks began funding **a new project in Oaxaca, Mexico**, with Conservation International, focused on delivering a net positive model to reestablish coffee as a livelihood. Oaxaca was once a globally important origin for high-quality specialty coffee, but productivity has declined significantly due to climate change, lack of market access, poverty, migration and other challenges. CI will work with local partners to improve farmers' shade-management systems and increase alternative income streams—with the aim of stabilizing farming communities in Oaxaca and enabling farmers to continue growing coffee. CI will also train producers in water conservation to protect freshwater resources and will work to ensure the active participation of women, indigenous farmers and their families.

SHARING COFFEE KNOWLEDGE

Starbucks currently operates eight Farmer Support Centers in key coffee-producing countries around the world, from Indonesia and Rwanda to our newest center in Mexico. Our open-source agronomy approach will give farmers in these regions free access to the latest findings of our top agronomists, including new varieties of disease-resistant trees and advanced soil-management techniques. Building on traditional growing methods will help farmers continue to improve both the quality and yield of their crops and help increase profitability, ensuring the future of high-quality coffees for everyone. With this global network, we aim to train 200,000 coffee farmers by 2020.

WORKING WITH OTHERS TO MAKE ALL COFFEE 100 PERCENT SUSTAINABLE

We know that greatest challenges in coffee can be solved faster if we collaborate and share solutions. 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 began in 2015 at the United Nations climate talks in Paris and has grown to more than 60 members across the industry, including other roasters, non-governmental organizations and the governments of Mexico and Rwanda. The Challenge is now pulling together the industry precompetitively to develop innovative solutions to ensure the prosperity and well-being of farmers, workers and communities, sustained supply of coffee and conservation of nature. At Starbucks, we have an opportunity to partner with others and go beyond our own commitment of 100 million trees. Through the Sustainable Coffee Challenge, the industry is coming together to commit to 1 billion trees, while developing shared principles for responsible renovation. We invite our partners and customers to share the journey with us and to follow the Challenge at sustaincoffee.org.

ISSUING OUR FIRST SUSTAINABILITY BOND

In May 2016, we issued our first U.S. Corporate Sustainability Bond. The company will use the net proceeds from the offering of \$500 million to enhance its sustainability programs around coffee supply chain management through eligible sustainability projects.

MORE THAN COFFEE

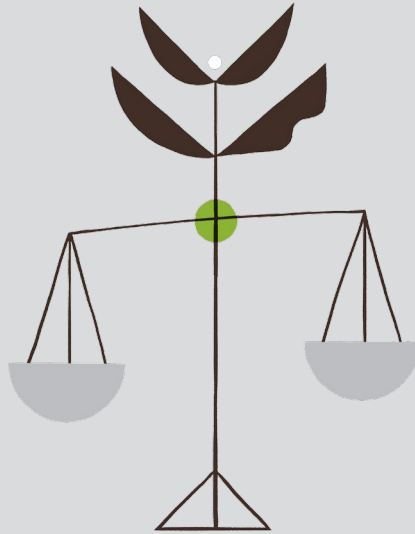
We are committed to 100 percent ethically sourced tea and cocoa. To learn more about our commitment and progress, visit starbucks.com/social-impact.

GOALS

SUSTAINABLE
COFFEE

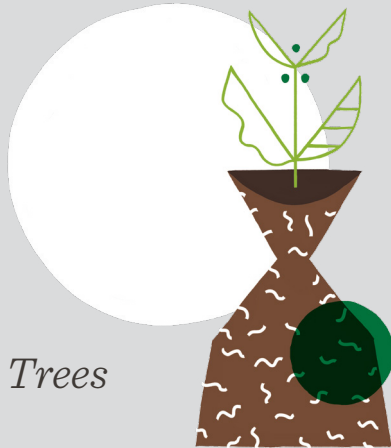
SOURCING COMMITMENT

*100% Ethically
Sourced Coffee*



PLANTING TREES

*Provide 100 Million Trees
to Farmers by 2025*



OPEN-SOURCE AGRONOMY

*Train 200,000 Coffee Farmers
by 2020*

STARBUCKS GLOBAL
FARMER FUND

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

FROM OUR FARMERS

One Tree for Every Bag Commitment

Catalina Pacheco, a second-generation coffee producer and loving grandmother, methodically roasts a small batch of coffee from her farm, La Finca San José, tucked into the hillsides of Guatemala. Her husband, Carlos Lima, and grandson, Kevin, proudly guide us to their more than 25-year-old coffee farm and the more than 5,700 newly planted Marsellesa coffee plants received through the One Tree for Every Bag Commitment.

Kevin runs ahead of the group and hovers over a new leaf rust-resistant Marsellesa coffee tree. He turns to glance at his grandfather who is in the middle of a discussion. Kevin proudly says, "One day I will run this farm." Carlos Lima kneels down to the new coffee tree and says with a soft smile, "This program has been a gift for our family." An even-bigger smile spreads across Kevin's face. He stands up and leads us back to their home where Catalina shares freshly ground coffee prepared with sugar and served with sweet bread. There is a sparkle in both Catalina's and Carlos Lima's and their grandson's eyes while we all savor the fresh cup of coffee from their farm. As we sip, we are reminded of the generations of families, culture and craft impacted by the One Tree for Every Bag Commitment. We see a promising future of opportunities presented to the next generation with each coffee tree.

To date the One Tree for Every Bag Commitment has provided 25 million coffee trees to coffee producers in Mexico, Guatemala and El Salvador. These coffee regions were devastated when about 40 percent of coffee trees were killed by coffee leaf rust. Many farmers had to leave their farms, but now with the One Tree for Every Bag Commitment, we see a renewed hope in the future of their farms that their families have cultivated for generations.

Together with Conservation International, we are creating positive opportunities for the next generation of coffee farmers.



STARBUCKS
**ONE TREE
FOR EVERY BAG**
COMMITMENT

Leading the way in GREENER RETAIL

Celebrating a 30-year legacy of environmental leadership, we have long understood that the planet is our most important partner. Our approach toward green retail continues with ambitious goals for 2020 and beyond.

GREENER STORES

Starbucks is proud to have built more than 1,200 LEED® (Leadership in Energy and Environmental Design) certified stores in 20 countries. 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. Now Starbucks will deepen its commitment to environmentally friendly retail by developing a store verification program to drive innovation, sustainability and efficiencies throughout the store portfolio. Our goal of achieving 10,000 greener retail stores by 2025 will encompass new and existing stores by evaluating and developing building standards, utility efficiency targets and partner engagement. This new program positions Starbucks to truly leverage its scale for good and delivers on our ambition to become the world's greenest retailer.

INNOVATING A GREENER CUP

Starbucks has made significant progress to green up the cup and recognize that there is still a long way to go. We were the first company to offer a discount to our customers who bring a reusable cup, the first to include 10 percent post-consumer fiber (PCF) in our hot cups and we have led the industry in advocating for increased recycling infrastructure. While we can recycle the cup in many communities today, we will continue to advocate with local governments and stakeholders to increase

recycling in all of our company-owned markets. Our goals for 2022 are designed to accelerate progress to achieve a greener cup. 1) We aim to double the recycled content in the hot cup and explore alternative materials for cold cups. 2) We remain committed to recycling and will work to double the number of stores and communities with access to cup recycling. 3) We will promote and incent the use of “for here” and reusable cups.

INVESTING IN GREENER POWER

Since 2005 Starbucks has invested in renewable energy and achieved a milestone last year by purchasing the equivalent of 100 percent of global company-operated stores' electricity consumption, primarily utilizing Renewable Energy Credits (RECs) from the U.S. and Canada and through green electricity-supply contracts across Europe. Starbucks is the number-one purchaser of renewable electricity in its sector on the EPA's Green Power Partnership National Top 100 list. Last year Starbucks joined The Climate Group's RE100, a coalition of some of the world's largest businesses committed to using renewable electricity. As we look to the future, Starbucks will focus on identifying new, geographically relevant ways to buy renewable energy and bring new renewable projects onto the grids of the countries where we operate around the world.

EMPOWERING GREENER PARTNERS

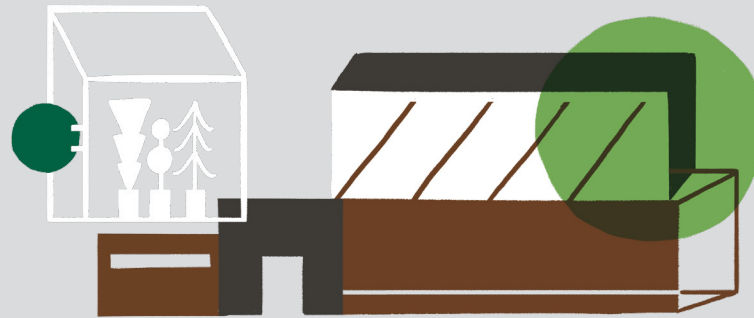
We are focused on galvanizing our partners (employees) who are passionate about sustainability to inspire and teach. In 2016 we piloted the Greener Apron™ program with both retail and nonretail partners—a voluntary certification program that helps partners learn about environmental sustainability through three short modules co-created with Arizona State University's School of Sustainability. More than 1,100 partners participated when we launched the pilot. In spring 2017, we will expand the program for partners in the U.S., Canada, the U.K. and The Netherlands. Our goal is to engage 10,000 partners globally by 2020 and create a network of sustainability champions.

GREENER RETAIL

GOALS

GREENER STORES

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



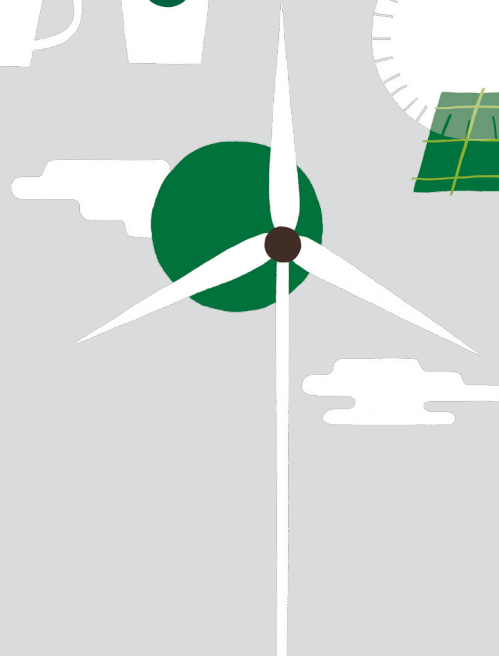
GREENER CUP

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



FROM OUR PARTNERS

Forging Greener Business Practices

Tawny Villain has been a Starbucks partner for 10 years, in three different states. Most recently Tawny has found herself in Austin, Texas, where the sun is shining year round and she can pursue her passions: sustainability and opportunities to learn. Tawny's interests have led her in many directions, but what continues to hold her attention is the impact humans have on the environment we live in and how important it is for all people to understand the roles they play. The Greener Apron™ program, offered in partnership with Arizona State University (ASU), has been one outlet for her to continue her sustainability education and gives her the opportunity to offer her expertise to fellow store partners and customers.

Tawny is among the many partners enrolled in the Starbucks College Achievement Plan (SCAP) at ASU. She chose to pursue a degree in sustainability. This particular degree is the only SCAP degree that requires students to complete an internship in the field prior to graduation. The Global Social Impact and Public Policy team jumped at the opportunity to benefit from the academic rigor of the program and offered a pilot Sustainability Fellowship for these scholars.

Tawny, in addition to two other partners, has been completing her internship requirement remotely with the Sustainability team at Starbucks, focusing her work on mapping and understanding the waste landscape in Austin, which will to serve as a case study for the company as we look to improve waste management.

"The fellowship, in hand with the ASU sustainability program, has raised my awareness about sustainability and what that means," said Tawny. Visiting the Starbucks Support Center in Seattle and seeing firsthand the projects that teams are working on so closely linked to the things that I care about is so exciting, and it has made me even more proud to be a partner. I'm thankful for this professional experience, built on my barista background."



CREATING OPPORTUNITIES

Helping people achieve their dreams.

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.

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 dream and our shared future. Starbucks led the launch of the 100,000 Opportunities Initiative with 50 other employers in 2015. As the country's largest employer-led coalition committed to creating pathways to meaningful employment for young people, the coalition has reached its goal of hiring 100,000 Opportunity Youth—two years ahead of schedule.

Starbucks is committed to hiring 100,000 Opportunity Youth by 2020 and the coalition is now aligning with the cross-sector goal of creating 1 million opportunities by 2021. The group will continue to share new recruiting and human resources practices tailored to hiring, retaining and advancing Opportunity Youth.

In the U.S., we are also opening stores in low- to medium-income communities that are equipped with training centers where we work with local nonprofits to provide job-skills training to young people. Around the world, we offer training and support to young people in ways relevant to their needs and opportunities.

HIRING VETERANS AND MILITARY SPOUSES

Hiring and honoring veterans and military spouses allows us all to benefit from their leadership, experience and sense of service. In 2013 Starbucks committed to hiring at least 10,000 veterans and military spouses by 2018. In March 2017, we announced that we met our goal

18 months early and have expanded our goal to 25,000 by 2025. Our commitment extends 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. We're also establishing places for our veteran and military family communities to connect with one another, creating volunteer opportunities and leveraging their unique leadership experiences to positively shape our company and our world.

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 over the next five years to welcome and employ 10,000 refugees whose talent, experience and resilience will enrich the communities we serve around the world. In the U.S., we will focus on interpreters, personnel and their families who served alongside American armed forces.

EXPANDING STARBUCKS COLLEGE ACHIEVEMENT PLAN

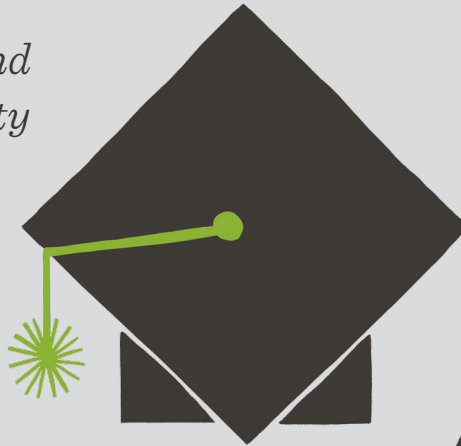
By the end of 2016, we had more than 6,000 partners participating in the Starbucks College Achievement Plan program with 227 graduates. In March 2017, we announced the Pathways to Admission, a program that provides partners the ability to work toward admission tuition-free.

GOALS

CREATING
OPPORTUNITIES

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*

FROM OUR PARTNERS

More Accessible Pathways to Education

For Hagar Johnson, the decision to join Starbucks was based on more than a supportive work environment and a steady paycheck, it was also about the ability to earn a college education.

"I attended an Opportunity Fair and Forum in Chicago and Starbucks drew me in with their conversation about paying for employees to go to school through the Starbucks College Achievement Plan," said Johnson, a shift supervisor in Englewood. "I was hired on the spot and was excited to finally finish my degree."

Prior to Starbucks, Johnson had attended Georgia Southern University, but health challenges caused her to drop out. Once on board at Starbucks, she applied for the College Achievement Plan. Unfortunately, her grades didn't meet requirements.

Johnson is one of an estimated 15,000 Starbucks partners who have a desire to earn a degree, but do not qualify for admission to the company's College Achievement Plan, which offers all eligible U.S. partners full tuition reimbursement for an undergraduate degree from Arizona State University (ASU) online. To help these partners reach their goals, Starbucks and ASU launched Pathways to Admission in March 2017, a program that provides partners the ability to work toward admission tuition-free.

Because of the Pathways to Education program, Johnson is now happily on her way to earning admission to ASU.

"Not everyone goes straight to college. Some people have obstacles and setbacks that prevent them from building their skills and continuing their education," Johnson said. "Starbucks cares enough to help me grow to be that future business leader or doctor or whatever it is I want to be."



STARBUCKS
COLLEGE
ACHIEVEMENT
PLAN

ASU Arizona State
University



FROM OUR PARTNERS

Learning Through Apprenticeship

Many Starbucks partners are under the age of 24—an age group facing the most significant challenges in gaining full- and part-time work. Through training and employment initiatives, Starbucks aims to help young adults prepare for and secure jobs.

The Starbucks Apprenticeship Programme, launched in 2012 in the U.K., offers young people an opportunity to learn about a retail management career and build the transferable skills needed to further their individual goals. In March 2016, Starbucks expanded the effort to include those with higher degrees, allowing for apprenticeships in a range of disciplines such as digital, law and management. With this change, Starbucks began offering professional services apprenticeships in its U.K. Support Center in addition to opportunities in the company's stores.

Eighteen-year-old Zain Bedar learned about the Starbucks Apprenticeship Programme at a career fair in London earlier this year. He is now nine months into a two-year Level 4 apprenticeship as a financial analyst.

“My apprenticeship allows me to combine studying on the job while gaining practical work experience and skills in a professional environment,” he said. “I am pleased that I made the decision of vocational training through my apprenticeship rather than going to university, and I am very excited about my future career prospects.”

In addition to earning a salary, he will obtain a Chartered Institute of Management Accountant (CIMA) qualification at the end of his training with Starbucks.

STRENGTHENING COMMUNITIES

The world is our neighborhood.

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

DONATING READY-TO-EAT MEALS

In the spirit of our mission and values, partners across the country advocated for a solution to donate unsold food to the communities we serve. Through a new and unique strategic partnership with Feeding America, we will rescue 100 percent of food available to donate from all of our U.S. company-owned stores by 2020, positioning Starbucks as the sector leader in food rescue.

By partnering with Feeding America, we are leveraging the largest domestic hunger-relief and food-rescue nonprofit network in the U.S. to redistribute unsold food to families and individuals struggling with food insecurity. As of March 2017, we have donated 1 million meals. Once the program rollout is complete, we expect to increase our donations exponentially to 50 million meals annually.

To enable food donation in the U.S., Starbucks is providing financial support to food banks to invest in program infrastructure, which includes refrigerated vehicles that can safely transport rescued food.

The FoodShare program donates meals and also connects our partners with their local food banks to donate their time through service projects. In addition, the partnership with Feeding America not only invests in the food bank network, but also allows Starbucks the opportunity to lend support to advocacy efforts around hunger relief programs at the national and local levels. Through food donation, community service, financial investment and advocacy efforts, the FoodShare program is working to help end hunger from all sides.

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 the communities where Starbucks operates.

We launched Global Month of Service in April 2011 to honor our 40th anniversary with a monthlong dedication to service, and in April 2016 alone, more than 50,000 partners served together in their local communities. Starting in 2017, we are launching our year-round commitment and are excited to announce our new community service goal: 100 percent of Starbucks® stores across the globe will annually participate in service by 2020. We aspire to have every participating store around the world engaged in community service by encouraging partners to lead and take part in projects that link to our global social-impact efforts in sustainability, hunger, youth, veterans and refugees.

THE STARBUCKS FOUNDATION

The Starbucks Foundation supports communities around the globe in areas aligned with its social-impact priorities:

Opportunity for Youth

In 2016, 63 partnerships in 10 countries directly supported more than 20,000 young people in developing job and leadership skills and connecting them to employment.

Supporting Coffee, Tea and Cocoa Communities

Our commitment to communities extends beyond our stores to include the regions that supply our coffee, tea and cocoa. The Foundation invests in programs designed to strengthen local economic and social development. We work collaboratively with non-governmental organizations that have experience and expertise in working with farming communities in the countries where coffee and other agricultural products are raised. Projects include improving access to education and agricultural training, microfinance and microcredit services, improving biodiversity conservation, and increasing levels of health, nutrition and water sanitation.

STRENGTHENING COMMUNITIES

DIVERSITY AND INCLUSION

The success of our business relies on the innovation that results from bringing together the diverse experiences, perspectives and backgrounds of the people who work with us. To further those efforts, we created the Starbucks Inclusion Council, comprising executives from key areas of our enterprise, who set the strategic vision for Starbucks inclusion and diversity efforts. That vision includes creating opportunities for historically underrepresented populations both in our hiring and in our supply chain. It includes a tenacious focus on pay equity, to ensure all our partners are paid fairly for the work they do. It also strives toward accountability that our most senior leaders represent the diversity of our partners and customers. Whether we are looking to enter new markets, grow in existing ones or continue to drive innovation across our business, focusing on diversity and inclusion is a business imperative.

INCLUSIVE WORKPLACE

There is no higher priority for our business than to attract, develop and retain talented partners. To accomplish this, we need to treat each other with respect and dignity, and create a culture of belonging where everyone is welcome. Those are two of our highest values. When our partners can come to work, be fully themselves and do their best work, we consider that success. Our nine partner networks, each highlighting an area of diversity, represent the broad spectrum of our partners' backgrounds and provide an opportunity for people at all levels to connect, speak up and take on leadership roles.

Additionally, we offer the opportunity to build a career and support our partners' personal goals through comprehensive benefits for both our full- and part-time partners ranging from health care and parental leave to stock and the chance to earn a tuition-free college degree. Through community outreach, as well as by partnering with nonprofits, civic leaders and diverse professional associations at the local and national level, we are working to make sure a diverse pool of talent has access to the opportunities we offer.

Our board of directors is now one of the most diverse corporate boards in the country. At the end of 2016, 43 percent of our U.S. partners were minorities; 66 percent were women. Of our U.S. vice presidents, 19 percent were minorities and 48 percent were women. Among our top 60 leaders in the U.S., defined as senior vice president or higher, 18 percent were minorities and 32 percent were women.

We continue to strive to do more to increase our diversity. That is why we have established goals to increase the number of women and minorities at the most senior levels of the company and continue to evaluate our efforts in this regard. In addition, we will continue to engage and welcome diverse job candidates and partners from all backgrounds to ensure we have a workforce that furthers our success.

DIVERSE SUPPLY CHAIN

Starbucks Supplier Diversity 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, LGBT, veteran or person with a disability. By actively seeking diverse suppliers, we both support our business and invest in the communities in which we do business. This not only helps us identify and deliver high-quality, innovative products and services across all business channels, but also to drive value and economic development.

Since first reporting our spend with diverse suppliers in 2000—then totaling \$38 million—our program has grown to almost \$700 million annually. This accounts for approximately 10 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.

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 in 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
Annually Participating in
Community Service by 2020*



FROM OUR PARTNERS

Helping to End Hunger in the Community

As a seven-year-old girl, Esther Ortega-Johnson often woke up early on weekends during cold weather, bundled up in warm clothes and made her way to downtown Los Angeles with family members. Their journey was for a special purpose: to provide a hot meal to anyone in need on the streets.

"My dad would organize my extended family to make tacos and hot chocolate and pass the food and beverages out to anyone looking for something to eat," said Ortega-Johnson, a store manager and Navy spouse now living in San Antonio, Texas. "That was my first experience with homelessness and hunger."

Soon more family members and friends learned about the effort and joined in.

"We weren't working for any particular organization, we were simply helping people in need," she said. "That's how my parents raised me and my siblings. If you're able to provide for other people, then it's your responsibility to make sure that you do."

That experience as a child had a decided impact on Ortega-Johnson, who is one of several Starbucks partners supporting the company's effort to expand its FoodShare program in San Antonio and Houston.

Through a strategic alliance with Feeding America, Starbucks has set a goal to rescue 100 percent of food available to donate from their more than 7,000 U.S. company-operated stores. When the program rollout is complete, Starbucks estimates that partners in company-operated stores will be able to provide 50 million nourishing meals each year.



STARBUCKS®
FOODSHARE
Hunger relief in action.

FROM OUR PARTNERS

Giving Back Through Service

Starbucks partners have a long history of giving back to their communities through community service. For more than nine years, partners in Beijing have supported Cinema for the Blind, a charitable project aimed at helping the blind better enjoy both local and foreign films, by having volunteers narrate the onscreen details.

As a Starbucks partner who lives and breathes the Starbucks mission and values, Zheng Tao, an 11-year partner, is not only an accomplished Coffee Master in the Starbucks North China region, he also has always felt compelled to extend a helping hand to the underprivileged around him. He has been volunteering with the project for six years to effectively narrate and share more than 40 movies and contributing more than 9,000 hours.

"When my supervisor told me about Starbucks involvement supporting the Cinema for the Blind project in Beijing, I jumped immediately at the opportunity," recalled Tao. "It was amazing to be able to be the eyes for the blind, and to help them enjoy a movie as I do."

In September 2016, Zheng Tao was honored, among some of China's most influential business leaders, entrepreneurs and technologists, as one of China's top 50 innovators for his contributions and commitment to Cinema for the Blind in Beijing. This annual award, organized by China's leading business publication, CBN Weekly, is today one of the most important ranking for Chinese leaders in business, brand, technology and design, and aims to recognize, encourage and celebrate their innovation-led pursuits and aspirations.



AREA OF IMPACT	GOAL	FY16	APRIL 2017 PROGRESS
SOURCING COMMITMENT	<i>100% ethically sourced coffee</i>	99%	99% ethically sourced coffee
PLANTING TREES	<i>Provide 100 million trees to farmers by 2025</i>	9M	25 million trees donated through our One Tree for Every Bag Commitment initiative
GLOBAL FARMER FUND	<i>Invest \$50 million in farmer loans by 2020</i>	\$21.3M	We have \$21.3 million currently committed or invested in farmer loans
OPEN-SOURCE AGRONOMY	<i>Train 200,000 coffee farmers by 2020</i>	new goal	We offer current training to farmers through our eight Farmer Support Centers and will begin reporting impact in the FY17 report
GREENER CUP	<i>Double the recycled content, recyclability and reusability of our cup by 2022</i>	new goal	Our cups currently contain 10% post-consumer fiber (PCF), we have front-of-house recycling in over 50% of our U.S. company-owned stores and 1.4% of our beverages are sold using a reusable cup
GREENER STORES	<i>Build and operate 10,000 greener stores globally by 2025</i>	1,000	Over 1,200 LEED®-certified stores in 20 countries
GREENER POWER	<i>Invest in 100% renewable energy to power operations globally by 2020</i>	new goal	We have purchased Renewable Energy Credits (RECs) to cover 100% of our electricity usage in global company-owned stores, and in April 2017 we announced an investment in a 260-acre solar grid in Robeson County, N.C.
GREENER APRONS	<i>Empower 10,000 partners worldwide to be sustainability champions by 2020</i>	1,120	We have officially launched our Greener Apron™ program in four markets
VETERANS AND MILITARY SPOUSES	<i>Hire and honor 25,000 veterans and military spouses by 2025</i>	7,745	In March 2017, we met our initial goal of 10,000 hires and expanded the goal to 25,000
STARBUCKS COLLEGE ACHIEVEMENT PLAN	<i>Graduate 25,000 partners by 2025 and increase accessibility and performance</i>	227	More than 400 partners have graduated to date with over 6,500 partners participating in ASU's online degree programs
OPPORTUNITY YOUTH	<i>Embrace and employ 100,000 Opportunity Youth by 2020</i>	32,096	In 2015 we set a goal to hire 10,000 Opportunity Youth; we surpassed this goal within the first year and expanded our goal to 100,000 by 2020
REFUGEES	<i>Welcome and employ 10,000 refugees globally by 2022</i>	new goal	In January 2017, we announced our commitment to hire 10,000 refugees across the 75 countries we serve; we will share our progress in the FY17 report
FOODSHARE	<i>Rescue 100% of food available to donate by 2020 in U.S. company-owned stores</i>	new goal	The FoodShare program was announced in FY16 and began its rollout; to date, we have donated over 1 million meals
COMMUNITY SERVICE	<i>Have 100% of our stores worldwide annually participate in community service by 2020</i>	new goal	We established our baseline of 25,000 stores and will track progress going forward

CONSERVATION INTERNATIONAL

“Providing healthy trees to farmers in coffee-growing regions makes existing lands more productive and keeps us from expanding into forests. We’re proud to stand alongside Starbucks in this long-term endeavor to ensure that both livelihoods and nature around the world are vibrant and healthy.”

Dr. M. Sanjayan
executive vice president and
senior scientist

THE CLIMATE GROUP

“RE100 members like Starbucks are going beyond simply ‘meeting a target’—they are rewriting the rulebook for energy purchasing. Starbucks investment in solar infrastructure and breakthrough green tariff demonstrate 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

INTERNATIONAL RESCUE COMMITTEE

“The IRC is thrilled to partner with Starbucks on their powerful and impactful commitment to hire 10,000 refugees globally over five years. One of the best ways for a refugee to integrate into a new community is through employment, and Starbucks pledge to provide these much-needed jobs will be a critical first step toward our clients’ self-sufficiency.”

David Miliband
president and ceo

FEEDING AMERICA

“Launching this partnership with Starbucks has been a watershed moment for our food rescue efforts. We are committed to identifying innovative solutions for sourcing food. Programs like FoodShare are a step in the right direction.”

Diana Aviv
ceo

About this report.

SCOPE

Our report for fiscal 2016 focuses on our performance against the goals we set in three key areas: ethical sourcing, environmental stewardship and community investments. 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 My Starbucks Idea, 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. 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 2016 (September 28, 2015–October 2, 2016), 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 responsibility reports are available on our website.

INFORMATION INTEGRITY

Starbucks management is responsible for the preparation and integrity of the information reported for fiscal 2016. 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 2016. 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.

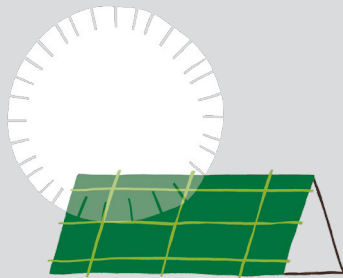
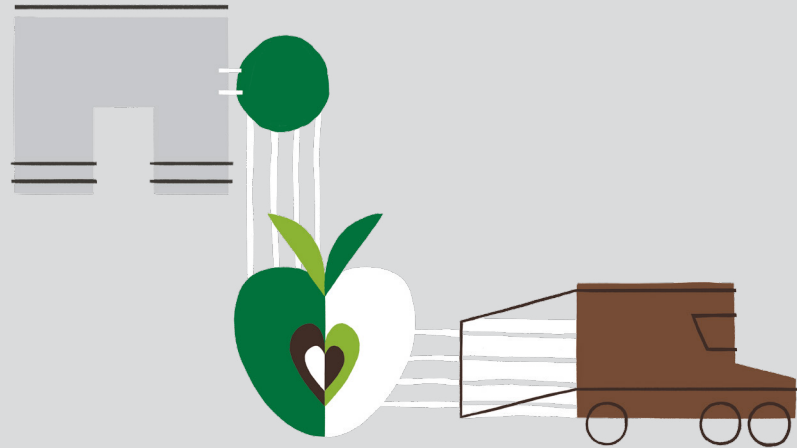
FORWARD-LOOKING STATEMENTS

Our reporting on global responsibility for fiscal 2016 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 2, 2016. The company assumes no obligation to update any of these forward-looking statements.



We are in business 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
MY STARBUCKS IDEA

