

STARBUCKS ETHICAL COFFEE SOURCING AND FARMER SUPPORT

We're committed

to buying and serving high quality, responsibly grown, ethically traded coffee to help create a better future for farmers and a more stable climate for our planet.

We know our long-term success is linked to the success of the hundreds of thousands of farmers who grow our coffee. That's why we work on-the-ground with farmers to help improve coffee quality, ensure social and environmental best practices and invest in loan programs for coffee-growing communities.

It's not just the right thing to do, it's the right thing to do for our business. By helping to sustain coffee farmers and strengthen their communities, we ensure an abundant supply of high-quality coffee for the future.

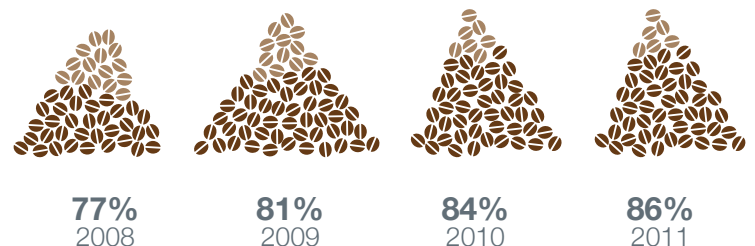
Our Goal

By 2015, all of our coffee will be third-party verified or certified, either through Coffee and Farmer Equity (C.A.F.E.) Practices, Fairtrade, or another externally audited system.

Our approach to sourcing responsibly grown and ethically traded coffee is grounded in C.A.F.E. Practices, a comprehensive set of social, economic, environmental, and quality guidelines developed by Starbucks in collaboration with Conservation International.

In 2011 we bought 86% of our total coffee this way—367 million pounds worth.

Percentage of C.A.F.E. Practices verified coffee purchased annually



respecting
PEOPLE
and
PLACES

Our Partnership with Conservation International

We've been working with CI for more than 14 years, developing and applying the comprehensive set of environmental, social and economic guidelines we use to source ethical coffee. These guidelines, known as Coffee and Farmer Equity (C.A.F.E.) Practices, help us to evaluate and reward producers of high-quality, socially responsible and sustainably grown coffee.

As part of our commitment to continuous improvement and the expansion of support for coffee growing communities globally, we have conducted annual results assessments of the C.A.F.E. Practices program since 2008. These reports, along with field studies from Guatemala and Colombia, measure the adoption of best practices at a country and global level, identify areas for program enhancement, and help us to better understand how C.A.F.E. Practices contributes to improved farmer well-being and environmental health.

In Guatemala and Colombia, CI developed and implemented field surveys among coffee farmers to assess and evaluate the results of the C.A.F.E. Practices program for farmers, workers and conservation. Significant findings from Guatemala include: a strong relationship between participation in C.A.F.E. Practices and greater stability of natural habitat on farms, as well as a decrease in the use of herbicides, pesticides and chemical fertilizers at rates significantly higher than those not participating in the program, which is good for the health of the workers and of the soil. In Colombia, the survey findings include: C.A.F.E. Practices farmers had larger farms and higher productivity on their farms, resulting in higher sales and overall income.

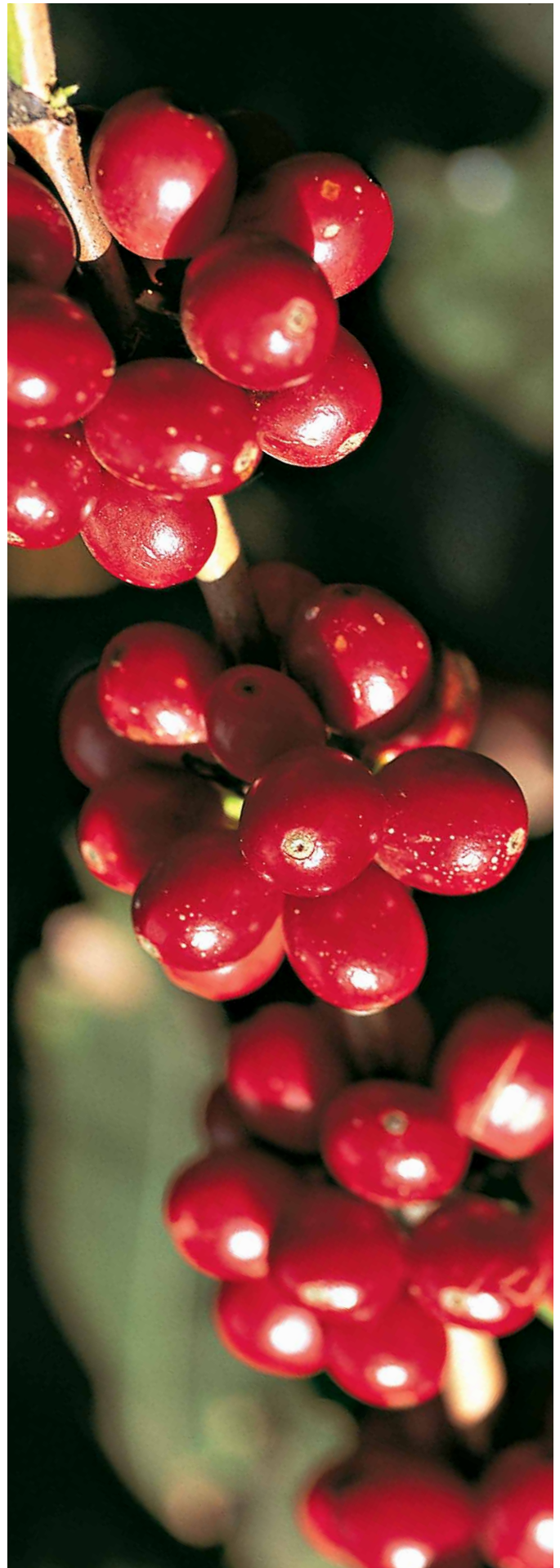
In addition to C.A.F.E. Practices, our partnership goes beyond the coffee farm to protect rich, surrounding landscapes. By piloting innovative projects with coffee-growing communities, we're improving coffee production, conserving and restoring natural habitat, and facilitating farmer access to forest carbon markets.

In Chiapas, Mexico, three nurseries have produced more than 200,000 seedlings to restore the natural forest cover by employing shade-growing best practices, and more than 23,000 tons of carbon offsets have been sold. In North Sumatra and Aceh Tengah, both in Indonesia, 14 communities have established conservation coffee agreements and farmers receive training on composting, pruning and other extension services. Each project employs different approaches to addressing the climate challenges facing coffee producers while exploring the potential of carbon markets to benefit both livelihoods and conservation efforts.

Learn more about C.A.F.E. Practices and the results from our latest study by visiting us online at:

<http://www.starbucks.com/responsibility>

<http://www.conservation.org/starbucks>



Starbucks C.A.F.E. Practices: 2008-2010 Results

PEOPLE

Social

Purpose

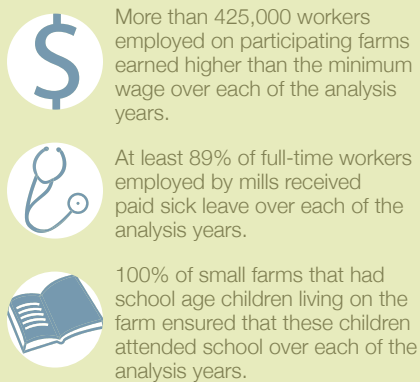
Ensure fair and non-discriminatory hiring and employment policies. Protect employees from workplace hazards. Conform to national laws as well as to international conventions related to occupational health, safety and living conditions. Strive to improve the quality of life for coffee farmers and workers.

Criteria Verified



Results

Participating farms provided more than 2.9 million workers with full-time, part-time, or temporary employment from 2008-2010.



PLANET

Environmental

Purpose

Ensure that all coffee is grown and processed in a manner that minimizes environmental impacts. Many of the coffee-growing regions overlap with areas rich in biodiversity—called Key Biodiversity Areas. By encouraging sustainable farming, Starbucks helps to alleviate pressures on these valuable habitats.

Criteria Verified



Results

Coffee farms are making valuable contributions to habitat conservation in these globally important areas for biodiversity.



PRODUCT

Economic

Purpose

Ensure that all coffee sold to Starbucks meets our high quality standards. We strive to create a program that is financially accessible for small farmers and rewards all suppliers for ongoing improvement of social and environmental practices.

Pre-Requisite



Results

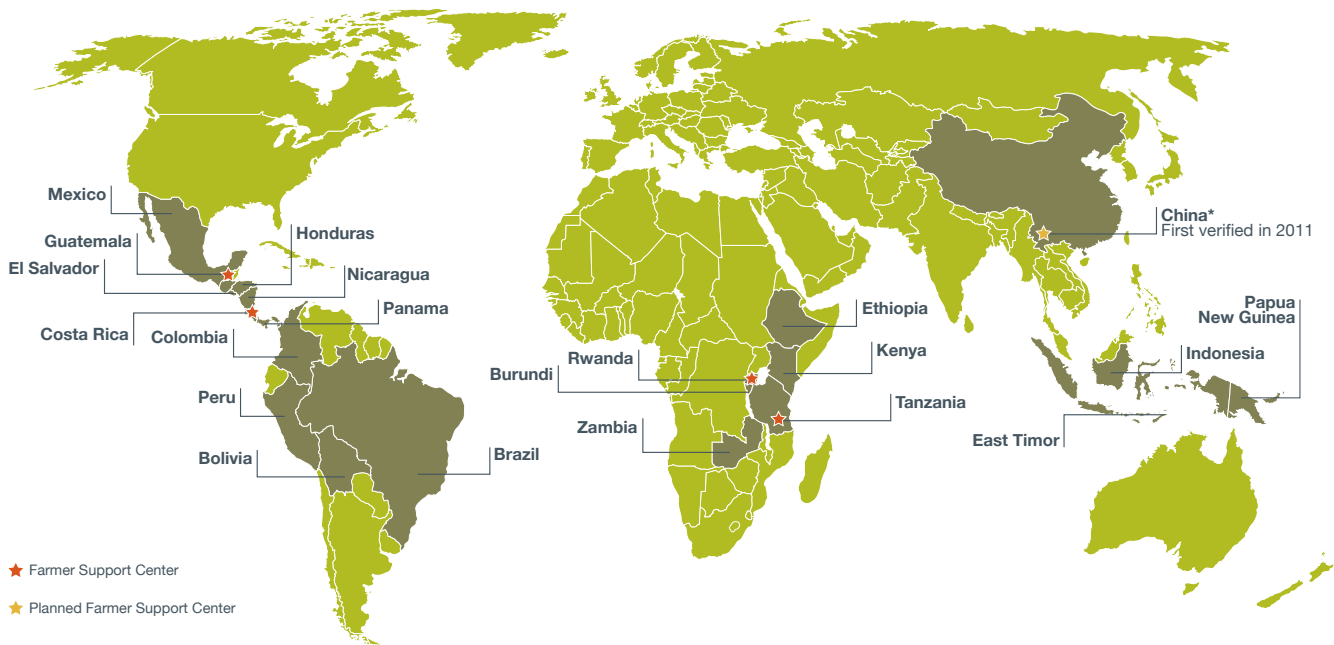


Using Our Scale for Good

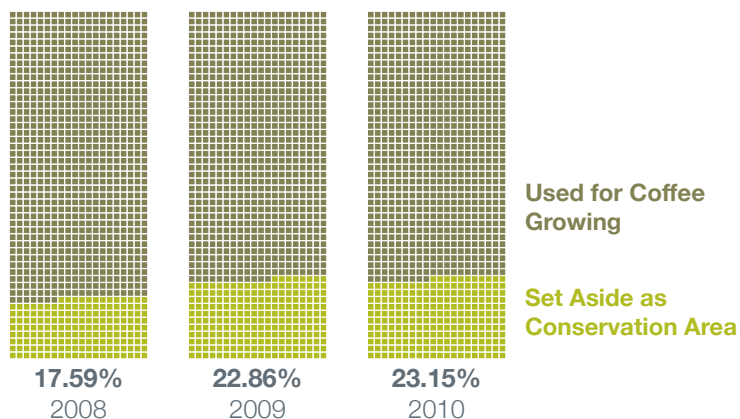
The geographic reach of C.A.F.E. Practices is vast and includes coffee producers in 20 countries across four continents. These countries significantly overlap with eight of the world's most biologically rich but most threatened regions. All of the countries supplying coffee via the C.A.F.E. Practices program are developing countries, with over 20% falling in the low income category. By ensuring fair wages and promoting access to health care and education, Starbucks is working to improve the well-being of coffee farmers worldwide.

Starbucks offers technical support to coffee producers through our farmer support centers. These centers allow Starbucks agronomists and quality experts to collaborate directly with farms to encourage responsible growing practices and improve the quality and size of their harvests. We have farmer support centers in Costa Rica and Guatemala that serve coffee communities throughout Central America, an East Africa farmer support center in Rwanda and we expanded our East African outreach in 2011 with an office in Tanzania. In 2012, we plan to open our first Asia farmer support center in the Yunnan province of China.

Countries with C.A.F.E. Practices Verified Producers



Hectares* Verified through C.A.F.E. Practices



*1 hectare = 2.5 acres



For more information visit: <http://www.starbucks.com/responsibility>

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