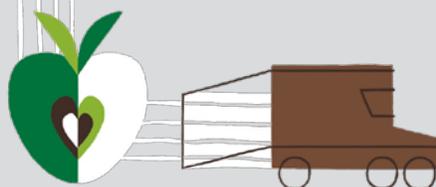
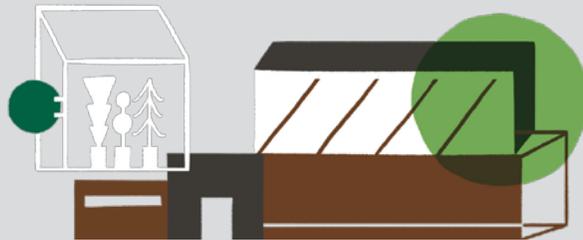
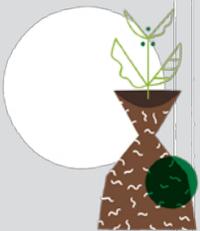


# Use of Proceeds Report

Covering the May 2016 Sustainability Bond





# Starbucks Inaugural Sustainability Bond

At Starbucks, we believe in using our scale for good, and having positive social impact in the communities we serve. With our inaugural May 2016 issuance of a \$500 million sustainability bond, we made a commitment to investors to use the note's proceeds for improving our supply chain's environmental and social impact.

This report marks a year from our first sustainability bond's issuance, and we are pleased to report that all funds have been deployed to eligible programs.

**Proceeds from the issuance** were used to elevate the positive impacts of Starbucks coffee supply chain through three programs:

- C.A.F.E. Practices verified coffee purchases
- The development and operation of Farmer Support Centers
- Global Farmer Fund, providing loans to farmers across the globe

As the first U.S. Corporate issuer of a Sustainability Bond we hope to inspire others to innovate on, and improve, the role of public companies across the world.

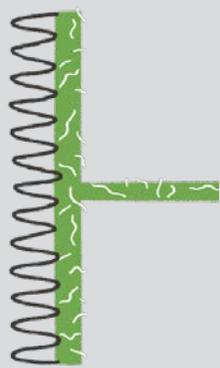
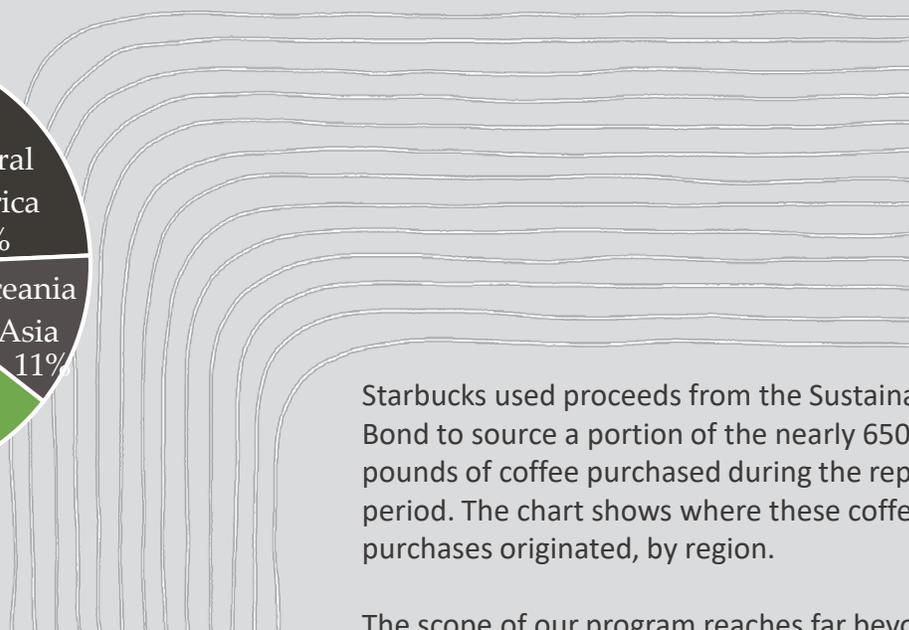
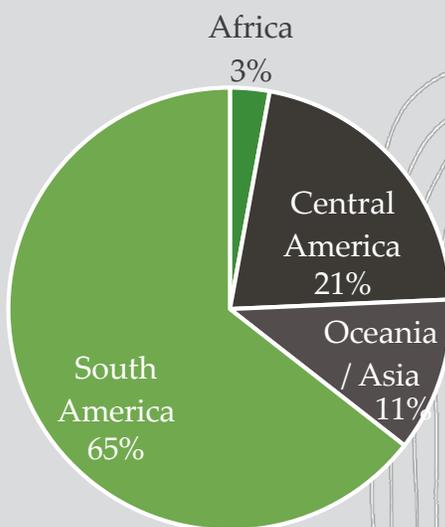


# Key Performance Indicators

Starbucks committed to reporting on the environmental and social impact of our bond issuance. In addition to the disclosures we make in our annual Global Social Impact Report, we identified performance indicators, including the number of new C.A.F.E. Practices supply chains added, Farmer Support Centers opened, Farmer Support Centers operated, and C.A.F.E. Practices verified coffee volumes sourced by region, which we disclose in the table to the right.

Key Performance Indicators for reporting period between May 16, 2016 and May 16, 2017	
C.A.F.E. Practices supply chains added <sup>1</sup>	86
Farmer Support Centers Opened	1
Farmer Support Centers Operated	8

<sup>1</sup> Primarily represents new farms and mills



Starbucks used proceeds from the Sustainability Bond to source a portion of the nearly 650 million pounds of coffee purchased during the reporting period. The chart shows where these coffee purchases originated, by region.

The scope of our program reaches far beyond our own purchases. In FY16 alone, approximately 2.7 billion pounds of C.A.F.E. Practices verified coffee was available for other roasters to purchase.

## Independent Accountants' Report

To the Management of Starbucks Corporation:

We have examined management of Starbucks Corporation's assertion included in the accompanying Management's Assertion Regarding Disbursements for Eligible Sustainability Projects ("Management's Assertion Report") that the net proceeds of \$495.6 million from the issuance of the May 2016 sustainability bond (the "Sustainability Bond") were disbursed by Starbucks Corporation during the period from May 16, 2016 to May 16, 2017 for Eligible Sustainability Projects in accordance with the Eligible Sustainability Project Criteria set forth in Management's Assertion Report (the "Criteria"). Starbucks Corporation's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertion. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, management's assertion that the net proceeds of \$495.6 million from the issuance of the Sustainability Bond were disbursed by Starbucks Corporation during the period from May 16, 2016 to May 16, 2017 for Eligible Sustainability Projects in accordance with the Criteria set forth in Management's Assertion Report is fairly stated, in all material respects.

*Deloitte & Touche LLP*

June 28, 2017

## Management's Assertion Regarding Disbursements for Eligible Sustainability Projects

Starbucks is responsible for the completeness, accuracy and validity of the Use of Proceeds for Eligible Sustainability Projects for the period from May 16, 2016 to May 16, 2017 in the table below. Starbucks management asserts that the net proceeds of \$495.6 million from the issuance of the May 2016 sustainability bond (the "Sustainability Bond") were disbursed by Starbucks during the period from May 16, 2016 to May 16, 2017, for the Eligible Sustainability Projects in accordance with the Eligible Sustainability Project Criteria detailed below.

### Eligible Sustainability Project Criteria

Starbucks, or its subsidiaries, used the net proceeds raised by the issuance of the Sustainability Bond for Eligible Sustainability Projects. These projects include purchases of Coffee and Farmer Equity ("C.A.F.E.") Practices coffee, projects related to Starbucks farmer support and agronomy research and development centers, and new loans through Starbucks Global Farmer Fund.

Starbucks committed to annual reporting to track against our defined use of proceeds, and this report covers disbursements for Eligible Sustainability Projects from the bond settlement date of May 16, 2016 to May 16, 2017.

Eligible Sustainability Projects	Project Criteria
C.A.F.E. Practices Coffee Purchases	Funds used for coffee purchases from suppliers participating in C.A.F.E. Practices
Farmer Support Center and Agronomy Research and Development Center Projects	All development and operating costs (including capital contributions and reimbursement of operating expenses) for farmer support centers and agronomy research and development centers
Starbucks Global Farmer Fund Loan Issuances	Financing of new loans through the Starbucks Global Farmer Fund which provides loans for farmers across the globe.

### Use of Proceeds for Eligible Sustainability Projects from May 16, 2016 to May 16, 2017:

millions, USD

<b>Net Proceeds from the Issuance of the Sustainability Bond</b>	<b>\$495.6</b>
C.A.F.E. Practices Coffee Purchases	(\$489.1)
Farmer Support Center and Agronomy Research and Development Center Projects	(\$3.8)
Starbucks Global Farmer Fund Loan Issuance	(\$2.8)
<b>Total Use of Net Proceeds for Eligible Sustainability Projects</b>	<b>(\$495.6)</b>
<b>Percentage of Net Proceeds Funding Eligible Sustainability Projects</b>	<b>100%</b>



*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.*

[starbucks.com/social-impact](https://www.starbucks.com/social-impact)

More information can be found online at:

- (1) C.A.F.E. Practices: <https://www.scsglobalservices.com/starbucks-cafe-practices>
- (2) Starbucks Farmer Support Centers and Agronomy Research and Development Centers: <https://www.starbucks.com/responsibility/community/farmer-support/farmer-support-centers>
- (3) Starbucks Global Farmer Fund: <https://news.starbucks.com/news/starbucks-more-than-doubles-global-farmer-loan-commitment>

