



Animal Welfare-Friendly Practices

Just as with our coffee, Starbucks goal is for everything we sell to be produced under high quality and ethical standards. For the food and dairy we serve, this means a commitment to social responsibility standards with animal welfare as a primary focus. We are committed to working with and buying from farmers and suppliers who share our commitment to humane practices throughout an animal's lifecycle.

Encouraging Industry Best Practices

In 2009, Starbucks established a buying preference in North America to use industry best practices for animal husbandry and processing for dairy, egg, and meat production. As this covers a wide range of practices, in consultation with key stakeholders including our partners (employees) and customers, key non-governmental organizations (NGOs), and through industry engagement, our current areas of focus include:

- Supporting the responsible use of antibiotics to promote animal health, including the elimination of routine uses, such as growth promotion and routine disease prevention, of medically important antibiotics
- Eliminating the use of artificial growth hormones, and for poultry, fast growing practices
- Addressing concerns related to dehorning, tail docking, and castration both with and without anesthesia
- Phasing out gestation crates for pigs and cages for chickens
- Improving the welfare of broiler chickens

Specifically, our priority is to ensure we offer food made with ingredients such as cage-free eggs, gestation crate-free pork, and poultry processed through more humane systems such as CAK. For each focus area listed above, we're working with the industry on creating reasonable timeframes.

Cage-free Eggs & Antibiotics

Since Starbucks first began buying cage-free eggs in 2008, we have made significant progress, increasing our purchases year over year. While there have been great strides in availability of the supply in the U.S., there remains work to be done across the industry to increase supply to address market availability globally. We are committed to working with our suppliers toward our goal to exclusively use 100 percent cage-free eggs and egg products in company-operated stores globally by 2020. In addition, Starbucks encourages its licensees to join this commitment and will work with them to extend it to Starbucks licensed stores. As of October 2018, 100

percent of shell eggs and 99.99 percent of liquid eggs in North America company-operated stores are cage-free. We continue our efforts on ingredients in North America.

Similarly, Starbucks engaged with our suppliers and set a goal to serve only poultry raised without the routine use of medically important antibiotics in all company operated U.S. stores by 2020. In 2018, we met that goal, two years ahead of schedule. The poultry we serve has been raised without the use of antibiotics.

Broiler Chicken Welfare

We are committed to improve conditions for broiler chickens and are working with our suppliers, licensees, and others in the industry to help ensure that by 2024 the chicken we buy for our U.S. and Canadian stores is produced in alignment with the following Global Animal Partnership (GAP) standards as assessed by a third-party auditor:

- Use of breeds proven to have better welfare outcomes
- Reduce maximum stocking density to provide birds more space
- Improve living environments including litter, lighting, and enrichment
- Process chickens more humanely through a multi-step controlled-atmosphere processing system

Establishing a Global Standard

While we prioritize compliance with existing local animal welfare laws and regulations, we also recognize there is considerable variance in regulatory rigor across the many markets in which we do business. In cases where national standards are not in place, are minimal, or are not consistently enforced, we use the standards set for our U.S. business as our guideline. In addition to committing to this for our own business, we support the development of global science-based national and international standards and guidelines.

Driving Toward Industry-wide Solutions

Some of the issues we would like our suppliers to address must happen at the industry level. Recognizing the responsibility we have as the voice for our customers, we continue to look for opportunities to collaborate with others across our industry and the NGO community to promote best practices. We participate on the Dairy Management Inc.'s (DMI) Innovation Center for U.S. Dairy's Sustainability Committee where issues related to animal welfare can be addressed industry-wide.

Addressing Issues in our Supply Chain

In the event concerns arise with the practices of a supplier, our approach is to work with them to correct the issues, but there are times when we halt business due to the nature of the issues and until adequate resolution takes place.