



USE OF PROCEEDS REPORT

COVERING THE MAY 2019 SUSTAINABILITY BOND



At Starbucks,

We believe in using our scale for good and in creating positive social and environmental impacts in the communities we serve. Now more than ever, sustainability is at the forefront of our minds, rooted in every aspect of our business, from farm to cup – from our work supporting resilient farmers and supply chains, to lightening the environmental impact of our global retail footprint.

Our May 2019 sustainability bond furthers the commitment we made to investors with our previous sustainability issuances to generate positive social and environmental impacts in our coffee supply chain. The May 2019 issue – our largest sustainability bond yet – expanded upon that commitment, with ~50% of the proceeds being allocated to enhance the positive impacts of our retail footprint.



Eligible Projects

Proceeds from the issuance were used to elevate Starbucks positive social and environmental impacts in our coffee supply chain and through our green retail initiatives via the following projects:

Greener Retail

- LEED®-certified stores, 'Greener Stores'-Certified stores
- In-store initiatives including LED lighting & recycling condiment carts
- Sustainable packaging
- National renewable energy portfolio & REC purchases

Coffee Supply Chain

- Coffee And Farmer Equity (C.A.F.E.) Practices verified coffee purchases
- Farmer Support Center funding
- The Global Farmer Fund, providing loans to farmers across the globe

Dedicating proceeds to these projects contributes to Starbucks long-term preliminary target of becoming resource positive, creating the foundation upon which we intend to build a more equitable, resilient and sustainable company over the coming decades.¹





*“Simply put,
sustainable coffee,
served sustainably is
our aspiration.”
- Kevin Johnson,
president and ceo*

Greener Retail

We are reimagining our stores with the “Starbucks Greener Stores” framework, an open-sourced set of standards developed in partnership with the World Wildlife Fund and SCS Global Services. Greener Stores will reduce our environmental impact, generate \$50 million in utility savings over next decade, and – we hope – make the “third place” even more appealing to our customers.²

LEED®-Certified and “Greener” Stores

Starbucks is a world leader in green retail, currently operating over 1,600 LEED®-certified stores. We are aiming even higher with our commitment to design, build, and operate 10,000 Greener Stores globally by 2025. These stores will meet best-in-class efficiency standards to limit our use of natural resources.

In-store Initiatives

With over 32,000 stores globally, it is important to improve upon the sustainability of existing Starbucks stores in addition to new ones. We have used a portion of the bond proceeds to equip stores with LED lighting and condiment carts designed to facilitate waste diversion and the proper sorting of recyclable and compostable materials.



Greener Retail

Sustainable Packaging

While work continues towards the development of a fully recyclable and compostable cup, we are making other strides to reduce waste from packaging. Our hot beverage cups continue to be made from 10% post-consumer recycled fiber (PCF), and our new recyclable, strawless lids will be key to meeting our goal of eliminating single-use plastic straws in all our stores.³ Recent innovations also include compostable straws, cups, lids and cutlery available in some areas.

Renewable Energy

Starbucks has purchased sufficient renewable energy to power all our company-operated stores in the U.S. and Canada since 2015.⁴ We continue to make investments in these critical resources, primarily through direct investments in partnership with developers, as well as through purchases of Renewable Energy Certificates (RECs).





Greener Retail Proceeds & KPIs

for reporting period between May 13, 2017 and May 13, 2020

\$144M

New LEED®-certified &
“Greener” stores

97

New LEED®-certified stores

84

New “Greener” stores

\$18M

LED lighting retrofits &
condiment carts

4,932

Stores newly outfitted with
LED lighting

786

New condiment carts
deployed



Greener Retail Proceeds & KPIs

for reporting period between May 13, 2017 and May 13, 2020

\$78M

National renewable energy
investments and REC purchases

2

New solar projects

\$230M

Sustainable packaging

~1B

Single-use plastic straws
to be eliminated annually*

~75%

Proportion of global operations
powered by renewable energy

~9%

Reduction in plastic used to make
strawless lids vs. old lid + plastic straw

*Going forward, now that the rollout of strawless, recyclable lids has recently been completed



Coffee Supply Chain

The lifeblood of Starbucks. We depend on healthy, properly functioning coffee supply chains for all that we do, and we recognize in turn that the health of these supply chains depends on resilient farmers who have the resources to implement sustainable agricultural practices. That is why Starbucks has committed to making coffee the world's first sustainable agricultural product.⁴

C.A.F.E. Practices Coffee Purchases

99% of the coffee we source meets the ethical standards we developed alongside Conservation International to encourage sustainable agricultural practices, empower coffee farmers to support themselves and their communities, and ensure a long-term supply of high-quality coffee.

Farmer Support Centers

Our nine Centers located in coffee-growing regions around the world disseminate resources and expertise that can enable farmers to lower their costs and improve coffee quality and yields.⁵

Global Farmer Fund

An investment in coffee farmers, the Fund provides farmers across 13 countries with critical access to financing, as well as technical assistance, to make improvements on their farms.





Coffee Supply Chain Proceeds & KPIs

for reporting period between May 13, 2017 and May 13, 2020*

\$476M

C.A.F.E. Practices-compliant
coffee purchases

\$12M

Farmer Support Center
funding

\$28M

Global Farmer Fund
investments

1.5 B

Pounds of coffee sourced per
C.A.F.E. Practices**

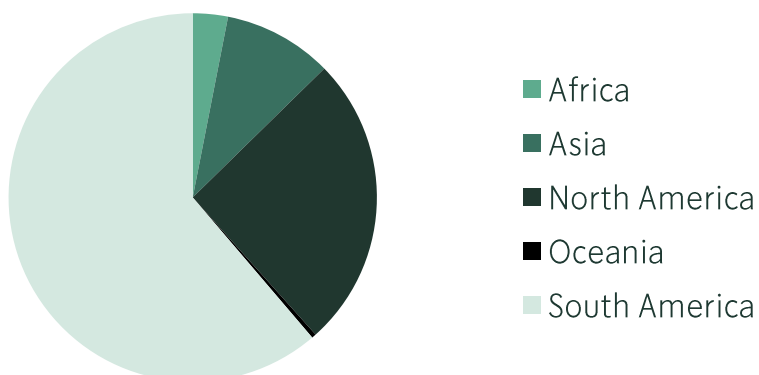
9

Farmer Support Centers in
operation

13

Countries where loans are
distributed

C.A.F.E. Practices-Compliant Green Coffee Volumes Sourced by Continent



* Excludes spend on Coffee Supply Chain projects up to March 18, 2018, which were covered by the 2017 Sustainability Bond Proceeds

** Total pounds of C.A.F.E. Practices certified coffee purchased by Starbucks during period of March 19, 2018- May 13, 2020, including coffee purchased using proceeds from May 2019 Sustainability bond



Sustainability at Starbucks & The SDGs

The Sustainable Development Goals (SDGs)* were put in place in September 2015 by the United Nations as a formal agenda for achieving sustainability by 2030. The 17 distinct goals set a path toward a more sustainable future, in partnership between people and the planet. The proceeds of the May 2019 sustainability bond have been used to support projects that directly align with several of the globally recognized SDGs, including the goals below.

SUSTAINABLE DEVELOPMENT GOALS



*To learn more about the SDGs and the progress made thus far, visit <https://sustainabledevelopment.un.org/>



Appendix

Deloitte & Touche LLP Independent Accountants' Report

Management's Assertion Regarding Disbursements for Eligible Sustainability Projects

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 \$987 million from the issuance of the May 2019 sustainability bond (the "Sustainability Bond") were disbursed by Starbucks Corporation during the period from May 13, 2017 to May 13, 2020 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 \$987 million from the issuance of the Sustainability Bond were disbursed by Starbucks Corporation during the period from May 13, 2017 to May 13, 2020 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

Seattle, Washington
December 18, 2020



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 13, 2017 and May 13, 2020 in the table below. Starbucks management asserts that the net proceeds of \$987 million from the issuance of the May 2019 sustainability bond (the "Sustainability Bond") were disbursed by Starbucks during the period from May 13, 2017 and May 13, 2020, for the Eligible Sustainability Projects in accordance with the Eligible Sustainability Project Criteria detailed below (excludes spend on Coffee Supply Chain projects covered by the 2017 Sustainability Bond Proceeds).

Eligible Sustainability Project Criteria

Starbucks, or its subsidiaries, used the net proceeds raised by the Sustainability Bond for Eligible Sustainability Projects.

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 & 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
LEED® and Greener Stores Certified New Stores	Store development and construction costs for new stores certified through the Greener Stores Certification program
National Renewable Energy Portfolio	Investments and operating expenses to meet Starbucks 100% renewable energy goal
Other In-Store Initiatives	Sustainability initiative costs that align with Greener Stores certification dimensions and certification program expenses
Sustainable Packaging	Purchases of responsibly- and sustainably-sourced materials, products and packaging

Use of Proceeds for Eligible Sustainability Projects

Net Proceeds from the May 2019 Sustainability Bond (in millions, USD)	\$987.21	% of Total
C.A.F.E. Practices Coffee Purchases	(\$475.79)	48%
Farmer Support Centers, Agronomy Research & Development Center	(\$12.34)	1%
Starbucks Global Farmer Fund Loan Issuance	(\$28.18)	3%
Total Use of Net Proceeds for Coffee Supply Chain Projects	(\$516.31)	52%
LEED Certified Stores	(\$70.77)	7%
Greener Stores Certified Stores	(\$73.43)	7%
National Renewable Portfolio & REC Purchases	(\$78.14)	8%
Other In-Store Initiatives (LED retrofits & condiment carts)	(\$18.35)	2%
Sustainable Packaging	(\$230.21)	23%
Total Use of Net Proceeds for Greener Retail Projects	(\$470.90)	48%
Total Use of Net Proceeds for Eligible Sustainability Projects	(\$987.21)	100%



Additional Information

1. Long Term Sustainability Goals

<https://stories.starbucks.com/stories/2020/message-from-starbucks-ceo-kevin-johnson-starbucks-new-sustainability-commitment>

2. Greener Stores Commitment

<https://stories.starbucks.com/press/2018/starbucks-announces-global-greener-stores-commitment/>

3. Sustainable Packaging

<https://stories.starbucks.com/press/2018/starbucks-to-eliminate-plastic-straws-globally-by-2020/>

4. Renewable Energy powering stores

<https://stories.starbucks.com/stories/2019/from-ethical-sourcing-to-stores-powered-by-the-sun/>

5. Ethical coffee sourcing through C.A.F.E. Practices

<https://stories.starbucks.com/press/2020/cafe-practices-starbucks-approach-to-ethically-sourcing-coffee/>

6. Support for farmers through Farmer Support Centers, and Global Farmer Fund

<https://stories.starbucks.com/press/2018/starbucks-farmer-support-centers/>