

Learning from our Retail Footprint Embedding Sustainability at Airport Starbucks



Jim Hanna | director, environmental impact | Starbucks Coffee Company

Physical Presence

50 million customers/week

16,000 retail stores

**281 Airport stores in U.S.
& Canada**

155,000 partners

52 countries





The Starbucks Mission
To inspire and nurture the
human spirit - one person,
one cup, and one
neighborhood at a time.

Starbucks™ Shared Planet™

Our commitment to
people and our
planet through

Ethical sourcing

Community involvement

Environmental stewardship



Ethical Sourcing

2015 BOLD GOAL: 100% OF OUR COFFEE
WILL BE CERTIFIED OR VERIFIED BY AN
INDEPENDENT 3RD PARTY

Coffee farming is a global business supporting 25MM people. As one of the largest purchasers of coffee, we are committed to equitable pricing for quality coffee, environmentally responsible practices and hands on support for farming communities.



Community Involvement

2015 BOLD GOAL: WE WILL
CONTRIBUTE OVER 1MM HOURS OF
COMMUNITY SERVICE PER YEAR



With over 100,000 partners & 15,000 stores around the world, we are committed to being a good neighbor in places where we do business, bringing together our partners, our customers and our communities.




Environmental Stewardship

**2015 BOLD GOAL: WE WILL SIGNIFICANTLY
REDUCE OUR ENVIRONMENTAL FOOTPRINT &
ENSURE 100% OF OUR CUPS ARE REUSABLE OR
RECYCLABLE**

As one of the largest buyers, roasters and retailers of coffee, we have a big footprint. We are committed to reducing our environmental impact and tackling climate change.

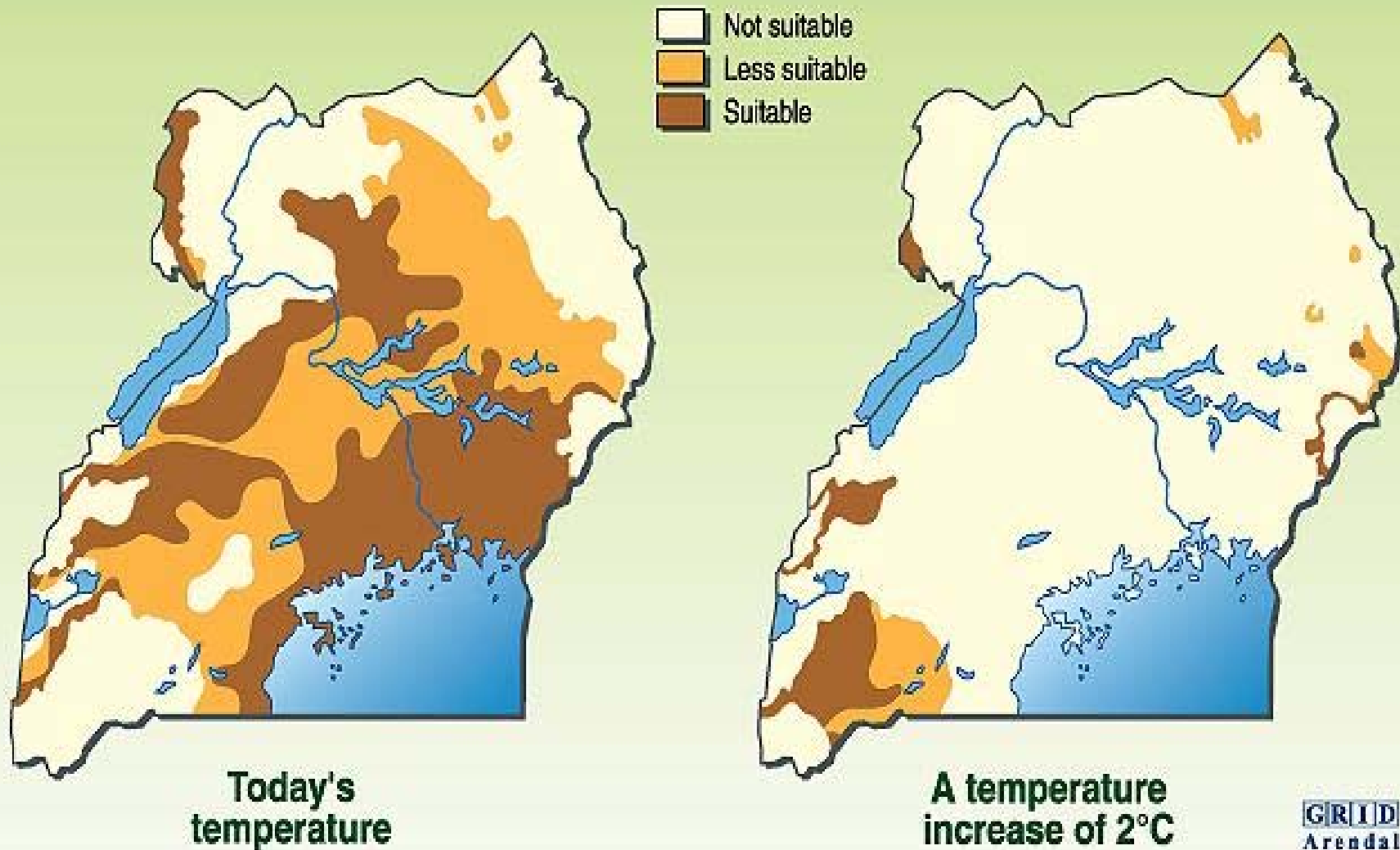


A photograph showing a person's hands tending to coffee seedlings in a nursery. The person is wearing a white shirt and a watch. The seedlings are in black plastic trays filled with soil and mulch. The background is a blurred green field.

**At Starbucks
Sustainability = Climate mitigation**

**As a company that relies on a
specialty agricultural product,
climate change poses a direct
threat to our business**

Impact of temperature rise on robusta coffee in Uganda



Impact on Growing Regions

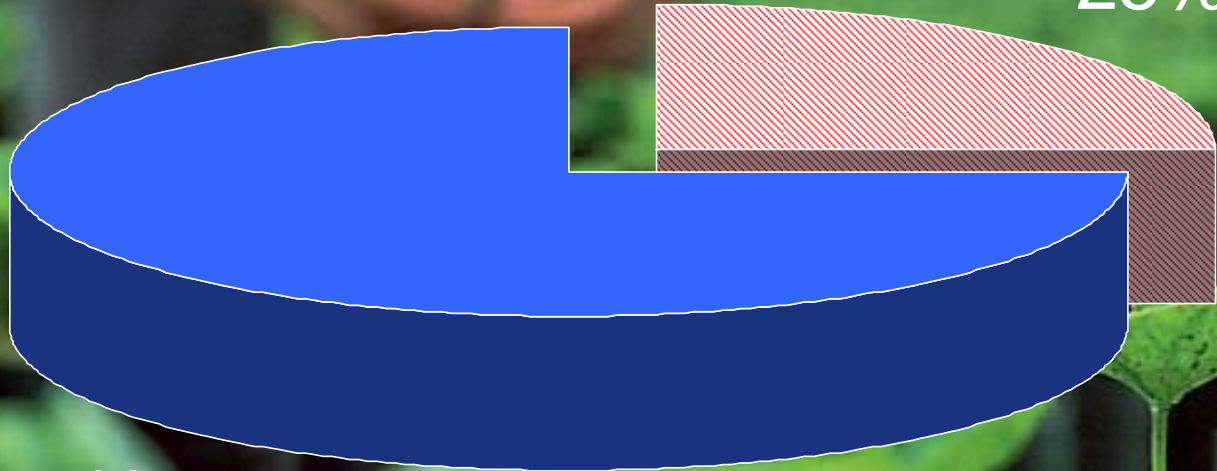
Source: Otto Simonetti, Potential impacts of global warming, GRID-Geneva, case studies on climatic change, Geneva, 1989.



75% of Starbucks carbon footprint is from the operation of our stores

roasting operations,
refrigerants, aircraft,
nitrous oxide

25%



75%

Purchased Energy – store operations

Energy Efficiency

- Green power commitment
- LED retrofits
- Energy policy

Starting at the end of 2010 we will build all company operated stores to be LEED certified. All company operated stores will be 25% more energy efficient and use 50% renewable energy



Store Design



- Energy & water efficiency
- Local, recycled, certified & salvaged sourcing
- Local artisans and artists tapped for interiors
- Integrated recycling & composting



Locally sourcing re-claimed and re-usable material is fundamental to our new store and renovation design strategy (e.g., reclaimed redwood from an old farm)

In our Airport Stores

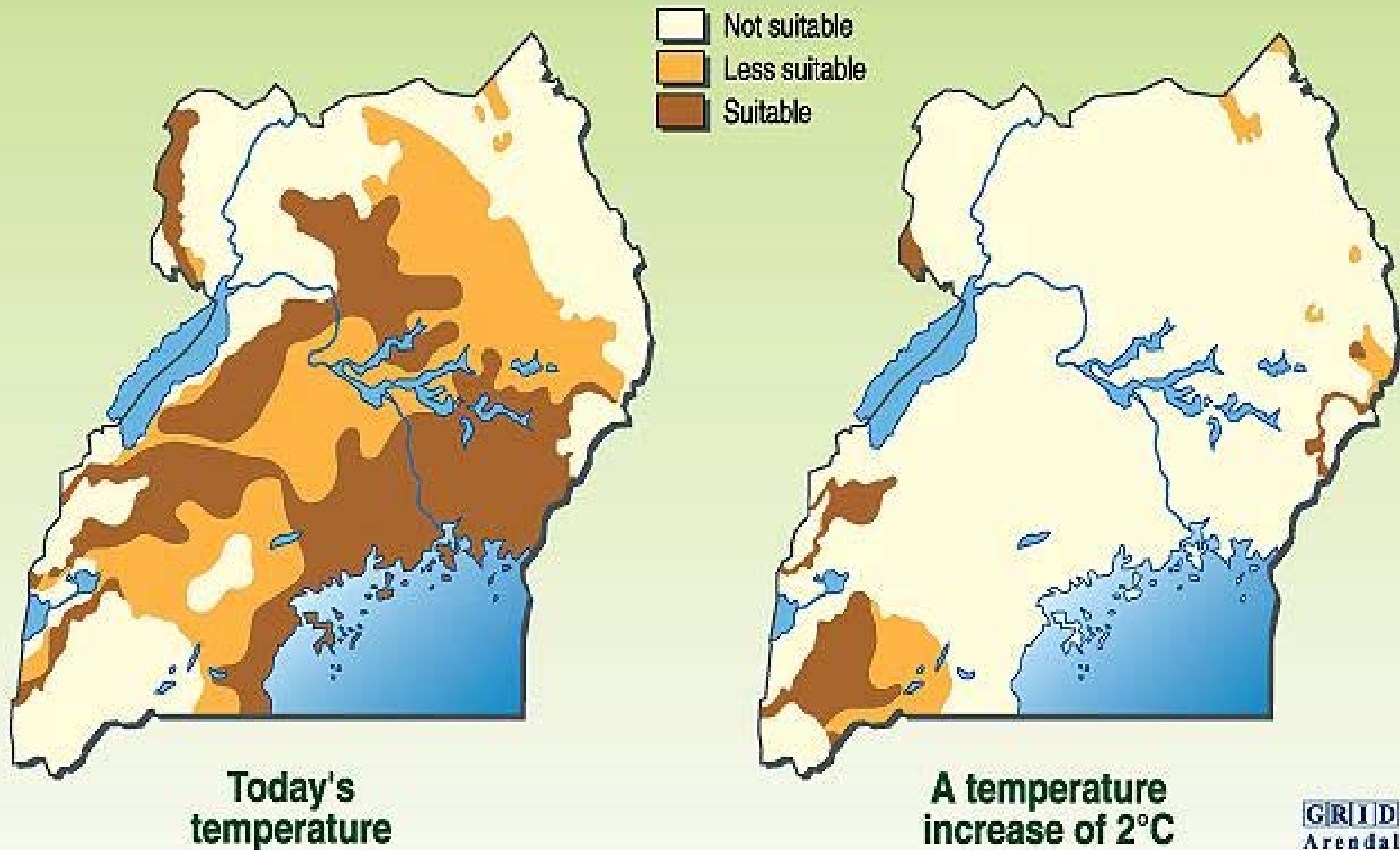


- ❑ Currently 240 stores in 60 airports recycling coffee grounds through composting or onsite applications
- ❑ Incorporated SBUX retail green elements into new stores in SAT, EWR, SAC, ORD (03/11)
- ❑ New Host stores and renovations committed to green design – aligned well with partnership



Coffee grounds represent the largest waste stream by weight from airport Starbucks stores

Impact of temperature rise on robusta coffee in Uganda



Impact on Growing Regions

Source: Otto Simonetti, Potential impacts of global warming, GRID-Geneva, case studies on climatic change, Geneva, 1989.

In Addition to Our Survival...

The Business Case for Sustainability is...

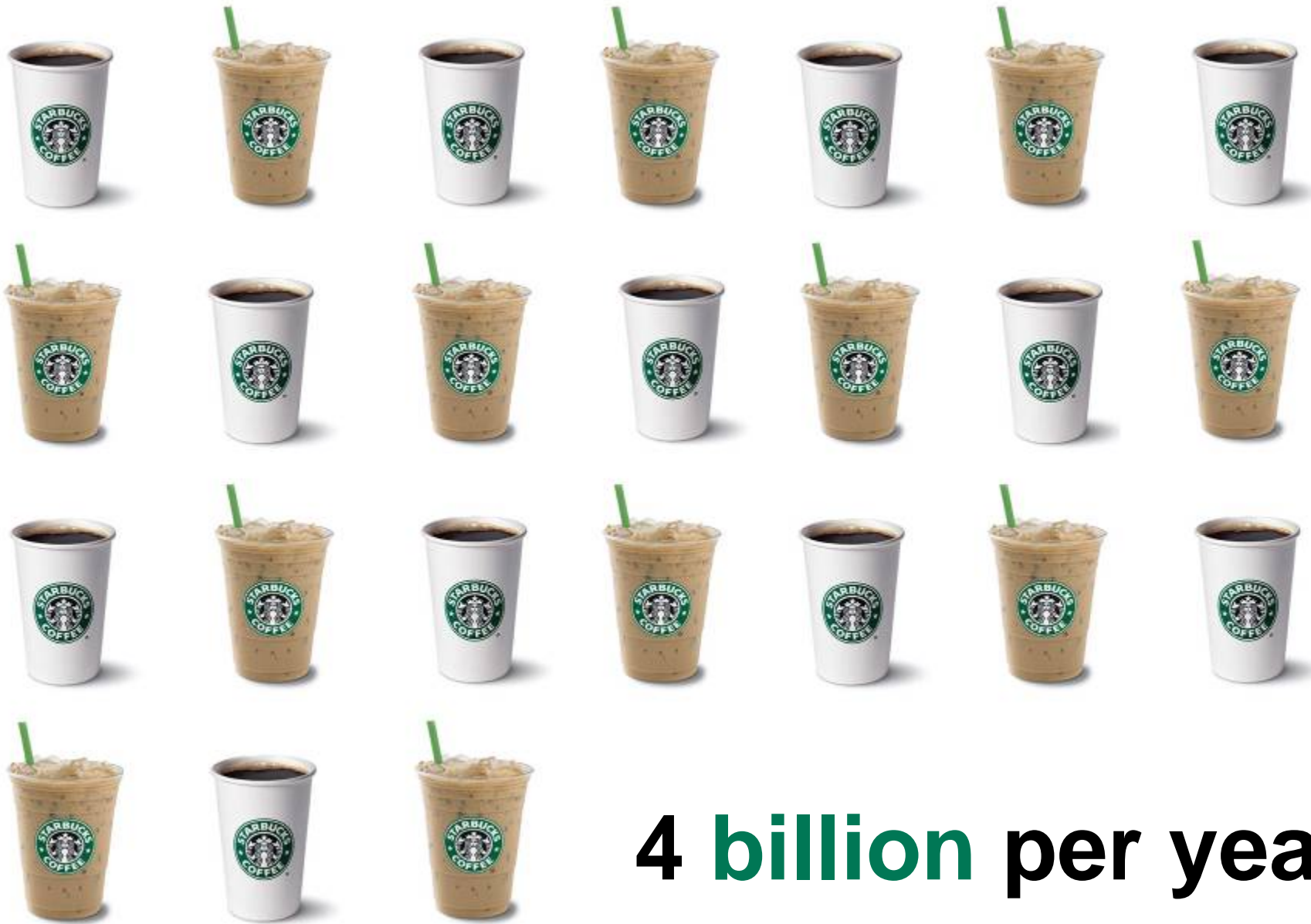
- Reduced operating costs
- Greater customer loyalty
- Larger share of emerging demographic
- Prouder employees that stick around
- Mitigating the impacts of price uncertainty
- Hedge against future regulation
- A license to operate

A large pile of discarded Starbucks coffee cups and lids is shown in a recycling bin. The cups are mostly white with brown sleeves and some have green straws. The background is blurred, showing green foliage. The text is overlaid on the image in white, bold font.

License to Operate – Must Address Public Perceptions of Impacts

Packaging waste is small part of our footprint but is the #1 environmental issue to our customers

Addressing cup recycling is the price of entry to give us credibility to discuss more significant environmental initiatives



4 billion per year

Starbucks Goal – This Ends by 2015



A large pile of Starbucks coffee cups and lids, including white paper cups, brown paper sleeves, and clear plastic lids with green straws, is shown in a recycling bin. The background is blurred, suggesting an outdoor setting with trees.

Starbucks Goal – This Ends by 2015

Increase use of personal mugs

Default to ceramics in-store

Recyclable or compostable single serve cups – *in form and practice*

A large pile of Starbucks coffee cups, including white paper cups and brown paper sleeves, is shown in a recycling bin. The cups are stacked and some have green straws. The background is blurred, showing greenery and a building.

Starbucks Goal – This Ends by 2015

Increase use of personal mugs

Default to ceramics in-store

Recyclable or compostable single serve cups – *in form and practice*



**Public &
Media
Perceptions**

“Starbucks has promised to make the cups recyclable by 2015. Why they think it will take five years to do what kindergartners around the world already do every day, I can't say. I'm heading to Peet's!”

The FTC's Reality

The FTC's
"Perception"

Recyclability
is more about
infrastructure
than materials

Recyclable means a
significant majority of the
public has access to
recycling services for
a product



Building the Recycling Infrastructure

April 2010 – Cup Summit at MIT

Summer 2010 – The Betacup Challenge

Fall 2010 – Expansion of NY FOH to 89 stores

Commitments of mill tests from IP, GP, Cascades, Smurfit, SFK, Longview Fibre, others

Potential cross-retail partnerships in key cities with Dunkin, Tim Horton's, Green Mountain, others

Waste Management, Allied, others willing to segregate

January 2011 Chicago test – SBUX cups to napkins

Solving this city by city



In Conclusion...

**There are no silver
bullets to sustainability**

**Innovation is two-way
with partners like Host &
AAAE**



In Conclusion...

Innovation is about
rolling up our sleeves
and getting to work...
together

Very appropriate that we
elevate this conversation
in Chicago

SAVE OUR PLANET.
IT'S THE ONLY
ONE WITH COFFEE.

THANK YOU

