



## **STARBUCKS TRANSPARENCY IN SUPPLY CHAINS STATEMENT (FOR FISCAL YEAR 2023)**

**Starbucks EMEA Ltd  
Starbucks Coffee Company (UK) Ltd**

### **Our Business and Values**

The Starbucks group is headquartered in the United States, and the ultimate parent company is Starbucks Corporation. Starbucks Corporation currently has more than 38,000 stores in over 85 markets globally, which include a mix of company-operated and licensed stores. We offer a range of products that customers enjoy in our cafes and on the go – including coffee, handcrafted beverages, merchandise and fresh food. Additionally, we sell a variety of consumer-packaged goods through partnerships with other global brands and joint ventures. We work with more than 450,000 farms that grow the highest quality *Arabica* coffee in the world.

We strive to lead by example through our evolved mission: With every cup, with every conversation, with every community – we nurture the limitless possibilities of human connection.

### **Policies in relation to slavery and human trafficking**

Starbucks is committed to respecting and protecting human rights consistent with the International Bill of Rights, ILO Core Labour Standards, Children’s Rights and Business Principles, U.N. Guiding Principles on Business and Human Rights, and OECD Guidelines for Multinational Enterprises.

Our Global Human Rights Statement which was in effect throughout FY23 informs the decisions we make that impact our relationships with our key stakeholders, including farmers, customers, business partners, and communities.

Our Ethical Sourcing for Manufactured Goods policy which was also in effect throughout FY23 explicitly prohibits the use of any forced or involuntary labour, either directly or indirectly by our suppliers, contractors, or subcontractors. This includes the use of slave labour, bonded labour, or indentured labour. Workers cannot be required to surrender their identity paper or other original personal documents or pay deposits as a condition of employment. Workers must be free to leave the workplace at the end of their shift and to resign without repercussion. All overtime should be voluntary and should not be in excess of legal limits.

Our relevant policies and disclosures all of which were applicable during FY23 include:

- Global Human Rights Statement

- Starbucks Ethical Sourcing for Manufactured Goods
- Supplier Code of Conduct
- Starbucks Approach to Ethical Sourcing
- Starbucks Global Impact Report

### **Due diligence processes**

As part of our continuous improvements of human rights due diligence, we have implemented responsible sourcing programs across our value chain and maintained and operated global and regional programs to cease, prevent, and mitigate adverse human rights impacts.

We remain committed to responsibly sourcing coffee, tea and cocoa and implemented our Responsible Sourcing program globally throughout FY23. We take this commitment seriously because we know that our future is directly linked to the livelihoods of farmers, suppliers, their families, local communities and our planet. Our approach is built on a foundation of responsible purchasing practices, which includes farmer support efforts, social responsibility standards for suppliers, and environmental programs.

Through our various responsible sourcing programs during the fiscal year, we did not identify any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains. We have described each of the programs below.

### **Risk assessment and management**

#### Global Responsible Sourcing

Our Responsible Sourcing program includes our standards for manufactured goods and services, including beverages, food, merchandise, equipment and furniture. We partner with manufacturing factories in 40 countries globally and hold our suppliers and ourselves accountable for more than 121,000 workers through stringent worker welfare conditions. Commitment to continuous improvement is the cornerstone of our program, and on-site factory assessments to identify potential or actual violations to our standard have been a key part of our strategy since 2006.

In FY23, we increased our factory assessments to 400 from 300 in FY22. We are proud that our third-party auditors confirm that we maintained 95% transparency in factories we have audited around the world, as defined by having full access to factory records, documents and operations.

#### Coffee

Since 2004, and in collaboration with Conservation International, Starbucks developed the coffee industry's first set of ethical sourcing standards – Coffee and Farmer Equity (C.A.F.E.) Practices – which is a verification program with over 450,000 participating farms. The program includes a third-party verification process overseen by SCS Global Services, responsible for ensuring the quality and integrity of the audits.

In FY23, we responsibly sourced and verified 99.7% of our coffee from C.A.F.E. Practices, an increase from the previous year. More information about C.A.F.E. Practices can be found in our C.A.F.E. Practices and C.A.F.E. Practices Scorecard.

C.A.F.E. Practices includes a zero tolerance for any form of child labour and forced labour. For each zero tolerance non-conformity brought to our attention through C.A.F.E. Practices, we require swift action by our suppliers and our on-the-ground, third-party partners to pursue corrective actions, including, where appropriate, providing remedy for the impacted individuals. In the event a zero-tolerance indicator cannot be resolved in a timely and comprehensive manner, a supply chain will be considered non-Compliant and not eligible for C.A.F.E. Practices verification until resolution is achieved.

In instances where Starbucks is notified of alleged violations, we take immediate action. We conduct an investigation that may lead to suspending the commercial relationship with a farm or asking the farm to create a plan describing how the issue will be corrected.

### Cocoa

Our approach to sourcing cocoa responsibly is built on a foundation of traceability, responsible purchasing practices and a commitment to supporting sustainable livelihoods for cocoa producers and their families, including reducing – and collectively working towards eliminating – the risks of child labor and cocoa-driven deforestation. We continued throughout FY23 to source Rainforest Alliance certified cocoa and pay premiums that are distributed through the value chain, including to cocoa farmers who achieve Rainforest Alliance certification. Rainforest Alliance certification includes requirements which help ensure slavery and human trafficking is not occurring.

During FY23, Starbucks has continued to take steps across EMEA to implement its ESG strategy, including ensuring it understands its current and upcoming obligations and the systems and procedures in place to meet them. This has included analysis of its obligations in relation to modern slavery, forced labour and human rights in its business and supply chains, and the impact of related due diligence and reporting obligations. Starbucks is proceeding to implement actions to understand further the risks of modern and forced labour in its supply chains and continue to develop appropriate systems and processes to mitigate and address such risks.

### **Key performance indicators to measure effectiveness of steps being taken**

Starbucks continues to survey and evaluate its supply chain regarding human trafficking and forced labor. If it is determined that a supplier is operating outside of Starbucks policies, Starbucks or its third-party representative and the supplier will develop and implement a corrective action plan including a mutually agreed upon schedule for resolution of all issues. Any failure thereafter to meet a corrective action plan commitment is generally considered a material breach of Starbucks agreement with the supplier and may result in cancellation of any current orders and/or termination of Starbucks contractual relationship with the supplier. Gross violations or illegal activities are cause for outright and immediate termination of the contractual and business relationship.

### **Training on modern slavery and trafficking**

Starbucks *Standards of Business Conduct* highlights our commitment to ethical business practices, and all employees (referred to as “partners”) are required to take regular training on our Standards. Additionally,

partners who have responsibility for purchasing products sold in our stores receive training on our Ethical Sourcing programs described above.

We conduct training on our ethical sourcing standards for partners who support or execute our program in partnership with our suppliers. The training covers our zero tolerance standards of which forced labour and child labour (worker treatment and rights) standards are clearly defined along with the process to follow for remediation if non-compliance is found in our supply chain.

During FY23, Starbucks operated ten Farmer Support Centers in coffee-producing countries around the world where our local teams and social specialists worked with farmers to learn and implement the latest findings and best practices in agronomy, quality and social responsibility. In FY23, we trained over 56,000 people. In Guatemala, we have partnered with suppliers and external organizations to mitigate child labour by supporting childcare centers during the coffee harvest. In 2023, we supported the opening of five new child-care centers.

**This statement is made pursuant to Section 54(1) of the Modern Slavery Act of 2015 and constitutes our slavery and human trafficking statement for the Starbucks EMEA Ltd and Starbucks Coffee Company (UK) Ltd for the fiscal year ending 1 October 2023 (FY23).**

Signed,

Duncan Moir  
president, Starbucks EMEA Ltd

Alex Rayner  
general manager, Starbucks Coffee Company (UK) Limited