



STARBUCKS

HUMAN RIGHTS *impact assessment*

DECEMBER 2023

More than 50 years ago, Starbucks began a journey to build a different kind of company, inspired by the bold idea of putting *people* first. Today, Starbucks creates a positive impact for millions through serving coffee in more than 85 markets and more than 38,000 stores around the world.



Success on a global scale requires not only being nimble, but a continual recasting of Starbucks vision and principles to meet the evolving needs of our partners, business conditions and world affairs. We strive to lead by example, now rooted in an evolved mission:

WITH EVERY CUP, WITH EVERY CONVERSATION,
WITH EVERY COMMUNITY — WE NURTURE THE
LIMITLESS POSSIBILITIES OF HUMAN CONNECTION.

We've also created a set of six promises to partners. When we are at our best, we promise our partners a bridge to a better future; we promise to Uplift the Everyday for our customers; with our farmers, we ensure the future of coffee for all; we promise to contribute positively to our communities; for the environment, we promise to give more than we take; and we promise to generate enduring returns for our shareholders.

Since the beginning, we have pursued ambitious goals and programs, and reported on our progress and opportunities with intention, transparency and accountability. As part of that commitment, Starbucks recently commissioned its first enterprise-wide independent Human Rights Impact Assessment executed by Article One. This assessment



represents the next step in our journey to make key investments to support our partners, farmers, communities and the environment. As we have in the past, we look forward to continuing to update our stakeholders on our progress on this journey in the years to come.

In the following pages, we are sharing not only key results from the Human Rights Impact Assessment, but also recommendations identified to advance our human rights efforts throughout the enterprise and with external partners. To achieve our mission and adhere to our legacy, we know we must address our limitations — and we will.

Nothing matters more than preserving the dignity of our partners, customers, suppliers and communities we work in every day. By understanding and sharing where we stand, we can create a better future for all.

In partnership,

Michelle Burns

executive vice president of Global
Coffee, Social Impact & Sustainability



Human rights belong to everyone, and we all share the responsibility to respect the rights of others. We believe this is especially crucial in the rapidly changing, complex world that we live in today, where even the most basic norms that have connected people, communities and societies are being challenged in unprecedented ways.

As one of the world's largest coffee companies, Starbucks reach and impact on people is significant. For many years, Starbucks has invested in people, from Starbucks partners serving customers in neighborhood stores to smallholder farmers producing coffee in one of many origin countries that Starbucks sources from. And as Starbucks knows, this reach comes with responsibility. In the context of human rights, this responsibility includes avoiding causing, contributing or being linked to adverse human rights impacts, remediating impacts that have occurred and engaging meaningfully with stakeholders.

We are pleased to see Starbucks complete its first, enterprise-wide Human Rights Impact Assessment and transparently report the main results of this assessment. This assessment has helped validate salient human rights issues, surface new risks

and clarify where Starbucks has opportunities to build on its human rights management, including strengthening its approach to identifying adverse human rights impacts and standardizing how it provides effective oversight and accountability for these impacts.

There continues to be complex challenges across Starbucks business, value chain and industry and these challenges will not be solved simply by virtue of completing this assessment. With that said, we believe this assessment represents an important step forward that will place Starbucks on a pathway towards proactive human rights and environmental due diligence. We look forward to seeing Starbucks implement its commitment to respect human rights.

Faris Natour
Principal, Article One

ARTICLE ONE

Starbucks engaged Article One, an experienced strategy and management consultancy with expertise in human rights, responsible innovation and sustainability, to conduct the Human Rights Impact Assessment of Starbucks policies, procedures and initiatives related to human rights. Article One worked closely with Starbucks over several months to engage stakeholders both in and outside of the business to create a full picture of our impact measured against the United Nations Guiding Principles on Business and Human Rights.

Starbucks Board of Directors, together with the executive leadership team, are responsible for ensuring environmental, social and governance risks and opportunities are integrated into Starbucks long-term strategy. Consistent with the Standards and Governance in our [Global Human Rights Statement](#), the results of the Human Rights Impact Assessment were discussed in detail with all members of our executive leadership team and Board of Directors.

In recognition of the changing operating environment for the company, Starbucks announced that its Board of Directors intends to establish an Environmental, Partner and Community Impact Board Committee, as a continued evolution of the overall governance of the company. The committee will assist the Starbucks Board of Directors in fulfilling its oversight responsibilities required to respond to shifting regulations and standards, and drive accountability across Starbucks promises on environment, partners and community impact. The committee will also have oversight of internal and external reporting tools and assessments, including this assessment, the annual Impact Report and initiatives to strengthen partner engagement and revitalize partner culture.

The published findings in this report align with Article One's assessment of Starbucks impact and the organization has collaborated on this report to continue to bring an objective view of the industry landscape and recommendations for the company. The findings will guide both direct action from Starbucks and partnership with others to support collective action toward broader systemic improvements in the industry.



Article One partnered with Starbucks to complete the company’s first, enterprise-wide Human Rights Impact Assessment. Completed in 2023, this Human Rights Impact Assessment was conducted in accordance with the recommendations outlined in the United Nations Guiding Principles on Business and Human Rights and with the explicit goal of developing key recommendations for Starbucks to implement over multiple years on how the company could strengthen its management of human rights impacts.

The assessment included a comprehensive review of publicly available information and internal data to identify potential and actual human rights impacts across Starbucks business and value chain, which included Starbucks operations and supply chain, as well as impacts on customers and local communities. We assessed these impacts against the [United Nations Guiding Principles on Business and Human Rights](#) severity criteria to understand which impacts are at risk of the most severe negative impacts on people. We also considered the likelihood of these impacts occurring in the future and where Starbucks has sufficient leverage—and may be uniquely positioned—to address these impacts independently or through industry collaboration.

Stakeholder engagement, including engaging with legitimate representatives of potentially affected stakeholders, played a vital role in completing this assessment. We consulted with multiple individuals and organizations—both from within Starbucks and with those outside the company—to gather input on impacts most salient to Starbucks and its industry. Through these consultations, we also gathered feedback on how well Starbucks is currently addressing these impacts. Stakeholder input, in combination with other forms of data collection methods that were used throughout the assessment, informed many of the recommendations that we developed for Starbucks to prioritize and implement in the years to come.

● Starbucks Most Salient Risks

Salient risks in the table reflect the [Universal Declaration of Human Rights](#). While all risks in the table are salient, only the most salient risks are highlighted as identified by Article One’s assessment of Starbucks operations, products and services and existing policies and risk mitigation measures.

SALIENT RISK	PARTNERS	SUPPLY CHAIN	CUSTOMERS & COMMUNITY
Forced Labor & Child Labor		●	
Fair Wages	●	●	
Adequate Living Standard	●	●	●
Assembly & Association	▲	●	
Working Conditions & Hours	●	●	
Discrimination		●	●
Healthy Environment		●	●
Rights of Mothers & Children		●	●
Privacy			
Freedom of Religion & Expression			
Land Rights			
Right to Life & Security of Person	●	●	●
Arbitrary Arrest		●	

▲ **Not in Scope:** One important salient risk area that was outside the scope of this Human Rights Impact Assessment was the issues of Assembly & Association for Partners. Given the importance of this issue, Starbucks commissioned a separate assessment focused on this issue led by a third party with relevant experience on the topic. The results of that assessment are available [here](#).

partners

DEFINITION

In the category below, Partners is inclusive of employees of Starbucks or its wholly owned subsidiaries (direct or through intermediate subsidiaries). This includes employees of Starbucks company-operated retail stores; global and regional support centers; roasting plants, company-operated distribution centers; our company-operated coffee farm and any other owned operations.

RELEVANT INDUSTRY RISKS AUTHORED BY ARTICLE ONE

For companies with retail operations, human rights impacts are not only relevant but can lead to severe outcomes if not proactively identified and addressed. From low wages to health and safety risks to discrimination, many retail workers are vulnerable to conditions that could have knock-on impacts on the realization of other fundamental human rights, such as the right to free expression and the right to an adequate standard of living. In some countries that are experiencing a rising trend of violence in and around retail settings, retail workers in these countries are vulnerable to additional factors that could lead to negative human rights impacts. The presence of these risks throughout the physical retail environment make it clear that ensuring access to effective grievance mechanisms is fundamentally important.

SALIENT RISK	PARTNERS	SUPPLY CHAIN	CUSTOMERS & COMMUNITY
Forced Labor & Child Labor		●	
Fair Wages	●	●	
Adequate Living Standard	●	●	●
Assembly & Association	▲	●	
Working Conditions & Hours	●	●	
Discrimination		●	●
Healthy Environment		●	●
Rights of Mothers & Children		●	●
Privacy			
Freedom of Religion & Expression			
Land Rights			
Right to Life & Security of Person	●	●	●
Arbitrary Arrest		●	

recommendations for Starbucks

Expand partner listening sessions to more locations, including roasting plants and distribution centers, and regularly assess partner sentiment through Partner Engagement Surveys to identify areas of risk and opportunities for improvement, including ensuring Starbucks grievance channels are effective.

Continue to advance and refine equity strategies, including by further developing key performance indicators (KPIs) and targets aligned with the objectives of the company that support non-discrimination and equity for all partners.

Review and consider digital policies and practices, including the composition of Starbucks internal privacy committee and the potential implications of Artificial Intelligence on privacy, bias and discrimination.

Review the Standards of Business Conduct and other policies related to working hour limitations to ensure they are aligned with international standards.

supply chain

DEFINITION

All third-party suppliers from which Starbucks purchases a product or service, inclusive of direct suppliers (i.e. “tier one”) and their supply chain (i.e. “tier two,” “tier three”). This includes agricultural commodities (i.e. coffee, tea, cocoa, dairy), manufactured goods (i.e. beverages, food, merchandise, equipment and furniture) and other services.

RELEVANT INDUSTRY RISKS AUTHORED BY ARTICLE ONE

Adverse human rights impacts continue to remain significant across agricultural and non-agricultural supply chains. Farmers, farm workers and smallholders, as well as workers that support manufactured goods supply chains and third-party services are at risk of human rights impacts, including some of the most severe impacts, such as child and forced labor, gender-based violence and inadequate wages and incomes. Women, children, older workers and migrant workers are particularly vulnerable to adverse impacts in many of these supply chains. Some of these impacts are driven by broader factors, such as a lack of basic social services and protection, inadequate infrastructure, barriers to educational opportunities and market volatility. Climate change and other environmental factors also play a significant role in driving or exacerbating many of these adverse human rights impacts.

SALIENT RISK	PARTNERS	SUPPLY CHAIN	CUSTOMERS & COMMUNITY
Forced Labor & Child Labor		●	
Fair Wages	●	●	
Adequate Living Standard	●	●	●
Assembly & Association	▲	●	
Working Conditions & Hours	●	●	
Discrimination		●	●
Healthy Environment		●	●
Rights of Mothers & Children		●	●
Privacy			
Freedom of Religion & Expression			
Land Rights			
Right to Life & Security of Person	●	●	●
Arbitrary Arrest		●	

recommendations for Starbucks

Develop an enterprise-wide approach to human rights and environmental due diligence to consistently identify and address salient risks significant across Starbucks global supply chains.

Building on [Coffee and Farmer Equity \(C.A.F.E.\) Practices](#), the cornerstone of the company’s approach to ethical sourcing of coffee, **expand the reach and depth of responsible sourcing programs** to strengthen Starbucks mitigation and remediation of adverse human rights impacts across global supply chains.

Review and update all relevant human rights policies and standards, including ethical sourcing standards and codes of conduct, for consistency and application across global supply chain programs.

Implement targeted risk-mitigation action plans for specific salient risks, commodities and regions.

Increase training and Starbucks open-source practice with Business Partners (e.g., licensees) to ensure sharing of best practices, benchmarking and adherence to all relevant human rights policies and standards.

customers & community

DEFINITION

The category below includes customers and community members we connect with through digital channels and in stores, the neighborhoods we serve, and those where our customers and partners live and work.

RELEVANT INDUSTRY RISKS AUTHORED BY ARTICLE ONE

In the retail environment today, customers are at risk of various human rights impacts, from their privacy being infringed upon through the unethical or irresponsible use of personal data to being racially profiled and experiencing physical harm or abuse in stores or online. Adverse human rights impacts are not just relevant to customers but can also extend to the community as well. Many local communities, particularly under-resourced communities, may be disproportionately vulnerable to the consequences of climate change and other environmental concerns, which can lead to negative impacts on their right to a healthy and sustainable environment. In an increasingly digitized environment where information—and possibly misinformation or disinformation—spreads widely and fast, customers and communities, particularly younger people, may be exposed to messages that promote harmful stereotypes and consumption, potentially impacting their right to non-discrimination and right to health.

SALIENT RISK	PARTNERS	SUPPLY CHAIN	CUSTOMERS & COMMUNITY
Forced Labor & Child Labor		●	
Fair Wages	●	●	
Adequate Living Standard	●	●	●
Assembly & Association	▲	●	
Working Conditions & Hours	●	●	
Discrimination		●	●
Healthy Environment		●	●
Rights of Mothers & Children		●	●
Privacy			
Freedom of Religion & Expression			
Land Rights			
Right to Life & Security of Person	●	●	●
Arbitrary Arrest		●	

recommendations for Starbucks

Review customer care policies to ensure grievance mechanisms for customers are effective in addressing potential discrimination and partners are appropriately trained to support customers.

Evaluate responsible marketing guidelines to ensure practices are inclusive and respectful and continue to maintain high standards for ethical and responsible marketing to customers of all ages.

Continue to expand programs, practices and policies related to community safety, including issues related to gun violence, serving as a convener for other retailers and the broader business community to address safety risks.

Evaluate policy and advocacy partnerships, where lobbying or political expenditures may occur, to ensure they are in alignment with global human rights standards.

