

Starbucks Issues First Global Yen Sustainability Bond in Japan

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Sustainability bond issuance follows company's first U.S. Corporate Sustainability Bond in 2016 as part of its ongoing commitment to sustainably sourced coffee

TOKYO & SEATTLE--(BUSINESS WIRE)-- Starbucks Corporation (NASDAQ: SBUX) today announced that it has closed an underwritten public offering of senior notes, comprising the first global yen-denominated Corporate Sustainability Bond issued in the Japanese market. The company will use the net proceeds from the offering of 85 billion Japanese Yen in 0.372% Senior Notes due 2024 to enhance its sustainability programs around coffee supply chain management through Eligible Sustainability Projects. This includes coffee purchases from suppliers verified by a third-party as complying with Starbucks ethical sourcing verification program of Coffee and Farmer Equity (C.A.F.E.) Practices, the development and operation of farmer support centers in coffee growing regions, as well as new and financed loans made through Starbucks Global Farmer Fund.

"Coffee is our core and we are committed to supporting the sustainability of the specialty coffee industry for future generations through the issuance of our second sustainability bond," said Scott Maw, chief financial officer, Starbucks. "We are pleased to be able to close our first foreign-denominated bond issuance in Japan, a significant and strategically important global market for Starbucks, which is renowned for its socially conscious consumers and investors who have fully embraced the Starbucks brand. Japan was our first international market outside of North America and has continued to grow and scale over the past 20 years to now more than 1,200 stores across all 47 prefectures."

Each year, Starbucks invests significantly in its comprehensive approach to ethically source its coffee. This includes providing support to coffee farming communities, helping mitigate the impact of climate change, and reinforcing long-term crop stability and farm sustainability. This work has contributed to the planting of 22 million rust-resistant coffee trees in Latin America to-date. Starbucks operates a network of nine farmer support centers around the world (Rwanda, Tanzania, Colombia, China, Costa Rica, Indonesia, Guatemala, Ethiopia and Mexico), and has a commitment to provide \$50 million in farmer financing in the form of new and financed loans. In 2013, Starbucks also purchased a working coffee farm in Costa Rica which acts as a global research and development

center. All of this is grounded in the company's open sourced C.A.F.E. Practices developed with Conservation International over 15 years ago. This rigorous set of best practices helps to ensure that the methods used in growing and processing coffee are efficient, effective and sustainable, both environmentally and socially. In 2015, 99% of Starbucks 551 million pounds of green coffee purchased were verified as ethically sourced and Starbucks became a founding member of the Sustainable Coffee Challenge - an industry coalition with a call to action to make coffee the first sustainable agricultural product in the world.

Sustainalytics, a leading global provider of environmental, social and governance (ESG) research and ratings, delivered the second opinion for the Sustainability Bond. This independent review offers investors additional insight into the proposed projects to be funded by the bond, as well as the expected positive environmental and social impacts of these projects. Sustainalytics also rates Starbucks as an ESG leader in both overall and relative performance to its peers.

"Starbucks efforts to improve sustainable agricultural practices and socioeconomic conditions of coffee farmers underscore its ongoing commitment to sustainable coffee production," said Alexander Rengers, executive director of Advisory Services at Sustainalytics. "We are honored to work with Starbucks on their Sustainability Bond and look forward to seeing the impact of their bond."

Starbucks offered the first U.S. Corporate Sustainability Bond in May 2016. The issuance marked the first time a U.S. Corporation offered a Sustainability bond focused on educational and sustainable agricultural initiatives to further diversify the company's investor base. The high interest and success of the initial issuance was a catalyst for the company's first foreign denominated issuance of a Sustainability bond.

Starbucks will publish annual updates of the allocation of the proceeds throughout the term of the sustainability bond until the proceeds have been fully allocated to projects meeting the eligibility criteria. These updates will be reported publicly on the Starbucks website at www.starbucks.com and may include additional descriptions of select projects funded with sustainability bond proceeds, and, where possible, their environmental and/or social impacts.

About Starbucks

Since 1971, Starbucks Coffee Company has been committed to ethically sourcing and roasting high-quality arabica coffee. Today, with more than 25,000 stores around the globe, Starbucks is the premier roaster and retailer of specialty coffee in the world. Through our unwavering commitment to excellence and our guiding principles, we bring the unique Starbucks Experience to life for every customer through every cup. To share in the experience, please visit our stores or online at news.starbucks.com and Starbucks.com.

Forward-Looking Statements

Certain statements contained in this release are “forward-looking statements” within the meaning of applicable securities laws and regulations, including statements about the expected closing of a public offering or senior notes and the use of proceeds of such offering. Such forward-looking statements are based on current management expectations and satisfactions of certain conditions that are subject to various risks and uncertainties, including market conditions and those risks detailed in the Company’s filings with the Securities and Exchange Commission, including the “Risk Factors” section of the Starbucks Annual Report on Form 10-K for the fiscal year ended October 2, 2016, and the prospectus and prospectus supplement delivered in connection with the public offering of senior notes discussed in this release. The company assumes no obligation to update any of these forward-looking statements.

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