

# Starbucks Issues the First U.S. Corporate Sustainability Bond

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Sustainability bond offering is part of Starbucks comprehensive approach to sustainable coffee sourcing and industry leading efforts for positive environmental and social impacts in the global coffee supply chain

SEATTLE--(BUSINESS WIRE)--May 16, 2016-- Starbucks Corporation (NASDAQ: SBUX) today announced that it has closed an underwritten public offering of senior notes, including the first U.S. Corporate Sustainability Bond. The company will use the net proceeds from the offering of \$500 million in 2.450% Senior Notes due 2026 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 short and long term loans made through Starbucks Global Farmer Fund.

"Coffee is at the core of our business, and we intend to continue to finance initiatives that will make a positive social and environmental impact in our coffee supply chain as well as other areas across our business," said Scott Maw, chief financial officer, Starbucks. "Issuing a bond focused on sustainable sourcing, demonstrates that sustainability is not just an add-on, but an integral part of Starbucks, including our strategy and finances."

Each year, Starbucks invests significantly in its comprehensive approach to ethically source its coffee. This includes supporting coffee farming communities, mitigating the impact of climate change, and supporting long-term crop stability and farm sustainability. Starbucks operates a network of eight farmer support centers around the world (Rwanda, Tanzania, Colombia, China, Costa Rica, Indonesia, Guatemala and Ethiopia), and has a commitment to provide \$50 million in farmer financing in the form of short and long term loans. Starbucks also purchased a coffee farm in Costa Rica and has turned this into a global agronomy 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 coffee purchases were verified as ethically sourced and Starbucks became a founding member of the Sustainable Coffee Challenge -

a call to action to make coffee the first sustainable agricultural product in the world.

"The longevity of the coffee industry is directly linked to the social, economic and environmental conditions of coffee communities around the world," said Craig Russell, executive vice president, Starbucks Global Coffee. "This new sustainability bond offers a way for investors to better understand the work we are doing to help ensure that there is a future for farmers and our industry."

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.

"Improving the efficiency and effectiveness of coffee farming practices helps to strengthen the overall sustainability of the coffee supply chain while advancing the socioeconomic conditions of coffee farmers," said Simon MacMahon, Sustainalytics' Executive Vice President of Advisory Services. "Starbucks has a significant influence on the global coffee market and is an industry leader when it comes to supply chain standards and sustainability initiatives. We are excited to support Starbucks Sustainability Bond and applaud their efforts to advance sustainability practices throughout their value chain."

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](http://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 stores around the globe, the company 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 us in our stores or online at [news.starbucks.com](http://news.starbucks.com) or [www.starbucks.com](http://www.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 September 27, 2015, 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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