



# THE STARBUCKS SUSTAINABILITY JOURNEY

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STARBUCKS COFFEE, ASIA PACIFIC

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# OUR PROMISE

The mutual success  
we commit to, together

When we're  
at our best, we...





# Coffee and Farmer Equity Practices, C.A.F.E. Practices | Starbucks Approach to Ethical Sourcing

Four Criteria Make Up C.A.F.E. Practices

**Quality**  
Taste in Cup



**Economic  
Transparency**  
Price paid to  
the farmer



**Social  
Responsibility**  
Protecting  
the rights of  
farm workers



**Environmental  
Leadership**  
Protecting the  
Environment





Four Criteria Make Up C.A.F.E. Practices

## Quality

Taste in Cup



## Social Responsibility

Protecting the rights of farm workers



## Economic Transparency:

Suppliers are required to submit evidence of payments made for coffee beans throughout the supply chain, including how much was paid directly to farmers for their coffee.

## Environmental Leadership

Protecting the Environment





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## Environmental Leadership:

With growing and processing coffee, the program promotes sustainable agricultural practices including measures to protect water quality, improve soil health, preserve biodiversity, reduce agrochemical use, and conserve water and energy.



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## **Social Responsibility:**

- Coffee farmers need to protect the rights of people working on their farms and must have measures in place that promote a safe, fair & humane work environment. Including criteria around wages & benefits, hiring practices, hours of work, use of protective equipment, access to medical care & education.

## **Environmental Leadership:**

With growing and processing coffee, the program promotes sustainable agricultural practices including measures to protect water quality, improve soil health, preserve biodiversity, reduce agrochemical use, and conserve water and energy.



## Coffee and Farmer Equity Practices, C.A.F.E. Practices | Starbucks Approach to Ethical Sourcing

### **Quality:**

All coffee must pass our standards for high quality.  
We only source, roast & sell the highest quality arabica coffee.

Starbucks pays premiums that support farmer profitability above commercial market price. These premiums are driven by the fact we buy premium quality coffee that is verified as ethically sourced by C.A.F.E. Practice standards. We also pay additional premiums to reward supply chains that reach the highest performance level and show continuous improvement in C.A.F.E. Practices.

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# Accelerating our Sustainability Sourcing Strategy

## CURRENT STATE

### APPROACH TO DATE

- ✓ **Supply chain resilience** through a holistic buying philosophy, C.A.F.E. Practices & our farmer support programs
- ✓ Nearly **450K farms** are C.A.F.E. Practices verified across **30 countries**
- ✓ On average C.A.F.E. farms are around **25% more productive** than average country productivity

### CLIMATE CHANGE

- ✓ **1.5-degree scenario** in the tropics is a **near term** reality
- ✓ Industry wide need to navigate risks; including rainfall variability, pest outbreaks and reducing yield

### MARKET CONDITION

- ✓ Coffee futures prices are expected to remain volatile in the years ahead driven by overall shifts in global supply & demand
- ✓ Cost of production across the key arabica coffee growing origins has **increased by 30%** on average since the pandemic





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## OUR FOCUS IS ON

### UNLOCKING FARM PRODUCTIVITY

*enabling us to secure high-quality arabica*

### SCALING FARM PROFITABILITY

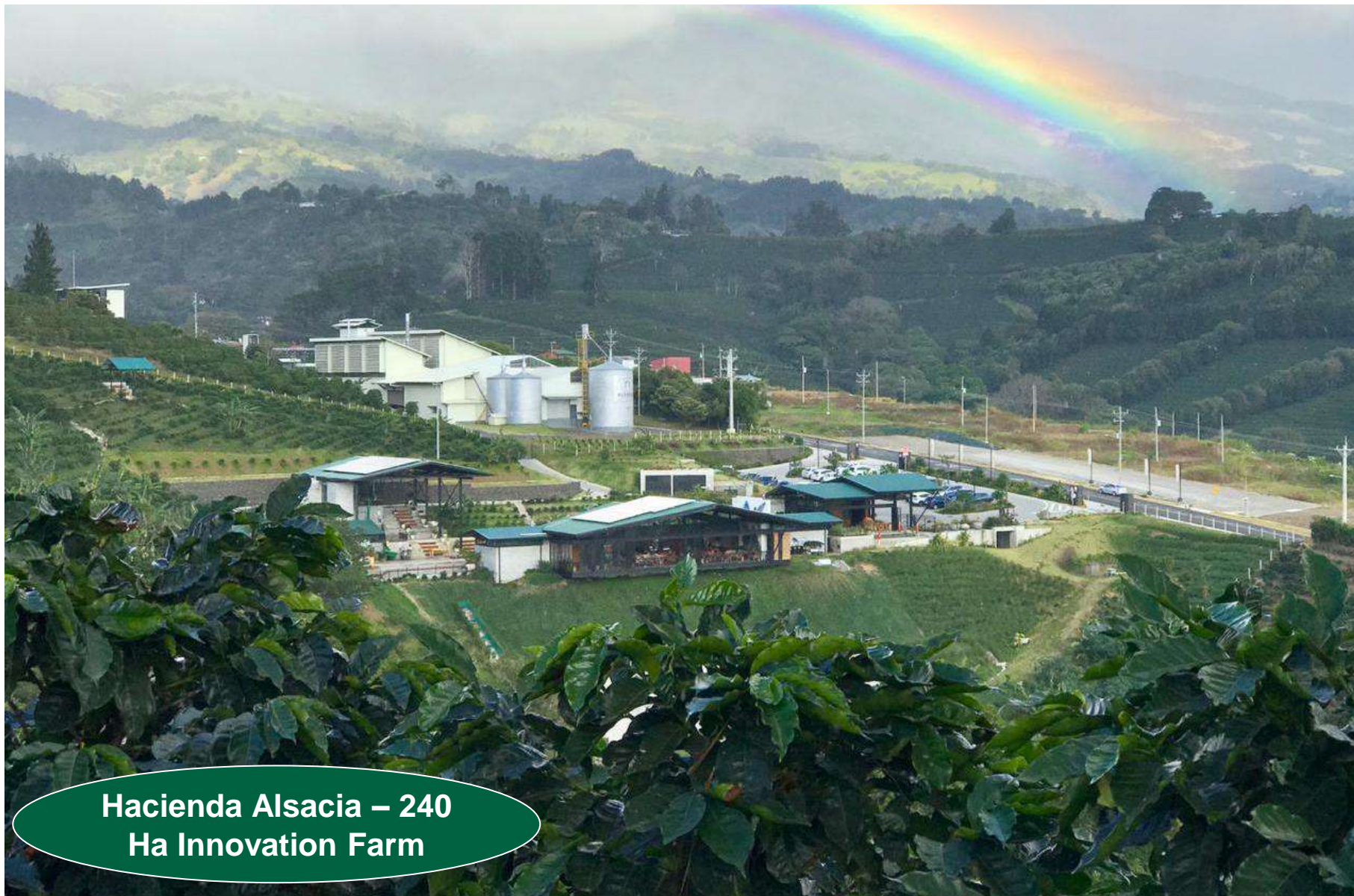
*across our supply chain to increase farmer incomes and demonstrate the viability of agriculture as a sustainable livelihood to the next generation*

### CLIMATE RESILIENCY IN OUR SUPPLY CHAIN

*driving climate adaptation and durability on farms while fortifying our 2030 goals, reaffirming our industry leadership, and advancing a healthy coffee sector for all*



## Starbucks global agronomy headquarters, Hacienda Alsacia, Costa Rica



### Key R&D Focus

- Develop new coffee varieties with greater resistance coffee rust & other diseases
- Higher quality
- More productive / better yield
- Adaptable to climate change

### How we are doing this

- Built an experimental nursery
- Over 165k seedlings planted
- Hands-on testing of more than 600 coffee lines
- Seedlings of successful varieties have been shared with coffee farmers for free
- Partnership with research institutions like WCR, ICCRI, ICAFE, Cenicafe, UCR

**Hacienda Alsacia – 240  
Ha Innovation Farm**

# Action In Origin



STARBUCKS FARMER  
SUPPORT CENTRE  
NETWORK



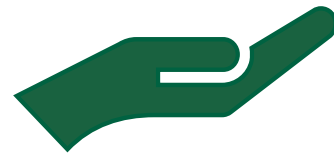
UNLOCK PRODUCTIVITY



CLIMATE RESILIENCY



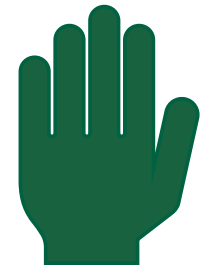
MODEL FARMS



GENERATIONAL RELAY



KNOWLEDGE TRANSFER



FARM WORKERS



# STARBUCKS FARMER SUPPORT CENTERS



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## STARBUCKS FARMER SUPPORT CENTRE NETWORK

- Provide direct support to coffee community, adapted to focus on issues specific to the origin and broader coffee sector
- Expertise in program development, agronomy, climate & environmental sustainability & social initiatives
- Provide 'Open Sourced' Education
- Work with farmers in the field, support coops & suppliers
- Agronomists build upon traditional growing methods to help local producers improve both the quality and profitability of their crops.
- **Innovation Hub** for new farming techniques
- Direct presence and oversight of Starbucks commitments in origin to a **resource-positive future**,
- Participation on the **design** and **monitoring** of Starbucks agroforestry, and social development initiatives.



UNLOCK  
PRODUCTIVITY







**UNLOCK  
PRODUCTIVITY**

- More Productive C.A.F.E. Practices Farms
- ‘Open-sourced’ agronomy & technical assistance
- Best Practices for Intercropping & planting techniques
- Programs to donate coffee seedlings & shade trees
- Fertilization incentives
- Rust & disease resistant varieties
- Pest & disease mitigation focus
- Enable greater bio-diversity of environment



## CLIMATE RESILIENCY







## CLIMATE RESILIENCY

- Reduce water waste
- Optimal fertilizer use (precision agronomy)
- Theoretical practical trainings for farmers
- Native trees, regenerative agriculture, reforestation, forest conservation & water replenishment
- Erosion prevention
- Test and determine **feasibility of new varieties** under local climatic and agronomic conditions



# MODEL FARMS

**PERCONTOHAN**  
**MODEL FARM** C.A.F.E Practices



**Nama Petani / Farmer Name** : Payan Sihombing  
**Luas Kebun Kopi / Coffee Area** : 0,5 Ha  
**Ketinggian Area / M.A.S.L** : 1,354 mdpl  
**Intervensi / Intervention** : Cara Budidaya Yang Baik Pertanian Terpadu  
( GAP, Integrated Farming )







## MODEL FARMS

- Participatory Model Farms across different regions/environments
- Guide the development of Model Farm across the community
- Demonstrate GAP & with visible positive outcomes in productivity, environmental practices & and **farm profitability**
- Learning site for farmers & training
- Place to showcase **Best Practices** that are adoptable at scale
- Technology validation

## GENERATIONAL RELAY





## GENERATIONAL RELAY

- Engaging the next generation of farmers, addressing concerns & partnering in problem solving
- Business management
- Cost of production + P&L
- Productivity plans
- Technology advancement
- e-learning + internet connection



## KNOWLEDGE TRANSFER







## KNOWLEDGE TRANSFER

- Promote the understanding, adoption & **compliance** with the **C.A.F.E. Practices** with farmers and Producer Support Organisations & Suppliers
- Agronomy
- Quality
- Farm Management
- Business Management



# FARM WORKERS

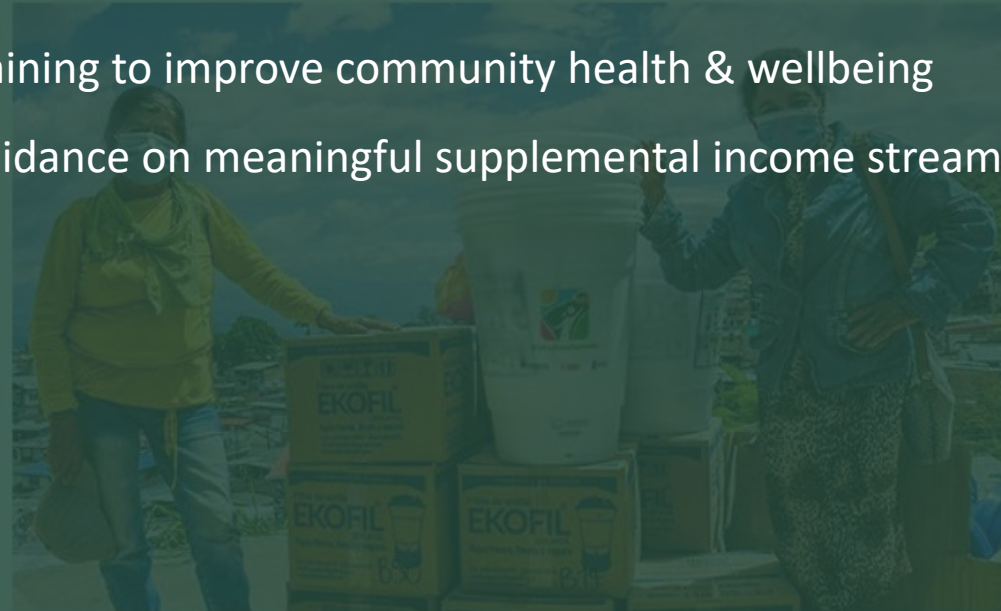






- Identifying & implementing solutions to Incentivize local labor (Farm Labor)
- Health services
- Training to improve community health & wellbeing
- Guidance on meaningful supplemental income streams

## FARM WORKERS



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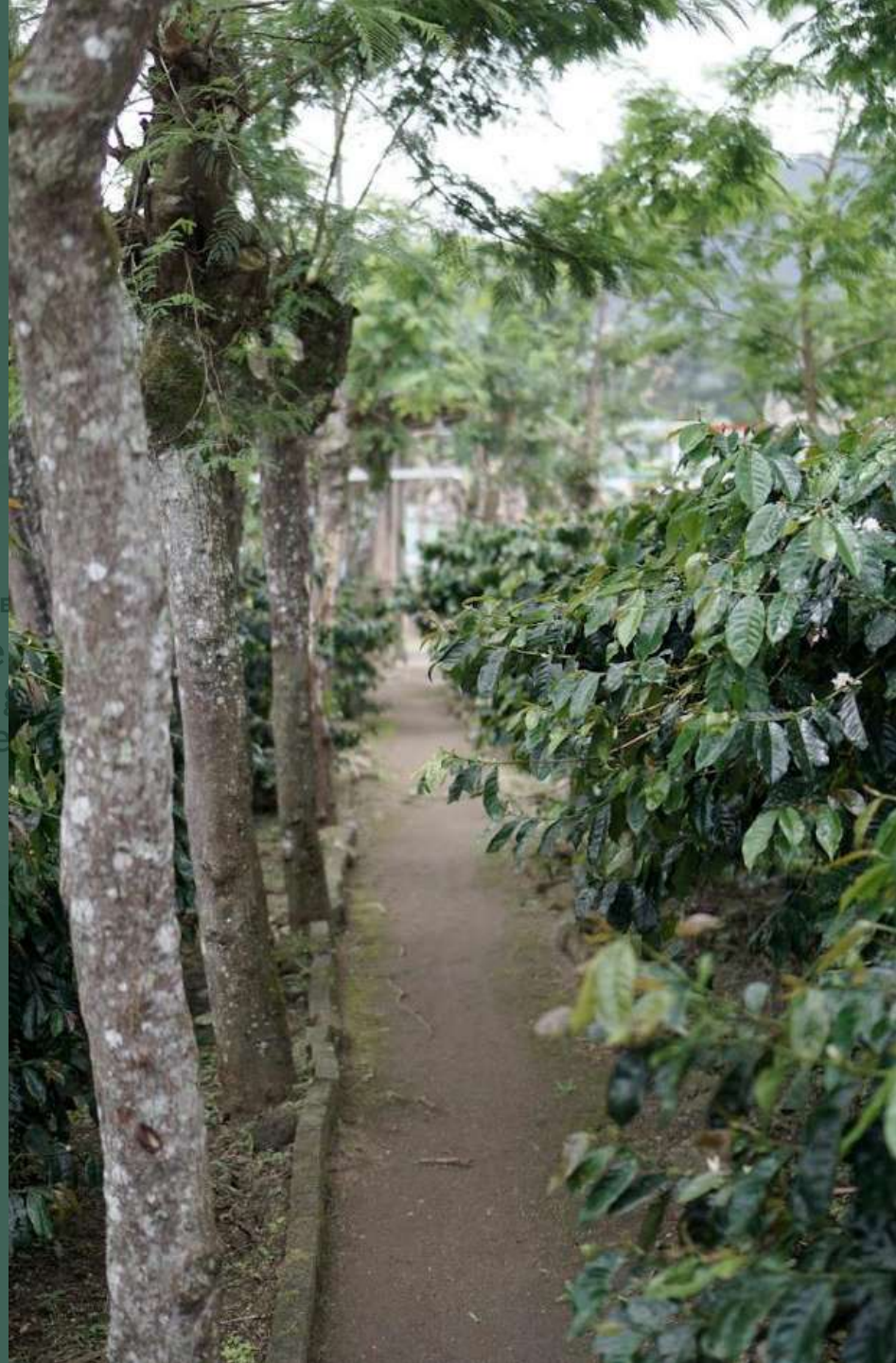
When we're  
at our best, we...

OUR SHARE

Get  
long  
re

PROMISE

the  
of  
or all



**THANK YOU**

