



Mr. Howard Schultz
Chairman and Chief Executive Officer
Starbucks Coffee Company
2401 Utah Avenue S.
Seattle, WA 98134

December 17, 2015

Dear Mr. Schultz,

The undersigned organizations wish to express our concern at Starbucks' links to the Southeast Asian haze crisis, which has been called the year's worst environmental disaster¹. This crisis is, in large part, caused by the clearance of forests and peatlands to grow palm oil, pulp and paper, and other agricultural commodities that Starbucks may be buying. Specifically, the palm oil used in many of Starbucks' products² - such as Frappuccino³, Hot Cocoa⁴, and Starbucks® Sea Salt Caramel Bites⁵ - could be contributing to this disaster. The haze has already taken at least 18 lives⁶, released thousands of tons of carbon emissions, threatened a third of the world's wild orangutans⁷, and could cost Indonesia over \$47 billion⁸.

Irresponsible palm oil production threatens habitat for thousands of species - including tigers, orangutans and elephants - and has been associated with large scale land grabs from local communities and Indigenous Peoples as well egregious labor rights abuses including forced labor, child labor, and illegal exploitation of migrant workers⁹.

For these reasons, more than 300,000 consumers¹⁰ have petitioned Starbucks to cut irresponsible palm oil and deforestation from your supply chain, as your competitor Dunkin' Brands has already committed to doing. Moreover, social media posts asking Starbucks to cut its links to deforestation reached more than 5.7 million accounts, with nearly 70,000 people feeling the message was so important that they shared or otherwise interacted with it. Starbucks is actively endangering customer trust and loyalty by failing to meet consumer demands to go deforestation-free.

We are sure that Starbucks, a company synonymous with sustainability and innovation, does not wish to be further associated with these problematic issues. In order to assure consumers and investors that Starbucks is not contributing to these problems, we strongly urge Starbucks to release a time-bound policy committing to No Deforestation, No Peat, and No Exploitation sourcing across all commodities that your company purchases. This policy must be accompanied by a detailed implementation plan and a commitment to regular reporting. For detailed recommendations on improvement, see *Policy Recommendations for Starbucks to Ensure Responsible Commodity Sourcing* (attached). Failure to do so poses a substantial risk to your bottom line in two ways: uncertainty in your supply chain, which worries investors, and reputational damage.

In July 2015, Starbucks signaled an interest in addressing these risks when your company finally opened a dialogue with our coalition, through the Union of Concerned Scientists (UCS), to strengthen your palm oil commitment, which received 10 out of 100 in the UCS 2015 Palm Oil Scorecard¹¹. These conversations resulted in an updated palm oil commitment that includes "a stronger focus on preserving high carbon stock and remaining peat areas and managing existing plantations on peat, according to best practices."¹²

We applaud this commitment; however, "a stronger focus" falls well short of the industry standard of a strict "No Deforestation, No Peat and No Exploitation" palm oil sourcing policy and time-bound implementation plan. After many months of dialogue, your company continues to fail to safeguard its reputation by depending only on palm oil from the Roundtable on Responsible Palm Oil (RSPO),

which Starbucks itself has publicly critiqued as being too weak¹³ and which does not assure consumers that Starbucks' products are free from deforestation. Starbucks continues to lag far behind its competitors and continues to fail to communicate how the company will protect forests, the climate and endangered species.

Starbucks' adoption of a deforestation-free palm oil commitment is consistent with the work your company has dedicated to developing and implementing CAFE Standards for coffee and tea purchases. This type of commitment is highly achievable given that the vast majority of globally traded palm oil will be covered by deforestation-free commitments by the beginning of 2016¹⁴.

In its recent update, Starbucks also articulated a commitment "to pursuing zero net deforestation across our supply chain."¹⁵ While communicating that deforestation is material to your business is a step in the right direction, Starbucks again fails to make a firm, time-bound commitment, but rather uses the vague term "pursuing" – which lacks credibility.

Importantly, the goal of achieving zero "net" deforestation is wholly weaker than the goal of achieving *zero* deforestation. Translated out of technical terms, zero net deforestation means that Starbucks is willing to do business with a company that clears forests, so long as it plants saplings elsewhere. Applying this approach to tropical forests would send even more climate pollution into the atmosphere. We ask that you revise your commitment to "achieving zero deforestation across your supply chain."

We are united in a commitment to empowering people to create a better life for people, wildlife and the planet by reducing enterprise-driven tropical deforestation. On behalf of our community members and organizational supporters, we kindly request that Starbucks adopts a No Deforestation, No Peat, and No Exploitation palm oil commitment with a clear time-bound implementation plan to achieve zero deforestation across all commodities in Starbucks' global supply chain.

Sincerely,



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Corporate Policy Advocate
Union of Concerned Scientists



Abby McGill,
Director of Campaigns
International Labor Rights Forum



Jesse Prentice-Dunn
Senior Representative
Responsible Trade Program
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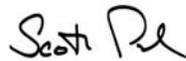
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Enclosures: Policy Recommendations for Starbucks to Ensure Responsible Commodity Sourcing

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Policy Recommendations for Starbucks to Ensure Responsible Commodity Sourcing

To ensure Starbucks is not at risk of contributing to the environmental and social impacts of deforestation, Starbucks must require its suppliers verify that all the products they sell across their entire supply chains:

- Preserve High Conservation Value and High Carbon Stock landscapes as defined by the HCS Approach's methodology. This methodology was developed with the aim to ensure a practical, transparent, robust, and scientifically credible approach that is widely accepted to implement commitments to halt deforestation in the tropics while ensuring the rights and livelihoods of local peoples are respected¹⁶.
- Preserve peatlands, regardless of depth.
- Originate from suppliers who resolve new and existing conflicts, including those that resulted from a lack of proper FPIC, through a transparent, balanced, and accessible dispute resolution process that is aligned with the UN Guiding Principles on Business and Human Rights.
- Originate from growers that do not burn their fields, for any purposes. (*Failure to include this principal could result in the media continuing to link Starbucks to the horrific fires and smoke¹⁷, to which more than 100,000 deaths a year are attributed¹⁸.)*
- Originate from growers that respect land tenure rights and the rights of indigenous and local communities to give or withhold their Free, Prior and Informed Consent (FPIC) to operations on lands to which they hold legal, communal, or customary rights.
- Originate from growers that comply with all relevant local, national, and international laws.
- Originate from growers that track and report on the carbon footprint of their production.
- All the palm oil purchases Starbucks makes should originate from growers that implement ethical employment policies as outlined in the Free and Fair Labor Principles (FLP), including specific measures to protect against the abuse of migrant and casual workers¹⁹.

To verify that Starbucks and its suppliers are meeting these commitments, Starbucks must:

- Set an aggressive deadline by when all Starbucks-branded products (including those from licensed, non-company owned stores, and joint venture partners) will meet Starbucks' palm oil commitment.
- Establish a comprehensive time-bound implementation plan, which includes intermediate benchmarks for achieving independently verified, physically sourced 100% deforestation-free, peat-free, exploitation-free palm oil from suppliers that meet the above commitments across their entire operations.
- Publish a commitment and procedure for Starbucks to eliminate suppliers that do not meet its policy.
- Report annually and publicly on progress toward meeting goals, including reporting the volume (or percentage) of palm oil Starbucks is currently sourcing that meets the above criteria, and require equivalent reporting from Starbucks' suppliers.

¹ <http://www.theguardian.com/environment/ng-interactive/2015/dec/01/indonesia-forest-fires-how-the-years-worst-environmental-disaster-unfolded-interactive>

² Products containing palm oil and palm kernel oil as listed on Starbucks' website
<http://www.starbucks.com/search?keywords=%22palm%20oil%22&psize=100&page=1>

³ <http://www.starbucks.com/menu/drinks/frappuccino-blended-beverages/java-chip-frappuccino-blended-beverage>

⁴ <http://store.starbucks.com/starbucks-cinnamon-dolce-hot-cocoa-mix-011031917.html>

⁵ <http://store.starbucks.com/starbucks-sea-salt-caramel-bites-011052766.html>

⁶ <http://www.nytimes.com/2015/10/29/world/asia/indonesia-forest-fire-toxic-haze.html>

⁷ <http://www.theguardian.com/environment/2015/oct/26/indonesias-forest-fires-threaten-a-third-of-worlds-wild-orangutans>

⁸ <http://www.straitstimes.com/asia/47b-indonesia-counts-costs-of-haze>

⁹ <http://www.laborrights.org/publications/empty-assurances-human-cost-palm-oil>

¹⁰ <http://action.sumofus.org/a/starbucks-palm-oil>

¹¹ www.ucsusa.org/paloilscorecard

¹² <http://globalassets.starbucks.com/assets/379b146ee1294a29acb23e7d03261b7d.pdf>

¹³ <http://www.theguardian.com/sustainable-business/2015/jun/01/sustainable-palm-oil-climate-change-pepsi-walmart-starbucks>

¹⁴ <http://news.mongabay.com/2014/11/over-60-of-worlds-traded-palm-oil-now-bound-by-zero-deforestation-commitments/>

¹⁵ Ending Deforestation <http://globalassets.starbucks.com/assets/d2eef5b7e3df4b59817cb24880a0d44f.pdf>

¹⁶ <http://highcarbonstock.org/>

¹⁷ <http://www.channelnewsasia.com/news/singapore/in-pictures-singapore/2193936.html>

¹⁸¹⁸ <http://www.ucsusa.org/global-warming/stop-deforestation/clearing-air-palm-oil-peat-destruction-and-air-pollution>

¹⁹ The use of migrant, temporary, or outsourced workers should be accompanied by basic safeguards, including written employment contracts that clearly list an employee's rights and job duties in a language they understand, including employment status, pay rate, working hours, legal overtime maximum, and grievance & termination policies. For migrant workers, employers should bear the costs of recruitment, including work permit fees and transportation to the plantation. Migrant workers should maintain complete control over their identity documents and personal effects, with access to lockboxes. For more information, see the FLPs at: https://www.humanityunited.org/wp-content/uploads/2015/03/PalmOilPrinciples_031215.pdf