

**WHEREAS** Starbucks Corp. has repeatedly emphasized its commitment to environmental leadership, yet has no comprehensive recycled content or container recovery strategy for the plastic, glass, paper and metal containers its beverages are sold in.

Society has been inundated with recyclable materials that are not being recycled. Two-thirds of beverage containers in the U.S. are not recycled but discarded in landfills, incinerated or littered, and thereby diverted from recycling streams. The U.S. recycling rate for beverage containers declined from 53 percent in 1992 to 34 percent in 2006, while sales continued to grow.

We commend the company for using 10% recycled paper fiber in its hot coffee cups and for its leadership commitment to recycle all post-consumer paper and plastic cups left in company-owned stores by 2015. However, the commitment does not reference the company's responsibility for recycling of our subsidiary Seattle's Best coffee cups which are sold in 30,000 locations.

The company has made no commitment to use recycled content in its Ethos brand water bottles or to specific measures designed to increase rates of bottle and can recovery. Starbucks lags behind competitors who sell bottled beverages, including Coca-Cola Co. and PepsiCo which both use a significant percentage of recycled polyethylene terephthalate (PET) resin in plastic bottles sold in the U.S. Nestle Waters North America has introduced *re-source*, a brand of bottled water with 25% recycled PET content. Pepsi's Naked Juice brand uses 100% recycled PET plastic in its bottles.

Significant container recovery rates are possible. In U.S. states with container deposit laws, and countries like Germany and Sweden, beverage container recovery rates of 70 to 80 percent have been achieved. Coca-Cola Co. set a goal to recover 50% of all beverage containers it sells annually by 2015; PepsiCo has pledged to recover 50% of industry container volume by 2018; and Nestle Waters has pledged to recover 60% of the plastic bottles it sells by 2018. Starbucks has made no such commitment. Increased recovery can reduce reliance on virgin resins and metals and make more materials available to provide recycled content in new containers.

Increased recycling of containers can also reduce carbon footprint. If all U.S. beverage containers sold in 2005 had been recovered, an estimated 15.6 million metric tons of greenhouse gases could have been avoided. (*Waste & Opportunity, As You Sow, 2008*)

**BE IT RESOLVED THAT** Shareowners of Starbucks request that the board of directors adopt a comprehensive recycling strategy for beverage containers sold by the company. The strategy should include consideration of aggressive recycled content goals, and container recovery goals for plastic, glass, paper and metal containers. The board shall prepare a report by October 1, 2011 on the company's efforts to achieve this strategy. The report, to be prepared at reasonable cost, may omit confidential information.

#### **SUPPORTING STATEMENT**

We believe the requested report is in the best interest of Starbucks and its shareholders. Leadership in this area will protect our brands and enhance the company's reputation.