



A message from the CEO

2023 marked the 75th anniversary of the Universal Declaration of Human Rights. Article 4 of the declaration provides that no one shall be held in slavery or servitude. Starbucks Coffee Australia Pty Ltd supports the fundamental human rights enunciated in that Declaration.

Whether it's arabica coffee, tea, cocoa or manufactured goods, Starbucks Coffee Australia Pty Ltd is committed to offering ethically purchased and responsibly produced sustainable products of the highest quality. This is not without its challenges, as concerns of worker exploitation in the broader coffee farming industry continued to emerge during 2023. Starbucks Coffee Australia Pty Ltd, as the reporting entity pursuant to the *Modern Slavery Act 2018* (Cth) and operator of licensed stores in Australia, continues to collaborate with Starbucks Corporation to better understand its global efforts to give effect to the Sustainable Development Goals, in particular target 8.7: eradicating forced and child labour.

We also seek to mitigate risks associated with modern slavery in our own operations. We call our people partners - because we do what we do because of our people. Our focus is our people and we provide opportunities to develop their skills, further their career, and achieve their personal and professional goals. We describe our efforts to protect the rights of our partners further in our statement.

1 About this Modern Slavery Statement

This Modern Slavery Statement (**Statement**) is made pursuant to the *Modern Slavery Act 2018* (Cth) (**Act**) by Starbucks Coffee Australia Pty Ltd (ABN 73 169 062 926) (**Starbucks Australia, we, us, our**) in respect of our actions taken to assess and address modern slavery risks in our operations and supply chains from 1 July 2022 to 30 June 2023 (**Reporting Period**).

In line with our values of *Craft, Courage, Results, Belonging & Joy*, we remain committed to identifying the risks of modern slavery in our operations and supply chains and being open about areas of our business that require continuous supervision and improvement. We seek to minimise the occurrence of modern slavery and we are dedicated to acting with integrity and transparency in all aspects of our business.

2 Our Structure, Operations and Supply Chains

2.1 Structure

Starbucks Australia is a company incorporated and domiciled in Australia. Starbucks Australia does not own or control any other entities.

Starbucks Australia, is wholly-owned by the Withers and Barlow families, and has responsibility for operating Starbucks Australia stores. We have a license to operate and franchise Starbucks Australia stores in Australia from the US-based Starbucks Corporation.

2.2 Operations

Founded in 1971, the Starbucks franchise originated in Seattle, United States.¹ Today the franchise has stores globally in over 80 countries, which includes a mix of company-owned stores and licensed stores.²

¹ <https://www.starbucks.com.au/about-starbucks>

² Starbucks Statement on UK Modern Slavery Act 2019. <https://www.starbucks.co.uk/sites/starbucks-uk/files/2023-11/FY2022%20UKMSA.pdf>



Our stores are owned and operated by Starbucks Australia and are located across New South Wales, Victoria and Queensland. Our head office is located in Richmond, Victoria.

Starbucks Australia employs more than 1,200 partners across our support office and store network, as outlined below:

Work Type	Support Office	Stores	Total
Full Time	42	150	192
Part Time	1	1,074	1,075
Total	43	1,224	1,267

Our partners occupy a wide variety of roles. The types of roles performed in our stores include:

Barista: A barista is responsible for preparation of hot and cold beverages, cash register transactions, store cleanliness, product merchandising and customer service.

Shift supervisor: A shift supervisor performs all the duties of a barista, as well as directs the work of others and assists with ordering and accounting. A shift supervisor is required to be at least 18 years of age.

Assistant store manager: An assistant store manager assists the store manager with general operations and may be required to operate as a barista from time to time as required by operational demands. An assistant store manager is a salaried position and a full time assistant store manager is scheduled to work at least 38 hours each week.

Store manager: The store manager is ultimately in charge of all store operations and directs the work of the assistant store manager(s), shift supervisors and baristas. The store manager is responsible for personnel decisions, scheduling, payroll and fiscal decisions. A store manager is a salaried position and a full time manager is scheduled to work at least 38 hours each week.

Partners in our support office perform roles to support our partners (employees) in store in providing customer connections. These roles are predominately split into functional areas, Category and Marketing, Supply Chain, Information Technology, Operations, Partners and Culture, Finance, Property and the Executive team.

2.3 Supply Chains

(1) Starbucks Corporation – global supply chain

Starbucks Corporation supplies us with the packaged Arabica coffee beans used in our stores. Arabica beans are sourced from the countries listed below:³

³ <https://stories.starbucks.com/uploads/2024/02/Starbucks-FY23-Coffee-Suppliers.pdf>



SOURCING MARKETS	
Bolivia	Lao People's Democratic Republic
Brazil	Malawi
China	Mexico
Colombia	Nicaragua
Costa Rica	Papua New Guinea
Dominican Republic	Peru
DR Congo	Puerto Rico
East Timor	Reunion
Ecuador	Rwanda
El Salvador	Tanzania
Ethiopia	Thailand
Guatemala	Uganda
Honduras	United States
Indonesia	Vietnam
Kenya	Zambia

These beans are roasted at Starbucks Corporation's roasting facilities and then they are packaged and sent to Starbucks locations around the world.

In addition to packaged coffee, Starbucks Corporation also supplies us with:

- a range of items not for resale used for store development purposes such as:
 - coffee machines from Switzerland;
 - furniture from China and Asia Pacific
 - fixtures and equipment from the United States and Germany; and
- items for resale such as:
 - smallwares and serveware from the United States, Asia Pacific, China and Latin America;
 - beverage components from Japan, Asia Pacific, United Kingdom, and the United States;
 - paper/plastic products from China, Asia Pacific and the United States;
 - packaged tea from China, Japan and the United States;
 - themed merchandise from China and Asia Pacific.

(2) **Starbucks Australia - local supply chain**

During the Reporting Period, Starbucks Australia's procurement spend was approximately \$94million from approximately 266 suppliers primarily supplying goods and services in the following categories:

- (a) **Food and Drink Products** – dairy, baked goods, fresh food
- (b) **Hospitality Equipment and Machinery** – commercial cooking equipment and repairs, food appliances, commercial refrigeration and air conditioning
- (c) **Information Technology and Telecommunications** – computer software and hardware, internet, landline, tech support and mobile provider
- (d) **Products** – office supplies, corporate merchandise, furniture, Starbucks merchandise, first aid equipment, cardboard packaging



- (e) **Facilities and Utilities** – rent, cleaning services, gas, waste management, recycling collection, laundry services, security, construction, maintenance and shopfitting services
- (f) **Corporate Administrative Services** – storage and distribution, car leases, license fees
- (g) **Professional Services** – payroll services, marketing, recruitment, legal, auditors and accounting services and consultants

The majority of Starbucks Australia’s direct suppliers are based in Australia. Many of these suppliers, however, are likely to rely on global supply chains in their provision of goods and services to us.

3 Risks of modern slavery practices in operations and supply chains

In seeking to assess the modern slavery risks in our operations and supply chains, we applied the United Nations Guiding Principles on Business and Human Rights (**UNGPs**) to consider the potential for our business to cause, contribute to, or be directly linked to adverse human rights impacts. In doing so, we looked at:

- the risk that our operations may directly result in modern slavery practices;
- the risk that our operations and/or actions in our supply chains contribute to modern slavery; and
- the risk that our operations, products or services are connected to modern slavery through the activities of another entity, including business partners.

3.1 Modern slavery risks in our operations

Given the fact that our operations are based entirely in Australia, our geographic risk for modern slavery is low according to the Global Slavery Index. This ranking does not mean that modern slavery does not exist in Australia, but rather, that there is a lower prevalence of, and vulnerability to, modern slavery by virtue of a number of factors including the strong rule of law and robust industrial relations laws and regulations.

The risk of modern slavery occurring in our direct employment of partners also is low having regard to our compliance with the Fast Food Award rates and the legal framework regulating employment practices in Australia. In 2020, Starbucks Australia self-reported non-compliance to the Fair Work Ombudsman (FWO) after becoming aware of underpayments while conducting a review of our time and attendance and payroll systems. By September 2023, we completed all back payments and provided evidence of this to the FWO. The FWO observed that we had cooperated and demonstrated a strong commitment to rectifying underpayments, including devoting significant resources to engaging independent experts to oversee its rectification.

We recognise that modern slavery exists at the extreme end of a continuum of exploitative practices. This continuum includes: forced labour, the worst forms of child labour, debt bondage, exploitative practices (including excessive overtime), abusive working and living conditions, discrimination, restriction of movement, retention of personal documents, withholding wages and deception. Australia is not immune to these exploitative practices and there are heightened risks in relation to the hospitality sector, which employs potentially vulnerable categories of workers such as young people and migrants on temporary visas with limited English language skills. Our policies and procedures are designed to manage the risk that our partners’ rights, including the right not to be enslaved, are protected.



3.2 Modern slavery risks in our supply chains

Our most salient modern slavery risks are present in our direct and indirect supply chain, which includes a broad range of suppliers from various industries, including those generally considered at higher risk for modern slavery by virtue of their sector risk and/or the higher risk components and raw materials that form part of the products manufactured in the sectors.

- Coffee
- Cocoa
- Tea
- Food
- Merchandise
- Cleaning services
- Uniforms
- Machinery and equipment
- Construction, shopfitting and maintenance

In December 2023, Starbucks Corporation published a [Human Rights Impact Assessment](#), which includes information in relation to its supply chain. An extract from the assessment is shown below in relation to relevant industry risks:

Adverse human rights impacts continue to remain significant across agricultural and non-agricultural supply chains. Farmers, farm workers and smallholders, as well as workers that support manufactured goods supply chains and third-party services are at risk of human rights impacts, including some of the most severe impacts, such as child and forced labor, gender-based violence and inadequate wages and incomes. Women, children, older workers and migrant workers are particularly vulnerable to adverse impacts in many of these supply chains. Some of these impacts are driven by broader factors, such as a lack of basic social services and protection, inadequate infrastructure, barriers to educational opportunities and market volatility. Climate change and other environmental factors also play a significant role in driving or exacerbating many of these adverse human rights impacts.

During the Reporting Period, there were reports of worker exploitation in coffee farms in Brazil that supplied beans to Starbucks Corporation. As a result, Starbucks Corporation reviewed the status of certification of the farms and set out the process for corrective action where needed.⁴ Starbucks Corporation thoroughly investigated the claims and found that five of the farms mentioned in the report had expired status in the CAFÉ Practices program. Starbucks Corporation suspended purchases from the farms in question until compliance with our ethical sourcing standards have

⁴ <https://reporterbrasil.org.br/2023/11/integra-dos-posicionamentos-de-starbucks-rainforest-alliance-fazenda-pedreira-cooxupe-e-fazenda-cedro-chapadao/>

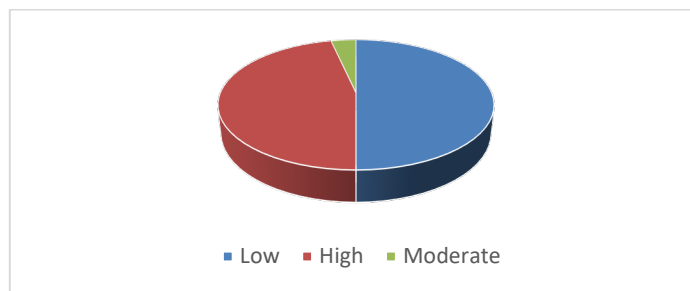


been verified. To obtain active status in the program, these supply chains will need to undergo re-verification and satisfactorily complete all program requirements.

We are collaborating with Starbucks Corporation in relation to this issue so that we can better understand the risks.

Like all businesses we also have modern slavery risk in our IT and telecommunications supply chains. While the specific risks may depend on the sector, the most prevalent types of modern slavery relevant to the above sectors include, but is not limited to, forced labour and child labour, debt bondage, poor working conditions and hours, gender-based violence and deceptive recruitment practices associated with the use of subcontractors and labour hire agencies.

A risk assessment of our 2023 supplier list (excluding products supplied by Starbucks Corporation) by inherent industry risks for modern slavery identified the following breakdown of suppliers by risk levels:



For the purposes of the risk assessment, the industries considered to have higher risks for modern slavery included: general supplies (mugs, chemicals, plates, cutlery), beverages, car leases, construction, dairy, distribution, equipment, food, freight, furniture, property maintenance, laundry services, logistics, shopfitting. IT hardware, transport, corporate merchandise and uniforms, utilities, and waste collection. The industries considered to have moderate or lower risks for modern slavery included: audit services, consultants, customer insights, events management, first aid training, legal services, marketing, payroll services, tech support and telecommunications.

4 Actions to assess and address modern slavery risks

4.1 In our operations

During the Reporting Period, our Starbucks Partner Guide (Guide) continued to apply. This Guide articulates our shared commitment to treat all partners with respect and dignity. It also provides transparency and processes in relation to total pay and benefits.

Starbucks Australia continued the implementation of the following risk management controls:

- Centralised payroll systems to enhance oversight and monitor for any instances of payroll non-compliance
- Comprehensive right to work checks
- Regular internal and external auditing to ensure our payroll complies with statutory requirements

4.2 In our supply chain

One of the primary means by which we continue to assess and address the potential risk of modern slavery in our supply chain is through our contracting process with our suppliers. We recognise that our leverage with suppliers is strongest at the time of negotiating a contract. During the Reporting Period, we incorporated modern slavery terms into agreements with suppliers where possible. The terms require suppliers to take all reasonable steps to ensure that the goods or services ultimately provided to us are not the product of modern slavery. Suppliers are required to



notify us as soon as practicable upon becoming aware of modern slavery in their operations or supply chain.

With the support of external subject matter experts, we refreshed our desktop risk assessment of our direct suppliers by reference to sector risk and procurement spend.

A significant proportion of our supply chain relies on products from Starbucks Corporation which implements a number of ethical sourcing measures, including *C.A.F.E. Practices* (Coffee and Farmer Equity Practices)⁵, sourcing tea from Rainforest Alliance certified farms⁶, collaborating with NGOs in support of sustainable cocoa⁷ and on-site factory assessments for manufactured goods.⁸



In relation to the products supplied to us by Starbucks Corporation, it discloses various safeguards, including extensive policies and controls, to operationalise ethical sourcing and protection of human rights:

- [Global Human Rights Statement](#)
- [Standards of Business Conduct](#)
- [Corporate Governance](#)
- [Global Environmental & Social Impact Report 2021](#)
- [Starbucks Social Responsibility Standards for Manufactured Goods and Services](#) - Starbucks Global Supply Chain and Food Safety Product Quality (Standards Self Sourcing Compliance)
- [Supplier Code of Conduct](#)
- [Coffee and Farmer Equity \(C.A.F.E.\) Practices](#)
- [Starbucks Global Farmer Fund](#)
- [Starbucks Social Responsibility Standards for Manufactured Goods and Services](#)
- [Sustainable Palm Oil](#)
- [California Transparency in Supply Chains Act](#)
- [Conflict Minerals Policy Statement](#)
- [Zero Tolerance for Child Labor](#)
- [Zero Tolerance Policy on Prison Labor](#)

In Brazil, Starbucks Corporation expanded the Farmer Support Center to help provide additional resources to farmers.⁹ Our Brazil Farmer Support Center team offers regular workshops focused on Social Responsibility to coffee producers and suppliers about Brazilian Labor Legislation.

⁵ <https://stories.starbucks.com/press/2020/cafe-practices-starbucks-approach-to-ethically-sourcing-coffee/>

⁶ <https://www.starbucks.com/responsibility/sourcing/tea/>

⁷ <https://www.starbucks.com/responsibility/sourcing/cocoa/>

⁸ <https://www.starbucks.com/responsibility/sourcing/store-products/>

⁹ <https://stories.starbucks.com/emea/stories/2022/starbucks-farmer-support-centers-free-education-and-resources/>



4.3 Remediation

Local

Partners can raise concerns, including in relation to modern slavery, using the reporting channels set out in the Starbucks Partner Guide. Our grievance handling process is conducted by the following four principles:

Confidentiality - only partners directly involved in making or investigating a complaint will have access to information about that complaint.

Impartiality - both sides will have a chance to tell their side of the story. No assumptions will be made and no action will be taken until all relevant information has been collected and considered.

Free from repercussions - no action will be taken against anyone for making a genuine complaint or helping someone to make a complaint. Starbucks will take all necessary steps to ensure that no victimisation occurs against anyone who makes a complaint.

Timeliness - All complaints will be dealt with as quickly as possible. The aim is to resolve all complaints within 4 weeks unless not practicable to do so.

Anonymous reporting is permitted via our Business Conduct Helpline anonymously on 1800 454 956.

International

In the event any non-compliance in its CAFÉ Practices program, Starbucks Corporation reports that it will collaborate with the farm to develop an appropriate remediation plan, which may involve suspending purchases from the farm until it can meet and uphold our standards.¹⁰

If we found that our business had caused or contributed to modern slavery, we would take guidance from the UNGPs, which provides that businesses in this situation need to remediate the impact by taking a person-centred approach by protecting the safety, privacy and wellbeing of the impacted person. We would undertake a full investigation of the situation to ensure that an appropriate corrective action plan is implemented and assess how similar impacts could be avoided in the future.

5 Assessing the effectiveness of actions

As mentioned in our 2022 modern slavery statement, we developed an implementation plan that sets out our goals for the future to track and assess the effectiveness of our actions. The goals set out for 2023 are below. Apart from (1), (2) and (6) below, the goals were achieved during 2023.

1. Form a Modern Slavery Committee responsible for overseeing the implementation of our goals and to provide periodic updates to our board.
2. Identify and engage with select direct suppliers operating in higher risk sectors to develop a better understanding of the modern slavery risks in their supply chains.
3. Formalise our approach to assessing and mitigating modern slavery risks in our procurement processes.
4. Undertaking satisfaction rating on employment practices in annual survey with partners.
5. Provide training for partners with a procurement function on the revised processes.
6. Publish our Modern Slavery Policy and provide training on the Policy to our partners.

¹⁰ <https://reporterbrasil.org.br/2023/11/integra-dos-posicionamentos-de-starbucks-rainforest-alliance-fazenda-pedreira-cooxupe-e-fazenda-cedro-chapadao/>



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During the next reporting period, we will progress (1), (2) and (6). We are in the process of recruiting a strategic sourcing position for 2024 to support our efforts with ethical sourcing. We will also continue our discussions with Starbucks Corporation regarding the supply chain of coffee and tea and work to mature our approach to supply chain due diligence.

6 Approval

This Statement was approved by the board of directors of Starbucks Australia, the principal governing body of the reporting entity, on 19th June 2024 and signed by Michael Smith (Chairman), a responsible member of the reporting entity.

A handwritten signature in blue ink, appearing to read "Michael J. Smith".

Michael J. Smith

Chairman
19/06/2024



Modern Slavery Act 2018 (Cth) – Statement Annexure

Mandatory criteria	Page number/s
1. Identify the reporting entity.	1
2. Describe the reporting entity's structure, operations and supply chains	1-4
3. Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity	4-6
4. Describe the actions taken by the reporting entity to assess and address these risks, including due diligence and remediation processes.	6-8
5. Describe how the reporting entity assesses the effectiveness of these actions	8
6. Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls	N/A