



STARBUCKS COFFEE COMPANY CASE SUMMARY

Coffee, Tea and Sustainability?

Every year, coffee lovers around the world drink 400 billion cups of coffee. As an environmentally and socially conscious company, Starbucks knows a lot of resources go into the making of its products — from the remote coffee farms where most beans are grown, to the tons of paper cups, energy, and gallons of water needed to operate its retail stores. With more than 6,000 retail stores around the world and 20 million customers visiting a Starbucks coffeehouse each week, the company knows it has a prime opportunity to be a leader for sustainability within the industry.

In 2000, Starbucks began working with The Natural Step's sustainability framework to build on the company's long-standing commitment to the communities where it does business and the environment. Starbucks began using The Natural Step's framework to assist in establishing sustainability focus areas and to develop tools to measure its environmental footprint.

Creating Benchmarks for Social and Environmental Change

Using The Natural Step's principles for sustainability as guidelines, Starbucks pulled together mid-level managers from its marketing, operations, finance, human resources and other departments to establish a system to measure and focus its environmental performance. This team worked with The Natural Step to inventory environmental and social impacts, including its inputs, outputs and material and energy flows across its network of suppliers, distributors and retail locations.

As first steps on the company's path toward integrating sustainable practices, the following focus areas were identified:

Coffee, tea and paper sourcing: Starbucks is tracking the number of pounds of shade, organic and fair trade coffee purchased, percentage of organic tea, and the post-consumer and unbleached content of its paper packaging.

Transportation: Starbucks is looking at minimizing the environmental impacts of moving both people and partners (employees). Current focus is on providing alternative commuting options for their partners.

Store design and operations: Starbucks is working with the US Green Building Council on a new Leadership in Energy and Environmental Design (LEED) standard specifically for retail. In the interim, Starbucks is measuring the percentage of stores with recycling programs, percentage of customers that use commuter mugs, and tracking its use of electricity, gas, and water per transaction-dollar of sales and square foot of retail space.

Measurable Results

After two years, Starbucks has taken steps to steadily bring The Natural Step's framework to life. The new performance measurement system enables the company to set ambitious sustainability goals and chart their progress. For example, as of 2002, 69 percent of their stores have recycling programs; 26 percent of Starbucks partners at the Seattle headquarters building take advantage of commuter options; and 28 percent of the paper fiber they purchased is post-consumer content.

Engaging Executives

Starbucks commitment to sustainability has had top down impact. The company has provided training in The Natural Step's principles and approach for their senior executives in order to continue building sustainability into the company's business model.