

# Is the Starbucks you're drinking truly environmental?



Today, professionals with Starbucks in hand, rushing through the buildings, has become a beautiful scene in virtually every city.

The popularity of Starbucks for the quality of its coffee is only one aspect; more so, the green mermaid logo represents a fashionable lifestyle.

Starbucks has consistently spared no effort giving high-profile publicity to this green quality, as an indispensable undertone of the new fashion.

On its official website, Starbucks specially set up a social responsibility module to showcase its efforts in environmental and social responsibility. (Figure 1<sup>1</sup>)

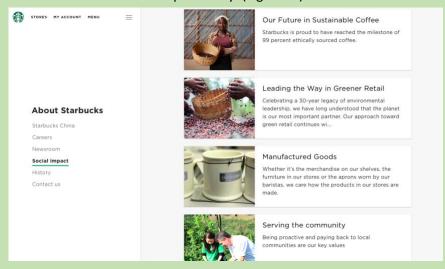


Figure 1. Starbucks
China Official Website
Screenshot

In reference to their purchase of finished products, Starbucks also stated that "our suppliers...all follow social and environmental philosophies that are consistent with our own." (Figure 2<sup>2</sup>)

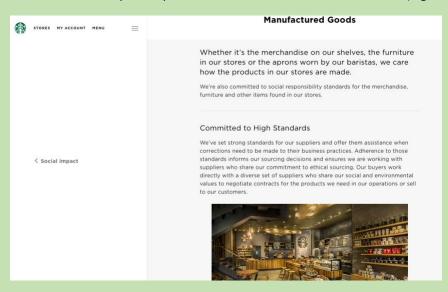


Figure 2. Starbuck
Finished Product
Purchases

In practice, however, despite the "commitment to high standards" by Starbucks supply chain procurement, supplier performance has repeatedly transgressed the minimum standards for environmental protection.

## Straw cup supplier exceeded standards for heavy metal emissions

During this investigation, we found that Zengcheng Zenghao Stainless Steel Products Company Ltd. (hereinafter referred to as "Zenghao Stainless Steel") supplies the Starbucks <u>straw cup</u>.

Zenghao Stainless Steel is primarily engaged in the manufacturing of metal containers, everyday metal items, and plastic crates and containers.

By checking the Blue Map database, we found that the company was included on the "2018 Second Quarter Administrative Penalties" document published by the Guangzhou Zengcheng District Environmental Protection Bureau (EPB) on account of its violations of the Water Pollution Prevention and Control Law and Air Pollution Prevention and Control Law.

#### Wastewater exceeds standards for nickel and copper

On April 19, 2018, Zengcheng EPB sampled and tested wastewater from the company's discharge outlet, concluding that under normal production circumstances, the concentrations of chemical oxygen demand (COD), copper and nickel in the wastewater were 145 mg/L, 1.19 mg/L, and 3.92 mg/L, respectively. Additionally, pH level was found to be 3.35. These values exceed the discharge limit for Period Two Level One under the Guangdong Province "Water Pollutant Emission Limit" (DB44/26-2001), in violation of Article 83 of the Water Pollution Prevention and Control Law. The Zengcheng District EPB thus ordered the enterprise to stop its illegal activity and take corrective action within one month, issuing a fine of RMB 150,000.

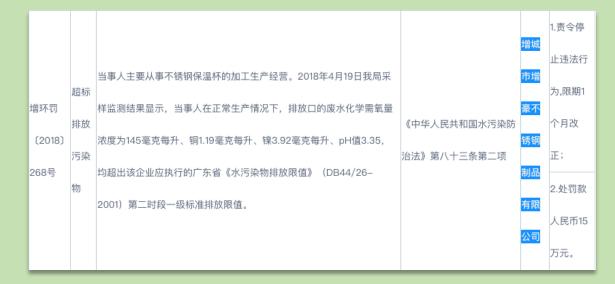


Figure 3. Zengcheng Environmental Protection Bureau Penalty, Administrative Penalty No. 268 (2018)

<sup>&</sup>lt;sup>1</sup> https://www.starbucks.com.cn/en/about/responsibility/

<sup>&</sup>lt;sup>2</sup> https://www.starbucks.com.cn/en/about/responsibility/store-product-sourcing/

### Wastewater containing excess heavy metals flows toward Dongjiang

Zengcheng Zenghao Stainless Steel Products Company Ltd. is located in the Sanjiang Northern Development Zone of Shitan Town, wherein the regional sewage treatment plant Shixia Wastewater Treatment will eventually discharge into the Zeng River waters.<sup>3</sup>

污水 系统	服务 面积 (km²)	污水厂名 称	服务区域	规划 人口 (万人) 2020 年	汚水厂 規模(万 m³/d) 2020 年	排放 标准	排放 水体
石滩污水处 理系统	95. 71	石厦污水 处理厂	增城市中心城区(荔城街、增江街, 石滩镇)及小楼镇镇域	70.96	40	一级 A	增江

Figure 4. Regional Sewage Treatment System, Discharge Destination of Zenghao Stainless Steel



Zeng River is a tributary of the Dongjiang River in the Pearl River Delta (PRD), therefore the pollution could potentially have negative impacts on downstream water supplies and PRD ecosystems.

Figure 5. Quality of water sources in the greater Zeng River area



Class II Water



Class III Water



Class IV Wate

#### Exhaust emissions streams

On April 19, 2018, a Zengcheng District EPB law enforcement inspection found that Zenghao Stainless Steel did not install proper exhaust pollution prevention equipment according to regulation. Exhaust emissions from the injection molding process were consequently untreated and dispersed, in violation of the Air Pollution Prevention and Control Law Article 108 Section 1. Zengcheng District EPB ordered the company to stop its illegal behavior, change its practices within one month, and pay a fine of 50,000 CNY.

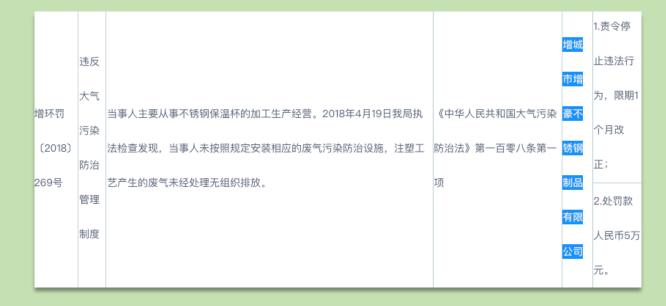
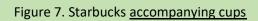


Figure 6. Zengcheng Environmental Protection Bureau Penalty, Penalty No. 269 (2018)

# Fire from accompanying cup supplier posed environmental risk

In addition to Zenghao Stainless Steel, another Starbucks supplier, Dongguan Yanqing Plastic & Metal Products Co., Ltd. (hereinafter referred to as "Dongguan Yanqing Plastics"), which produces a variety of accompanying cups for Starbucks, also committed environmental violations in 2018.





<sup>&</sup>lt;sup>3</sup> https://max.book118.com/html/2017/0819/128775074.shtm

In April 2018, Safety Supervision Penalty [Clean 2018] Administrative Penalty Decision No. 002 published by the Dongguan Administration of Work Safety revealed that during inspections on January 4, law enforcement officials discovered Dongguan Yanqing Plastics did not establish a registration system for hazardous chemicals traveling in and out of the warehouse, violating the Hazardous Chemical Safety Management Regulation Section 25, paragraph 1, for which they received a penalty of 20,000 RMB.<sup>4</sup>

Beyond this violation, Dongguan Yanqing Plastics also experienced a fire accident on January 1, 2018. The cause of fire has been preliminarily identified as children playing with fire outside the warehouse, which ignited piles of paper waste and eventually spread to the warehouse. To some extent, this accident also reflects that Dongguan Yanqing Plastics poses an environmental risk with regard to its imperfect management of solid waste.<sup>5</sup>

# Supplier heavy metals exceed standards; Starbucks avoids the issue

In light of the aforementioned supplier environmental violations, the Institute of Public and Environmental Affairs (IPE) sent a letter to Starbucks in hopes of understanding whether or not the brand knew of these supplier violations, and to push them toward rectification and public disclosure.

#### To date, however, Starbucks has yet to respond.

IPE has paid attention to Starbucks' particular emphasis on saving water resources:

"We are committed to the continuous reduction of water pollution...saving energy and water resources, investing in renewable energy, exploring new programs for recycling, and using recyclable paper cups.<sup>6</sup>

Excess heavy metals emitted by the Starbucks supplier will be slow to degrade naturally; much of it will cause harm to aquatic organisms and even to humans. Once discharge enters a body of water, it causes long-term pollution damages, destroying aquatic flora and fauna, even directly threatening human health.

### Starbucks supply chain management is notably far behind

As a famous international brand, Starbucks' performance in supply chain management significantly lags behind many other prominent international and domestic brands. Among them, more than 50 brands, including Apple, Dell, Levi's, Nike, Panasonic, Huawei, and Landsea regularly search the environmental performance of their suppliers in China, collectively pushing more than 4,000 suppliers to take corrective action and issue public explanations.

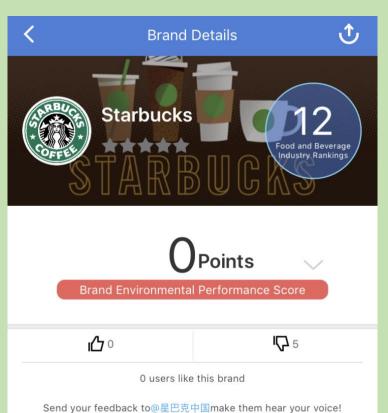
Multiple leading brands also extend their management scope upstream to include hazardous waste processing, sewage treatment plants, and raw material suppliers in order to push suppliers with higher environmental impacts to conduct rectification.

Additionally, 11 brands have joined the Green Supply Chain Map, placing their logo on supplier locations and tying themselves to their suppliers' environmental performance. This information is displayed on the Blue Map, open to social and consumer supervision.

# If you want a cup of truly "green" mermaid, consumers need to make some noise!

Two cups might seem the same: one that comes from clean production, and one whose production pollutes the environment; yet their impact on health and the environment may be vastly different.

Open up the Blue Map App, and you can inquire into every brand's environmental performance.



We hope that you leave a comment after this article, which we will pass along to Starbucks.

You can also open the Blue Map App to express your thoughts,<sup>7</sup> conveniently share to friends on Weibo and WeChat, like leading brands, and push the silent Starbucks to take action and provide the public with truly green products!

Figure 8. Starbucks Environmental Performance Score

<sup>4</sup> http://www.ipe.org.cn/IndustryRecord/regulatory-record.aspx?companyId=550065&dataType=0&isyh=0

<sup>&</sup>lt;sup>5</sup> http://m.sohu.com/a/214902111 99893818

<sup>&</sup>lt;sup>6</sup> <a href="https://www.starbucks.com.cn/about/responsibility/global-report/">https://www.starbucks.com.cn/about/responsibility/global-report/</a>

<sup>&</sup>lt;sup>7</sup> You can search for the "Blue Map" app in major application markets. After downloading, you can find the "Green Choice" section at the bottom of the "Me" section. In the food and beverage industry section, you can find the Starbucks at the bottom of the rankings.