



# Starbucks Food Donation Guide

Strategies to manage costs and effectively create a food donation program

February 2023

*This presentation is based on our experience in setting up a food donation program. Nothing in it should be taken as legal advice.*

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# Food Donation Guide Objectives

- ❖ Create an open-source learning platform to share Starbucks food donation best practices
- ❖ Increase the efficiency of food donation for the food service industry through a cost-neutral model
- ❖ Reduce the burden of rescuing food for food banks and food agencies
- ❖ Rescue more food to support people facing hunger
- ❖ Divert food from landfills to reduce the environmental strain caused by food waste

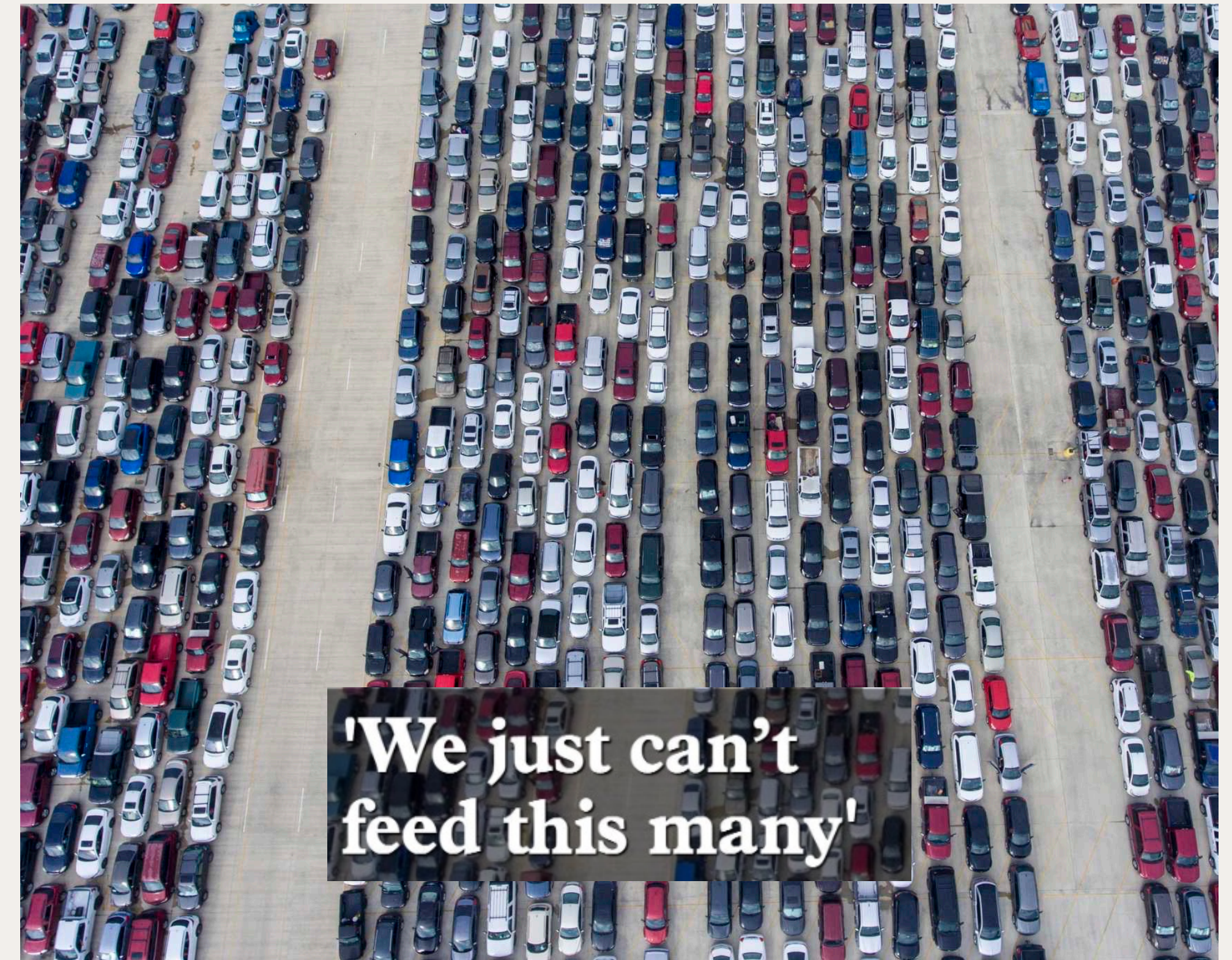
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# HUNGER, FOOD RESCUE AND HOW YOU CAN HELP



# Hunger Is a Logistics Issue that You Can Help Solve

These images portray two troubling crises that are closely linked:



'We just can't  
feed this many'

## Food Waste and Food Insecurity



# Why Food Donation Is Right for Your Company



## FINANCIALLY SELF-SUSTAINING

- This program has the potential to fund itself through a **U.S. federal tax deduction enhancement**<sup>(1)</sup>
- Liability for donations donated in good faith are protected under the **Good Samaritan Act**<sup>(2)</sup>



## GOOD FOR THE PLANET

- Food donation can **reduce garbage fees** and provide a solution to the growing number of municipal composting laws
- Food waste accounts for **21% of landfill volume**<sup>(3)</sup>



## MAKES EMPLOYEES PROUD

- Allows employees to be part of **making positive change every day**
- Food Donation ranked **1 of top 3 positive changes** Starbucks employees wanted to see in their workday



## EXCITES CUSTOMERS & STRENGTHENS YOUR BRAND

- **7 in 10 people** say it's important to buy from socially and environmentally conscious brands<sup>(3)</sup>

(1) <https://www.feedingamerica.org/about-us/partners/become-a-product-partner/tax-benefits-for-your-company>

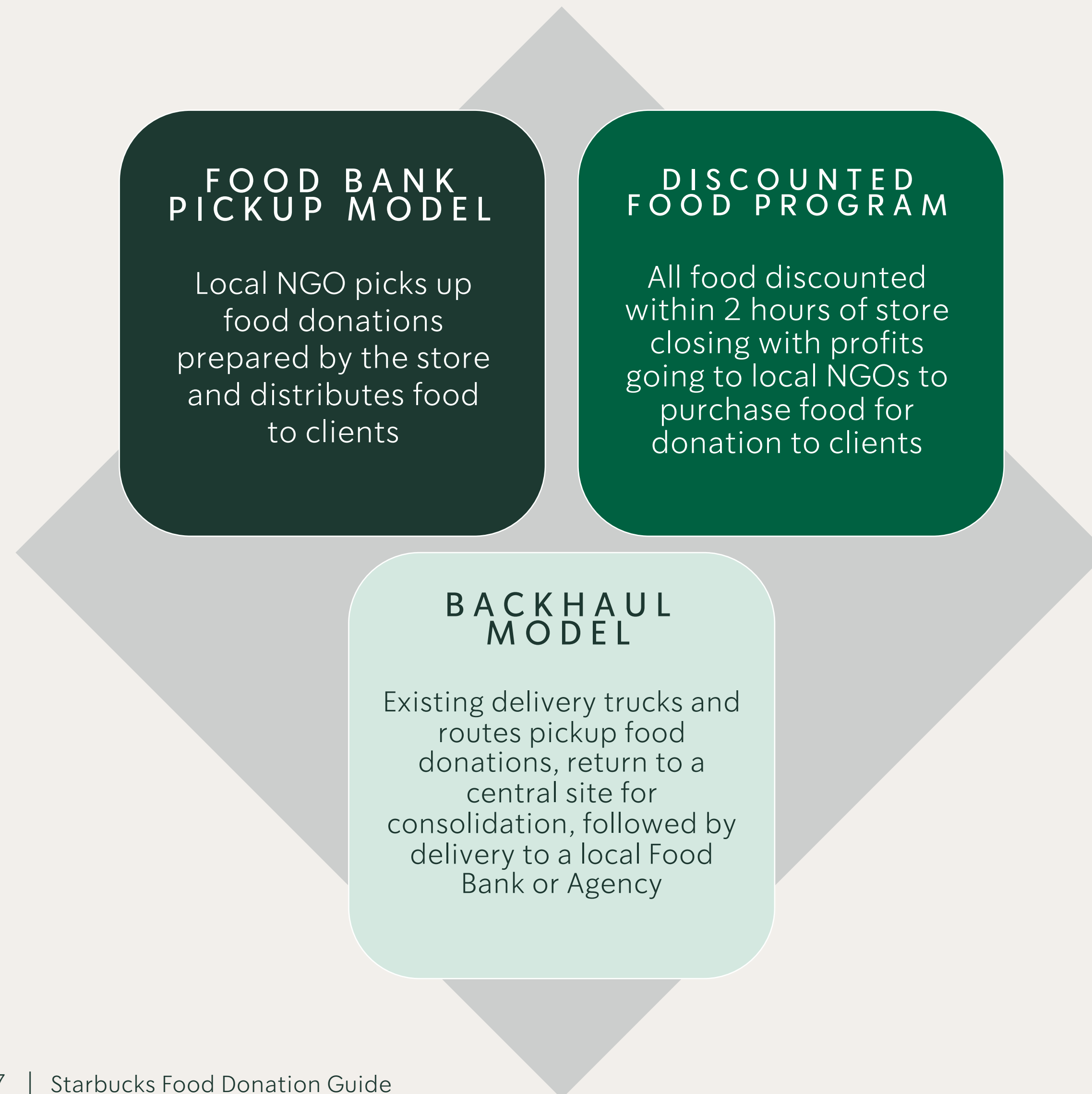
(2) <https://www.feedingamerica.org/about-us/partners/become-a-product-partner/food-partners>

(3) <https://www.supermarketnews.com/sustainability/consumers-desire-will-help-retailers-cut-food-waste>

(4) <https://www.businesswire.com/news/home/20191002005697/en/Consumers-Expect-the-Brands-they-Support-to-be-Socially-Responsible>



# Food Donation Models



There are three main food donation models: Food Bank Pickup Model, Discounted Food Program, & a Backhaul Logistics model.

We have found the **backhaul logistics model** to be the most efficient and effective overall for stores receiving deliveries 7 days per week; however, it does require more internal buy-in. We will be focusing on this model type in this Food Donation Guide.

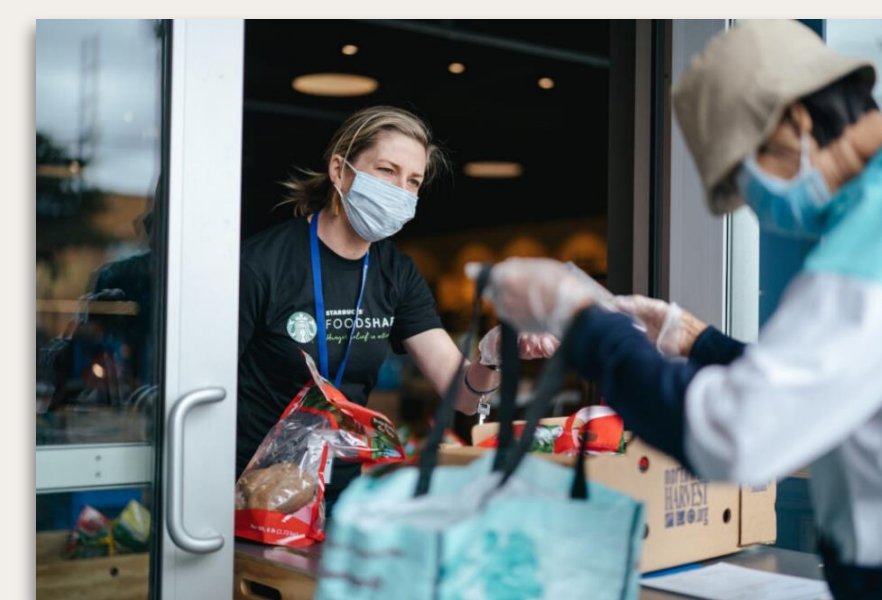
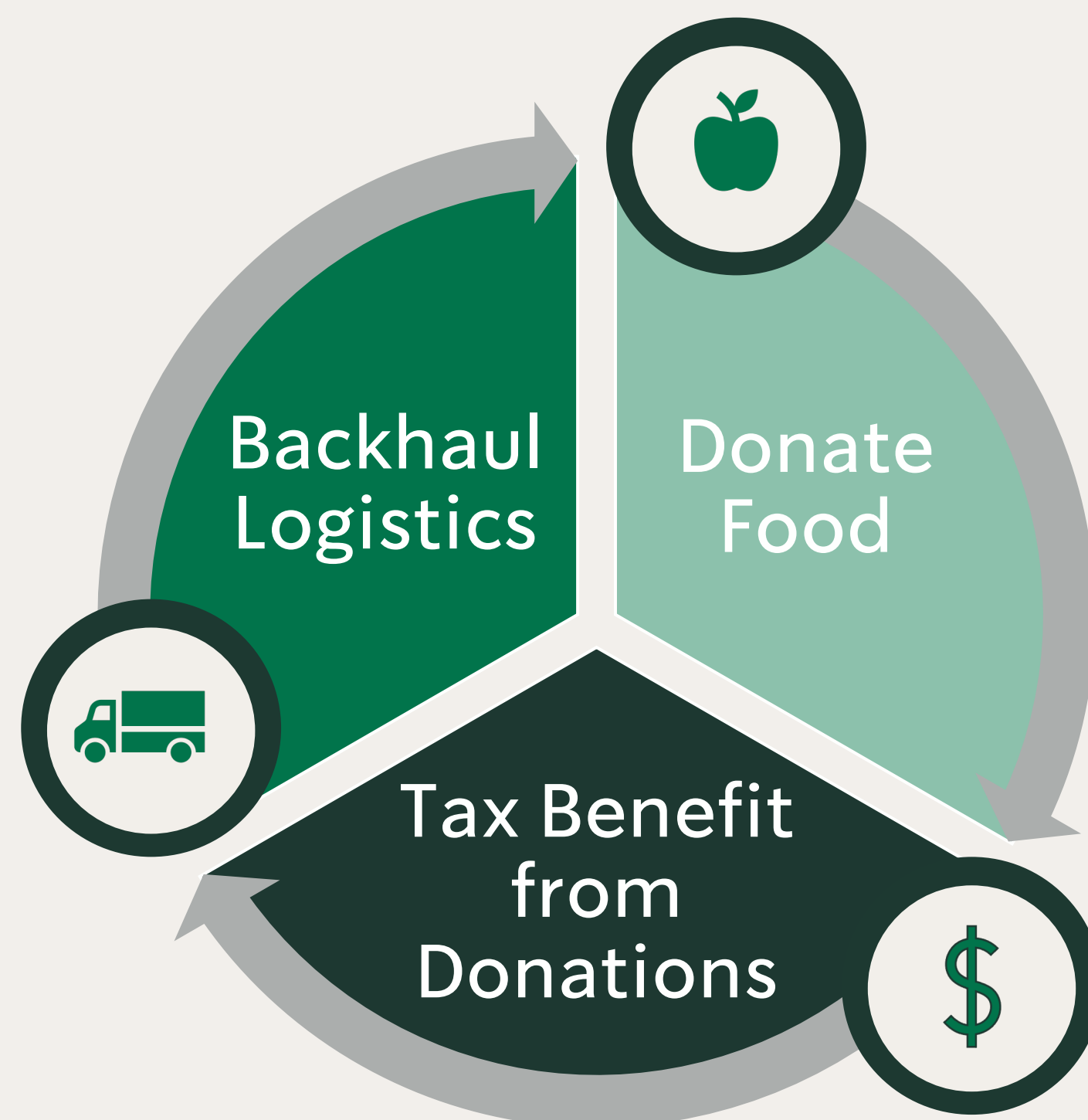
In certain situations, where backhaul logistics cannot take place daily and food shelf-life is a concern, the food bank daytime pick-up model or discounted food program model may be the most effective option.

# Backhaul Logistics + Tax Benefit = Cost-effective Food Rescue



## BACKHAUL LOGISTICS

Utilizing existing delivery trucks and routes to pickup food donations and return to a central site for consolidation unlocks consistent and efficient food rescue.



## DONATE FOOD

Instead of being thrown away, unsold food is rescued and donated to the Feeding America network of food banks and agencies to get into the hands of people who need it most.



## TAX BENEFIT

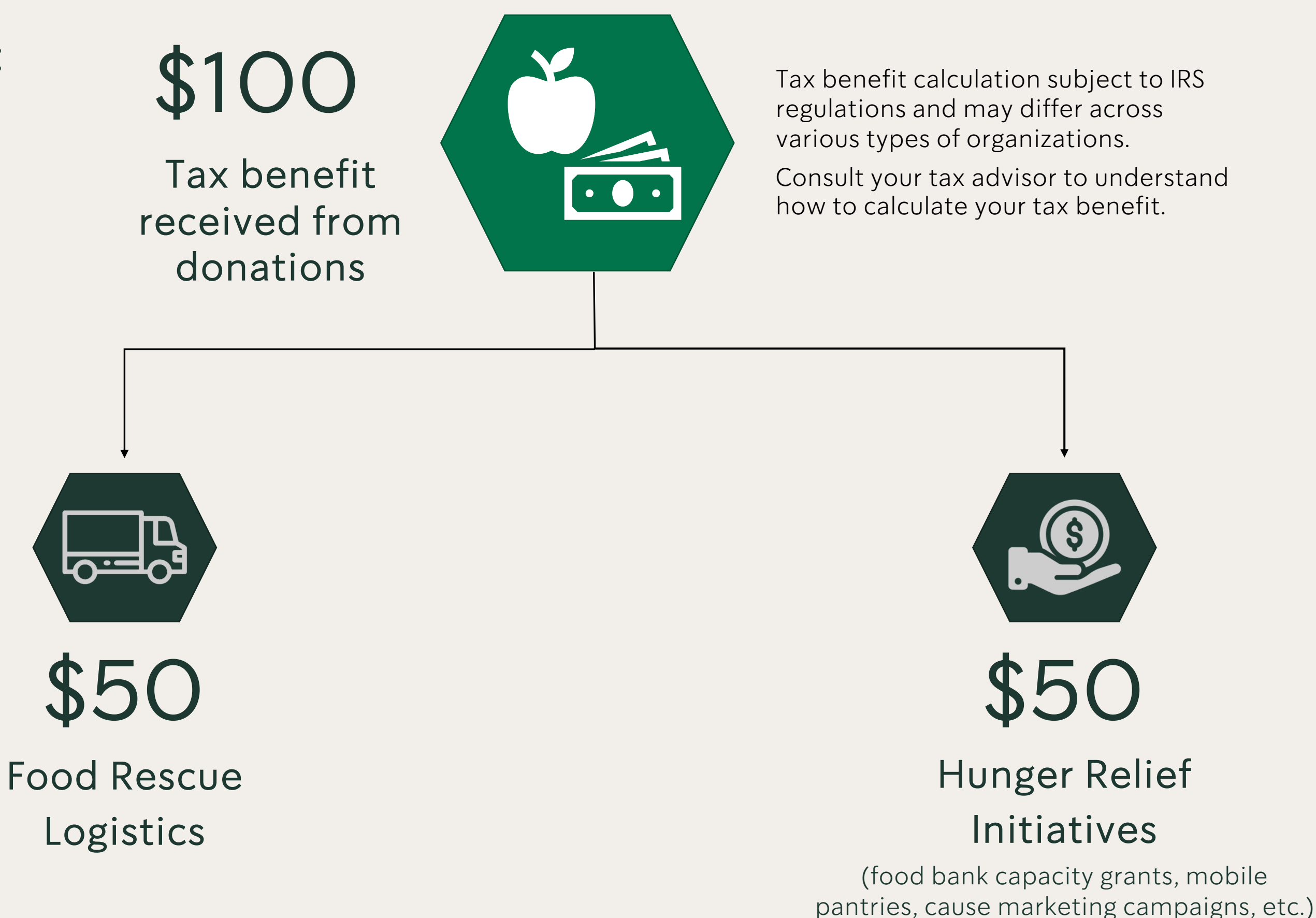
Per the U.S. Enhanced Tax Deduction, companies receive a financial benefit for pounds of food donated, which can be used to fund backhaul logistics for food rescue. More details and example calculation on slide 17.



# Starbucks Uses the Tax Benefit to Fund Hunger Relief Efforts

Starbucks receives the U.S. federal tax benefit for every pound of food donated and those funds help keep the program **self-funded** by covering food rescue logistics costs and investments into food banks and other hunger relief initiatives.

Let's look at an example:



*NOTE: Numbers are for illustration purposes only; neither dollar amounts, nor allocation splits are factual*

# Feeding America: Your Food Donation Partner

With a network of over 200 food banks across the U.S, Feeding America is the strategic partner to ensure that food is rescued from going to the landfill and instead feeding those impacted by food insecurity.



[Watch this video to see how Feeding America works >](#)

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# ROAD TO PROGRAM CREATION



# The Starbucks Food Donation Story

Vision: Rescue 100% of food available to donate from all U.S. company-operated stores.



## HOW WE GOT HERE

Starbucks Partners (employees) who live the Starbucks Mission and Values daily in our stores expressed concern about the food that was being thrown away each night.

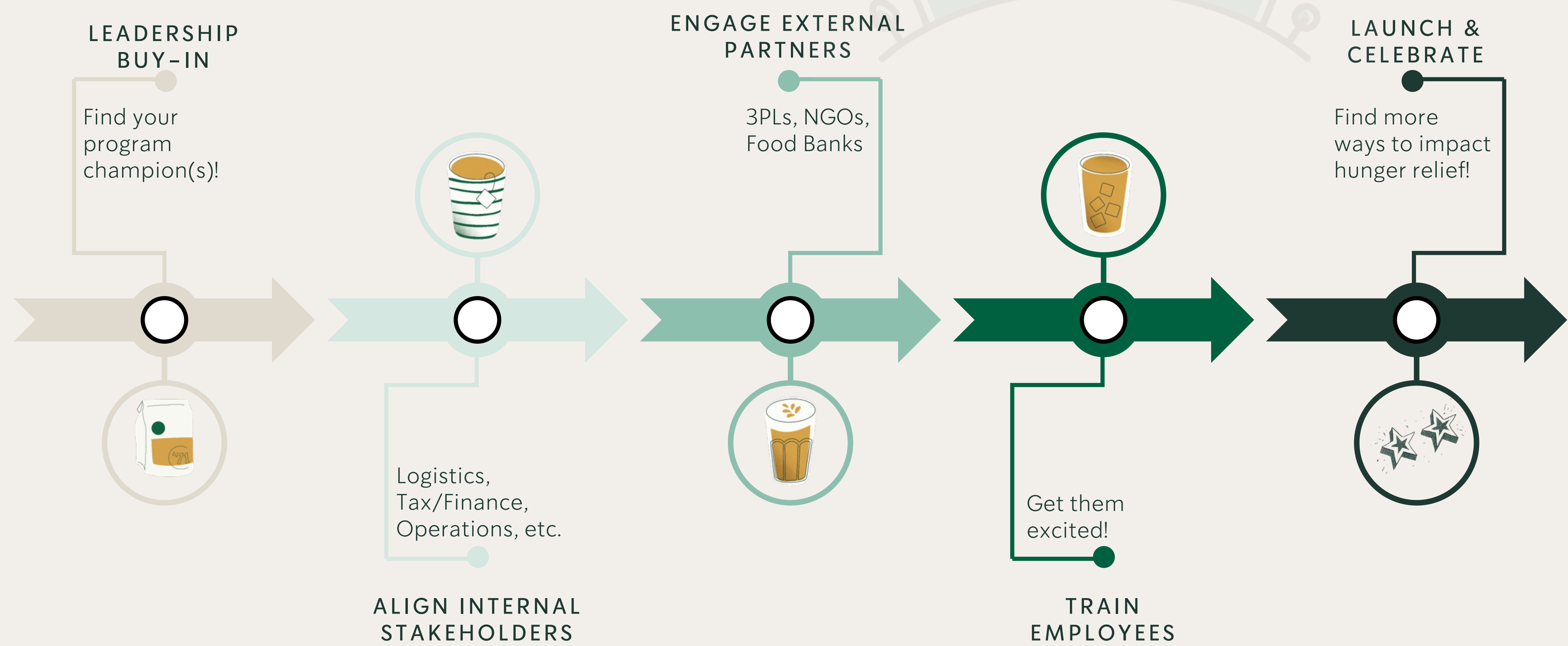
Driven by this concern, Starbucks teamed up with Feeding America in 2016 to develop the FoodShare program to donate all unsold food available to donate from stores to local Feeding America food banks and agencies. Seven years later, the FoodShare program is now available in 100% of our U.S. company-owned Starbucks stores.

As a company deeply concerned with the issue of hunger, we have created this Guide to humbly share what we've learned in hopes to grow food donation in the food service industry so that together we can end hunger. [Click here to view our video on the Starbucks FoodShare Program and how it supports hunger relief in communities.](#)





# Road to Program Creation



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# Program Creation | Achieving Leadership Buy-In

- To successfully launch a food donation program, you need a champion who will help drive leadership alignment across the stakeholders who will support the program.
- Work with your tax and finance teams to create a business case to help your leadership understand the brand and financial benefits to donating unsold food from your organization.



# Program Creation | Align Key Internal Stakeholders



## TAX & FINANCE

Ensure finance has the correct information to capture the food donation tax benefit available in the United States



## OPERATIONS

Create launch and training guides for employees executing the program



## LEGAL

Develop contract agreements with non-profit organizations and 3PL providers



## QUALITY ASSURANCE

Quality and safety testing to determine goods that are capable of being donated and shelf-life after donation



## TRANSPORTATION/LOGISTICS

Partner with transportation to create the donation logistics model right for your org



## SOURCING

Source & distribute the materials needed in stores to execute the program

# Align Key Internal Stakeholders | Tax & Finance

## USE THE TAX BENEFIT TO FUND YOUR PROGRAM BUDGET

- Build a business case to understand the potential donation volume
- Consult your tax advisor to understand the correct tax benefit calculation for your organizational structure
- The CARES act may allow you to receive a higher tax benefit
- Use that tax savings to help cover the costs of this program, which include logistics and some materials

### KEY STARBUCKS LEARNING:



Food banks also have to pay for logistics. Consider offsetting the food bank’s costs of distributing your donations by sharing any excess tax benefit after paying for programmatic costs.

## Tax benefit example calculation from ReFED.org

### Example:

A grocery store donates potatoes with a fair market value of \$100. The basis value of these potatoes was \$30. The expected profit margin is the fair market value minus the basis value (\$100-\$30), which is \$70. Under the enhanced deduction, the grocery store is eligible to deduct the smaller of:

1) **Basis Value x 2 = \$30 x 2 = \$60**

or

2) **Basis Value + (expected profit margin/2) = \$30 + (\$70/2) = \$65**

The enhanced deduction would be \$60, which is substantially higher than the general deduction (the \$30 basis value).

Example taken from ReFED.org. More details on this calculation and the policy guiding it can be found at ReFED’s website: <https://www.refed.com/tools/food-waste-policy-finder/federal-policy/federal-tax-incentives>



# Align Key Internal Stakeholders | Quality Assurance

## CHOOSE TO DONATE FOOD THAT IS SAFE AND PROVIDES A DIGNIFIED EXPERIENCE

Your Quality Assurance team should assess all products potentially available for donation:

- All food donated in good faith is protected by the U.S. Federal Good Samaritan Act
- Test product shelf-life to understand how long it is good after it leaves the store
- Food should be tested for safety and dignity of recipient; work with your QA team to determine the appropriate shelf-life for donation and distribution
- The Starbucks QA team selected a food safe bag for food donation storage

### KEY STARBUCKS LEARNING:



From food bank interviews, we have found the highest value items are protein-based. We have also found that they have an overabundance of breads and sweets and do not need more.

Learn more about food donation regulation in U.S.

Visit [Feeding America’s “Become a partner” webpage](#) to learn more about the U.S. Bill Emerson Good Samaritan Food Donation Act.





# Align Key Internal Stakeholders | Operations

## MAKE FOOD DONATION PART OF THE CLOSING PROCESS

Your Operations team is key to helping you:


- Create the right program structure
- Build training materials
- Identify resources your employees may need
- Pilot / Test out your program with employees who will be responsible for executing your program on a daily basis
- Simplicity is key: try not to create barriers to existing business processes

### KEY STARBUCKS LEARNING:




Consistent execution by both employees preparing donations and those picking up donations is key to success.

## Store materials to support execution



### Store Communications






#### Partner Hub

### Your Store is Launching FoodShare!

12/27/2020  
♥ 1 Like

To: Select U.S. Stores





### How to Prepare FoodShare Donations (Store Delivery & Food Bank Pick-Up Model)

Quick Reference Guide

**Overview**  
Since 2016, Starbucks has been committed to the fight against hunger through its innovative FoodShare food donation program in partnership with Feeding America® and other hunger-relief organizations. Partners follow these steps to prepare food for donation pick-up based on their store's FoodShare donation model.

#### 1. Identify your store's donation program model and donation recipient

- Go to Hub > Social Impact Tab > FoodShare > FoodShare Donation Sites Master Store List (U.S.)

#### 2. Mark donation bags (SKU 11092795) with store number and donation date


- Use permanent marker
- Donated products are safe to consume for at least 72 hours after the sell-by date indicated on the product
- Any donations not placed in FoodShare bags will not be picked up by drivers due to food safety concerns

#### 3. At store close, place all past-date items & any additional items for donation in bag, and seal bag by tying shut at the top


- Each bag may only contain one type of food product (RTD&E, yogurt, wrapped pastries, unwrapped pastries, etc.)
- Bags should contain no more than 8 items to protect product quality and must never be filled above the fill line indicated on the donation bag
- Improperly sealed or overfilled bags will not be picked up by drivers due to food safety issues

#### 4. Store bagged donations in BOH fridge

- Label designated refrigerators with the FoodShare sticker (SKU 11100468)
- Place sealed donation bags on the top shelf to avoid product contamination
- Ensure refrigerators are delivery ready and make space for incoming deliveries to avoid donations being discarded
- **Store Delivery Pick-Up Model:** Donations will be picked up with your CDC delivery. Ensure donations are ready when your delivery arrives, or at close
- **Food Bank Pick-Up Model:** Donations will be picked up by your local community organization during business hours
- **Improperly stored food will not be picked up for donation**




Properly filled bag with one product type and no more than 8 items



Improperly filled bag with opened products and multiple product types

DONATE (one type per bag)	DO NOT DONATE
<ul style="list-style-type: none"><li>• All wrapped pastries</li><li>• All unwrapped pastries (this includes pastries in the display case)</li><li>• Yogurt</li><li>• All breakfast and lunch items</li><li>• All RTE product</li><li>• All RTD product</li><li>• All UNOPENED dairy or alternative milks</li><li>• All UNOPENED beverage components</li><li>• All packaged foods</li><li>• All UNOPENED coffee</li></ul>	<ul style="list-style-type: none"><li>• Open or damaged packaged food</li><li>• Open or damaged RTE products</li><li>• Open or damaged RTD products</li><li>• Open or damaged dairy, alternative milks, or beverage components</li><li>• Test items</li><li>• Breakfast and lunch sandwiches in the display case</li><li>• Fresh blueberries</li><li>• Select local items</li></ul>

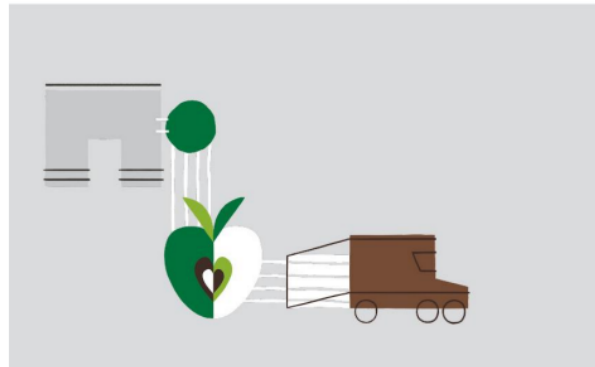
**Retail Public Health statement** – Unwrapped pastries in the display case may be donated if they are in good condition (e.g., no mold presence) and there are no indications of pest presence and/or contamination while in the display case. Unwrapped pastries in the display case must be donated by EOD once opened except for sugar cookies and cake pops which can be wrapped in plastic wrap at end of day.



### STARBUCKS FOODSHARE

Hunger relief in action.

#### Launch Guide



**100% of safe-to-donate food items will now be donated!**

Partners across the country advocated for a solution to get unsold food into the hands of the one in eight Americans who struggle with hunger. In partnership with Feeding America, and your commitment, Starbucks will improve access to food in your neighborhood.

Starbucks is introducing a new food donation program called FoodShare. This program allows ready-to-eat items from company operated stores across the U.S. to be donated to food banks. Each year, millions of meals will be provided to individuals and families in need of nourishing food.

Drivers will pick up donated items from FoodShare stores every day the store is open to deliver the food to those in need.

#### ACTIVITY


**Complete prior to Launch**

- ☐ All partners have reviewed FoodShare – Quick Reference Guide
- ☐ Verify autoshipped FoodShare supplies (community poster, orange donation bags and orange donation stickers) have arrived within a week prior to launch
  - ☐ Orange donation bags can be ordered through IMS (11092795)
  - ☐ Orange donation stickers can be ordered through IMS (11100468)
- ☐ Identify space for donations in BOH fridge and clearly label the outside of the fridge using orange donation sticker
- ☐ Customizing your store's clean, safe and ready cards to include additional activity required to support FoodShare donations

**Launch day and beyond**

- ☐ Join FoodShare group on Workplace
- ☐ Ensure inventory counts are accurate to ensure on-hand quantities are correct
- ☐ Contact your LSR for support if there are any issues with donation pick up

Train your partners by sharing this quick video!





### STARBUCKS FOODSHARE

## THE HUNGER SOLUTION STARTS HERE

At night our baristas pack up nourishing surplus food that gets delivered to local food banks. We're helping those who need it—right in our own community.



### FOOD FROM THIS STORE SUPPORTS

[STICKER HERE]

Not larger than 4" x 2"

Learn more at  
[starbucks.com/responsibility/community/foodshare](https://starbucks.com/responsibility/community/foodshare)



# Align Key Internal Stakeholders | Transportation/Logistics

## USE EXISTING STORE DELIVERY TRUCKS TO BACKHAUL DONATIONS FOR CONSOLIDATION AT WAREHOUSE

- Backhauling donations on existing food delivery trucks may require third-party logistics engagement (see External Stakeholder section)
- Food can be segregated on truck to ensure donated product does not mix with product being delivered into stores
- Leadership alignment is especially important for this group if you have a national program

### KEY STARBUCKS LEARNING:



The reverse logistics food donation backhaul model is the most consistent and cost-effective donation model of the 3 models we have executed. (See Appendix slide 27 for model comparison.)

## Reverse logistics process





# Align Key Internal Stakeholders | Sourcing

## ENGAGE SOURCING TO PURCHASE ANY PROGRAM MATERIALS

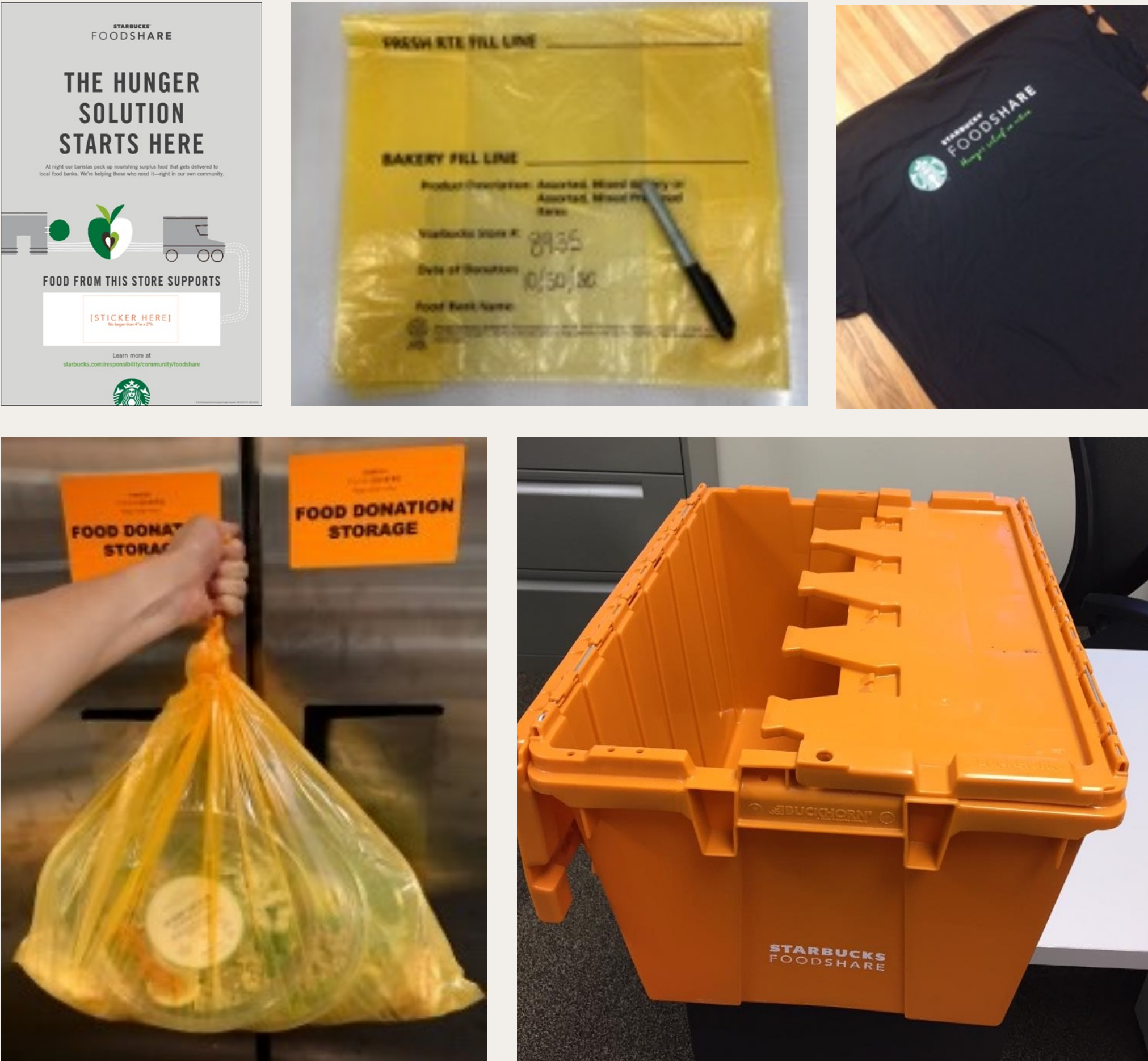
- Sticker used to identify fridge where donations are stored
- Food safe bags to store donations
- Test whatever food storage solution you identify to ensure it does not crush the product

### KEY STARBUCKS LEARNING:



If you use donation bags, it helps if they have handles for tying the bag closed. It also helps to print fill lines and allergen statements on the bag.

## Example program materials





# Align Key Internal Stakeholders | Legal

## CREATE LEGAL DOCUMENTS WITH ANY EXTERNAL PARTNERS

Considerations:

- Outline parameters/requirements of relationship (financial, logistical, reporting, food safety, etc.)
- Include language that prohibits re-sale of food donations
- Align on marketing strategies
- Review contracts regularly and negotiate revisions as necessary
- Reach out to NGO or transportation partner to see if they have an existing contract template that can be utilized

### KEY STARBUCKS LEARNING:

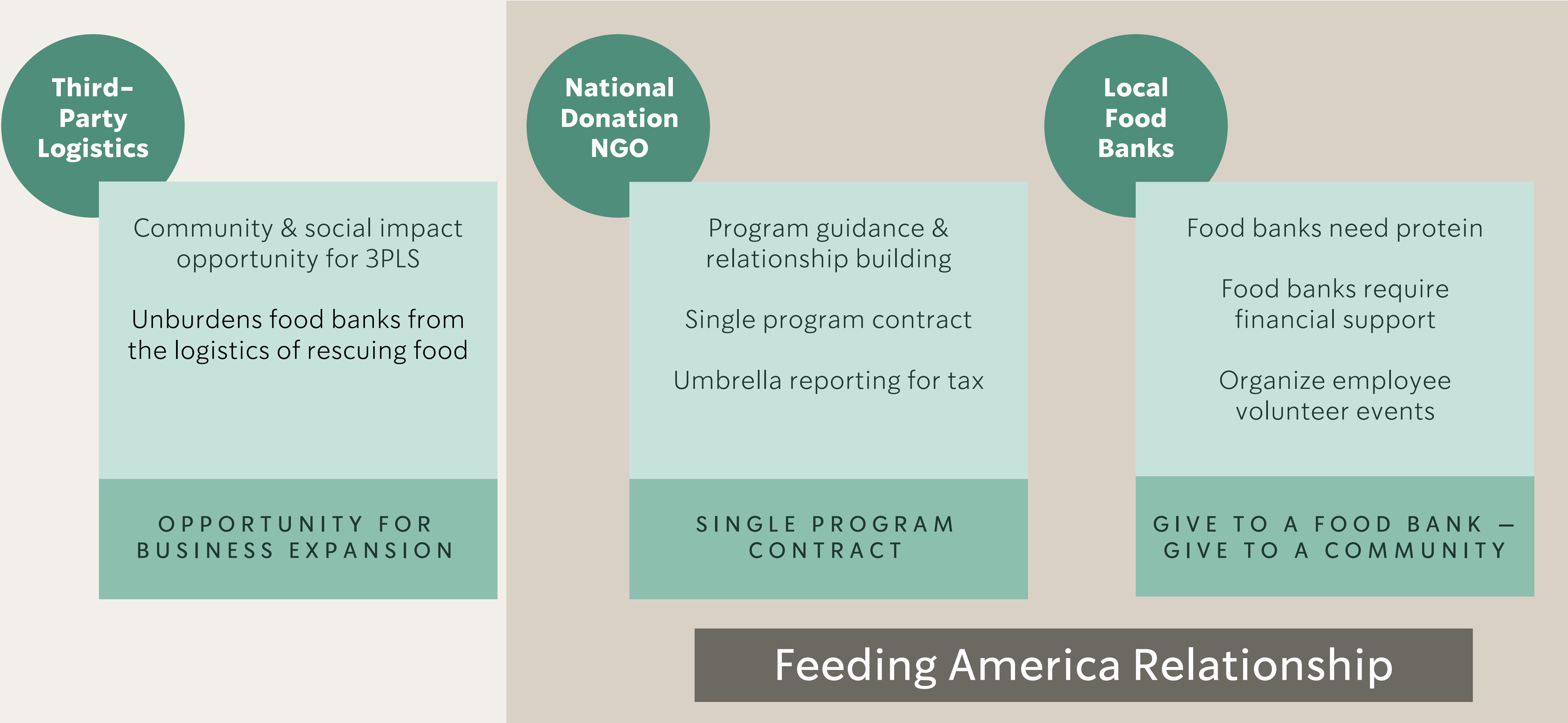


Legal contracts are a great way to formalize food safety requirements as well as document agreed-upon logistical details.





# Program Creation | Engage External Stakeholders



# Train Employees | Employees are Key to Program Success

Food donation makes employees proud! Get them excited!

- Employee engagement is key to success. Consider a celebration event at stores when you launch to increase awareness and excitement
- Starbucks provides FoodShare T-shirts for all partners at stores activating the FoodShare program
- Restaurant/store employees will be responsible for executing the program on a consistent basis
- Ideally, food donation does not require extensive labor or time, but is a simple part of the employee's closing routine
- Employees are primarily responsible for making sure donations are prepared in a safe and timely manner for the nightly delivery driver





# Launch | Kick Off Program, Celebrate and Measure

- Celebrate an amazing program launch!
- Volunteer as a team at a local food bank
- Collaborate with local food bank to amplify your program and create awareness for the issue of hunger
- Track key metrics to find opportunities for efficiency
- Utilize your Public Affairs team to amplify program in local communities and inform local stakeholders
- Explore how your company can do more to impact hunger relief



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# APPENDIX

# Food Bank & Donation Considerations

## FOOD BANK/FOOD PANTRIES & MEAL PROGRAM CONSIDERATIONS

- Space capacity to accept/store donation volume
- Temp-controlled storage (if applicable)
- Unloading ability (dock doors, ability to unload tractor-trailer vs box truck, etc.)
- Receiving hours/days (including holidays)
- Reporting ability (BOLs, weighing of donations, etc.)

## FOOD DONATION CONSIDERATIONS

- Packaged, Ready-to-Eat food
  - Examples:*
    - Packaged salads, sandwiches, etc.
    - Packaged dairy (jugs of milk, etc.)
    - Produce
- Nutritious food is preferred
- Labeling (containing ingredients/allergens)
- Multi-day shelf-life that will allow for distribution from food bank → agencies → clients



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# Definitions

**Starbucks Partner:** Starbucks term for employee.

**Food Bank:** A non-profit organization that collects and distributes food to hunger-relief charities. Food banks act as food storage and distribution depots for food pantries and meal programs; and usually do not themselves give out food directly to people facing hunger.

**Meal Program:** Typically provides some form of a hot meal service. This could be a homeless shelter or a variety of other programs.

**Food Pantry:** A site where neighbors facing hunger can receive food. Supplied with food from a food bank, pantries feed hundreds of people per week. Because every community is different, there are many different types of pantries, like Mobile Food Pantry Programs and School Pantry Programs.

**Third-Party Logistics (3PL):** Contracted trucking companies that manage delivery and transportation on a company's behalf (e.g., Penske, QCD, etc.).



Thank you.