



# Year in Review: Fiscal 2010

At Starbucks, we have always aspired to be known as much for our commitment to social responsibility as we are for the quality of our coffee.



This is the 10th year we're reporting on the progress of our responsible business practices. When we first began, with our 2001 report, we joined a small but growing number of companies assessing their corporate citizenship and sharing the results, hoping to lead by example. In doing so, we declared our accountability to a broad range of stakeholders — our partners (employees), customers, shareholders, suppliers and neighbors.

Back then, Starbucks had just over 4,700 stores in 23 countries and nascent relationships with Conservation International and Fairtrade, among others. We had just introduced our first set of coffee-sourcing guidelines — among the first of its kind for the coffee industry, and an early iteration of our Coffee and Farmer Equity Practices. At that time we were just beginning to build our community service programs and starting to explore ways to minimize the environmental impact of our stores.

Since our first report, we have reached a number of important milestones. In 2008 we made a bold move with **Starbucks™ Shared Planet™** by setting goals in the areas of our business where we could have the greatest impact: **ethical sourcing**, **environmental stewardship** and **community involvement**. More than ever before, we believe that our business performance is inextricably linked to our progress against these goals.

Today Starbucks has more than 17,000 stores in over 50 countries around the world. Our family of brands connects with customers not only within our stores, but at home, on the go and in the digital world. As we have grown, we have embraced new sets of challenges and opportunities. We have also learned to leverage this growth to drive positive change in communities around the world.

The results we share in this report demonstrate that our efforts have taken root across the company. We have a comprehensive approach to ethical coffee sourcing and farmer support, with more than 84 percent of our coffee meeting our strict standards for ethical sourcing. We are one of the world's largest purchasers of Fairtrade certified coffee. We have made significant inroads in our effort to find recycling solutions for our paper cups, and we are working to inspire youth and partners in our communities as never before.

We invite you to explore this report to get a snapshot of our performance in 2010 against our Starbucks™ Shared Planet™ goals. Regular updates on our broader responsible business practices, policies and partnerships are also available at [starbucks.com/responsibility](http://starbucks.com/responsibility).

Each year our stakeholders' knowledge and expectations increase in regard to our responsible business practices. We expect more of ourselves as well, and will continue to integrate our values into our company strategy, business practices and operations. We'll continue to set clear goals, and to measure our progress and the impact of achieving those goals. Although we are proud of how far we have come since our first report, we know there is still a long way to go. We welcome your **input and ideas** as we continue on this journey.

Regards,

**Vivek Varma**  
executive vice president, Public Affairs

**Ben Packard**  
vice president, Global Responsibility



# Message from Howard Schultz

chairman, president and chief executive officer

At Starbucks, the values that guide every decision we make can be found in our **mission statement**: to inspire and nurture the human spirit – one person, one cup and one neighborhood at a time. For 40 years, we have lived these values in the ways we ethically source our coffee beans and work to improve the lives of the people who grow them; in how we participate in the neighborhoods where we do business, operate our stores and care for the environment.

I have always felt that we must balance our responsibility to create value for shareholders with a social conscience. Our fiscal 2010 global responsibility report reflects our commitment to transparency in these efforts and our intent is to openly share the challenges we encounter as well as the progress we are making in our efforts to live up to our responsibilities as a global corporate citizen and a neighbor next-door.

Embracing this responsibility, we are celebrating Starbucks 40th anniversary by deepening our hands-on commitment to community service – a tradition that has been integral to our mission for many years. Throughout the spring of 2011, our partners (employees) and customers at Starbucks stores throughout the world will be volunteering thousands of hours to benefit local neighborhoods, from Shanghai to Seattle.

I have always believed that companies have a shared responsibility to give back to the communities they touch. Today, perhaps more than ever, people are looking to the business community to help address many of the complex issues facing our world. At Starbucks, we acknowledge that responsibility, and will once again set a new standard of corporate responsibility.

Thanks to the efforts of Starbucks partners we have made significant strides these past few years, from exploring new ways to recycle used paper cups to continuing to reduce the environmental impact of operating our company-owned stores. And every day, the words of our mission are brought to life in small, often uncelebrated ways by Starbucks partners, customers, farmers, suppliers and neighbors. Although we are proud of all that we have accomplished, we recognize that there is so much more to do. I promise that we will continue to conduct our business in ways that will earn your admiration and trust.

Warm regards,

Howard Schultz





# Environmental Stewardship



As a company with a deep heritage and a passion for coffee, Starbucks has been focused on the long-term sustainability of coffee-growing communities. Through innovative programs with an emphasis on continuous improvement, we are taking action to address our concern about climate change and the impact it will have on the long-term supply of our coffee. We know our customers are concerned about this issue as well. To help maintain our high-quality standards and preserve the planet for future generations, we're taking bold actions to **reduce our environmental impact**.

In 2010 we collaborated with representatives from across our value chain to address the challenges we face together and advance a number of meaningful initiatives.

At the store level, **green building** and **energy and water conservation** strategies continue to be key priorities with potential to significantly minimize our environmental footprint.

**Recycling** is also top of mind for us and our customers. In 2010 we reached some significant new milestones in our journey to make our cups and other packaging more broadly recyclable. As we've learned more, we've been able to expand our focus from materials and design to the improvement of local recycling infrastructures.

Looking beyond our stores, in 2010 we expanded our efforts to protect carbon-absorbing tropical forests in a number of **coffee-growing communities**. We also continued our work as a founding member of a coalition called **Business for Innovative Climate and Energy Policy (BICEP)**, joining with other responsible companies to advocate for stronger climate change and clean energy policy.

We invite you to learn more about our **environmental efforts**.





# Community



Starbucks is committed to helping support thriving neighborhoods wherever we do business. Being an integral part of neighborhoods is not just the right thing to do for the community, it's also good for our business.

We know we can accomplish more together than we can alone. We bring together our partners (employees) and customers in their communities to make meaningful impact. One way we do this is by inviting customers to join us in local **community service projects**. This enables us to reach out to customers and communities beyond the walls of our stores while helping our partners build professional and personal skills.

Starbucks is dedicated to empowering young people to be catalysts for change in their local communities. Through our **Youth Action Grants**, we invest in young people to inspire them to create new and innovative solutions to address community issues while gaining valuable leadership skills.

To amplify our community efforts, we **collaborate** with like-minded nonprofit organizations, businesses, civic leaders and individuals. We also engage millions of people in dialogue about local and global issues in our social media community **My Starbucks Idea**.

We invite you to learn more about our **community efforts**, the programs we support, and our recent milestones.



# Ethical Sourcing



Since opening our first store in Seattle's Pike Place Market in 1971, we've remained committed to sourcing and roasting the world's finest coffee. As we have grown and evolved, our commitment to promoting socially and environmentally **responsible growing practices** has delivered industry-leading results. We have found that we're able to serve a great cup of coffee while helping to improve the lives of farmers and protect the planet.

Over the years Starbucks has received input from a broad range of stakeholders that has helped us create a holistic approach to responsibly sourcing our coffee. We are committed to continuously improving economic transparency, promoting responsible labor practices, reducing environmental impacts and ensuring the long-term supply of our high-quality coffee. While we know there is much more to do, we have already made a measurable impact in coffee-growing communities where we do business.

Our approach is grounded in Coffee and Farmer Equity (C.A.F.E.) Practices, our comprehensive set of social, economic, environmental and quality guidelines. Farms and mills are evaluated with approximately 200 performance indicators by third-party verification organizations, overseen by **Scientific Certification Systems**.

The implementation of C.A.F.E. Practices, which we developed in collaboration with **Conservation International (CI)** more than seven years ago, has made significant social, environmental and economic impacts on the more than one million workers employed by participating farms. A recent **analysis by CI of C.A.F.E. Practices** found that among the more than 100,000 participating farms: 99 percent of school-age children on small farms were able to

attend school, 99 percent have not converted any natural forest habitat to coffee products since 2004, and the majority of workers earn higher than the legal minimum wage for their country.

We complement purchases of C.A.F.E. Practices-verified coffee with third-party certified coffees grown and produced in ways that contribute to environmental preservation and/or sound production standards, including **Fairtrade** certified coffee and certified organic coffee.

Another component of our approach is helping farmers and cooperatives advance their businesses by improving their access to credit. We continue our capital commitment to the farmer loans program and we explored opportunities to facilitate farmer access to forest carbon markets in our pilot projects in Chiapas, Mexico, and Sumatra, Indonesia.

We've learned a great deal on this journey, and we're applying the knowledge we've gained through our work with coffee farmers to other products, such as **tea, cocoa** and the **manufactured products** we sell in our stores.





# Coffee Purchasing & Farmer Support

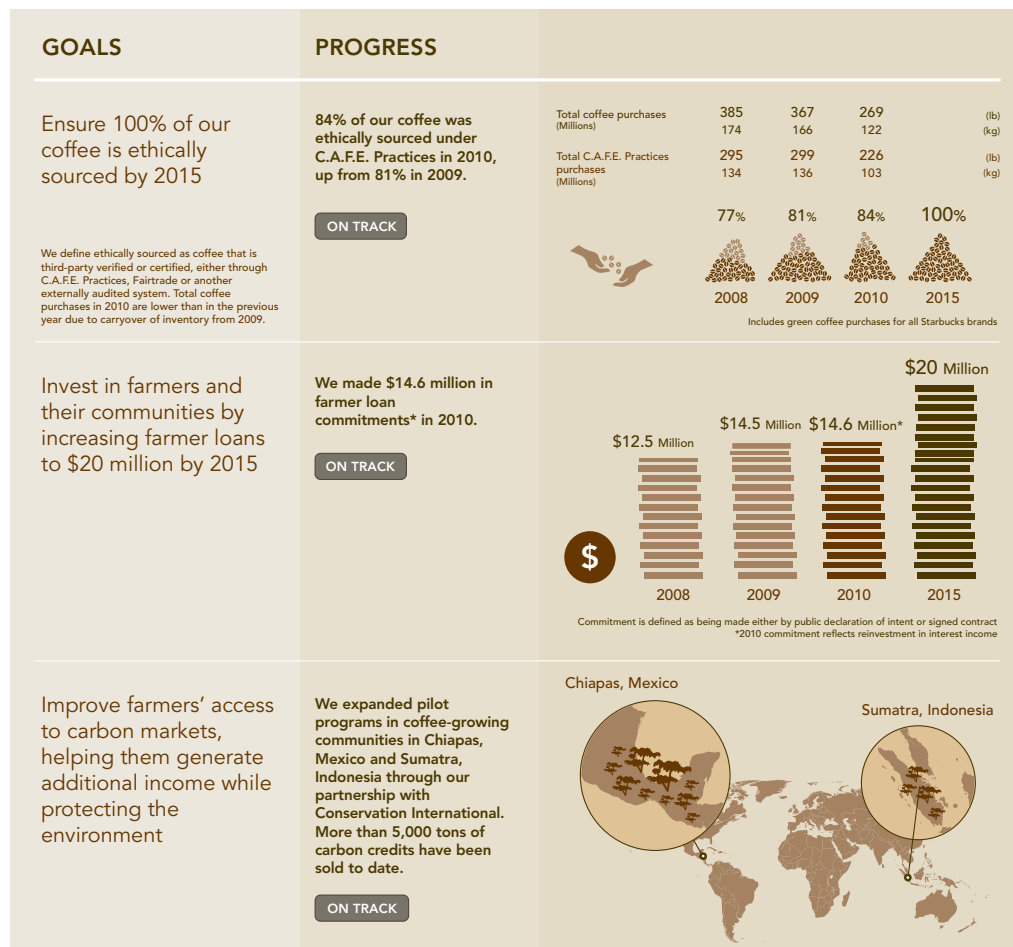
We know our success as a company is linked to the success of the thousands of farmers who grow our coffee. That's why we're working to ensure a long-term supply of high-quality coffee through our responsible coffee purchasing practices and by investing in farmers and their communities.

## Coffee Purchasing

Starbucks is committed to buying and serving high-quality coffee that is responsibly grown and ethically traded. We have set a goal that by 2015, all of our coffee will be third-party verified or certified, either through **Coffee and Farmer Equity (C.A.F.E.) Practices**, Fairtrade, or another third-party certified or verified program.

The cornerstone of our approach is C.A.F.E. Practices, a comprehensive set of social, economic, environmental and quality guidelines developed in collaboration with **Conservation International (CI)**. We continued to make progress this year, moving from 81 percent in 2009 to 84 percent of our total green coffee purchases from C.A.F.E. Practices-verified sources.

Working toward our 2015 goal, we continue to purchase third-party certified and verified coffees grown in ways that contribute to environmental protection and/or economic sustainability. We have offered Fairtrade coffee since 2000, and in 2010 7.9 percent of our coffee purchases were Fairtrade certified, making us one of the largest purchasers of Fairtrade certified coffee in the world. We also reached a significant milestone in March 2010, when we switched 100 percent of the espresso coffee sold in our stores in UK and Europe to Fairtrade certified. We also purchased 3.6 percent of **certified organic coffee** in 2010. By purchasing these certified coffees, we hope to not only meet our customers' needs but also to help protect the environment and farmers'



livelihoods in coffee-growing regions.

An important component of our approach is a pricing model that aims to pay equitable prices for premium coffee while fostering price stability and mutually beneficial relationships with farmers. Starbucks paid an average price of \$1.56 per pound for our premium green (unroasted) coffee in 2010.

## Farmer Support

The majority of our coffee is sourced from tens of thousands of family farms with less than 30 acres (roughly 12 hectares) of land, and we're steadfastly committed to helping small-scale farmers thrive now and in the future.

Our farmer support services continue to enhance responsible practices in coffee-growing regions around the world. In addition to our Starbucks Farmer Support Centers serving Central America and East Africa, we plan to open our first Asia Farmer Support Center in the Yunnan province of China in 2012. These centers bring Starbucks agronomists and quality experts directly to coffee farmers to help them implement more responsible growing practices, improve the quality and size of their harvests, and ultimately earn better incomes.



# Coffee Purchasing & Farmer Support

We've also been reaching out to small-scale farmers through our **Small Farmer Sustainability Initiative (SFSI)**. The effort, launched in 2009, is a three-year pilot program in partnership with **Fair Trade USA** and **Fairtrade Labelling Organizations International** that leverages our shared commitment to support small-scale farmers. Through the SFSI, Fairtrade farmer cooperatives are eligible to apply for loans from the funds supported by Starbucks to help improve livelihoods and promote environmental stewardship and economic stability in the coffee industry.

In 2010 our loan commitments to **Root Capital**, **Verde Ventures** and the **Calvert Foundation** reached a total of \$14.6 million. In 2010 alone this support helped nearly 56,000 farmers who grow our coffee in ten countries. By investing in programs that provide access to credit, we're helping farmers manage risk and strengthen their businesses.

## Forest Carbon Programs

We are concerned about the potential impacts of climate change on coffee-growing regions. To help address this issue, the newest phase of our **partnership with CI** works with 33 coffee-producing communities in Chiapas, Mexico, and Sumatra, Indonesia, to improve coffee production, conserve and restore natural habitat, and explore opportunities to facilitate farmer access to forest carbon markets. Each project illustrates different approaches to addressing climate challenges facing coffee producers and explores the potential of the carbon market to benefit both livelihoods and conservation efforts. We are optimistic that the results of this phase of our pilot will promote a program we can expand to our other coffee-growing communities.

# Community Involvement

Being involved in the community has always been a part of our ethos. We're galvanizing local communities and motivating our partners (employees), customers and young people to join forces and become involved in initiatives that make a meaningful impact.

## Community Service

In 2010, Starbucks partners and customers around the world contributed more than 191,000 hours of community service, a nearly three percent increase from 2009. One way we were able to connect partners with needed work was through **HandsOn Network** in the United States and China. While we have work to do to reach our goal of one million service hours per year by 2015, we have a renewed commitment and have begun to implement new tools, including a new partner-facing community service website, to track hours and engagement.

In 2011, we will celebrate our 40th anniversary with a **global month of community service**. We are committing to motivating partners, customers and young people from around the world throughout the month of April to take action to make a lasting, positive difference in the neighborhoods where they live and work.

## Youth Engagement

We are dedicated to encouraging young people to drive positive change in their communities. We hope to inspire innovation so they create positive solutions to real local needs they see in their neighborhoods. We set a goal in 2008 to engage 50,000 young people to innovate and take action in their communities by 2015. We are proud that we reached that goal in 2010. Through **Youth Action Grants**, we have helped support the engagement of more than 74,000 young people since 2008, who



in turn mobilized more than 950,000 hours of community service in their local communities.

Youth Action Grants supported young people in organizations such as the **Stadium School Youth Dreamers** in Baltimore, where middle and high school students support one another through their own community center and the **Children's Environmental Heritage Foundation** in Kuala Lumpur, Malaysia, where young people from low-income communities are educated about the importance of environmental stewardship.

We are beginning to learn how Starbucks Youth Action Grants impact the young people and the communities they serve. In 2010, we amplified our efforts in urban neighborhoods with inspiring changemakers Blair Taylor of the Los Angeles Urban League and Geoffrey Canada with the Harlem Children's Zone. Their work inspires us and others to do more, and in 2011 we will collaborate with our nonprofit partners to make meaningful investments.

## Giving

In 2010, Starbucks Corporation and the **Starbucks Foundation** gave a total of \$22.4 million: \$17 million in corporate giving and \$5.4 million from the Starbucks Foundation. Corporate giving included \$10.3 million in cash and \$6.7 million in in-kind contributions toward community-building programs – including the Global Fund through our partnership with **(RED)™** and other efforts.

The Starbucks Foundation, a separate 501(c)(3) charitable organization that receives the majority of its funding from Starbucks Coffee Company and private donations, made more than 100 grants to nonprofit organizations in 2010, including \$1.6 million for Starbucks Youth Action Grants and \$1 million to the American Red Cross for the Haiti earthquake relief effort.

We invite you to learn more about our efforts to support and enrich the communities where we do business at [starbucks.com/responsibility](http://starbucks.com/responsibility).





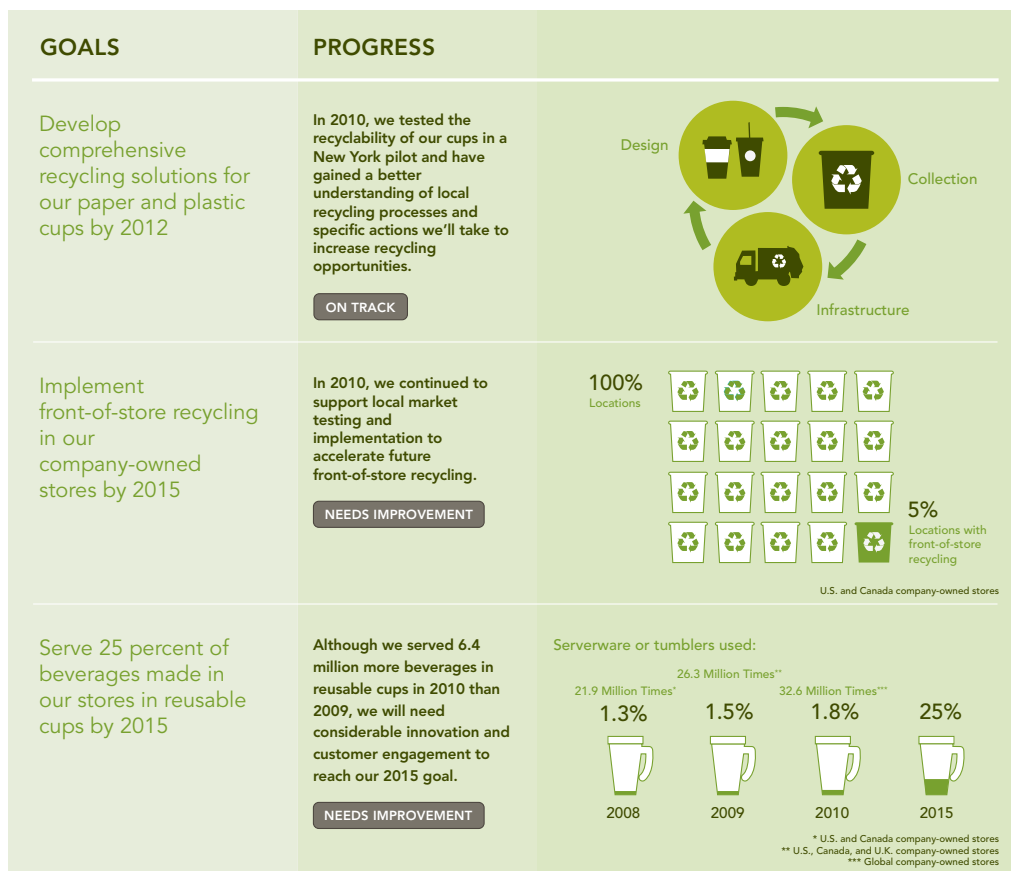
# Recycling & Reusable Cups

Over the years, our white cup has become an iconic and integral part of the coffeehouse experience. At the same time, it has become a concern among some of our customers due to recycling challenges. We have learned that applying innovative, responsible business strategies to address the unintended consequences of our business can yield groundbreaking responsible business results. One example of this is our effort to lead our industry by working toward our goal of making 100 percent of our cups reusable or recyclable<sup>1</sup> by 2015. We're currently working on a number of complementary initiatives to advance our progress in this area. We know this is a complex issue, and we're committed to collaborating with a wide range of stakeholders to drive meaningful change.

## Recycling

While some communities already recycle our paper and plastic cups, most don't have the infrastructure in place to handle collection, hauling and processing due to a lack of demand for cup material by the recycling industry. This inconsistency makes it difficult for us – with more than 17,000 retail locations globally – to efficiently and effectively implement recycling strategies.

To achieve greater scalability and standardization, in 2008 we set a goal to develop comprehensive recycling solutions for our paper and plastic cups by 2012. We're currently on track to meet this goal.



Ultimately, we want our cups – which in the United States account for about 95 percent of our in-store beverage packaging – to be recyclable in form and in practice. We won't consider our cups universally recyclable until our customers can recycle them in our stores, at their homes and workplaces, and in public spaces.

When we initially delved into this issue, we believed making our cups from alternative materials was the key to broader acceptance into the recycling stream. Through subsequent discussions with stakeholders from across our cup value chain, we learned that the cup can be recyclable as constructed. The real obstacle is the lack of robust commercial and residential recycling systems in many of the communities where we do business.

We have taken a systems-based approach to gain a better understanding of the recycling landscape and identify specific actions we can take to reduce waste. We hosted

groundbreaking cup summits in **Seattle in May 2009** and **Boston in April 2010**, where we met with government officials, raw material suppliers, cup manufacturers, retail and beverage businesses, recyclers, competitors, conservation groups and academic experts.

Pilot programs have become an important component of our strategy, demonstrating what is possible, and in turn enabling us to scale those solutions. For example, in early 2010 we worked with **Global Green USA's Coalition for Resource Recovery** to test the recyclability of our paper cups with old corrugated cardboard – the most extensively recycled material in the United States. This pilot, which initially took place in seven Starbucks stores in Manhattan, was expanded later in the year to include 86 of our New York stores. Through this exercise, we gained a better understanding of local recycling processes and the most effective methods for cup collection inside our stores. In 2011 we plan to launch additional recycling programs in a number of our store communities.

<sup>1</sup> In this report, "recyclable" refers to the ability to recycle or compost.



# Recycling & Reusable Cups

Although many of our customers order their beverages to go, front-of-store recycling is an important part of our effort to develop comprehensive recycling solutions. In 2008 we set a goal to implement front-of-store recycling in all company-owned locations by 2015. Since that time, we've introduced front-of-store recycling in San Francisco, Seattle and Toronto. By the end of 2010, front-of-store recycling bins were present in five percent of our company-owned locations in the U.S. and Canada. While we have a long way to go to reach our 2015 goal, we hope to see significant improvement in this area in 2011.

The majority of our in-store waste is generated behind the counter, as is the case with many retail businesses. In 2010 75 percent (2,318) of our company-owned stores in U.S. and Canada where Starbucks controls the waste program were recycling cardboard boxes and other back-of-store items. Among our remaining retail locations in North America, the majority were limited by operational impediments, such as minimal store space or lack of commercial recycling services.

The use of post-consumer recycled fiber (PCF) in our cups and other packaging also continues to be a priority for us, as it has been since 2006, when we launched the industry's first paper beverage cup containing PCF. Over time, this effort has enabled us to conserve about 75,000 tons of virgin wood fiber, the equivalent of more than 518,000 trees<sup>2</sup>.

## Reusable Cups

In addition to advocating for improved recycling infrastructures and using PCF in our packaging, we're encouraging our partners (employees) and customers to reduce waste by opting for reusable cups instead of single-use paper and plastic cups. Our goal is to serve 25 percent of the beverages made in our stores in reusable cups by 2015.

Since 1985 we've rewarded customers with a **discount for using travel tumblers**. In 2010 customers brought their own tumblers into our stores more than 32 million times.

We invested significant resources to promote tumbler use and increase awareness of our everyday discount in 2010. We launched a special campaign during the month of April, and on April 15, 2010, customers who brought their tumblers into our stores were offered a free brewed coffee. More than 1.2 million customers participated in the giveaway, and over 47,000 people around the world have since **pledged to use their own tumblers** on an ongoing basis.

Although reusable serveware and tumbler use accounted for only 1.8 percent of total beverages served last year, this simple shift in behavior kept nearly 1.45 million pounds of paper out of landfills. In 2011 we'll continue to encourage tumbler use, increase our supply of serveware for customers spending time inside our stores and continue to raise awareness of the benefits of not using a paper or plastic cup at all.

<sup>2</sup> According to the Environmental Defense Fund Paper Calculator.



# Energy & Water

Across Starbucks, energy and water use in our stores account for a significant share of our environmental impact. We're working to conserve these resources – not only in our stores, but also in our roasting plants and offices – by analyzing our performance and implementing new solutions to increase efficiency. We're also helping to transform the energy landscape by supporting the development of the green power market.

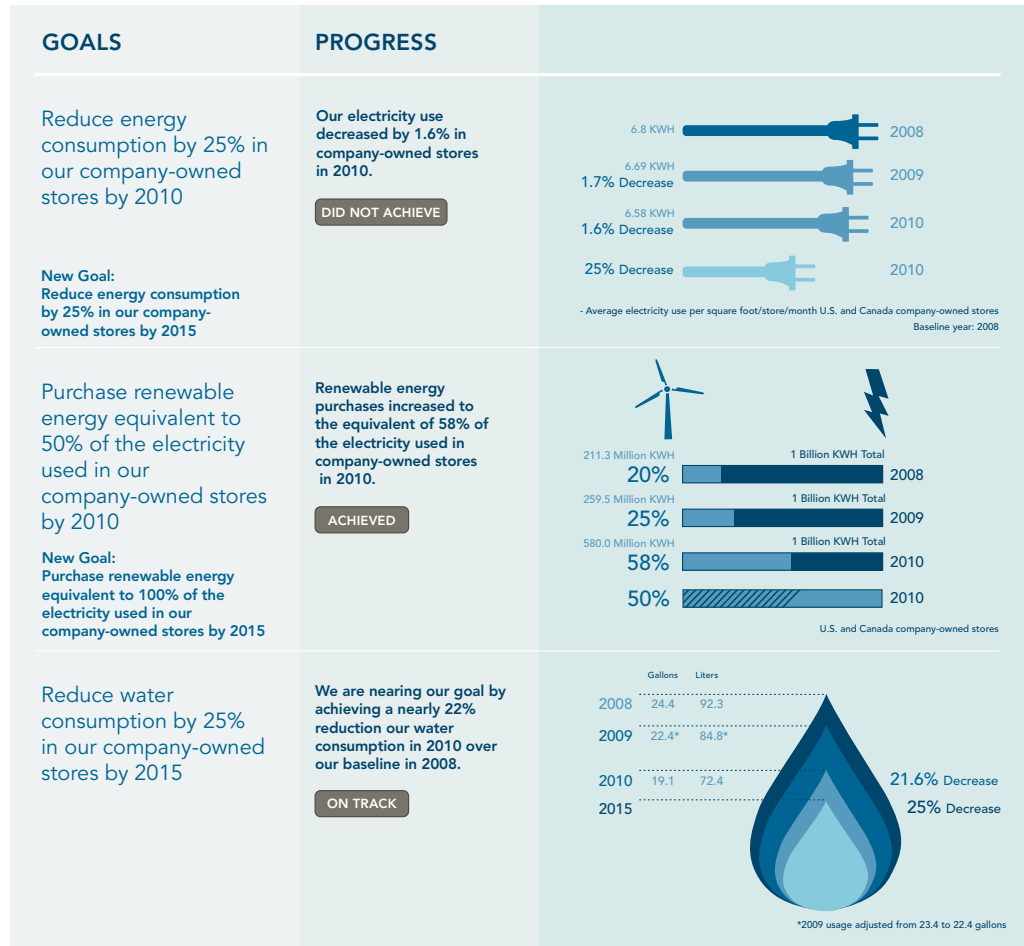
## Renewable Energy

In addition to reducing our energy consumption, we're increasingly focused on advancing the development of renewable energy sources. In 2008 we set a goal to purchase renewable energy credits equivalent to 50 percent of the electricity used in our North American company-owned stores by 2010. Last year, we achieved our goal by more than doubling our renewable energy certificate (REC) purchases. This initiative led the U.S. Environmental Protection Agency to name us among the top five green power purchasers in the country.

By 2015 we aim to double our renewable energy purchases once again – equivalent to 100 percent of the energy used in our company-owned stores worldwide. We will continue to leverage industry guidance as a member of the **World Resource Institute Green Power Market Development Group** and the **U.S. EPA Green Power Partnership**.

## Energy Conservation

Energy use accounts for roughly 80 percent of our carbon footprint<sup>1</sup>, making it our greatest opportunity for improvement. One of the important ways we're working to reduce



our energy consumption is by replacing incandescent and halogen lighting with more efficient LED lighting. Our LED lights – combined with the energy-efficient compact fluorescent lights already installed in our stores – will have a big impact on our energy use over time.

We began exploring LED lighting options in 2008, but at the time found no commercially available product that met our aesthetic and functional requirements.

As a result, we reached out to General Electric to develop an energy-efficient LED bulb that complements our store design and is compatible with existing fixtures.

We launched our LED lighting conversion program in 2009. In 2010 we were able to complete installation in more than 7,000 company-owned stores in the United States,

Canada, the UK, China and Singapore. This effort has helped reduce our electricity consumption by 3.3 percent<sup>2</sup> since 2008. We expect to see a much more significant reduction in 2011 as we measure our first full year of performance since the completion of the retrofit program.

While we fell short of our goal to reduce energy use by 25 percent in company-owned stores in 2010, we spent some critical time evaluating specific areas where we can make improvements. We piloted a new energy management system in 10 stores across the United States, which validated our potential to reduce energy consumption through remote monitoring and control of heating, ventilation and air conditioning equipment. We plan to expand the pilot program in 2011 to validate our findings across a larger portfolio of stores.

<sup>1</sup> We measure only the portion of our carbon footprint that we directly control. This includes emissions from our company-owned store operations, roasting plant operations, and company-owned jets and vehicles. We do not currently measure emissions from transportation and other functions executed by third parties.

<sup>2</sup> Average electricity use per square foot/store/month. Gas use declined by 3 percent in 2010 to .052 therms per square foot/store/month.





# Energy & Water

In the year ahead, energy conservation will continue to be a major focus of our **global store development initiatives**. We'll also look at other ways to minimize our energy consumption by replacing existing equipment and appliances with high-efficiency alternatives as they reach the end of their useful life. We're now aiming to achieve a 25 percent reduction in energy use by 2015.

## Water Conservation

Of all the resources on which our business relies, water is certainly one of the most vital. Much of the water in our stores is used to make coffee and tea beverages, and to run equipment such as dishwashers and ice machines. We're evaluating our needs on an ongoing basis and deploying new conservation methods in order to responsibly manage our water use.

In 2008 we set a goal to reduce water consumption by 25 percent in company-owned stores by 2015. Over the past two years, our water use has decreased by nearly 22 percent<sup>3</sup> as a result of several proactive measures.

One important component of our water conservation strategy has been the elimination of dipper wells. These fixtures used a constant stream of running water to rinse away food residue, keeping utensils clean and preventing bacterial growth. Although dipper wells enabled us to meet or exceed regulatory requirements and internal food safety standards, they caused considerable water waste.

In 2009 we began implementing a new, manually operated hand-meter faucet to replace the dipper wells, reducing our water use while maintaining food safety standards. By the end of 2010, we had installed this mechanism in our company-owned stores in the United States and Canada, allowing us to conserve approximately 100 gallons (378 liters) of water per store per day. Last year we also implemented new water-saving equipment and operational solutions in international markets.

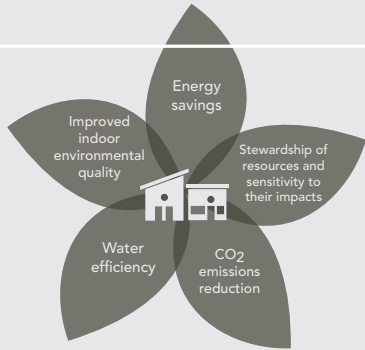
Moving forward, we'll continue to look for innovative ways to minimize water use in our stores around the world.

<sup>3</sup> Average water use per square foot/store/month.

# Green Building

With more than 17,000 retail locations around the world, we're intently focused on green building initiatives to help us reach our environmental targets, the flexibility to support our scale and the efficiency to reduce our long-term operating costs. We've made significant progress in our efforts, and starting in January 2011, we expect to reach our goal that all of our new, company-owned stores will be built to achieve LEED® (Leadership in Energy and Environmental Design) certification by the **U.S. Green Building Council (USGBC)**.

Starbucks joined the USGBC in 2000, and we opened our first LEED®-certified store in Hillsboro, Oregon, in 2005. Shortly after, we were one of the first companies to participate in the LEED for Retail pilot program, leading development of the standard for adapting LEED to new construction and commercial interiors strategies for restaurants and other retail businesses.

GOALS	PROGRESS	
Beginning in December 2010, build all new, company-owned stores to achieve LEED® certification	In 2010 we completed the pilot phase for the U.S. Green Building Council's LEED® Volume Certification pilot program, with our 10 store design and construction projects audited and approved by the USGBC.  <div>ON TRACK</div>	

In 2009 Starbucks became one of the first retailers to join USGBC's LEED Volume Certification pilot program. As part of this effort, last year we launched 10 store design and construction projects in six different bioregions<sup>1</sup> and five countries around the world, incorporating various green building strategies. The pilot projects have been audited and approved by the USGBC. We are now able to use the 64 green credits tested and approved from the pilots worldwide to achieve our LEED goal.

In 2010 Starbucks built six new or renovated company-owned stores that achieved LEED certification in the United States and Canada. We also have eight stores outside North America that have either achieved or will be registered for LEED certification in early 2011: in Portugal, Spain, Japan, France, Germany and the Philippines. In addition, our global Support Center in Seattle and our roasting plant in Sandy Run, South Carolina, have both earned LEED certification.

**Inside our LEED stores**, customers will find reused, recycled and locally sourced elements, as well as innovative features that **conserve water and energy**. For example, at our University Village store in Seattle, the community table is made of wood from a fallen tree recovered from a nearby neighborhood. At our Paris Disney location in France, the countertop material contains recycled mobile-phone parts. In Fukuoka, Japan, rainwater collected from the roof of our store is used to nourish the surrounding landscape.

While our goal specifically addresses new, company-owned stores, we're proactively looking for opportunities to leverage environmentally friendly practices in all of our construction projects. With more than 70 LEED accredited professionals on our global store development team, we will be working to provide licensees and other business partners with guidance on design plans and construction.

<sup>1</sup> A bioregion is an area where climate conditions have remained essentially consistent over a period of 30 years.



# About the 2010 Global Responsibility Report

## Scope

The report for fiscal 2010 focuses on our three Starbucks™ Shared Planet™ focus areas: ethical sourcing (buying), environmental stewardship and community involvement. We have also included helpful links to information and resources found on Starbucks.com and in past reports regarding our financial, corporate governance, workplace and diversity policies and performance. In developing this report, we've covered topics and issues that we believe are important to Starbucks and our stakeholders. We either share information about those topics in the body of the report or direct readers to other resources. What we report has also been informed by the Global Reporting Initiative G3 Guidelines, a set of internationally recognized sustainability reporting standards. These key criteria are outlined in our GRI Index.

A high-level summary of our progress on Starbucks™ Shared Planet™ commitments is contained in our 2010 Global Responsibility Scorecard.

## Boundaries

Our Global Responsibility Report for fiscal year 2010 focuses on the work we are doing in: ethical sourcing, community involvement and environmental stewardship. These are the areas of greatest importance to Starbucks, our customers and partners (employees), as well as non-governmental organizations and investors. We also know **health and wellness** and **workplace practices** are of considerable interest to our stakeholders. Information about these key topics can be found on Starbucks.com.

While our commitments are global, our report content is focused largely on Starbucks U.S. and Canada company-owned and operated retail stores and global supply chain operations – areas that represent the majority of Starbucks social, environmental and economic impacts. Our system for reliably collecting and reporting

related data does not currently encompass all of our operations. For now, anecdotal information is included for international operations, licensed store operations and joint ventures, where available and relevant. A notable exception to this is information on total coffee purchases, which is for all Starbucks brands and retail stores, including Starbucks Coffee, Seattle's Best Coffee and Torrefazione Italia.

Starting in fiscal year 2011 our goals specifically encompass company-owned stores globally.

## Reporting Year

Starbucks fiscal year 2010 (September 28, 2009 – October 3, 2010), unless otherwise noted.

## Currency

All references to currency are in U.S. dollars, unless otherwise noted.

## Previous Reports

<http://www.starbucks.com/responsibility/learn-more/goals-and-progress>

## Information Integrity

Starbucks management is responsible for the preparation and integrity of the information being reported for fiscal 2010. Through a system of internal controls, including a comprehensive verification process involving internal subject matter experts, we believe this information fairly represents our global responsibility activities and performance results for the fiscal year 2010. External verification is provided by Moss Adams LLP. Read the **Moss Adams Independent Assurance Report**.

## Forward-Looking Statements

Our reporting on global responsibility for fiscal 2010 includes forward-looking statements about the company's business and the company's future business plans, initiatives and objectives. These forward-looking statements are based on currently available operating, financial and competitive information and are subject to a number of significant risks and uncertainties. Actual future results may differ materially depending on a variety of factors including, but not limited to, coffee, dairy and other raw material prices and availability; successful execution of the company's transformation strategy, restructuring, cost reduction and other initiatives; fluctuations in U.S. and international economies and currencies; the impact of competition; the effect of legal proceedings; and other risks detailed in the company's filings with the Securities and Exchange Commission, including the "Risk Factors" section of Starbucks Annual Report on Form 10-K for the fiscal year ended October 3, 2010. The company assumes no obligation to update any of these forward-looking statements.



## INDEPENDENT ASSURANCE REPORT

To the Stakeholders of Starbucks Coffee Company

We have examined the data identified below (the Data) contained within the Starbucks Coffee Company's Global Responsibility Annual Report (the Report) for the year ended October 3, 2010. Starbucks Coffee Company's management is responsible for the Data. Our responsibility is to express an opinion on the Data listed below based on our examination.

- Green coffee purchases and average price per pound as contained in the **Coffee Purchasing section**
- C.A.F.E. Practices coffee purchases and purchases as a percentage of total coffee purchased as contained in the **Coffee Purchasing section**
- Fair trade certified green coffee purchases and purchases as a percentage of total coffee purchased as contained in the **Coffee Purchasing section**
- Certified organic coffee purchases and purchases as a percentage of total coffee purchased as contained in the **Coffee Purchasing section**
- Amount of commitment to investment in farmer loans and number of farmers as contained in the **Farmer Support section**

The Criteria used to evaluate the Data are contained in the sections of the Report indicated above.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and accordingly, included examining, on a test basis, evidence supporting the Data and performing such other procedures as we considered necessary in the circumstances. Those procedures are described in more detail in the paragraph below. We believe that our examination provides a reasonable basis for our opinion.

Our evidence-gathering procedures included, among other activities, the following:

- Testing the effectiveness of the internal reporting system used to collect and compile information on the Data which is included in the Report;
- Performing specific procedures, on a sample basis, to validate the Data, on site at Starbucks Coffee Trading Company buying operations in Lausanne, Switzerland and Corporate headquarters in Seattle, Washington;
- Interviewing partners (employees) responsible for data collection and reporting;
- Reviewing relevant documentation, including corporate policies, management and reporting structures;
- Performing tests, on a sample basis, of documentation and systems used to collect, analyze and compile the Data that is included in the Report, and
- Confirming certain of the Data to third party confirmations and reports.

In our opinion, the Data for the fiscal year ended October 3, 2010 is fairly presented, in all material respects, based on the Criteria indicated above.

*Moss Adams LLP*

Seattle, Washington  
 March 7, 2011  
[www.mossadams.com](http://www.mossadams.com)