Year in Review: Fiscal 2009

Starbucks has a long history of doing business in ways that are socially, environmentally, and economically responsible. Our commitment to doing the right thing has always been central to how we operate as a company. It’s deeply valued by our partners (employees) and customers alike, and we believe it also makes great business sense. It hasn’t always been easy; however, we’ve learned from our mistakes and persevered as a pioneer of innovation across the industry.

As we’ve grown in size, so has our ability to drive positive change in communities around the world. In 2008 we set bold new goals in the areas where we can have the greatest impact: ethical sourcing, environmental stewardship, and community involvement. Together, we call these priorities Starbucks™ Shared Planet™.

By openly reporting on our performance, we aim to inform, inspire, and engage our partners, customers, and other stakeholders. In addition, this exercise gives us the opportunity to measure our progress and refine our strategy for the future.

In 2009 we took significant steps toward achieving our goals and also encountered challenges. Most notably, extraordinary global economic conditions forced us to make some difficult business decisions. While we adopted considerable cost-saving initiatives and invested in the customer experience to support long-term, profitable growth, we remained committed to responsible business practices.

Last year we looked beyond the boundaries of our own business structure and collaborated with external experts and organizations to find creative solutions for complex problems. This dialogue helped us gain a better understanding of the barriers we’re facing and aided the development of new action plans that we’ve already begun to implement.

We’re pleased to share our 2009 progress with you, and we hope you’ll find this year’s streamlined report easy to navigate. For a snapshot of year-over-year performance against our Starbucks™ Shared Planet™ goals, we invite you to explore this section further. Regular updates on our broader responsible business practices are available at starbucks.com/responsibility.

As proud as we are of our accomplishments, we recognize we have a long way to go, and we welcome your input and ideas.

1 Report is based on fiscal year (October through September) performance unless otherwise indicated.
Message from Vivek Varma
Senior Vice President, Public Affairs

Since we first opened our doors nearly 40 years ago, Starbucks has set out to be an enduring company. In recent years, faced with unprecedented economic challenges, we have taken a hard look at our business. We have reminded ourselves who we are and what we stand for. And we have transformed our company – reinvigorating our business and returning it to the path of profitable, long-term growth.

At the center of this transformation is an effort to reignite the emotional connection we have with our partners and customers. It’s a bond that is not only based on our coffee, but on something bigger.

It’s based on trust.

Trust that even though we may not be perfect, we are always striving to do the right thing. Trust that we will work to bring humanity to every aspect of our business. Trust that even though there is much more work to do, we will be authentic and transparent with both our successes and challenges.

We work to earn this trust from our customers and partners by doing business responsibly. We call this Starbucks™ Shared Planet™, our commitment to sourcing our products ethically, improving our communities, and reducing our environmental impact. In this year’s Global Responsibility Report, we openly share with you our goals and progress in these areas.

Some may question whether a company can truly do well and do good. We know from experience that it’s not only possible to do both; it’s critical to our future success.

Warm regards,

Vivek
Starbucks has always believed in buying, roasting, and serving the highest quality coffee in the world. By promoting responsible growing practices, we’re able to serve a great cup of coffee while helping to improve the lives of farmers and protect the environment. We’re also applying the knowledge we’ve gained through our work with coffee farmers to other areas of our supply chain.

In 2008 we set a goal to purchase 100 percent responsibly grown and ethically traded coffee by 2015. When we cite “responsibly grown and ethically traded coffee,” we’re referring to coffee that is third-party verified or certified, either through Coffee and Farmer Equity (C.A.F.E.) Practices, Fairtrade, or another externally audited system.

In addition to paying equitable prices for premium coffee and providing technical assistance for optimal production, we’re helping farmers improve their businesses by supporting programs that offer access to credit. Last year we increased our farmer loan commitments, enabling more farmers to finance pre-harvest activities, make operational improvements, and cover export costs.

We’ve also evolved our relationship with Conservation International to help farmers reduce carbon emissions, adapt to climate change, and generate additional income. Together, in 2009, we began piloting forest conservation incentive programs in Latin America and Asia.

We invite you to learn more about our Starbucks™ Shared Planet™ ethical coffee sourcing goals and recent milestones, as well as our ethical sourcing practices for other products, such as tea, cocoa, and manufactured goods.
At our core, Starbucks mission is to inspire and nurture the human spirit. We believe one of the most important contributions we can make is to serve as a catalyst for positive, relevant change in the communities where we do business. To amplify our initiatives, we collaborate with similarly driven nonprofit organizations, businesses, civic leaders, and individuals. We know we can accomplish more together than we can alone.

With stores around the world and a rapidly growing online presence, we’re able to engage millions of consumers in a dialogue about local and global issues, and to facilitate action. Our goal is to motivate our partners (employees), customers, and young people to join forces and make a meaningful impact in their communities.

Community service has always been part of our ethos. Although our service hours decreased in 2009 compared with the previous year due to internal and external challenges, we developed new opportunities for partners and customers to become involved in causes they care about. Last year we also invested in young people who we believe can help create innovative solutions to address community issues while gaining valuable leadership skills. Our Starbucks™ Shared Planet™ Youth Action Grants laid the foundation for this endeavor, and we’re looking forward to building the momentum.

In the year ahead, we’ll continue to collaborate with other organizations and individuals to provide ways for people across the globe to connect with physical and virtual communities and make a difference.

We invite you to learn more about our Starbucks™ Shared Planet™ community involvement goals, the programs we support, and our recent milestones.
As a company that relies on an agricultural product, Starbucks is vulnerable to the effects of climate change. We know our customers are concerned about this issue as well. In order to maintain our high quality standards and help preserve the planet for future generations, we’re taking bold actions to reduce our environmental impact.

In 2009 our efforts gained new traction through collaboration with representatives across our value chain. We joined forces with suppliers, business partners, local municipal governments, environmental NGOs, and experts from the academic sector to address the challenges we’re facing together, and to advance a number of meaningful initiatives.

At the store level, energy and water conservation and other green building strategies continue to be key priorities with potential to significantly minimize our environmental footprint. Last year we launched several major projects in these areas, and we’re pleased to share positive initial results.

Recycling and other forms of waste diversion are also top of mind for us and our customers. In 2009 we adopted a systems-thinking approach to examine the relationship between design, collection, and infrastructure. By analyzing how the various pieces of the puzzle fit together, we believe we can help make our cups and other packaging more broadly recyclable, both in form and in practice. Ultimately, our aim is to ensure 100 percent of our cups are reusable or recyclable by 2015.

Looking beyond our store presence, in 2009 we expanded our ongoing efforts to protect carbon-absorbing tropical forests in numerous coffee-growing communities. We also continued to champion progressive climate policy as a founding member of a coalition called Business for Innovative Climate and Energy Policy (BICEP) while engaging our partners (employees), customers, and other organizations in the dialogue.

We invite you to learn more about our Starbucks™ Shared Planet™ environmental stewardship goals and recent milestones.
Coffee Purchasing

We set a goal in 2008 to purchase 100 percent responsibly grown and ethically traded coffee by 2015. When we cite “responsibly grown and ethically traded coffee,” we’re referring to coffee that is third-party verified or certified, either through Coffee and Farmer Equity (C.A.F.E.) Practices, Fairtrade, or another externally audited system.

We also announced a more specific goal in 2008 to increase our annual purchases of coffee verified through C.A.F.E. Practices, a comprehensive set of social, economic, environmental, and quality guidelines developed in collaboration with Conservation International. With approximately 200 performance indicators for farms and mills, C.A.F.E. Practices is evaluated by third-party verifiers and overseen by Scientific Certification Systems.

Our purchases of C.A.F.E. Practices verified coffee in 2008 accounted for 77 percent (295 million pounds) of total coffee purchases, and in 2009 we increased that amount to 81 percent (299 million pounds) of total purchases. We complement purchases of C.A.F.E. Practices verified coffee with purchases of Fairtrade certified coffee to promote sound production standards. This action has made us the largest purchaser of Fairtrade certified coffee in the world.

In 2008 we publicly shared another specific coffee purchasing goal: to double purchases of Fairtrade certified coffee in 2009. Last year we hit this target, with purchases increasing from 19 million pounds in 2008 to 39 million pounds in 2009. By the end of 2009, 100 percent of the espresso coffee sold in our stores in the U.K. and Ireland was Fairtrade certified. Moving forward, we’re committed to purchasing Fairtrade certified coffee as part of our sourcing strategy.

Beyond C.A.F.E. Practices verified and Fairtrade certified coffee, we also purchase Certified Organic coffee. In 2009 our year-over-year purchases of Certified Organic coffee increased from 10 million pounds to 14 million pounds. By purchasing Certified Organic and other third-party verified or certified coffee, we hope to not only meet our customers’ needs but to help protect the environment and, thereby, farmer livelihoods in coffee-growing regions.

In 2009 we began geographically diversifying our support services to enhance the growing practices of a broader farmer base. One extension of this effort was the opening of a Starbucks Farmer Support Center in Kigali, Rwanda, last year. The center works with east African coffee farmers to help them develop more responsible growing methods, improve the quality and size of their harvests, and ultimately earn better prices. Given that we source the majority of our coffee from tens of thousands of family farms operating on less than 30 acres (roughly 12 hectares) of land, we’re steadfastly committed to helping small-scale farmers thrive.

In 2009 we launched the groundbreaking Small Farmer Sustainability Initiative (SFSI) in partnership with TransFair USA and Fairtrade Labelling Organization International. This three-year pilot program builds upon our existing efforts to promote stability in the coffee industry. Through the SFSI, Starbucks and Fairtrade commit to working together to increase small-scale farmer support and capacity-building services. Additionally, our investment in alternative loan programs enables more farmers to finance pre-harvest activities, make operational improvements, and cover export costs.

We’ve also evolved our relationship with Conservation International to help farmers reduce carbon emissions, adapt to climate change, and generate additional income. Together, in 2009, we began piloting forest conservation incentive programs in Latin America and Asia. Outcomes from this initial phase will inform plans to expand elsewhere in the future.

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**Goals Progress Table**

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<th>GOALS</th>
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<tr>
<td>Increase our annual purchases of coffee verified through C.A.F.E. Practices</td>
<td>Our purchases of C.A.F.E. Practices verified coffee increased from 77% of total coffee purchases in 2008 to 81% of total coffee purchases in 2009</td>
</tr>
<tr>
<td>Double our purchases of Fairtrade certified coffee in 2009</td>
<td>Our purchases of Fairtrade certified coffee increased from 19 million pounds in 2008 to 39 million pounds in 2009</td>
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* U.S. and Canada only  ** Global representation. The 2009 on-hand inventory is included in 2009 purchases to account for transition from fiscal to calendar year per our commitment to Fairtrade, announced in October 2008.

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On-hand inventory is included in 2009 purchases to account for transition from fiscal to calendar year per our commitment to Fairtrade, announced in October 2008.
We know our success as a company is linked to the success of the thousands of farmers who grow our coffee. One of the ways we’re working to maintain our supply of high-quality coffee is by investing in farmers and their communities through alternative loan programs.

During growing and harvest cycles, many coffee farmers dip into their modest reserves to cover expenses until they can sell their crops. Some farmers may experience a cash shortage, prompting them to sell their crops early – and often for a lower price – to local buyers. In other cases, farmers may borrow money at exorbitant interest rates. This cuts into their profits and can lead to a cyclical pattern in following years.

By investing in pioneering programs that provide access to credit, we’re helping farmers manage risk and strengthen their businesses. In 2008 we announced a goal to nearly double our investment in farmer loans from $12.5 million to $20 million by 2015. As of 2009 our commitments to Root Capital, Verde Ventures, and the Calvert Foundation reached a total of $14.5 million\(^1\). Last year alone, this support helped more than 72,000 farmers who grow our coffee in six countries to finance pre-harvest activities, make operational improvements, and cover export costs.

In 2009 we also launched the groundbreaking Small Farmer Sustainability Initiative (SFSI) in partnership with TransFair USA and Fairtrade Labelling Organization International. Based on a shared history of support for small-scale farmers, this three-year pilot program builds upon our existing efforts to foster improved livelihoods, environmental stewardship, and economic stability in the coffee industry. Through the SFSI, Fairtrade farmer cooperatives are eligible to apply for loans from the funds supported by Starbucks.

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

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<th>GOALS</th>
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<tr>
<td>Invest in farmers and their communities by nearly doubling farmer loans to $20 million by 2015</td>
<td>Our farmer loan commitments increased by $2 million in 2009</td>
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\(^1\) Per our joint press release with Root Capital, issued in September 2009.
Community

From the farms that grow our coffee to the neighborhoods where our stores are located, we’re committed to helping communities thrive. One of the important ways we’re supporting local communities is by motivating our partners (employees), customers, and young people to join forces and become involved in social, economic, and environmental initiatives that make a meaningful impact.

Our goal is to mobilize our partners and customers to contribute more than 1 million hours of community service per year by 2015. With 150,000 passionate partners around the world, we have a unique opportunity to serve as a catalyst for positive, relevant change. We’re taking action by facilitating community efforts, and by prioritizing service as an important aspect of our company culture.

In 2009, at our annual leadership conference in the U.S., 9000 of our partners contributed more than 36,000 hours of service to help rebuild the city of New Orleans following the devastation of Hurricane Katrina. Last year we also aligned our activities with the new U.S. president’s call for all Americans to participate in community service. Leveraging Inauguration Day as an opportunity to encourage partner and customer involvement, we launched “I’m In,” a prominent public awareness campaign with online and offline components including social networking, television advertising, and in-store signage.

Our international partners and customers also participate in local community service efforts on a regular basis, and in 2009 they began tracking service hours total does not include hours served by Youth Action Grantees, however we intend to include this number in future reports. While we have a long way to go to reach our goal of 1 million service hours per year, we’re building strong momentum by sharpening our focus and developing tools that will assist local markets with their endeavors.

For example, one of our Youth Action Grant recipients in 2009 was an Argentina-based program called Strengthening the Youth for Health Network. Managed by Fundación Huésped, the program trains young people to act as health multipliers, empowering them to produce and disseminate prevention messages to their peers through theater, film, and other artistic genres. Another of last year’s recipients, based in the U.S., was the Food Project Internship Program, which involves young people in entrepreneurial ventures to create personal and social change through sustainable agriculture.

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<tr>
<td>Mobilize our partners (employees) and customers to contribute more than 1 million hours of community service per year by 2015</td>
<td>Our service hours decreased by 24% in 2009 <strong>NEEDS IMPROVEMENT</strong></td>
</tr>
<tr>
<td>Engage 50,000 young people to innovate and take action in their communities by 2015</td>
<td>Through grants awarded in 2009, we engaged 20,868 young people in community activities, reaching 42% of our 2015 goal <strong>ON TRACK</strong></td>
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As a forward-thinking company, we’re also dedicated to cultivating tomorrow’s change-makers. Our goal is to engage 50,000 young people to innovate and take action in their communities by 2015. We believe this initiative will spur creative problem-solving, help participants gain valuable life skills, and give our partners and customers another meaningful opportunity to support local causes. In 2009 we awarded over $2 million in Starbucks™ Shared Planet™ Youth Action Grants, which enabled us to engage more than 20,000 young people in community activities and reach 42 percent of our 2015 goal.

In 2009 our cash and in-kind contributions toward community-building programs – including volunteer service, youth engagement, natural disaster relief, (RED)™, and other efforts – totaled more than $17 million. We invite you to learn more about our efforts to support and enrich the communities where we do business at starbucks.com/responsibility.
Climate

Because our business relies on healthy agricultural systems to produce a high-quality product, we view climate change as a critical issue. It’s a driving force behind our efforts to minimize environmental impacts across our supply chain, from farm to cup. We believe we can make a difference by advancing the development of innovative solutions, building strategic relationships with policy leaders and industry experts, and harnessing the passion of our partners (employees) and customers.

Through our expanded relationship with Conservation International, we’re piloting forest conservation incentive programs that link coffee farmers to carbon markets. Under this model, we’re working with farmers to carry out actions that reduce carbon emissions. In addition to minimizing emissions from the burning and clearing of forests – which account for approximately 16 percent of global greenhouse emissions – the program aims to help farmers generate income from emerging carbon markets. Ultimately, participating farmers are better positioned to protect their livelihoods and diversify their risk.

Last year we engaged 29 coffee-growing communities in Sumatra, Indonesia, and Chiapas, Mexico – regions with distinctly sensitive environments and differing coffee-growing traditions – in the pilot programs. We’re now working to engage at least 20 additional communities in these areas. Outcomes from this initial phase will inform plans to expand elsewhere in the future.

Tackling a problem as complex and far-reaching as climate change requires active involvement across various sectors. In 2009 we became a charter member of a coalition called Business for Innovative Climate and Energy Policy (BICEP), which aims to spur the clean energy economy and mitigate global warming by advocating for strong legislation in the U.S.

Last year we also continued to collaborate with the Earthwatch Institute, which has been replanting rainforests, mapping water sources and biodiversity indicators, and sharing sustainable practices with the farmers who grow our coffee. In addition, we’ve been working to reduce the impact of our retail operations by participating in the U.S. Green Building Council’s Volume Certification pilot program – an initiative that will help us achieve LEED® certification for all new company-owned stores beginning in 2010.

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<td>Support programs that facilitate farmers’ access to carbon markets, allowing them to generate additional income while helping to prevent deforestation</td>
<td>Through our partnership with Conservation International, in 2009 we piloted programs in 29 coffee-growing communities in Chiapas, Mexico, and Sumatra, Indonesia</td>
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| CHIAPAS, MEXICO |
| SUMATRA, INDONESIA |

**Coffee purchased (including on-hand inventory) January through December 2009**

**Total C.A.F.E. Practices verified through third party certification**

**Total coffee purchases**

**Improvements**

**Goal**

**Progress**

**25% of the electricity used in company-owned stores by 2015**

**GOALS PROGRESS**

**ON TRACK**

**NEEDS IMPROVEMENT**

**ACHIEVED**

**2010**

**2009**

**2015**

**Average electricity use per square foot/store/month. U.S. and Canada company-owned stores.**

**259.5 Million KWH**

**211.3 Million KWH**

**25% Decrease**

**2009**

**2008**

**2010**

**2009**

**2008**

**CO2 emissions – the program aims to help farmers prevent deforestation**

**9 Million kg**

**134 Million kg**

**136 Million kg**

**2009**

**2008**

**2015**

**ON TRACK**

**NEEDS IMPROVEMENT**

**ACHIEVED**

**$20 Million by 2015**

**$12.5 Million**
Recycling

Over the years, our white cup has become an icon and an integral part of the coffeehouse experience. At the same time, it has become a major concern among our customers due to recycling challenges. In order to respond to customers and minimize our carbon footprint, we’re aiming to ensure 100 percent of our cups are reusable or recyclable by 2015. We’re currently working on a number of complementary initiatives to advance our progress in this area. We realize there is no quick fix for this problem; we still have much to learn.

One of the significant challenges we’re facing is a wide variance in municipal recycling capabilities. This inconsistency makes it difficult for a company like ours, with more than 16,000 retail locations around the globe, to efficiently and effectively implement a recycling strategy. In order to achieve greater scalability and standardization, we set a goal in 2008 to develop a comprehensive recyclable cup solution by 2012. Ultimately, we want our paper and plastic cups—which in the U.S. account for approximately 95 percent of our in-store beverage packaging—to be universally recyclable in form and in practice.

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. In May 2009 we hosted a cup summit, convening local municipalities, raw materials suppliers, cup manufacturers, retail and beverage partners, recyclers, NGOs, and academic experts for the first time. Employing systems thinking, a problem-solving approach that analyzes how the various segments of a structure are interconnected, we addressed recycling challenges with a view of the entire value chain.

This dialogue revealed a fundamental need to improve recycling infrastructures while continuing to explore materials and design. The result has been enhanced collaboration and meaningful action, including innovative testing. One such example is a pilot program sponsored by 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 U.S. impassess, such as minimal store space or lack of commercial recycling services.

Although many of our customers order their beverages “to go,” front-of-store recycling is an important part of our effort to develop a comprehensive recyclable cup solution. In 2008 we set a goal to implement front-of-store recycling in all company-owned stores by 2015. While we made only slight progress toward this target in 2009, with bins present in roughly 5 percent (399) of our company-owned stores in North America, we believe we’re taking the right steps to drive change in the near term.

In addition, we’re asking our partners (employees) and customers to join forces with us. Our goal is to serve 25 percent of the beverages made in our stores in reusable serveware or tumblers by 2015. In 2009 customers brought their own tumblers into our stores more than 26 million times. Although serveware and tumbler use accounted for only 1.5 percent of total beverage served last year, this simple shift in behavior kept nearly 1.2 million pounds of paper out of landfills. One of the ways we’re rewarding customers for tumbler use is by offering a beverage discount, as we’ve done since 1985. We’re looking forward to increasing serveware and tumbler use in the future.

In 2009 approximately 70 percent (2,163) of our company-owned stores in North America that control their own waste collection recycled items made from one or more materials; however, these were typically back-of-store items that are widely accepted for recycling, such as cardboard boxes. Among remaining retail locations in North America, the majority were limited by operational 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 more than 60,000 tons of virgin wood fiber, the equivalent of more than 422,000 trees.

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<tr>
<td>Develop a comprehensive recyclable cup solution by 2012</td>
<td>In 2009 we convened a first-ever summit with local governments, cup manufacturers, recyclers, and other stakeholders to jointly identify the steps required to make our cups recyclable in form and in practice</td>
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<tr>
<td>Implement front-of-store recycling in our company-owned stores by 2015</td>
<td>In 2009 we developed local market testing and implementation tools to accelerate front-of-store recycling in the future</td>
</tr>
<tr>
<td>Serve 25% of beverages made in our stores in reusable serveware or tumblers by 2015</td>
<td>We served 4.4 million more beverages in reusable cups in 2009 than in 2008</td>
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**NEEDS IMPROVEMENT**

Average electricity use per square foot/store/month. U.S. and Canada company-owned stores.

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1 According to the Environmental Defense Fund Paper Calculator.
Energy

Across the company, energy use accounts for roughly 80 percent of our carbon footprint, making it our greatest opportunity for improvement. In our stores, roasting plants, and offices, conserving energy is one of the most meaningful measures we can take to reduce our environmental impact. Additionally, we can help transform the energy landscape by supporting green power.

In 2008 we announced two aggressive energy goals for our company-owned stores: to reduce energy consumption by 25 percent, and to purchase renewable energy equivalent to 50 percent of our electricity use. Aiming to achieve both goals by 2010, in 2009 we made steady progress and gained valuable knowledge that will help direct our course for the future.

Lighting efficiencies have been a focal point for us in recent years. We began exploring the substitution of incandescent and halogen lighting with LED lighting in 2008, but at the time found no commercially available LED product that met our aesthetic and functional requirements. As a result, we turned to GE to identify a solution. With our input, GE developed a highly energy efficient LED product that complements our store design approach and fits existing fixtures.

We began implementing our LED lighting conversion program in 2009, and had completed installation in more than 1,000 stores in the U.S. as of September. While our electricity use decreased by only 1.7 percent from 2008 to 2009, we’re projecting a considerable reduction following global implementation of our LED conversion in 2010. We’re also looking at other innovative ways to minimize our energy use as existing equipment and appliances are replaced upon full depreciation.

In 2009 we purchased renewable energy certificates (through 3Degrees and NextEra Energy) equivalent to 25 percent of our electricity use, maintaining a positive three-year trend. Last year we also continued to draw on industry guidance as a member of the World Resource Institute Green Power Market Development Group and the U.S. Environmental Protection Agency Green Power Partnership. We’re currently on track to significantly increase our renewable energy purchases in 2010.

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<tr>
<td>Reduce energy consumption by 25% in our company-owned stores by 2010</td>
<td>Our electricity use decreased by 1.7% in company-owned stores in 2009</td>
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<tr>
<td></td>
<td>6.9 KWH 1.7% Decrease</td>
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<td>6.69 KWH 25% Decrease</td>
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<td>2008 2009 2010</td>
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<tr>
<td>Purchase renewable energy equivalent to 50% of the electricity used in our company-owned stores by 2010</td>
<td>Renewable energy purchases increased to the equivalent of 25% of the electricity used in company-owned stores in 2009</td>
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<td>25% 50%</td>
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Water

Of all the resources on which our business relies, water is certainly one of the most vital. A great deal of the water that flows into our stores is used to make coffee and tea beverages, and to run equipment such as dishwashers and ice machines. We’re continuously evaluating our needs and deploying new conservation methods in order to responsibly manage our water use.

In 2008 we announced plans to reduce water consumption, and in 2009 we conducted a comprehensive water footprint audit to analyze water use in the context of our store design, equipment, and operations. Findings from the study helped us identify strategies to reduce overall water consumption and establish metrics. We have since set a goal to reduce water consumption by 25 percent in company-owned stores by 2015. From 2008 to 2009, our water use decreased by 4.1 percent as a result of several proactive measures.

Last year we took significant steps to advance progress toward our 2015 target while prioritizing partner (employee) and customer health and safety. Our dipper wells (or sanitizing sinks) were a focal point. These fixtures used a continuous stream of running water to rinse away food residue, keeping utensils clean and preventing bacterial growth. Although they enabled us to meet or exceed regulatory requirements and internal food safety standards, they caused considerable water waste.

We’ve been working since 2007 to find a water-saving alternative to the dipper well system. In 2009 we began implementing a solution to significantly reduce our water use around the globe. Our new manually-operated hand-meter faucet is now installed in all company-owned stores in the U.S. (as of September 2009). This mechanism saves approximately 150 gallons (568 liters) of water per store per day.

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<tr>
<td>Reduce water consumption by 25% in our company-owned stores by 2015</td>
<td>Our water use decreased by 4.1% in company-owned stores in 2009</td>
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<table>
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<tr>
<th>Year</th>
<th>Gallons</th>
<th>Liters</th>
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<tr>
<td>2008</td>
<td>24.4</td>
<td>92.5</td>
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<tr>
<td>2009</td>
<td>25.4</td>
<td>98.5</td>
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Average water use per square foot/store/month. U.S. and Canada company-owned stores.

We’re currently assessing opportunities to roll out hand-meter faucets more broadly. In locations where they’re not yet available, we’re adopting new practices, including using spoons once and setting them aside to be cleaned and sanitized with other dishes. Moving forward, we’ll continue to look for innovative ways to minimize our water use.
Green Building

With more than 16,000 retail locations around the world, we’re intently focused on green building initiatives that have the rigor to help us reach our environmental goals and the flexibility to support our scale. Since 2001 we’ve been at the forefront of U.S. Green Building Council (USGBC) efforts to apply Leadership in Energy and Environmental Design – or LEED® – criteria to retail structures. Globally, LEED is the most widely recognized green building certification program with a presence in over 100 countries.

In 2009 we became an active participant in the USGBC’s LEED Volume Certification pilot, which makes broad-scope green building plans feasible by enabling significant cost and time efficiencies. We’re continuing to work with other pilot contributors to develop resources that will help integrate the adoption of LEED into the standard design, construction, and operations practices of participating organizations.

Last year we laid the foundation to build or renovate a minimum of 10 Volume Certification pilot stores in six different bioregions around the world. Once the pilot stores’ environmental strategies are audited and approved, they can be replicated elsewhere. This will allow us to achieve LEED certification for all new company-owned stores beginning in 2010.

To date we’ve secured pilot store sites in the following markets: San Diego, Calif.; Seattle, Wash.; Bellingham, Wash.; Atlanta, Ga.; Ft. Lauderdale, Fla.; New York, N.Y.; Toronto, Canada; Lisbon, Portugal; Dresden, Germany; Manila, Philippines; Fukuoka, Japan; and Kyoto, Japan.

Our global support center in Seattle, Wash., and our roasting plant in Sandy Run, S.C., have both earned LEED Gold certification. In addition, six of our stores not associated with the pilot program have either achieved or are currently registered for LEED certification. These stores are located in Hillsboro, Ore.; Seattle, Wash. (1st Avenue & Pike Street and University Village); Harrisonburg, Va. (James Madison University); Paris, France (Disneyland Paris); and Madrid, Spain. Inside each store, customers will find plaques that identify green design elements and inform them about solutions they can apply in their homes and workplaces.

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<tr>
<th>GOALS</th>
<th>PROGRESS</th>
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<tr>
<td>Achieve LEED® certification for our new, company-owned stores beginning in 2010</td>
<td>As a participant in the U.S. Green Building Council’s LEED® Volume Certification pilot program, in 2009 we submitted formal plans to build or renovate a minimum of 10 pilot stores around the world</td>
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1 A bioregion is an area where climate conditions have remained essentially consistent over a period of 30 years.
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 September 27, 2009. 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.

- 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 green coffee purchases as contained in the Coffee Purchasing section
- Certified Organic coffee purchases as contained in the Coffee Purchasing section
- Amount of commitment to investment in farmer loans as contained in the Farmer Loan 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 September 27, 2009 is fairly presented, in all material respects, based on the Criteria indicated above.

Seattle, Washington
April 2, 2010
www.mossadams.com