EXHIBIT 5.1 Starbucks Mission Statement

Establish Starbucks as the premier purveyor of the finest coffee in the world while maintaining our uncompromising principles as we grow. The following six guiding principles will help us measure the appropriateness of our decisions:

- Provide a great work environment and treat each other with respect and dignity.
- Embrace diversity as an essential component in the way we do business.
- Apply the highest standards of excellence to the purchasing, roasting and fresh delivery of our coffee.
- Develop enthusiastically satisfied customers all the time.
- Contribute positively to our communities and our environment.
- Recognize that profitability is essential to our future success.

team hoped that the principles included in this mission statement would help partners (Starbucks' term for employees) to gauge the appropriateness of their decisions and actions. As Orin Smith explained, "Those guidelines are part of our culture and we try to live by them every day." After drafting the mission statement, the executive team asked all Starbucks partners to review and comment on the document. Based on their feedback, the final statement (see Exhibit 5.1), put "people first and profits last." In fact, the number one guiding principle in Starbucks' mission statement was to "provide a great work environment and treat each other with respect and dignity."

Going forward, Starbucks did three things to keep the mission and guiding principles alive. First, it provided all new partners with a copy of the mission statement and comment cards during orientation. Second, when making presentations, Starbucks' leadership continually related decisions back to the appropriate guiding principle or principles they supported. And third, the company developed a "Mission Review" system through which any partner could comment on a decision or action relative to its consistency with one of the six principles. The partner most knowledgeable on the comment had to respond directly to such a submission within two weeks, or if the comment was anonymous, the response appeared in a monthly report. As a result of this continual emphasis, the guiding principles and their underlying values had become the cornerstones of a very strong culture.

After buying Starbucks, CEO Howard Schultz had worked to develop a benefits program that would attract top people who were eager to work for the company and committed to excellence. One of Schultz's key philosophies was to "treat people like family, and they will be loyal and give their all." Accordingly, Starbucks paid more than the going wage in the restaurant and retail industries, granted stock options to both full- and part-time partners in proportion to their level of base pay, and offered health benefits for both full- and part-time partners. As a result of its commitment to its employees, Starbucks enjoyed a low annual employee turnover (60 percent verus the restaurant industry average of 200 percent) and employees reported high job satisfaction. All of this satisfaction had fostered a strong culture that employed a predominately young and educated workforce of individuals who were extremely proud to work for Starbucks. Their pride came from working for a very visible and successful company that tried to act in accordance with the values they shared. According to Smith, "It's extremely valuable to have people proud to work for Starbucks and we make decisions that are consistent with what our partners expect of us."

CORPORATE RESPONSIBILITY AT STARBUCKS

Just as treating partners well was one of the pillars of Starbucks' culture, so too was contributing positively to the communities that it served, and to the environment. Starbucks made this commitment not only because it was the right thing to do but also because its workforce was aware and concerned with global environmental and poverty issues. In addition to sustaining and growing its business, Starbucks supported causes "in both the communities where Starbucks stores were located and the countries where Starbucks coffee was grown."

On the local level, store managers were granted discretion to donate to local causes and provide coffee for local fundraisers. One Seattle store donated more than $500,000 to Zion Preparatory Academy, an African-American school for inner-city youth. CEO Howard Schultz used his own money to start the Starbucks Foundation, which provided "opportunity grants" to nonprofit literacy groups, sponsored young writers programs, and partnered with Jumpstart, an organization helping Headstart children. Although the Starbucks Foundation was technically separate from the company, Starbucks made an annual donation to the foundation.

On the international level, in 1991, Starbucks began contributing to CARE, a worldwide relief and development foundation, as a way to give back to coffee-origin countries. By 1995, Starbucks was CARE's largest corporate donor, pledging more than $100,000 a year and specifying that its support go to coffee-producing countries. The company's donations helped with projects such as clean-water systems, health and sanitation training, and literacy efforts. By 2001, Starbucks had contributed more than $1.8 million to CARE.

In 1998, Starbucks partnered with Conservation International (CI), a nonprofit organization that helped promote biodiversity in coffee-growing regions, to support producers of shade-grown coffee. The coffee came from cooperatives in Chiapas, Mexico, and was introduced as a limited edition in 1999. The cooperatives' land bordered the El Triunfo Biosphere Reserve, an area designated by CI as one of the 25 "hot spots" tha
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