



Starbucks Ethical Sourcing for Manufactured Goods

Starbucks Ethical Sourcing Standards: Manufactured Goods

Starbucks endeavors to work with businesses who train and develop their employees, and who work with governments and communities in which they operate to improve the educational, environmental, cultural, economic and social well-being of those communities. At a minimum, we require our suppliers to comply with all applicable laws, codes and regulations, including health codes, employment and discrimination laws, environmental regulations, safety codes and building ordinances for each location in which they do business. Suppliers shall inform their workers of these laws, codes and regulations, ensuring any illiterate workers are informed verbally.

We require our suppliers to communicate and uphold these Standards with their employees, suppliers, contractors and subcontractors and, when appropriate, to post them in the local language in a prominent place accessible to all workers. Suppliers shall communicate these Standards verbally to any illiterate workers. Suppliers shall also publicize and enforce a non-retaliation policy that permits workers to discuss these Standards with their management, suppliers, customers and Starbucks or its designated third party, without fear of retaliation by management.

Transparency

Starbucks expects suppliers to provide transparency into their operations, policies, processes, and relevant records to Starbucks or its designated third party. Suppliers are required to disclose conditions that may be in conflict with any of these Standards or any applicable regulations or laws in facilities that produce, store, or handle Starbucks products or provide services to Starbucks. Suppliers must also allow unannounced inspections of their records and facilities by Starbucks or a Starbucks approved third party to verify compliance to these Standards, including confidential employee interviews.

Suppliers must disclose the identity, physical location and ownership of all factories that will produce goods for Starbucks, including the use of sub-contractors. Any proposed change from one facility to another or the use of sub-contractors must be approved by Starbucks before production begins.

Worker Health and Safety

Suppliers must provide all their workers with a safe and healthy work environment and comply with all applicable laws and regulations regarding working conditions including, but not limited to:

- Access to potable drinking water, emergency medical care and first aid kits
- Appropriate personal protective equipment, available at no cost to all applicable employees
- Instruction in and enforcement of proper use of protective equipment
- Appropriate safety training for the use of machinery and other equipment, and the handling of chemicals
- Proper labeling of machinery, hazardous materials and other potentially dangerous items
- Workers are not permitted to engage in the manual transport of a load which, by reason of its



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weight, is likely to jeopardize a worker's health or safety

- Worker housing, where provided, meets the same standards for health and safety as the workplace
- Adequate lighting, ventilation, heating and clean toilet facilities in all work areas
- Doors and other exits are well marked, unobstructed and unlocked from the inside during all working hours for orderly evacuation in case of fire or other emergencies
- All main exit doors allow workers to clear the building
- Evacuation drills are conducted at least annually
- Maintain written standards for a safe and healthy work environment and the prevention of accidents and injuries to workers

Worker Treatment and Rights

Starbucks recognizes that cultural differences exist and different standards apply in various countries. We do, however, believe that all terms and conditions of employment should be based on an individual's ability to do the job, not on the basis of personal characteristics or beliefs.

Suppliers shall not discriminate on the basis of race, color, national origin, gender identity, sexual orientation, religion, disability, age, parental status, pregnancy, or other similar factors in hiring practices or any other term or condition of work, including assignment of work, occupational training, advancement, promotion, wages and other compensation, granting of social benefits, discipline or termination. We expect our suppliers to have a commitment to basic principles of human rights. Suppliers must treat all workers with respect and dignity. Suppliers must not use or permit corporal punishment or any other form of physical or psychological coercion including verbal abuse and sexual harassment. Suppliers shall implement reasonable procedures for disciplining and/or terminating workers including maintaining appropriate documentation. Suppliers shall not use monetary fines as a punitive disciplinary practice.

Suppliers shall have a comprehensive set of employment/personnel policies and procedures that are fully communicated to their workforce. In addition, suppliers must foster and maintain conditions in which workers can freely communicate grievances and expect prompt and reasonable action.

Suppliers must recognize and respect the right of workers to freedom of association and to bargain collectively. Workers must not be subject to intimidation or harassment in the exercise of their right to join or to refrain from joining any organization.

Suppliers will not employ any persons under the age of 15. Exceptions to this apply only to family or small-scale businesses which do not regularly employ hired workers. If local regulations stipulate compulsory education up to an age greater than 15, those regulations will apply during school hours. Suppliers must observe all legal requirements for the work of minors (age 15 to 17), including, but not limited to, those pertaining to age, hours of work, wages, minimum education and working conditions. We encourage suppliers to support education and work-study programs, and to encourage all workers to participate.

Starbucks will not tolerate the use of any forced or involuntary labor, either directly or indirectly, by our suppliers, contractors or subcontractors. This includes the use of slave labor, bonded labor,



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indentured labor or involuntary convict labor. Workers cannot be required to surrender their identity papers or other original personal documents or pay deposits as a condition of employment. Workers must be free to leave the workplace at the end of their shift and to resign without repercussion. All overtime should be voluntary and should not be in excess of legal limits.

Workers hired through contract agencies, including migrant workers shall be employed by the supplier in strict accordance with relevant international legal agreements between the sending and receiving countries.

Worker Hours and Compensation

Starbucks seeks suppliers who share our commitment to the betterment of wage and benefit levels to improve the lives of workers and their families. All workers, including trainees, must be paid at least the cash equivalent of the minimum legal wage. Workers must be paid directly on a regular basis per a published schedule. At a minimum, legally mandated benefits must be provided to all employees without onerous, unjust, or disproportionate deductions from their compensation. Employees must have access to their accurate and complete personal earnings records, kept according to generally accepted accounting principles. Workers must not work more hours in one week than allowable under applicable laws or 60 hours per week, whichever is less. Workers must be properly compensated for overtime work and must be allowed at least one uninterrupted, 24-hour rest period after every 6 consecutive days worked.

Environmental Protection

Starbucks acknowledges that an essential component of our environmental mission is to buy, sell, and use environmentally friendly products. At a minimum, Starbucks suppliers must fully comply with all local environmental laws and regulations and shall conduct their operations in a way that conserves natural resources. All waste materials and production by-products must be disposed of legally and in an environmentally responsible manner. Suppliers must establish and demonstrate safety practices and standards for the identification and handling of hazardous waste.

Environmental Permits and Reporting. All required environmental permits (e.g. discharge monitoring) and registrations are to be obtained, maintained and kept current and their operational and reporting requirements are to be followed.

Pollution Prevention and Resource Reduction. Waste of all types, including water and energy, are to be reduced or eliminated at the source or by practices such as modifying production, maintenance and facility processes, materials substitution, conservation, recycling and re-using materials. Written waste prevention, waste reduction, recycling, energy conservation and greenhouse gas mitigation policies shall be in place, along with demonstrable evidence of implementation. Records indicating utilization of post-consumer recycled content materials shall be in place. Programs to utilize unbleached fiber and post-consumer fiber in all paper products shall be implemented. Paper products shall contain a minimum of 30% post-consumer fiber (wherever possible) unless not possible due to regulatory or performance limitations.



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Hazardous Substances. Chemical and other materials posing a hazard if released to the environment are to be identified and managed to ensure their safe handling, movement, storage, recycling or reuse and disposal. Records of hazardous materials disposition shall be maintained. Written policies for the minimization of hazardous materials shall be maintained.

Wastewater and Solid Waste. Wastewater and solid waste generated from operations, industrial processes and sanitation facilities are to be monitored, controlled and treated as required prior to discharge or disposal. Records of effluent monitoring shall be retained for comparison to permitted discharge levels. Written plans to minimize water use in all operations shall be implemented.

Air Emissions. Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals and combustion by-products generated from operations are to be characterized, monitored, controlled and treated as required prior to discharge. Records of air monitoring shall be retained for comparison to permitted emission levels.

Product Content Restrictions. Participants are to adhere to all applicable laws and regulations regarding prohibition or restriction of specific substances including labeling laws (for both source and end market countries) and regulations for recycling and disposal.

Wood Products. A written program, with demonstrable evidence of implementation, shall maximize the use of wood derived from forests which are certified as sustainably managed by the Forest Stewardship Council (FSC). All solid wood for use in flooring, furniture and casework shall use wood certified by the FSC.

Compliance and Corrective Action

Starbucks requires that an officer or senior management representative from the Supplier sign an agreement pledging compliance with our Supplier Code of Conduct and any related Supplier Social Responsibility Standards. If it is determined that a supplier is operating outside of these Standards, the supplier will work with Starbucks or its designated third party to develop and implement a corrective action plan, including a mutually agreed schedule for resolution of the issues.

Failure to meet a corrective action plan commitment will be considered a material breach of our agreement and may result in cancellation of current orders and/or termination of our contractual relationship. Gross violations or illegal activities will be cause for outright and immediate termination of our contractual and business relationship.

Starbucks reserves the right to amend or modify these Standards at its discretion. Starbucks may terminate its relationship with any Supplier found to be in violation of these Standards.