Starbucks EMEA Store Development

Supplier Logistics Guidelines

Packaging, Labeling, Documentation and Deliveries

For Suppliers Delivering to Starbucks DC's Located in EMEA

Version 5 – 18th September 2015

Purpose

This document is to provide you – as one of Starbucks current or potential suppliers in EMEA - with user friendly information about our expectations in order to receive your product and to deliver it to our customers in the best possible condition.

IMPORTANT – These guidelines may be the same or somewhat different than what is outlined in Supplier Guidance – Requirements. If you are a store development supplier and are delivering to a Starbucks DC located in EMEA, these guidelines take precedent.

Additional notes can be found in the back of this document.

Contents

Section 1 – Cases

1.1 Case Size & Utilization

1.2 Case Material Specification

1.3 Case Seal Integrity

1.4 Case Construction & Integrity

1.5 Safety

Section 2 – Label & Case Printing

2.1 Printed Information

Section 3 – Palletization

3.1 Pallet Specification

3.2 Pallet Utilization

3.3 Pallet Integrity

Section 4 – Delivery Instructions

4.1 Documentation

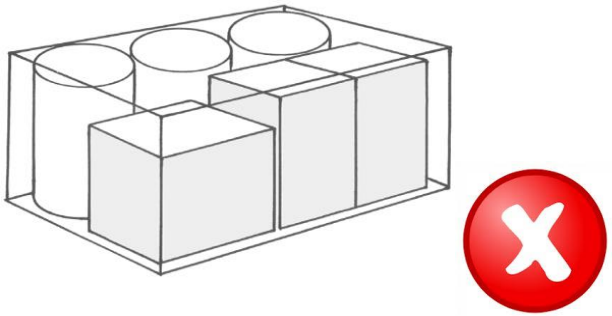
4.2 Transport and Delivery Planning

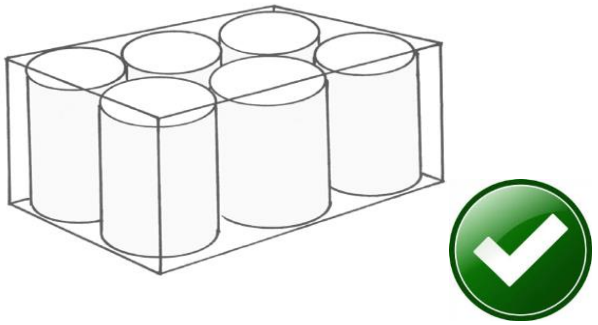
4.3 Normal DC delivery procedure

SECTION 1

Cases

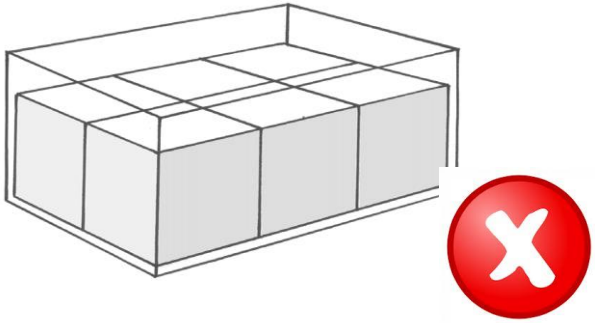
Section 1.1 Case Size & Utilization

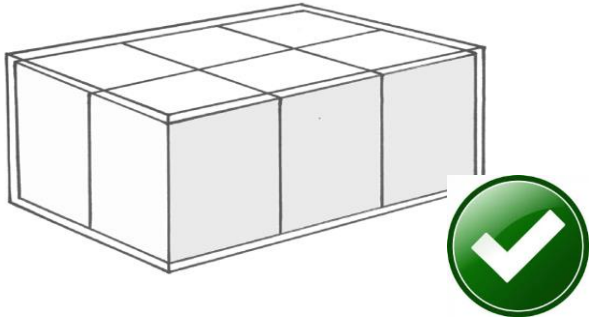




Cases containing more than one SKU are prohibited.

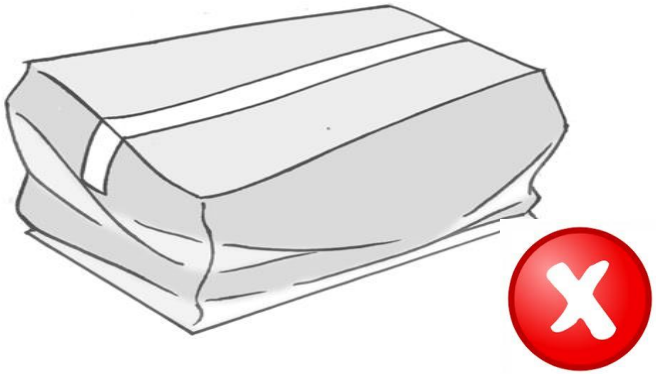
The quantity of items (EACH) per case, including case properties (dimensions, weights, barcode etc.) must match those indicated on the original "Item Add Form".

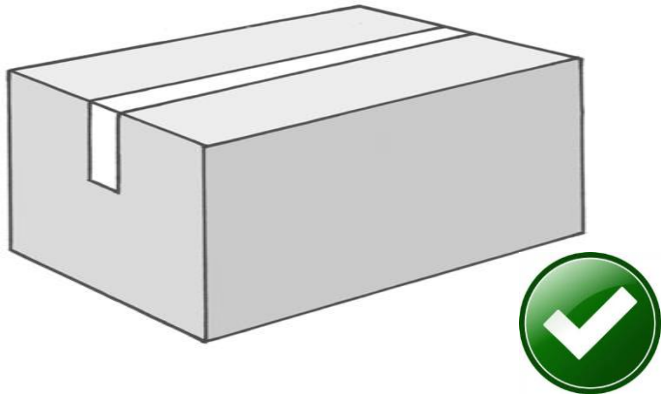




The supplier must ensure the corrugated case is optimally sized to suit the contents. Internal dividers should be utilized on fragile products which are deemed likely to sustain damage during distribution.

Section 1.2 Case Material Specification



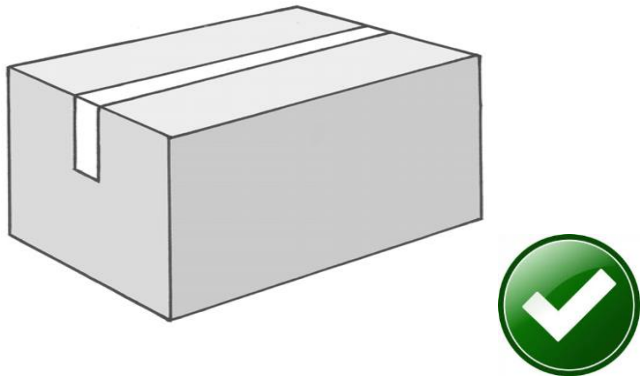


All items have to be packed and protected in a proper manner.

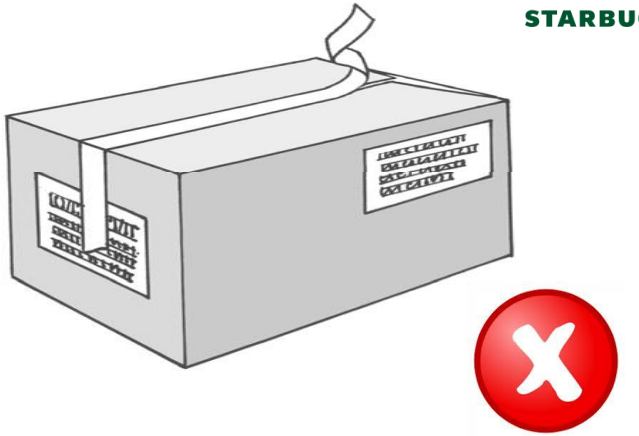
It is essential that the packaging protects against damage during transport to our distribution center & onward shipment to stores.

Without limitation to any other rights or remedies it may have, Starbucks may seek compensation for goods which have been damaged as a result of sub-standard or insufficient packaging, and may refuse goods at time of delivery.

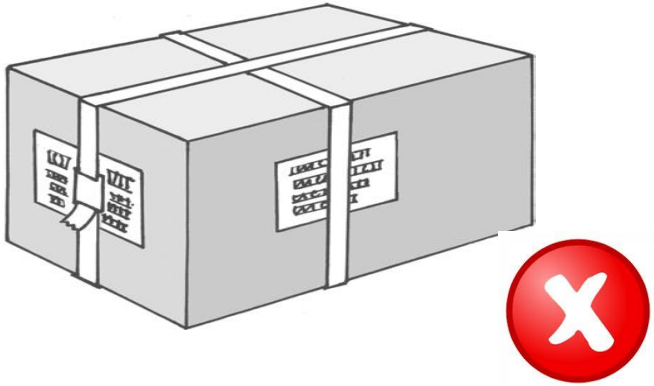
Section 1.3 Case Seal Integrity

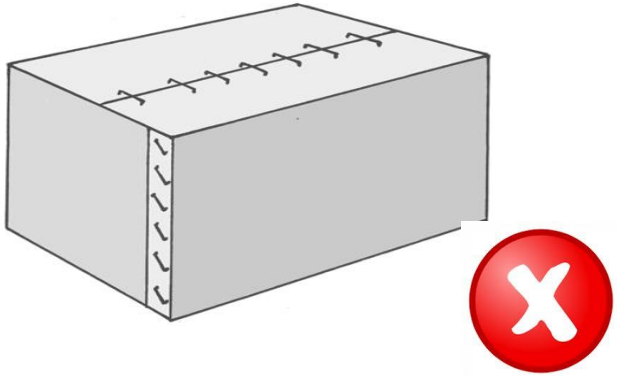


Adhesive tape or glue are the only methods to be used for securing case flaps.



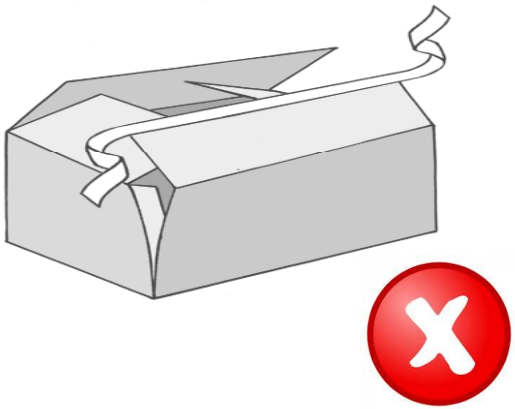
Tape or adhesive should not become loose. Tape must not cover label or case printing.





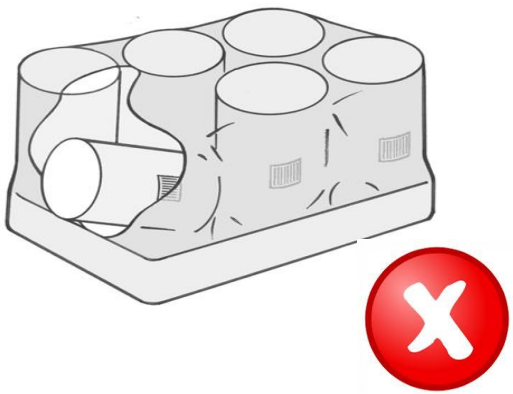
Staples or banding are not to be used without prior agreement with Starbucks. If banding has been authorized then it must not obscure labels.

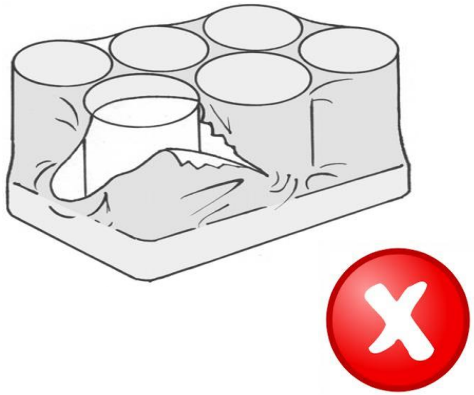
Section 1.4 Case Construction & Integrity

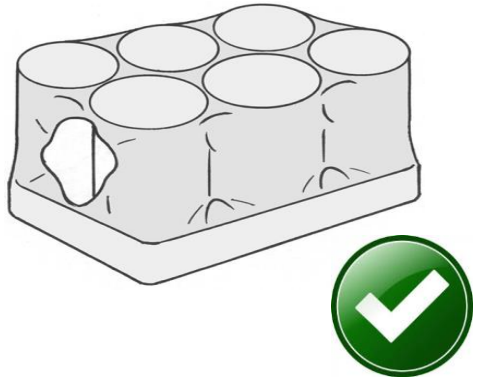


Case design & construction should be such that structural integrity is maintained throughout the distribution environment.

Cases must be able to withstand a minimum top load of 160 kg over the surface area of a 800 x 1200 mm pallet (i.e. 17 g per cm^2) or own weight if greater, assuming normal distribution & storage conditions prevail.

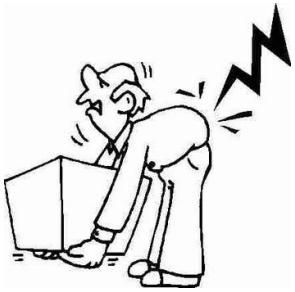






The side holes of shrink-wraps must be effective in containing the product.

Section 1.5 Safety



Whilst total case weights of up to 23kg are permissible, it is preferred that the maximum case weight should be no more than 10kg.

In circumstances where the weight of the case is unavoidably greater than 16kg (e.g. furniture), the actual weight must be printed onto the case itself and must be pre-authorized by Starbucks.

For all dangerous goods e.g. canisters under pressure, cleaning chemicals and aerosols, ensure all packaging and transport complies with the latest a.d.r. regulations (Accord européen relatif au transport international des marchandises dangerous par route).
An MSDS (master safety data sheet) must be provided before item set up.

Any materials used for deliveries must be clean, dry & free from infestation and contamination.

Items delivered in a returnable package e.g. roll containers, must be agreed with the relevant buyer before item set up.

SECTION 2

Label & Case Printing

Section 2.1 Printed Information

All cases must be identified with the following in minimum font size 12:

- Starbucks Order Number
- Starbucks Item Number
- Item description
- Lot Code/Serial number
- Production Date (Format: DD-MM-YYYY)
  (NOTE: only after Starbucks approval other format is allowed.)
- Country of Origin
- Manufacturing Site ID (to be provided by Starbucks)
- Quantity of EACHES
- Net weight
- Gross weight
- Any specific information or markings as agreed during item set-up

Two labels are preferred although one is acceptable.

Case label example

Starbucks Order Number:	[99999999-999]
[Starbucks Item Number]	
[Item description]	
Lot code:	[XX999]
Production Date:	[DD-MM-YYYY]
Manufacturing Site ID:	[XXXXXXXXXXXXX]
Country of Origin:	[XXX]
Quantity:	[99 x 999 XXXX]
Nett weight:	[9999 kg]
Gross weight:	[9999 kg]

Section 2.1 Printed Information

Additional Requirements if you are supplying <u>FURNITURE</u>.

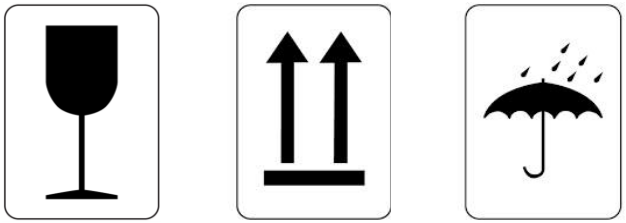
As well as Starbucks standard labelling requirements <u>each piece of furniture</u> must be labelled with the following information, can be on packaging if only one piece per carton:

- Functional Description ("Café Furniture" and from list: 'Seating' or 'Table' or 'Casework')
- Manufacturer name and place of manufacture
- "Authorised Importer": "Starbucks EMEA" and the Starbucks EMEA Amsterdam Address
- Manufacture Date
- Warranty Period
- Operational life specified by manufacturer

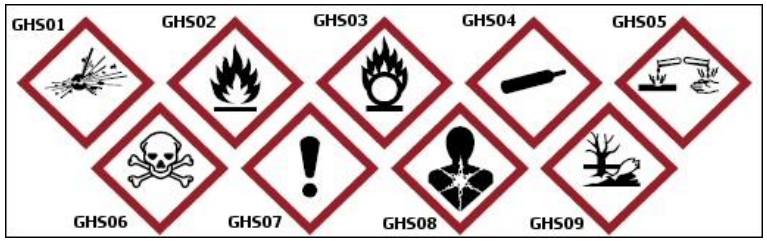
- The Russian Customs Union Mark :

Section 2.1 Printed Information

Cases must be provided with pictorial marking for handling, complying with ISO 780:1999.



Cases holding dangerous goods must be handled according to the European REACH requirements. This means that cases holding dangerous goods must be marked according to the European Global Harmonized System (EU-GHS).



Cases holding goods that require special storage conditions must be marked accordingly.

If a case is pre-printed product information must be on minimum of 2 faces. If inkjet printed or labeled 1 face is sufficient.

SECTION 3

Palletization

Section 3.1 Pallet Specification

- For deliveries to Starbucks DC all pallets must be 800 mm x 1200 mm 4-way entry and must be manufactured to generally comply with the Europallet standard as specified by the European Pallet Association (EPAL) and EN 13698-1.

- The pallets used must be suitable for the items transported on them. So no overhanging is permitted.

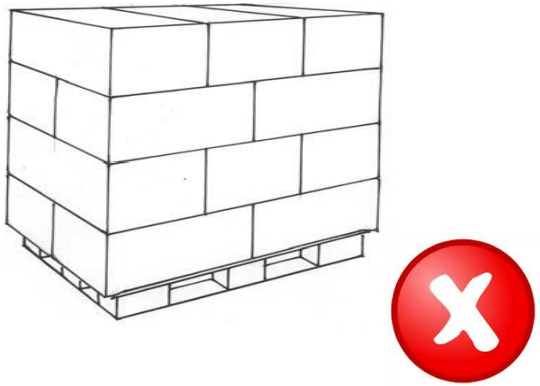
- Usage of pallets manufactured to any other specification must be pre-authorized by Starbucks (e.g. half pallets, dollies, bespoke pallets etc.). Whichever pallet is used, it is recommended that all pallets should be supplied by an EPAL registered manufacturer or repairer. Prior authorization must be obtained to supply products in an un-palletized format e.g. Far-East "handballed" imports or slip sheets.

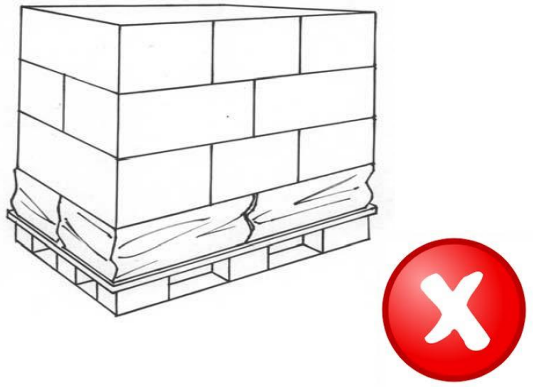
- Pallets must be clean, free of damage (including splinters and exposed nails) and free of odors.

GOODS DELIVERED ON UNSTABLE, SUB-STANDARD OR DAMAGED PALLETS MAY BE REFUSED. DRIVERS MAY BE GIVEN THE OPPORTUNITY TO RE-STACK GOODS ONTO ACCEPTABLE PALLETS, OR THE DC MAY RE-STACK THE GOODS. IF SO, THE SUPPLIER MAY BE CHARGED ACCORDINGLY.

Section 3.1 Pallet Specification

- The maximum pallet weight is 1250 kg (incl. pallet). Any exceptions to this rule must be pre-agreed with Starbucks.
- The maximum pallet height is 160 cm (incl. pallet). Any exceptions to this rule must be pre-agreed with Starbucks.





- Product must not overhanging pallet. This includes any pallet baseboard being used.
- The cases must be able to withstand a top load of 160 kg over the surface area of a 800 x 1200 mm pallet (i.e. 17 g per cm^2) or own weight if greater.

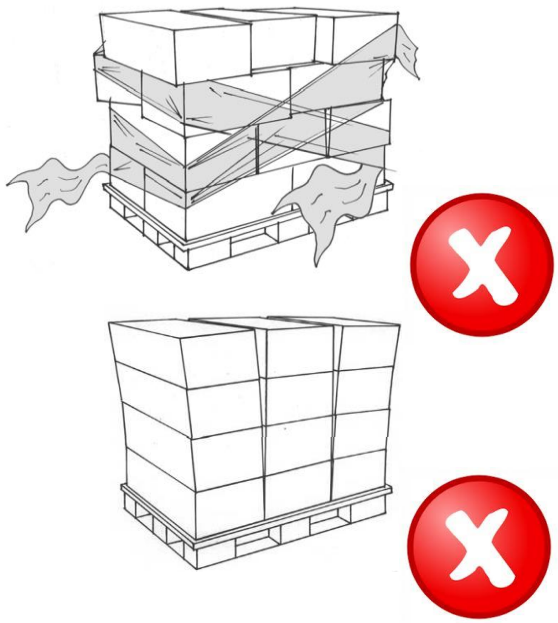
Section 3.2 Pallet Utilization

- The number of EACHES per full pallet, number of EACHES of per full layer (Tie) and number of layers per full pallet (Hi) must match that is indicated on the original "Item Add Form".
- Whenever possible, all items on a pallet should be identical (same ITEM and lot code).
- A maximum of 2 lots of the same item are allowed on 1 pallet.
- If a mixed pallet is created, the products on the pallet must be physically separated (e.g. by means of a slip sheet) to ensure that same items and lots are grouped.
- Only 1 Purchase Order (PO) is allowed on 1 pallet.
- Homogeneous pallets (1 item, 1 lot) should be labeled.
- Non homogeneous pallets (multiple items or lots) should be clearly labeled as "MIXED PALLET".

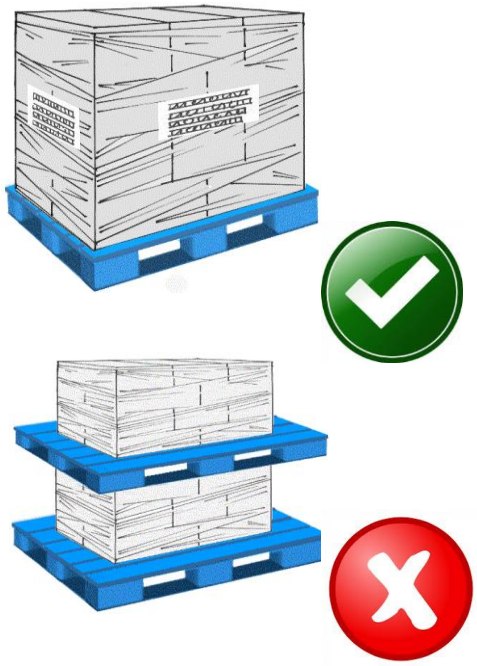
Section 3.3 Pallet Integrity

Pallets must be fully wrapped using a clear shrink or stretch wrap. The use of mesh, netting, string, tape or banding is prohibited. Pallet wrapping must secure the load to the pallet and prevent shifting.

Gluing is not permissible on corrugate but is acceptable on polywrapped packs as long as damage does not occur during breakdown.



Avoid column stacking where possible.



Excessive under-hang can cause stability issues if pallets are double stacked at DC.

SECTION 4

Delivery instructions

Section 4.1 Documentation - General

Delivery notes and packing lists must accompany each shipment and meet the following requirements:

- Each PO must have a separate delivery note.
- Each shipping unit (pallet) must have a packing list.
- Language of documentation must be English.
- The delivery note shall be made accessible, preferably attached to the upper right-hand corner on the leading pallet as the delivery is unloaded.
- The packing list shall be made accessible, preferably attached to the upper right-hand corner of each pallet.
- Where a purchase order is delivered across multiple vehicles a delivery note for each vehicle is required.
- Where a weight declaration is required (e.g. for catch weight items), the total product eaches and weight must be quoted in kilograms on the delivery note, alongside the appropriate product.

Section 4.1 Documentation – Delivery Notes

The delivery note must include the following specific information:

Generic information:

- "Ship From" name, address and contact
- "Ship To/Sold To" name, address and contact
- Starbucks Purchase Order Number
- Delivery Note Number
- Delivery Date
- Total number of Eaches received
- Total number of Pallets received

Information per line:

- Starbucks item number (preferably in ascending numerical order)
- Item Description (as listed on the PO) including unit size x quantity of Eaches
- Manufacturing Site ID Number (assigned by Starbucks)
- Country of Origin / Manufacture
- Supplier Product Code
- Gross Weight per Item (kg)
- Quantity ordered (Eaches)
- Quantity delivered (Eaches)
- Lot Code/Serial number
- Production Date

Section 4.1 Documentation – Non EU Origin

For shipments originating from outside the EU additional documentation is required. Details must be agreed with the buyer before item setup.

The following documentation is mandatory to import into the EU:

- Commercial Invoice or Customs Invoice
- Bill of Lading
- Origin Certificate (if required for product)
- Health Certificate (if required for product)
- Load Plan (by container with clearly marked pallet and container numbers)
- Generalized Systems Preference (GSP) Certificate (Far-East air shipments only) if applicable.
- EUR1 Movement Certificate or preferential origin statement on invoice (for products with Swiss preferential origin if applicable)
- Fumigation Certificate (for container shipments originating outside EU and US/Canada only)
- CMR (for intra EU road shipments, including containers)
- Certificate of Analyses (if required for product in specific markets)

Additional documentation may be required.

Section 4.2 Transport and Delivery Planning

STARBUCKS MANAGED FREIGHT

Supplier should book shipments with Starbucks carriers (details will be provided) with adequate lead time to meet the "Ready to Ship Date" stated on the PO.

TRANSPORT DOCUMENTATION

Supplier should create the required transport documentation depending per shipping method (B/L, AWB or CMR).

In case of Dangerous Goods supplier is responsible for creating the required documentation (IMDG, IATA DGR or ADR).

TRAILERS/ CONTAINER HYGIENE

The trailers and/ or containers that will be used for transport have to be free of foreign material, pests, odors that could harm the products, damage or non-compliant shipping standards (including punctured, resealed and wet containers).

Section 4.3 Normal DC delivery procedure

- Driver hands in the transport documentation (CMR), delivery note, packing lists and any other relevant documentation to the DC staff.
- The DC staff unloads the vehicle and moves the load to the unloading area.
- Transport document (CMR) and Delivery note will be signed off by the DC staff:
  - If sufficient time, documentation will be signed AFTER products have been checked and booked in.
  - If there is not enough time, documentation will be signed immediately after unloading and clearly marked as UNCHECKED.
- If the documentation is signed after being checked, the documentation should be considered as POD. Any visible damages and discrepancies clearly need to be marked down on the documentation before signing.
- If the documentation states that the products have not been checked and/ or if invisible damages and/or discrepancies were found afterwards, Starbucks reserves the right to send a reclamation after checking, which indicates that the delivery had (invisible) damage and/or discrepancy.
- The DC inbound team will complete the Receiving Inspection Checklist (RIC) documenting all non-compliance elements of the expected receipt. Starbucks procurement analyst will be coordinating corrective actions to ensure missing or incorrect details will be corrected/completed to enable receipt or take action to return non-compliant deliveries to supplier. If so, the supplier may be charged accordingly.
- If, for any reason, the load (or a part thereof) is rejected and has to be taken back by the supplier, this return load has to be picked up within 3 working days.

Additional notes

This Supplier Expectations document was prepared by Starbucks Supply Chain Operations EMEA in conformity with Starbucks business standards, policies and practices. This document is intended to provide guidance to both current and potential Suppliers by clarifying the core Requirements that are fundamental to our business. These Requirements are described in Starbucks Standard Terms and Conditions, the Starbucks Supplier Guidance Global Requirements and/or additional signed agreement (including purchasing documents).

As we streamline and enhance the manner in which we purchase and sell our products and services, this Supplier Expectations document will be updated and refined periodically to reflect the most current information.

In case of any questions about this document, please reach out to your primary Procurement contact at Starbucks.

STARBUCKS®