

# **Starbucks**

# **Standards for non-Food**

# **Suppliers**

<sup>1st</sup> Edition

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# Introduction

## **Suppliers requirements:**

The Starbucks Coffee Company Standards for non-Food Suppliers have been established to: clarify the minimum requirements for any business entities manufacturing merchandise, supplies, furniture, fixtures and/or finishes for Starbucks Coffee Company, and to ensure that suppliers consistently deliver products that are safe, legally compliant with all applicable codes and regulations (locally and in countries where the products are intended to be commercialized), and conform to agreed quality specifications.

Independently to these minimum requirements, the suppliers shall always comply with local government regulations and codes. In the unlikely event that local regulations or circumstances are contrary to Starbucks Coffee Company expectations, the supplier shall seek for a written variance grant from a Starbucks Coffee Company officer (at least Vice President level). Request and response to request shall be documented.

Starbucks recognizes ISO 9001 certification and will consider that non-food suppliers holding a valid certificate from an accredited registration body, relevant to the business engaged with Starbucks, meets Starbucks non-food quality minimum expectations.

## **Compliance assessment:**

**High-risk** non-food manufacturers that are not certified to ISO 9001, will continue with Starbucks current approval and verification program, which may include a questionnaire and facility assessment performed by a Starbucks employee or by a designated external audit provider. Starbucks will inform the supplier if their products are considered high-risk. High-risk items include (but are not limited to): powered products, products specifically targeting children, custom made products, and products carrying the Starbucks brand.

**Low-risk** non-food suppliers will continue with Starbucks current approval and verification program, which may include a questionnaire, review of 3<sup>rd</sup> party certification and/or facility assessment performed by a Starbucks employee or by a designated external audit provider. Starbucks will inform the supplier if their products are considered low-risk. Low-risk items include (but are not limited to): off-the-shelf products, and products carrying a brand other than Starbucks.

Evidence of compliance with Starbucks Standards for non-Food Suppliers may not eliminate Starbucks assessment, but those assessments will be more focused on Starbucks relevant products and associated processes compliance rather than on system compliance. Starbucks assessment frequency and protocol will be determined by the type of products supplied, by the supplier certification scheme, grade/level, and by the performance history with Starbucks.

# Section 1: Management system and commitment

The supplier shall have a Quality Management System that is documented, implemented, maintained, continually improved and supported by its senior management. The quality management system shall include the following elements:

## 1.1 Quality policy

- The supplier shall have a documented quality policy statement and objectives specifying the extent of the supplier's commitment to consistently produce safe, legal products, compliant to the specifications of its customers.
- The quality policy shall be effectively communicated to all staff.
- The quality policy shall be associated to clear objectives, targets and measures of success that are monitored and reported at a defined frequency.

## 1.2 Quality manual and documents

- The supplier shall have a documented Quality Management System. The scope should be appropriate to the range of business activities covered, including documented procedures to related process steps.
- Documents shall be reviewed and approved by designated, trained personnel.
- A master document (or equivalent if using an electronic system) shall identify the current version of documents.
- Documents shall be available and current at all locations where they are needed to support the effective execution of operations.
- Records shall be genuine, readily available and complete.
- Records shall be completed by operators and verified by a relevant supervisor or relevant employee in an authoritative position.
- All records (processes and products) shall be retained for a period commensurate with the expected life of the product, or at minimum 12 months.

## 1.3 Management responsibility

- The supplier shall establish a clear organizational structure, which unambiguously defines and documents the job functions, responsibilities and reporting relationships of at least those staff whose activities affect quality.
- Absence coverage shall be clearly identified for all positions relevant to quality.
- The designated leader for quality shall be independent and report to a manager whose objectives encompass product quality.

## **1.4 Management commitment and resource management**

- The supplier's senior management shall provide evidence of their commitment to establish, implement, maintain and improve the quality management system.
- Senior management shall regularly be trained to relevant quality management topics. Schedules and records shall be available to demonstrate attendance.
- Key evidence from senior management to demonstrate commitment may include but is not limited to the following:
  - Determining and providing, in a timely manner all the resources, human and financial, needed to implement, maintain and continuously improve the quality management system
  - Senior management with quality system knowledge and involvement into relevant quality activities

## **1.5 Management review**

- The supplier's senior management shall review the quality management system at planned intervals, to ensure their continuing suitability, adequacy and effectiveness. Such a review shall evaluate the need for changes to the quality management system, including the quality policy and objectives.
- Monitored measures and results associated to the quality policy and its objectives shall be reported to the supplier's senior management at least on a quarterly basis and shall lead to timely, documented actions as well as verification activities to ensure those actions were effective and that issues have been resolved.

## **1.6 Internal and external audit**

- Internal audits shall be scheduled and carried out on a frequent basis, covering the entire facility and all aspects of the quality management system.
- All internal auditors shall be trained in audit techniques and independent of the audit area.
- Results of internal and external audit shall be documented.
- Corrective actions planning and implementation should begin immediately upon the receipt of audit results and evidence must show them to be effective and shall be implemented within the permitted timeframe provided by the auditor.

## **1.7 Product complaint handling**

- All complaints shall be recorded, investigated and the results of the investigation and root cause of the issue recorded where sufficient information is provided. Actions appropriate to the seriousness and frequency of the problems identified shall be carried out promptly and effectively by appropriately trained staff.
- Complaint data shall be analyzed for significant trends and used to implement ongoing improvements to product safety, legality and quality, and to avoid recurrence. This analysis shall be made available to relevant staff.

## 1.8 Corrective action

- The company shall be able to demonstrate that they use the information from identified failures in the quality management system to make necessary corrections and prevent recurrence.
- The company shall have a documented procedure for handling non-conformances identified within the scope their quality management system
- Corrective actions shall be clear, assigned to a suitably competent and authorized person, able to address the immediate issue and have the ability to prevent re-occurrence sustainably.
- A documented verification shall be in place to ensure that corrective actions are implemented and are effective.

## 1.9 Traceability

- The company shall be able to trace all raw material product lots from their supplier through all stages of processing and dispatch to their customer and vice versa.
- Identification of raw materials, intermediate/semi-processed products, part-used materials, finished products and material pending investigation, shall be adequate to ensure traceability. Lots shall be clearly defined.
- Where rework or carryover is performed, traceability shall be maintained.

## 1.10 Control of non-conforming product

- The company shall ensure that any out-of-specification product is effectively identified, and quarantined to prevent accidental release.
- The company shall ensure that responsibilities are clearly defined for decision making on the use or disposal of products appropriate to the issue, e.g. destruction, reworking, downgrading to an alternative label or acceptance by concession
- Decisions and associated actions are recorded

## 1.11 Management of incidents, product withdrawal and product recall

- The company shall have a plan and system in place to effectively manage product safety and/or quality incidents and enable the effective withdrawal and recall of products should this be required.

# Section 2: Personnel

The supplier shall define, implement and document good practices relevant to all personnel, employees, agency staff, contractors and visitors.

## 2.1 Training

- All relevant personnel, including temporary staff and contractors, shall be appropriately trained prior to commencing work, adequately supervised throughout the working period and retrained as needed. The training shall include as a minimum relevant operations.

- Training records shall be kept and include name of trainer, trainees, title and content of the course, date and duration.
- Activities shall be taken and documented to demonstrate the effectiveness of the training.

## Section 3: Facility and Equipment Control

### 3.1 External standards

- The production site shall be of suitable size, location, construction and design to facilitate the production of safe and legal finished products.
- The production site shall have all appropriate registrations and/or certifications to conduct business and manufacture product.

### 3.2 Building infrastructure

- The fabrication of the site, buildings and facilities shall be suitable for the intended purpose.
- Suitable and sufficient lighting shall be provided for correct operation of processes, and inspection of product.
- Adequate ventilation and extraction shall be provided in product storage and processing environments to control condensation or excessive dust.

### 3.3 Equipment

- All processing equipment shall be suitable for the intended purpose.
- All manufacturing equipment used to produce products for Starbucks must be adequately maintained, serviced and operable.

### 3.4 Maintenance

- A documented system of planned maintenance shall be in place covering all items of equipment which are critical to product safety.
- Outside contractors and engineers involved in the maintenance or repair activities shall be made aware of, and adhere to, the site standards.

### 3.5 Storage Facilities

- All facilities used for the storage of raw materials, in-process product and finished products shall be clean, well-organized and suitable for its purpose.
- Receipt documents, product identification and/or facility design shall facilitate correct stock rotation of raw materials, intermediate products and finished products in storage and ensure materials are used in the correct order in relation to their manufacturing date and within the prescribed shelf life.

### 3.6 Dispatch and Transport

- While meeting all applicable regulatory requirements, documented procedures to maintain product safety and quality during loading and transportation shall be developed and implemented. These may include as appropriate:
  - securing loads on pallets to prevent movement during transit
  - inspection of loads prior to dispatch
- All vehicles used for the transport of raw materials and finished goods, shall be suitable, and in good repair. The company shall have safe-handling procedures for the transport of products.

## Section 4: Supply control

### 4.1 Supplier approval and performance monitoring

- Procedures for the selection, approval and monitoring of suppliers shall be in place.
- The procedures shall define how exceptions are handled (e.g. where raw material suppliers are prescribed by a customer).
- Supplier shall be able to demonstrate that materials are only purchased from approved sources.
- All new suppliers shall be assessed initially, and periodically assessed. The frequency of this assessment shall be based on the vendor rating of the supplier (rating may consider product risk, past assessment or issues).
- In the event that suppliers monitoring activities identify opportunities for improvements, relevant actions shall be defined, implemented, verified for their effectiveness and documented.

### 4.2 Raw material specifications

- Specifications for all raw materials shall be available, adequate, accurate and ensure compliance with relevant safety and legislative requirements.
- Changes to raw materials used for Starbucks product, shall not be made without the approval of Starbucks assigned authority.

### 4.3 Raw material approval and monitoring

- All incoming goods shall be checked and recorded on receipt to ensure compliance with specification. Checks shall be executed by a trained personnel and shall at least include:
  - Visual, physical or chemical checks (clear accept/reject criteria)
- A procedure shall be in place to ensure that all out of specification incoming goods are quarantined and clearly labeled to prevent these products from being used.

#### 4.4 Outsourcing

- Supplier shall notify Starbucks in writing, and obtain documented approval from Starbucks, prior to any outsourcing of products manufactured for Starbucks.

## Section 5: Product control

### 5.1 Product Design/Development

- The company shall identify and manage potential product hazards to control the introduction of hazards which would be unacceptable to the company or customers. All new products and changes to product design shall be reviewed and approved prior to release.
- Trials using production equipment shall be carried out where it is necessary to validate that product design and manufacturing processes are capable to produce a safe product of the required quality.
- All products shall be labeled to meet legal requirements for the designated country of use and shall include information to allow the safe handling, storage, and use of the product within the supply chain or by the customer.
- All Products shall be designed/developed in accordance with product specifications provided by Starbucks.

### 5.2 Finished product specifications

- Specifications shall be available for all finished products. These shall either be in the agreed format of the customer or, in the case of branded products, include key data to meet legal requirements and assist the customer in the safe usage of the product.
- Starbucks product specifications shall include (but are not limited to): *a description of the product; intended use; proprietary rights; branding guidelines; and requirements for: regulatory, labeling, analytical, physical, construction and workmanship, packaging and shipping, performance, maintenance, cleaning, certification and documentation, and quality assurance (including AQLs).*
- Changes to Starbucks Coffee Company's finished products specifications, associated processes, or raw materials shall not be made without the approval of Starbucks assigned authority.

### 5.3 Chemical and physical product contamination control

- Appropriate facilities and procedures shall be in place to control the risk of chemical or physical contamination of product.
- There shall be an approved list of chemicals for purchase.
- Chemical specifications and material safety data sheets shall be available for all chemicals on the suppliers property
- When appropriate, there must be adequate systems in place for the removal of physical product risks (X-ray or metal-detection equipment). Each system shall have documented validation and verification that proves its effectiveness.

- A knife control policy, for facilities that require them in production or handling areas, shall be in place to ensure that all broken knives are immediately identified and the necessary actions are taken to prevent the contamination of the products.

#### **5.4 Product Inspection and Laboratory Testing**

- There shall be a defined program of product inspection and testing. This may include chemical and physical testing according to risk. The methods, frequency and specified limits shall be documented.
- The company shall ensure that finished product is not released unless all agreed procedures have been followed.

## **Section 6: Process control**

### **6.1 Control of Operations**

- Documented process specifications and/or work instructions shall be available for the key processes in the production of products to ensure product safety, legality and quality.
- In circumstances where process parameters are controlled by in-line monitoring devices, these shall be linked to a suitable failure alert system that is routinely tested.
- Where variation in processing conditions may occur within equipment critical to the safety or quality of products, the processing characteristics shall be validated at a frequency based on risk and performance of equipment.
- In the case of equipment failure or deviation of the process from specification, procedures shall be in place to establish the safety status and quality of the product to determine the action to be taken.

### **6.2 Calibration and Control of Measuring and Monitoring Devices**

- The company shall be able to demonstrate that measuring and monitoring equipment is sufficiently accurate and reliable to provide confidence in measurement results.
- All measuring equipment used to verify product compliance shall be calibrated to a recognized and/or certified standard.