



C.A.F.E. Practices – Zero Tolerance Indicators

As part of the C.A.F.E. Practices program, Starbucks requires applicants (suppliers) to comply with the following Zero Tolerance indicators before a Status and Validity can be granted. All suppliers must have a valid Status before shipping. The Corrective Action process can increase verification costs and cause substantial delays in shipping coffee. Starbucks therefore strongly recommends that every applicant review the below list, conduct a self-assessment and correct any non-compliant areas before scheduling a verification with an approved verification organization.

- In the event that Zero Tolerance indicators are non-compliant, the applicant (supplier) will be required to submit and implement a Zero Tolerance corrective action plan (ZT-CAR). Corrected zero tolerances must be verified by an approved verification organization prior to shipment.
- Corrective Action Plans generally will require:
 - Submission of a corrective action plan for all non-compliant Zero Tolerance indicators.
 - Implementation and documentation of corrective actions and related timelines and any necessary training of the supply chain.
 - Re-verification by an approved third party verification organization to confirm compliance with Zero Tolerance indicators.

Please note that Starbucks reserves the right to reject or claim against shipments originating from Zero Tolerance non-compliant supply chains, so it is imperative that every applicant (supplier) pay close attention to these indicators. Please feel free to contact Starbucks should you have any questions or concerns.

Zero Tolerance Summary

1. **SR-MS1.1: ZERO TOLERANCE (NEW):** Entity provides transparency into their operations, policies, processes, and relevant records to Starbucks or its designated third party. Payroll records and time cards provided by management are true and accurate.
2. **SR-MS1.2: ZERO TOLERANCE (NEW):** Money and/or gifts of any type are not offered to Starbucks or its designated third party.
3. **SR-MS1.3: ZERO TOLERANCE (NEW):** Entity demonstrates a commitment to continuous improvement and engages in the improvement process.
4. **SR-HP1.1: ZERO TOLERANCE:** All permanent workers are paid the nationally or regionally established minimum wage. If minimum wages for permanent workers have not been established, all permanent workers are paid the local industry standard wage. If workers are paid by production, wages meet the nationally or regionally established minimum wage, or, where minimum wage has not been established, the local industry standard wage.
5. **SR-HP1.2: ZERO TOLERANCE:** All temporary and seasonal workers are paid the nationally or regionally established minimum wage. If minimum wages for temporary/seasonal workers have not been established, all temporary/seasonal workers are

paid the local industry standard wage. If workers are paid by production, wages meet the nationally or regionally established minimum wage, or, where minimum wage has not been established, the local industry standard wage.

6. **SR-HP1.3:** ZERO TOLERANCE: Wages are paid regularly to all workers in cash, cash equivalent (check, direct deposit), or through in-kind payments (e.g., food), if legally permissible.
7. **SR-HP1.17:** ZERO TOLERANCE: Labor intermediaries are only used where legally permissible. Legal status of the intermediary can be demonstrated at the time of inspection. All necessary documentation from the labor intermediary is made available at the time of the inspection to support evaluation of the relevant Social Responsibility indicators.
8. **SR-HP4.1:** ZERO TOLERANCE: Employer does not directly or indirectly employ any persons who are under the age of 14 or the legal working age (ILO Conventions 10 and 138).
9. **SR-HP4.2:** ZERO TOLERANCE: Employment of authorized minors follows all legal requirements, including, but not limited to, work hours, wages, education, working conditions, and does not conflict with or limit their access to education (ILO Convention 10).
10. **SR-HP4.3:** ZERO TOLERANCE: Employer enforces a policy of prohibiting discrimination on the basis of gender, race, ethnicity, age or religion (ILO Convention 111).
Written policy required for large/medium farms, mills, and warehouses with more than 5 employees.
11. **SR-HP4.4:** ZERO TOLERANCE: Employer enforces a policy that prohibits the use of forced, bonded, indentured, convict or trafficked labor (ILO Conventions 29, 97, 105 and 143).
Written policy required for large/medium farms, mills, and warehouses with more than 5 employees.
12. **SR-HP4.5:** ZERO TOLERANCE: The workplace is free from physical, sexual, and verbal harassment and abuse.
13. **SR-HP4.6:** ZERO TOLERANCE: Workers do not surrender their identity papers or other original personal documents or pay deposits as a condition of employment.
14. **SR-WC2.1:** ZERO TOLERANCE: Children of legal school age who live onsite or accompany family members who are working onsite attend school.
15. **CG-CB3.1:** ZERO TOLERANCE: No conversion of natural forest to agricultural production since 2004.
16. **CG-EM1.1:** ZERO TOLERANCE: Farm does not use pesticides that are listed by the World Health Organization as Type 1A or 1B, or that are banned according to national, regional, or local laws.
17. **CP-MT1.1:** ZERO TOLERANCE: Entity has a system and is tracking C.A.F.E. Practices coffee from initial purchase through point of export.
18. **CP-MT1.2:** ZERO TOLERANCE: Mill has a system and is tracking C.A.F.E. Practices coffee from initial purchase or intake through final sale or output.
19. **PS-MT1.1:** ZERO TOLERANCE: All supply chain entities have and implement a system to track the movement of C.A.F.E. Practices coffee from initial purchase through point of export.
20. **PS-MT1.2:** ZERO TOLERANCE: Organization has an annually updated list of producers participating in the C.A.F.E. Practices Program.
21. **PS-MT1.3:** ZERO TOLERANCE: Each farm in the supply chain receives a receipt for coffee purchased.
22. **PS-EM1.1:** ZERO TOLERANCE: Producer Support Organization does not buy, distribute or apply pesticides prohibited under the World Health Organization Type 1A or 1B lists, or that are banned according to national, regional or local laws.