



Partner & Asset Protection

Protect people. Secure assets. Enable Mission

*Protecting the Starbucks
Experience from Origin to
the Cup*

Container Security Devices

CSIS – Washington DC 2007



Starbucks Experience



- 13,000+ stores in 38 countries
- 138,000 employees
- \$7.8 billion (*2006 revenue*)
- Serving 45 million+ customers per week
- 268 million pounds of coffee roasted 2006 (*155 million C.A.F.E. Practices*)



More to Supply Chain Security?



Supply Chain Protection Policy

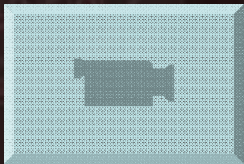
“For Starbucks, secure supply chain is not optional. It relates directly to our ability to transport, roast, package and distribute with integrity worldwide. That assurance makes possible the economic efficiencies necessary for premium prices to our farmers, benefits for our partners (employees) and world class consumer confidence.”

--Dorothy Kim, executive vice president for supply chain.

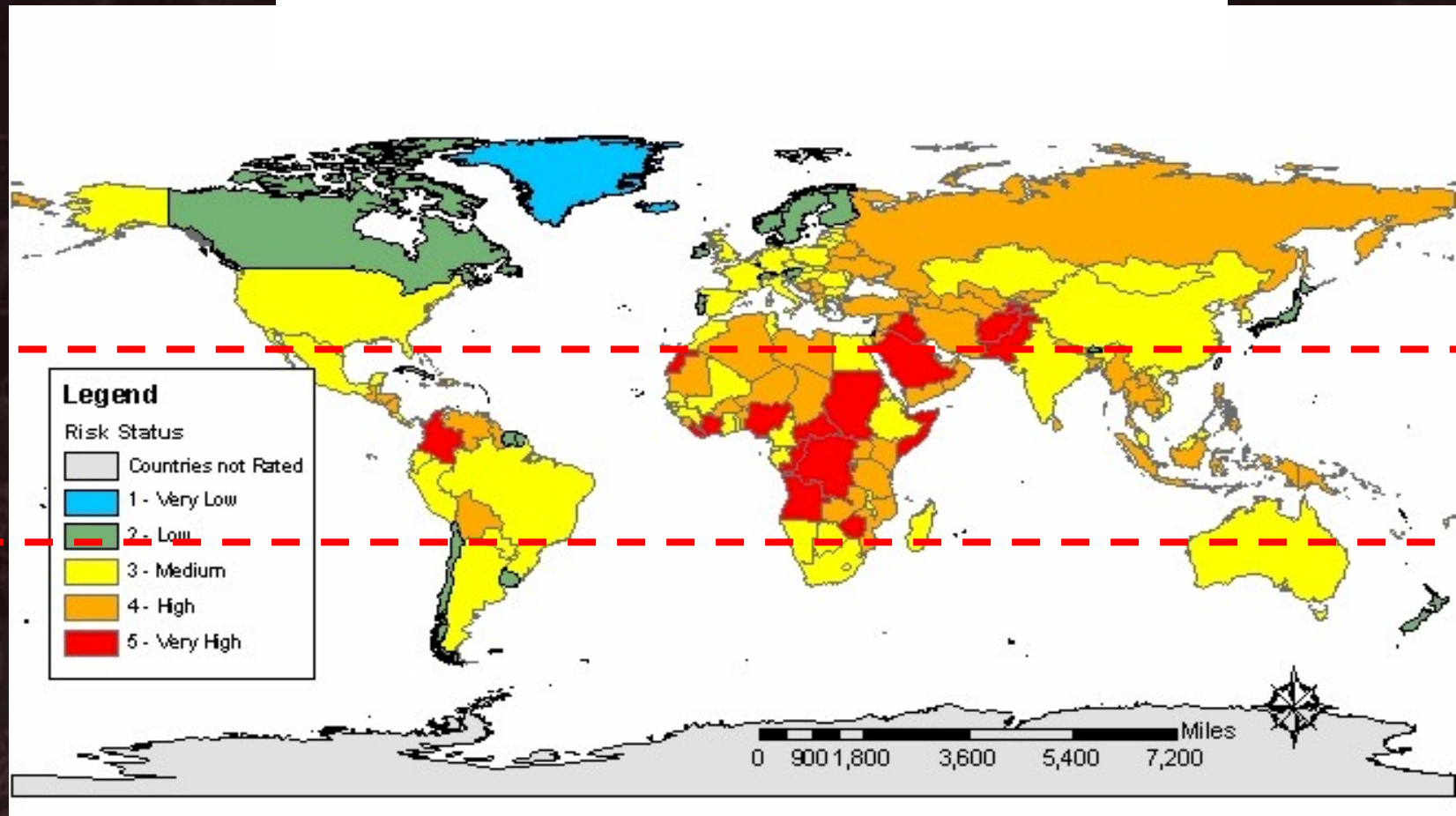


"There's a sense of security when you go there," psychologist Joyce Brothers says. "It has given people a 'safe' place to socialize."

May 19, 2006

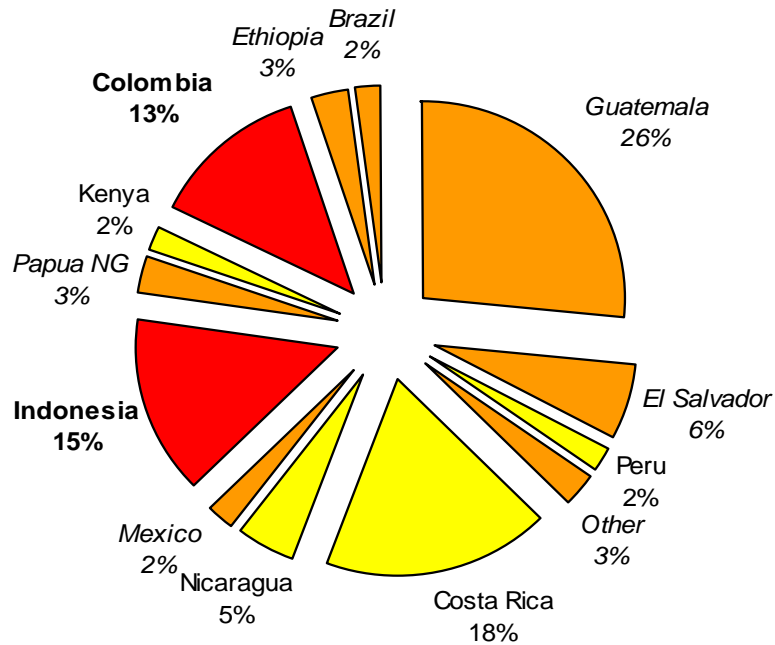


A World at Risk

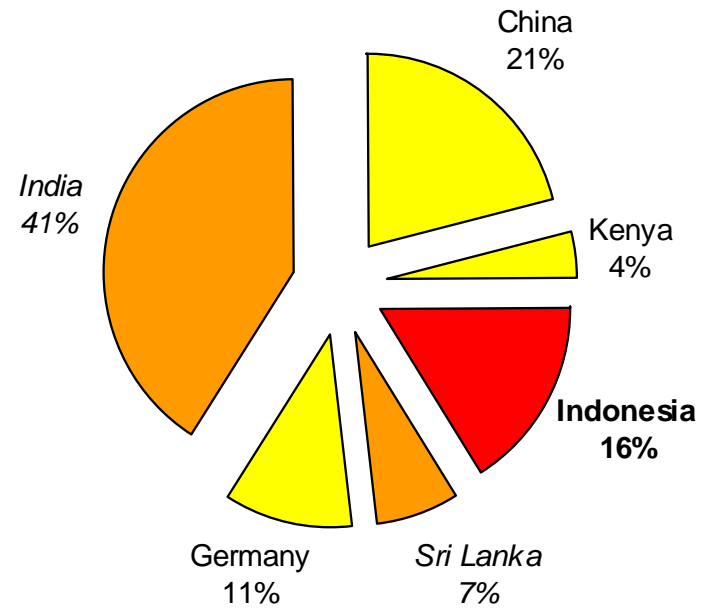


Risk Based Approach to Travel and Cargo Security at Origin

FY06 Green Coffee Imports by Origin



FY06 Tea Imports by Origin



Starbucks OSC Project Summary

Dry Mill
Guatemala

Starbucks Green Bean
Distribution Facility

RFID SCAN

RFID SCAN

Inland Intermodal
Truck

Inland Intermodal
Truck



Starbucks Supply Chain
Guatemala to Seattle, WA
Cargo – Green Bean Coffee



Origin Port



Transship



Port of Seattle



RFID SCAN

RFID SCAN

Supply Chain Requirements

C-TPAT



Security of goods imported into U.S.

AEO



Security certification and standards for Europe end-to-end manufactured goods supply chain

WCO



Customs to customs infrastructure

Green Lane



U.S. import secure trade lanes

ISO 28000 Series



Comprehensive global supply chain security focusing on complete chain of custody – finished goods and commodities

Cargo Security Policy

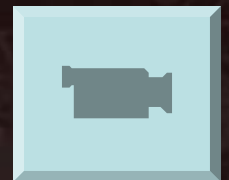
- Enable business continuity by protecting brand and origin commerce
- Support homeland security requirements by validating origin processes
- Mitigate cargo risk with exception based intrusion detection and QA measurements (CSD)
- Proactively share exceptional security data



Container Security Process

WHAT is loaded
WHO is responsible and
IF/WHEN the container is Opened

- Robust inspection of empty container
- CCTV monitored stuffing process
- Authorized agent sealing process
- CSD w/internal monitoring for QA
- Exception based container monitoring at consolidation points
- Exception management w/HAZWOPER response
- C-TPAT and ISO Model
- Designed to accommodate future “Green Lane” requirements by CBP



Technology Adoption in Guatemala



Monitor stuffing with DVR
at Coffee Mill, Guatemala



Install CSD



Arm CSD with
Handheld Reader



Fixed Reader at gate of
Puerto Quetzal, Guatemala



Fixed Reader at gate of
DC, Kent



Disarm CSD with
Handheld Reader

People, Process and Technology

People:

- Identity verification
- Supporting locally relevant improvement projects
- Maslow's Hierarchy of Needs

Process:

- C-TPAT
- ISO 28001
- Repeatable
- Auditable

Technology:

- Globally adoptable platforms
- Easy to use
- Exception based review

STARBUCKS GREEN COFFEE Container Security Unloading Guide

NOTE: If at any point during the inspection or unloading process, anyone has a physical reaction to a container or it has an unusual odor, seems warm to the touch, has liquid present, or generally seems contaminated, immediately institute HAZWOPER procedures and reference the Tampered Container Security Unloading Guide.

Step 1 – Pre-Unload Inspection



Prior to opening the bay doors, carefully inspect container's full exterior for evidence of tampering or safety issues. Be particularly aware of damage, new welding, mismatched paint as these may be intrusion indicators.

Warning: If irregularities or issues are found, contact a supervisor. Discontinue inspection and follow your facility's Receiving SOPs and the Tampered Container Security Unloading Guide.

Step 2 – Container Documentation



Review bill of lading, customs manifest and other shipping documentation ensuring all identification markers match (e.g., origin, container #, destination, seal #, etc.).

Tip: Utilize your facility's standardized forms to record information and follow standard procedures to investigate mismatched seal numbers.

Step 3 – Seal Inspection & Removal



Seals must be intact (not cut or broken) when container arrives at the bay for unloading. Seal must be cut in the presence of a Starbucks partner or trusted, authorized agent. Handing the receiving person a cut seal prior to inspection is not acceptable.

Seal Inspection Process: (prior to cutting)

1. View seal and container locking mechanisms – check for excessive damage, different brands or colors of seals attached together, and loose bolts or hasps
2. Verify seal number – compare to shipping documents/CSD data and look for physical alterations to seal numbers
3. Tug firmly on seal to make sure it is affixed properly – seals should never come apart
4. Twist / turn seal to make sure it does not unscrew – twist both clockwise and counter-clockwise; seals should not be threaded and should never unscrew
5. Cut the seal and retain until the container documentation is cleared and authenticated

Warning: Containers with broken, questionable or missing seals are suspect. Contact a supervisor and discontinue seal inspection process. Refer to the Tampered Container Security Unloading Guide.

Step 4 – Disarm & Remove CSD



Before opening container doors, disarm the CSD using the GE Hand Held Reader. Once disarmed, open doors and remove CSD from container, which is attached magnetically just inside the doors.

Tip: Reference the back of this guide for detailed HHR usage instructions.

Step 5 – Document & Store CSD



After removing the CSD, note the serial number on the shipment records. Store spent CSDs in a secured cabinet. **Every Friday, all spent CSDs must be inventoried and returned to GE.**

Tip: Reference back of this guide for specific shipping instructions.

Step 6 – Cargo Inspection

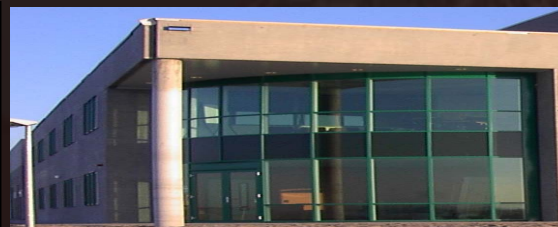


Conduct a cursory inspection of the contents and interior of container prior to unloading. Document any hazard, irregularities or safety issues on your facility's standardized forms.

Warning: If container has been breached and contains anything other than green coffee (e.g., empty, stowaways, contraband, graffiti, etc.), close the container doors and contact a supervisor. Refer to the Tampered Container Security Unloading Guide.



Enterprise Security Platform (ESP) *Global Reach*



Strategic Prevention - From Farm to Cup

The arabica coffee bean starts its journey as a cherry on a coffee tree.



The harvested beans are washed and spread out to dry under the sun.



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Protect people. Secure assets. Enable Mission

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