



**C.A.F.E. Practices  
Verification Organization  
Approval Procedure  
Starbucks Coffee Company**

V2.3

English Version

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# 1.0 Introduction

Starbucks Coffee Company (hereafter referred to as Starbucks) initiated C.A.F.E. (Coffee and Farmer Equity) Practices in 2004 to evaluate, recognize, and reward producers of high-quality sustainably grown coffee. C.A.F.E. Practices is a green coffee-sourcing program developed by Starbucks in collaboration with SCS Global Services (hereafter referred to as SCS), a third-party evaluation, certification and auditing firm, and Conservation International (CI), an international environmental non-governmental organization. C.A.F.E. Practices seeks to ensure that Starbucks sources sustainably grown and processed coffee by verifying the economic, social, and environmental aspects of coffee production against a defined set of evaluation criteria.

To ensure the quality and consistency of auditing and reporting in the C.A.F.E. Practices program, Starbucks contracted SCS as an independent third-party organization responsible for the initial approval and ongoing monitoring of all verification organizations wishing to conduct verification work in C.A.F.E. Practices. An independently administered approval process serves as an impartial way of evaluating an organization's capabilities and resources to conduct verification work to ensure that all approved verification organizations provide excellent service to Starbucks coffee suppliers. Only C.A.F.E. Practices verifications conducted by verification organizations approved by SCS will be recognized as valid by Starbucks.

The "Verification Organization Approval Procedure," as detailed in this document, establishes the requirements necessary for interested parties to become approved verification organizations. The approval procedure is detailed in Section 3.0.

Before completing and submitting an application form to SCS, all interested parties should review this document, as well as the "C.A.F.E. Practices Verifier and Inspector Operations Manual" and the "C.A.F.E. Practices Generic and Smallholder Scorecards" to confirm that the prospective organization is able to meet the specified requirements. Below are general qualities that SCS seeks in verification organizations that apply to work in the C.A.F.E. Practices program.

## ***Independent***

Verification organizations, verifiers, and their inspectors must not hold a financial interest in, be presently associated with, or have been employed by the entities they are verifying, without disclosing and describing the nature of such affiliations to SCS, to avoid any potential for a conflict of interest. If this information is disclosed to SCS, appropriate measures may be developed by the applicant organization to mitigate a potential conflict of interest. If the applicant chooses to withhold this information or refuses to acknowledge the potential for a conflict of interest, SCS may elect to deny the applicant approved status regardless of whether they have met all other requirements for approval.

SCS will review verification organization independence in the course of annual office audits, and it is expected that all personnel working for the verification organization on C.A.F.E. Practices verification work will sign declarations stating any affiliations that may be a conflict of interest. Verification organizations must also disclose in a timely manner any second party services (pre-assessment or consulting services) provided to any clients and describe the processes employed to maintain third party independence for the purposes of C.A.F.E. Practices.

## ***Capable***

Verification organizations must demonstrate to SCS that their organizational capabilities are sufficient to conduct internal report review and training, and provide the logistical support (i.e. computer and internet capabilities, telecommunications, reliable transportation, GPS units, etc.) required to conduct inspections. Moreover, it must be demonstrated to SCS that all staff possess the skill and integrity to faithfully assess and report on the performance of supply chain entities, including coffee producers, processors, and in the case of smallholder networks, producer support organizations (PSOs), against the C.A.F.E. Practices Generic and Smallholder Scorecards. Organizational capacity and the capacity of relevant personnel is determined on an ongoing basis through participation in trainings, office

audits, report reviews and field audits of the work of verifiers and inspectors. These activities are described in the “C.A.F.E. Practices Auditing and Training Manual.”

### **Qualified**

Verifiers and inspectors should possess technical expertise, work experience, and an educational background that reflect their ability to conduct rigorous assessment and reporting in accordance with the procedures laid out in the Verifier and Inspector Operations Manual. Verifiers need to have university-level education or five years of relevant professional experience. Qualifications and credentials alone, however, do not determine whether a verifier or inspector is qualified for C.A.F.E. Practices verification work. SCS will judge the merits of verifiers and their inspectors based on frequent review of their work and their ability to offer their clients satisfactory verification services.

## **2.0 Overview of C.A.F.E. Practices**

C.A.F.E. Practices is a green coffee-sourcing program developed by Starbucks in collaboration with SCS, a third-party evaluation, certification and auditing firm, and Conservation International (CI), an international environmental non-governmental organization. C.A.F.E. Practices seeks to ensure that Starbucks sources sustainably grown and processed coffee by evaluating the economic, social, and environmental aspects of coffee production against a defined set of criteria, as detailed in the “C.A.F.E. Practices Generic and Smallholder Scorecards.”

Select producers, processors and suppliers, who together represent Starbucks’ coffee supply chain, are evaluated against the criteria contained in the “C.A.F.E. Practices Generic Scorecard” and “C.A.F.E. Practices Smallholder Scorecard” by third-party verification entities referred to as verification organizations. Within verification organizations, ‘verifiers’ are those responsible for ensuring the quality of C.A.F.E. Practices reports submitted in the Verifier Reporting System (VRS) and serve as the main point of contact for all communications from Starbucks and SCS. ‘Inspectors’ are qualified persons working with verification organizations who are responsible for carrying out field verifications and completing reports in the VRS. The different roles assigned to both verifiers and inspectors provide a quality control mechanism necessary to ensure accurate and rigorous reporting in the C.A.F.E. Practices program.

There are four primary areas of focus in C.A.F.E. Practices: product quality, economic accountability, social responsibility, and environmental leadership. The C.A.F.E. Practices Generic and Smallholder Scorecards evaluate social responsibility, environmental leadership, and economic accountability, while product quality and economic viability are prerequisites for participation in the program and determined by Starbucks prior to any and all verification activities. The C.A.F.E. Practices Generic Scorecard V3.4 contains four subject areas, including 26 criteria groups, made up of 188 indicators used to evaluate status in the program. The Smallholder Scorecard contains five subject areas (with the addition of a subject area for producer support organizations), including 29 criteria groups made up of 127 indicators.

## **3.0 Organization Approval Procedure**

The application process for becoming an approved verification organization consists of: (i) initial contact with SCS to confirm demand for verifier activities in a given region; (ii) the submission of all required application materials to SCS; (iii) review of the application and materials by SCS, and, (iv) completion of all required C.A.F.E. Practices trainings. Organizations that successfully complete the application process are granted provisional approval in the program. Approval in the program does not guarantee that a verification organization will be selected for work on C.A.F.E. Practices verification projects.

### 3.1. Application Process

The first step of the application process is for a prospective verification organization to contact SCS and indicate in which country or countries it seeks approval to conduct C.A.F.E. Practices verifications. In conjunction with Starbucks, SCS will then confirm the need for verification services in the identified country or countries. If sufficient need exists, SCS will send the Verification Organization Application Form to the organization to complete and return electronically, along with any supporting documentation to [cafepractices@scsglobalservices.com](mailto:cafepractices@scsglobalservices.com).

Upon receipt of a completed application, SCS will conduct an initial assessment of the applicant's capability to conduct verification work. The initial application review process entails, but is not limited to:

- a desk audit of the application materials to ensure accuracy and truthfulness of submitted information; and,
- telephone interviews to assess professional capabilities and discuss credentials.

Once SCS has conducted the aforementioned review, SCS will confirm with the organization the dates and location of the next regional C.A.F.E. Practices training. **Verification organization approval is, in part, contingent on the successful participation of prospective personnel responsible for carrying out C.A.F.E. Practices verification activities in an SCS-approved C.A.F.E. Practices verifier and inspector training.**

### 3.2. Limited Approval

Should the application review and initial training prove satisfactory, the verification organization will be granted limited approval status. Limited approval allows the organization to **conduct one verification** of a C.A.F.E. Practices applicant supplier at a time. Verification work entails all parts of the verification, from pre-onsite planning to submission of the verification report to the client. It is mandatory that SCS review the scope and verification plan for an organization's first verification.

Verification organizations with limited approval are expected to undergo an initial audit from SCS within their first C.A.F.E. Practices verification contracts. The initial SCS audit includes:

- an onsite audit of the verifier's business office or base of operations within a year of having completed their first verification;
- a shadow audit (observation) of a verification; and,
- a subsequent assessment and evaluation of the reports submitted in the VRS from the application of the shadow audit.

Limited approval may be extended at the discretion of SCS if the verifier has yet to secure a client.

Once a verification organization has completed its first verification satisfactorily and closed out all Non-Conformities (NCs) issued by SCS, SCS may decide that the verification organization is ready to have its approval status expanded. Should the verification organization's performance during the first verification not be satisfactory, SCS may maintain the limited approval status or suspend the verification organization.

### 3.3. Provisional Approval

The next approval status up from limited approval is provisional approval status. Provisionally approved organizations may accept and plan work **for up to three verifications at a time.**

SCS reserves the right to review the approval status of a verification organization based on the quantity of work that the organization receives and on the quality of the work conducted.

Provisional approval for verification organizations and subsequent full approval extends only to the country for which the verification organization has applied. Should verification organizations have multinational operations (i.e., regional or national offices) that they would like to have considered as independent verification organizations, an application needs to be submitted for each regional or national office operating in a specific region or country (Africa, Latin America, and Asia Pacific).

#### **3.4. Full Approval**

Verification organizations that remain in good standing during the provisional approval period, successfully undergo the initial audits, and resolve any Non Conformities (NCs) from such audits in the time allotted to do so, will be granted status as a fully approved verification organization by SCS. This status allows verification organizations to conduct verifications of C.A.F.E. Practices applicants at will, in the regions and countries in which they are approved for work.

#### **3.5. Maintenance of Approval Status**

Each approved verification organization must undergo an annual field and office audit conducted by SCS to ensure that verifiers and their inspectors are performing their work in accordance with the procedures outlined in the C.A.F.E. Practices Verifier and Inspector Operations Manual. To maintain approval, verification organizations must resolve all Non Conformities (NCs) by the deadlines set by SCS.

In addition, participation in annual official C.A.F.E. Practices regional trainings by at least one verifier and one inspector is mandatory for the maintenance of approval status in the program.

Approved verification organizations may be subject to a review by SCS at any time. The review may entail a request for updated application materials (if applicable), a review of inspector rosters and CVs, a check of the organization's record of adherence to program deadlines in the VRS, and an analysis of the organization's capacity for approved countries, among other factors. The result of the review will be either continued approval in or suspension from the C.A.F.E. Practices program.

#### **3.6. Expansion of Approval**

Any provisionally or fully approved verification organization wishing to conduct work in countries other than those for which they have been approved must petition SCS for an extension of areas of work to include the additional countries. Requests to add countries or regions will be reviewed on a case-by-case basis by SCS, taking into account the capacity of the organization to effectively manage the work and the anticipated need for additional verification services in the country or region requested. Approval status and/or capacity to do work in one or more countries do not guarantee approval to conduct verifications in any additional countries.

#### **3.7. Restriction**

Restriction is a downgrade in the organization's approval status, for example from full approval status to provisional or limited approval status.

Maintaining approval status is conditional on continued adherence to program requirements, procedures and deadlines; prompt response to SCS, clients and Starbucks; response and correction of SCS issued Non Conformities within the provided deadlines; as well as good standing with national and other applicable regulatory bodies. Verification organizations whose

performance demonstrates systematic, incomplete or improper performance of program responsibilities as laid out in program documents; who fail to respond to SCS, clients or Starbucks on critical program related communications; or who demonstrate other issues which put either the functioning or the integrity of the program at risk, may see their approval status restricted.

SCS may restrict verification organizations' approval status based on any of the above reasons or based on suspicions of impropriety, other occurrences or claims which could negatively impact the integrity and/or proper functioning of the program.

### 3.8. Suspension

Approval status is always conditional on the verification organization's good standing in the program. In the event that verification organizations are approved by SCS, but fail to adhere to the protocols and procedures outlined in the C.A.F.E. Practices Verifier and Inspector Operations Manual or this document in the course of their verification duties, SCS may elect to suspend the approval status of such organizations either with or without conditions for immediate reinstatement, depending on the severity of the non-conformance(s). Furthermore, SCS may immediately suspend a verification organization from the C.A.F.E. Practices program for a variety of reasons, including, but not limited to, those listed below.

- *A demonstrated inability to resolve outstanding NCs.* SCS will issue NCs with the expectation that the verification organization in question will take appropriate measures to address these issues with their personnel or practices to avoid compromising the overall quality of their work. If no such measures are taken as a result of NCs issued, or if the measures taken are deemed inadequate and ineffectual by SCS, the verification organization may be suspended until such time that the issues are addressed. See section 5.7 for a table explaining the NC procedure.
- *Evidence of fraudulent activities.* This includes presenting false or misleading information to clients, to SCS, or to Starbucks at any point during the verification process, and/or any member of the organization accepting bribes from clients or other stakeholders or otherwise partaking in corrupt behavior.
- *A systematic lack of adherence to reporting protocols and deadlines,* as demonstrated and documented through regular monitoring by SCS.
- *Failure to communicate with clients and SCS in a timely, transparent manner.*
- *Failure to declare a demonstrated conflict of interest on the part of the organization and/or any members of the inspection team or verifier staff.*
- *Subcontracting C.A.F.E. Practices verification work to an organization or individuals not approved for work in the program.* Additionally, an organization may not subcontract individual inspectors who are not trained on C.A.F.E. Practices or who have been previously sanctioned by SCS as a result of failing to comply with program requirements.
- *Lack of maintenance of regular internal trainings and/or inability or unwillingness to attend regionally specific mandatory SCS sponsored training workshops.* Additionally, if the organization undergoes significant changes to personnel which result in a lack of experienced and/or qualified personnel capable of carrying out C.A.F.E. Practices verification activities, the approval status may be suspended at the discretion of SCS.
- *Voluntary resignation from the program.* An approved verification organization may resign at any point and for any reason. Voluntary resignation will result in an

immediate suspension of approval status and does not limit an organization's ability to reapply for approval status at any point in the future. If the verification organization wishes to reapply and has outstanding NCs as a result of SCS audits conducted prior to their resignation from the program, responses to those NCs in the form of corrective action plans will need to accompany the organization's application to the program before SCS can consider moving forward with the provisional approval procedure.

Access to the VRS for suspended verification organizations will be immediately removed. Except in cases of voluntary resignation as referenced above, the eligibility of any verification organizations whose approval status has been suspended to reapply to the program will be evaluated on a case-by-case basis. In some cases, reinstatement in the program may be conditional on fulfillment of outstanding obligations, while in others, suspended organizations may be required to reapply and undergo the entire application and approval process again. Thus, maintaining fully approved status in the program is an ongoing process, one that is dependent on verification organizations fulfilling all requirements expected of them as per the C.A.F.E. Practices Verifier and Inspector Operations Manual.

### 3.9. Non-Conformity Escalation Procedure

All verification organizations are required to close issued non-conformities in a timely manner to avoid escalation of Non-Conformities (NCs), resulting in restrictions in the program that can ultimately lead to suspension. The NC procedure related to escalation for the same non-conformity is outlined below:

1. **First minor NC issued:** Corrective action plan required within 20 business days.
2. **Repeating minor NC:** Escalated to Major NC - Corrective action plan required within 5 business days.
3. **Repeating NC or failure to close NC in appropriate timeline:** The verification organization will not be able to accept any new work until all overdue applications are submitted and all Major NCs are closed. The organization's approval status may be restricted per section 3.7 of this Approval Procedure
4. **Continuous failure to close NC:** Suspension from C.A.F.E. Practices program until the organization has provided satisfactory root cause analysis; and corrective action for the previously detected issues have successfully been implemented.
5. If the organization continues to fail in implementing corrective actions and adhering to program procedures, the organization will be delisted.

### 3.10. List of C.A.F.E. Practices Approved Verification Organizations

The list of current provisionally and fully approved verification organizations is posted at <https://www.scsglobalservices.com/certified-clients/starbucks-ethical-sourcing-approved-verification-organizations>. The list includes contact information and geographic regions of operation for each approved verification organization. This information allows participating coffee suppliers to contact approved verification organizations as the need arises. SCS will update the list of approved verification organizations as needed based on contact information supplied by verification organizations to SCS.

### 3.11. Cost

There is no application fee to become an approved verification organization. However, verification organizations are responsible for paying all expenses associated with their participation in initial and ongoing SCS trainings, including, but not limited to, transportation, hotels, and food. In the case of a remote trainings conducted virtually, participants are responsible for any costs related to ensure a stable internet connection.

Costs associated with the professional fees and expenses of SCS auditors incurred through SCS's initial and annual audits of all verification organizations, will be paid by Starbucks.

## 4.0 Secure Handling of Documents and Disclosure of Information

All C.A.F.E. Practices applicant verification organizations must completely and truthfully disclose all pertinent information to the application process and as requested by SCS. The information submitted in each verification organization's application will be checked by SCS for accuracy and consistency. Any program applicant or provisionally or fully approved organization found to be in violation of truthful disclosure or altering documents in an unethical way will be denied approval in the program or subject to immediate suspension of approval status.

All verification organizations that are provisionally or fully approved for work in the program are expected to maintain digital and/or hard copies of documents related to their work for C.A.F.E. Practices in a safe and secure place to protect the confidentiality of the clients. Verifiers should also provide all relevant personnel with digital and/or hard copies of the most current version of the Verifier and Inspector Operations Manual and Generic and Smallholder Scorecards, along with sufficient copies of entity-specific field notes to complete verifications. In addition, all personnel records, training materials, and contact information should be updated on a recurring basis by the verification organization.

### 4.1. Truthful Disclosure

The application process requires that the applicant verification organizations provide full disclosure of the applicant's credentials and competency to carry out independent verification of entities (including producers, processors and producer support organizations) participating in C.A.F.E. Practices. The applicant verification organization must fully and accurately describe its:

- legal and financial structure;
- organizational structure and the technical qualifications of its key employees and contractors;
- prior experience in conducting audits within the coffee sector or other third-party auditing experience;
- potential conflicts of interest that would call into question the ability to operate as an independent verification entity;
- internal review and training procedures;
- Anti-Bribery / Anti-Corruption policy; and,
- dispute resolution policy.

Truthful disclosure will be monitored on an on-going basis through office and field audits.

### 4.2. Document Control

Verification organizations seeking approval status in the C.A.F.E. Practices program must demonstrate the implementation and maintenance of a document control procedure within the organization. The purpose of this procedure is to ensure that pertinent, up-to-date versions of all relevant documents are available in appropriate shared locations.

Document control procedures will be assessed at the time of initial application and reassessed annually through office audits of all organizations actively contracting work in the C.A.F.E. Practices program.

#### 4.3. Record Keeping

Verifiers must maintain up-to-date records of all personnel records and of all records pertaining to verification work conducted, including field notes or PDF reports of inspections conducted on a tablet, closing meeting signature forms, client report approval confirmations, client contracts signed by both parties, records of internal reviews, disputes, and appeals; and documentation related to the ZT-CAP process (client contract, client ZT-CAP check plan, copy of completed ZT-CAP check report, and closing meeting signature form) for a minimum of five years. SCS reserves the right to review this documentation during annual office audits and at any other point deemed necessary. Verifiers should maintain updated, secure files of the following C.A.F.E. Practices documents:

- personnel records (for all verifiers, formally contracted and sub-contracted inspectors), including confidentiality agreements, annually updated Curricula Vitae (CVs), qualifications, C.A.F.E. Practices training attendance records, conflict of interest declarations; and,
- official C.A.F.E. Practices documents like Verifier Operations Manual and Verification Organization Approval Procedure, Scorecards, and all supporting program documents.

## 5.0 Qualification Requirements for Verification Organizations

SCS has identified eight main overlapping qualifications essential for all verification organizations to possess. The required qualifications are listed below. An explanation of each of these qualifications is required in the Verification Organization Application Form.

#### 5.1. Accreditation

SCS will review the accreditation of each prospective organization on a case-by-case basis during the application review phase. While not a requirement of the C.A.F.E. Practices program, verification organizations can have a valid ISO 65, EN 45011, or other equivalent certificate of accreditation for conducting certifications and/or verifications within agricultural scopes.

#### 5.2. Organizational Capacity

All new verification organizations applying for approval status must demonstrate sufficient organizational capacity to successfully fulfill all program requirements. Individuals or sole proprietors who are not working in partnership with a legally established organization are not eligible for approval status in the C.A.F.E. Practices program.

As part of the verification organization application process for new organizations, verifiers are required to describe the organizational structure as relevant to C.A.F.E. Practices activities, e.g., head office, responsible party for quality control, number of participating satellite offices, employees, and subcontractors. Verifiers must ensure that subcontracted inspectors adhere to the policies and procedures detailed in the C.A.F.E. Practices Verifier and Inspector Manual and in this approval procedure document.

Organizations must also demonstrate sufficient capacity in the number of personnel that will be responsible for verification activities. SCS requires a minimum of two verifiers and two inspectors per approved organization to account for any issues that may require additional support in field inspections or internal review. To ensure that any issue can be addressed in the necessary timely matter, a secondary verifier approved by SCS will be able to respond to

any SCS communications in cases where the main verifier cannot respond. The secondary verifier or a lead inspector is required to review any reports for which the main verifier acted as an inspector.

### **5.3. Quality Management System**

Verification organizations seeking approval in the program must demonstrate the implementation and maintenance of a Quality Management System (QMS). At a minimum, the QMS should include a designated quality manager for the office or organization, a quality manual, a document control procedure, an internal review procedure, an internal training procedure, and a record keeping procedure. The QMS will be assessed through the annual office audits.

### **5.4. Internal Review**

Verification organizations are responsible for developing adequate internal controls and review procedures to ensure their verifiers and inspectors adhere to the verification procedures and policies detailed in the Verifier and Inspector Operations Manual. The Verifier Reporting System (VRS) allows verifiers to review reports submitted by their inspectors and request that their inspectors review their evaluations or make changes to the reports. SCS expects that all verification organizations will utilize an internal review process to ensure the quality and consistency of reports submitted to Starbucks in the VRS.

### **5.5. Internal Training**

Each verification organization is responsible for providing sufficient training to inspectors on C.A.F.E. Practices and evidence of such training should be made available to SCS as part of the request for approval of new personnel. Internal trainings must be completed prior to the inspector(s) commencing work in the program and prior to an inspector's participation in an SCS C.A.F.E. Practices training. In order to maintain adequate qualifications within the organization, SCS recommends that the organization implement an annual internal training plan, including a review of the inspector's field performance and report writing, for new and continuing inspectors

Verifiers are also charged with ensuring that all communications issued by SCS or Starbucks, as well as the content from the annual training conducted by SCS are distributed appropriately to all personnel working as inspectors carrying out C.A.F.E. Practices verifications. These communications include, but are not limited to, Verifier Guidance Updates, information on interpretation of indicators, updates or changes to program documents or procedures, and deadlines for completing fieldwork and submitting reports.

### **5.6. External Training**

The C.A.F.E. Practices program typically requires that all verifiers and inspectors that are actively working in the program attend the annual program trainings and successfully pass an exam. In some cases, SCS may consider requests to send fewer participants. The consideration will take into account the amount of verification work that the organization has conducted. For example, in cases where organizations have had relatively few verification projects in a previous year, SCS may consider allowing fewer training participants. Regardless of the number of verifications, in order for a verification organization to maintain active status in the C.A.F.E. Practices program, participation in annual official trainings will be required by at least one verifier and one inspector per organization. Any inspector or verifier who did not attend the annual, or any other required training must receive equivalent internal training and successfully pass the associated exam on the timelines established by SCS before conducting any C.A.F.E. Practices verifications.

### 5.7. Personnel Records

SCS requests that verification organizations supply an annually updated roster of all internally (directly) and externally (subcontracted) employed inspectors, which include information on C.A.F.E. Practices internal or SCS training they have received. Hard or digital copies of these records should be maintained by verification organizations and made available for SCS review in the course of annual office audits or on request by SCS. In addition, throughout the year organizations are required to submit CVs, copies of confidentiality agreements, conflict of interest declarations, and evidence of internal trainings for any new inspectors to SCS. SCS will review the materials and confirm whether the inspector can conduct work in the C.A.F.E. Practices program.

### 5.8. Adherence to Deadlines

Starbucks has implemented policies that more closely link the verification approval status of a coffee supply chain with purchasing relationships. For that reason, the timing when VRS reports are received may determine when coffee is purchased or shipped. Adherence to deadlines in the VRS, or as set by SCS, is integral to this timing. Organizations that continually fail to meet deadlines will face progressively stronger consequences, culminating in removal of approval to conduct work in the program. NCs may be issued if the organization does not (i) meet client reports deadline and has not provided an extension request; and/or, (ii) request an extension in the established time-frame.

Note that multiple NCs may be issued for the same application for continued failure to meet deadlines. See section 3.9 for escalation of consequences for multiple NCs issued for the same non-conformity.

### 5.9. Appeals and Disputes Resolution

For the purposes of C.A.F.E. Practices, the following definitions for 'appeals' and 'disputes' will be utilized:

**Appeal:** A written request from a C.A.F.E. Practices producer or supplier for formal reconsideration of any evaluation made by a verification organization.

**Dispute:** An appeal that cannot be satisfactorily resolved by the verification organization or one that requires SCS resolution, such as in cases where interpretation of criteria is contested, where an appeal is submitted after reports are approved, or other exceptional cases.

Verification organizations must have written procedures (including identified personnel) and a designated reviewer or review committee for the resolution of complaints and appeals between C.A.F.E. Practices supplier participants/applicants and the verification organization. The verifier must make available information about the procedures for submitting complaints and appeals. In cases in which a complaint or appeal cannot be satisfactorily resolved between the verification organization and the C.A.F.E. Practices supplier participant or applicant, the complaint or appeal is elevated to dispute status and referred to SCS for review. In the case of disputes, SCS will be the final mediating body for any outstanding discrepancies in indicator interpretation or procedural requirements.

Approved verification organizations are required to keep records of all complaints, appeals and disputes, and remedial actions relative to C.A.F.E. Practices, which will be inspected during annual office audits. For a more detailed discussion of the dispute resolution process, please refer to Section 7.0 of the Verifier and Inspector Operations Manual.

## 6.0 Qualification Requirements for Verifiers and Inspectors

Verification organizations must demonstrate sufficient education, training, and expertise on behalf of personnel to conduct verification activities. SCS reserves the right to request that certain personnel within an organization not participate in the C.A.F.E. Practices program if the requirements detailed below are not sufficiently met.

### 6.1. Requirements for Verifiers

The verifier is an organization's main point of contact for clients and SCS. The verifier is responsible for maintaining an organization's Quality Management System (QMS) as it pertains to the C.A.F.E. Practices program and for ensuring that verifications are carried out according to the requirements in the Verifier and Inspector Operations Manual. Verifiers are expected to conduct internal review of applications and send verification reports before the established deadline in the VRS to the client. Verifiers are also responsible for guaranteeing that members of the verification team receive sufficient training in the C.A.F.E. Practices program. Verification organizations need to have more than one verifier in order to support the main verifier with verifier responsibilities and communications with SCS while the main verifier is unavailable.

An individual must meet the following requirements in order to be eligible to be a C.A.F.E. Practices verifier:

- hold a university degree or five years of professional experience;
- have successfully participated in an ISO lead auditor training or internal training that covers equivalent content;
- have successfully participated in Quality Management System (QMS) training on quality processes specific to the organization;
- be present in the home office of the verification organization for over 60% of the year\*;
- demonstrate experience in the agriculture field and certification/verification schemes; and
- demonstrate experience with coffee production.

*\* Secondary verifiers are not required to be present in the home office of the verification organization for over 60% of the year*

Verifier responsibilities include, but are not limited to, the following:

- maintaining the Quality Management System (QMS) of the verification organization for C.A.F.E. Practices;
- informing SCS on any updates impacting to the organization's resources to successfully carry out verifications or respond to communications, like Non-Conformities, as per the timelines established by the program;
- informing SCS about any changes in personnel (see section 6.5 for detailed steps to obtain approval for new inspectors), including personnel changing or leaving their responsibilities in the C.A.F.E. Practices program;
- deliver internal trainings to new inspectors or personnel who did not attend the annual training conducted by SCS;
- conducting internal observations for new inspectors/verifiers;
- informing SCS of all potential or confirmed verifications in the C.A.F.E. Practices program;
- managing communications with clients to adequately set expectations for the verification around time onsite, worker interviews, document review, etc.;

- managing pre-onsite planning process of all verifications according to the requirements in the Pre-Onsite Planning Checklist found in Appendix B of the Verifier and Inspector Operations Manual;
- addressing any supply chain discrepancies in a timely manner;
- ensuring that internal review is conducted of reports in VRS;
- sending verification reports for all applications to the client before the deadlines established in the VRS;
- addressing appeals and disputes in a timely manner; and
- ensuring that the verification process is completed, from initial contract through the submission of the application to Starbucks.

## 6.2. Requirements for Inspectors

Inspectors are expected to conduct C.A.F.E. Practices onsite verifications according to the appropriate program documents, and to complete reports to ensure that verifiers send verification reports prior to established deadlines to the client.

An individual must meet the following requirements in order to be eligible to be a C.A.F.E. Practices inspector:

- hold a technical degree or higher;
- have successfully participated in an ISO lead auditor and/or Quality Management System (QMS) training;
- demonstrate experience in or capacity for agriculture and certification/verification schemes; and
- demonstrate experience with coffee production.

Inspector responsibilities include, but are not limited to the following:

- Conducting onsite inspection activities during C.A.F.E. Practices verifications, including opening meetings, closing meetings, document review, worker interviews, and field observations;
- using the correct version of C.A.F.E. Practices program documents during the verification;
- accurately reporting all required information in the C.A.F.E. Practices field notes and VRS;
- maintaining timely communications with verifiers during verifications in order to address potential supply chain discrepancies;
- communicating with verifiers in a timely manner when VRS issues arise; and
- providing high-quality evidence for all evaluations.

## 6.3. Requirements for Lead Inspectors

It is necessary for the verifier to request approval for an inspector to be officially classified as a lead inspector. Once the request is granted, the verifier may create a verifier account for the lead inspector in the VRS.

An individual must meet the following requirements in order to be eligible to be a C.A.F.E. Practices lead inspector:

- fulfill all requirements of an inspector as listed above; and
- demonstrate broad experience in conducting C.A.F.E. Practices inspections.

Lead inspector responsibilities include the general responsibilities of an inspector as listed above but they are also enabled to support in general verifier responsibilities, including:

- conducting internal review of reports in VRS;
- sending verification reports through the VRS;

- deliver internal trainings to new inspectors or personnel who did not attend the annual training conducted by SCS; and
- conducting internal observations for new inspectors/verifiers.

Support in verification activities is essential in verifications where the verifier acts as an inspector to ensure impartiality, as outlined in the Verifier and Inspector Operations Manual.

#### 6.4. Verifier Attendance during Shadow Audits and Verifications

Verifiers are required to attend at least one day of a shadow audit once every two years. For those organizations that have three or fewer projects in a year, verifiers will be required to attend a shadow audit whenever it may occur in order to ensure sufficient familiarity with the C.A.F.E. Practices program.

#### 6.5. SCS Approval of New Personnel

New personnel must be approved by SCS before conducting work for C.A.F.E. Practices verifications, though they may shadow experienced inspectors for internal training purposes. As stated in Section 3.5, subcontracting or contracting verification work to individuals not approved by SCS is grounds for suspension from the program.

Individuals who did not maintain their approval for at least one year and re-enter the program, regardless of affiliation with the verification organization, need to be considered new in the program and must comply with all approval requirements outlined in this document.

In order for approval to be considered for new personnel, verification organizations must submit up-to-date CVs, signed conflict of interest and confidentiality statements, and evidence of internal trainings for any prospective inspector/verifier to SCS. SCS will conduct a review of the materials and confirm whether the inspector/verifier is approved for internal field observation in the C.A.F.E. Practices program based on his or her credentials. SCS will also need to approve a new verifier or lead inspector, even if that person was approved as an inspector for the organization already.

After receiving the preliminary approval from SCS, the verifier can create an account in the VRS for the new personnel. In the case of lead inspectors this is a verifier account, with a "lead inspector" note under additional names.

Before carrying out any inspections, each new inspector/verifier should observe at least one full day of C.A.F.E. Practices inspections. In any case when the inspection team includes inspectors who are new to the C.A.F.E. Practices program under observation, the verifier or a lead inspector must attend the opening meeting of the verification and allow at least two full days for shadowing each new member of the inspection team in order to ensure the inspectors have been provided adequate training and guidance and have implemented any feedback on the second day of their verification. If two full days cannot be done consecutively, then they should be observed during the number of inspections that are equivalent to two full days (see section 6.4.1 "Preparing the Verification and Inspection Plans" of the C.A.F.E. Practices Verifier and Inspector Operations Manual V5.3), before conducting any inspections on their own. This applies regardless of whether a SCS shadow audit is occurring concurrently or not, and regardless of whether the new team members have previously worked with another verification organization. Ideally, the new inspector/verifier will be observed while inspecting multiple entity types.

The new inspector/verifier should write the report in the VRS themselves and receive guidance on that process. To finalize the process of approval for new inspectors, the internal observation report must be sent to SCS, for confirmation that the inspector meets SCS requirements to conduct inspections independently and has received approval to do so by

the verifier or lead inspector. After approval, SCS highly recommends that new inspectors conduct their first verification(s) together as a team with more experienced inspectors, rather than independently. During the first verification in which they are officially conducting a C.A.F.E. Practices inspection, at least one other inspector is required to be part of the team. The internal observation requirement applies for both new inspectors and new verifiers. However, if an inspector becomes a verifier for the same organization, an internal observation is not required.

#### **6.6. Inspectors Working for Multiple Verification Organizations**

It is possible for inspectors to be approved as inspectors for different verification organizations at the same time as long as each organization has conducted an internal training, to guarantee that the inspector is trained on the organization's own quality systems and controls. Each organization is responsible for their inspector.

Verifiers may not work as verifiers or inspectors for more than one verification organization.

## **7.0 Code of Conduct**

### **7.1. Confidentiality**

SCS treats all information received from verification organizations, C.A.F.E. Practices participants, and all other parties involved in the C.A.F.E. Practices program as confidential. By doing so, SCS aims to protect the confidentiality of all information pertaining to verification reporting and status in the C.A.F.E. Practices program. At no time will SCS intentionally disclose information to outside parties regarding verification reports, a supplier's validity status in the program, or the performance of verification organizations in the program unless first authorized to do so by Starbucks and all other interested parties.

Verification organizations, including subcontracted inspectors, are also required to operate under strict confidentiality agreements with their clients. Contracts with clients seeking verification services must include a clause explaining the contracted verification organization's policy on confidentiality. All personnel conducting C.A.F.E. Practices verifications must sign stand-alone confidentiality and non-disclosure agreements. Evidence of these documents may be requested during annual office audits performed by SCS.

### **7.2. Conflict of Interest**

Any organization seeking approval in the C.A.F.E. Practices program must demonstrate that it does not have a conflict of interest that would prevent it from conducting work in the program. A conflict of interest may exist if the organization, individuals within the organization, or immediate family members of individuals within the organization: (i) has had any commercial interest in the supply chain(s) to be assessed, or provided any independent consulting services to the supply chain(s) or supply chain representative(s) to be assessed, within the three year period prior to the verification or re-verification project taking place; or (ii) has any commercial interest in a direct competitor of the supply chain or supply chain representative undergoing verification.

SCS will request a declaration of all conflicts of interest or potential conflicts of interest at the time of application to the C.A.F.E. Practices program. Conflict of interest declarations must be updated annually or by request from SCS at any time by all organizations either with limited, provisional or full approval in the program.

### 7.3. Corruption and Bribery

A bribe is defined as any money, favor, or gift given or promised in order to influence the judgment or conduct of a person in a position of authority. Giving or receiving bribes or kickbacks of any kind will not be tolerated. Verification organizations and their representatives might be offered gifts (i.e., bags of coffee, articles of clothing, liquor, or other products), souvenirs, meals, or entertainment. It is SCS policy not to accept such offerings. It is also SCS's expectation that verification organizations and their representatives do not accept these offerings. A client may pay for a meal that the organization would have billed the client for, assuming the cost is not in excess of the appropriate per diem rate. For example, the cost should not exceed the average cost in the local area. Other considerations that may need to be weighed include cultural expectations or industry considerations. In any case, verification organizations must inform SCS on receipt of any offer extended by a client that the verification organization perceives may have had a corrupt intent.

Verification organizations must have in place appropriate Anti-Bribery and Anti-Corruption controls including:

- a policy including a prohibition of the receipt of anything of value from a third-party (i.e., client or any other party contracting services from the verification organization);
- training to all inspectors and verifiers including red flags, suggestions for addressing potential bribery and reporting expectations;
- regular communications to all employees regarding bribery issues and reporting expectations;
- a reporting mechanism for incidences of bribe offers or requests; and,
- an internal procedure for investigating reports of bribe offers or requests.

Starbucks and SCS are committed to doing business with all parties in a fair and honest way, consistent with Starbucks Standards of Business Conduct and the SCS Auditor Code of Conduct. All individuals at a verification organization that perform work in the C.A.F.E. Practices program must be familiar with the verification organization's policies regarding corruption and bribery. In addition, verification organizations must comply with any and all regional and national laws and regulations related to bribery and corruption.

Any organization or individual wishing to report a suspected incident of corruption or bribery should email [cafepactices@scsglobalservices.com](mailto:cafepactices@scsglobalservices.com) and [EthicsAndCompliance@starbucks.com](mailto:EthicsAndCompliance@starbucks.com). All reports will be treated with confidentiality and in accordance with whistleblower protection.