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Verifier and Inspector Guidance Update

Dear Verifiers and Inspectors,

This document lists new program documents and summarizes the changes made in the "C.A.F.E. Practices Verifier and Inspector Operations Manual", Version 5.4, the "C.A.F.E. Practices Verifier and Inspector Indicator Guidance Reference", V1.2, and the "C.A.F.E. Practices Verification Organization Approval Procedure", V2.3, and a correction to the Field Notes. Updated versions of the program documents listed above include those noted in the Verifier Guidance Updates (VGUs) numbers 12, 13, and 14. However, updates listed in previous Verifier Guidance Updates are not listed again in this document.

Update Number 15.0 – 09/2021

1. New Program Documents
   - 1.1. **C.A.F.E. Practices Verifier and Inspector Zero Tolerance Corrective Action Plan (ZT-CAP) Procedure Manual V1.0:** Provides verification organizations steps and actions related to the Zero Tolerance Correct Action Plan (ZT-CAP) procedure, as an integral part of the C.A.F.E. Practices program.
   - 1.2. **C.A.F.E. Practices Supplier Zero Tolerance Corrective Action Plan (ZT-CAP) Procedure Manual V1.0:** Provides suppliers/applicants steps and actions related to Zero Tolerance Correct Action Plan (ZT-CAP) procedure, as an integral part of C.A.F.E. Practices' program

2. Verifier and Inspector Operations Manual – Version 5.4

2.1. Section 3.0 Terminology (updates are underlined):

- 2.1.1. ***New term.*** **Employer**: An individual or entity that hires and pays workers for their labor. The employer defines the terms of employment for workers and provides the agreed-upon terms such as the salary.
- 2.1.2. ***New term.*** **Flows:** A flow is an amount of coffee that moves from one entity to another, e.g., a farm to a processor, a wet processor to a dry processor, a processor to a warehouse, etc.
- 2.1.3. ***Updated term.*** **Labor intermediary:** A formal or informal third-party employment agency or agent through which workers may be contracted and/or compensated by an entity. Examples of labor intermediaries include external subcontracting agencies as well as informal work groups where workers are paid either through a group leader or recruitment agent.
- 2.1.4. ***New Term.*** **Lead inspector (Verification organization):** a C.A.F.E. Practices inspector with broad experience in the program who has been approved by SCS to support in general verifier responsibilities, including delivering internal trainings, conducting internal observations for new inspectors/verifiers, carrying out report review in the VRS, and sending verification reports through the VRS. See the Approval Procedure for further details.
- 2.1.5. ***New Term.*** **Limited approval (Verification organization):** Limited approval is the first approval status in the C.A.F.E. Practices program. It allows a verification organization to

conduct one verification at a time. Progression to the next approval status will be determined after the results of an SCS audit or VRS Review.

2.1.6. ***Updated term.*** **Productive area:** In C.A.F.E. Practices, productive area refers to all land on a farm used to produce coffee, even if at the moment of the inspection no coffee is being harvested or there is no production (e.g., because of recent pruning, new seedlings or the area being heavily affected by a disease). Area set aside explicitly for conservation purposes should be counted as conserved area. Non-productive area is the total area set aside for conservation and other uses (e.g., worker housing, waste areas, production of other crops, recreational use).

2.1.7. ***Updated term.*** **Provisional approval (Verification organization):** Provisional approval is the next step up from Limited approval status. Within this approval status the organization may only claim and verify simultaneously up to three applications.

2.1.8. ***New term.*** **Main Verifier:** a verification organization's office-based primary point of contact for clients and SCS who has been approved by SCS as the lead personnel in C.A.F.E. Practices. The main 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 client reports before the established deadline in the VRS. Verifiers are also responsible for guaranteeing that members of the verification team receive sufficient training in the C.A.F.E. Practices program. See the Approval Procedure for further details.

2.1.9. ***New term.*** **Secondary verifier:** a verification organization's secondary point of contact for clients and SCS who has been approved by SCS to support the primary verifier, including in ensuring that verifications are carried out according to the requirements in the Verifier and Inspector Operations Manual, conducting internal review of applications, sending client reports before the established deadline in the VRS, and guaranteeing that members of the verification team receive sufficient training in the C.A.F.E. Practices program. See the Approval Procedure for further details.

2.1.10. ***Updated term:*** **Verifier Guidance Update (VGU):** A document distributed by SCS to provide supplemental guidance to the Verifier and Inspector Operations Manual and updates to program documents and procedures. Once a VGU is released it becomes part of the program requirements.

2.2. Section 5.2.2 Scope of C.A.F.E. Practices:
Entity performance is weighted relative to each entity's impact, to represent social conditions and environmental impacts in a fair and consistent way. Social Responsibility weight is determined by the number of permanent and temporary workers in the entity.

2.3. Section 6.2.3 Contract between Verification Organizations and C.A.F.E. Practices Applicants:
To establish contractual validity, contracts must be signed by both the client and the verification organization.

2.4. Section 6.2.4 Notifying SCS of Planned Verifications:
Verification organizations are no longer required to include the following in the Verification Planning Template:

- Planned ZT-CAP checks
- Applications that have been claimed in the VRS

2.5. Section 6.2.5. Claiming Applications in the VRS:
It is not necessary to claim a mill or warehouse-only application 5 business days in advance. Once an application has been claimed in the VRS, verifiers should download the application that is available in the VRS and make sure that it is the one to be used in the verification. Once the application is claimed, all mill and warehouse validities should be confirmed, and the verification plan adjusted accordingly.
The *actual* inspection start date of the verification is to be entered in the application coversheet once the verification has begun, and the *actual* end date is to be entered once the verification has been completed.

2.6. Section 6.3 Conducting Document Review:
In the case of beginning the document review process prior to on-site inspections, the verification opening meeting shall be conducted before the document review begins.

2.7. Section 6.4.4 Determining Farms to Visit:

- If an application consists of both small farms with and without mills, the sample of small farms must include both types of small farms, proportionally to the number of farms of each kind included in the application.

2.7.2 An application is considered a "re-verification" when 25% or more of the farms included in the application have previously been included in the program, whether in the same supply chain or a different one. The VRS calculates this automatically.

2.7.3 In a re-verification, in order to select 15% of farms previously verified, verifiers may also sort the list of entities by 'sampled in legacy' directly from the application overview page in the VRS in order to see which entities in the application have been previously sampled.

2.8. Section 6.4.6. Supply Chain discrepancies:

- Any changes a supplier needs to make to the application after it has already been claimed in the VRS by the verifier will need to be reported as a discrepancy.
- If multiple applications are being verified simultaneously, the verifier should send one discrepancy email to the client per application. SCS recommends using the template document provided to verifiers for discrepancy reporting in order to clearly report discrepancies and resolve them quickly. All discrepancies for an application must be reported at the latest by **5 business days after the verification closing meeting** in order to ensure the supplier is informed on any changes required and that applications are updated promptly.
- Discrepancies related to farm size, production volumes, and other information related to an entity's coversheet can be updated by the inspectors directly in the VRS once the client is informed and confirms the changes. Discrepancies related to addition or removal of entities from the application need to be resolved by Starbucks directly once the supplier confirms the changes and sends an updated application.

2.9. Section 6.5.1. Collecting and Verifying Information:
During inspections, inspectors should always use the entity-specific paper-based C.A.F.E. Practices Field Notes or the electronic version accessed through the inspector account in the VRS. All field notes or respective electronic reports, if applicable, need to be reviewed by the verifier as part of the internal report review process to ensure accuracy with information entered into the VRS.

2.10. Section 6.6 Coversheet Data Collection:

Coversheet information should be collected right after the opening meeting, before document review or field inspection, to ensure that the inspector is aware of certain elements that are necessary to consider during field observation like the existence of worker housing or the number of water bodies. Updates to the information recorded in the coversheet may be necessary during the inspection if new information is obtained.

2.11. Section 6.6.3 Volume Reporting and Confirmation:

- Inspectors should report the total amount of green coffee produced or processed, including the last completed harvest year plus two prior years. It is therefore likely that inspectors will not include the current harvest production for farms inspected during harvest.
- Inspectors should provide verifiers with any information regarding the reasons for below or above-average volumes for each entity, and verifiers may need to enter this information in order to dismiss volumes-related blockers in the entity report in the VRS.

2.12. Section 6.6.4 Flows:

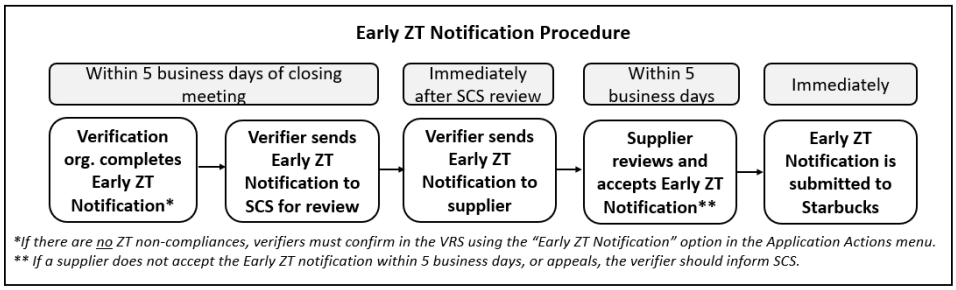
All entities in the sample, including those with copied reports from other applications, must have flows (inbound, outbound, or both) entered in the VRS.

2.13. Section 6.7.6 Closing Meeting:

- This section has been revised to define the requirements for an entity inspection closing meeting and the requirements for a verification closing meeting separately.
- References to the draft client report have been replaced with references to the Verification Report.

2.14. Section 6.8.1 Early ZT Notification:

Figure 6: Early ZT Notification Procedure has been updated to better reflect the Early ZT Notification procedure:



2.15. Section 6.8.3 Internal Review and Client Approval of Verification Reports:

- Only approved verifiers and lead inspectors who did not participate in the verification can review the inspection report(s).
- Once a verifier has reviewed an entity report and has confirmed no additional changes are needed and it is ready to send to the client for approval, the verifier should change the status of the report from 'finalized and submitted' to 'reviewed by verifier.'
- Reference to draft client reports has been removed.
- If verifiers do not receive confirmation of report approval from clients after 10 business days, verifiers should contact the client to request an update on their approval. If the client is unresponsive, SCS should be notified via email so that Starbucks is advised to contact the client. Final versions of reports cannot be submitted to Starbucks without client approval.

- Verifiers are not required to notify SCS in any case of an appeal, since this happens through marking the application in the VRS as "under appeal". Please review section 7 for the appeal process.
- Once the client has confirmed approval of the verification report through the VRS, the verifier should change the status of the entity reports from 'reviewed by verifier' to 'accepted by verifier' and the application should then be submitted to Starbucks.

2.16. Section 7 Appeals and Disputes:

- Verifiers are required to submit an Early ZT Notification as well as a C.A.F.E. Practices verification report to the client prior to submission to Starbucks for review and approval. Clients need to approve the Early ZT notification and verification report through the VRS. The client can decline to approve the version of the report sent, by initiating an appeal process.
- Whether the client is appealing obvious errors in the report or disagrees with the interpretation of indicators/criteria, the verifier should: mark the application as under appeal in the VRS and inform SCS of the appeal only if (i) any reporting deadline is affected by it, or (ii) the appeal relates to a ZTNC evaluation, according to the communication protocol in Section 11. The verifier should review the supplier appeal and provide responses to clarify interpretation, or make any changes if errors were encountered by returning the affected reports to the inspectors to make the necessary changes. If any changes were made in the entity reports, the verifier must send an updated verification report to the client for approval.

2.17. Section 9 Zero Tolerance Corrective Action Plan:
This section has been modified to reflect the procedures included in the newly published C.A.F.E. Practices Verifier and Inspector Zero Tolerance Corrective Action Plan (ZT-CAP) Procedure Manual V1.0.

2.18. Appendix A:
List of WHO 1A and 1B Pesticides has been updated according to the most recent WHO publication

3. <u>Verification Organization Approval Procedure – Version 2.3</u>

3.1. New Section: 3.9 NC Escalation Procedure:
All verification organizations are required to close issued non-conformities in a timely manner to avoid escalation of 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:

- First minor NC issued: Corrective action plan required within 20 business days.
- Repeating minor NC: escalated to Major NC - Corrective action plan required within 5 business days.
- Repeating major 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

- Continuous failure to close NCs: 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.
- If the organization continues to fail in implementing corrective actions and adhering to program procedures, the organization will be delisted.

3.2. Section 4.3 Record Keeping:

This section has been updated to provide further clarification on documentation that will need to be kept for a minimum of five years:

- 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, conflict of interest declarations.
- Contracts with C.A.F.E. Practices clients signed by both parties.
- Field notes from verifications or PDF notes of inspections conducted on a tablet.
- Closing meeting signature forms.
- All documentation related to the ZT-CAP check: client contract, client ZT-CAP check plan, copy of completed ZT-CAP check report, and closing meeting signature form.
- Records of internal reviews, disputes, and appeals.

3.3. Section 5.2 Organizational Capacity:

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.

3.4. Section 5.5 Internal Training:

Evidence of sufficient training to inspectors on C.A.F.E. Practices should be made available to SCS as part of the request for approval of new personnel and no longer solely upon request. We are also specifying in the updated version of the Approval Procedure that communications from SCS include annual trainings.

3.5. ***New section***: 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 account of 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.

3.6. Section 5.7 Personnel Records:
SCS reserves the right to review personnel documentation not only during office audits but to also request documentation to be made available at any given time, including declarations on conflict of interests

3.7. Section 5.8 Adherence to Deadlines:
The section on Adherence to Deadlines has been updated by moving the table with the NC procedure to a new section 3.9 "NC Procedure" and only keeping information around missing deadlines in this section.

3.8. Section 6.1 Requirements for Verifiers:
The list of requirements has been updated to provide a better explanation on the content of the trainings required:

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.

We also added two bullet points in the list of responsibilities of verifiers:

- informing SCS on any updates impacting the organization's resources to successfully carry out verifications or respond to communications, like NCRs, 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.

4. <u>Verifier and Inspector Indicator Guidance Reference– Version 1.2</u>

4.1. Social Responsibility Indicators:

SR-WC4.6	Management maintains written injury reports. The written injury reports include the type of injury, name of worker, time and date, and location of the accident.

Updated guidance: If no injuries have occurred, inspectors should evaluate this indicator as Not Applicable, but only after confirming with workers this no injuries have occurred. To receive a Comply evaluation, all fields requested by the indicator should be included in the injury report.

4.2. Coffee Growing Indicators

Buffer Zones:

CG-WR1.1	Buffer zones exist next to **more than 50% of permanent water bodies**; buffers are **at least 5 meters in width** (measured horizontally from the high-water mark to the base of any coffee tree), exclude all cultivation and are composed of vegetation.
CG-WR1.2	Buffer zones exist next to **all permanent water bodies**; buffers are **at least 5 meters in width** (measured horizontally from the high-water mark to the base of any coffee tree), exclude all cultivation and are composed of vegetation.

CG-WR1.3	Buffer zones exist next to **more than 50% of seasonal and intermittent (temporary) water bodies**; buffers are **at least 2 meters in width** (measured horizontally from the high-water mark to the base of any coffee tree), exclude all cultivation and are composed of vegetation.
CG-WR1.4	Buffer zones exist next to **all seasonal and intermittent (temporary) water bodies**; buffers are **at least 2 meters in width** (measured horizontally from the high-water mark to the base of any coffee tree), exclude all cultivation and are composed of vegetation.

Updated guidance: When evaluating these indicators, inspectors are reminded that the percentage to evaluate refers to the total *area* around all seasonal water bodies and not the total number of water bodies.
Updated guidance: If a water body is adjacent, only the area bordering the farm should be considered.

CG-WR1.5	Farm has a plan to restore native vegetation within the buffer zones.

Deleted guidance: If the farm already has native vegetation in buffer zones, then this indicator should be evaluated as Comply, but still requires documentation to support a Comply evaluation. If no document is presented for the plan, then the evaluation should be Not Comply.
Updated guidance: If there are no water bodies on the farm or the entire buffer zone is composed of native vegetation, the correct evaluation is Not Applicable.
New guidance: The plan should include a clear timeframe for implementation, which the farm has been following. In the case of re-verifications, inspectors should confirm that the farm follows the established timeframe to give a Comply evaluation.

Water Crossings:

CG-WR1.8	EXTRA POINT: **All water crossings** are protected by the use of bridges, culverts or sufficient means to prevent degradation.

New guidance: Any means that prevent degradation, erosion, and contamination are acceptable for a Comply evaluation.

Irrigation:

CG-WR2.1	If mechanical (pumps, etc.) irrigation is used, quantity of water used is tracked and recorded in writing: liters per Kg of green coffee AND liters per hectare

New guidance: For this indicator to be evaluated as Comply, the amount of water must be verified using a device that measures water use or the entity must provide the method used for the calculation. This indicator needs to be evaluated as Not Applicable when the farm uses solely rainwater for mechanical irrigation which they catch and store.

CG-WR2.2	EXTRA POINT: If mechanical irrigation is used, the farm management demonstrates an understanding of local water conditions or stress factors.

New guidance: Water stress refers to the condition where total water use exceeds the locally available water supply in the watershed (e.g., streams, rivers, groundwater), and could lead to a long-term deficit problem. The producer should demonstrate knowledge of potential water stress causes and long-term effects in the region.

CG-WR2.3	EXTRA POINT: Farms that use mechanical irrigation monitor and try to minimize total water usage.

Updated guidance: If situations like regular irrigation at midday or the day after rainfall are observed, the indicator needs to be evaluated as Not Comply. Minimizing water usage by using sustainable methods and techniques of irrigation (e.g., recycling of water or use of technology, etc.) can be considered for a Comply evaluation as well.

Soil Management:

CG-SR1.2	Farm has a written soil management plan that includes measures to minimize surface erosion.

New guidance: The plan should include a clear timeframe for implementation, which the farm has been following. If this is a re-verification, inspector should check for implementation based on previously defined plan (if such existed).

Slopes:

CG-SR1.3	**At least 50%** of productive area with slopes **of less than 20%** is covered by shade trees **and/or** cover crops/vegetation.
CG-SR1.4	**All** productive area with slopes **of less than 20%** is covered by shade trees **and/or** cover crops/vegetation.

Deleted Guidance: In addition to taking pictures of the mulch covering, verifiers should contact SCS if they encounter this type of situation and may be making an exception to the wording of the indicator.
Updated guidance: Soil coverage needs to be maintained throughout the year. To evaluate the contribution of shade trees to soil erosion protection effects, the density of shade trees should be considered.

CG-SR1.5	**In addition** to the soil erosion prevention measures included in CG-SR1.3-1.4, contour lines and/or bench terraces are established on **at least 50%** of productive area with slopes **between 20% and 30%.**
CG-SR1.6	**In addition** to the soil erosion prevention measures included in CG-SR1.3-1.4, contour lines and/or bench terraces are established on **all** productive area with slopes between **20% and 30%.**

New guidance: To evaluate these indicators as Comply, areas with slopes between 20% and 30% need to both be covered by shade trees and/or cover crops/vegetation **as well as** contour lines and/or bench terraces.

CG-SR1.7	**In addition** to the soil erosion prevention measures included in CG-SR1.3-1.6, physical barriers (e.g., pruned branches, rocks) **and/or** living barriers (e.g., grasses, shrubs) are established on **at least 50%** of productive area with slopes **over 30%**.
CG-SR1.8	**In addition** to the soil erosion prevention measures included in CG-SR1.3-1.6, physical barriers (e.g., pruned branches, rocks) **and/or** living barriers (e.g., grasses, shrubs) are established on **all** productive area with slopes **over 30%**.

Updated guidance: Areas with slopes over 30% (including those with slopes over 60%) should include information for compliance with CG-SR1.3-1.6 (should also include shade tree cover and/or cover crops/vegetation, contour lines and/or bench terraces, and physical barriers (e.g., pruned branches, rocks) and/or living barriers (e.g., grasses, shrubs)). In order to evaluate this indicator as Comply, inspectors should include the specific measures taken by the farm.

Use of Herbicides:

CG-SR1.9	Herbicides are not used to control ground vegetation or cover crops. If herbicides are used, they are only used in spot applications for aggressive weeds.

New guidance: If herbicides are not used by this entity, the indicator needs to be evaluated Comply.

Erosion Control:

CG-SR1.10	**At least 50%** of roads or frequently used trails or footpaths are protected from erosion through proper drainage ditches and/or other control measures (including cover vegetation, etc.).

New guidance: In cases where roads are adjacent to the farm, the entity is responsible to protect against erosion on their property.

Soil Cover and Cover Crops:

CG-SR2.1	**At least 25% of the productive area** is covered by a layer of organic matter (dead and decaying biomass - mulch, grass, leaves, branches, etc.) and/or nitrogen-fixing cover crops.
CG-SR2.2	**At least 50% of the productive** area is covered by a layer of organic matter (dead and decaying biomass - mulch, grass, leaves, branches, etc.) and/or nitrogen-fixing cover crops.
CG-SR2.3	**All productive area** is covered by a layer of organic matter (dead and decaying biomass - mulch, grass, leaves, branches, etc.) and/or nitrogen-fixing cover crops.

New guidance: A layer of mulch of thickness greater than or equal to 5 cm (2 in) can be considered as an acceptable method for maintaining soil productivity on coffee farms. Therefore, the use of a layer of mulch with a consistent layer of 5 cm (2 in) thickness or greater can be considered for a Comply evaluation for CG-SR2.1, 2.2 and 2.3, rather than only cover crops and vegetation. Soil coverage needs to be maintained throughout the year.

Nutrients and Soil Amendments:

CG-SR2.10	The formula of applied nutrients and non-synthetic soil amendments is customized in response to results of soil and foliar analyses.

New guidance: In cases where only one type of analysis is conducted, if the formula is based on either the soil OR the foliar analysis the indicator should be evaluated as Comply.

Native Tree Removal:

CG-CB1.1	Native trees are removed only when they constitute a human hazard or when they significantly compete with coffee plants.

New guidance: Established native trees may only be removed with an appropriate justification relating to already existing coffee plants. If there haven't been any native trees on the farm to remove, the indicator should be evaluated as Comply.

Shade Management:

CG-CB1.3	The farm is implementing the shade management plan according to the plan's timeline.

New guidance: In cases where CG-CB1.2 is evaluated as Not Comply because a topic is missing, CG-CB1.3 can still be evaluated as Comply if the farm has a plan and its implementation according to the timeline can be confirmed. In the absence of a written plan, this indicator needs to be evaluated Not Comply since no timeline can be confirmed. Inspectors should conduct a visual assessment of the farm in order to confirm that the producer is following the shade management plan.

CG-CB1.8	EXTRA POINT: Canopy cover in the productive area is kept at biologically significant levels (i.e., the level of canopy cover changes the farm's micro-climate, produces a noticeable leaf layer on the ground and creates an obvious habitat for a range of plant and animal species, etc.).

New guidance: For CG-CB1.8 when evaluating this indicator as Comply, specific evidence of the effects of the canopy cover on the habitat conditions needs to be provided.

CG-CB1.11	EXTRA POINT: Shade canopy in the productive area consists of **at least 2** identifiable canopy layers.

New guidance: CG-CB1.9 needs to be evaluated as Comply for this indicator to be considered for Comply evaluation.

Wildlife:

CG-CB2.1	Hunting threatened or rare wildlife species and unauthorized collection of flora and fauna are not allowed on the property.

New guidance: Inspector should confirm that no workers of the entity hunt threatened or rare wildlife nor collect unauthorized flora and fauna.

CG-CB2.3	Farm management has created a list of wildlife species native to the region and identified which of those species are classified as vulnerable, endangered or critically endangered according to the IUCN red list (http://www.redlist.org) or local government source.

Updated guidance: Local government guidance is an acceptable source as an alternative to the IUCN red list website. The list needs to be relevant to the farm's region.

CG-CB2.4	EXTRA POINT: A written wildlife management plan is developed and implemented on the farm (e.g., management and workers are trained, action steps are outlined, timeline to completion, etc.).

New guidance: In order to evaluate this indicator as Comply, the evidence needs to be robust, and the management plan need to include actions beyond the ones required for compliance with CG-CB2.2 and 2.3.

Land Conversion:

CG-CB3.1	ZERO TOLERANCE: No conversion of natural forest to agricultural production **since 2004**.

Updated guidance:
Inspectors should evaluate CG-CB3.1 as Not Comply in the case that land has been converted for the purposes of agricultural production, *not only for coffee production*. The indicator refers to "natural" forest, which includes both primary and secondary forest. *Abandoned, slightly overgrown land, formerly used for agricultural practices is not considered secondary forest. However, if it is still visible that the land was formerly used for agricultural purposes, but a forest has regenerated and has been reestablished and the effects of the agricultural production are no longer evident, this can be considered a secondary forest.*
Conversion to agriculture of all types of ecosystem should be considered in evaluation of the indicator (e.g., cerrado/savanna in Brazil). Evidence for Not Comply evaluations should include the year in which the deforestation or land conversion occurred, the number of hectares converted, and the reason for the conversion.
Deleted guidance: Verification organizations must contact SCS in any case that conversion from forest or other natural ecosystem to agricultural production has been observed.

Areas of High Conservation Value:

CG-CB3.2	Farm has made an assessment of areas of high conservation value (areas with significant intact forest, primary forest canopy cover, rare flora and fauna communities, important habitat elements, critical watershed values, importance to local communities' traditional cultural identity).

Updated guidance: *The purpose of this indicator is for producers to conduct a farm assessment in order to evaluate whether areas of high conservation value exist on the farm. Therefore, producers must show a documented assessment in order to comply with this indicator, even if it is concluded that there are no areas of high conservation on the farm.* The assessment of the areas of high conservation value can be

done internally by the farm, agronomist, management, or person with basic environmental knowledge. *The assessment should include all topics included in the indicator.*

Biodiversity:

CG-CB3.10	Multiple plant species that contribute to biodiversity have been planted where space allows within the farm (e.g., borders, roads, trails, paths, etc.).

Deleted guidance: It should be considered if the farm has sufficient space for plantings.
New guidance: Multiple means three or more.

CG-CB3.11	EXTRA POINT: A nursery has been established or identified as a source of native tree and plant species for ecological restoration activities.

New guidance: The nursery can be part of the farm or another entity. If the farm is part of an association and the association has stablished a nursery for the farm to use, this indicator can be evaluated as comply. "Identified" should not be sufficient if the farm does not source trees from that nursery.

Agrochemicals:

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.

Updated guidance:

Minimum evidence required *for a Non-Comply evaluation*:

- Active ingredient of illegal or prohibited pesticides used;
- Purpose for use of illegal or prohibited pesticides;
- Duration of time that illegal or WHO-listed pesticide has been in use; and,
- Legal reference (if applicable) or specification of whether pesticide is listed as Type 1A or 1B.

In order to determine the types of agrochemicals used by the entity and/or distributed by PSOs where applicable, the inspector should consult all information available and make necessary observations, including reviewing agrochemical purchase records and agrochemical management plans, chemical use records/maps, visiting agrochemical storage facilities, and conducting interviews with management and workers. Inspectors must check the active ingredient of the product and not simply rely on the label color. The list of WHO banned pesticides can be found in Appendix A of the Verifier and Inspector Operations Manual.

CG-EM1.2	Farm keeps purchase records of pesticides, specifying date, product, product formulation, quantity, supplier, and price of purchase for each pesticide.

Updated guidance: If one of the aspects of the indicator is not on the record presented by the farm, the correct evaluation is Not Comply. *Product formulation refers to its form: liquid, powder, gas.*

CG-EM1.6	**Agrochemical** storage site has safeguards to control spills (e.g., physical barriers to prevent external contamination).

New guidance: For this indicator to be evaluated as Comply, agrochemical storage must include as a minimum:

- Impermeable floor (not made of wood)
- Physical barriers to contain a large spill to prevent larger spills that do not require intervention, i.e., presence of sand, etc. is not sufficient.

CG-EM1.8	Agrochemicals are mixed and spraying equipment loaded in ventilated areas. If products are mixed in the field, because of distance from storage, precautions are taken, and plans are in place to handle accidents, spills or contamination.

New guidance: Farms must have a document outlining the procedures and precautions for mixing and loading spraying equipment. Inspectors must verify, either visually or by interview, that the farm is following safety measures for mixing and loading agrochemicals. If chemicals are mixed in the field, precautions must include as a minimum:

- Mixing is done at least 20 meters from any water body.
- The mixing area must have an impermeable base, bordered to contain a spill of the mixing vessel that has the capacity to contain a spill of the mixing vessel.
- There must be access to sufficient water for mixers to wash themselves in case of contamination.

<u>Integrated Pest Management:</u>

CG-EM1.9	Farm has an Integrated Pest Management (IPM) plan for monitoring for pests and diseases and symptoms of nematode infestation.
CG-EM1.10	There is a written Integrated Pest Management (IPM) plan that is properly implemented in the field and includes regular monitoring for pests and diseases and symptoms of nematode infestation.

Deleted Guidance: If CG-EM1.9 is evaluated as Comply, but the plan is not documented, then CG-EM1.10 will be scored as Not Comply even if the plan is implemented, because the indicator requires a written plan.

Updated guidance: If CG-EM1.9 is evaluated as Not Comply, then CG-EM1.10 will automatically be scored as Not Comply due to the fact that CG-EM1.10 specifies that the written plan is properly implemented. Documentation of the implementation of the IPM should include, as a minimum:

- Supporting documentation with monitoring data
- Supporting documentation that the farm implemented the activities outlined in the plan.

CG-EM1.11	Farm takes physical action to control sources of infestation.

Updated guidance: Pruning or other agricultural practices may be considered physical action to control sources of infestation only if controlling an infestation is one of the intents of that process. This should be confirmed by the inspector during the farm visit and during interviews with management and workers. It should not be considered if it is *only* used for productivity or other purposes instead controlling infestation. The most important element for this indicator is that the farm acts before resorting to chemicals.

CG-EM1.12	**Pesticides** (not including herbicides) are applied only on a spot-application basis, depending on the type and severity of infestation.

New guidance: If no pesticides are applied, the correct evaluation is Comply.

CG-EM1.13	**Pesticides** (not including herbicides) are only applied as a last resort (after cultural and physical controls have failed).

New guidance: The producer should be able to explain the pest monitoring procedure they follow to determine the point at which they will need to apply pesticides (e.g., % of farm infested, etc.). If no pesticides are applied, the correct evaluation is Comply.

CG-EM1.15	Farm maintains written records of total toxic load calculation for productive area on the farm.

New guidance: Producers may use the template provided by Starbucks to do this calculation, however, it is not required in order to evaluate this indicator as Comply. If the producer provides their own document, it should outline, for each product used: the area of the product application, amount of product applied, the name of the product and its active ingredient and concentration. This calculation should be done yearly.

CG-EM1.18	Empty chemical containers are rinsed and punctured, or as required by local regulations, and appropriately disposed of to prevent further use or injury.

Updated guidance: If local regulations exist, inspectors should confirm through interviews and documentation that farm follows them. If no local regulations exist, containers must be *triple* rinsed,

punctured and disposed of safely. Puncturing ensures containers are properly drained and prevents reuse.

CG-EM2.1	Farm managers have developed and implemented a written C.A.F.E. Practices work plan AND improvement activities are tracked and documented.

Updated guidance: The work plan may not specifically be for C.A.F.E. Practices. However, in this case the inspector should receive from farm management a clear reference to the planned improvement activities as they relate to specific indicators of the C.A.F.E. Practices standard in order to give a Comply evaluation. *Entities in new supply chains can have a plan that includes projections for the future and templates for monitoring activities. Entities that are part of re-verifications need to base their plans on results of previous verifications, where applicable, or self-assessments to show progression. Proof of follow up and documentation of improvement activities must be presented.*

C.A.F.E. Practices Meetings:

CG-EM2.2	Farm managers hold at least one annual meeting with all permanent employees to discuss C.A.F.E. Practices improvement plans and activities

New guidance: If there are no permanent workers, anyone who works on the farm (family, sharecroppers, etc.) should be considered. For new verifications, this indicator is evaluated based on whether the farm conducted any meetings in preparation for the verification.

Coffee Pruning:

CG-EM3.1	The farm implements a coffee pruning program to promote new tissue generation (intended to contribute to increased productivity and coffee quality).

Updated guidance: All types of pruning and timeframes can be considered for this indicator. Evidence should detail the objective, frequency and timing, and the extent of pruning throughout productive area, as explained by producer and observed by inspector.

Renovations and Replanting:

CG-EM3.2	EXTRA POINT: On farms older than 25 years, the farm annually renovates or replants at least 5% of the total coffee planted area with coffee varieties that maintain or improve the coffee quality profile.

Updated guidance: This indicator refers to the age of the farm at which it started as a coffee farm, and not the age of specific lots. Renovated lots are considered towards the 5% of the total coffee area of the farm. *If 100% of the farm has already renovated/replanted, this indicator should be evaluated as Not Applicable.*

Alternatives to Reduce Pesticide Use:

CG-EM3.3	EXTRA POINT: Farm is developing or working with a research institute to establish alternatives (e.g., new varieties, graft seedlings, etc.) to reduce nematode infestations and the incidence of soil fungus as well as reduce the use of pesticides.

Updated guidance: The alternative practices that are observed should be included in the evidence (e.g., grafting, new varieties, etc.), *as well as the name of the research institute with which the farm collaborates.*

Climate Change:

CG-CC1.1	EXTRA POINT: The farm keeps written records of climate change risks and impacts on coffee production (e.g., change in temperature, rainfall).

Updated guidance: This indicator evaluates whether the farm keeps written records of *(i) climatic data over time related to climate change risks AND (ii) its current or long-term impacts on their coffee production, like yield and infestations.* Therefore, simply recording temperature and rainfall is not sufficient for this indicator to be evaluated as Comply.

CG-CC1.2	EXTRA POINT: The farm has developed and is implementing a written plan to minimize impact of climate change on coffee production.

New guidance: The plan may be included within a general farm management plan; however, the producer must be able to show that the measures included in the management plan, or any other document provided, are specifically related to minimizing climate change impacts.

4.3. Wet Coffee Processing Indicators

Water Usage

CP-WC1.1	The total volume of water used for pulping, washing, and sorting for coffee processing operations is tracked and recorded, documenting the **annual total** water used and **volume per Kg of coffee cherry processed**. *Indicator should be evaluated "Not Applicable" for mills that process 3500 Kgs or less in green coffee.*

Updated guidance: CP-WC1.1 is applicable even when waterless depulpers are used (such as Penagos or Belcosub processors), as water is still being used during other parts of the process (although limited quantities). The source of information for this record must be a reliable source such as water measuring device or mathematical calculation if the water comes from a tank. If the calculation of the water is made by means of a capacity, the procedure must be clearly explained, and the information must be registered and must be supported by means of documents. Water bills are not accepted if they include water used for other purposes.

Monthly totals can be accepted for a Comply evaluation.

CP-WC1.2	If water is used for separating coffee cherry before pulping, then a siphon of less than 3 cubic meters is used.

New guidance: The intent of this indicator is to reduce the water used in separating the coffee and classifying it for quality. If there is no separation of coffee cherry before pulping and all the coffee cherries go to the depulper, this indicator should be evaluated as Not Applicable.

CP-WC1.3	Processing facility recycles water used for both transporting coffee cherry and the pulping process.

Deleted guidance: The intent of this indicator is to reduce the water used in separating the coffee and classifying it for quality. If there is no separation of coffee cherry before pulping and all coffee goes to the depulper, this indicator should be evaluated as Not Applicable.

CP-WC1.4	The amount of water used (liters of water per Kg green coffee) shows a decrease over time (until the ratio in CP-WC1.5 is achieved). *Indicator should be evaluated "Not Applicable" for mills that process 3500 Kgs or less in green coffee.*

Updated guidance: If CP-WC1.1 is evaluated as Not Comply, then the liters of water used per kg coffee is not recorded. Therefore, amount of water use over time cannot be determined accurately. In the case that CP-WC1.1 is evaluated as Not Comply, then CP-WC1.4 should be scored as Not Comply. Only data from completed harvests (in a 12-month period) should be used to prove decrease over time.

CP-WC1.5	The ratio between water (used for pulping and washing) and coffee cherry is no more than 1:1 ratio (volume of water to volume of cherry).

Updated guidance: If CP-WC1.1 is evaluated as Not Comply, then CP-WC1.5 should be scored as Not Comply, since the amount of water cannot be determined. If CP-WC1.1 is evaluated NA because the mill processes less than 3500 kgs, CP-WC1.5 should be evaluated NA as well. CP-WC1.5 would be evaluated as Not Comply in cases where a water efficient depulping machine is used (e.g., Belcosub, Penagos) and no water use records are available.

CP-WC1.6	The mill demonstrates awareness of whether or not water stress exists in the watershed in which they are operating and takes steps to maximize efficiency.

Updated guidance: To receive a Comply evaluation, the mill must demonstrate awareness, i.e., understanding of their impact on the water source AND take steps to maximize efficiency, regardless of whether water stress exists in the watershed. If the mill demonstrates awareness that no water stress exists in the watershed, but does not take steps to maximize efficiency, the inspector should evaluate the indicator as Not Comply.

Processing Wastes

CP-WC2.1	Wastewater from pulping and washing is managed in a way that does not contaminate the environment, including water bodies.

New guidance: In case the mill uses a sedimentation pond/tanks/holes, inspectors should evaluate whether the size is large enough to contain the greatest amount of water that can be discharged during the milling process.

CP-WM1.1	Processing wastes are managed in such a way as to not contaminate the local environment.

New guidance: Evidence should include the way how waste is processed and the observation on the effect of waste management. This indicator does not apply to wastewater.

CP-WM1.2	Skin, pulp, mucilage, and unacceptable cherries are composted or processed by worms.

New guidance: Mills are required to manage the composting process to ensure sufficient time and conditions for it to be completed.

CP-WM1.3	Organic processing byproducts are used as soil amendments by the farm or, in the case of an independent processor, distributed to local farmers.

New guidance: If skin, pulp, mucilage, and unacceptable cherries are applied or are left on the farm without being fully processed (i.e., composted), and the inspector confirms that this results in harm to the soil, then this indicator should be evaluated as Non-Comply. If part of the byproducts is affected by a disease and therefore the entire batch is not used as an amendment, this indicator should be evaluated as Non-Comply.

CP-WM1.4	Processing waste solids are recovered from sedimentation ponds, composted and used by coffee farms.

New guidance: Recovered solids must be fully composted before applied in the field. This indicator can only be NA if the entity does not practice sedimentation at all.

Energy Usage & Fuel Sources

CP-EC1.2	**At least 25%** of parchment coffee is patio (sun) dried or dried in other energy efficient ways (e.g., greenhouses, raised beds, radiant solar drying systems).

Updated guidance: Inspectors should consider the portion of the total coffee volume processed by the entity that is patio dried when calculating the percentage to evaluate CP-EC1.2. It is important to note that CP-EC1.2 may still be evaluated as Comply if the coffee is not dried from start to finish in the sun. For example, if the coffee is patio dried initially and then the drying process is finished mechanically, inspectors could still evaluate CP-EC1.2 as Comply, provided that at least 25% of the *drying process is done this way*. If coffee is not dried at the entity being evaluated, the indicator should be evaluated as Comply, since for now there is no option of evaluating it as Not Applicable.

CP-EC1.3	The quantity of **wood or other fuel** (except parchment skin) used for drying coffee is recorded, documenting both the **annual** AND **per Kg of green coffee processed** totals.

Updated guidance: If 100% of coffee is sun dried, this indicator should be evaluated as Not Applicable.

CP-EC1.4	Wood used for drying coffee comes from pruning of coffee, shade trees, responsibly managed forests or other minimal impact harvests (e.g., salvage).

New guidance: To evaluate the use of wood from "responsibly managed forests," the mill should show documentation that the forest is managed sustainably (e.g., a sustainability certification, confirmation of participation in a sustainable forestry program). Documentation also needs to show the source of the purchased wood and show receipts that match the quantity of wood used at the entity.

CP-EC1.5	EXTRA POINT: The amount of total energy used per Kg of green coffee shows a decrease over time.

Updated guidance: It is important for inspectors to confirm that there are auditable records of energy use by the client. The inspector should ask what sources of energy the client uses to process coffee on-site (e.g., electricity, diesel, and gasoline). Once the energy sources are determined, the client must be able to show invoices for all energy consumption, including fuel purchase records in cases where generators are utilized, monthly and annual records of green coffee processed, and a calculation of the annual energy consumption per kg of green coffee processed. The inspector should always confirm that the information in the processing/energy consumption records is supported by actual receipts for electricity or fuel procured by the operation. *This indicator can only be evaluated as Comply if CG-EC1.1 and 1.3 are Comply.*

CP-EC1.6	EXTRA POINT: Milling operation demonstrates innovation in energy sourcing through either the on-site production of renewable energy or purchase of offsets, or both (e.g., solar, wind, water, geothermal, biomass) beyond any locally available conventional source.

Updated guidance: *If the entity produces renewable energy on site, inspectors should see the installation. If the entity buys renewable energy or offsets, it should present documented proof. Offset*

purchases compensate any activity of the farm with a reduction of greenhouse gas emissions. Offsets: Carbon credits purchased by an entity to offset greenhouse gas emissions generated on-site. One offset represents the reduction, elimination, or sequestration of one metric ton of carbon dioxide equivalent (CO_2-e). Examples of offsets include renewable energy, energy efficiency, carbon sequestration, etc. Drying coffee beans in the sun is not an innovation in energy sourcing.

5. Field Notes for Producer Support Organizations (PSO)

No document is required in order to evaluate the indicator PS-SR1.2 as Comply (There is no updated version of the field notes, this is reflected in the C.A.F.E. Practices List of Indicators that Require Documentation, V3.4).