



C.A.F.E. Practices

Operations Manual



V2.0 of C.A.F.E. Practices Standard V4
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1.0 Document Scope

This manual was developed with the objective of ensuring a uniform and transparent approach to verification and interpretation of the Starbucks C.A.F.E. Practices Standard. To achieve this, the manual provides a detailed explanation of the verification process, standard operating procedures (SOPs), and verification methods to which all approved verification organizations shall adhere. It also provides inspectors with the methodology necessary to consistently verify coffee farms, processing and grading/sorting facilities, warehouses, and Producer Support Organizations against the C.A.F.E. Practices Standard (hereafter, “Standard”). This manual does not include guidance on indicator evaluations or the minimum evidence reporting requirements for evaluations of Zero-Tolerance indicators. Information on both topics can be found in the document, C.A.F.E. Practices Indicator Guidance Reference.

This manual is designed to be read alongside the C.A.F.E. Practices Standard; all requirements, reference documents, and terms and conditions included in the Standard also apply here.

By fully understanding the information contained in this document, verifiers and inspectors can offer participating applicants and suppliers consistent service. In sum, this Operations Manual addresses the following areas:

- An overarching description of the verification process.
- The methodology that verification organizations shall employ when evaluating supply chain applications against the C.A.F.E. Practices Standard.
- Gathering and reporting accurate coversheet data from C.A.F.E. Practices verifications.
- Protocols and procedures that personnel working with verification organizations are required to follow for evaluating the C.A.F.E. Practices Standard.
- The report submission, approval, and dispute resolution process.
- Communication flows between verification organizations and SCS.

For any clarifications, assistance, or questions, verifiers shall contact SCS at cafepactices@scsglobalservices.com. Generally, verifiers should be the main point of contact with SCS. In case inspectors have any questions about the program procedures, they should contact the verifier first.

Applicants and suppliers shall direct their questions to Starbucks at cafepactices@starbucks.com.

2.0 Terms and Conditions

Starbucks regularly updates the Terms and Conditions for C.A.F.E. Practices applicants and suppliers, and the most recent version is available on the SCS website (<https://www.scsglobalservices.com/services/starbucks-cafe-practices>). In case of any discrepancy between the information provided in this Manual and the information provided in the Terms and Conditions, the most recent version of the Terms and Conditions supersedes.

3.0 C.A.F.E. Practices Program Terminology

C.A.F.E. Practices program terminology needs to be consistent to ensure uniformity of meaning among producers, processors, suppliers, verifiers, and other users of the program. Terms used in the C.A.F.E. Practices program are defined below; all terms in the C.A.F.E. Practices Standard also apply.

1. **Agrochemicals:** Synthetic substances used to control competition from other organisms (e.g., pesticides and herbicides), and to provide crops with the nutrients necessary to compensate for lack of soil fertility (fertilizers).¹
2. **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.
3. **Applicant:** An exporter or other business entity in the process of applying for approval in the C.A.F.E. Practices program. If/when approved, this entity becomes a “supplier”.
4. **Application:** An entity or group of entities forming a supply chain to be verified together in one C.A.F.E. Practices verification process.
5. **Application Type:** A supplier’s application is classified as either “New” or “Re-verification” depending on the entities included in it and their history in the program.
 - a. **New:** An application in which less than 75% of farms have participated in the program previously.
 - b. **Re-verification:** An application in which 75% or more of farms have participated in the program previously.
6. **Approval Procedure:** The procedure through which SCS reviews an applicant verification organization’s credentials, independence, and organizational capacity to carry out C.A.F.E. Practices inspections. See “C.A.F.E. Practices Verification Organization Approval Procedure” for more information.
7. **Buffer Zones:** An undisturbed area of land (typically composed of native vegetation) that reduces the impacts of adjacent activities on an ecologically important area.
8. **Check Audit:** The process by which an SCS auditor checks the veracity of C.A.F.E. Practices verification reports by independently conducting inspections at the farm, processor, and/or supplier level following the initial inspection by the verification organization.
9. **Coffee Cherry:** The fruit of the coffee tree, which contains the coffee bean(s).
10. **Collector:** An individual within a supply chain that aggregates coffee from farmers in the application before delivering it to a mill or other entity.
11. **Common Areas:** Communally accessible spaces intended for shared use by multiple parties, including worker housing, bathrooms, and rest areas.
12. **Community Mill:** In small-farm networks, wet processing equipment that is accessible to a community of producers for each to process their own cherry themselves into parchment.
13. **Community Work Exchange:** Work performed under an agreement for a definite or indefinite period, based on exchange of knowledge, skills, and/or labor and not involving any financial transaction.
14. **Conservation Emphasis Areas:** Defined areas of the farm where conservation of ecological resources is the primary objective. Coffee harvesting is permitted in a conservation emphasis

¹ Conservation Principles for Coffee Production, Conservation International, 25 April 2001.

area as long as it does not interfere with conservation goals. In other words, coffee can continue to be cultivated as long as the ecological value that is the focus of the conservation emphasis area is maintained.

- 15. Conversion:** Loss of a natural ecosystem as a result of its replacement with agriculture or another land use, or due to a profound and sustained change in a natural ecosystem's species composition, structure, or function.²
- 16. Corrective Actions:** Action to eliminate the cause of a nonconformity and prevent it from happening again. There may be more than one cause for a nonconformity.³
- 17. Corrective Action Plan (CAP):** A plan that suppliers develop upon receipt of one or more nonconformities as a result of a verification that details how the supplier plans to resolve all nonconformities.
- 18. Deforestation:** The loss of natural forest as a result of: (i) conversion to agriculture or other non-forest land use; (ii) conversion to a tree plantation; or (iii) severe and sustained degradation.⁴
- 19. Dispute:** An appeal from an applicant/supplier 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.
- 20. Early Zero-Tolerance (ZT) Notification:** A notification sent by the verifier to both Starbucks and the supplier that indicates whether there is non-compliance with Zero-Tolerance indicators for a given verification. The Early ZT Notification is required for all applications and shall be sent within five business days of the closing meeting of the verification.
- 21. 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.
- 22. Erosion:** The accelerated removal of topsoil from the land surface and is primarily caused by weathering. Factors such as climate variations, intense rainfall, prolonged droughts followed by heavy rains, and steep terrain contribute to erosion. Natural disasters, inadequate land management practices, and insufficient vegetative cover can exacerbate erosion. Additionally, certain soil characteristics, such as poor surface horizon development, low organic matter content, or the presence of very friable soils, can increase susceptibility to erosion.
- 23. Farm:** The coffee productive area(s) operating under the same management system. The workforce and coffee processing are key factors in determining whether the entire productive area is classified under one farm ID or multiple farm IDs. Additionally, the productive areas shall be located close enough to allow for inspection without significant deviation from the original verification plan.
 - a. **Large farm:** Any farm with 15 hectares or more (≥ 15 ha) in coffee production.
 - b. **Small farm:** Any farm with less than 15 (< 15 ha) hectares in coffee production

² Accountability Framework initiative, 2024. The Accountability Framework Terms and Definitions. Available from accountability-framework.org.

³ ISO 9000:2015 – Quality Management System.

⁴ Accountability Framework initiative, 2024. The Accountability Framework Terms and Definitions. Available from accountability-framework.org.

- 24. Family Work:** Labor contributed by members of the same household in support of the entity's coffee production activities and for which there is not financial reimbursement.
- 25. Field Audit:** The process of evaluating the performance of a verification organization in the field by either a shadow or check audit conducted by an SCS auditor.
- 26. First Response Letter:** The First Response Letter is sent from Starbucks to the supplier after an application is approved to receive a verification. It has two addendums: the Non Compliant Entity Addendum and the Mill Addendum. It is the only reference to be used to confirm the validity of all mills and warehouses in an application.
- 27. 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.
- 28. Forest:** Land spanning more than 0.5 hectares with trees higher than 5 meters and a canopy cover of more than 10%, or trees able to reach these thresholds in situ. It does not include land that is predominantly under agricultural or other land use. Forest includes natural forests and tree plantations for the purpose of implementing no-deforestation supply chains, the focus is on preventing the conversion of natural forests.⁵ The C.A.F.E. Practices program distinguishes "Forest" from "Primary Forest".
- 29. Full Approval (Verification Organization):** Full approval status allows verification organizations to conduct verifications of C.A.F.E. Practices applicants without a limit on the number of verifications that can be conducted simultaneously, in the regions and countries in which they are approved for work.
- 30. Harassment:** Unwelcome physical, verbal, or sexual conduct by management or co-workers that interferes with an employee's work performance or creates a hostile work environment. Harassment may include the use of offensive remarks, derogatory words and references, and sexual suggestions.
- 31. Hazardous Waste:** Waste that, by virtue of its hazardous properties, has the potential to cause harm to human health or the environment. These properties may include toxicity, flammability, corrosivity, reactivity, or ecotoxicity.
- 32. Hazardous Work:** Work that involves elevated danger or risk to human wellbeing, which may require specific safety precautions or equipment to protect workers from harm. In the case of minors, hazardous work is any work likely to harm the health, safety, or morals of children.
- 33. Indicator:** The requirements contained in the C.A.F.E. Practices Standard.
- Zero Tolerance (ZT)** indicators are the minimum requirements for participation in the C.A.F.E. Practices program. Evaluation of ZT indicators confirms whether the entities undergoing verification uphold the integrity of the C.A.F.E. Practices program by assessing baseline human rights, environmental protection, and traceability practices.
 - Major** indicators are additional requirements assessing protections for workers, minors, and the environment, recordkeeping, and internal management systems.
 - Minor** indicators are additional requirements related to worker health and safety, worker grievances, management due diligence, and advances in environmental stewardship.

⁵ Accountability Framework initiative, 2024. The Accountability Framework Terms and Definitions. Available from accountability-framework.org.

- 34. In-kind Payment:** Compensation for a service not involving the exchange of money. In-kind payments may include food, shelter, clothing, or other goods or services.
- 35. Inspection:** The evaluation of an individual C.A.F.E. Practices entity against the C.A.F.E. Practices Standard.
- 36. Inspector:** An individual who conducts inspections against the C.A.F.E. Practices Standard for an approved verification organization.
- 37. Infestation:** A recently detected insect pest population, including an incursion, or a sudden significant increase of an established insect, disease agents, or weed population in an area leading to damage to plants in production fields, forests, or natural habitats and causing substantial damage to productivity, biodiversity, or natural resources.⁶
- 38. Integrated Estate:** A farm with a vertically integrated wet and/or dry mill onsite.
- 39. Integrated Pest Management (IPM):** A science-based approach to managing pests that combines multiple strategies to minimize economic, health, and environmental risks. Key components include regular monitoring and identification of pests, cultural controls (such as selecting pest-resistant varieties), biological controls (utilizing natural predators and parasites), and mechanical and physical controls (such as traps and barriers). Chemical controls are employed only as a last resort when other methods of control fail. IPM emphasizes using the least harmful methods and tailoring interventions based on pest population dynamics and environmental conditions.
- 40. Internal Management System:** Monitoring and assistance mechanisms used by a supplier, processor, or association to ensure the small farms that they source coffee from are complying with the C.A.F.E. Practices requirements.
- 41. Invasive Species:** An introduced species that becomes destructive to the environment or human interests. Plants, animals, disease agents and other organisms taken beyond their natural range by people, deliberately or unintentionally, and which become destructive to the environment or human livelihoods.⁷
- 42. 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.
- 43. 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.
- 44. Legacy Application:** Any application that has previously been verified in the C.A.F.E. Practices program and that includes at least one farm in common with a more recent application. For example, if application 11111FY20 contains at least one farm in common with an application presently undergoing verification, then application 11111FY20 is a legacy application of the application currently undergoing verification.

⁶ FAO (2019). *The State of Food and Agriculture 2019. Moving forward on food loss and waste reduction*. Rome. License: CC BY-NC-SA 3.0 IGO.

⁷ IUCN (2018). *Guidelines for invasive species planning and management on islands*. Cambridge, UK and Gland, Switzerland: IUCN. viii + 40pp.

- 45. 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.
- 46. Local Laws:** Legal norms established by governmental entities whose jurisdiction is less than the national level, such as departmental and municipal laws.
- 47. Native Species:** A species that occurs naturally in a specified area, having either evolved there or arrived there without human intervention.⁸
- 48. Natural Ecosystem:** An ecosystem that substantially resembles — in terms of species composition, structure, and ecological function — one that is or would be found in a given area in the absence of major human impacts. This includes human-managed ecosystems where much of the natural species' composition, structure, and ecological function are present.⁹
- 49. Nonconformity (NC):** An instance where the audited or verified entity does not meet the requirement(s) of the C.A.F.E. Practices Standard or those found in program document(s). Nonconformity and non-compliance, and conformity and compliance, are used interchangeably throughout C.A.F.E. Practices program documents.
- 50. Office Audit:** The process of evaluating verification organizations on the overall quality control of their organization through document review of verification records, quality management system and procedures, personnel records, and other materials as requested by an SCS auditor (may occur remotely).
- 51. Onsite:** The physical boundaries of the entity being evaluated as well as any facilities provided by the entity management that are located outside of the physical entity, e.g. worker housing that is located outside of the farm area.
- 52. Personal Protective Equipment (PPE):** Articles of clothing or equipment worn or used in order to protect the body from exposure to harm during hazardous work (e.g., the application of agrochemicals).
- 53. Pesticides:** The range of herbicides, insecticides, fungicides, rodenticides, nematocides and hormones that are used in coffee growing.
- 54. Plan:** A prepared, documented set of procedures used to carry out an activity. A plan identifies the tools, financial resources, times, supporting activities, priorities, and responsible parties needed in order to achieve the designated goals and objectives.
- 55. Plot:** The portions of the coffee productive area that are not directly adjacent but are located close to one another. When productive areas are separated by a barrier, such as a forest, river, or neighboring property, they are still considered plots of the same farm, provided they share the same management system.
- 56. Prerequisites:** Applicants (suppliers) interested in participating in C.A.F.E. Practices are required to fulfill two program prerequisites prior to submitting a program application:
- Quality:** The applicant shall meet Starbucks green coffee quality standards.

⁸ IUCN (2018). *Guidelines for invasive species planning and management on islands*. Cambridge, UK and Gland, Switzerland: IUCN. viii + 40pp.

⁹ Accountability Framework initiative, 2024. The Accountability Framework Terms and Definitions. Available from accountability-framework.org.

- b. **Transparency:** The applicant shall demonstrate full economic transparency of their green coffee supply chain as well as provide Starbucks, if requested, full financial statements and reports of all supply chain business entities.
- 57. **Primary Forest:** Forest that has not been subject to major human impacts in recent history and which possesses many or most of the characteristics of a forest native to the given site, including species composition, structure, and ecological function.
- 58. **Processor:** An entity that operates a wet and/or dry mill that produces green coffee or parchment from parchment or coffee cherry using wet and/or dry processes. Processors may be standalone processors or vertically integrated processors within a coffee growing estate or plantation. Processors cannot be ‘suppliers’ independent of actual producers.
 - a. **Processor, Wet:** A mill that processes coffee cherry into parchment.
 - b. **Processor, Dry:** A mill that processes parchment coffee or dried cherry into green coffee and/or sorts and grades parchment and/or green coffee prior to exportation.
- 59. **Producer:** An individual or entity (i.e., coffee farm) cultivating coffee cherry, which is subsequently processed and traded as green coffee.
- 60. **Producer Support Organization (PSO):** An entity that both provides support and outreach to the group of small farms in a C.A.F.E. Practices application as well as guides these farms on their collective pathway toward compliance with the C.A.F.E. Practices Standard’s requirements. The PSO consists of one or more persons in regular contact with the member producers and with the capacity to implement the internal management system (IMS).
- 61. **Productive Area:** 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 (e.g., because of recent pruning or new seedlings or heavily affected by a disease). Area set aside explicitly for conservation purposes are considered 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).
- 62. **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. See “C.A.F.E. Practices Verification Organization Approval Procedure” for more information.
- 63. **Qualitative Evidence:** Written evidence in C.A.F.E. Practices verification reports gathered through worker interviews, document review, and direct observation that support an inspector’s evaluation of an indicator as Comply, Non-Comply, or Not Applicable.
- 64. **Quantitative Evidence:** Numerical or statistical data in C.A.F.E. Practices verification reports gathered through worker interviews, document review, and direct observation that support an inspector’s evaluation of an indicator as Comply, Non-Comply, or Not Applicable. Examples of quantitative evidence may include, but are not limited to, wages, working hours, and hours of heavy labor.
- 65. **Scheme:** A framework of requirements and governance procedures, formally laid out in scheme documents. The C.A.F.E. Practices scheme includes the Standard and all other normative documents and procedures.

- 66. Shadow Audit:** The process of evaluating the performance of a verification organization by which SCS auditors accompany verifiers and inspectors for all or part of a C.A.F.E. Practices verification.
- 67. Standalone Mills:** Standalone wet mills are processors that receive coffee cherry from at least two different farms and mill it to the parchment stage. Standalone dry mills are processors that receive parchment or dried cherry coffee from at least two different farms and de-hull and/or sort, grade, bag, or otherwise prepare the green coffee for export.
- 68. Status:** After a verification is complete and compliance with C.A.F.E. Practices is confirmed by a C.A.F.E. Practices administrator, suppliers will be granted approval status.
- 69. Starbucks Coffee Trading Company (SCTC):** SCTC is responsible for purchasing coffee and ensuring quality for Starbucks. The Sustainability team manages the relationship between SCS and Starbucks.
- 70. Starbucks Coffee Company:** Headquarters of Starbucks Coffee Company is in Seattle, Washington, United States of America.
- 71. Stratified Semi-Random Sampling:** The sampling approach that dictates that one portion of the sample is selected randomly while another is selected based on farm attributes.
- 72. Subcontracted Labor (also ‘contract labor’):** Workers who are subcontracted and employed through a formal third-party employment agency, or as part of an informal work group where workers are paid either through the group leader or the recruitment agent.
- 73. Supplier:** A business entity that enters direct contractual supply agreements with Starbucks Coffee Trading Company to sell green coffee once C.A.F.E. Practices program validity is granted.
- 74. Supply Chain:** The steps and links between coffee production and export, characterizing the production and movement of green coffee among coffee producers, processors, warehouses, and suppliers.
- 75. Threatened Species:** Any species that is endangered or is likely to become endangered within the near future throughout all or a significant portion of its range.
- 76. Tracking System:** A system that ensures that C.A.F.E. Practices coffee is kept separate from non-C.A.F.E. Practices coffee. Coffee sold as C.A.F.E. Practices shall be traceable as coffee that was produced and processed only by entities that are included in the verified application.
- 77. Validity:** A designation granted to an application after a positive verification result. Following an application’s initial verification, a four-year validity is granted, contingent on annual verifications.
- 78. Verification:** The independent evaluation (inspections) and reporting process through which compliance with the C.A.F.E. Practices Standard or Zero-Tolerance Corrective Action Plan is determined. A verification consists of all the required inspections and the related reporting necessary to evaluate an application.
- 79. Verification Organizations (VOs):** An independent third-party organization approved by SCS Global Services to manage and conduct verification activities against the C.A.F.E. Practices Standard.
- 80. Verifier:** The designated representative(s) from a third-party verification organization charged with the tasks of training of inspectors, internal review of reports, and handling communications with SCS and Starbucks.
- a. **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 Operations Manual. Verifiers 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.

- b. **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 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.
- 81. Verifier Guidance Update (VGU):** A document distributed by SCS to provide supplemental guidance to the Operations Manual and updates to program documents and procedures. Once a VGU is released it becomes part of program requirements.
 - 82. Verifier Reporting System (VRS):** The online proprietary reporting system designed for the writing, collection, management, and analysis of all C.A.F.E. Practices inspection and ZT-CAP reports. Please refer to the “C.A.F.E. Practices VRS User Manual” for more information.
 - 83. VRS Review:** The process by which an SCS auditor remotely checks the accuracy and quality of a conducted verification using the online Verifier Reporting System (VRS).
 - 84. Warehouse:** An entity other than processors that stores coffee. Warehouses are only considered a distinct entity if: 1) they are in a separate location from a processor, AND 2) the entity employs workers different than those that work for the processor (i.e., not under the processor’s management).
 - 85. Water body:** Any natural or man-made water body, including ponds, lakes, streams, springs, rivers, wetlands, all kinds of wells, or other areas that ordinarily (permanent) or intermittently (temporary) contain water.
 - a. **Permanent Water Body:** A water body with surface water that persists throughout the year, which is replenished with groundwater and/or precipitation.
 - b. **Temporary Water Body:** A water body, at least 1 meter wide and with water that flows continuously for at least two months in most years, which experiences a recurrent dry phase that is predictable in both its time of onset and duration. Short-lived water bodies (i.e., ephemeral streams) that contain water only after precipitation has fallen are not considered temporary water bodies.
 - 86. Water Stress:** 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.
 - 87. Workers:** Any person carrying out work related to coffee growing, coffee processing, and/or supporting operations, who is either hired directly or indirectly (i.e., through a labor intermediary) in an employment relationship or who engages in community work exchange. Refer to Section 7.5.3 of this manual for further information on workers and worker classification.

- a. **Permanent/Full-Time** workers are those who are employed on an ongoing, year-round basis for the full workday by the entity being inspected.
 - b. **Temporary/Seasonal** workers are those who are employed to work during part of the year. These include workers who work during the harvest months as well as workers who conduct off-harvest activities (e.g., pruning, fertilization, etc.).
 - c. **Young Worker:** A minor between the age of 14, or the legal working age if above 14, and 18 years, engaged in non-hazardous and age-appropriate work in compliance with ILO Conventions.
- 88. Work Plan:** A plan that suppliers will develop upon receipt of a Zero-Tolerance Corrective Action Plan (ZT-CAP) request that details how the supplier plans to address all Non-Comply evaluations of Zero-Tolerance indicators.
- 89. Zero-Tolerance Corrective Action Plan (ZT-CAP) Check:** The independent evaluation and reporting process through which the compliance with Zero-Tolerance Non-Conformities (ZTNCs) and implementation of the Corrective Action Plan are assessed. The ZT-CAP check may be conducted through either an onsite or desk assessment.
- a. **Onsite ZT-CAP Check:** A ZT-CAP check where the verification organization conducts an inspection at either the office and/or field locations of the supplier, as determined by the Corrective Action Plan.
 - b. **Desk ZT-CAP Check:** A ZT-CAP check where the verification organization reviews documentation requested from the supplier remotely.
- 90. Zero-Tolerance Corrective Action Plan (ZT-CAP) Procedure:** The process of initiating and undergoing corrective actions to address all Non-Comply evaluations of Zero-Tolerance indicators identified during a verification. Successful implementation of corrective actions followed by a third party ZT-CAP check is necessary for an application with ZTNC evaluations to be eligible for validity in the C.A.F.E. Practices program.
- 91. Zero-Tolerance Non-Conformities (ZTNCs):** Zero-Tolerance indicators that have received a Non-Comply evaluation and that will need to be corrected through a ZT-CAP process.

4.0 Governance and Responsibilities

- Starbucks is the scheme owner of the C.A.F.E. Practices Standard.
- The Standard is managed and overseen by SCS Global Services (hereafter, “SCS”). SCS trains and approves third-party verification organizations, who verify suppliers participating in C.A.F.E. Practices.
- Verification organizations conducting C.A.F.E. Practices verifications are third-party organizations that are typically regionally based and are familiar with local production and processing practices prevalent in the region in which they operate. More details on the roles and responsibilities of inspectors and verifiers are provided in the “C.A.F.E. Practices Verification Organization Approval Procedure.” Verification organizations shall be responsible for:
 - Managing relationships and communications with clients, SCS, and Starbucks.

- Maintaining the approval and staffing of the verification organization including inspectors responsible for evaluating the compliance of C.A.F.E. Practices applicants and suppliers against the Standard and report the results to Starbucks.
- Ensuring that submitted reports are subjected to internal review for accuracy and consistency.
- Having procedures in place to:
 - plan and schedule verifications.
 - ensure the C.A.F.E. Practices activities are managed competently.
 - ensure C.A.F.E. Practices training occurs among relevant employees/contractors.
 - maintain verification report records, including field notes.
 - monitor and improve verification performance.
 - ensure consistency and quality in C.A.F.E. Practices reports.
- Verifications are conducted by inspectors, who work within verification organizations.
- Applicants are suppliers who have not yet been approved for verification under the Standard.
- Suppliers are potential Starbucks suppliers who have already been approved.

5.0 Overview of C.A.F.E. Practices Verifications

The C.A.F.E. Practices Standard includes 144 specific indicators designed to evaluate economic, social, and environmental conditions, as well as producer support, in a green coffee supply chain over a four-year compliance timeline punctuated by annual verifications. Indicators may be applicable to certain entity types, but not all, and are categorized as either Zero-Tolerance, Major, or Minor.

Compliance with each type of indicator must be achieved over different time periods according to an application's time in the program:

- Zero-Tolerance indicators shall be met by the first verification;
- Major indicators shall be met by the second verification; and
- Minor indicators shall be met by the fourth verification.

5.1 Principles of C.A.F.E. Practices Verification

- **Ethical:** Verifiers and inspectors will faithfully assess coffee supply chains against the C.A.F.E. Practices Standard.
- **Fair:** Verifiers and inspectors will fully and accurately report all findings of verification activities.
- **Objective:** Verifiers and inspectors will be unbiased in their assessment of all entities being verified.
- **Independent:** Verifiers and inspectors will not have any conflicts of interest with any activities or entities being verified.
- **Transparent:** Evidence presented in reports will be verifiable and clear.

5.2 C.A.F.E. Practices Verification Scope

C.A.F.E. Practices verifications assess coffee supply chains from sourcing (i.e., the producers), through processing, to coffee bagging and preparation for export.

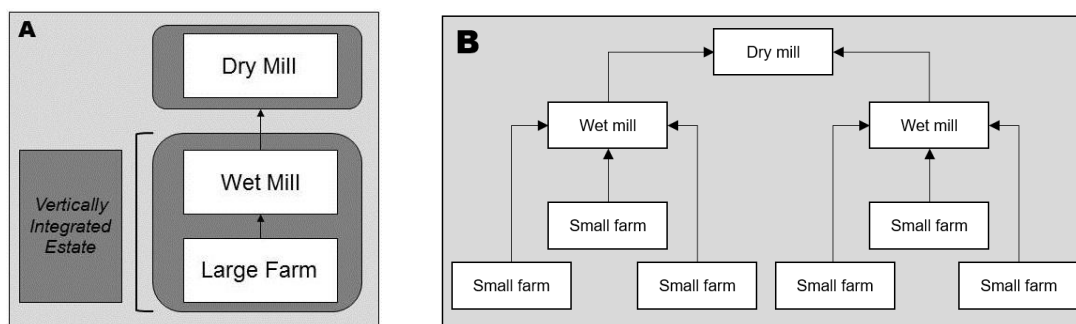
The scope of C.A.F.E. Practices verifications includes coffee production and processing operations, and their supporting activities. For each farm in the program, the entirety of its productive area (i.e., all plots) will fall under the scope of verification and will be classified as C.A.F.E. Practices following application verification and approval.

5.2.1 Entities to be Verified

Regardless of the structure and composition of the supply chain associated with each Starbucks application, the fundamental objective of the C.A.F.E. Practices verification process is to evaluate each entity against all applicable indicators. Supply chain applications seeking verification may be a 'vertically integrated' estate or a small-farm network (Figure 1).

Figure 1: Examples of Starbucks Green Coffee Supply Chains

The two sub-figures illustrate different types of supply chain scenarios, including a vertically integrated estate (Figure 1.A), and small-farm network (Figure 1.B).



The following entities shall be included in the scope of a verification, if applicable: Small Farm, Large Farm, Processor (wet), Processor (dry), Processor (wet/dry), Warehouse, Producer Support Organization. All entities shall be evaluated against the applicable indicators in the Standard. See Section 7.2.3 for a more detailed discussion of sampling methodology.

Note on small farms with onsite mill: In some cases, producers may process their cherry themselves, using community mills. Though technically off-site and removed from the producer's farm, such community mills shall be treated as onsite processors and visited in conjunction with the sampled small farms to evaluate the applicable environmental responsibility indicators.

Note on mills: Mills participating in the C.A.F.E. Practices program shall be defined as wet, dry, or wet/dry based on the definitions presented in the Standard, regardless of whether they use water in their operations or dry coffee, and only the applicable indicators for that mill type shall be assessed.

Other intermediary entities: Supply chain intermediaries that handle coffee in the chain of custody (i.e., collectors/middlemen/points of purchase/collection points), but do not fall under

the definition of one of the entities listed above, shall *always* be considered in the evaluation of traceability in the coffee supply chain application. A representative sample of these entities shall be reviewed during the verification to ensure that adequate documentation, and physical segregation between C.A.F.E. Practices coffee and non-C.A.F.E. Practices coffee shall be maintained at all steps. Verification organizations shall discuss the presence of warehouses or other supply chain intermediaries with their client prior to the verification.

5.3 C.A.F.E. Practices Verification Compliance

5.3.1 Timing and Frequency of Verifications, Validity of Supply Chain Applications

Verifications shall be completed during the same harvest season they were started in, or within a reasonable timeframe afterwards. If a verification has not been started and/or completed within a reasonable time from being claimed (usually, a few months), it may be invalidated, and the applicant may be required to re-apply.

Annual, in-harvest verifications are required for all application types, except warehouse-only applications, which may be conducted off-harvest. Application verifications, therefore, shall be undertaken at any time during the local harvest period, regardless of the application's classification as "new" or "re-verification," and whether a previous validity for the application is still active or has expired.

All entities undergoing verification shall achieve compliance with applicable indicators based on the timeline outlined in the Standard. See the Standard for additional information relating to the transition timeline to Standard V4.

Table 1: Compliance Timeline

Verification Stage	Onsite verification scope	Compliance requirement
Transition Period*	All Zero-Tolerance indicators <i>A gap assessment on all Major and Minor indicators</i>	All Zero-Tolerance indicators
1 st Verification	All Zero-Tolerance and Major indicators <i>Gap assessment against Minor indicators for new applications that did NOT go through the transition period</i>	All Zero-Tolerance indicators <i>Non compliant Major indicators shall be corrected by the second verification</i>
2 nd Verification	All Zero-Tolerance and Major indicators	All Zero-Tolerance and Major indicators

3 rd Verification	All Zero-Tolerance and Minor indicators Selection of Major Indicators (those requiring follow up based on previous verifications)	All Zero-Tolerance and Major indicators <i>Non compliant Minor indicators shall be corrected by the fourth verification.</i>
4 th Verification	All indicators	All indicators

**The transition period for C.A.F.E. Practices Standard V4.0 will run from program launch (April 2025 in Brazil/July 2025 globally) through December 31, 2026.*

If Major indicators are found non compliant during the second verification and/or Minor indicators are found non compliant during the fourth verification, the applicant shall undertake corrective actions and demonstrate compliance through a subsequent follow up verification within a three-month timeframe. Recurring nonconformities on Major indicators found during the third or fourth verification (i.e., Major indicators previously evaluated non compliant that are again evaluated non compliant in the fourth verification) will be escalated to nonconformities on par with Zero-Tolerance nonconformities and result in application suspension until corrective actions have been carried out and compliance demonstrated through a follow up check.

During each verification, all entities in the application (i.e., farms, mills, warehouses, and PSO if a small-farm application) shall be visited and inspected, except for mills and/or warehouses eligible to be copied into the application undergoing verification. A mill or warehouse may be copied from a C.A.F.E. Practices application with existing validity, only if the application's verification stage (i.e., completion of its first, second, third, or fourth verification) matches that of, or is higher than, the application undergoing verification. See Section 7.2.3.2, Sample Intensity of Large Farms, Processors, and Warehouses, below for further information.

Validity: After the first verification and closing of any Zero-Tolerance nonconformities, an application begins a four-year contingent validity period, where annual renewal is required through an annual verification validating continued compliance with the Standard and correction of nonconformities within the established timelines discussed above. If an annual verification is not completed within a 15-month period following the previous year's verification, the application's validity will be revoked.

When the approval status is confirmed, through a letter sent to the supplier indicating the positive verification result, the application shall receive and maintain C.A.F.E. Practices validity. It is important to note that final status and validity are granted/confirmed once final verification reports, including Zero-Tolerance corrections as per ZT-CAP validated by third party verification, have been received and approved by Starbucks.

6.0 Application Structure and Submission

Applicants seeking C.A.F.E. Practices status with Starbucks shall initiate C.A.F.E. Practices verifications by submitting an application to Starbucks, where it is reviewed for eligibility. Applications shall be submitted no earlier than 3 months prior to the beginning of the harvest, and no later than 1 month after the peak of the harvest, in order to allow a timely preparation and administration of the application and verification processes. Applications submitted by

applicants to the C.A.F.E. Practices program shall accurately list all entities taking physical possession of cherry, parchment, and/or green coffee within their supply chain. If the applicant meets the necessary pre-requisites, they are given a unique C.A.F.E. Practices application ID number. Applicants and suppliers are encouraged to conduct self-evaluations prior to proceeding with a verification.

The application process requires the applicant to provide full disclosure of all processors, warehouses, and farms supplying coffee to Starbucks, as well as Producer Support Organizations, when applicable. That is, the applicant shall fully and accurately describe the application(s) associated with the coffee it wishes to sell to Starbucks. In case of already existing applications, prior to the annual verification, the supplier shall confirm the application or update it, if needed, to reflect any changes (e.g., the list of small farms included in the application). Applicants then seek out an approved C.A.F.E. Practices verification organization to conduct the verification, from those listed on the SCS website at: <http://www.scsglobalservices.com/starbucks-cafe-practices>.

6.1 Small-Farm Applications

Small-farm applications shall be organized around the Producer Support Organization (PSO).

In order for the application to be manageable, maintaining applications at a reasonable size allows PSOs to provide oversight over producer networks, assess outreach needs, and maintain a balanced ratio of field staff to producers. Applications with more than seven thousand small farms will generally not be accepted.

The PSO is central for small farms, acting as the key entity that provides support and outreach to the farms within its application. The PSO guides farms on their collective pathway toward compliance with the program's requirements. The PSO consists of one or more persons in regular contact with member producers and has the capacity to implement an Internal Management System (IMS). Each PSO is assigned a unique ID in the supplier application, ensuring accountability and traceability within the program.

PSOs shall be equipped to work directly with the farmers in their application and shall conduct onsite internal inspections for all farms at least once during the validity period. This ensures that all farms in the network receive adequate support and meet program standards.

Applicants with larger networks may distribute PSO responsibilities among management teams to optimize resources. Centralized "parent" offices may handle administrative tasks such as maintaining receipt systems, facilitating grievance mechanisms, and identifying conservation areas. Meanwhile, local teams may focus on direct producer engagement, including trainings, onsite inspections, and follow up on corrective actions. In such cases, each of the local teams would be designated as a single PSO.

Ahead of the annual verification, at the time the application is submitted to Starbucks, the PSO may add new producers to its application. During the verification, this list shall be available for inspection and align with the information provided in the application. Coffee from producers added to the member list after the close of a verification shall be segregated from C.A.F.E. Practices coffee until the following year's verification. It may be provisionally collected as C.A.F.E. Practices coffee but can only be sold as such if the application included all of these new members and the validity of the application was confirmed.

6.2 Large Farm Applications

Each large farm shall be placed in its own application, with exceptions (e.g., multiple large farms under the same management) evaluated on a case-by-case basis. A large-farm application shall not include any small farms.

6.3 Other Types of Applications

Stand-alone mills and warehouses can be evaluated as their own applications, i.e., “mill-only” or “warehouse-only.”

7.0 Verification Activities

7.1 Pre-Onsite Planning

Prior to commencing any onsite inspections, verification organizations shall refer to the pre-on-site planning checklist (see Appendix A) to ensure that they have completed all the necessary steps outlined in the following sections.

7.1.1 C.A.F.E. Practices Verification Resources

C.A.F.E. Practices verifiers and inspectors preparing for onsite verifications shall consider the resources required to fulfill verification obligations, including, but not limited to:

- Financial resources and necessary time to carry out verifications.
- Technical resources to carry out verifications (i.e., telecommunications, computer and internet capabilities, reliable transportation, etc.).
- Personnel qualifications sufficient to ensure that verifier and inspectors possess appropriate skills and training.
- Language skills and literacy levels appropriate for communication during inspections and review of documentation.

7.1.2 Notifying SCS of Planned Verifications

Verification organizations with limited approval shall inform SCS of all planned and potential verifications (regardless of whether a contract has been signed) **as soon as first contact has been made with a supplier about prospective verification work, and before claiming applications in the VRS**, by emailing a completed verification planning template to SCS. If information sent in the planning template changes, verification organizations with limited approval shall send an updated planning template to SCS which reflects the updated planning details, as long as the application has not been claimed yet in the VRS. Once an application has been claimed in the VRS, changes to the verification plan shall be updated in the VRS accordingly.

Verification organizations with provisional or full approval are not required to send SCS a verification planning template proactively but shall send one to SCS upon request **within 5 business days** from the date requested. The verification planning templates shall only include

applications that have not yet been claimed in the VRS at the time that the verifier sends the verification planning template to SCS.

The most up-to-date version of the verification planning template can be found on SCS's website.

7.1.3 Contract Between Verification Organizations and C.A.F.E. Practices Applicants

The costs associated with the verification or re-verification process are borne by the applicant wishing to obtain and maintain status as a supplier under the C.A.F.E. Practices program. As the scope and timing of verifications are always subject to change, verifiers should make sure to account for any unforeseen time and expenses in the contract in order to receive adequate payment for their services.

Once the applicant has received confirmation from Starbucks that their application has been approved and they can undergo the C.A.F.E. Practices verification process, the applicant shall enter into a contractual agreement with an approved verification organization listed on SCS's website. This agreement, based on the understanding of the applicant's application and C.A.F.E. Practices protocols, establishes the scope of the assessment, and specifies the rights and responsibilities of each party. To establish contractual validity, both parties shall sign the contract. The contractual agreement between the verification organization and the applicant shall, at a minimum, include the following information:

- Scope of the verification (including application ID, number of entities of each type, sample required, and number of days).
- Cost of the verification.
- Information disclosure and confidentiality.
- Conflict of interest declarations.
- Clause assuring that verification activities do not guarantee C.A.F.E. Practices status or sale of green coffee to Starbucks.
- Clause assuring that the applicant has the responsibility to fulfill the pre-requisite subjects of Product Quality and Economic Transparency, and that the verifier assumes no liability should the applicant not have done so.
- Any non-compliance ZT issued or missing documentation could increase both time and costs associated with the verification.

7.1.4 Initiating C.A.F.E. Practices Verifications

Verification organizations shall request that their client provide a C.A.F.E. Practices application ID number and security code before initiating verifications. This ID number should be used in all correspondence associated with the respective application. A copy of the First Response Letter that Starbucks sends to applicants once an application has been approved shall be requested by the verification organization to secure this information. The First Response Letter also has two addendums:

1. the non compliant Entity Addendum, which lists any entities included in the application that received Zero-Tolerance evaluations in the previous verification (only applicable in cases of re-verification); and

2. the Mill Addendum, which includes all mills and warehouses in the application with validity that do not need to be visited during the verification, unless requested by the client.

Verifiers shall request a copy of the First Response Letter from the supplier to ensure that ZT non compliant entities are included in the sample and that the appropriate mills and warehouses are included in the scope of the verification. The First Response Letter shall be the *only* reference used to confirm the validity of all mills and warehouses in an application, regardless of whether there are mills and warehouses available to be copied in the VRS.

7.1.5 Determining Feasibility of Verification

Prior to engaging in work on a C.A.F.E. Practices verification, it is essential to determine the feasibility of the project. The following questions should be addressed by verification organizations before undertaking work:

- Has the applicant provided an application ID and security code? Can the application be claimed in the VRS?
- Are the entities included in the verification scope prepared and cooperative? Will all required documentation be available onsite?
- Will in-harvest requirements be met at the time of verification?
- Has the applicant supplied sufficient information for the verification?
- Is sufficient time allocated for the verification?
- Is the supply of coffee traceable and are the reported volumes of coffee realistic?
- Is the application complete and accurate?
- In the case of second, third, or fourth verifications, can the application maintain validity before its license is revoked (15 months following the previous year's verification)?

If the applicant is unable to provide this level of information and disclosure to the verifier, the verification should be re-scheduled until these conditions are met, or a feasible alternative is agreed upon.

7.1.6 Claiming Applications in the VRS

Prior to starting a verification, verifiers shall claim the application in the VRS. Once the application is claimed, and before starting the verification, verifiers shall review the information presented in the VRS to ensure that it matches the original application presented by the applicant and used to plan the verification. In case of any differences, the verifier shall contact the applicant to determine whether changes to the verification plan and contract are needed, or whether any discrepancies should be reported before the verification begins (following the application discrepancy procedure explained in Section 7.2.5). Verifiers should make sure to download the application that is available in the VRS and make sure that it is the one used as reference during the verification. Once the application is claimed, all mill and warehouse validities should be confirmed, and the verification plan adjusted accordingly.

To claim an application in the VRS, verifiers shall enter the security code for the application provided by their client. As part of the process of claiming an application in the VRS, verifiers shall

enter the *planned* verification dates in the application coversheet. The *actual* verification start date shall be entered in the application coversheet once the verification has begun using the opening meeting date, and the *actual* end date shall be entered once the verification has been completed using the closing meeting date. For detailed instructions for claiming an application, please refer to the “VRS Verifier and Inspector User Manual.”

7.1.7 Selecting Inspection Teams

Verification teams shall include inspectors with the skills necessary to evaluate compliance with all C.A.F.E. Practices evaluation indicators across all entity types included in the application, from production to export. Approved verification organizations shall ensure that the inspector or inspection team (depending upon the size of the project), as a whole, is qualified to complete each required inspection, given the scale, intensity, and complexity of the operation. All inspectors shall meet approval standards as described in the “C.A.F.E. Practices Verification Organization Approval Procedure.”

The verification organization shall not assign the same inspector(s) to complete the re-verification of an application for more than two consecutive re-verifications, including those completed by the inspector while working for another verification organization. For example, Inspector A may complete the first and second verifications of an application. Following the completion of the second verification (re-verification) by Inspector A, Inspector B shall complete the subsequent re-verification of that application. After Inspector B completes this re-verification, Inspector A may again conduct the re-verification of that application in the following year. This requirement excludes ZT-CAP checks.

In exceptional cases, where inspector rotation is not possible or feasible, the verification organization shall request an exception, by email, to SCS, and shall provide a justification prior to the start of the re-verification detailing why adherence to the policy is not possible. The justification shall include how the organization will ensure that an impartial and objective verification is conducted. This request shall be made before the verification organization signs the contract with the client and claims the application in the VRS, allowing SCS time to approve or deny the request.

7.1.8 Use of Interpreters

In countries or regions with many different languages or regional dialects, or cases in which inspectors do not speak the native language of a country or region where inspections take place, verifiers shall ensure that appropriate interpretation support is arranged. Verifiers should inform SCS of interpretation support needs in the relevant section of the verification planning template. Verification organizations shall not rely on supplier representatives (e.g., PSO staff) for interpretation support during inspections. Interpreters shall be assessed in advance of a verification for their language abilities, independence, and content knowledge related to coffee farming, processing etc., as well as relevant past professional experience, and their CVs requested. It will not be necessary for SCS to approve interpreters prior to verifications, but the CV or resume of individuals chosen for interpretation support may be requested by SCS at any time. In addition, SCS office audits will include review of the CVs or resumes of any interpreters used by the organization for C.A.F.E. Practices verifications.

7.1.9 Establishing Contact with Entities Being Verified

To conduct verifications in an efficient and cost-effective manner, it is necessary to ensure that the entity being verified is prepared and ready for the verification. In addition, entity management shall also be present during the opening and closing meetings. Transportation needs and all other logistical considerations should be arranged in advance of the verification.

For applications composed of small-farm networks, it is often impossible to contact individual producers in advance of onsite inspections. Where feasible, participating producers should receive advance notice of inspection activities, but this should not restrict inspections. Producers shall be available at the time of the onsite inspection to provide inspectors with the relevant information and access needed to complete the inspection. If producers are not available at the time of inspection, reconfiguring the farm sample to include farms with available producers is essential, while ensuring that farms selected are representative of the supply chain.

7.1.10 Subcontracted Labor

Where subcontracted labor is used in the supply chain, the inspector shall include the external labor intermediary in the scope of the verification. Some examples of subcontracted labor may include security guards, cleaning personnel, bag loaders, and agrochemical application workers. All relevant documentation related to the evaluation of indicators under the Social Responsibility pillar for workers contracted through the external agency shall be requested and made available at the time of inspection. Verifiers shall confirm the presence or absence of labor intermediaries prior to the onsite verification and inform the client that documents from these agencies shall be presented during the onsite inspection. This guidance also applies where workers are organized by any type of labor intermediary, such as labor brokers, or where workers are organized in work teams and receive payments from a team leader. In these cases, the inspector shall confirm whether additional documentation exists at the level of the labor intermediary and include that in the scope of the verification.

7.1.11 Use of Tablet or Paper-Based Field Notes

During the verification planning phase, the inspector shall:

1. Ensure that sufficient field notes are available for the inspection team to conduct the verification, considering possible application discrepancies.
2. Notify the verifier if they are using paper-based field notes or an electronic device to record evidence.

When using computers or tablets as field notes, inspectors shall download and synchronize entities from the application on their computer or tablet using the inspector VRS Reporting Tool before going to the field to ensure that the application has completely transferred to their mobile device.

7.1.12 Planning for Remote and Onsite Document Review

Verifiers shall request documentation ahead of time, for review prior to and/or during the field inspections. A list of indicators that require documentation, along with the documents required by each indicator, can be found in the C.A.F.E. Practices program document “List of Indicators That Require Documentation”.

Before the verification is conducted, the verifier shall provide the supplier with a list of all documentation that will be reviewed before and during onsite inspections. Required documents include both informational documents (e.g., farm management plans, social policies) and records (e.g., payment slips, injury records). **Records shall be reviewed in-person during the onsite visit and cannot be reviewed remotely.**

Remote document review, in which an inspection team reviews select documents prior to onsite entity visits, is available as an option in the verification process (when feasible) and is not mandatory. Furthermore, remote document review shall be agreed to by both the verification organization and supplier representatives ahead of the verification. To determine feasibility of remote document review, the verification organization shall coordinate with supplier representatives to confirm that requested documents are available in digital formats and that both parties have sufficient technological capacity (e.g., internet connectivity) for the materials to be shared and reviewed in a secure way. The verification process begins at the start of the remote document review process.

To maintain data security and information confidentiality, the verification organization shall arrange for the supplier to provide documents through a secure file-sharing platform. Remote document review shall not commence until a contract has been signed and the application has been claimed in the VRS. The verification plan shall specify that any documents requested for remote review that were ultimately not provided shall be made available to inspectors at the time of onsite inspections. In addition, verification organizations shall have a system to record which documents were reviewed remotely.

7.2 Preparing for Onsite Inspection Activities

7.2.1 Preparing the Verification and Inspection Plans

Verifiers or inspectors shall prepare a verification plan before commencing verification activities, to be distributed to both inspectors and representatives from the application undergoing evaluation. Additionally, an inspection plan shall be provided by the inspector conducting the work for each entity that will be visited, providing detailed descriptions of the activities that will take place during the onsite inspections and to help guide the inspectors in the field. Such a plan also serves to inform the entity undergoing inspection of the need to conduct worker interviews, what documents will be reviewed onsite vs. remotely, which areas will be visited, and approximately how much time will be required for each activity.

The verification plan shall provide a summary of all activities that will take place remotely and during the field inspections, including the 'what, when, and where' of all onsite and remote inspection activities. The verification plan shall be given to the client at the onset of the verification process, at the latest, and individual inspection plans shall be distributed during the field inspection activity by the inspectors conducting the work. Verification organizations may choose to develop a list of activities and documents to be reviewed, specific to each entity type (e.g., a template for PSOs, farms, and mills) that will be incorporated into the verification plan sent to the client. The actual length of an inspection depends on the factors that allow the inspection to be conducted fully and to comply with all program requirements (e.g., conditions on the farm, size of the entity, risk areas, number of workers to interview, etc.). These conditions should be reviewed with the supplier during the verification planning stage to establish realistic

verification and inspection times, and to communicate this information in verification and inspection plans.

7.2.2 Application Harvest Requirements

All applications, except for “warehouse-only applications,” shall be verified during harvest.

For large farm applications, for the application to be considered ‘in-harvest,’ the farm and all mill coversheets in the application shall indicate ‘yes’ for ‘Meets in-harvest conditions?’. The harvest classification for warehouses does not affect the overall application harvest classification. In cases where a large farm or standalone mill inspection is planned, but, at the time of the inspection, the in-harvest qualification cannot be met, the inspector shall not conduct the inspection. The inspector shall discuss with the entity representative whether harvest conditions can be met at a later time and postpone the inspection; if this is not possible, the inspector shall remind the entity and supply chain representatives that off-harvest inspections are not accepted and inform the verifier. In the planning phase, verifiers should clearly communicate to suppliers the in-harvest requirement for C.A.F.E. Practices applications and consequences if those conditions are not met.

For applications composed of small farms, the following shall be met, for the application to be considered ‘in-harvest’: at least 50% of sampled farms and all mill coversheets in the application shall indicate ‘yes’ for ‘Meets in-harvest conditions?’. The harvest classification for warehouses does not affect the overall application harvest classification.

7.2.3 Determining Sample Size

Given the size, complexity, and diversity of coffee growing, processing, and exporting operations, a sample-based approach to assessing small farm networks seeking C.A.F.E. Practices status is necessary.

Verifiers and inspectors shall construct stratified semi-random samples of small farms, after obtaining the full list of processors and producers making up the supplier’s application and confirming if any processors or warehouses have validity according to the First Response Letter.

7.2.3.1 Sample Intensity of PSOs

The PSO in the application shall be inspected as part of the C.A.F.E. Practices verification. In the event that the same PSO appears in more than one application, it shall be inspected in each of the applications in which it is listed.

7.2.3.2 Sample Intensity of Large Farms, Processors, and Warehouses

All large farms (≥ 15 ha in productive area) and their corresponding processors included in the application shall be verified in each application.

Annual inspections are required for all standalone processors and warehouses seeking to gain or maintain C.A.F.E. Practices status. As it is common for the same mill or warehouse to be included in more than a single application, mills and/or warehouses may be copied into another application(s) undergoing verification during the same harvest season if these entities have been

successfully verified against the indicators required of the application(s) in question. For example, if Application A is being verified against requirements applicable to the second verification (Zero-Tolerance and Major indicators), a wet mill from Application B may be copied into Application A if Application B has already successfully completed its second verification.

Standalone mills that do not need to be inspected are listed in the Mill Addendum of the First Response Letter. The First Response Letter that was sent from Starbucks to the supplier shall be the *only* reference used to confirm the validity of all mills in an application. For each mill that is included in the application, at least one farm that sends coffee to the mill shall be included in the sample of farms in the verification.

In addition to confirming whether there are mills and warehouses that do not need to be inspected in the First Response Letter, the verifier should also confirm with suppliers if any other verifications are being conducted concurrently to ensure that a mill or warehouse is not inspected twice in the same harvest season. Verification organizations shall confirm the validity of mills and warehouses for each verification separately through the respective First Response Letter and reach out to SCS in cases that need specific confirmation. In cases where a mill/warehouse does not appear in the First Response Letter, but does not need to be inspected due to the availability of an entity report that can be copied, verifiers may request an entity report copy for the entity through the VRS. Please refer to the “VRS Verifier and Inspector User Manual” for additional details on requesting report copies.

7.2.3.3 Sample Intensity of Small Farms

Inspectors shall use a sample-based approach for small farm inspections. The sample intensity for small farms (<15ha in productive area) is 1.5 times the square root of the total number of small farms.

Thus, for small farms $n = 1.5\sqrt{\text{total number of small farms}}$

Note: For the purpose of calculating farm sampling, a sample resulting in a number with 0.1 - 0.4 decimal shall be rounded down, while results with numbers of 0.5 – 0.9 decimals shall be rounded up. For example, a sample calculation resulting in 20.2 farms will round down to a 20-farm sample, and a result of 20.5 will round up to a 21-farm sample.

Example 1:

Supplier A has a total of 502 entities (500 small farms with onsite mills and 2 dry mills) in its C.A.F.E. Practices application. In order to assess Supplier A’s application against the C.A.F.E. Practices Standard, an inspector would:

- 1. Calculate the square root of 500 (22.3), multiply it by 1.5 (33.5), and round up to 34, to get the number of farms to be verified, and*
- 2. Include all dry mills.*

In this case, the inspector would evaluate 34 farms and 2 dry mills.

In the case that inspectors are not able to complete the required sample for reasons outside of their control (e.g., security restrictions), the inspection team shall notify the verifier, and the verifier shall notify SCS immediately with the explanation and evidence of why the sample could not be completed.

There may be cases where inspectors reach a higher sample size than required (e.g., because of application discrepancies). In such cases, verifiers shall complete the inspection reports for all entities inspected and include them in the verification report to the client.

7.2.4 Determining Farms to Visit in Sampled Applications

To maintain the independence of the verification process, the verifier and/or inspector, not the supplier, shall select the farms that will make up the sample. The sample shall be representative of the supplier's C.A.F.E. Practices application. Farms shall be selected using a **stratified semi-random sampling** approach. This approach dictates that one portion of the sample is selected randomly while another is selected based on farm attributes. The attributes used for stratification (listed below) describe different characteristics of farms and are intended to make the portion of the sample that is not randomly selected representative of overall conditions in the application. The attributes used for stratification are:

- **Size:** include a representative number of farms in the stratified portion of the sample with different productive areas, if a large amount of variation exists among farms in the application.
- **Coffee production:** include a representative number of farms in the stratified portion of the sample with different coffee production, if a large amount of variation exists among farms in the application.
- **Topography and water resources:** include a representative number of farms in the stratified portion of the sample that have different topographical features and are adjacent to water bodies.
- **Geographic sub-regions:** include a representative number of farms in the stratified portion of the sample that are located in different geographies within the application.
- **Producer affiliation with mills:** where multiple mills are present in an application, include a representative number of farms in the stratified portion of the sample that are affiliated with each mill: For every mill and warehouse that is part of the C.A.F.E. Practices application, the sample shall include at least one farm that delivers coffee directly to the entity.
- **Use of hired labor:** include a representative number of farms in the stratified portion of the sample that use hired labor.
- **Use of subcontracted labor:** include an adequate representation of farms in the sample that rely on subcontracted labor.
- **Onsite milling:** if an application consists of both small farms with and without onsite mills, the sample shall include both types of small farms, proportionally to the number of farms of each kind included in the application.

It is up to the inspector to determine which attributes should be used to select the sample based on conditions in the field, the degree of variation among farms in the application, and other factors. Additional attributes may be identified, but it is imperative that the portion of the sample not randomly selected shall be representative of farms in the application. Half of the sample may comprise farms randomly selected, while the other half may be composed of farms selected according to the attributes listed above. Regardless of the approach employed, the

sample shall be modified if producers are not available for the farms selected or if farm access is restricted for any reason.

In addition, Starbucks or SCS may at any time request that specific entities are included in the sample.

7.2.4.1 Determining Farms to Visit: Re-verifications

For a re-verification of a sampled network of farms, the sampling percentage split between new farms and those previously verified shall be 85/15. That is, 85% of the current sample shall include farms that have not been previously inspected, and the remaining 15% of the current sample shall include farms that were previously inspected. In the case that there is more than one legacy application, farms may be selected from all legacy applications in order to meet the 15% sampling requirement. This 15% sample shall be selected using a semi-random approach with an emphasis on farms that did not perform well in prior verifications. **In addition, all farms that failed to comply with Zero-Tolerance indicators in the previous verification (that are part of the current application) shall be included *in addition* to the required sample as per the sampling guidelines above,** in order to monitor and track continuous improvement.

Preparation for Re-verification Sampling:

1. As part of the re-verification process, verifiers shall request from their client the First Response Letter sent by Starbucks to the supplier (client), which includes any non compliant (Zero-Tolerance) farms and/or mills or warehouses that do not need to be inspected.
2. If the supplier is unable to provide the First Response Letter, the supplier shall request a copy from Starbucks so they can provide it to the verifier.
3. Once verifiers claim the application in the VRS, they shall review the legacy information in the VRS to 1) confirm that the entities with Zero-Tolerance evaluations match the entities listed in the First Response Letter, and 2) select entities in the current application that were previously sampled in order to meet the 15% re-verification sample rate. Please refer to the “VRS Verifier and Inspector User Manual” for additional details on reviewing legacy information. **If there is a discrepancy between the entities with Zero-Tolerance evaluations identified in the Legacy ID of the VRS and the entities identified in the First Response Letter, the verifier shall contact SCS immediately.**

7.2.5 Application Discrepancies

An application discrepancy is either:

- a difference between information presented in an applicant’s application and the reality in the field or the application as it appears in the VRS, and/or
- any change a supplier needs to make to the application after the verifier has already claimed it in the VRS.

During the verification opening meeting, inspectors should attempt to identify all possible application discrepancies, namely those related to addition or removal of entities and changes in entity types. In some cases, inspectors may need to verify certain discrepancies during the field inspection, before confirming that they are correct.

Depending on the type of discrepancy, the verifier or inspector may need to change the overall sampling of the application, for example when entities are added or removed. **If sampling adjustments are needed, the verifier shall immediately advise inspectors while they are in the field to ensure that inspections are conducted for the correct number and type of entities, based on the updated application, and that sampling requirements are followed.** Inspectors shall always carry additional copies of field notes for different entity types (e.g., small farms, large farms, processors, warehouses) to account for potential discrepancies. If there are questions about discrepancies or how they may affect sampling, the verifier shall immediately contact SCS.

Once all application discrepancies have been compiled for the application, the verifier should send **one email** to the client, copying SCS and Starbucks, explaining the discrepancies found. In the email, the verifier shall include the entity codes of each entity where a discrepancy was discovered, along with a brief explanation. If multiple applications are being verified simultaneously, the verifier should send one email per application. In order to clearly report discrepancies and resolve them quickly, the verifier may use the template provided to verifiers for discrepancy reporting. All discrepancies for an application shall be reported **within 5 business days after the verification closing meeting**, in order to ensure the supplier is informed of any changes required and that applications are updated promptly. Starbucks will then follow up with the supplier to make any necessary adjustments to the application. In some cases, Starbucks may need to issue a new application ID with the correct information included.

Discrepancies related to farm size, farm ownership, production volumes, and other information related to an entity's coversheet, may be updated by the inspectors directly in the VRS, once the discrepancy is reported and the client confirms the changes. Discrepancies related to the 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.

The application discrepancy report email may be sent either while the inspectors are in the field or after the field work has been concluded, and in some cases, the field work may be concluded before the discrepancy is resolved. For that reason, it is essential that the verifier ensures that inspections for any entities affected by the discrepancy be conducted while the inspectors are in the field, in some instances prior to sending the application discrepancy report email. For example, if a mill which was not included in the supplier application is detected during the verification, and the inspector has confirmed that this mill takes possession of C.A.F.E. Practices coffee for the application verified, the mill should be inspected as a precautionary measure while the inspector is still in the field. In addition, the inspector should report the discrepancy as soon as possible to the verifier, in order to add the entity to the application quickly so that the report can be completed.

Inspectors should begin report writing in the VRS while discrepancies are being resolved. Verification reports, however, shall not be submitted to the client until all discrepancies are resolved.

Examples of application discrepancies include, but are not limited to:

- Changes to farm size of 50% or more and those that change the farm type¹⁰
 - Example: the productive area of a farm is different from what was provided in the application and the difference results in the farm changing farm size type:
 - Small farm to large farm, or
 - Large farm to small farm.
 - Example: A farm size changes by 50% or more:
 - A farm that was listed as 60 hectares on the application and is verified as 113 hectares.
- Processing changes
 - Example: the inspector discovers that a farm has wet processing activities onsite when the application listed wet processing at a separate facility.
 - Example: Onsite processing was listed in the application, but farm does not actually mill its own coffee.
- Incorrect entities included in or excluded from the application
 - Example: all the farms in the application are sending coffee to a dry processor not included in the application.
 - Example: a wet processor not included in the application is processing some or all of the coffee included in the application.
 - Example: during document review the inspector finds that a mill receives coffee from farms or mills not included in the C.A.F.E. Practices application and confirms that these entities belong to the supply chain.
 - Example: during a verification, the inspector finds that coffee is being stored at a warehouse on its way to a mill or prior to export. The warehouse was not included in the application.
- Difference between volume listed in application and verified volume during inspections.

Verifiers are required to report a supply chain discrepancy for any entities where a substantial difference is noted between production volume listed in the application and volume verified during the inspection. Inspectors should investigate during the inspection the cause of the difference and include it in their discrepancy report to the verifier.
- Farms included in multiple applications
 - Example: A verification organization discovers farms that are potentially included in more than one application during a verification. Since a farm cannot be included in multiple C.A.F.E. Practices applications, the verification organization should discuss the

¹⁰ Farm size changes of less than 50% (e.g., 8ha to 10ha) that do not change the entity type do not need to be reported as a discrepancy.

circumstances of the farm and the discrepancy with the supplier, to determine whether an inspection is necessary and to determine the details of the discrepancy.

Entities that have been inspected and have been evaluated with ZTNC(s) cannot be removed from the application through the application discrepancy process and will need to have a full report written including the ZTNC(s) found.

7.2.6 Use of Other Certification Protocols

C.A.F.E. Practices verifications may take place in conjunction with other coffee certification programs, but such programs are not substitutes for C.A.F.E. Practices verifications. Verifiers shall ensure that inspectors conducting inspections for a C.A.F.E. Practices verification in conjunction with other certifications complete C.A.F.E. Practices field notes and all verification requirements for each entity inspected. Because there are requirements specific to the C.A.F.E. Practices program for closing meetings, it will be necessary to ensure that the closing meetings for combined certification audits and C.A.F.E. Practices verifications are kept separate in such a way that the specific aspects of each program are discussed and highlighted.

7.3 Verifier Interpretation

Guidance on interpretation of any C.A.F.E. Practices indicator, guideline, or document is provided by SCS as needed. Inspectors should reach out to their verifiers if any questions arise as to how to interpret a scenario for evaluation against the Standard. Verifiers may contact SCS with questions about how to interpret aspects of the C.A.F.E. Practices indicators, procedures, or other relevant issues when guidance cannot be found within program documents. SCS will review questions on an ongoing basis, respond as needed, and determine whether updates to the program and/or guidance are needed. Regardless, verifiers and inspectors are expected to use their qualifications, experience, and program documents to evaluate against the Standard to the best of their ability.

7.4 Conducting Onsite Inspection Activities

7.4.1 Collecting and Verifying Information

During inspections, inspectors shall use the entity-specific paper-based “C.A.F.E. Practices Field Notes” available at <http://www.scsglobalservices.com/starbucks-cafe-practices>, or the electronic version accessed through the inspector account in the VRS. Inspectors shall not use any other format for field notes, including recording verification results in notebooks. All field notes shall contain complete evaluations, with complete coversheet information and qualitative evidence.

Verifiers shall also retain inspector field notes and interview records as well as any supplemental notes or materials employed by the inspector during the inspection in their respective offices as part of the record of the verification. All field notes, paper or electronic, shall be reviewed by the verifiers as part of the internal report review process, to ensure accuracy with information entered into the VRS.

7.4.2 Roles and Responsibilities of Guides and Observers

Guides and observers designated by the entity undergoing inspection are permitted, but they shall not participate in worker interviews or dictate the terms of the inspection. Inspectors shall refrain from sharing specific information on indicator evaluations with guides and observers and make the terms of their participation clear during both verification and inspection opening meetings.

Types of Observers:

- Inspectors in Training
- Verifiers and Lead Inspectors conducting internal shadow audits
- Interpreters
- Entity Representatives
- Farmer's Support Center (FSC)
- Starbucks Representatives

For more information on observers, refer to the program document, "Roles and Responsibilities of Observers in C.A.F.E. Practices verifications and audits."

7.4.3 Opening Meetings

Opening meetings shall be conducted both at the onset of the verification (verification opening meeting) as well as at the start of each onsite entity inspection (inspection opening meeting). Opening meetings allow the inspection team to set expectations, to provide a timeline for verification and reporting efforts, to further explain the verification plan and approach, and to answer initial questions.

Verification Opening Meeting

During the verification opening meeting, the inspection team shall cover the following topics with supply chain representatives from the application(s) undergoing verification:

- ✓ Introductions
- ✓ Purpose of the verification
- ✓ Confidentiality policy
- ✓ The verification plan and timeline, including reporting timeline
- ✓ Farm sampling selection, if applicable
- ✓ Application review and Application Discrepancies, if applicable
- ✓ Information in the First Response Letter relevant to carrying out the verification (e.g., details of the non-compliant Entity Addendum)
- ✓ Roles of guides and observers
- ✓ Policy prohibiting the inspection team from giving recommendations
- ✓ Conditions needed to satisfy in-harvest requirements
- ✓ Documentation that will be reviewed during the course of the verification

- ✓ Early ZT Notification and ZT-CAP procedure overview
- ✓ Appeals and dispute procedure
- ✓ Opportunity for supply chain representatives to ask questions

Inspection Opening Meeting

During each inspection opening meeting, the inspection team shall cover the following topics with entity representatives:

- ✓ Inspection team introductions
- ✓ Purpose of the verification
- ✓ Confidentiality policy
- ✓ Roles of guides and observers
- ✓ Policy prohibiting the inspection team from giving recommendations
- ✓ Photography authorization
- ✓ Confirmation that the entity type is correct
- ✓ Review of entity map and areas to visit during the inspection (not applicable for PSOs)
- ✓ The inspection plan
- ✓ Documentation that will be reviewed during the course of the inspection
- ✓ Worker interviews required and the need to conduct them in private (not applicable for PSOs)
- ✓ Early ZT Notification and ZT-CAP procedure overview
- ✓ Opportunity for entity representatives to ask questions

Throughout the inspection, inspectors shall request permission to gather photographic evidence of documents or observations as supporting evidence for indicator evaluations or coversheet data. The inspector(s) shall make clear that photographic evidence may be uploaded as part of the final report but will be kept confidential.

The inspector may begin collecting relevant coversheet information discussed during the opening meeting, such as farm size and number of workers. The full list of topics, as well as an opportunity for the entity representatives to ask questions, shall be addressed in order to conclude the opening meeting and officially beginning the inspection.

7.5 Coversheet Data Collection

Coversheet information shall 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 (e.g., the existence of worker housing, the number of water bodies). Updates to the information recorded in the coversheet may be necessary during the inspection if new information is obtained.

7.5.1 Farm Plot Information

For all inspected farms, inspectors must confirm the number of farm plots. To do so, inspectors must verify that the plots registered in the application capture the entirety of the farm's productive area. If an inspector identifies a discrepancy in the number of plots during the inspection, they shall inform the supplier/supplier representative during the entity closing meeting and inform their verifier so that the discrepancy is included in the verifier's application discrepancy communication. Inspectors should not raise plot number discrepancies due to minor differences in interpretations of what constitutes plot boundaries (e.g., whether a row of shade trees runs between two sites of coffee production), as long as the entire productive area can be accounted for.

If the VRS detects a mismatch between the supplier and inspector-provided data on the number of entity plots, a red bullseye discrepancy icon will appear on the affected farm entity from the verifier's interface. The verifier will also receive an application-level blocker if they attempt to create the final verification report before resolving all plot discrepancies.

If a plot discrepancy occurs that was not identified in the field, the verifier shall first return the report(s) to the inspector to verify the accuracy of their information. The inspector shall review and update the information as needed and resubmit the report(s) to the verifier. If the inspector's updated information matches the supplier's information, the discrepancy icon and application-level blocker will be removed from the VRS. If the discrepancy remains after the inspector confirms the information is accurate, the verifier shall notify the supplier through the application discrepancy process outlined in Section 7.2.5

7.5.2 Identifying High Risk Areas

In the case of sizeable properties, it may not be feasible to review the entire farm area during the inspection. For this reason, the inspector shall select high risk/high value areas as part of the inspection process. The specific quantity and quality of areas selected for visual inspection should be representative of conditions present in the overall farm. This approach should also be taken when farms of any size consist of multiple plots. When it is not possible to visit all farm plots, inspectors shall select high-risk/high-value areas to visit as a minimum. This includes high-risk areas related to social responsibility (worker housing, toilets, etc.) as well as environmental responsibility (water bodies, areas with high slopes, etc.). Inspectors shall visit as many areas as possible in order to evaluate all indicators thoroughly.

7.5.3 Worker Classifications

Inspectors shall define and classify workers based on the worker classifications used by C.A.F.E. Practices, regardless of country-specific legislation pertaining to classifying workers. This will ensure that workers are consistently classified, and applications are accurately evaluated across different regions and countries where the program is currently operating.

For integrated estates, workers shall be separated between the farm and the mill to avoid "double counting." The worker numbers shall be divided between the farm or mill field notes coversheets, based on the duties of workers during harvest time when the wet mill is operational. If a worker has duties at both the farm and at the mill, the inspector shall only count the worker once and include the worker in the coversheet for one entity based on where most of

the worker's time is spent. For example, an integrated estate employs a total of 50 workers. Ten of those workers usually work at the wet mill during harvest, and the rest work on the farm. In this example, the inspector shall record 10 mill workers on the wet mill coversheet and 40 workers on the farm coversheet.

7.5.4 Qualifying Entities and Applications as Inspected in Harvest

All applications, except for warehouse-only applications, are required to be verified in harvest. In-harvest qualification at the application level requires inspectors to accurately document whether the adequate number of entities were 'Inspected during Harvest' (see application-level qualification guidance below). This qualification is made in the coversheet of the field notes and report for each entity inspected. Thus, it is critical that verifiers and inspectors understand the following steps necessary to qualify entities as inspected during harvest.

Entity Level Qualification

For large farms ($\geq 15ha$), the inspector shall select 'Yes' on the coversheet in the field notes and the VRS for 'Inspected during Harvest' if ripe or ripening cherries are observed on the farm **AND at least** 15% of the total number of workers, including permanent and temporary workers, are present on the day of the inspection. The total number of workers is defined as the total number of workers employed during an entire calendar year or an equivalent 12-month period. During the farm inspection, the inspector shall conduct interviews with 15% of the workers. If this number is fewer than three, a minimum of three workers shall be present and available for interviews.

For small farms ($< 15ha$) with onsite milling, the inspector shall select 'Yes' on the coversheet in the field notes and the VRS for 'Inspected during Harvest' if ripe or ripening cherries are observed at the time of inspection, **AND** if it can be demonstrated that machinery (e.g., depulpers, washers, fermentation tanks, mechanical dryers, water treatment systems) has been operated at least once during the current harvest period.

For small farms ($< 15ha$), the inspector shall select 'Yes' on the coversheet in the field notes and the VRS for 'Inspected during Harvest' if ripe or ripening cherries are observed at the time of inspection.

For wet processors, the inspector shall select 'Yes' on the coversheet in the field notes and the VRS for 'Inspected during Harvest' if it is demonstrated through visual, interview, and documented evidence that machinery (e.g., depulpers, washers, fermentation tanks, mechanical dryers, water treatment systems) is operating or has been operating within one week preceding the inspection date.

For dry processors and warehouses, the inspector shall select 'Yes' on the coversheet in the field notes and the VRS for 'Inspected during Harvest' if at least 50% of the total number of workers, including permanent and temporary workers are present on the day of the inspection. The total number of workers is defined as the total number of workers employed in the course of an entire calendar year or an equivalent 12-month period.

For processors that are classified as wet and dry, the qualifications for wet as well as dry processors need to be met.

Application Level Qualification

See section 7.2.2 for requirements on classifying the application as “in-harvest.”

When scheduling verifications, verifiers are asked to confirm with the supplier the harvest status of all entities, and the consequences of an off-harvest verification. A single standalone mill that is considered as “off-harvest” will cause a whole application to be “off-harvest.” Note that in some cases, the dry mill(s) in an application will only begin operating near the end of harvesting activities on farms. Verifiers should ensure that their planning considers cases where a dry mill is operational near the end or after harvesting activities on farms in the application.

7.5.5 Volume Reporting and Confirmation

As part of the collection of coversheet information in the field notes, **inspectors shall report the total amount of coffee produced, processed, or stored during the latest completed harvest year for each farm, processor, or warehouse inspected. This coffee volume shall be reported either in the form of green, parchment, natural/sun-dried, or cherry.** For farms, inspectors should also complete the volumes for the two years prior to the most recent completed harvest. For inspections occurring mid-way through the harvest and/or processing season, coversheets will not include the current harvest production. While the data for the year of the most recently completed harvest is required, inspectors may select that the data is “Not Available” for prior years if they do not have access to this information or if the information is unreliable. If the inspectors select “Not Available,” they shall include an explanation of why the information was unavailable in the field notes and VRS. Where applicable, local unit volume amounts (quintal/kg/lbs. etc.) shall be recorded in the entity coversheet for future reference.

Mill and warehouse processing and storage volumes are recorded for the last completed harvest only. The total volume processed/stored is recorded, along with the entity’s capacity and specific C.A.F.E. Practices volume. All fields need to be completed, even if the data is the same for all three. In cases where entities are new to the C.A.F.E. Practices program or do not keep records of C.A.F.E. Practices volumes, and the specific C.A.F.E. Practices volume cannot be determined, inspectors may select that the data is “Not Available.” If the inspectors select “Not Available,” they shall include an explanation of why the information was unavailable in the field notes and VRS.

Inspectors shall also critically review the total volumes of coffee produced and processed as part of the field inspection, taking into consideration the productive area of a farm or the capacity of a processor or warehouse. During the entity coversheet data collection, inspectors shall review and compare the production or processing volumes from the original Starbucks application with the volumes reported by producers and mill representatives to confirm whether there are any differences in the data, to allow producers and mill representatives to provide explanations for the differences, and to later confirm the data during the field observations. This review and confirmation of expected volumes may involve performing conversion calculations between green coffee and cherry. As part of the internal report review process, verifiers should also confirm that the volume data recorded by inspectors is accurate using up-to-date production data for each region and country where verifications are taking place.

Coffee production, processing, and stored volume information on entity coversheets in the VRS are automatically populated by the information included in the supplier application (if available). **Inspectors shall verify the production, processing or stored volume for each entity inspected, and enter the verified volumes in the entity coversheet in the VRS.** Where significant discrepancies occur between the field observations and the supplier application, the verifier shall follow the application discrepancy procedure explained in Section 7.2.5.

Verifiers shall confirm with inspectors that volumes were discussed during the closing meeting. In addition, 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. This practice informs Starbucks of any issues that may affect the entered volumes for entities and allows for any necessary communications with suppliers on the matter.

7.5.6 Coffee Flows in the VRS

Inspectors are required to enter information about coffee flows (i.e., information regarding where and by whom the C.A.F.E. Practices coffee is processed) when collecting information during onsite inspections to complete reports in the VRS. 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. All volumes are reported as **volume of green coffee**, regardless of whether the flow actually represents cherry or parchment coffee. It is crucial that inspectors cross check the coffee flows reported between entities. Reviewing ledgers and receipts is a highly useful tool in determining accurate flows. While the VRS automatically calculates the volume of each flow based on the farm production volumes entered on the entity coversheet, inspectors may need to edit the flows based on information observed during the field visit. Note that the VRS will automatically convert volumes from kilograms to pounds or vice versa and in some cases will display volumes in pounds (e.g., display of flows in supply chain overview). Verifiers should keep this information in mind when conducting internal reviews. The inspector and verifier need to assign flows (inbound, outbound, or both) to all entities in the sample, including those with copied reports from other applications, in the VRS.

In the case that an entity also sends coffee to a mill or warehouse outside of the C.A.F.E. Practices supply chain (i.e., to a non C.A.F.E. Practices supplier), inspectors are required to enter the outflow information in the coversheet of the entity. Farms, mills, and warehouses shall send at least a portion of their coffee to another entity included in the C.A.F.E. Practices application to be considered part of the application. If the entity is newly engaged with the C.A.F.E. Practices supplier and has not delivered coffee to them or their designated mills or warehouses prior to the inspection, the inspector shall clarify the designated mill(s) or warehouse(s) within the C.A.F.E. Practices application that will receive at least a portion of their coffee. In cases where an inspector finds that an entity does not send coffee to any other entity included in the C.A.F.E. Practices application or is unable to specify the designated entity/entities within the application responsible for receiving at least a portion of their coffee, the inspector needs to consider the situation as an application discrepancy and follow the procedure in Section 7.2.5.

7.5.7 Evaluation of Farms with both Arabica and Robusta Coffee

The determination of **total hectares of coffee production** (“total productive area”) at a mixed Arabica and Robusta farm will depend on whether the Arabica and Robusta plants are either

interspersed with one another or separated and planted in distinct areas on the farm. The guidance for mixed Arabica and Robusta farms follows the general guidance in the C.A.F.E. Practices program for farms where there is intercropping. At a farm where there are other species that are very well integrated (e.g., every other row), then the productive area includes both the coffee plants and the intercropped plants. However, if the area of the farm with Arabica is clearly demarcated from Robusta or other crops, then only the Arabica area needs to be considered for the total productive area. The determination of “very well integrated” will need to be made on a case-by-case basis by the inspector. In the case of mixed Arabica and Robusta farms, the total productive area would include both species if the two are interspersed throughout the farm and there is no clear separation between them. Similarly, the total productive area could include other crops besides coffee if the farm were closely intercropped between Arabica coffee and another crop plant (e.g., chili pepper; corn).

The **total production volume** that is recorded in the coversheet information for the farm shall only include the volume of Arabica produced by that farm. Robusta volume shall not be included in the coversheet. However, a comment should be added in the coversheet to indicate the presence of Robusta. If producers are unable to distinguish volumes of Arabica and Robusta, the inspector will need to determine the percentage that is planted with Arabica and calculate the approximate volume from total coffee produced by the farm in order to determine the volume to enter in the farm field notes coversheet.

7.5.8 Additional Coversheet Fields for Farms and Processors

Inspectors are required to collect information about several aspects of farms on the field note coversheets, including information on the number of minors living onsite at the time of inspection and other certifications.

Inspectors conducting C.A.F.E. Practices verifications in El Salvador, Guatemala, and Mexico, will likely encounter farms that form part of Starbucks’ 100 Million Trees Program. Farms participating in this program are indicated in the VRS and will require additional information on the coversheet. The additional questions are to be found on the SCS website, and the format is intended to complement the field notes.

The processor coversheet includes a section to specify products that are processed at the mill other than coffee (e.g., cinnamon, cocoa). Inspectors are required to specify if other products are handled or processed at the mill and identify the types of products.

7.6 Conducting Document Review

During each onsite inspection, inspectors shall:

- Review the list of requested documents during the opening meeting;
- Summarize which of those documents, if any, were reviewed remotely, prior to the onsite inspection;
- Request specific records, which include semi-randomly selected examples, both to ensure records are not hand-picked by management and to cross check information obtained during remote document review (if carried out), details received during interviews with workers, as well as onsite observations.

During the closing meeting of the verification, inspectors shall confirm whether any requested documentation was ultimately not made available for inspection.

7.7 Interviews

7.7.1 Sample Size for Interviews

Inspectors shall interview 15% of the total number of entity workers, when workers are present during the entity inspection. Where 15% of the total number of workers is more than 25, inspectors should limit their interview sample to a maximum of 25. Where 15% of the total number of workers is less than three, inspectors shall increase their interview sample to reach a minimum of three workers. Increasing the worker interview sample size to include more workers is often necessary if interviews consistently reveal conflicting information.

To calculate the sample based on total workers, multiply the total number of entity workers by 15%. The total number of workers is defined as the total number of workers employed in course of an entire calendar year, or an equivalent 12-month period. Multiplying the total number of workers employed at the entity by 15% will determine the total number of worker interviews required for a given inspection.

Example: Large farm A has:

- 15 Permanent/full-time workers who work 6 days/week, 12 months/year and receive 21 vacation/holiday days
- 105 Temporary workers
 - 80 hand pickers (Group A) work 6 days/week for 3 months/year
 - 25 hand pickers (Group B) work 6 days/week for 1 month/year

Total workers: 120

Sample calculated by total workers: $120 * .15 (15\%) = 18$

On integrated estates, the inspection team shall ensure that the required worker interview sample is reached for **both** the farm and the processor.

Using the same example as above: Large farm A has an integrated wet processor, Mill A, where there are:

- 5 Permanent/full-time workers who work 6 days/week, 12 months/year and receive 21 vacation/holiday days
- 10 Temporary workers who hand sort parchment during harvest.

Total workers: 15

Sample calculated by total workers: $15 * .15$ (15%) = 2.25 --> 3 workers shall be interviewed at the wet processor.

Thus, in the example provided, the inspection team will interview 18 workers on Large farm A and 3 workers at Mill A during the inspection, for a total of 22 worker interviews combined.

Note: when calculating worker interview samples, fractions shall always be rounded up to the closest whole number.

In the event that the evidence for the evaluation of a Zero-Tolerance indicator is inconclusive, the inspector shall take an additional sample of 10% of the total workers in order to confirm and support the evaluation of the Zero-Tolerance indicator. The information from the additional worker interviews shall be entered as qualitative evidence in the VRS. The purpose of increasing the sample size is to establish whether incidences of non-compliance are common practices or are isolated circumstances, particularly regarding minimum wage evaluations. This process shall be documented in the qualitative evidence field for the relevant indicator in the report.

It is also necessary to stratify the interviews across different worker classifications and job descriptions, so that the information gathered is representative of the overall operation. The sampling methodology for selecting workers to interview usually begins during the document review stage, in which the total number of workers, their job descriptions, and the sample to be interviewed can be determined.

7.7.2 Approach for Worker Interviews

Workers can become apprehensive when being interviewed and inspectors should be sensitive to this. For this reason, **workers shall never be interviewed in the presence of management** and, ideally, not in the presence of their co-workers. Workers need to be interviewed in a neutral location providing privacy, where the worker feels comfortable. If the privacy of the interview becomes compromised at any point, the inspector shall end the interview. Inspectors should approach workers first by introducing themselves and explaining why they are gathering information. In addition, inspectors shall mention to interviewees that all information collected during worker interviews will be kept confidential.

Interviews are voluntary. An interviewee may decline to participate in the interview at any point. If an interview was not completed, it shall not be counted as part of the sample. If many workers decline to participate in interviews, the inspector(s) should take note for further investigation. The interviewer shall treat each interviewee with respect, avoiding offensive language and thanking interviewees for their time at the close of the interview.

Interviews shall be performed in a language suitable for interviewees to understand. The language or dialect of workers shall be confirmed with suppliers in the verification planning stage, to determine whether interpreters are required. Additionally, female inspectors should interview female workers on topics of harassment and discrimination, when possible.

The inspector shall write down the worker's name and position as well as the results of the interview, as information concerning payments and working hours can then be discreetly crosschecked on the payment register prior to the closing meeting. **The names of interviewed workers shall never be shared with management, and worker names shall never be included in**

the qualitative evidence in the VRS. Quantitative evidence entry in the VRS does require entry of workers' names, but names of individual workers entered in the worker interview record in the VRS are not included in the report shared with suppliers, SCS or Starbucks.

Inspectors should have the list of topics to be covered in worker interviews but should not be continuously writing during the interview, as this practice can make interviewees nervous and could bias responses.

During inspections of large operations for which the maximum of 25 worker interviews applies, conducting group interviews in addition to individual interviews may be necessary to meet the interview sample. Additionally, where there are significant time limitations due to unforeseen circumstances (e.g., travel delays, poor weather conditions, etc.) group interviews may be combined with individual interviews to meet the 15% sample. **Inspectors shall not rely solely on group interviews to meet the overall sample.**

When conducting group interviews, inspectors shall limit the interviews to five workers or fewer in each interview group. Similar to individual interviews, all necessary information (i.e., names, worker classification, etc.) shall be collected for each individual and all interviews shall be conducted in private and never in the presence of management. Although the overall interview sample of the entity shall be stratified so that the information gathered is representative of the overall operation, groups should comprise workers with similar job descriptions to avoid sharing sensitive information (e.g., wage payments) across different worker types.

As with individual interviews, the inspector should take an "exploratory" rather than "investigative" approach in the interview and always begin the interview with open-ended, exploratory questions in order to broadly assess the situation. Leading questions¹¹ should always be avoided. Close-ended ("yes/no") questions should only be used to confirm specific facts after exploratory questions have provided a clear and unbiased description of the conditions at the farm or mill.

When conducting a group interview, the inspector should attempt to engage workers individually during each question to ensure that all workers have a chance to respond and to prevent any individual worker from dominating the conversation. If the inspector finds that there is one worker answering all of the questions, the inspector should make an effort to solicit responses from other workers. If the inspector is not able to attain full participation from the group, the interview should be ended, and the inspector should either attempt to form a new group or pursue individual interviews.

7.8 Evaluation of Entities Against the C.A.F.E. Practices Standard

Unless otherwise specified within the indicator itself or in the Indicator Guidance Document, the evaluation of new applications in the program (as opposed to re-verifications) shall be done by verifying information as far back in time as the date the First Response Letter was issued. For re-verifications, the entities shall be evaluated for indicator compliance since the time of the last verification (unless otherwise noted). The following are the pillars that structure the Standard. For the complete list of indicators, refer to the "C.A.F.E. Practices Standard."

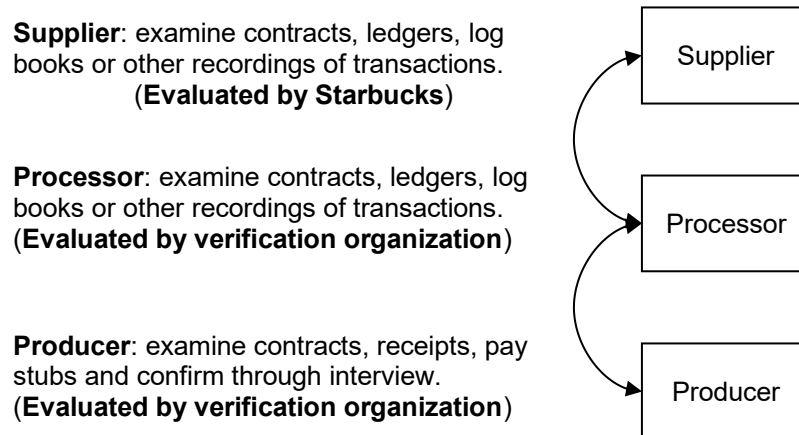
¹¹ A leading question is a type of question that prompts a respondent towards a pre-determined answer. This type of question is suggestive, as it is framed in such a way that it implies or points to a particular answer.

7.8.1 Economic Accountability

Inspectors shall review information documenting a system of payments during their inspection. The information observed will be selected from the same entities as those visited for inspection. As the information reviewed is sensitive, inspectors should remind clients that it will be treated confidentially.

Figure 4 below provides some guidance on documents to review at each step in the supplier application.

Figure 4: Documenting a System of Payments in Supplier Application



The documents requested during document review can provide evidence to enable assessment of this pillar.

7.8.2 Social Responsibility

The assessment of Social Responsibility indicators shall be conducted using a combination of the three following methods:

- Worker interviews
 - Interviews with workers are essential to discern compliance with the Social Responsibility pillar of C.A.F.E. Practices.
- Document review:
 - For some indicators, documentation is required in order to evaluate an indicator compliant.
 - Documentation alone is usually not sufficient to fully justify an evaluation compliant, and additional sources of evidence are often required. For example, an entity that has a written policy on non-discrimination but at which discriminatory practices are observed shall not be evaluated compliant based on the existence of documentation alone. Inspectors shall always ensure that evidence is corroborated through observation and worker interviews.
- Direct observation

- Observations play a key role in verifying documented evidence, for example verifying whether underage workers are present.
- When an entity provides worker housing, the inspector shall visit the housing in order to evaluate the corresponding indicators. In the case that there are multiple worker housing units on the entity, the inspector shall determine a representative sample of units to visit and record the number of existing and visited units as part of their quantitative evidence.

7.8.3 Environmental Responsibility – Coffee Growing

First and foremost, the inspector shall always review a map of the farm if one exists, and if not, the inspector should ask the farm manager to draw a map to identify areas such as watercourses, steep slopes, recently deforested and/or planted areas, and areas of the farm where workers might be found during the inspection. This allows the inspector to set the agenda, identifying the specific areas to be visited during the field inspection.

A good approach to an assessment of a large farm is to start with a map review and then proceed with a perimeter drive around the property with farm management, stopping to review high-risk areas. For a small farm, the inspector should attempt to walk the boundaries of the farm. Reviewing the overall property gives the inspector a better idea of the general farm conditions and will help to further identify key areas that might require closer examination.

Inspectors should lead the inspection effort while accompanied by a guide or observer, or, if evaluating the farming operations, in the presence of farm management. Inspectors should take the time to make observations independently of farm management. For example, stopping a perimeter drive to walk off the road through a high impact area such as a plot with very steep slopes helps generate observations for the inspector and will result in a stronger inspection, by revealing information that might not otherwise be available (e.g., presence or absence of erosion controls, careful placing of physical barriers to prevent erosion, etc.).

The assessment of Environmental Responsibility – Coffee Growing should be conducted using a combination of the three following methods:

- Worker interviews
 - Interviews with farm workers are essential to discern compliance with many of this pillar’s indicators, particularly those related to use of agrochemicals, farm management and monitoring, impact from cultivation practices, and knowledge of areas at risk of erosion.
- Document review
 - Some documents requested during document review can provide evidence relevant for this pillar’s indicator evaluation.
- Direct Observation
 - Observations play the most critical role in verifying compliance with this pillar’s indicators, specifically when evaluating water body buffer zones, soil management practices, measures to prohibit hunting of wildlife and/or collection of plants, and the

safe handling of agrochemicals. It is critical that inspectors walk the farm premises and note their observations accordingly in their field notes.

- While documentation and interviews are important components of the inspection process, they shall be supported through actual inspector observations. Inspectors should visit as much of the productive area as possible, as well as areas designated for conservation. When agrochemicals are used on the farm, the inspector shall visit all agrochemical storage sites. On large farms, inspectors should focus on high-risk areas (i.e., newly planted areas of the farm, high slope areas, water bodies, etc.). A comprehensive onsite inspection is essential to assuring credibility of submitted C.A.F.E. Practices reports.

7.8.4 Environmental Responsibility – Coffee Processing

The assessment of Environmental Responsibility – Coffee Processing should be conducted using a combination of the following three methods:

- Worker interviews
 - Interviews with mill workers and management are essential to discern compliance with many of this pillar's indicators, particularly those related to waste management practices.
- Document review
 - The documents requested during document review can provide evidence for the Environmental Responsibility – Coffee Processing indicator evaluations where documentation is required, such as wastewater testing.
- Direct Observation
 - Observations play the most critical role in verifying compliance with Environmental Responsibility – Coffee Processing indicators, specifically when evaluating the environmental impact of wastes generated from milling operations on the surrounding area, including water bodies. The inspector should observe the entire milling operation from the point where either cherry or parchment coffee enters the operation, to the points where finished product and wastes exit the operation, respectively.

There is a wide variety of processing coffee methods. In some countries and regions, small producers independently remove the pulp and mucilage from the coffee cherry, then transport the wet parchment to suppliers for drying, then dry milling. In other places, producers sell coffee cherry to specialized wet mills that solely process cherry. Regardless of the type and method of processing the coffee, C.A.F.E. Practices requires a full assessment of coffee processing.

As coffee processors are intensive operations, the entire processing facility shall be visited as a matter of course during inspection. Site maps may provide an overview of the facilities and surrounding area, but, in the absence of such documentation, inspectors should always make an effort to identify where wastewater is discharged and to visit these areas, paying particular attention to potential impacts on surrounding water bodies in cases where mills are adjacent to rivers and streams.

A full assessment of coffee processing includes evaluating the product traceability system of mill facilities. The traceability system requires that C.A.F.E. Practices coffee be kept separate from non-C.A.F.E. Practices coffee. Coffee sold as C.A.F.E. Practices shall be traceable as coffee that was produced and processed by entities that are included in the verified application. A mass balance system for tracking the coffee, which equates total C.A.F.E. Practices received to total C.A.F.E. Practices coffee delivered, while allowing for mixing of coffee from C.A.F.E. Practices verified sources with other sources is not acceptable.

7.8.5 Assessment of Producer Support Organizations

Verifications of small-farm applications should begin with the PSO inspection. By initiating the verification with the PSO inspection, inspectors will be able to gather information that can be verified during subsequent visits to farms and mills in the application. The small-farm field notes include a final page with questions that are specifically related to PSO support for producers. Inspectors shall complete these questions. Based on this requirement, evaluations of indicators in the PSO field notes cannot be completed until inspectors have reviewed the information gathered during small farm inspections. Inspectors shall prepare to revisit indicators in the PSO field notes during the verification to verify and supplement evidence based on the information obtained during small farm inspections. In particular, information related to producer support and trainings and successful implementation of the IMS shall be verified through producer interviews and should be considered throughout the verification. When inspectors evaluate indicator nonconformities on small farms, they shall further assess whether the causes of the nonconformities are confined to the entities concerned or owed additionally to nonconforming IMS indicators. Since PSO indicator evaluations shall be deferred until all onsite visits to small farms have been carried out, the entity closing meeting shall occur after this time.

In some cases, suppliers may distribute the responsibilities for fulfilling required PSO practices among different management groups to optimize resources—namely, allocating work between centralized "parent" offices (e.g., within an exporter's main offices) and local "branch" teams in greater proximity to producers. It is, nevertheless, critical that verification organization inspectors are able to evaluate the entire set of PSO requirements during the verification. Thus, any records and documents developed and/or maintained through the "parent" offices (e.g., soil management plans) shall be available during the PSO verification for inspection.

In certain cases, an application might incorporate collectors. Collectors are individuals or farmers within a supply chain that aggregate coffee from farmers in the application before delivering it to a mill. If collectors exist in the application, they shall be considered part of the scope of the C.A.F.E. Practices verification for the purposes of evaluating PSO traceability requirements.

7.8.6 Evaluating Zero-Tolerance Indicators

Given the consequences associated with non compliant Zero-Tolerance indicators, inspectors shall justify their evaluations through the use of detailed and comprehensive evidence. At a minimum, supporting evidence should include the source(s) of the evidence (e.g., document review, worker interviews, observation.) and reference to relevant legal requirements, where applicable. In addition, inspectors should explain the extent of non-compliance with the Zero-

Tolerance indicator(s), and any other contextual information, as relevant to understanding the documented findings.

Specific evidence shall be included when evaluating Zero-Tolerance indicators. This specific information will allow the producer, supplier, verifier, SCS, and Starbucks to better understand the circumstances associated with the non compliant evaluation for these indicators, and to address them using appropriate corrective actions. The program document, C.A.F.E. Practices Indicator Guidance Reference, details the minimum evidence required for evaluation of Zero-Tolerance indicators.

In the case of non-compliance with Zero-Tolerance indicators, suppliers have the opportunity to correct the non-compliances at the entity level through the ZT-CAP procedure, to be eligible for the C.A.F.E. Practices program (See Section 10 and the C.A.F.E. Practices ZT-CAP Manual).

7.9 Closing Meeting

Inspectors are required to conduct a closing meeting at the end of each entity inspection, as well as at the end of the verification. Closing meetings provide inspectors opportunities to discuss the verification findings. Before discussing the findings, inspectors shall mention that they cannot provide any recommendations to the client. **Inspectors shall emphasize that findings presented during the closing meeting are preliminary and subject to change pending the internal review process and/or revision by SCS.** During both entity and verification closing meetings, the following topics shall be covered by the inspection team:

- ✓ Reminder of Confidentiality
- ✓ Policy prohibiting the inspection team giving recommendations
- ✓ Initial findings explained
- ✓ Confirmation of harvest status
- ✓ Volume review
- ✓ Last opportunity to present additional evidence
- ✓ Application discrepancies
- ✓ Documentation not available for review
- ✓ ZTNCs reported
- ✓ Early ZT Notification and ZT-CAP Procedure
- ✓ Next steps and reporting
- ✓ Verification appeals procedure
- ✓ Questions and thank you

Below, additional clarifications on the above list are provided for the individual entity and verification closing meetings:

Entity Closing Meeting

During the entity inspection closing meeting, the inspector shall discuss the findings of the inspection with the entity's management and report **all non compliant (NC) evaluations for Zero-**

Tolerance indicators with the appropriate entity and supply chain representatives. In addition to reporting specific findings related to non compliant evaluations for Zero-Tolerance indicators, the inspector should provide an overview of non-compliance by indicator and shall mention specific documents that were not available for observation during the verification. Providing an overview of findings related to non compliant evaluations and highlighting missing documents is essential in ensuring transparency in the verification process, reducing appeals and disputes during the review period, and allowing participants engaged in the verification process to ask any questions of the inspector(s) to clarify findings.

Clients are given the opportunity to review all evaluations as part of their approval of the verification report before a final version of the report is submitted to Starbucks. The closing meeting does not replace the process of reviewing verification reports but helps the producers and processors understand the general outcomes of the inspection and areas of non-compliance.

During the entity inspection closing meeting, inspectors shall conduct a final review and comparison of the production or processing volumes from the original Starbucks application with the volume recorded during the inspection to confirm whether there are any significant differences and whether a discrepancy for volumes should be reported.

During the closing meeting, inspectors shall explain the next steps and the general reporting process, including timeline, contact persons, and the verification report review and approval process. **At no time after the entity closing meeting shall an inspector or verifier accept evidence submitted by an entity undergoing verification, except when authorized to do so by SCS.**

Verification Closing Meeting

During the verification closing meeting, the inspection team leader shall review the production volumes of sampled entities with the supplier, comparing the actual volume against that included in the Starbucks application. The inspection team leader should confirm with the inspectors on their team that the volumes were reviewed at each sampled entity.

Additionally, inspectors are required to use a Closing Meeting Signature Form during the verification closing meeting with the supplier to ensure that the information below (a subset of the above checklist) is conveyed. Verification Organizations may use the version of the Closing Meeting Signature Form distributed by SCS, and available on the SCS website: <http://www.scsglobalservices.com/starbucks-cafe-practices>, or develop their own, provided that it includes the required information from the list below.

- General findings of the verification.
- Provision that findings are preliminary and may be subject to change.
- Affirmation that all non compliant Zero-Tolerance indicators were reported.
- Harvest classification for the application.
- Confirmation that any required documentation that was missing at the time of inspection was requested during the entity closing meeting.
- Application discrepancies have been reported to the supplier.

The Closing Meeting Signature Form shall include a list of all non compliant evaluations for Zero-Tolerance indicators and the related entity code. Inspectors shall discuss the Early ZT Notification and ZT-CAP process with the representatives of the supply chain during the closing meeting.

During the closing meeting, inspectors shall explain the reporting process, including deadlines and contact persons for receiving the verification report, the verification report approval process, and the appeals and disputes process, as detailed in sections 7.11.2 and 8.0. In addition, inspectors shall report the discrepancies found during the verification to the supplier.

7.10 Early ZT Notification

The Early ZT Notification is a procedure by which verification organizations formally notify the applicant/supplier and Starbucks whether non-compliance with Zero-Tolerance indicators was found during a verification. Where any ZT non-compliance (ZTNC) is found, inspectors are required to complete the relevant evidence for each ZTNC evaluation. The purpose of the Early ZT Notification is to allow the applicant/supplier to begin the corrective action process as soon as possible following the verification and therefore implement corrective action plans quickly. It is important to note that applications will still have to undergo a ZT-CAP process to resolve any ZTNCs in order to receive a status in the C.A.F.E. Practices program.

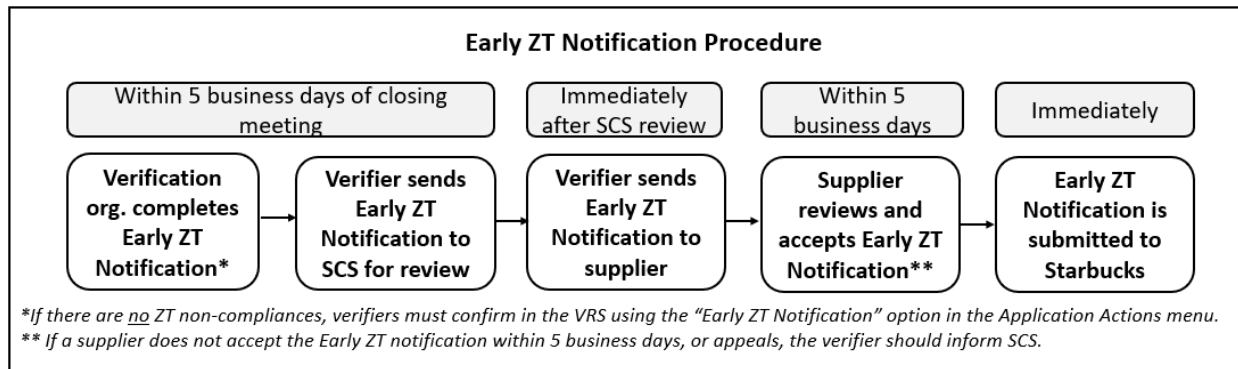
Verifiers shall review and send the Early ZT Notification to SCS for review **within 5 business days of the closing meeting** of a verification or confirm no ZTNCs were observed within the same timeline. Verifiers shall review the evidence provided by the inspectors. Once reviewed and confirmed by SCS, the verifier shall submit the notification to the supplier via the VRS. The applicant/supplier may then appeal ZTNC findings at this stage. For more details on this process, see Section 8.0. If the applicant/supplier confirms the reported Non-Compliances in the Early ZT Notification or five business days have passed, the notification is then automatically submitted to Starbucks.

For entities that are shared between multiple applications, the verifier shall include the ZTNC evidence and submit an Early ZT Notification only under the application where the entity report will be written.

Should SCS request updates to the Early ZT Notification and return it to the verification organization, a revised version will need to be resubmitted **within 2 business days**. Verifiers are requested to ensure that inspectors reporting ZTNCs are available even after submitting their first notification to be able to clarify questions resulting from the review conducted by SCS. The ZTNC evidence in the entity report shall be identical to the final evidence written in the Early ZT Notification.

Figure 5 below details the timeframe, as well as verifier and inspector responsibilities for the Early ZT Notification.

Figure 5: Early ZT Notification Procedure



7.11 Reporting, Internal Review and Client Approval of the Verification Report

7.11.1 Reporting

All reporting is completed using the online reporting system, VRS, at <http://cafepractices.info>. No other reports will be accepted. Inspectors shall score each indicator as Comply, Non-Comply or Not Applicable and provide sufficient qualitative and quantitative evidence to justify the evaluation. The inspector shall enter their written evidence in the designated field and enter the quantitative evidence for the indicator in the appropriate evidence field(s). The inspector will not be able to submit the report to the verifier if required fields are left blank.

Inspectors shall enter data for all worker interviews completed. Data collected from worker interviews is to be reported using the worker interview records section of the VRS.

PSO reports shall be written for each application that the PSO is part of, based on the evaluations of each application.

See the “VRS Verifier and Inspector User Manual” for more information on reporting.

7.11.2 Verification Reports

C.A.F.E. Practices reports are the result of the inspection process and indicate whether each entity sampled is compliant with the Standard. It is essential that the verification reports include the necessary level of detail to provide context for indicator evaluations. Inspectors need to provide relevant references to documentation and other forms of evidence for all evaluations within the inspection report, both for areas of compliance as well as non-compliance and non-applicability.

7.11.2.1 Internal Review of Verification Reports

Prior to sending the complete verification report to the client for review, the verifier shall review all inspection reports. All verification organizations shall have a quality control (internal review) procedure to ensure that inspection reports are of the highest quality. **For each verification, at least one C.A.F.E. Practices approved verifier or lead inspector who did not participate in that verification will review the inspection report(s).** Each completed inspection report shall be

passed through an internal review system. The system should include a review of the original field notes and other documentation collected by the inspector during the field work. This is essential to make sure that the reports are factually accurate, include sufficient evidence to justify evaluations, demonstrate consistent evaluation of indicators, and are free from mistakes. If any clarifications or changes are needed in the entity report, the verifier or lead inspector shall return the report to the inspector to make the necessary modifications. 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 shall change the status of the report from 'finalized and submitted' to 'reviewed by verifier.'

7.11.2.2 Deadline for Completing Verification Reports

Verification reports shall be submitted to the supplier for review using the Verification Reports page in the VRS within 20 business days of the last day of the onsite inspection for unsampled applications, or within 30 business days for sampled applications. The deadline for each application is calculated by the VRS once the verification's actual end date is entered into the system. Once the client has approved the reports (see below), final reports need to be submitted to Starbucks by the verifier through the VRS.

Extensions to reporting deadlines may be granted at the discretion of SCS and shall be requested by verifiers in writing to SCS at least **5 business days** prior to the client report due date and include sufficient explanation to justify the extension. Extensions will typically be granted for a maximum of **5 business days**, unless otherwise determined by SCS. Once an extension has been approved by SCS, verifiers shall contact the client to notify them of the new reporting timeline and request that Starbucks be notified in the case that any shipments will be impacted by the new reporting timeline.

The verification approval status of a supply chain application is closely linked with purchasing relationships. For that reason, the timing when VRS reports are received by Starbucks may determine when coffee is purchased or shipped. Adherence to deadlines in the VRS is crucial to this timing.

7.11.2.3 Client Approval and Distributing Verification Reports

Verification organizations need to submit entity inspection reports to the client for review and approval prior to submission of reports to Starbucks in the VRS. As part of the process to approve the reports, the client reports require suppliers to specifically approve the (i) application volumes and (ii) results from the reports.

Clients are to be given adequate time to review the reports. This timeframe should not exceed 10 business days except in cases of extremely large supply chains comprised of several applications.

If verifiers do not receive confirmation of report approval from clients after 10 business days, they 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. Verification reports cannot be submitted to Starbucks without client approval. Once the client has approved the verification report through the VRS, the verifier shall change the status of the entity reports from 'reviewed by verifier' to 'accepted by verifier,' and submit the application to Starbucks.

8.0 Appeals and Disputes

8.1 Appeals Submitted During Early ZT Notification and Verification Report Review Period

Verifiers are required to submit an Early ZT Notification as well as a C.A.F.E. Practices verification report to the applicant/supplier prior to submission to Starbucks for approval.

Applicants/suppliers need to approve the Early ZT Notification and verification report through the VRS. The applicant/supplier can decline to approve the Early ZT notification directly in the notification and the version of the verification report sent by sending an email to the verification organization to initiate an appeal process.

An applicant/supplier may either appeal errors (e.g., indicator evidence contradicts indicator evaluation) in the report or may not agree with the interpretation of indicators and/or inspection procedures. While applicants/suppliers are encouraged to review reports for mistakes and to request clarification on specific evaluations, verifiers shall not accept any submission of evidence after the inspection closing meeting. If the client discovers mistakes when reviewing the verification report, verifiers should confirm the mistake through a thorough review of the report(s), and inspectors shall make corrections to indicator evaluations. The corrected report(s) should then be resubmitted to the verifier for review, who will then need to create a new verification report and send it to the client through the VRS.

The verifier shall mark the application as under appeal in the VRS. The verifier shall 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 shall send an updated verification report to the supplier for approval.

If the supplier is still in disagreement with the verification organization based on the response to the appeal and/or requests to submit additional evidence, the appeal shall be elevated to a dispute. The verifier shall contact SCS to initiate the dispute resolution process by sending **one email** to SCS and copying Starbucks and the supplier, providing the following information using the dispute resolution form:

- Entity code(s) and name(s) for all entities involved in appeal.
- Application code and name of supply chain.
- Name of responsible verification organization and personnel within verification organization responsible for application.
- Name of applicant/supplier and personnel responsible for submitting appeal.
- Date that field inspection(s) occurred.
- Date reports submitted to client for review.
- Date report approved by client (if applicable).
- Date appeal received.
- Indicator interpretation and indicator(s) that is (are) being appealed.
- Written description of appeal with supporting evidence and/or documentation from the applicant/supplier.

- Relevant excerpts of evidence and justification provided in inspector's report, results of internal review performed by verifier with responses to indicators/procedures under appeal.
- Date appeal response was sent to the applicant/supplier.
- Scanned copies of the relevant field notes, if requested by SCS.

Once SCS has received the information listed above and determined that the dispute should be considered, the application will be marked by SCS as "in-dispute" in the VRS. SCS will review the information provided by the verifier and the applicant/supplier within 10 business days and provide a response in writing to the verification organization, the applicant/supplier, and Starbucks which clearly justifies the SCS decision and describes further actions (if any) to be taken by the verification organization. If further time is required to provide a decision, SCS will notify all parties involved with the expected timeline for resolution.

8.2 Appeals Submitted After Verification Report Approval

If a verification organization receives an appeal from the supplier after the verification report has been approved, the organization shall inform SCS. SCS may also be informed by Starbucks that a supplier is submitting an appeal. In those cases, SCS may consider exceptions if the supplier can provide evidence of extenuating circumstances. If SCS determines an appeal is appropriate, SCS will instruct the verification organization to begin their appeal process.

9.0 Approving Submitted Verification Reports

Once Starbucks receives an official C.A.F.E. Practices report, Starbucks conducts a review of the report and awards or, in the case of re-verifications, confirms maintenance of status. Should the report be incomplete or contain errors or omissions, SCS will return the report to the verifier and request that the verifier re-submit a completed report. If changes are made to the reports, the verifier shall send the updated version to the client for approval. Once the report has been reviewed and status is determined, the applicant will receive a "C.A.F.E. Practices Approval Letter," indicating status and validity granted, as well as a general C.A.F.E. Practices terms and conditions document, which will state their official status and include a hyperlink to the final report.

Suppliers should pay special attention to the approved volumes indicated in the approval letter for each application, as this amount will usually differ from the estimated volumes provided in the original application.

10.0 Zero-Tolerance Corrective Action Plan (ZT-CAP)

The Zero-Tolerance Corrective Action procedure applies for applications that receive non compliant evaluations for Zero-Tolerance (ZT) indicators (ZTNCs). Once the supplier accepts the ZTNCs, Starbucks will send the supplier a communication, requesting a signed Commitment Letter and the development of a Corrective Actions Work Plan, including a link to the online platform in which the plan shall be developed. If the supplier chooses not to follow the ZT-CAP process, the application will be given a non compliant status and will be required to undergo a complete re-verification in order to be considered for future status in the C.A.F.E. Practices program. In order for the ZTNCs to be corrected and closed, the supplier shall undergo the ZT-CAP procedure. See the "ZT-CAP Manual" for additional details.

11.0 Appendices

11.1 Appendix A: Pre-Onsite Planning Checklist

- ☐ Confirm that the client has a Starbucks-approved application
- ☐ (For verification organizations with limited approval, or if requested by SCS) Send the verification planning template to SCS
 - *Verification planning template shall be sent to SCS as soon as first contact was made with the client. In some cases, this may occur before Starbucks has approved the application and transferred it to the VRS*
- ☐ Confirm that the application is up to date and obtain a copy of the final approved application from the client
- ☐ Obtain a copy of the “First Response Letter” and addendum(s) received
 - *Verifiers shall note any entities that received Zero-Tolerance Non-Comply evaluations in previous verifications or any mills and warehouses with current validity*
- ☐ Request the security code for the application from the client
- ☐ Calculate sample, if applicable
- ☐ Confirm that in-harvest conditions will be met during the planned inspection dates
- ☐ Sign contract
- ☐ Select verification team
- ☐ Prepare verification plan and inspection plans, ensuring that the plans include the list of documents that will be requested and reviewed, both remotely and onsite, during the verification before sending to the client and distributing to the inspection team
- ☐ Send verification plan to the client
- ☐ Claim application in the VRS before field work begins
- ☐ Enter the Planned Field Inspection Start and End Dates in the application’s coversheet in the VRS
- ☐ Ensure that the application received from the client is the same as the application in the VRS
- ☐ Ensure that inspectors can sync the application in the VRS
- ☐ If a re-verification, identify previously visited farms for re-sampling and confirm any entities that received Zero-Tolerance Non-Comply evaluations in previous verifications
- ☐ Select sampled entities (if required)
- ☐ Establish contact with the entities to be verified
- ☐ Where subcontracted labor and/or labor intermediaries are used, request that relevant documentation is available at the time of inspection
- ☐ Review current wage/labor and other relevant legislation
- ☐ Prepare field notes and any relevant check lists
- ☐ Conduct document review

11.2 Appendix B: Summary of Verification Activities

The verification process includes pre-onsite planning, onsite inspection, and post-onsite reporting activities. The main activities associated with each discrete step in the verification process are outlined below.

Figure 2: Summary of Verification Activities

