



Verifier and Inspector Guidance Update: Addendum to VGU 8

Dear Verifiers and Inspectors,

This guidance update will be included as an addendum to the Verifier and Inspector Guidance Update 8 that was released to organizations in November 2014, and is being released in order to communicate some important updates in the C.A.F.E. Practices program that were part of the V3.3 release (e.g., Early ZT Notification). The numbering of the updated points follows from the numbering provided in the original VGU 8.

Update Number 8.0* Addendum –01/2015

1.0 Program Document Updates:

No updates to program documents.

2.0 Verification Procedures and Methodology:

2.8 Closing Meeting

Requirements for the closing meeting have been updated to reflect new guidance around volume confirmations. During the closing meeting for *each entity*, inspectors should review the production or processing volumes from the original Starbucks application with the volume recorded during the inspection to confirm whether there are any differences between the two production volumes. During the closing meeting for the *verification*, lead inspectors are expected to review the production volumes of sampled entities with the supplier by also comparing the actual volume against that included in the Starbucks application. Lead inspectors should be sure to confirm with the inspectors on their team that the volumes were reviewed at each sampled entity.

Verifiers should 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. Verifiers are still expected to include information around above or below-average volumes in the submission note when they send the application to Starbucks in the VRS.

2.9 Supply Chain Discrepancies

Verifiers are reminded that they must report all final discrepancies in *one* communication following the procedure outlined in section 6.4.5 of the Verifier and Inspector Operations Manual. However, *even if a supply chain discrepancy is reported, inspectors can still work on reports for the application in the VRS*. Draft reports must NOT be submitted to the client until the supply chain discrepancy is resolved, or the verifier receives guidance from SCS.

2.10 Adherence to Deadlines

Verification organizations are required to request extensions *at least* 5 days in advance of the deadline for draft client reports in the VRS. Extensions will be 5 days in length unless otherwise determined by SCS.

Verification organizations are reminded to consider reporting needs when planning multiple verifications. In some cases, it may be necessary to delay the start of some verifications, even when conducting multiple verifications for the same supplier, in order to ensure that the reporting for earlier verifications can be completed. It is also important to be very clear and realistic to suppliers regarding potential timing as coffee shipments may be dependent on the completion of the verification reports.

Starbucks has recently implemented policies that more closely link the verification approval status of a coffee supply chain with their purchasing relationships. For that reason, the timing when VRS reports are received may determine when coffee is purchased or shipped. Therefore, additional measures have been implemented in the C.A.F.E. Practices program to ensure transparency of the process and also adherence to program deadlines. Based on these measures, a new NC procedure with progressively stronger consequences for continued failure to meet deadlines has been developed. This procedure is as follows:

NC #	Consequence	Reason for NC
NC 1	Corrective action required	NCs may be issued if the organization does not: (i) meet client reports deadline, and has not provided an extension request; and/or, (ii) request an extension in the established time-frame. Note that multiple NCs may be issued for the same application for continued failure to meet deadlines.
NC 2	Organization will not be able to accept any new work until all overdue applications are submitted, and a restriction will be placed on applications that can be managed by the organization in the VRS (3 applications at a time).	
NC 3	Organization will not be able to accept any new work until all overdue applications are submitted, and a restriction will be placed on applications that can be managed by the organization (1 application at a time).	
NC 4	Suspension from C.A.F.E. Practices program until the organization has satisfactorily participated in an official SCS training. <i>Upon acceptable completion of training, the organization will be granted Provisional Status with a limit of only 1 application at a time in the VRS. If the organization does not adhere to deadlines after being granted provisional status, the organization will be delisted.</i>	
NC 5	Delisting of the organization	

2.11 Flows and Volume Calculations in the VRS

Although inspectors are still required to enter production or processing volumes for each sampled farm or mill entity in an application, it is no longer necessary to enter the *volume* of flows between entities (e.g., from farm to mill; from wet mill to dry mill). After claiming an application, verifiers will see that the VRS will already include flows from the farms to the designated mill in the application. If there are multiple mills in the application, inspectors are still expected to indicate in the farm or mill coversheet whether the flows are split between mills in the application and/or whether the entity sends coffee outside of the supply chain. However, inspectors will no longer need to include the amount of the flow that is divided among the mills in the application or sent outside of the supply chain.

2.12 Volumes Guidance

Inspectors will now be required to record up to 3 years of coffee volumes for all entities inspected in the C.A.F.E. Practices program. This was previously required in the C.A.F.E. Practices program, but has been re-introduced due to observed variation in coffee harvest volumes throughout Starbucks supply chains due to factors such as coffee rust and climate events. This change will be implemented for verifications **claimed on or after February 1, 2015** and C.A.F.E. Practices field notes and the VRS will be updated to include new fields for volume information. Inspectors will be required to report the total amount of cherry, parchment, and green coffee produced or processed for each entity on an annual basis for three years (including the current year and the two years prior). Inspectors should continue to record the total actual volume from completed harvest(s) that took place each year, rather than average or estimated volumes.

While inspectors must complete the volumes for the year of the most recently completed harvest, they may select that the data is “Not Available” if they do not have access to the volumes from the past two years, or if the information is unreliable. If the inspectors select “Not Available”, they should include an explanation of why the information was unavailable in the field notes and VRS.

2.13 Early ZT Notification

Effective December 1, 2014, verification organizations are required to notify Starbucks whether or not non-compliance with zero tolerance indicators was found during the field inspection within 5 business days of the closing meeting. Suppliers will have 5 business days to review and accept the ZT non-conformities. The purpose of the Early ZT Notification is to allow the corrective action process to begin sooner and for the implementation of corrective actions to occur more quickly.

The VRS now includes an Early ZT Notification report template that can be accessed by a link that will appear for each application. The lead inspector should complete the report and the verifier must conduct internal review prior to sending the report to the client.

Detailed instructions for use of the Early ZT Notification system are included at the end of the VGU addendum.

3.0 **Indicator Interpretation and Updates:**

3.12 Integrated Pest Management Approaches for Fungicides to treat Rust

CG-EM1.11	Farm takes physical action to control sources of infestation.
CG-EM1.12	Pesticides (not including herbicides) are applied only on a spot-application basis, depending on the type and severity of infestation.
CG-EM1.13	Pesticides (not including herbicides) are only applied as a last resort (after cultural and physical controls have failed).

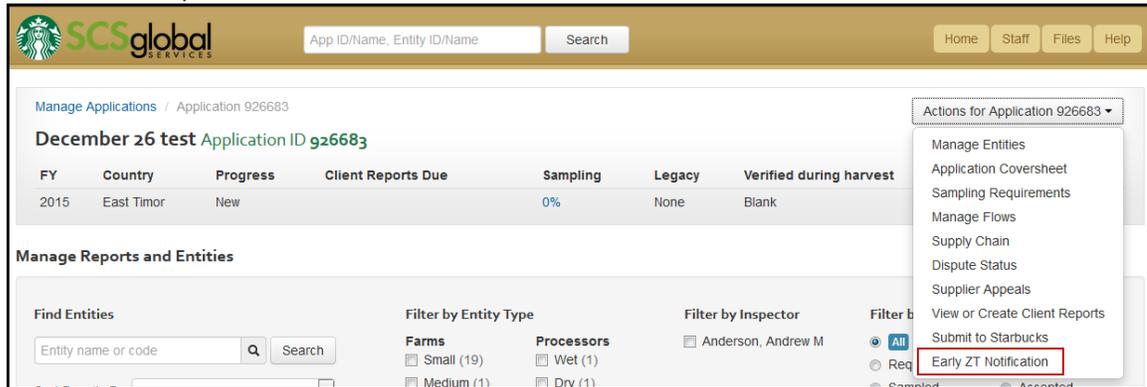
Due to what is known about approaches for treating rust fungus and the current level of rust infestation in the coffee industry, the treatment of coffee rust or roya (*Hemileia vastatrix*) should NOT be considered in evaluation of indicators CG-EM1.11, 1.12, and 1.13. In cases where rust is the only source of infestation, then CG-EM1.11, 1.12, and 1.13 would be evaluated as Not Applicable (NA), regardless of the amount of fungicide used. If there are other types of pests (e.g., coffee berry borer), then the use of pesticides to treat those pests would be used in consideration of evaluation of the indicators, without regard to what is done for rust.

Early Zero Tolerance Notification – Instructions for Verifier and Inspector

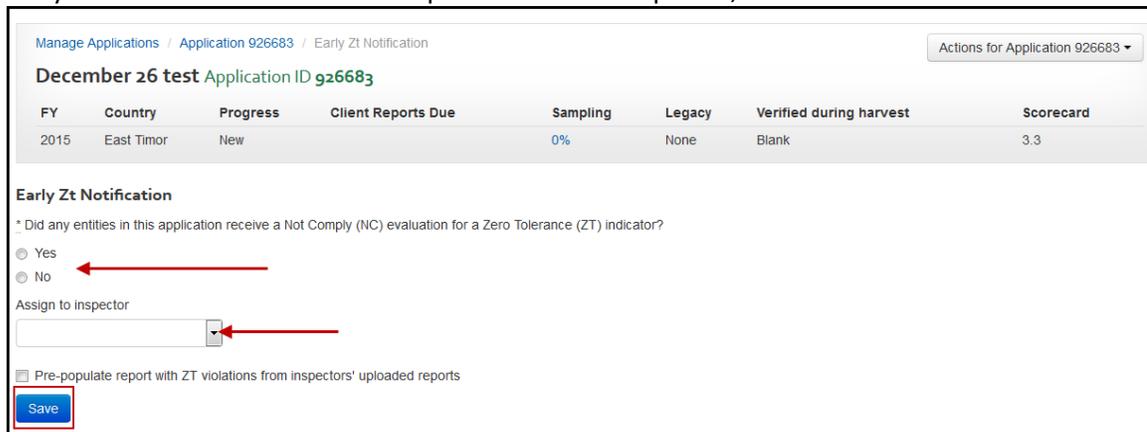
Verifier Instructions

An internet connection is required for completing the Early ZT Notification.

1. To indicate whether or not Not Comply evaluations for zero tolerance indicators (“ZT-NCs”) were found, the verifier can access the Early ZT Notification tool by going to the “Early ZT Notification” option found in the Actions menu.



2. If there were no ZT-NCs found during the verification, the verifier should select “No” and then complete the process by clicking on the “Save” button.
3. If any ZT-NCs were found during the field inspection, the verifier should select “Yes,” assign the Early Zero Tolerance Notification report to the lead inspector, and click “Save”.



4. After clicking “Save,” a report link will be generated for the verifier to provide to the inspector to complete the Early ZT Notification report. The verifier should copy and paste the link into an email to the inspector.

Changes Saved

Manage Applications / Application 926683 Actions for Application 926683

December 26 test Application ID **926683**

FY	Country	Progress	Client Reports Due	Sampling	Legacy	Verified during harvest	Scorecard
2015	East Timor	New		0%	None	Blank	3.3

Early ZT Notification

Inspector Link:
https://demo.cafepactices.info/inspectors/early_zt_reports/ad54b49dd9503cc81a93af1845b9a4a5c5f20c29c800a4c9f800d27dd9bfe54b/edit

Inspector: **Anderson, Andrew M Reassign**
 Progress: **New** Settings Print

Return Report to Inspector

Supplier Letter Language
 English Send Draft to Supplier

For inspector instructions related to completion of the Early ZT Notification report, see below.

- Once the inspector completes the report and submits it to the verifier, the verifier will see the Early ZT Notification status change to “Submitted to verifier, [date]”. To access the report, the verifier can click on the blue “status” text, or from within the application using the Actions menu button for “Early ZT Notification”.

926683	2015	East Timor	December 26 test	Early ZT Notification Submitted to verifier. Jan 05, 2015
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- After receiving the report from the inspector, the verifier has two options:
 - Return the report to the inspector for inspector to include more detail or make corrections (red button: “Return to Inspector”), or,
 - Generate the supplier letter that includes the Early ZT Notification report (blue button: “Send Draft to Supplier”).

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Early ZT Notification

Inspector Link:
https://demo.cafepactices.info/inspectors/early_zt_reports/ad54b49dd9503cc81a93af1845b9a4a5c5f20c29c800a4c9f800d27dd9bfe54b/edit

Inspector: **Anderson, Andrew M Reassign**
 Progress: **Submitted to verifier: Jan 05, 2015** Settings Print

Return Report to Inspector Send Draft to Supplier

Supplier Letter Language
 English Send Draft to Supplier

F1000014 Small Farm SID:F1000014

SR-HP1.2
 Min wage temporary
ZERO TOLERANCE: All temporary and seasonal workers are paid the nationally or regionally established minimum wage. If minimum wages for temporary/seasonal workers have not been established, all temporary/seasonal workers

Evidence
 test evidence here. Add Comment

- A letter template has been created in the VRS for the Early ZT Notification. Verifiers have the option to edit, if desired. The Preview Letter tab is available to preview any changes made to the letter. The Early ZT Notification report link is automatically included in the letter. The verifier should edit the "To" and "Subject" line as necessary. Click on the "Send Letter" button to send the letter to the designated recipients.

Edit Letter **Preview Letter** Print

File Edit View Format Table Tools

January 05, 2015

Re: Application ID# 926683
Application name: December 26 test
Country of origin: East Timor
Verification Date:

Dear ,

The field work for your C.A.F.E. Practices verification was recently completed. As part of the C.A.F.E. Practices program, Starbucks requires verification organizations to send an notification of any zero tolerances detected during the verification. The purpose of this early notification is to begin improvements sooner and allow the Corrective Action process to begin. The full verification reports will be completed and sent to you within 30 business days by Verification, Inc..

Please send your approval of the Early Zero Tolerance notification within 5 business days to your verification organization. If a response is not received, the report will automatically be sent to Starbucks.

https://demo.cafepractices.info/suppliers/early_zt_reports/ad54b49dd9503cc81a93af1845b9a4a5c5f20c29c800a4c9f800d27dd9bfe54b

Best regards,
 Verification, Inc.

Send Letter:

→ Letter Recipient:

→ CC:

→ Subject:

- The Early ZT Notification must be submitted to Starbucks within 10 business days of the closing meeting. Verification organizations have 5 business days to submit the Early ZT Notification to the supplier, and suppliers have 5 business days from receipt of the Early ZT Notification to approve the notification. If the supplier does not provide a response within the allotted time, verifiers should proceed to submit the Early ZT Notification to Starbucks.

Manage Applications / Application 926683 Actions for Application 926683

December 26 test Application ID **926683**

FY	Country	Progress	Client Reports Due	Sampling	Legacy	Verified during harvest	Scorecard
2015	East Timor	New		0%	None	Blank	3.3

Early ZT Notification

Inspector Link:
https://demo.cafepractices.info/inspectors/early_zt_reports/ad54b49dd9503cc81a93af1845b9a4a5c5f20c29c800a4c9f800d27dd9bfe54b/edit

Inspector: **Anderson, Andrew M Reassign**

Progress: **Accepted by supplier: Jan 05, 2015**

9. The completion of the full verification reports for all entities should continue in the VRS as usual, and can be done at the same time as the Early ZT Notification.

Inspector Instructions

An internet connection is required for completing the Early ZT Notification report.

1. Inspectors should click on the link to the Early ZT Notification provided by the verifier, or copy/paste the link into a browser such as Google Chrome or Mozilla Firefox.
2. To access the report template, the inspector will be prompted to login. Upon login, the inspector will be taken directly to the Early ZT Notification report template.
3. To begin the Early ZT Notification report, search for the first entity with a ZT-NC to report. The inspector can use the drop down arrow to search for the entity to report on, or type in the entity ID code to find the entity in the drop down list.

C.A.F.E. Practices Verifier Reporting System

 **SCS**global
SERVICES

Early ZT Notification December 26 test (926683)

There are currently no entities in this early ZT notification.

Add entity to early ZT notification

Find entity to add...

4. Select the zero tolerance indicator with the non-compliance. Select "Add Indicator."

Early ZT Notification December 26 test (926683)

F1000014 — Small Farm SID:F1000014

Add New ZT Indicator

-- Choose

Add entity to early ZT notification

Find entity to add...

- After the indicator is selected, a field for evidence will appear. The inspector should provide detailed evidence supporting the non-comply evaluation. Click “Save” after entering the evidence.

Early ZT Notification December 26 test (926683)

Review and Submit

F1000014 — Small Farm SID:F1000014 Save

SR-HP1.2 Remove Indicator Evidence (Required) Add Comment

Min wage temporary
ZERO TOLERANCE: All temporary and seasonal workers are paid the nationally or regionally established minimum wage. If minimum wages for temporary/seasonal workers have not been established, all temporary/seasonal workers are paid the local industry standard wage. If workers are paid by production, wages meet the nationally or regionally established minimum wage, or, where minimum wage has not been established, the local industry standard wage.

Add New ZT Indicator -- Choose Add Indicator

- If an entity has more than one zero tolerance, additional zero tolerance indicators can be added.

Early ZT Notification December 26 test (926683)

Review and Submit

F1000014 — Small Farm SID:F1000014 Save

SR-HP1.2 Remove Indicator Evidence (Required) Add Comment

Min wage temporary
ZERO TOLERANCE: All temporary and seasonal workers are paid the nationally or regionally established minimum wage. If minimum wages for temporary/seasonal workers have not been established, all temporary/seasonal workers are paid the local industry standard wage. If workers are paid by production, wages meet the nationally or regionally established minimum wage, or, where minimum wage has not been established, the local industry standard wage.

Add New ZT Indicator -- Choose Add Indicator

- To add additional entities, use the “Add entity to early ZT notification”.

Early ZT Notification December 26 test (926683)

Review and Submit

F1000014 — Small Farm SID:F1000014 Save

SR-HP1.2 Remove Indicator Evidence (Required) Add Comment

Min wage temporary
ZERO TOLERANCE: All temporary and seasonal workers are paid the nationally or regionally established minimum wage. If minimum wages for temporary/seasonal workers have not been established, all temporary/seasonal workers are paid the local industry standard wage. If workers are paid by production, wages meet the nationally or regionally established minimum wage, or, where minimum wage has not been established, the local industry standard wage.

Add New ZT Indicator -- Choose Add Indicator

Add entity to early ZT notification
 Find entity to add... Add

8. When all ZT-NCs have been included, the inspector should select “Review and Submit” to send the report to the verifier.

The screenshot shows the 'Early ZT Notification' interface for 'December 26 test (926683)'. At the top right, a button labeled 'Review and Submit' is highlighted with a red rectangular box. Below this, a header bar displays 'F1000014 — Small Farm SID:F1000014' and a 'Save' button. The main content area is divided into two columns. The left column contains the indicator 'SR-HP1.2 Min wage temporary' and a detailed text block starting with 'ZERO TOLERANCE: All temporary and seasonal workers are paid the nationally or regionally established minimum wage...'. The right column is titled 'Evidence (Required)' and contains a text input field with the placeholder 'test evidence here.' and an 'Add Comment' button.

9. After selecting “Review and Submit,” the report will be displayed to the inspector to review and to confirm submission. If changes are needed, the inspector may select “Edit Report,” this will return the inspector to the editing interface of the Early ZT Notification.

The screenshot shows the 'Early ZT Notification' interface for 'December 26 test (926683)'. At the top right, a status indicator says 'Incomplete'. On the left, a 'Submit to Verifier' section contains a 'Confirm Submission' checkbox and two buttons: 'Edit Report' and 'Submit', with the 'Submit' button highlighted by a red rectangular box. Below this, a header bar displays 'F1000014 Small Farm SID:F1000014'. The main content area is divided into two columns. The left column contains the indicator 'SR-HP1.2 Min wage temporary' and the same detailed text block as in the previous screenshot. The right column is titled 'Evidence' and contains the text 'test evidence here.' and an 'Add Comment' button.

10. After confirming submission by selecting the check box and selecting “Submit,” inspectors will see a page that confirms submission to the verifier.
11. If edits or revisions are required to the Early ZT Notification, after the verifier has returned the report to the inspector, the inspector can edit the report following similar steps from 1-10 above.