



Verifier and Inspector Guidance Update

Dear Verifiers and Inspectors,

This document is intended to supplement the “C.A.F.E. Practices Verifier and Inspector Operations Manual.” This guidance update is divided into three sections: Program Document Updates, Verification Procedures and Methodology, and Indicator Interpretation.

Update Number 8.0–10/2014

1.0 Program Document Updates:

1.1 List of Indicators that Require Documentation

Inspectors should use the updated List of Indicators that Require Documentation V3.3 as a reference for each inspection in order to determine whether documentation requirements apply. Verifiers should ensure that information about Required Documentation is communicated to the suppliers in advance of any verifications, and confirm during internal review of verification reports that documents were appropriately identified in the source of evidence for evaluations for indicators that require documentation.

Sections 2 and 3 of the List of Indicators that Require Documentation V3.3 contain *examples* of documents that may be requested for each indicator within C.A.F.E. Practices scorecards that requires documentation. Verifiers should remind clients that the documents in the list are examples only. The list is intended to be a guide for both verification organizations and their clients and is not exhaustive. At the time of inspection, the purpose of document review is to review any documentation that allows the inspector or inspection team to evaluate the indicators in the scorecard. Verifiers should also inform clients that the List of Indicators that Require Documentation V3.3 does not include every possible document that may be requested during a verification.

2.0 Verification Procedures and Methodology:

2.1 Document Requirements for Labor Intermediaries

For the purposes of the C.A.F.E. Practices program, there are two categories of labor intermediaries: external subcontracting agencies and informal work groups where workers are paid through a group leader or recruitment agent. Labor intermediaries are evaluated through indicator SR-HP1.17. For the purposes of this indicator, it is acceptable if external subcontracting agencies or informal work groups are used provided that the contracting agency or informal work group is operating according to all national or legal requirements and payment is made to the workers through these intermediaries (see VGU 7 for more information).

Inspectors are reminded that document requirements for all Social Responsibility indicators in the List of Indicators that Require Documentation *also apply* in cases for labor intermediaries at a mill or farm.

If it is confirmed that labor intermediaries are used at an entity, inspectors are required to evaluate whether the intermediaries meet all applicable legal requirements. Workers who are working under

a labor intermediary are also within the scope of the C.A.F.E. Practices Social Responsibility requirements, and they should be included in the evaluation of all applicable indicators, including wages, working hours, trainings, PPE, etc.

For entities in which there is an informal labor intermediary (e.g., a group leader and the bag loaders in a dry mill that he organizes), inspectors must request documentation in order to confirm that the hours worked and payments to the subcontracted workers meet the requirements of C.A.F.E. Practices. For example, if the inspector is unable to review documentation from the entity or group leader that includes the working hours and payments to his group of workers, then SR-HP1.2 and SR-HP1.11 should be evaluated as Not Comply.

Verifiers must clearly describe to clients that labor intermediaries are included within the scope of the verification. In addition, verifiers must also explain that labor intermediaries require documentation in order for the Social Responsibility indicators to receive evaluations of Comply.

2.2 Verifier Attendance During Shadow Audits and Verifications

SCS has implemented guidelines for determining when a verifier is required to attend a shadow audit. According to the new guidelines, verifiers will be required to attend a shadow audit once every two years. For those organizations that have three or fewer projects in a year, verifiers will be required to attend a shadow audit whenever it may occur in order to ensure sufficient familiarity with the C.A.F.E. Practices program.

In any case when the C.A.F.E. Practices inspection team consists only of inspectors who are new to the C.A.F.E. Practices program, the verifier or designated staff member responsible for field training must attend the opening meeting of the verification as well as at least one day for shadowing each member of the inspection team in order to ensure the inspectors have been provided adequate training and guidance. This applies regardless of whether a SCS shadow audit is occurring concurrently or not.

The guidelines regarding verifier attendance during shadow audits will be provided in updates to the C.A.F.E. Practices Verification Organization Approval Procedure that will be sent to organizations in early 2015.

2.3 ZT-CAR Updates

Deadlines for ZT-CAR Reporting. Verifiers must enter the planned ZT verification date in the VRS for each ZT-CAR application. ZT-CAR reports are now due 5 days after the completion of fieldwork. SCS will follow up directly with organizations in the case that a report is not submitted within the deadline indicated in the VRS.

Field versus Desk ZT Check. A field ZT-check will now be required for all ZT-CAR verifications unless otherwise specified by Starbucks. Suppliers will be informed whether a desk check will be acceptable for a particular ZT-NC or application. Verifiers should contact SCS if there are any questions about whether a desk or field ZT-CAR check is required for a particular application.

2.4 Worker Interview Evidence and Procedures

According to findings from SCS Shadow Audits conducted in 2014, one general area of improvement for verification organizations in the program relates to procedures for worker interviews. Worker interviews should be conducted in private, and therefore not in the presence of management,

supplier representatives, or supervisors. Inspectors should make this information clear during the opening meeting of each inspection. In addition, inspectors must mention to interviewees that all information collected during worker interviews will be maintained confidential. Verifiers and inspectors are encouraged to review the program procedures related to worker interviews, as outlined in section 6.7.2 of the C.A.F.E. Practices Verifier and Inspector Operations Manual V5.2.

2.5 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 should 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 determination of the total productive area is important, since the evaluation of all CG indicators will be based on the productive area, even if the total productive area is determined to include Robusta or other crop species.

Unlike the productive area, the **total production volume** that is recorded in the coversheet information for the farm should *only* include the volume of Arabica produced by that farm. Robusta volume should not be included in the coversheet. 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.

2.6 Multiple Plots

According to the specifications of the C.A.F.E. Practices program, a farm consists of multiple plots if the plots are **not** contiguous, or are separated from one another. If a farm is composed of multiple plots that *are* immediately adjacent to one another, inspectors should not consider the plots as separate and should calculate the productive area based on the total area of the plots. If plots are not located next to one another, they should be classified as distinct plots and should be recorded as such in the coversheet information for the farm in the Field Notes and in the VRS.

2.7 Reporting Volumes Flows in the VRS

As per guidance issued in C.A.F.E. Practices V3.2 trainings, inspectors are required to enter the annual production volume of coffee produced or processed in the coversheet information for each sampled farm or mill. The annual production volume is the *actual* volume of coffee produced or processed for an entity during the most recently completed harvest.

It is important that both verifiers and inspectors record information in the VRS when the production or processing volume of a farm or mill has changed since the past year.

For that reason, a *new requirement* of the C.A.F.E. Practices program is that when submitting an application, verifiers should complete a submission note in the VRS and indicate a) whether volumes were above or below the average from the past year and b) the reason for the difference (e.g., rust, coffee berry borer, a cyclical “off” year, etc.)

3.0 Indicator Interpretation and Updates:

3.1 Economic Accountability at Integrated Mills

EA-IS1.3	Entity keeps receipts or invoices for the coffee (cherry, parchment, green) it buys or sells.
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In vertically integrated supply chains where the coffee is transferred between entities (e.g., between a farm and mill) without an associated purchase or sale, inspectors should evaluate EA-IS1.3 as “Comply” or “Not Comply” based on whether there are receipts/invoices kept for the final sale of coffee for the entities. It may be necessary for inspectors to evaluate CP-MT1.1, even if no purchase is being made at the mill (see Section 3.9).

3.2 Written Policy Requirements

SR-HP4.3	<u>ZERO TOLERANCE</u> : Employer enforces a policy of prohibiting discrimination on the basis of gender, race, ethnicity, age or religion as per ILO Convention 111. <i>Written policy required for large/medium farms and mills with more than 5 employees.</i>
SR-HP4.4	<u>ZERO TOLERANCE</u> : Employer enforces a policy that prohibits the use of forced, bonded, indentured, convict or trafficked labor. <i>Written policy required for large/medium farms and mills with more than 5 employees.</i>

Indicators SR-HP4.3 and SR-HP4.4 have been updated to reflect new guidance around requirements for written policies. For large and medium farms or mills with 5 or fewer employees (including permanent and temporary workers), inspectors are still required to confirm whether there is an enforced policy in place according to the requirements of SR-HP4.3 and SR-HP4.4. However, for large and medium farms or mills with 5 or fewer employees, a written policy is no longer required for an evaluation of Comply.

3.3 Requirements for Drinking Water

SR-WC1.2	Employer provides workers with convenient access to safe drinking water.
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The intent of SR-WC1.2 is that the employer provides accessible and safe drinking water to its employees. If workers bring their own water to the worksite, inspectors should ask during worker interviews whether the workers have access to safe water onsite in the case that they run out of

water. If so, the inspector should visit the source of the water in order to determine whether the water is safe to drink. If the employer does not provide employees with safe water onsite and workers must bring their own water to the farm or mill, then this indicator should be evaluated as Not Comply.

3.4 Sanitary Facilities: Access and Environmental Risks

SR-WC1.4	Workers have convenient access to sanitary facilities that do not contaminate the local environment.
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In evaluating SR-WC1.4, inspectors should refer to both components of the indicator: a) that workers have convenient access to sanitary facilities and b) that the sanitary facilities do not contaminate the local environment.

“Convenient access” refers both to a reasonable distance to the farm and to the quantity of facilities compared to the size of the workforce. The World Health Organization (WHO) defines a reasonable distance to sanitary facilities to be either a 30-minute walk, or 1 km. Inspectors should evaluate SR-WC1.4 as Not Comply when the distance to sanitary facilities is either over 1 km or requires more than a 30-minute walk due to the terrain (e.g., steep slopes).

Inspectors should also determine whether the quantity of sanitary facilities is appropriate for the size of the workforce. For example, a single latrine on a large farm may not be sufficient for a workforce of 70 temporary harvest workers.

If convenient access is confirmed to be available to workers, and workers choose not to use the facilities, the inspectors should then determine whether the actions of the workers risk contaminating the local environment. In their review, inspectors should also check the areas around the sanitary facilities in order to understand risks of contamination to places such as worker housing, natural water sources, and dining and break areas.

3.5 Children of Legal School Age and Working/Education

SR-WC2.1	<u>ZERO TOLERANCE</u> : Children of legal school age attend school and do not work during school hours.
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SR-WC2.1 has two requirements for children of legal school age: i) that they attend school, and, ii) that they do not work during school hours. Thus, in order to evaluate this indicator as Comply, both of these conditions must be met for all children living or working at the farm. Evidence for this indicator should include the following information:

- national legislation regarding mandatory school attendance, including the age or level to which children must attend school;
- the number and ages of children in the household and/or working on the farm;
- the school and work status of each child (attends school: Y/N; works or helps on the farm: Y/N);
- the school hours of any children working or helping on the farm; and,
- the working hours of any children working or helping on the farm.

Inspectors are expected to know the legal school age for each country in which they conduct inspections and evaluate SR-WC2.1. Please note as well that SR-WC2.1 applies to *all* children, including family and non-family (hired) labor.

3.6 Documentation for Fire and Emergency Evacuation Plans

SR-WC4.5	For all enclosed work areas, there is a documented fire and emergency evacuation plan.
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This indicator has been updated to be applicable both to mills and to farms with enclosed work areas. When visiting farms with enclosed work areas, inspectors should be sure to request documentation in the form of a fire and emergency evacuation plan.

3.7 Determination of “Diversity” of Tree Species

CG-CB1.5	Canopy cover has a diversity of tree species.
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In general, there is no exact definition of the number of species in the canopy cover that will always be considered as “diversity.” The determination of diversity will depend on the size of the farm and the local context (e.g., number of species endemic to the area where the farm is located).

However, for the purposes of evaluating CG-CB1.5, a farm must have at least 3 species in order to consider an evaluation of Comply.

Note that the evaluation of diversity according to number of tree species does not depend on whether the tree species are native or introduced. That is, introduced species can be considered in the count of species for determining total species diversity.

3.8 Banned Pesticides

CG-EM1.1	<u>ZERO TOLERANCE</u> : Farm does not use pesticides that are listed by the World Health Organization as Type 1A or 1B, or that are banned according to national, regional, or local laws.
PS-EM1.1	<u>ZERO TOLERANCE</u> : Producer Support Organization does not buy, distribute or apply pesticides prohibited under the World Health Organization Type 1A or 1B lists, or that are banned according to national, regional, or local laws.

Although CG-EM1.1 and PS-EM1.1 currently refer to pesticides listed by the World Health Organization as Type IA or IB, these indicators now must also be evaluated as "Not Comply if inspectors discover that a farm is using or a PSO is distributing pesticides that are banned in the country or region in which the verification is taking place. If an inspector discovers that an entity is using or distributing a pesticide that is illegal in the country or region where the entity is undergoing verification, the inspector should contact the verifier immediately. Verifiers should inform SCS of the illegal pesticides that were identified during the verification, and cite the relevant laws indicating that the pesticide is banned.

Inspectors are reminded to continue to review agrochemical purchase records, visit agrochemical storage facilities, and conduct interviews with management and workers in order to determine the types of agrochemicals used on farms and/or distributed by PSOs where applicable. When assigning an evaluation of Not Comply to CG-EM1.1 or PS-EM1.1, the inspector must include the name of the banned pesticide and the purpose for its use.

3.9 CG and CP Indicator Dependencies

There are some examples within the C.A.F.E. Practices Scorecards Coffee Growing (CG) and Coffee Processing (CP) subject areas where a Not Comply evaluation for one indicator will make it difficult to evaluate other related indicators. These indicators are listed below with relevant guidance for each.

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

In this case, if CG-EM 1.9 is evaluated as Not Comply, then CG-EM1.10 will automatically be scored as Not Comply due to the fact that CG-EM1.10 specifies that the written plan is “properly implemented.”

CG-EM1.15	Farm maintains written records of total toxic load calculation for productive area on the farm.
CG-EM1.16	EXTRA POINT: Total toxic load is decreased over time by reducing pesticide use or selecting less toxic alternatives.

If evidence is observed that the farm is taking steps to reduce the total toxic load as per the requirements of the indicator (i.e., reducing pesticides; selecting less toxic alternatives), then it may still be possible to evaluate CG-EM 1.16 as Comply or Not Comply, even if there are no written records of total toxic load. In the absence of written records of total toxic load calculation, CG-EM 1.16 can be evaluated according to whether the farm is taking steps to minimize the total amount of pesticides used on the farm, or is using less toxic alternatives.

CG-WR1.1	Buffer zones exist next to more than 50% of permanent water bodies ; buffers are at least 5 meters in width (measured horizontally from the high water mark to the base of any coffee tree), exclude all cultivation and are composed of vegetation.
CG-WR1.2	Buffer zones exist next to all permanent water bodies ; buffers are at least 5 meters in width (measured horizontally from the high water mark to the base of any coffee tree), exclude all cultivation and are composed of vegetation.
CG-WR1.6	More than 50% of permanent water body buffer zones are composed of native woody vegetation.
CG-WR1.7	All permanent water body buffer zones are composed of native woody vegetation.

If there are no permanent water bodies, then all of the above indicators (CG-WR1.1, CG-WR1.2, CG-WR1.6, CG-WR1.7) would be Not Applicable. If there are permanent water bodies, but NO buffer

zones next to them, then all of the above indicators (CG-WR1.1, CG-WR1.2, CG-WR1.6, CG-WR1.7) would be evaluated as Not Comply.

The evaluation of CG-WR 1.6 and CG-WR 1.7 should be done independently of the total amount of buffer zones. For example, CG-WR 1.6 and 1.7 are evaluated according to the % of buffer zones that exist that are composed of native woody vegetation. For example, if 60% of permanent water bodies on the farm have buffer zones, and there is native woody vegetation in all of those buffer zones, then CG-WR 1.1 would be evaluated as Comply, CG-WR 1.2 would be evaluated as Not Comply (since only 60% of the permanent water bodies have buffer zones), but both CG-WR 1.6 and 1.7 would be evaluated as Comply since the total amount of buffer zone has native woody vegetation.

CG-CB1.4	At least 10% of the farm (including productive AND non-productive area) has canopy cover.
CG-CB1.5	Canopy cover has a diversity of tree species.
CG-CB1.6	Invasive species are not used for canopy cover.
CG-CB1.7	Where conditions permit, locally native epiphytes, lianas and woody vines are retained in the canopy cover.
CG-CB1.8	EXTRA POINT: Canopy cover is kept at biologically significant levels (i.e., the level of canopy cover changes the farm's micro-climate, produces a noticeable leaf layer on the ground and creates an obvious habitat for a range of plant and animal species, etc.).
CG-CB1.9	EXTRA POINT: At least 40% of the productive area of the farm has canopy cover.
CG-CB1.10	EXTRA POINT: At least 75% of the canopy cover is comprised of locally native species and/or the canopy consists of at least 10 species that are locally native or can be shown to contribute to the conservation of native biodiversity.
CG-CB1.11	EXTRA POINT: Shade canopy consists of at least 2 identifiable canopy layers.

When the farm does not have any canopy cover, CG-CB1.4 and CG-CB 1.9 would be evaluated as Not Comply. Assuming there are no trees in the canopy, then CG-CB 1.5, CB-CB 1.8, CG-CB 1.10 and CG-CB1.11 would also be evaluated as Not Comply. CG-CB 1.6 would be evaluated as Comply, and CG-CB 1.7 would be evaluated as Not Applicable. This guidance is summarized in the table below.

<i>Evaluations and evidence for farms where there is NO canopy cover.</i>		
Indicator	Evaluation	Evidence
CG-CB1.4	NC	There is less than 10% of canopy cover.
CG-CB1.5	NC	There are no canopy trees, therefore there is no diversity.
CG-CB1.6	C	There are no canopy trees; therefore, no invasive trees are used in the canopy.
CG-CB1.7	NA	If there are no canopy trees, then there are no conditions available for epiphytes, lianas, and/or woody vines.
CG-CB1.8	NC	There are no canopy trees; therefore, conditions cannot be kept at biologically significant levels.
CG-CB1.9	NC	There is less than 40% of canopy cover.

<i>Indicator</i>	<i>Evaluation</i>	<i>Evidence</i>
CG-CB1.10	NC	There are no canopy trees; therefore, there are no native species in the canopy.
CG-CB 1.11	NC	There are no canopy trees; therefore, two canopy layers do not exist.

CP-WC1.1	The total volume of water used for pulping, washing, and sorting for coffee processing operations is tracked and recorded, documenting the annual total water used and volume per Kg of coffee cherry processed. <i>Indicator should be evaluated "Not Applicable" for mills that process 3500 Kgs or less in green coffee.</i>
CP-WC1.4	The amount of water used (liters of water per Kg green coffee) shows a decrease over time (until the ratio in CP-WC1.5 is achieved). <i>Indicator should be evaluated "Not Applicable" for mills that process 3500 Kgs or less in green coffee.</i>
CP-WC1.5	The ratio between coffee cherry and water (used for pulping and washing) is no more than 1:1 ratio (volume of water to volume of cherry).

If CP-WC 1.1 is evaluated as Not Comply, then the volume of water used per kg coffee is not recorded. Therefore, amount of water use over time cannot be determined accurately. In the case that CP-WC 1.1 is evaluated as Not Comply, then CP-WC 1.4 is should be scored as Not Comply. CP-WC 1.5 would also be evaluated as Not Comply because the indicator refers to the water used both in processing and washing the coffee. In cases where a water efficient pulping machine is used (e.g., Belcosub, Penagos) **and** water records are available to confirm water use in washing the coffee, the indicator may be evaluated as Comply. *However*, even in the case in which a water efficient pulping machine is used and no water use records are available, the evaluation for CP-WC1.5 should be Not Comply.

CP-EC1.1	The quantity of energy used on-site for coffee processing operations is recorded documenting both the annual total energy used AND, quantity of energy used per Kg of green coffee processed.
CP-EC1.5	<u>EXTRA POINT</u> : The total amount of energy used per Kg of green coffee shows a decrease over time.

If the wet mill is unable to provide energy records showing annual total energy used and quantity of energy according to Kg of green coffee processed, then CP-EC1.1 would be evaluated as Not Comply, and CP-EC1.5 would be evaluated as Not Comply.

CP-RM1.1	The quantity of energy (e.g., electricity and diesel) used on-site for coffee processing operations is recorded, documenting both the annual total energy used, AND quantity of energy used per Kg of green coffee processed.
CP-RM1.2	<u>EXTRA POINT</u> : Records indicate the total amount of energy used per Kg of green coffee shows a decrease over time.

If the dry mill is unable to provide energy records showing annual total energy used and quantity of energy according to Kg of green coffee processed, then CP-RM1.1 would be evaluated as Not Comply, and CP-RM1.2 would be evaluated as Not Comply.

3.10 Traceability at Integrated Mills

CP-MT1.1	<u>ZERO TOLERANCE</u> : Mill has a system and is tracking C.A.F.E. Practices coffee from initial purchase through point of export.
CP-MT1.2	<u>ZERO TOLERANCE</u> : Mill has a system and is tracking C.A.F.E. Practices coffee from initial purchase or intake through final sale or output.

Program guidance for the evaluation of CP-MT1.1 and 1.2 for vertically integrated estates has been updated as per guidance provided during V3.2 trainings in 2013 and 2014. In the case of a vertically integrated farm and mill, CP-MT1.1 and 1.2 should be treated as applicable and therefore must be evaluated as Comply or Not Comply.

In the cases of a mill that forms part of a vertically integrated estate and that only receives and processes C.A.F.E. Practices coffee from the associated farm, the inspector should evaluate the relevant CP-MT indicator as Comply.

3.11 Evidence of Agreements between PSOs and Smallholders

PS-MT1.4	Participating farmers are given a written agreement or identification card when they commit to implementing C.A.F.E. Practices guidelines.
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In order to evaluate PS-MT1.4, inspectors must conduct document review at both the PSO office and with farmers during field inspections. This indicator requires evidence in the form of documentation from both the PSO and farms (e.g., written agreements with farmers, ID cards).

Ideally, a contract and/or agreement will be made between the PSO and farmers on an individual basis (e.g., one contract per farmer). In this case, the inspector should assign an evaluation of Comply for PS-MT1.4. A single contract between the PSO and a group of farmers is only acceptable if each farmer has signed the agreement. Group contracts between a PSO and one person that represents several farmers, however, are not sufficient for a Comply evaluation for this indicator.