



**COCOA Practices**

**COCOA Practices – Terms & Conditions**

(Effective July 1<sup>st</sup>, 2018)

The COCOA Practices program defines critical social, environmental, and economic aspects of growing, and processing the cocoa that goes into products sold by Starbucks.

Starbucks COCOA Practices program is designed to ensure the continuous supply of ethically-sourced cocoa, and requires full segregation and traceability of the beans from producers to grinders. The program’s objective is to drive improvement of farmers’ livelihoods and sustainability at origin.

Applicants seeking a valid COCOA Practices status must meet Starbucks quality and economic transparency pre-requisites. Both pre-requisites must be approved by Starbucks Coffee Trading Company (SCTC), in Lausanne Switzerland.

COCOA Practices verifications must be undertaken during the peak of the main harvesting period. Applicants should schedule their verifications in advance to ensure the process will take place during the peak harvesting months while activity is happening on the ground.

Applicants should make every effort to communicate the required verification period to the contracted Verification Organization, as well as ensure all aspects of verification related to labor (workers available for interviews) so processing can be audited.

Applicants should also advise Verification Organizations of possible changes in sequence of visits depending on not only harvest conditions as a result of micro climates, but also the availability of workers considering the local working schedules.

**Required verification period (~ peak harvesting months) per Region – Table 1.**

Countries/ Region	Verification Periods
<b>West Africa, Latin America</b>	<b>From October to January (included)</b>

**Note:** 50% or more of the sampled entities must be verified between October 1<sup>st</sup> to January 31<sup>st</sup> in order for the application to qualify as In-harvest.

**Validity Renewal**

**1. Re-verification:**

- a. **All supply chains with a current (unexpired) Validity & Status must complete their re-verification process PRIOR to the expiration of their current validity.**

- b. An early re-verification will not affect or shorten the current validity or status, AND will provide a continuous COCOA Practices Validity for that specific supply chain application.
- c. A re-verification is considered complete only when a new validity and Approved status have been granted.

Any lapse in validity may cause the supply chain to be in default of contract on any outstanding shipments.

- d. Please note that the verification process which includes the final report submission to Starbucks, can take between 2 and 3 months, depending on supply chain complexity,
  - i. The verification process encompasses the following steps:
    - field inspection time
    - client report preparation
    - client review
    - Starbucks final submission, review and approval
  - ii. Any Zero Tolerance issues will extend the overall processing time.

## 2. **Expired & Pending Re-verifications:**

- a. Starbucks reserves the right to reject any cocoa shipments until a re-verification has been completed and a new Approved status and validity have been granted. A new status and validity can only be granted once all requirements, including implementation of Corrective Action Plans have been confirmed by a third party verification organization, and approved by Starbucks.

## 3. **Re-verifications with Zero Tolerance Non-Compliance Instances:**

Starbucks always seeks to influence improved farmer yields, as well as, social and environmental conditions through **Continuous Improvement** through COCOA Practices, therefore, if Zero Tolerance Non-Compliances have been identified by the 3<sup>rd</sup> party verification organization, the applicant is expected to:

- a. Immediately contact the Farmer Support Center in Costa Rica, to develop and submit a Corrective Action Plan if non-compliance with Zero Tolerance indicators has been identified by the 3<sup>rd</sup> party verification organization.
- b. Be responsible for the submission and implementation of a Corrective Action Plan to resolve all Zero Tolerance instances as per Starbucks guidance.
- c. Be responsible for contacting and scheduling a 3<sup>rd</sup> party ZT verification check to confirm the proper implementation of corrective action plan and compliance of all Zero Tolerance instances.

Once all Zero Tolerance indicators have been corrected, and upon receipt of verification organization's report, an Approved Status and validity will be granted.

**Any delays or failure to resolve Zero Tolerance Non-Compliances prior to the expiration of current validity may cause supplier to be in default of contract on outstanding shipments, and penalties may apply.**

## 4. **Final Status and Validity:**

- a. The COCOA Practices verification process, including reporting and approval, must be completed prior to the planned shipping period, as per contracts with Starbucks.
- b. **Note:** COCOA Practices cocoa must be shipped within your current validity period. Cocoa harvested within your validity period, but shipped after validity expiration may not be accepted and will be refused.

For any inquiries regarding COCOA Practices and related verification process, please contact us by email at: [cocoapractices@starbucks.com](mailto:cocoapractices@starbucks.com) or call the Starbucks Farmer Support Center in Costa Rica dialing the following number: at + (506) 2208-2700

**Validity Periods per Region – Table 2.**

Countries/ Region	Validity Periods
West Africa, Latin America	July 1 <sup>st</sup> - June 30 <sup>st</sup>

**Sampling Methodology – Table 3.**

Farm	Size (Hectares)	New Verification Sampling	Re-verification	
			Sampling	Zero Tolerance
Smallholder Farms	Up to 11.9	Square root of the total small farms multiplied by (1.5)	15% of farms previously verified + 85% of new farms / not previously verified + All entities with Previous Zero Tolerance	Note: All entities with <u>prior Zero Tolerance issues</u> must be included in re-verification application and will be verified <u>in addition</u> to the normal sample.
Large Farms	12 +	All sampled if 10 or less; if application consists of more than 10 large farms, then sampling method will be: 10 large farms + square root of the remaining number of farms beyond 10.		

**Scorecard:** the scorecard is broken down into 3 sections:

- Producer: farmer or entity that grows cocoa
- Producer organization: entity that regroups and supports cocoa farms (i.e.: cooperatives, intermediaries...)
- Supplier: includes warehouse activities at origin (receiving, receipts being issued, unloading, quality checks, machinery (mechanical dryers & cleaners) and rebagging).

Please note that the verification reports, applications, and the performance of the supplier may be subject to further audit by an independent Starbucks designated COCOA Practices verifier.

A COCOA Practices status neither implies nor guarantees that cocoa will be purchased by Starbucks Coffee Trading Company (SCTC).

**\* For any clarifications, assistance, or questions regarding your status please contact us at:**  
[cocoapractices@starbucks.com](mailto:cocoapractices@starbucks.com)

**\*\* For COCOA Practices documentation and to learn more about the program, please click link below:**

<https://www.scsglobalservices.com/starbucks-cocoa-practices>