

University Centers Advisory Board
Meeting Minutes November 12, 2013
Warren College Room

Call to Order

- Meeting called to order at 2:03 pm
- Motion to table minutes until after presentation by Liza, seconded by Ellen
- Motion to allow public to listen to presentation by Colin seconded by Jehoan
- Starbucks this week, Java city next week
- Present: Sammy Chang (President), Christie, Louis, Elyssa, Liza, Colin, Sharon Van Bruggen, Hugh Hagues, Jehoan, Ernesto, Ellen

Public Input

Starbucks Presentation

- 3 pillars of business model: Ethical sourcing, environmental impact, community investment
- Starbucks mission statement and UCSD mission statement comparison
- Community engagement, public service, and industry partnerships
- Starbucks platforms: any company that has the opportunity to be ongoing should balance profitability and social conscience
- Kelly Goodejohn director of ethical sourcing Introduction
- Want input from everyone
- CAFÉ practices program: almost 10 years partner with conservational international
- Sustainability and social issues
- Business imperative to support coffee farmers
- 25 million people rely on coffee as income
- 2nd commodity following oil
- Climate and weather patterns will affect coffee farming so technical assistance is also requested
- Long term supply of quality coffee resulting in farmer resilience, healthy environment, thriving communities
- Work with competitors and coffee associations
- CAFÉ practices overview: 4 components
- 2 prerequisites: quality(commitment to delivering highest quality to customers), transparency(what supply chain looks like, how price translates to worker level)
- Social responsibility:
 - access to education

- Wages hours of work, and benefits
 - Worker safety and training
 - Access to medical care
 - Access to housing, potable water, sanitary facilities
- Highlights:
 - all children living on small farms attend school is imperative
 - At least 89% full time workers employed by mills receive sick leave
 - 1.1 M workers employed by participating farms each year(more than 435 K earn > minimum wage)
 - Always trying to improve
 - 200 indicators: 1/2 on each side
 - Environmental leadership: water protection, ecological pest and disease control, controlling surface erosion
- Highlights:
 - over 100 K conservation hectares(~2 acres) managed(1 of 5 in production)
 - Supporting biodiversity
 - 99% large farms used organic matter or cover crops to improve or maintain soil fertility
 - Improve soil quality=improve yield and quality of coffee
 - 90% mills process wasted in a way that doesn't contaminate local environment
- Work to help coffee farmers who are affected by weather and climate: able to help this farmer in Costa Rica
- Starbucks origin support: farmer support centers(help coffee farmers and not only Starbucks coffee farmers), Columbia, Guatemala, China, and other locations are opening centers
- Farmer loans(2015) contribute 20 million dollars to farmer loans programs which goes to intermediaries
- Intermediaries: organizations who lend money to coffee cooperatives at very low interest rates and have access to traditional lending and financing
- Through nonprofit orgs that Starbucks lends money to, they can lend money to cooperatives to help coffee growth
- Steadfast approach to coffee growing
- Purchased first Starbucks coffee farm this year which will be used to test out methods of agriculture so they can offer solutions to farmers
- Starbucks foundation & social projects(save the children, PCI, PATH)
- Scaling the impact through relationships
 - NGOs(conservation Intl, Mercy Corps)
 - Supplier network

- Governments: Mexico, Brazil, help Columbia coffee farmers how to increase productivity
- Industry groups
- What does it mean when the CI logo appears on the bag? At least 80% of green coffee purchased annually for that blend or single coffee origin of CAFÉ practices verified.
- Version 3.1 being implemented now
- Fairtrade(hereafter referred to as FT) and CAFÉ practices: lots in common within Starbucks and FT programs
- FT: social premium and minimum prices, cooperative focus, smallholders democratically organized only
- Environmental impact: strongly committed to improving environmental footprint
- Goals: build all new, company owned stores to achieve LEED certification
- Progress: Starbucks has achieved LEED certification for 116 stores in 12 countries and we are addressing specific geographic challenges in our high growth markets
- Part of US Green building council
- Energy conservation: reduce energy consumption by 25% in company owned stores by 2015
- Increase by 1% in 2012 due to extreme weather conditions
- Recycling and reducing waste: develop comprehensive recycling solutions for our paper and plastic cups by 2012 and solutions for our remaining company owned markets
- Front of store recycling: implement front of store recycling in our company owned stores by 2015
- Reusable tumblers and cups: 5% discount in drink
- Green apron and hot cup are strongly associated with Starbucks
- 1997: recycled content cup sleeve
- 2006: launched the industry's first hot beverage paper cup w/10% post-consumer recycled fiber
- 2008: rolled out new plastic cup
- 2009-2011: cup summits to innovate cup recycling solution
- 2011-2013: continue to collaborate to develop relevant recycling infrastructure
- 2013: introduced \$1 reusable recyclable cup

Questions/Answer

○ Jillian: AS environmental social justice affair (FT UCSD campaign started >5 yrs ago) UCSD policy was changed and is not the strongest in US anymore. Expand on CAFÉ practices score card system?

- Score card are nuts and bolts of when farmers visit farms. How they evaluate farms. Inspectors guide book. General premise: farms must meet

- 0 tolerance standards. When issues come up, we help farmers advance. Version 3.0, if 0 tolerance issues come up, those supply chains will commit to correcting them, correcting their plan, and will help to get them to qualified status. If it is not 0 tolerance, we have updates quarterly to implement rules. Right now is the beginning of harvest in South America. Inspectors in field today and for next several months. We can progress even further. It's how producers are moving forward without affecting environmentally. In application could be 1 large estate or 20000 small farms (Will send current information). New standards must be met for each farm. In Columbia there are 20000 producers who are part of cooperative. 0 tolerance process validates that the right wages are in place. In status to approved status.
- Jillian: to get verified status only need to meet 50% of FT
 - It can get verified but have only harvest to correct verification. Want to give them through next harvest.
- Colin: CAFÉ Practices(expand on relationship between Starbucks and CAFÉ practices and financial autonomy)
 - SCS global services manages score cards and indicators. No obligation for producers to sell to Starbucks, it's a voluntary approach. Trying to share coffee practices to farmers for sustainability. A team in Costa Rica to go explain program and explain in contracts. Education and everything about that perspective is an important aspect.
- Rahul: FT community (do not want to weaken existing policy) want to empower standards we have. CAFÉ practices but not certified by them. Have organic food and which is better. Instead of being limited to FT, is there anything comparable or better than FT we should take that into consideration. Likes the education point. For empowerment, for a poor farmer, Starbucks can put in resources to help them, and that's why policy changes.
 - 6 farms visited each day of the year. Organizations are independent coffee orgs and their verification orgs are different. 25 of those companies are trained to do CAFÉ practices. Makes sure these 25 orgs are consistent in their approach and that there is no corruption or bribery. Farms pay orgs not Starbucks. Starbucks pays SCS. SCS is separate engages with FT. Leveraging in terms of industry and conservation.
- Colin: CAFÉ practices on VENN diagram (one major diff that is brought up, living wage vs minimum wage).
 - In the indicator we are looking at living wages, minimum wages and hoping that we can move beyond minimum wage and want to advance by getting to that point. It is within our indicators.

- CAFÉ practices(hereafter referred to as CP): Does anyone have say in what their wages are? CAFÉ practices determines wage? Coffee producers get to negotiate. Starbucks buys coffee that has quality and participates in CP. Cooperative sets prices and individual farmer sets wages. Paying for premium quality and seeing how money flows and through CP, we can understand how much the farmer and processor is getting. Getting minimum wage is important first.
- Hue: what happens if the company you are working with is not in that 10%? Do you educate them?
 - We are at 93%. We have been working with other 7% for several years, but have not enrolled them in the program yet. Once a year look for diamond in a rough mine coffee that we hunt out so it is good to think how we can enroll them into this program. Enrolling Kona supply chains now. Starting to get them into program. Reaching out to other 7% and understand how they want to approach and validate their performance and educate them
- Linda: only 8% of coffee is purchased that is FLOW certified. FT international certified. Retail, School, etc.
- Jillian: difference on FT side-living wage and healthcare is why FT is stronger policy, just pointing it out
- Madelyn: Likes environmental component. Very few programs for sustainability on campus and Starbucks is doing a lot. What else are you planning?
 - Trying to connect with others to advance. Partners with GE for lighting in stores to reduce energy usage. Invented new technology out of that. Looking for right partners and materials we are using. Good progress so far and hearing from universities we can take it back and put it into stores. Water saving component and lighting. In university in Hawaii: Cured tree and tied it into framework of store. Industry focus and trying to bring right type of partners.
- Linda: What is holding Starbucks to meet these goals? Wanted to reduce 25% energy consumption but you didn't so what now?
 - Goals put into place for 2015 in 2008. Company wasn't doing well in 2008 and downturn in economy. Re-invested money into efforts to not let economy shift focus. There is passion behind our goals. No CSR teams, these ideas are embedded into company. Coffee buyers are responsible for meeting coffee buying goals. Can we meet all of them? I don't know. Didn't hit goal last year because must maintain temp for new equipment but we have adjusted the equipment to shut off at certain temps.
- Liza: Compostable and recyclable cups? What type of cup at UCSD? Incentives for students to increase bringing cups? Starbucks has great drinks but prices are fairly high?

- University would operate license store. So from pricing standpoint, UCSD would be setting prices for store. What we do is provide suggestive prices. Do a lot of study around comparable prices. Recycle programs in stores that can drive those initiatives. Cup: same cup. We have not changed material but are trying to find infrastructure for better cup
- Jillian: 8% FT certified, in Europe what's policy that you can only serve FT coffee?
 - Serving FT certified lattes in retail stores
- Hue: retail prices for market?
 - Would write those for you in communication and information and you can set the prices
- Hue: What % has recyclable cups being implemented?
 - In license and retail stores has this cup available. Near cash register.
- Colin: Financial autonomy of CAFÉ practices might be conflict of interest. Is there any plan for CAFÉ practices to be financially autonomous from Starbucks?
 - Offer financial autonomy but that hasn't happened yet. We definitely are in the conversations with other companies to see what sustainable coffee looks like.
- Use conventions of international orgs? Several of them, key list of documents made 10 years ago.
- Jillian: in future if FT committee decides not to use CAFÉ practices, how would you comply?
 - License store does comply, so both. Not applicable yet.
- Hugh: cannot invest in store since only grab and go FT drinks.
- Paper recovery alliance

Chair Report, Samuel Chang

- Interviewed members at large: might have to push back member at large appointments.
- **MOVE TO CLOSED SESSION**

Vice Chair Report, Elyssa Droge

New Business

Old Business

Member Reports

Announcements

Open Forum

Adjournment

Meeting adjourned at 3:35 pm