

Keurig Dr Pepper

TICKER
NASDAQ: KDP

MARKET CAPITALIZATION
US\$35 billion

HEADQUARTERS
United States

DISCLOSURES
UK Modern Slavery Act: Yes

TARGETS
Yes

California Transparency in Supply Chains Act: Yes

OVERALL RANKING

17 out of **43**

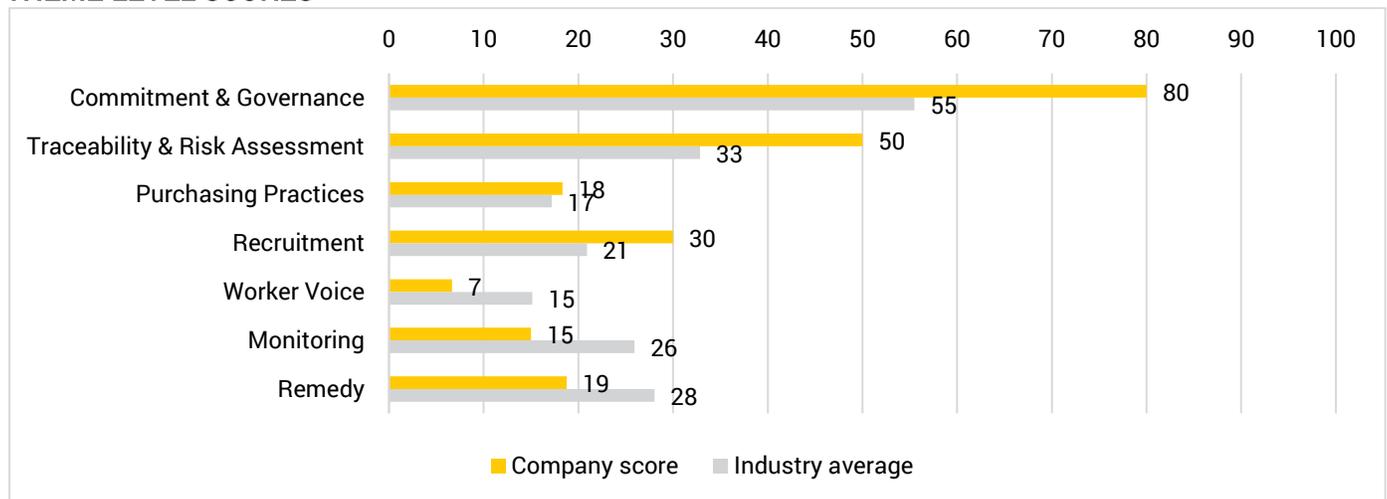
OVERALL SCORE

31 out of **100**

SUMMARY

Keurig Dr Pepper (KDP), an American producer of hot and cold beverages, ranks 17th out of 43 companies, disclosing more information on its forced labor policies and practices than its peers on all themes except Worker Voice, Monitoring, and Remedy. The company's score is based on its strong performance on the theme of Commitment & Governance. The company is encouraged to improve its performance and disclosure on the themes of Purchasing Practices, Worker Voice, and Remedy.

THEME-LEVEL SCORES



KEY DATA POINTS

Research conducted through February 2020 or through May 2020, where companies provided additional disclosure or links. For more information, see the full dataset [here](#). For information on a company's positive and negative human rights impact, see the Business & Human Rights Resource Centre [website](#).

SUPPLIER LIST

No

SUPPORTS FREEDOM OF ASSOCIATION

No

HIGH-RISK COMMODITIESCoffee, cocoa, and corn¹**NO-FEE POLICY**Yes ([Employer Pays Principle](#))**REMEDY FOR SUPPLY CHAIN WORKERS**

No

LEADING PRACTICES

None.

NOTABLE FINDINGS

Commitment & Governance: The company discloses that it has trained 100% of its procurement staff on the supplier code of conduct, which prohibits forced labor. Additionally, it reports that it has trained Brazilian coffee exporters (the company's second-tier suppliers) on how to mitigate forced labor risks. The company discloses that it is an active member of the Sustainable Coffee Challenge. It sits on the initiative's Advisory Council and participates in a working group focused on eradicating forced and child labor and providing better working conditions.

Risk Assessment: KDP reports that it conducts supply chain risk assessments to identify country- and local-level risks on forced and migrant labor. It discloses risks identified per commodity, stating, for instance, that it recognizes the highest risks for coffee at the farm level. Migrant workers, piece-rate payments, poor working conditions, and a lack of labor inspectors and legal enforcement are among the identified risks. KDP also discloses risks associated with exploitative recruitment agents for apple juice concentrate workers and risks of exploitation of migrant worker at corn farms. At the processing level, it states working hours and overtime are a risk, particularly in China.

Recruitment: The company's supplier code prohibits worker-paid recruitment fees and incorporates the Employer Pays Principle, requiring that workers are reimbursed for any fees paid. The supplier code, which prohibits forced labor, also obliges third-party labor agencies used by suppliers to comply with the standards. The code additionally prohibits the withholding of workers' passports and requires that workers are informed of the terms and conditions of their employment in a language they understand before starting work.

OPPORTUNITIES FOR IMPROVEMENT

Purchasing Practices: The company is encouraged to assess risks of forced labor at potential suppliers before entering into contracts with them. It is further encouraged to adopt responsible purchasing practices (such as prompt payment) and provide procurement incentives (such as price premiums or longer-term contracts) to its first-tier suppliers to encourage or reward good labor practices, and disclose details thereof.

Worker Voice: To support collective worker empowerment, the company is encouraged to work with its suppliers to improve their practices regarding freedom of association and collective bargaining and with local or global trade unions to support freedom of association in its supply chains. Where there are regulatory constraints on freedom of association, the company may consider ensuring workplace environments in which workers in its supply chains are able to pursue alternative forms of organizing.

Remedy: The company may consider establishing and disclosing details of its corrective action plan process, such as potential actions taken in case of non-compliance, a means to verify remediation and/or implementation of corrective actions, and potential consequences if corrective actions are not taken. It may also consider disclosing details on its procedure to ensure that remedy is provided to suppliers' workers in cases of human trafficking and forced labor and, in addition to disclosing remedy outcomes for workers in its appliance supply chains, to also disclose examples of remedy outcomes for workers in its food and beverage supply chain.

ENGAGED WITH KNOWTHECHAIN

Yes ([Sent Links](#)).

¹ The US Department of Labor lists these commodities as commodities that may be produced using forced labor. US Department of Labor (20 September 2018), "[List of Goods Produced by Child Labor or Forced Labor](#)."