

Monster Beverage Corp.

TICKER
NAS:MNST

MARKET CAPITALIZATION
US\$35 billion

HEADQUARTERS
United States

DISCLOSURES
UK Modern Slavery Act: Yes
California Transparency in Supply Chains Act: Yes

TARGETS
Yes

OVERALL RANKING

23 out of **43**

([2018 Rank](#): 35 out of 38)

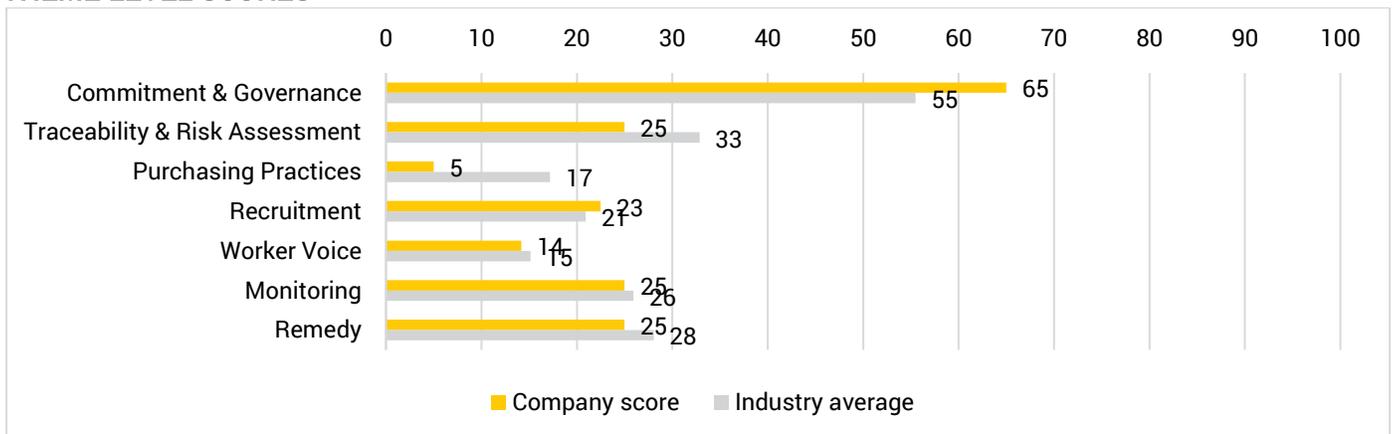
OVERALL SCORE

26 out of **100**

SUMMARY

Monster Beverage Corp. (Monster Beverage), a US energy drink company, ranks 23rd out of 43 companies, disclosing about the same amount of information on its forced labor policies and practices as its peers. Since 2018, the company's score has improved by 22 points. This is because the company began disclosing a supplier code that includes the Employer Pays Principle, and prohibits forced labor and passport retention. It further began disclosing forced labor training for its procurement staff and suppliers, internal responsibility for its supplier code, board oversight over the code, and a grievance mechanism. The company scores higher than average on the themes of Commitment & Governance and Recruitment and lower than average on all other themes. The company has an opportunity to improve on the themes of Commitment & Governance, Purchasing Practices, and Worker Voice.

THEME-LEVEL SCORES



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](#).

KEY DATA POINTS
SUPPLIER LIST

No

NO-FEE POLICY

 Yes ([Employer Pays Principle](#))

SUPPORTS FREEDOM OF ASSOCIATION

No

REMEDY FOR SUPPLY CHAIN WORKERS

No

HIGH-RISK COMMODITIES

 Coffee, sugarcane, and cattle (milk)¹
LEADING PRACTICES

None.

NOTABLE FINDINGS

Management and Accountability: The company discloses that its human rights and supply chain policies (including its supplier code of conduct) are managed by its quality, procurement, and legal teams. It also reports that the nominating and governance committee of the board of directors has oversight of the company's human rights policies and reviews the company's efforts in this regard at least annually.

Recruitment: The company's supplier code of conduct prohibits worker-paid recruitment fees in its supply chains and incorporates the Employer Pays Principle, meaning that the employer rather than the worker must bear the costs of recruitment. The code also prohibits the retention of workers' passports.

Grievance Mechanism: Monster Beverage's supplier code requires its suppliers to provide workers with a mechanism for reporting violations of the code. The company further discloses the contact information for its own hotline within the supplier code.

OPPORTUNITIES FOR IMPROVEMENT

Commitment & Governance: The company is encouraged to engage with relevant stakeholders on human trafficking and forced labor. This may include engagement with policy makers, worker rights organizations, or local NGOs in countries in which its suppliers operate, as well as active participation in one or more pertinent multi-stakeholder or industry initiatives.

Purchasing Practices: The company may consider taking steps to address forced labor risks in its raw materials sourcing. 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.

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.

ENGAGED WITH KNOWTHECHAIN

Yes ([Provided Additional Disclosure](#)).

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](#)."