

The Coca-Cola Company

TICKER
NYSE:KO

MARKET CAPITALIZATION
US\$203 billion

HEADQUARTERS
United States

COMPLIANCE

UK Modern Slavery Act: [Disclosure available, but not compliant](#)

California Transparency in Supply Chains Act: [Yes](#)

COMMITMENTS

[Yes](#)

OVERALL RANKING

3 out of 38

(2016: 2 out of 20)

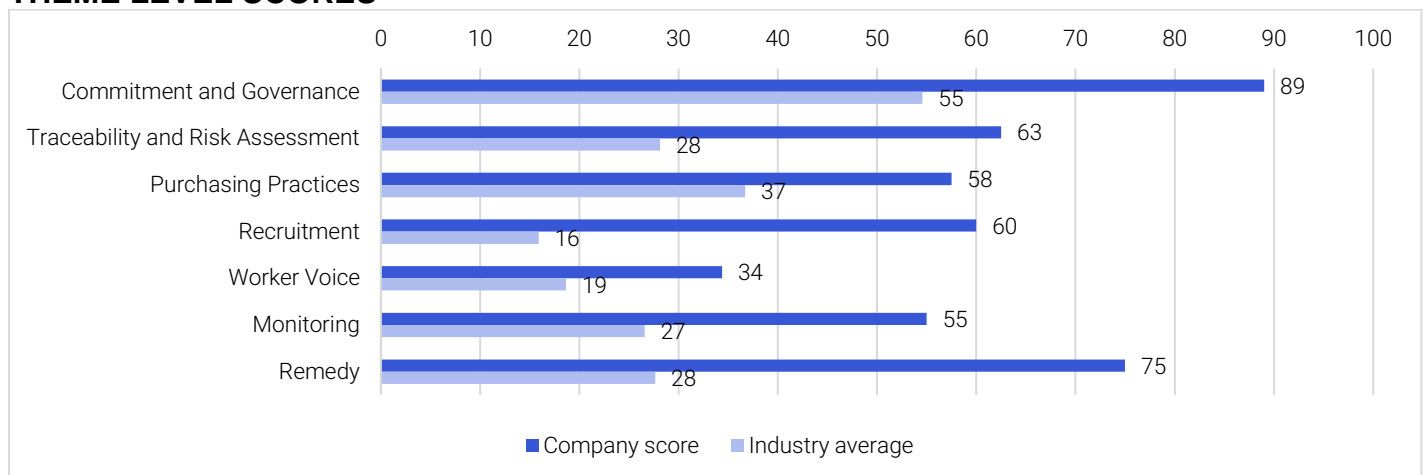
OVERALL SCORE

62 out of 100

SUMMARY

The Coca-Cola Company (Coca-Cola), the world’s largest beverage company, which provides products such as juices, ready-to-drink teas and coffees, ranks third out of 38 companies, disclosing more information on its forced labor policies and practices than its peers across all themes. Compared to 2016, the company improved its score by four points. This is because the company discloses that it is co-chairing the work stream on responsible recruitment of the industry initiative AIM-PROGRESS, which involved awareness raising on this topic among suppliers and industry peers. It further discloses that it trained suppliers in different countries on forced labor and responsible recruitment. Notably, Coca-Cola has the second highest score on the theme of remedy and is the only company to disclose several examples of remedy provided to workers in its supply chains. Additional steps the company could take to address forced labor risks in its supply chains, include strengthening its disclosure and practices on the themes of purchasing practices, worker voice, and monitoring.

THEME LEVEL SCORES



LEADING PRACTICES

Stakeholder Engagement: Coca-Cola discloses that it is one of the founding members of two cross-sectoral initiatives focused on eradicating forced labor, the Leadership Group for Responsible Recruitment and the Global Business Coalition Against Human Trafficking. The company states that it is an active member of The Consumer Goods Forum, and co-chairs the work stream focused on implementing the initiative's forced labor resolution. Coca-Cola further discloses that it is an active member of AIM-PROGRESS, leads the work stream on supplier training (which includes human rights), and collaborated with other member companies to deliver supplier training focused on ethical recruitment.

Risk Assessment: Coca-Cola discloses that it uses several sources of information to identify human rights risks in its supply chains, including its Ethics Line; its Incident Management and Crisis Resolution System; third-party audits of its suppliers; dialogue and meetings with the IUF (International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Association); country-level studies on forced labor, child labor and land rights; and "engagement with other organizations". Further, it details that the publicly available country studies in its sugar supply chains, which include data review, stakeholder interviews, as well as field visits to farms, have been carried out for 14 countries. In addition, the company states it cooperated with the NGO Shift to map and prioritize human rights risks according to scale, scope, and ability to remediate.

Remedy Outcomes: Coca-Cola discloses several examples of outcomes of remedy provided to supply chain workers. It discloses that after discovering that a subcontractor used by a mill in Côte d'Ivoire indebted migrant workers and withheld their travel documents, the mill investigated the claims and provided remediation to workers, including the return of travel documents. Coca-Cola states that it found that some subcontracted workers in a mill in Cameroon were working without any rest days. It states that the mill addressed this issue with the subcontractor and ensured that workers were given rest days.

NOTABLE FINDINGS

Management and Accountability: Coca-Cola discloses that topics related to business and human rights and responsible business conduct are regularly included in senior management meetings. It states that it has a Global Workplace Rights department within its Human Resources function which is responsible for the development and oversight of its supply chain policies. It works with other departments, including procurement, diversity and inclusion, communications and sustainability, and legal and enterprise risk management. The Global Workplace Rights department reports semi-annually to the company's Public Issues and Diversity Review Committee, which is chaired by a member of the Board of Directors who provides oversight over the supply chain standard and "closely monitors the company's human rights work and ongoing efforts to ensure that we are respecting human rights in our value chain."

Cascading Standards through the Supply Chain: Coca-Cola discloses that it has established a program called "Pass It Back" which enables suppliers to self-manage compliance with Coca-Cola's principles in their operations and supply chains. The program covers the alignment of policies and standards, due diligence and remediation, auditing and reporting, and impact assessment elements. One of the program's goals is to empower suppliers and provide an opportunity to recognize their progress and good practices.

Monitoring: Coca-Cola discloses that its supplier audits include a record review of personnel files, wage records, and logs of working hours, and that auditors cross check information gathered during the factory visits and workers interviews. The company discloses that worker interviews are carried out with randomly selected employees as well as contract workers "from different production lines and duties within the facility; employees of different genders, ethnic or religious backgrounds; employees who appear very young; employees who are pregnant; union representatives, when available; and contingent workers." It further states that it assigns high importance to the protection of the workers; therefore, interviews are conducted in a private location that guarantees separation from management influence and all documentation is destroyed away from the supplier location.

OPPORTUNITIES FOR IMPROVEMENT

Purchasing Practices: The company is encouraged to adopt responsible purchasing practices in the first tier of its supply chains, and to provide procurement incentives to first-tier suppliers to encourage or reward good labor practices (such as price premiums, increased orders, and longer-term contracts). Further the company may consider disclosing details or outcomes of how it assesses forced labor risks at potential suppliers before entering into contracts with them.

Worker Voice: To prevent forced labor in its supply chains, the company is encouraged to work with relevant stakeholders to engage with and educate workers in its supply chains on their labor rights. To ensure scalability and effectiveness, the company may consider ensuring that there are worker-to-worker education initiatives on labor rights in its supply chains and measuring and disclosing evidence of the positive impact of worker engagement in its supply chains.

Monitoring: The company is encouraged to disclose evidence that it audits suppliers below the first tier. Further, the company may consider disclosing the percentage of suppliers audited annually, the percentage of unannounced audits, and the number or percentage of workers interviewed during audits.

COMPANY PROVIDED ADDITIONAL DISCLOSURE

[Yes.](#)