

The Coca-Cola Company

TICKER
 NYS:KO

MARKET CAPITALIZATION
 US\$194 billion

HEADQUARTERS
 United States

DISCLOSURES
UK Modern Slavery Act: Yes (Disclosure of Subsidiary)

California Transparency in Supply Chains Act: Yes

TARGETS

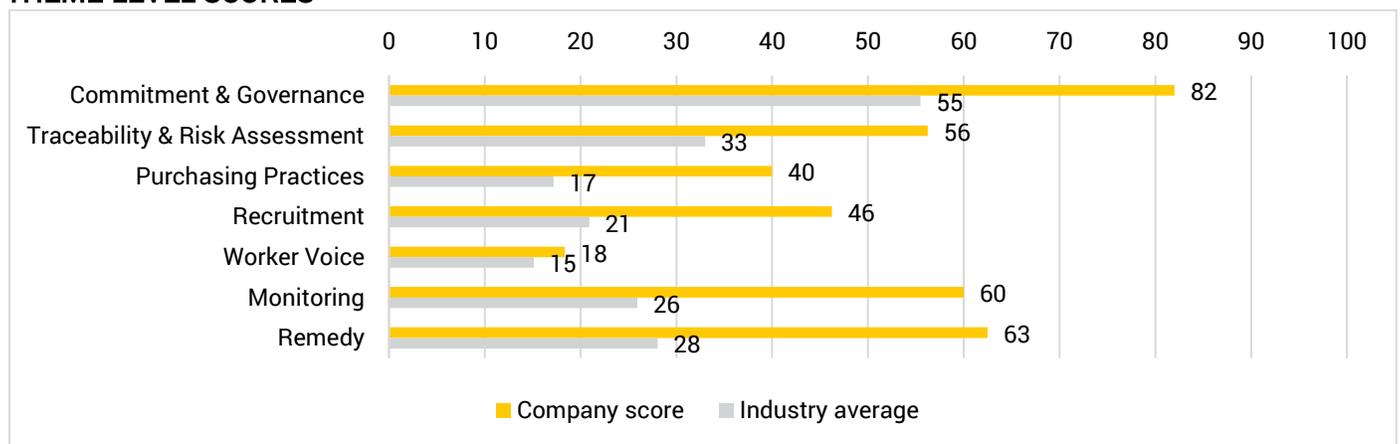
Yes

OVERALL RANKING
6 out of 43

(2018 Rank: 3 out of 38)

OVERALL SCORE
52 out of 100
SUMMARY

The Coca-Cola Company (Coca-Cola), one of the largest global soft drinks companies, ranks 6th out of 43 companies, disclosing more information on its forced labor policies and practices than its peers across all themes. Since 2018, the company seems to have taken only limited steps to improve (namely, it discloses undertaking lower-tier audits in its sugar supply chains). As the benchmark methodology requires companies to keep up with evolving stakeholder expectations and emerging good practices, the company's rank decreased by three places. Notably, Coca-Cola is among the two highest-scoring companies on the theme of Remedy. The company has an opportunity to improve on the themes of Traceability & Risk Assessment, 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

SUPPORTS FREEDOM OF ASSOCIATION

Yes

REMEDY FOR SUPPLY CHAIN WORKERS

Yes

HIGH-RISK COMMODITIES

 Sugarcane, coffee, corn, and others¹
LEADING PRACTICES

Monitoring: The company reports that as part of its supplier audits, it includes confidential worker interviews. Interview questions include “how employees found their positions, whether any fees were paid and whether overtime was voluntary or communicated at hire if mandatory.” It states that the selection of workers to be interviewed will consider different genders, ethnicities, and religions and that young workers, pregnant workers, and union representatives are included.

NOTABLE FINDINGS

Management and Accountability: The company reports that its global workplace rights team manages its human rights approach, policies, and governance, including identifying human rights risks in its supply chains. It states that this team works with staff from procurement, health and safety, communications, and sustainability. It also reports that scorecards that monitor the implementation of the company’s supply chain standards on forced labor are included across business units to ensure execution at the local level. Coca-Cola states that it has a public issues and diversity review committee within its board of directors, which reviews human and workplace rights policies (including supply chain policies) and receives annual updates.

Risk Assessment: Coca-Cola discloses that it initiates third-party studies to evaluate the human rights risks in its top sugar-sourcing countries. The assessments include “research, stakeholder interviews, and on-site visits to mills and farms” in Belize, Bolivia, Brazil, Colombia, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Paraguay, Cameroon, Republic of the Congo, Côte d’Ivoire, Gabon, Malawi, Mauritius, South Africa, Swaziland, India, and Thailand. Stakeholders have included ministries of labor and agriculture and local chapters of international organizations such as Oxfam, as well as local unions and community members. It states that 13 of 20 country studies found forced labor risks, particularly in India and Mexico.

Remedy: The company discloses that it found that a subcontractor used by a sugar mill in Côte d’Ivoire was engaging in forced labor by indebting migrant workers and withholding travel documents until the debt was repaid. It states that remediation for the workers included returning their documents and that the subcontractor received training to ensure full compliance and understanding of company policy. In addition, it states that, in Cameroon, it found that some subcontracted workers were not being given rest

days, working seven days in a row. It says that the mill addressed the issue with the subcontractor to ensure that workers were given mandatory rest days. Coca-Cola also reports that it participates in a project with Colombia's Association of Sugarcane Growers, Asocana, and local officials to address child labor in sugarcane. It states that as a result of the project, 100 children were removed from child labor.

OPPORTUNITIES FOR IMPROVEMENT

Traceability & Risk Assessment: While the company discloses some information on its sourcing countries for sugar, it is encouraged to demonstrate a stronger understanding of its supply chains by disclosing the names and addresses of its first-tier suppliers, the countries of below-first-tier suppliers, the sourcing countries of further raw materials at high risk of forced labor and human trafficking, and information on its suppliers' workforce.

Purchasing Practices: The company is 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. While the company discloses assessing forced labor risks at potential suppliers, it is encouraged to disclose outcomes thereof (such as the number or percentage of potential suppliers rejected for lack of strong labor practices).

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 disclosing such initiatives across its supply chains and measuring and disclosing evidence of the positive impact of worker engagement in its supply chains.

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](#)."

The [Wall Street Journal](#) reports that the company sources sugar from Xinjiang, China, where forced Uighur labor is used.