

**KnowTheChain Food & Beverage Benchmark Methodology
Version 2 (December 2017)**

SCORED DISCLOSURE

1.5 Stakeholder Engagement

In the last three years, the company has engaged relevant stakeholders by:

- (1) providing at least two examples of engagements on forced labor and human trafficking with policy makers, worker rights organisations, local NGOs, or other relevant stakeholders in countries in which its suppliers operate, covering different supply chain contexts; and
- (2) actively participating in one or more multi-stakeholder or industry initiatives focused on eradicating forced labor and human trafficking across the industry.

Additional Disclosure

[Human Rights Report - Brazil pg 35](#)

THEME 3: PURCHASING PRACTICES

3.1 Purchasing Practices

Purchasing practices and pricing may both positively impact labor standards in the company's supply chain, and increase risks of forced labor and human trafficking. The company:

- (1) is taking steps towards responsible raw materials sourcing;
- (2) is adopting responsible purchasing practices in the first tier of its supply chain; and
- (3) provides procurement incentives to first-tier suppliers to encourage or reward good labor practices (such as price premiums, increased orders, and longer-term contracts).

Additional Disclosure:

In 2013, we set a goal to more sustainably source our priority ingredients by 2020. Priority ingredients include cane and beet sugar, high fructose corn syrup, stevia, tea, coffee, oranges, lemons, grapes, apples, mangos, pulp and paper fiber for packaging, palm oil and soy. For us, 'sustainably sourced' means that our farm suppliers meet certain standards, among other requirements, relating to human and workplace rights, environmental protection, and responsible farming management, otherwise known as our Sustainable Agriculture Guiding Principles (SAGP). Consisting of 15 principles, our SAGP establish the framework for defining our commitment to sustainable sourcing and are integrated into internal governance routines and procurement processes.

We are working toward engaging suppliers of all our key ingredients through our Supplier Engagement Program. It provides a framework consisting of seven stages of improvement

toward reaching compliance with our Sustainable Agriculture Guiding Principles (SAGPs). Suppliers are given information and guidance about assessments, audits, measurement of progress, and validation of performance so that they can qualify for sustainability certification. We aim to establish and maintain reliable, long-term relationships with suppliers; support the many environmental and social aspects of sustainability in communities where our ingredients are grown and processed; and accelerate progress toward our 2020 goal. We measure this progress through our Seven Steps to Supplier Verification.

[SAGP](#)

[2016 Sustainability Report](#)

[7 Steps to Supplier Verification](#)

[Sustainability - Agriculture Article](#)

3.3 Integration into Supplier Contracts

The company:

- (1) integrates supply chain standards addressing forced labor and human trafficking into supplier contracts.

Additional Disclosure

The Coca-Cola Company (“TCCC”) is committed to upholding fundamental principles of international human and workplace rights everywhere we do business and believe that the true measure of a well-managed business is not just whether it is financially successful, but how it achieves that success. We seek to develop relationships with bottlers and suppliers that share similar values and conduct business in an ethical manner.

Our commitment to respecting human rights is formalized in our global human and workplace rights policies. These policies communicate our values and expectations and emphasize the importance of responsible workplace practices that respect human rights and comply, at a minimum, with applicable laws and core international conventions. These laws and regulations include, among others, those that address working hours, compensation, working conditions and the rights of employees to choose whether to be represented by third parties and to bargain collectively.

Our customers and stakeholders expect that we demonstrate our commitment to human and workplace rights by implementing our human and workplace rights policies across our business. Accordingly, we request that our partners undergo a specialized assessment and, once alignment with our human and workplace rights policies is confirmed, undergo periodic re-assessments. The assessments are conducted by accredited, independent third-party firms that specialize in human and workplace rights.

In certain instances, we have found that expanded guidance is needed to help supplier partners achieve the values outlined in our human workplace rights policies. The issue guidance document

provides additional guidance on some of these challenging issues. The intent is to provide background information on the issue and what are the expectations to comply with our requirements.

[Issue Guidance](#)

THEME 7: REMEDY

7.2 Remedy Programs / Response to Allegations

A. If no allegation regarding forced labor in the company's supply chain has been identified in the last three years, the company discloses:

(1) a process for responding to the complaints and/or reported violations of policies and standards; and

(2) at least two examples of outcomes for workers of its remedy process in practice, covering different supply chain contexts.

B.1. If one or more allegations regarding forced labor in the company's supply chain have been identified in the last three years, the company discloses:

(1) a process for responding to the complaints and/or reported violations of policies and standards;

(2) a public response to the allegation, which covers each aspect of each allegation;

(3) outcomes of the remedy process in the case of the allegation(s); and

(4) evidence that remedy(ies) are satisfactory to the victims or groups representing the victims.

B.2. If one or more allegations regarding forced labor in the company's supply chain have been identified in the last three years, and the company denies the allegation, the company discloses:

(1) a process for responding to the complaints and/or reported violations of policies and standards;

(2) a public response to the allegation, which covers each aspect of each allegation;

(3) a description of what actions it would take to prevent and remediate the alleged impacts; and

(4) that it engages in a dialogue with the stakeholders reportedly affected in the allegation, or requires its supplier(s) to do so.

Additional Disclosure:

[The Coca-Cola Company Human Rights Report pg 13, 35-36,43,48](#)

[Land Rights, the Path Forward](#)