

# Global Workplace Rights Human and Workplace Rights Issue Guidance

## Supplier Guiding Principles

*The Coca-Cola Company*



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## **/ Introduction**

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. This 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.

We look forward to working with you to support appropriate understanding of our human and workplace rights policies. If you have any questions or would like to discuss our requirements in more detail, please email Workplace Accountability at [waccountability@coca-cola.com](mailto:waccountability@coca-cola.com).

## // Policies

At The Coca-Cola Company, respect for human and workplace rights is engrained in our culture and guides our interactions with bottling partners, suppliers, customers, consumers, employees and the communities we serve. Our Human Rights Policy, along with our Supplier Guiding Principles, establishes a foundation for managing our business around the world in accordance with our commitment to respect human rights.

### Human Rights Policy

Respect for human rights is fundamental to the sustainability of The Coca-Cola Company and the communities in which we operate. In our Company and across our system, we are committed to ensuring that people are treated with dignity and respect. The Coca-Cola Company's Human Rights Policy is guided by international human rights principles encompassed in the Universal Declaration of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, the United Nations Global Compact and the United Nations Guiding Principles on Business and Human Rights. The Human Rights Policy applies to The Coca-Cola Company, the entities that it owns, the entities in which it holds a majority interest, and the facilities that it manages.



The Coca-Cola Company's Human Rights Policy can be downloaded online: <http://www.coca-colacompany.com/our-company/human-rights-policy>

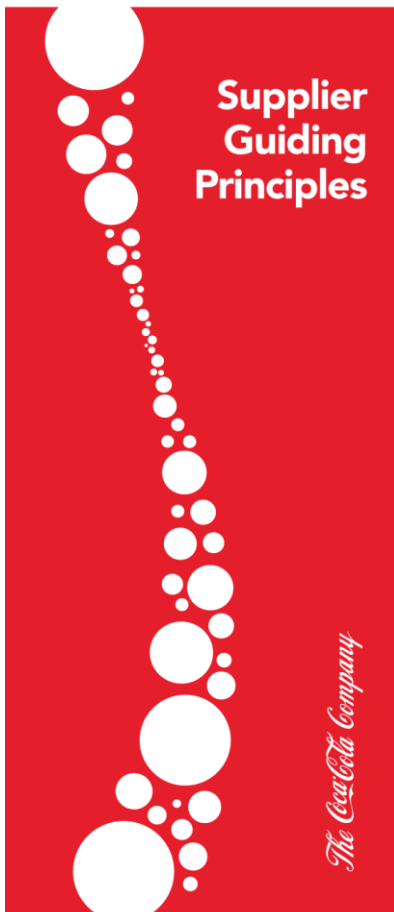
### Supplier Guiding Principles

The Supplier Guiding Principles (SGP) are a vital pillar of The Coca-Cola Company's human rights and workplace accountability programs. These programs are driven by the belief that good corporate citizenship is essential to our long term business success and must be reflected in our relationships and actions in our workplaces and the workplaces of those who supply our business.

Recognizing that there are differences in laws, customs, and economic conditions that affect business practices around the world, we believe that shared values must serve as the foundation for relationships between The Coca-Cola Company and its suppliers, starting with the commitment to respect all human rights. The Supplier Guiding Principles communicate our values and expectations and emphasize the importance of responsible human and workplace policies and practices that comply, at a minimum, with applicable laws and regulations.

The Coca-Cola Company's Supplier Guiding Principles can be downloaded online: <http://www.coca-colacompany.com/our-company/supplier-guiding-principles>

### **Demonstration of Compliance**



Suppliers must be able to demonstrate compliance with the Supplier Guiding Principles at the request and satisfaction of The Coca-Cola Company.

If the eight Core Conventions of the International Labor Organization establish higher standards than local law, the ILO standards need to be met by the supplier. These minimum requirements are a part of all agreements between The Coca-Cola Company and its direct and authorized suppliers. We expect our suppliers to develop and implement appropriate internal business processes to ensure compliance with the Supplier Guiding Principles.

The Company routinely utilizes independent third-parties to assess suppliers' compliance with the SGP. The assessments generally include confidential interviews with employees and on-site contract workers. If a supplier fails to uphold any aspect of the SGP requirements, the supplier is expected to implement corrective actions. The Company reserves the right to terminate an agreement with any supplier that cannot demonstrate that they are upholding the SGP requirements.



## ***///.* ISSUE GUIDANCE**

# LAND RIGHTS

**Background:** Land acquisition and restrictions on land use can have adverse impacts on communities and persons using the land. Displacement due to land acquisition or land uses may result in physical and/or economic impacts. Additionally, the impacts may also be tied to religious or cultural significance of the land or identity and self-determination. The intention of this guidance is to provide a framework to recognize and safeguard the rights of communities and traditional peoples to maintain access to land and natural resources.

**Principle:** We have zero tolerance for land grabs. We establish and maintain an ongoing relationship with impacted communities based on Informed Consultation and Participation (ICP) and to ensure Free, Prior, and Informed Consent (FPIC), and aligned with IFC Performance Standards on Environmental and Social Sustainability, Performance Standards 5 and 7.

## **SGP Requirements and Implementation Guidance:**

- 1. Ensure all land acquisitions are made respecting the rights of individuals and communities impacted.**– *Identify environmental, economic, cultural and social risks and impacts on all communities. Avoid if possible, and if not possible, minimize, restore and/or compensate for impacts.*
- 2. Participation and Consent** - *Engage with the affected communities. Obtain FPIC in the circumstances noted below.*

FPIC is established through good faith negotiation with the affected communities. Required documentation includes: (i) mutually accepted process with affected communities, and (ii) evidence of agreement between parties as the outcome of negotiations. FPIC does not require agreement and may be achieved even when individuals or groups within the community explicitly disagree. Instances requiring FPIC include:

*Impacts on Lands and Natural Resources Subject to Traditional Ownership or Under Customary Use*

- Document efforts to avoid, minimize impacts on land proposed for project;
- Identify and review all property interests and traditional resource uses prior to purchasing or leasing land; document efforts to avoid, minimize impacts on natural resources
- Ensure that affected communities are informed of land rights under national law or customary use
- Offer affected communities compensation and due process in the case of commercial development of land.

*Relocation from Lands Subject to Traditional Ownership or Under Customary Use*

- Consider feasible alternative project designs to avoid the relocation; if not possible, obtain their FPIC and fairly compensate for any impacts
- Where feasible, enable return to traditional or customary lands, should the cause of relocation cease to exist

*Critical Cultural Heritage*

- Prioritize avoiding impact on critical cultural heritage;
- If not possible, inform affected communities of (i) rights under national law; (ii) scope and nature of proposed commercial development; (iii) potential consequences of such development; (iv) obtain their FPIC and fairly compensate for any impacts.

## **Supplier Guiding Principles Good Practices:**

1. Demonstrate that acquisition has not been assembled through expropriation or other form of legal seizure without an FPIC process and fair compensation for land, resettlement and economic impact to the affected communities.
2. Demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts on the affected communities.
3. Ensure the presence of grievance mechanisms to receive and address specific concerns about fair compensation and relocation id applicable.



*We work with suppliers to recognize and safeguard the rights of communities and traditional peoples to maintain access to land and natural resources. We are working to promote respect for Human and Workplace Rights by the farm and the employer of workers at the farm, whether or not the employer is the farm itself.*



# HIV/AIDS, PREGNANCY AND NON-JOB RELATED MEDICAL TESTING

**Background:** The Company values all workers and the contributions they make, and has a long-standing commitment to equal opportunity and intolerance of discrimination. An inclusive work environment, free from discrimination is an important part of upholding the values outlined in the Supplier Guiding Principles. Mandatory medical testing, such as HIV/AIDS, Hep B or pregnancy tests, during the recruitment process or throughout employment are considered discriminatory.

**Principle:** Maintain workplaces that are free from discrimination or physical or verbal harassment. The basis for recruitment, hiring, placement, training, compensation and advancement at the Company is qualifications, performance, skills and experience. Mandatory, non-job related medical testing, including pregnancy or HIV/AIDS testing, is not acceptable, even if the law is silent on the issue. Legal drug testing is acceptable.

## **Supplier Guiding Principles Requirements:**

- Mandatory pregnancy, HIV, or non-job-related medical testing as condition of employment (except lawful drug test) is unacceptable and triggers an immediate notification process.

Facilities should review and, as applicable, update practices related to:

### *Recruitment*

Ensure no non-job-related medical testing is part of recruitment process. Similarly, requirements upon women to take contraceptive pills as a condition of their employment is also unacceptable, as are intrusive questions about an individual's intentions with regard to having children.

### *Strategy to deal with worker disability and health issues*

Where relevant, facilities may also want to develop HIV/AIDS policy which covers:

- Voluntary Testing
- Confidentiality
- Education and Support
- Access to testing and treatment
- Reasonable Accommodation and Continuation of Employment

### *Communicate*

- Ensure workforce (including managers) understands the policies
- Focused communication to relevant workforce population
- Highlight positive advantages of non-discrimination with all stakeholders

  
**Supplier Guiding Principles Good Practices:**

- ✓ Facility has a policy to ensure employment decisions are based solely on someone's ability to do the job, without regard for other personal characteristics.
  
- ✓ Facility has implemented gender-sensitive recruitment and retention practices and proactively recruits and appoints women to managerial and executive positions and/or corporate board of directors

# MIGRANT WORKER RECRUITMENT AND EMPLOYMENT PRACTICES

**Background:** With increased globalization, many workers in developing countries seek work elsewhere, while developed countries have increased demand for labor, especially unskilled labor. According to the International Labor Organization, there are approximately 80+ million migrant workers around the world. These workers often have little social protection and are vulnerable to exploitation and human trafficking. The Supplier Guiding Principles expressly prohibit the use of all forms of forced labor, including prison labor, indentured labor, bonded labor, military labor, slave labor and human trafficking. This issue guidance provides a framework for responsible recruitment and employment practices with regards to migrant workers.

**Principle:** Responsible and transparent recruitment and employment practices help avoid the vulnerability of forced labor, thereby protecting workers and employers. The guidelines below aim to uphold workplace rights by ensuring:

1. Work is represented in a truthful, clear manner and in the local language (contracts)
2. Worker does not pay recruitment fees (including transportation to and from host country)
3. Worker has access to personal identity documents

## **SGP Requirements and Implementation Guidance:**

### **Work is represented in a truthful, clear manner and in the local language**

The employment contract is to be in a language that migrant employees can easily understand and is provided prior to arrival in the host country. The employment contract is to clearly indicate employee's rights and responsibilities under a voluntary employment relationship, specifying, among other things:

- Duration of the contract
- Minimum and overtime wage rates; estimated minimum net pay worker can expect to receive per month
- Maximum allowable overtime hours consistent with the laws of the host country
- All benefits to be provided (including medical coverage, sick and annual leave, holidays)
- All deductions to be taken (including charges for food and housing)
- Summary of the living conditions, including any curfews
- Legalities regarding terminating employment or visas required for exiting the country.

### **Worker does not pay recruitment fees**

Facilities must take all reasonable steps necessary to ensure that business is conducted with reputable recruitment agencies to avoid fraudulent practices that may enable forced labor. In addition, the following will be considered with regards to recruitment fees and deductions:

- All fees, such as recruitment, renewal, work or exit visas, will be paid for by the employer.
- Transportation to and from the host country is paid by the employer.
- Employees will be allowed full and complete control over the monies they earn and facilities will not withhold money to guarantee a term of employment.

## Worker has access to personal identity documents

Facilities are to allow an employee full control over his or her passport and similar documentation. In practice this requirement can be satisfied in a variety of ways that ensure employee access and control over his/her passport, secure storage of a passport and meets business requirements. Examples of solutions include:

- An employee representative is elected to maintain passports in a secure location
- Lock boxes are provided to employee for secure storage of his/her passport
- Facility IDs provided to be used for routine identification purposes so that passports may be securely stored
- Passports maintained with local embassy or consulate
- Employee maintains possession of his/her passport

While there are various ways to address the issue, any solution must ensure that an employee has access and control over his/her passport so as not to impede his/her freedom of movement. It is not acceptable for an employee to sign anything forfeiting his/her access to personal documentation.

Facilities should retain appropriate information for human and workplace rights assessments to verify compliance. Appropriate information may include copies of employment contracts, agreements with recruitment agencies, fee structures and secure passport storage arrangements.

If, however, the law requires that a facility retain an employee's passport, then the following steps will be taken to ensure employee access his/her passport. Note that this is only applicable in Saudi Arabia.

- The facility should receive prior written consent from the employee. The consent will be in a language that the employee can understand and will be signed by both the employee and the employer. A receipt (copy) of the agreement should be given to the employee.
- This consent will include a statement from management that accepts responsibility of the passport and commits to return the passport within a 24 hour time period if the employee requests the return.
- The facility posts notices that inform employees that their passports are available within 24 hours should they need them. These notices and statements will be provided in a language that workers can understand.
- If necessary employees should have a letter addressed to free trade zone authorities from the facility assuring them that the management takes responsibility for the release of the passports when requested.

