

Myanmar Foreign Investment Tracking Project

Questions for Coca-Cola Myanmar

Version 1.0

Below are responses to specific questions posed in the Myanmar Foreign Investment Tracking Project. Additional information about The Coca-Cola Company due diligence efforts in Myanmar is available in the annual reports on the US State Department website:

- [December 2013 Initial Report](#)
- [June 2014 annual update report](#)

1. Does your company have investments or operations in Myanmar or is it seriously considering investing or operating there? If so, please provide information on the nature of these investments, and which geographic areas and communities they will affect.

Commercial operations

After an absence of more than 60 years, The Coca-Cola Company re-entered the Myanmar market in 2012 following the lifting of sanctions by the U.S. State Department. In 2013, we announced a US\$ 200 investment in the country, to be made over five years, and in July 2013 started local production of a range of Coca-Cola Company products at two plants in Yangon (Hmawbi Township as well as Hlaing Thar Yar).

In addition as at December 2014, Coca-Cola Pinya Beverages Myanmar has 17 branch offices around the country and Coca-Cola Limited also recently opened a marketing office in downtown Yangon. A full list of facilities and addresses is provided below:

Plant/Office/Branch	Address
Coca-Cola Limited.	16th Floor, Centrepont Towers, No. 65, Corner of Sule Pagoda Road and Merchant Road, Kyauktada Township, Yangon, Myanmar
Coca-Cola Pinya Beverages, Ltd.	50 Myoe Shaung Road Hmawbi Township Yangon, Myanmar
Coca-Cola Pinya Beverages Limited (head office)	No. 37/38 Bamaw Atwin Wun Street, Zone (3), City of Industry Hlaing Thar Township Yangon, Myanmar
Hlaing Thar Yar	37/38 Bamaw Atwin Wun Street, Zone 3, Hlaing Thar Yar Township, Yangon.
Hmawbi	No. 50, Myoe Shaung Road, Hmawbi Township, Yangon.
Mandalay	H-252,U Paing 34,I Quarter,Pyigyitakhun Township, Mandalay Division.
Nyaunglaypin	Yangon-Mandalay Road, Pha Aung Village, Nyaung Lay Pin Township, Bago Division.
Taungngu	Electronic Engineer Military,19-Quarter,Yangon-Mandalay Road, Taungngu Township, Bago Division.
Meikhtila	Nal Myae(8),Yangon-Mandalay Road,Onetawpyae Toechnae Quarter, Meikhtila Twonship, Mandalay Division.
Pathein	Kune No (163.B),Yayaka (15) Nan Myae, htan Kone, Pathein-Monywa-

	Yay Oo Road, Pathein Township, Ayeyarwaddy Division.
Mawlmyaing	38/43, Kyaikkhami Street, Zayarmaing Quarter, Zaygyo nal myae, Mawlmyine Township, Mon State.
Magway	A-22, Taungtwin Street, Aung Zayya Quarter(Ahtoo), Magway Township, Magway Division.
Nyaung Oo	Ka/1, Anawyahtar Street, Aung Myae Tha Quarter, Nyaung Oo Township, Mandalay Division.
Pyinmana	Pa159-160, Bawgathiri High Way complex, Pyinmana Township, Naypyitaw Division.
Thahton	343, Natsin Street, Theingone Quarter, Thahton Township, Mon State.
Pyay	Yangon-Mandalay Road, Pha Aung Village, Nyaung Lay Pin Township, Bago Division.
Taunggyi	60/61, Pyihtaungsu Street, Aye Thar Yar, Taunggyi Township, Shan State.

Community footprint

Launched in July 2012, Swan Yi is Coca-Cola Myanmar's flagship community initiative aiming to empower 24,500 economically disadvantaged women through capacity building trainings focused on financial literacy, entrepreneurship and business management to start their own businesses. The three-year program is administered through the non-governmental organization Pact and supported by a US\$ 3 million grant from The Coca-Cola Foundation. Swan Yi establishes savings-led village banks by organizing small groups of women into 20-25 members, complementing this with skills training. Active in in hundreds of villages in eight townships in Yangon, Mandalay and Sagaing, Swan Yi has exceeded its goals, and to date more than 25,000 women have participated, close to 1000 groups have been formed and almost 67,000 loans administered. Of these, over 2,700 women were empowered to start their own businesses, and more than 7,000 were able to expand their existing businesses.

2. **Do you have policies and procedures in place to prevent your business activities or investment from contributing to human rights abuse and social conflict in Myanmar (including, for example, human rights due diligence measures)? Please specify whether these policies and procedures apply to your company in general, or specifically to your Myanmar investment. If you have human rights policies and procedures regarding investing or operating in Myanmar, are you willing to share them for posting on our website? If so, please send them as a Word or PDF file, or, if available, as a hyperlink.**

Integral to the decision to invest in and subsequently re-enter Myanmar was the completion of a rigorous and in-depth due diligence process that marked the longest in the Company's recent history. The due diligence process is in line with the United Nations Business and Human Rights Guiding Principles as well as the State Department Human Rights reports and work from the Institute for Human Rights and Business.

This was conducted to ensure that Coca-Cola understood Myanmar's market, industry and culture, and supported its commitment to truly become part of the local community. As a result, Coca-Cola's progress in Myanmar is benchmarked by its own internal processes and well-established global policies and procedures, which are underpinned by the Company's active commitment to human and workplace rights, anti-corruption, and environmental and community issues in Myanmar.

A summary of the due diligence process and mitigation steps we have taken can be found in our reports for the U.S. State Department which can be accessed here:

- [December 2013 Initial Report](#)
- [June 2014 annual update report](#)

In each market, Coca-Cola embeds well-established global standards for its human and workplace rights policies, code of business conduct, anti-corruption, supplier guiding principles and other policies into business practices. Myanmar is no exception and we apply the same standards here as we do elsewhere. Through awareness and education, we hope these principles will support an industry-wide culture of compliance.

As a confirmation of this commitment, on Human Rights Day, 2014, the Company announced its updated [Human Rights Policy](#). The updated policy combined our 2007 Human Rights Statement, 2007 Workplace Rights Policy and 2012 Global Mutual Respect Policy into a single, straightforward policy document. Consistent with the three earlier policies, the 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 and the United Nations Global Compact. The updated policy also aligns with the United Nations Guiding Principles on Business and Human Rights endorsed by the UN Human Rights Council in 2011.

We believe that ongoing due diligence and remediation is essential to ensure respect for human rights and continuous improvement in all our operations, and our due diligence and remediation efforts will continue as substantial investments are made to expand local business operations over the coming years.

If violations of workplace rights are uncovered in due diligence assessments, the team would work to mitigate the issue and develop an action plan with corrective measures, supported by capacity building and on-going training to help effect a shift in culture and operational mindset. From the very beginning, we have strived to build a culture of workplace rights in our operations in Myanmar, and hope our efforts contribute to an industry-wide culture.

We respect our employees' right to join, form or not to join a labour union without fear of reprisal, intimidation or harassment. As detailed in our due diligence reports (<http://burma.usembassy.gov/reporting-requirements.html>) at one plant, an employee elected Workplace Coordinating Committee (WCC) channels suggestions, raise issues and make recommendations to management. The WCC meets with Management and is registered with the Township Labour Office, and also meets regularly with the Township Labour Unions, Township Administrative Office, and other departments on subjects including conditions of employment, occupational health and safety, welfare and productivity. At our second plant, employees have formed a Labour Union Committee (LUC), also registered with the Township Labour Office which conducts similar meetings, addressing workplace issues.

Separately, Coca-Cola Myanmar welcomed a joint initiative by the governments of the United States and Myanmar to promote fundamental labor rights and practices in the country. Coca-Cola believes that governments, businesses and civil society need to work together to support labour market reform and economic progress in Myanmar. This labor rights initiative marks a significant milestone in the journey of labor market reform and economic progress, and Coca-Cola Myanmar proud to have

been invited to collaborate on the development and implementation of this important initiative.

Coca-Cola also supports and champions employee engagement, recognizing its importance in maintaining a positive, productive work environment.

A copy of the Human Rights Policy can be found here in English and Myanmar: <http://www.coca-colacompany.com/our-company/human-rights-policy>

3. Who in your leadership is responsible for ensuring compliance with the policies and procedures in no. 2?

Responsibility in country rests with the General Manager of Coca-Cola Pinya Beverages Myanmar, Sanjeev Khanna along with his senior leadership team.

At a corporate level, the Global Workplace Rights department oversees the implementation of the Company's Human Rights Policy and Supplier Guiding Principles. As part of our program, third party auditors trained on our policies conduct regular human and workplace rights assessments. Where there are gaps in compliance, corrective action plans are put in place with follow-up assessments to check on whether our standards are being met. Assessments are then conducted on a regular basis to confirm ongoing compliance. Quarterly metric and impact reporting help the Company track progress overtime and ensure accountability within our organization. We have set a goal that 98 percent of our Company-owned and -managed facilities would meet our human and workplace rights standards by 2020. Our Myanmar operations fall under this compliance goal.

4. If you do not yet have human rights policies and procedures in place, do you have plans to develop them? If so, what efforts are you currently engaged in or plan to engage in on this regard?

Please refer to Question 2.

5. How does your company try to prevent or mitigate conflicts that affect its operations or the surrounding communities (including armed conflict, inter-communal conflict and violence, etc.)? Could you please list your policies, procedures or concrete activities in this regard, including community engagement and dialogue measures and revenue sharing agreements?

The measures we take to prevent or mitigate conflict in our operations and the communities we serve are as follows:

Employees

The Coca-Cola Company believes that workplace issues are best resolved through open communication, and that early resolution of disagreements is the best way to maintain a positive, productive work environment. Company-wide grievance mechanisms are described in detail in our two due diligence report which can be found here:

<http://burma.usembassy.gov/reporting-requirements.html>

Community Engagement

Engaging with stakeholders is critical to both our commercial success but also to our commitment to generating a lasting positive impact on the communities in which we operate.

Coca-Cola Myanmar operates two plants in Yangon, and we work actively with the Township Authorities and local residents to maintain dialogue and address any concerns that may arise. As part of a formalized community engagement plan, Coca-Cola has instituted regular contact with local community leaders including scheduled quarterly meetings and ongoing dialogue.

Additionally, we constantly look for opportunities to give back to the local community surrounding our plants, utilizing Coca-Cola's resources and capabilities to address issues such as flood relief and access to emergency drinking water, support for local community events as well job creation and capacity building.

Consumer Engagement

Coca-Cola Pinya Beverages Myanmar has set up a customer contact line (+95) 1600585 which is printed on all of our packs to encourage consumer feedback and address any queries and complaints that may arise. In addition we have set up a brand Facebook page (www.facebook.com/CocaColaMyanmar) where we regularly respond to queries and complaints and as Internet penetration increases in Myanmar, we will be building our social media response capability to keep pace with these changes.

Stakeholder Engagement

The Coca-Cola Company maintains ongoing dialogue with a wide-range of external stakeholders as we believe stakeholder engagement is critical to respecting human and workplace rights within our system. In the case of Myanmar, we recognized that stakeholder engagement was at the very center of our due diligence activities. We conducted extensive stakeholder engagement and ongoing dialogue with international and multi-lateral organizations, socially responsible investors, human rights civil society at the national level, and community members and workers impacted by potential business operations.

In addition to such initiatives, a wide stakeholder engagement program has been developed, which encourages open dialogue with stakeholders on our activities, opportunities for collaboration and areas for improvement. For instance in the last year the Company has participated in multi-stakeholder forums and discussions in Myanmar on diverse topics including responsible investment, supply chain compliance, child labor, workplace rights and water.

Supplier Engagement

Our Supplier Guiding Principles (SGP) communicate our values and expectations of suppliers and emphasize the importance of responsible workplace practices that respect human rights and comply, at a minimum, with applicable environmental and local labor laws and core international conventions. The Supplier Guiding Principles is aligned with our Human Rights Policy and reflects our commitment to respecting human rights across our business system and global supply chain. The Supplier Guiding Principles are a part of all contractual 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. In Myanmar we have conducted training for our suppliers on our SGP and will commence audits in 2015.

A copy of our Supplier Guiding Principles can be accessed here:

<http://www.coca-colacompany.com/our-company/supplier-guiding-principles>

6. Who should communities or civil society groups contact if they have questions or concerns about your investment or operations in Myanmar? Please provide their contact information.

Belinda Ford, Public Affairs and Communications, beford@coca-cola.com

7. We further invite you to respond to questions specific to your industry. Does your company have policies and procedures in place to address each of the following areas? If so, please provide details:

- Freedom of association and collective bargaining
- Living wages
- Workplace health and safety
- Child labour
- Forced labour
- Anti-discrimination (whether based on race, gender, religion, nationality, etc.)
- Environment
- Land rights
- Relocation

The Company's Human Rights Policy as described in Q2. addresses the first six areas. Our commitment on Land Rights can be found here, <http://www.coca-colacompany.com/our-company/addressing-global-issues> and details of our Environment commitments and progress, here <http://assets.coca-colacompany.com/1f/77/d19dc8424a91856ffd09378832f0/2013-2014-coca-cola-sustainability-report-pdf.pdf>

The steps the Company has taken to address each of these areas in Myanmar are described in our due diligence reports. See attached PDFs or download these reports via the following links:

<http://burma.usembassy.gov/reporting-requirements.html>