

KnowTheChain: Questions regarding forced labour risks in your company's sugar cane supply chain

In answering these questions, **please indicate where your companies' policies and practices specifically apply to sugar cane sourcing or processing countries at risk of forced labour or human trafficking** such as Bolivia, Brazil, Dominican Republic, Guatemala, India, Malawi, Myanmar, and Pakistan¹ or other countries where you might have identified forced labour risks.

Please note the following questions focus on sourcing of sugar cane (not sugar beets). Where available, please include URLs to existing disclosure.

The information in blue indicates relevant existing information identified by KnowTheChain.

The information in red is information identified by Coca Cola.

Traceability:

1. Which countries does your company and/or your suppliers source sugar cane from (option to indicate percentage or volume of supply from each country)?
2. What are the names and addresses of your company's sugar mills and/or sugar suppliers? Please indicate the nature of suppliers, e.g. traders or mills, and your relationship to them, e.g. direct owned or purchasing only (option to indicate workforce data you deem relevant, such as workforce composition or rate of unionisation). We noted that [in November 2013, you committed](#) to disclose all sugar cane sourcing countries, as well as the names of all of your direct cane sugar suppliers within three years. We welcome that you have since published a [map of the sourcing countries of commodities such as sugar](#), and would welcome the disclosure of the names of all direct sugar cane suppliers.

Disclosure of sugar cane sourcing countries: <http://www.coca-colacompany.com/sustainable-agriculture/SourcingMap>

Brazil, Colombia, Guatemala, India, Philippines, Thailand, and South Africa are "critical sourcing regions", among the top 16 countries where the system sources cane sugar.

Brazil, Mexico, India are the top three sugar cane sourcing countries.

Top three suppliers (based on spend):

- *COPERSUCAR – Brazil based*
- *Mitr Phol – Thailand based*
- *Dangote – Nigeria based*

The Coca-Cola Company will disclose within three years all sourcing countries for cane sugar and publish the names of all of its direct cane sugar suppliers.

<http://assets.coca-colacompany.com/6b/65/7f0d38604fcb4872fa136f05c5c/proposal-to-oxfam-on-land-tenure-and-sugar.pdf>

¹ Sugar sourced from Dominican Republic, Bolivia, Brazil, Myanmar, Pakistan has been identified as being at risk of forced labour by the [US Department of Labor](#). [Verite](#) has collected reports in forced child labour in Malawi, and debt bondage of sugar workers in India. [Coca-Cola](#) identified forced labour incidents at sugar farms and mills in Guatemala. For further information on forced labour risks in sugar sourcing, please see [Verite's Responsible Sourcing Tool](#).

Risk assessment:

3. How does your company assess risks related to forced labour in sugar cane sourcing at mill and farm level?
4. What risks has your company identified, and what actions has your company taken to address these risks?

Coca Cola has worked with a third-party to conduct country-level studies on child labor, forced labor and land rights for its sugar supply chain. The company's goal is to complete 28 studies by 2020. [Progress on Country Studies to Identify and Address Child Labor, Forced Labor and Land Rights Issues: http://www.coca-colacompany.com/coca-cola-unbottled/sustainability/2015/building-a-framework-for-action-progress-on-coca-colas-country-studies/](http://www.coca-colacompany.com/coca-cola-unbottled/sustainability/2015/building-a-framework-for-action-progress-on-coca-colas-country-studies/)

- *Land Rights Country Study – Brazil:
<http://www.cocacolacompany.com/content/dam/journey/us/en/private/fileassets/pdf/human-and-workplacerrights/TCCC-Brazil-Report.pdf>*
- *Land Rights Country Study – Colombia:
<http://www.cocacolacompany.com/content/dam/journey/us/en/private/fileassets/pdf/human-and-workplacerrights/colombia-sugar-industry-situational-analysis.pdf>*
- *Land Rights Country Study – Guatemala:
<http://www.cocacolacompany.com/content/dam/journey/us/en/private/fileassets/pdf/human-and-workplacerrights/review-on-child-and-forced-labor-and-land-rights-in-guatemalas-sugar-industry.pdf>*
- *Land Rights Country Study – El Salvador:
http://www.cocacolacompany.com/content/dam/journey/us/en/private/fileassets/pdf/human-and-workplacerrights/UL_ElSalvadorTCCCReport_FNL4.pdf*
- *Land Rights Country Study – Honduras:
http://www.cocacolacompany.com/content/dam/journey/us/en/private/fileassets/pdf/human-and-workplacerrights/UL_HondurasTCCCReport_FNL3.pdf*

E.g. in Guatemala the following risks were identified: of the 50 farm visits carried out, with over 16,000 workers present, UL researchers found 43 internal migrant workers that reported forced overtime and five workers that reported abuse, threats and intimidation. Disclosure on actions taken to address those risks would be welcome.

E.g. Brazil: Based on the findings, we have identified some key areas where we can act to help improve outcomes. We will do so in the context of implementing our sustainable sourcing commitment. (<http://www.coca-colacompany.com/coca-cola-unbottled/on-the-road-to-sustainable-sugar-in-brazil>)

More details on “key areas where we can act to help improve outcomes” would be welcome.

FEEDBACK:

In reference to Question 3 regarding Risk Assessment,

In addition to the Company’s Supplier Guiding Principles and Sustainable Agriculture Guiding Principles, in which forced labor/trafficking is directly addressed across our supply chain, the Company is undertaking additional due diligence on our sugar supply chain via sugar country studies on Child Labor, Forced Labor and Land Rights.

The Coca-Cola Company is actively engaged in dialogue with stakeholders regarding risk assessments related to Human Rights and Forced Labor in the Sugar Supply Chain. Affected and potentially affected stakeholders are consulted and views are represented in the sugar studies. Please see our Country Studies (country name hyperlinks to each study)

- a. Brazil
- b. Cameroon
- c. Colombia
- d. Congo
- e. Côte d'Ivoire
- f. Gabon
- g. Guatemala
- h. El Salvador
- i. Honduras

In reference to Question 4 regarding Addressing the results of Risk Assessments, Coca-Cola integrates the results of our assessment findings internally and takes appropriate actions. Please reference a recent report on our Sugar Studies:

- The Path Forward on Coca-Cola's Sugar Studies Update: <http://www.coca-colacompany.com/coca-cola-unbottled/land-rights-the-path-forward-on-coca-cola-s-sugar-studies>

In addition, please refer to the Addressing Global Issues page of our corporate website: <http://www.coca-colacompany.com/our-company/addressing-global-issues>

Please also refer to Our Progress against our goal to sustainably source our key agricultural ingredients by 2020: <http://www.coca-colacompany.com/sustainable-agriculture/our-progress>

Worker voice:

5. Grievance mechanisms: Does your company ensure workers on sugar farms and mills, as well as local stakeholders have access to effective grievance mechanisms? If yes, please explain what mechanisms are available for local stakeholders and workers in both owned and third party sugar farms and mills. Please also explain how you ensure those mechanisms fulfil the [effectiveness criteria under the UN Guiding Principles for Business & Human Rights](#), in particular how you ensure mechanisms are communicated to, as well as trusted and used by both formal and informal sugar farm and mill workers.
6. Worker engagement and empowerment: How does your company ensure that workers at sugar farms and mills you source from are made aware of their rights, and empowered to exercise their rights (e.g. freedom of association or, where there are regulatory constraints to freedom of association, alternative means of organising)?

FEEDBACK

In reference to Question 6 regarding Worker engagement and empowerment, we describe how day-to-day responsibility, resources and decision-making process are allocated across the range of relevant functions of the Company through our series of [Human Rights training Brochures for All Employees, Leaders, and Managers](#). In addition, we also have Human Rights Due Diligence Checklists for a range of functions and operational settings.

- Human Rights Due Diligence Checklist - Background and Guidance
 - <http://coke-journey.s3.amazonaws.com/ae/0b/a56c2d2646f88a09b749da959d5e/human-rights-self-assessment-checklists.10.2014.pdf>

- Human Rights Due Diligence Checklist for Plant Siting
 - <http://www.coca-colacompany.com/content/dam/journey/us/en/private/fileassets/pdf/2015/02/plant-siting-due-diligence-checklist.8.13.pdf>
- Human Rights Due Diligence Checklist for Micro-Distribution Centers
 - <http://www.coca-colacompany.com/content/dam/journey/us/en/private/fileassets/pdf/2015/02/mdc-human-rights-checklist.8.13.pdf>
- Human Rights Due Diligence Checklist for Migrant Works
 - <http://www.coca-colacompany.com/content/dam/journey/us/en/private/fileassets/pdf/2015/02/migrant-worker-human-rights-checklist.8.13.pdf>
- Human Rights Due Diligence Checklist for Contract Labor
 - <http://www.coca-colacompany.com/content/dam/journey/us/en/private/fileassets/pdf/2015/02/contract-labor-human-rights-checklist.8.13.pdf>
- Human Rights Due Diligence Checklist for Pre-sourcing Design
 - <http://www.coca-colacompany.com/content/dam/journey/us/en/private/fileassets/pdf/2015/02/pre-sourcing-human-rights-checklist.9.13.pdf>
- Human Rights Due Diligence Checklist for Child Labor in Agriculture
 - <http://www.coca-colacompany.com/content/dam/journey/us/en/private/fileassets/pdf/2015/02/child-labor-rights-checklist.pdf>
- Human Rights Due Diligence Checklist for Non-trademark Activation
 - <http://www.coca-colacompany.com/content/dam/journey/us/en/private/fileassets/pdf/2015/02/non-trademark-activation-due-diligence-checklist.pdf>

Finally, our Human and Workplace Rights Issue Guidance, Supplier Guiding Principles and Sustainable Agriculture Guiding Principles outline how we extend this work across supply chain. Please see links below.

- Forced Labor Section of the Human and Workplace Rights Issue Guidance:
 - <http://assets.coca-colacompany.com/35/0e/62529fc346efbdb5dee0b9e4c581/issuance-guidance.pdf>
- Supplier Guiding Principles
 - <http://www.coca-colacompany.com/our-company/supplier-guiding-principles/>
 - http://www.coca-colacompany.com/content/dam/journey/us/en/private/fileassets/pdf/unknown/unknown/SGP_Brochure_ENG.pdf
- Supplier Requirements
 - <http://www.coca-colacompany.com/our-company/suppliers/supplier-requirements/>
- Sustainable Agriculture Guiding Principles with Criteria
 - <http://assets.coca-colacompany.com/30/fb/c98f5720411990545de2ea248360/sagp-with-criteria-final-12-10-13.pdf>

Monitoring / certification:

7. How does your company monitor the labour performance of its sugar suppliers / farmers?
8. If you undertake sustainable sugar sourcing, how does the certification or verification programme consider forced labour risks at mill and farm level?

Coca-Cola is contracted to source over 1 million tons of more sustainable sugar in 2016. This equals an estimated 15-20 percent toward the Company's goal to sustainably source 100 percent of its sugar by 2020.

The Coca-Cola Company discloses in its [Sustainable Agriculture Guiding Principles](#) that it has a commitment to sustainably source 100% of its priority agricultural ingredients by 2020. The principles include forced labour. In the company's 2014/2015 Sustainability Report it states that it has made steady progress toward this goal by engaging suppliers on key ingredients through its Supplier Engagement Program. The company also discloses that it is implementing the BonSurco Chain of Custody program "so that it can trace the sugar we purchase to its source".

FEEDBACK

In reference to Question 7 regarding Monitoring, please reference the 2015/16 Sustainability Report for updated numbers on our latest progress on our Supplier Guiding Principles.

<http://www.coca-colacompany.com/content/dam/journey/us/en/private/fileassets/pdf/2016/2015-2016-Sustainability-Update.pdf>

Please also see Our Progress against our Sustainable Agriculture Guiding Principles and Commitments: <http://www.coca-colacompany.com/sustainable-agriculture/our-progress>

In reference to Question 8 regarding Certification at the farm or mill level, please reference our Human and Workplace Rights Issue Guidance, Supplier Guiding Principles and Sustainable Agriculture Guiding Principles, which outline how we address forced labor risks across our supply chain. This work is fully incorporated into our Audit protocols. Please see links below.

- Forced Labor Section of the Human and Workplace Rights Issue Guidance:
 - <http://assets.coca-colacompany.com/35/0e/62529fc346efbdb5dee0b9e4c581/issuance-guidance.pdf>
- Supplier Guiding Principles
 - <http://www.coca-colacompany.com/our-company/supplier-guiding-principles/>
 - http://www.coca-colacompany.com/content/dam/journey/us/en/private/fileassets/pdf/unknown/unknown/SGP_Brochure_ENG.pdf
- Supplier Requirements
 - <http://www.coca-colacompany.com/our-company/suppliers/supplier-requirements/>
- Sustainable Agriculture Guiding Principles with Criteria
 - <http://assets.coca-colacompany.com/30/fb/c98f5720411990545de2ea248360/sagp-with-criteria-final-12-10-13.pdf>

Remedy:

9. What steps does your company take to ensure workers are fairly compensated and provided remedy when labour abuses have been identified (e.g. during the recruitment process of workers, at farm level or mill level)?

10. Please provide examples of outcomes of this remedy process (e.g. support reintegration of victims in the labour market).

FEEDBACK

In reference to Question 9 on Remedy, we have initiated conversation with AIM Progress peer companies focused on remediation of child labor in the Mexican sugar industry following preliminary results related to the company's sugar study on child labor, forced labor and land rights.

In addition, following the publication of the Colombia sugar study, The Coca-Cola Foundation provided a grant to the Colombian sugar association to address issues related to the informal collection of post-harvest sugarcane waste. See more here: <http://www.coca-colacompany.com/coca-cola-unbottled/building-a-framework-for-action-progress-on-coca-colas-country-studies>

Additional information

We would welcome information on steps taken to encourage the increase transparency at key suppliers, such as FEMSA which is included in this [outreach](#).

Please provide any additional information regarding your company's activities on forced labour risks in sugar sourcing or your supply chain structure which you think is relevant (e.g. related to local stakeholder engagement, recruitment, supplier training or purchasing practices). Country specific examples are welcome, e.g. in the example of Brazil, participating in initiatives like [Brazil's National Pact to Eradicate Slave Labour](#), or ensuring not to source from companies on Brazil's [Transparency List on Contemporary Slave Labour](#).

The Coca-Cola Company is working closely with the Guatemala sugar association, ASAZGUA, on key labor issues, including child labor and forced labor.

In sugar, we are working with a variety of stakeholders, and were pleased to co-host a convening on sustainable sugar with Bonsucro in October 2015 with more than 20 civil society, government and private sector representatives. Participants provided useful feedback on the summary of the initial study findings and shared their vision. (<http://www.coca-colacompany.com/coca-cola-unbottled/on-the-road-to-sustainable-sugar-in-brazil>)

FEEDBACK

The Coca-Cola Company is actively engaged in efforts to increase the transparency regarding forced labor risks in sugar sourcing. Affected and potentially affected stakeholders are consulted and views are represented in the sugar studies. Please see our Country Studies (country name hyperlinks to each study)

- a. [Brazil](#)
- b. [Cameroon](#)
- c. [Colombia](#)
- d. [Congo](#)
- e. [Côte d'Ivoire](#)
- f. [Gabon](#)
- g. [Guatemala](#)
- h. [El Salvador](#)

i. [Honduras](#)

In addition, please refer to the Addressing Global Issues page of our corporate website: <http://www.coca-colacompany.com/our-company/addressing-global-issues>

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Regarding Brazil, in early 2017, we reviewed the Transparency List on Contemporary Slave Labor and did not identify any farms related to our mills on the list. Further, we shared the list with our service providers to ensure their review before completing a Supplier Guiding Principles Audit for 2017.

In Guatemala, following the sugar study on Child, Forced Labor, and Land Rights, we initiated discussions with the sugar industry and supplying mills and there was a commitment to address issues and undertake appropriate recommended actions. The one mill with related findings to child and forced labor implemented immediate actions, and year to date is the first mill in the country receiving Bonsucro certification. There is continuous communication with industry partners.

Background information:

This questionnaire has been sent to the following companies:

- Beverage companies: Coca Cola, FEMSA, PepsiCo, Monster Beverages
- Chocolate and confectionary manufacturers: Hershey, Mondelez, Nestle
- Sugar producers: Archer Daniels Midland (ADM), Associated British Foods (ABF), Wilmar International

Please note your responses will be made public on the [Business & Human Rights Resource Centre website](#). In addition, we will publish a short analysis paper which will seek to highlight better practices, as well as companies and areas where disclosure is limited. For an indication of the types of practices KnowTheChain generally regards as better practices, please review the [methodology](#) and the [findings report](#) of [KnowTheChain's food & beverage benchmark](#).