

Global Workplace Rights Workplace Rights Implementation Guide

Supplier Guiding Principles

The Coca-Cola Company



Introduction

The Coca-Cola Company 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 Human Rights Policy (HRP) and the workplace right principles are encompassed in our Supplier Guiding Principles, which covers our supplier partners and independent bottlers. TCCC introduced the Supplier Guiding Principles (SGP) in 2002 for direct suppliers to TCCC, authorized suppliers of the TCCC system, direct suppliers to bottlers and independent bottlers.

Our Human Rights Policy (HRP) and Supplier Guiding Principles (SGP) communicate our values and expectations of suppliers/independent bottlers 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. 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 Supplier Guiding Principles and Human Rights Policy across our business. Accordingly, we request that our partners undergo a specialized SGP assessment and, once alignment with SGP is confirmed, undergo periodic re-assessments. The assessments are conducted by accredited, independent third party firms that specialize in social compliance.

This Implementation Guide describes SGP, the assessment process, and the proactive steps a supplier can take to align with SGP. In addition, the Guide explains a supplier's role and responsibilities with regard to SGP. Suppliers to The Coca-Cola Company should review this Guide thoroughly.

TCCC's goal is to work with facilities to address any performance gaps in order to achieve and maintain a supply chain that is fully aligned with SGP.

We ask that you:

- Familiarize yourself with our Human Rights Policy and Supplier Guiding Principles;
- Work to align your facility with SGP by taking the steps described in this Guide;
- Communicate TCCC requirements to your employees; and
- Post the SGP brochure somewhere it can be easily seen and read by employees (if you are a current supplier to TCCC). To print brochures (available in multiple languages), visit our website at: <http://www.coca-colacompany.com/our-company/supplier-guiding-principles>

We look forward to working with you. If you have any questions or would like to discuss SGP requirements in more detail, please email Workplace Accountability at waccountability@na.ko.com.

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Policies (HRP/SGP)

Our commitment to respecting human rights, as formalized in our Human Rights Policy, is grounded in the Universal Declaration of Human Rights, related covenants and the International Labor Organization's Declaration on Fundamental Principles and Rights to Work. The workplace rights principles are also encompassed in our Supplier Guiding Principles, which covers our supplier partners and independent bottlers.

Human Rights Policy

Our commitment to respecting human rights, as formalized in our [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 Company is committed to working with and encouraging our bottling partners to uphold the principles in this Policy and to adopt similar policies within their businesses. The Supplier Guiding Principles applies to our bottling partners and our suppliers and are aligned with the expectations and commitments of this Policy.

The text of The Coca-Cola Company's Human Rights Policy is below and can be downloaded online: <http://www.thecoca-colacompany.com>

Respect for Human Rights

The Coca-Cola Company respects human rights. It is committed to identify, prevent, and mitigate adverse human rights impacts resulting from or caused by our business activities before or if they occur through human rights due diligence and mitigation processes.

Community and Stakeholder Engagement

The Company recognizes its impact on the communities in which it operates. We are committed to engaging with stakeholders in those communities to ensure that we are listening to, learning from and taking into account their views as we conduct our business. Where appropriate, we are committed to engaging in dialogue with stakeholders on human rights issues related to our business. We believe that local issues are most appropriately addressed at the local level. We are also committed to creating economic opportunity and fostering goodwill in the communities in which we operate through locally relevant initiatives.

Valuing Diversity

The Company values the diversity of the people with whom we work and the contributions they make. We have a long-standing commitment to equal opportunity and intolerance of discrimination and harassment. We are dedicated to maintaining workplaces that are free from discrimination or harassment on the basis of race, sex, color, national or social origin, religion, age, disability, sexual orientation, political opinion or any other status protected by applicable law. The basis for recruitment, hiring, placement, training, compensation and advancement at the Company is qualifications, performance, skills and experience.

Regardless of personal characteristics or status, the Company does not tolerate disrespectful or inappropriate behavior, unfair treatment or retaliation of any kind. Harassment is unacceptable in the workplace and in any work-related circumstance outside the workplace. These principles apply not only to Company employees but also to the business partners with whom we work.

Freedom of Association and Collective Bargaining

The Company respects our employees' right to join, form or not to join a labor union without fear of reprisal, intimidation or harassment. Where employees are represented by a legally recognized union, we are

committed to establishing a constructive dialogue with their freely chosen representatives. The Company is committed to bargaining in good faith with such representatives.



Safe and Healthy Workplace

The Company provides a safe and healthy workplace and complies with applicable safety and health laws, regulations and internal requirements. We are dedicated to maintaining a productive workplace by minimizing the risk of accidents, injury and exposure to health risks. We are committed to engaging with our employees to continually improve health and safety in our workplaces, including the identification of hazards and remediation of health and safety issues.

Workplace Security

The Company is committed to maintaining a workplace that is free from violence, harassment, intimidation and other unsafe or disruptive conditions due to internal and external threats. Security safeguards for employees are provided as needed and will be maintained with respect for employee privacy and dignity.

Forced Labor and Human Trafficking

The Company prohibits the use of all forms of forced labor, including prison labor, indentured labor, bonded labor, military labor, slave labor and any form of human trafficking.

Child Labor

The Company prohibits the hiring of individuals that are under 18 years of age for positions in

which hazardous work is required.

Work Hours, Wages and Benefits

The Company compensates employees competitively relative to the industry and local labor market. We operate in full compliance with applicable wage, work hours, overtime and benefits laws.

Supplier Guiding Principles

Values and Commitments at The Coca-Cola Company

The reputation of The Coca-Cola Company is built on trust and respect. Our employees and those who do business with us around the world know we are committed to earning their trust with a set of values that represent the highest standards of quality, integrity, excellence, compliance with the law, and respect for human rights and the unique customs and cultures in communities where we operate.

Our Company has always endeavored to conduct business responsibly and ethically. We respect international human rights principles, including the United Nations Declaration of Human Rights and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work. We actively participate in the United Nations Global Compact. These corporate values are formalized in the Company's Human Rights Policy.

Our acknowledgment of these international principles is consistent with our dedication to enriching the workplace, respecting all human rights, preserving the environment and strengthening the communities where we operate.



The Supplier Guiding Principles – Reflecting the Company’s Values

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 are authorized to directly 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 workplace policies and practices that comply, at a minimum, with applicable environmental laws and with local labor laws and regulations. The principles outlined below reflect the values we uphold in our own policies, and we expect our direct suppliers to follow the spirit and intent of these guiding principles to ensure respect for all human rights.

Freedom of Association and Collective Bargaining

Respect employees’ right to join, form, or not to join a labor union without fear of reprisal, intimidation or harassment. Where employees are represented by a legally recognized union, establish a constructive dialogue with their freely chosen representatives and bargain in good faith with such representatives.

Prohibit Child Labor

Adhere to minimum age provisions of applicable laws and

regulations.

Prohibit Forced Labor and Abuse of Labor

Prohibit physical abuse of employees and prohibit the use of all forms of forced labor, including prison labor, indentured labor, bonded labor, military labor, slave labor and any form of human trafficking.

Eliminate Discrimination

Maintain workplaces that are free from discrimination or physical or verbal harassment. The basis for recruitment, hiring, placement, training, compensation, and advancement should be qualifications, performance, skills and experience.

Work Hours and Wages

Compensate employees relative to the industry and local labor market. Operate in full compliance with applicable wage, work hours, overtime and benefits laws, and offer employees opportunities to develop their skills and capabilities, and provide advancement opportunities where possible.

Provide a Safe and Healthy Workplace

Provide a secure, safe and healthy workplace. Maintain a productive workplace by minimizing the risk of accidents, injury, and exposure to health risks.

Protect the Environment

Conduct business in ways which protect and preserve the environment. Meet applicable environmental laws, rules, and regulations.

Business Integrity

Conduct business with integrity, respecting relevant laws and avoiding bribes and fraudulent practices.

Grievance Procedure and Remedy

Provide workers with a mechanism to express grievances without fear of reprisal and ensure concerns are appropriately addressed in a timely manner.

Management Systems

Have appropriate and effective systems in place to control actions ensuring lawful compliance and respect for all human rights.

Compliance with Applicable Laws and Standards

We expect our suppliers to share our commitment to respect all human rights. Suppliers to The Coca-Cola Company and suppliers authorized by The Coca-Cola Company are required to meet the following standards, at a minimum, with respect to their operations as a whole:

Laws and Regulations

Supplier will comply with all applicable local and national laws, rules, regulations and requirements in the manufacturing and distribution of our products and supplies and in the provision of services.

Child Labor

Supplier will comply with all applicable local and national child labor laws.

Forced Labor

Supplier will not use forced, bonded, prison, military or compulsory labor or any form of human trafficking.

Abuse of Labor

Supplier will comply with all applicable local and national laws on abuse of employees and will not physically abuse employees.

Freedom of Association and Collective Bargaining

Supplier will comply with all applicable local and national laws on freedom of association and collective bargaining.

Discrimination

Supplier will comply with all applicable local and national discrimination laws.

Wages and Benefits

Supplier will comply with all applicable local and national wages and benefits laws.

Work Hours & Overtime

Supplier will comply with all applicable local and national work hours and overtime laws.

Health & Safety

Supplier will comply with all applicable local and national health and safety laws.

Environment

Supplier will comply with all applicable local and national environmental laws.

Business Integrity

Supplier will comply with all applicable local and national laws and will not use bribes or fraudulent practices

Demonstration of Compliance

Supplier 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.

Stakeholder Expectations

The Supplier Guiding Principles help The Coca-Cola Company align its supply chain with company values while also demonstrating the Company's commitment to achieving a supply chain that meets stakeholder expectations. Multiple stakeholders expect the entire Coca-Cola system to have workplace standards that meet or exceed the requirements of local law. These stakeholders include, but are not limited to:

- ❑ Direct customers
- ❑ Consumers through customers
- ❑ Shareholders
- ❑ Non-governmental organizations
- ❑ Student activists
- ❑ Governments

TCCC is held accountable for anything occurring under the trademark, whether it occurs at an independent bottler, a company-owned facility, a supplier of materials used in our products or product packaging, a supplier of promotional merchandise, or any other type of supplier. This accountability is another important reason that suppliers within the Coca-Cola system must operate in accordance with the Supplier Guiding Principles.

Responsible workplace practices throughout the system are critical to protecting the value of our trademark and key to achieving our aspiration of being one of the most respected companies in the world.

Benefits of Workplace Assessments

Assessments can provide valuable insight into your operations and can help you:

- ❑ Determine whether your facility operates in accordance with local laws and, if not, identify the necessary corrective actions to avoid the risks associated with breaking the law.
- ❑ Identify and eliminate work hazards that could result in worker injuries, costly worker compensation claims, and a damaged reputation.
- ❑ Improve operational efficiency and employee productivity by understanding how to create a better work environment and implement recommended changes. *See Hours of Work Guidance document for case studies on how reducing overtime improves operational efficiency.*
- ❑ Meet the reporting requirements of other customers in lieu of additional assessments in order to save money and avoid additional work disruptions.
- ❑ Align performance with The Coca-Cola Company's vision values for the supply chain, thereby increasing the chance of becoming a preferred source.
- ❑ Promote your responsible workplace practices as a competitive advantage when advertising, soliciting new business, or looking to attract prospective employees.
- ❑ Receive professional guidance on remediation of any findings and on the effective implementation of best practices used by top-performing suppliers in your industry.

Finally, suppliers that undergo assessments and address findings can take pride that they are doing the right thing by striving to operating a safe and lawful facility that also is a good place to work.

Mutual Recognition

The purpose of Mutual Recognition is to reduce audit duplication. Recognizing other social compliance assessments helps reduce audit fatigue, cost and cycle time and shifts the focus from assessment to performance. Through the process of Mutual Recognition, TCCC agrees to review audit reports to determine if internal criteria are met, but is not obligated to recognize any report. Recognition of an audit report does not signify that an assessment is passed. Depending on audit results, additional follow-up or a new assessment may be required to demonstrate that issues are resolved.

Assessments should meet the following criteria to be considered under Mutual Recognition:

1. **Acceptable Auditor:** Use of external auditors is preferred to provide an assurance of objectivity.
 - a. The auditor must be named and auditing affiliation disclosed to allow validation.
 - b. Preferred audit firms have three independent accreditations (such as from Fair Labor Association, Social Accountability International, the International Council of Toy Industries or Worldwide Responsible Accredited Production or is part of the Sedex AAG).
 - c. Service providers commonly utilized by TCCC include: STR, Intertek, SGS, Partner Africa, Insite Compliance (US only). For the purposes of recognizing audits additional service providers including, but not limited to, Arche, Bureau Veritas, TUV and Control Union may be considered.
2. **Acceptable Audit Coverage:** Any submitted audit should be a social compliance assessment (not food safety or quality) which verifies compliance with local law with regard to Labor and Wage, Health and Safety, Environment and Business Integrity.

Recent protocol enhancements regarding land rights and migrant workers must also be covered. TCCC has a supplementary module available for use with other protocols, but this module must be completed at the time of the initial audit. It should not be completed as a separate visit after the original audit was completed. This module may add up to 1 person day which includes report writing.

3. **Audit Integrity:** An acceptable audit report is complete and not redacted (except confidential production information).
4. **Acceptable Timeframe:** Assessments within the last 12 months may be submitted for review.
5. **Acceptable Process:** The methodology used by an auditor to determine noncompliance is based on visual inspection, documentation review and confidential employee interviews. The process must be equivalent to an SGP assessment. Certain commercial audits that are only 1 day are considered too limited in-scope and will not be accepted.
6. **Audit Ownership:** Suppliers must have the authority to share the audit results and report with Coca-Cola. If the audit has been paid for by another brand it is the responsibility of the supplier to ensure the report can be shared.

If the above criteria are met, the supplier should send the report to the audit firm. The audit firm will confirm with TCCC that the report is acceptable and will convert the report into the Assessment Summary Report (ASR) format for a fee. The ASR and original full report is then submitted as a Mutual Recognition audit to Workplace Accountability and the appropriate Business Unit and uploaded to Cosmos. Once an audit report is accepted under Mutual Recognition, it is tracked, reported and followed-up upon in the same manner as any other SGP assessment to ensure ongoing compliance is maintained. If the report is more than 6 months old and has outstanding findings, the facility may have 1 month to demonstrate issues have been closed or to complete a follow-up assessment.

Coca-Cola promotes suppliers' sharing of assessment results but retains the right to accept or not accept any audit or part of an audit and to require additional follow-up or conduct a full assessment.

Currently the following assessment protocols are accepted. If the protocol in question is not listed below, review the criteria above to determine if it may be eligible:

| Protocol | Extra Module Required | Reports Submitted to TCCC by audit firm |
|---|--------------------------|---|
| Unilever URSA | No extra module required | URSA report, ASR |
| SMETA 4 Pillar | AIM-PROGRESS Module | Original audit report, AP module, ASR |
| AIM-PROGRESS member company (which may utilize its own audit protocol instead of SMETA) | AIM-PROGRESS Module | |
| GSCP Equivalent | AIM-PROGRESS Module | |
| BSCI | AIM-PROGRESS Module | |
| EICC | AIM-PROGRESS Module | |

Protocols not currently accepted:

- SMETA 2 Pillar
- SA8000
- Workplace Conditions Assessment (WCA)

Assessment Process

The following is a general outline of SGP assessment process and procedures.



Preparation Instructions:

- ❑ **Read the Pre-Assessment Information Packet and sign/return relevant forms.** In advance of your assessment, a third party service provider will send you an information packet that provides specific information about scheduling and preparing for an assessment. This information packet will contain an application form that must be filled out and returned to the service provider along with pre-payment and a signed report release form that allows the assessment results to be provided to The Coca-Cola Company. The third party service provider will then work with you to schedule the assessment.
- ❑ **Choose a Normal Operating Day.** The facility must be operating on the assessment day in order for an assessment to occur, and is preferable that the facility is producing the type of product it supplies to the Company. Mills, farms, and other suppliers working on a seasonal schedule should provide the service provider with dates when seasonal workers will be present and the facility is fully operating.



- ❑ **Re-read the Pre-Assessment Information Packet to prepare:** It is extremely important that you read this document thoroughly and understand all of its contents to ensure all necessary preparations are made. The Packet will provide you with a list of documentation to have available, sample communication for your employees and a checklist to help you prepare. Preparing properly will make the assessment smoother and more efficient for everyone involved.
- ❑ **Ensure Someone from Senior Management is Available.** This person needs to have full knowledge of the facility operation, and the authority to comply with the assessment service provider's requests and respond accurately on behalf of the facility owners and management.
- ❑ **Ensure Production Manager and Personnel Manager Available.** These individuals are necessary to answer a series of questions regarding production capacity, machines, lead times, hiring practices, and payroll records.
- ❑ **Ensure Union Representatives Available** (if applicable), These representatives should be available throughout the assessment.
- ❑ **Notify Security in Advance.** Assessors arrive at the facility and provide their business cards and identification badges upon entry. Please be sure to notify your entry security guards in advance of their visit.

Assessments will take 1-4 person days. The assessment team will consist of fluent native speakers (often with more than one dialect ability) and readers of the manufacturing country's language. Assessors will hold an opening meeting with the facility's designated management person of authority, production and personnel managers, and any other managers you wish to have present. During this meeting, the assessors will describe the assessment format. No other unrelated parties shall be present during this assessment, except as approved in advance by Workplace Accountability.

Note that non-employee workers are included in the assessment, so you should notify any agencies that provide such workers as to the requirements provided in the supplier packet you receive prior to the assessment. It is expected that appropriate paperwork in on-site for Non-Employee Workers. Non-Employee Workers are defined as employees of a 3rd party company who provide ongoing labor services to the facility (e.g. Seasonal workers, Production Workers, Security, Janitorial, Canteen) working full-time. If Non-Employee Workers are employed at the facility, the service provider will request a 10% sample size, up to 25, from the total pool of non-employee workers, reflecting NEWs from each agency.



Assessment Components:

Actual assessments may or may not follow this order. However, all steps as indicated below are completed during the assessment in most cases. If further steps or documents are needed to support a complete understanding of the facility situation, the assessment service provider may request additional information from the facility. Your full cooperation is appreciated to support a smooth and beneficial assessment.

| | |
|----------------------------|---|
| Opening Meeting | |
| <input type="checkbox"/> | Introduction of assessors and service provider |
| <input type="checkbox"/> | SGP Overview |
| <input type="checkbox"/> | Review of assessment procedures to be performed as well as inspection time frame for each portion |
| <input type="checkbox"/> | Coordination of management and facility personnel required for the assessment |
| Facility Tour | |
| <input type="checkbox"/> | Review of floor plan of the entire facility to ensure every room is toured (i.e., kitchen and dormitories) |
| <input type="checkbox"/> | Review of list of any potentially hazardous chemicals used/ stored at the facility |
| <input type="checkbox"/> | Tour of the facility floor to evaluate health and safety conditions, production capacity, use of outside subcontractors, waste water treatment, chemical and hazardous material containment, etc. |
| <input type="checkbox"/> | Tour of the dormitories and dining room facilities, if provided, to evaluate health and safety conditions |
| Employee Interviews | |
| <input type="checkbox"/> | Selection and interview of employees and Non-Employee Workers (10% of total workforce up to 25 workers plus 10% of in-scope NEWs up to 25) |

Record Review

- ❑ Review of facility policies or handbooks and licenses
- ❑ Review of employment contracts as required by the country's labor laws
- ❑ Review of age documentation / verification, labor contracts, medical certificates, government registration.
- ❑ Review of payroll documentation, including but not limited to one year of the most recent payroll records, time cards, production records, attendance records. (These documents are necessary in order to determine if the facility is in full compliance with the country's national and regional labor laws on minimum wage, overtime wage, overtime and holiday hours, etc.)
 - For facilities with 250 or fewer employees, records should reflect 10% of total workforce / For facilities with more than 250 employees, records should be available for 25 employees maximum for the current month plus 5 from the peak production period, 5 from a non-peak production period, and 5 from the balance of the year
 - Non-Employee Worker payroll will also be reviewed
- ❑ Review of proof of insurance payment or tax payment, etc.
- ❑ Review of environmental permits, waste records, health/safety training records
- ❑ Review of official union agreement contract, where applicable
- ❑ Review of subcontractor info (name, address, contact information)
- ❑ Review of worker's compensation insurance, I-9s and W-4s (USA only)
- ❑ Review of policies and procedures that demonstrate Good Practices (see section below)

Closing Meeting

- ❑ Review of Assessment Summary Report with facility management; the report details findings and any corrective actions necessary to align with SGP
- ❑ Discussion of assessment results with designated facility management personnel, answering of any questions, and clarification of local labor and environmental laws as necessary
- ❑ Review of recommended corrective actions (if required) to make all required future improvements with the goal of 100% compliance within a timetable to be determined with The Coca-Cola Company
- ❑ Verification that the facility manager understands the findings and has had the opportunity to make any comments if so desired. The facility manager and assessor then sign the Assessment Summary Report. A copy of the signed report is left with the facility.



Post Assessment Follow-Up

Suppliers and The Coca-Cola Company receive a detailed assessment report within 7-10 days. The supplier also receives a results letter with instructions and any necessary forms to demonstrate completion of corrective action. The Assessment Summary Report (“ASR”) provides you with a score that is linked to a color rating. A facility’s color rating determines follow-up requirements:

**Green
(0 points)**

- No action required.
- Facility will be assessed in 1-3 years.

**Yellow
(1-7 points)**

-
- Fill out Facility Action Plan form and send to the service provider.
 - Service Provider will notify you if the plan meets SGP requirements; if not, they will provide any necessary guidance.
 - Correct minor findings to achieve Green status.
 - Return letter to the service provider within the time frame specified in your assessment summary report along with any required evidence that corrective action has occurred.
 - Service provider completes desk review.
 - Facility will be re-assessed in 1-3 years.

**Orange
(8-27 points)**

-
- Fill out Facility Action Plan form and send to the service provider.
 - Service Provider will notify you if the plan meets SGP requirements; if not, they will provide any necessary guidance.
 - Correct findings as outlined on the approved Facility Action Plan.
 - Schedule a follow-up assessment to occur within 6 months of the initial assessment. In certain instances a Desk Review Assessment is acceptable in lieu of an in-person visit.
 - Process continues until the facility becomes Green. A full re-audit occurs 1 year after facility reaches Green to demonstrate sustained compliance. If, at that point, site maintains Green/Yellow rating, facility moves to a 3 year audit cycle.

**Red
(28+ points)**

-
- Fill out Facility Action Plan form and send to the service provider.
 - Service Provider will notify you if the plan meets SGP requirements; if not, they will provide any necessary guidance.
 - Correct findings as outlined on the approved Facility Action Plan.
 - Schedule a follow-up assessment to occur within 6 months of the initial assessment.
 - Process continues until the facility becomes Green or is deauthorized. A full re-audit occurs 1 year after facility reaches Green to demonstrate sustained compliance. If, at that point, site maintains Green/Yellow rating, facility moves to a 3 year audit cycle.

Employee Interviews

All third-party service providers that conduct assessments of suppliers to The Coca-Cola Company require their assessors to undergo extensive training with regard to employee interviews. Assessors conduct employee interviews primarily to corroborate documentary evidence obtained during the assessment. They only will objective, non-leading questions.

Employee Selection Process

- ❑ Employees from various workstations will be selected during the walkthrough of the facility and from a random sampling of personnel records.
- ❑ Employee participation in interviews is strictly voluntary and at the employee's discretion.
- ❑ All interview notes are destroyed away from facility location.
- ❑ All interviews must be conducted in a private area with no management presence.
- ❑ If there is no Health and Safety risk for workers and the auditor, Interviews may be conducted at workstations on the production floor if management is not visible to employees and if no one is able to hear the discussion

Categories of Questions Which May be Asked:

Child Labor

Questions will be asked to validate age and determine if children ever are present on site.

Forced Labor

Questions will be asked to determine how employees found their positions, whether any fees were paid and whether overtime is voluntary or communicated at hire if mandatory.

Abuse of Labor

Questions will be asked to determine if employees understand the disciplinary rules and regulations and to ensure there is no abuse.

Freedom of Association/ Collective Bargaining

Objective, non-leading questions will be asked to determine whether the plant working environment is sufficiently open to allow discussion of issues generally, including the ability of employees to join any legal organization in which they may have an interest both inside and outside work.

Working Hours

Questions will be asked to determine if working hours (meal times, breaks, etc) meet both state and federal legal requirements.

Wages & Benefits

Questions will be asked to determine if wages meet both state and federal legal requirements.

Health & Safety

Questions will be asked to determine if employees are aware of all state and federal legal requirements to ensure a safe and healthy workplace.

Work Environment

Questions will be asked to determine if a grievance mechanism is in place and if and how worker satisfaction is tracked.

Discrimination

Objective, non-leading questions will be asked to determine if there are any issues around discrimination.

Business Integrity

Questions will be asked to ensure there are no fraudulent business practices, in particular related to payroll and to determine awareness of a Code of Business Conduct.

Demonstration of Compliance

Questions will be asked to validate that the facility is able to effectively demonstrate alignment with SGP.

If there are issues of concern (SGP and/or legal violations) addressed through the interview process, e.g., employees report alleged discriminatory behavior by management or other employees, and they are able to produce information supporting the claim, management will be notified of issues without naming employee(s) who reported them.

If there are issues that arise from the interviews that either cannot be validated or are not actual violations, the assessors may also review with management without naming the employee(s) who reported them during the process if the information will be valuable to management.

Non-Employee Workers (NEWs)

A Non-Employee Worker is a worker employed by a contract agency and providing ongoing, not intermittent, work to the facility. Examples of non-employee workers include janitorial, security, lawn care, production, warehouse, distribution workers who provide regular, ongoing services to the facility. Workers providing one time services, even if repeated, such as electrical or repair services are not considered in-scope workers for the purposes of a Workplace assessment.

All workers in the facility full-time, whether employees or non-employee workers, are considered in-scope for the assessment. The purpose is to demonstrate to our customers that our facility complies with local laws, including in respect to all workers in the site. To facilitate this process the facility must disclose the names of the contract agencies used and the number of workers placed at the facility as part of the pre-assessment packet. Based on the information provided, the service provider will determine the total sample size and the impact, if any, on the audit length/price.

The facility must ensure that the paperwork is on-site at the time of the audit. In cases where paperwork is housed off-site the service provider will need to organize with the facility to ensure documentation is available during the audit. All findings are to be included on the ASR. Review of Non-Employee Workers only covers compliance to SGP/HRP and does not include a review of Good Practices. A legal review determined that the inclusion of non-employee workers in the scope of an SGP audit does not create an employment relationship between non-employee workers and TCCC (or the supplier).

Unwillingness to disclose contract workers will result in a Business Integrity or Demonstrations of Compliance finding.

Laws and Regulations

Requirement





Supplier will comply with all applicable local and national laws, rules, regulations and requirements in the manufacturing and distribution of our products and supplies and in the provision of services.

Key Requirements


- Copies of legal age documents are available for all employees, including photo ID.
- Hiring ages on employee contracts or applications represent legal age for employment.
- Documents are available for randomly selected employees on the work floor.
- Hours worked as shown on timecards or revealed by other means do not exceed legal restrictions.
- All deductions shown on pay journal are authorized by law, with the employee's written consent.
- Hours worked and overtime are calculated and compensated correctly.
- Employees are aware of terms of either written or oral employment contracts.
- All mandated benefits are paid in a timely manner.

Indicators of Performance Gaps

- Facility does not operate with a legal business license, or license is expired.
- Labor contracts are missing for some or all of the employees.
- Facility does not comply with legal requirements regarding worker documentation.
- Insurance certificates are missing or expired.
- Wages and benefits policies are not communicated to employees.
- Workers bring work home

| <i>Laws and Regulations: Examples of Findings and Corrective Actions</i> | | | |
|---|--|-------------------------------|---|
| Finding | Corrective Action | Recommended Time Table | Confirmation Method |
| Labor Contracts: Employees who have been working at a packaging plant tell the auditor they have not yet received labor contracts as required by law. | Provide labor contracts to employees. | 60 days |   |
| Youth Workers: Youth workers have been hired legally, but are working more than the number of hours that local law allows. | Ensure a system is in place to monitor the number of hours worked by legal youth workers and keep the number of hours worked within legal limits. | 60 days |  |
| Probation Terms: A labor contract set forth a probationary period of six months while local law states that the probationary period cannot exceed 90 days. | Modify new and existing contracts with language that sets the probationary period at 90 days or less and communicate the change to employees that may be affected. | 60 days |  |

Laws and Regulations: Examples of Findings and Corrective Actions

| Finding | Corrective Action | Recommended Time Table | Confirmation Method |
|--|--|------------------------|---|
| <p>Insurance: A facility's insurance documentation expired two months ago. Facility management states that they have applied for a renewal and received approval from an insurance company, but have not received new insurance certificates.</p> | <p>Ask the insurance company to fax a copy of the certificates to keep on file until the actual certificates arrive.</p> | <p>60 days</p> |  |

Child Labor






| The U.N. Global Compact | The SGP Principle | The Requirement |
|----------------------------------|--|--|
| Effectively abolish child labor. | Prohibit child labor and adhere to minimum age provisions of applicable laws and regulations | Supplier will comply with all applicable local and national child labor laws or ILO core convention (whichever is higher). |




Key Requirements

- ❑ Procedures in place to verify age; Copies of legal proof of age documents available for all employees, including photo ID.
- ❑ Hiring ages on employee contracts or applications represent legal age for employment.
- ❑ Documents are available for randomly selected employees on the work floor.

Indicators of Performance Gaps

- ❑ Child labor is observed on the day of the assessment.
- ❑ Child labor has been reported and corroborated by at least two sources.
- ❑ Workers currently of legal age were hired while under age.

| <i>Child Labor: Examples of Findings and Corrective Actions</i> | | | |
|---|--|---|--|
| Finding | Corrective Action | Recommended Time Table | Confirmation Method |
| Minimum Working Age: An employee is found to be below the minimum legal working age of 15. | The factory must immediately remove the employee from the workflow and work with the child’s guardian(s) to ensure the child attends school in accordance with local law. Ensure a system is in place to verify new and existing workers are at least the minimum legal working age. | Remove the child immediately and implement an age verification system within 60 days. |    |
| Child Visitors: An employee brings his 10 year old child to work because the school is closed and there is no one to take care of her at home. During the day, the child occasionally helps her mother place bottles in front of a bottle capping machine. | The child must be removed from the workflow immediately. Alternative arrangements for the child’s care should be made by the employee and the facility. The facility should establish and communicate a policy that prohibits the presence of children in work areas. | Remove the child immediately and communicate the policy within 30 days. |   |

| Child Labor: Examples of Findings and Corrective Actions | | | |
|---|--|-------------------------------|---|
| Finding | Corrective Action | Recommended Time Table | Confirmation Method |
| <p>Historical Child Labor: An employee who is 18 year old has been working at a facility for the last four years. Although she is currently 18, she was hired at the age of 14, which was below the minimum legal working age.</p> | <p>The factory must verify that all current employees are meet local minimum working age requirements and obtain valid documentation for new hires to prevent the hiring of workers below the legal minimum working age.</p> | <p>Immediately</p> |   |
| <p>Minimum Working Age: The factory does not have a policy on minimum working age that is consistent with legal minimum age requirements.</p> | <p>The facility should establish and communicate a minimum age policy that complies with local minimum age laws and disallows children from workfloors. A system to verify compliance with the policy should be established.</p> | <p>60 days</p> |  |

Forced Labor




| The U.N. Global Compact | The SGP Principle | The Requirement |
|---|---|--|
| Eliminate of all forms of forced or compulsory labor. | Prohibit physical abuse of employees and prohibit the use of all forms of forced labor, including prison labor, indentured labor, bonded labor, military labor, slave labor and any form of human trafficking | Supplier will not use forced, bonded, prison, or compulsory labor or engage in human trafficking |

Key Requirements







- No forced, bonded, prison, military or compulsory labor.
- Ensure that there are no programs that may cause a forced labor situation, including:
 - No recruitment fees paid by workers
 - No fraudulent recruitment practices (ensure employment terms are shared prior to employment)
 - No passport retention

Indicators of Performance Gaps

- Use of prison labor.
- Facility retains original worker documentation
- Employees are penalized for refusing overtime hours and were not informed at the time of hire that overtime is mandatory.
- Employee mobility is restricted due to wage deposits, loan repayments, etc
- Workers paid recruitment fees to obtain job

| <i>Forced Labor: Examples of Findings and Corrective Actions</i> | | | |
|--|---|---|---|
| Finding | Corrective Action | Recommended Time Table | Confirmation Method |
| Free Movement: When an employee is hired, the Human Resources Manager takes possession of the employee’s passport, birth certificate, or other personal papers, which inhibits the employee’s ability to leave or terminate employment. | Make copies of all documentation and return the originals to the employee. | Immediately |  |
| Forced Labor: Employees are denied permission to leave work because they are ill or need to care for family members who are ill. | Allow employees to leave the facility if the requests are within reason. Create a policy that allows employees to leave when a reasonable request is made. Train employees and supervisors to adhere to the policy. | Allow the employee to leave immediately / develop a policy within 30 days |  |
| Free Movement: Employees are only allowed to use the toilet or to obtain drinking water once a day. | Workers always should be allowed access to the lavatory and drinking water without needing to ask permission. | Immediately |  |

Forced Labor: Examples of Findings and Corrective Actions

| Finding | Corrective Action | Recommended Time Table | Confirmation Method |
|--|---|------------------------|---|
| Forced Labor: It takes 10 hours, with breaks, to produce 3,000 handbags. An employee is told that he cannot take a break until 3,000 handbags are produced. | Allow the worker to take breaks in accordance with legal requirements. | Immediately |  |
| Prison Labor: A packaging supplier uses workers from the local prison to make pallets used to move product. | Discontinue the use of prison labor. | Immediately |  |
| Bonded Labor: A worker is indebted due to loan repayment that cannot be effectively paid off | The terms of any loan or other fee programs should be clearly communicated to employees, remain within the local legal restrictions and should not restrict an employee's job mobility. | Immediately |   |
| Bonded Labor: Worker pays agency recruitment fee to obtain job. | Recruitment and placement fees must be paid by employer. If fees were paid, they should be reimbursed to the worker. | 30-60 days |   |

Understanding Forced Labor

Employment at The Coca-Cola Company is voluntary; The Company does not tolerate any form of forced labor. “Forced labor” occurs when a person is forced to perform work against his or her free will, typically under threat of physical violence, injury or other form of punishment. Types of forced labor include bonded or indentured labor, prison labor, military labor and slave labor. “Bonded or indentured labor” is work performed to repay a debt such as a loan or an advance payment. “Human trafficking” involves the recruitment, movement of people across borders and between regions of countries through recruitment fees that create a bonded labor situation, or the threat or use of force or other forms of coercion, or giving or receiving of payments or benefits to achieve the consent of a person for the purpose of exploitation.

Migrant Worker Passports and Visas

In areas where employment of foreign or migrant workers is common, facilities should pay special attention to recruitment process and document retention. Recruitment agencies can offer a valuable service, but some of the less reputable firms can render workers vulnerable to being in bonded forced labor. Migrant workers may become trapped by debt incurred to pay recruiters or by visa and work permit regulations that bind them to a particular workplace, and by limited access to host country law enforcement. Workers should not pay recruitment fees. It is the responsibility of the employer to pay such fees. Every worker is to have control of or immediate access to his or her passport or other travel or identification documents so as not to impede his or her freedom of movement. If, however, the law requires that a facility retain an employee's passport, then appropriate steps must be taken to ensure employee reasonable and timely access (within 2 hours) to such documents.

Additional Resources:

Verite's Fair Hiring Toolkit offers tools, guidance, and approaches to support the responsible recruitment and hiring of migrant workers in global supply chains.

<http://www.verite.org/helpwanted/toolkit/suppliers>

Abuse of Labor




| The SGP Principle | The Requirement |
|---|---|
| Prohibit the use of all forms of forced labor, including prison labor, indentured labor, bonded labor, military labor or slave labor. | Supplier will comply with all applicable local and national laws on abuse of employees and will not physically abuse employees. |





Key Requirements:

- No evidence of physical abuse of workers (reported or observed).
- No threats of physical abuse.
- No physical contact or comment that could be interpreted as sexual.

Indicators of Performance Gaps:

- Observed or reported physical abuse.
- Observed or reported verbal threats of physical abuse.

| <i>Abuse of Labor: Examples of Findings and Corrective Actions</i> | | | |
|--|--|---|--|
| Finding | Corrective Action | Recommended Time Table | Confirmation Method |
| Physical Abuse: Managers use physical punishment as a disciplinary practice. | Immediately stop the practice. Implement a policy that prohibits the use of physical punishment, set up a system to enforce compliance with the policy, and conduct training if necessary. | Stop practice immediately. Communicate the policy to all managers and workers / add policy language within 60 days. |   |
| Sexual Harassment: A female employee is made to feel she must accept unwanted sexual advances from a manager in order to keep her job or to receive a better work assignment. | Immediately investigate any claim of sexual harassment, place the worker and the person suspected of harassment in separate work areas, and discipline employees responsible for the harassment when there is sufficient evidence. If an employee does not respond to warnings and the evidence indicates continued harassment, the employee should be terminated. Ensure the facility has a written policy prohibiting sexual harassment and communicate the policy to supervisors and employees. | Immediately communicate the policy to all managers and workers / add policy language within 60 days. |  |

| Abuse of Labor: Examples of Findings and Corrective Actions | | | |
|---|---|---|--|
| Finding | Corrective Action | Recommended Time Table | Confirmation Method |
| <p>Verbal Threats / Abusive Language: A floor manager at a production facility threatens employees using profane, abusive, and demeaning language to motivate them to work harder.</p> | <p>Immediately investigate claims of verbal abuse and discipline any employee found to be engaging in verbal abuse. Ensure language prohibiting verbal abuse is included in the facility's policies and that the policy is communicated to employees. Provide sensitivity training as necessary to supervisors.</p> | <p>Immediately communicate the policy to all managers and workers / add policy language within 60 days.</p> |   |
| <p>Discipline: An employee is fired because he failed to inform her supervisor in advance that she would not be at work. He has never missed work before.</p> | <p>Instruct employees and supervisors on the proper disciplinary practices and ensure they are applied consistently. Verbal or written warnings should be given before a worker is suspended or terminated.</p> | <p>Immediately discontinue the practice and train workers and supervisors within 60 days.</p> |  |
| <p>Grievances: Employees feel they cannot complain about their supervisors' abusive behavior because they do not have anyone with whom to register a complaint.</p> | <p>The facility should have a system for employees to communicate their complaints confidentially to higher-level managers or human resources staff. Workers and supervisors should be made aware of the policy, which should be incorporated into written policies.</p> | <p>60 days</p> |  |

Freedom of Association


| The U.N. Global Compact | The SGP Principle | The Requirement |
|--|---|---|
| Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. | Respect employee’s right to join, form or not to join a labor union without fear of reprisal, intimidation, or harassment. Where employees are represented by a legally recognized union, establish a constructive dialogue with their freely chosen representatives and bargain in good faith with such representatives. | Supplier will comply with all applicable local and national laws on freedom of association and collective bargaining. |



Key Requirements

- Employees are free to collectively bargain.
- Facility complies with the terms of the collective bargaining contract.
- Collective bargaining contract is available for review.
- Internal regulations are available for review.
- Minutes from meetings of the worker committee are available for review.
- Any grievances or complaints against management are available for review.
- Performance records of terminated workers are available for comparison with the performance of others in the same line or producing at the same rate.

Indicators of Performance Gaps

- Records on cases of workers having been disciplined or terminated for supporting union activities such as handing out union cards, wearing a union button or showing up at a union meeting.
- Evidence of management interfering with a worker’s ability to organize or participate legally in a union.
- Management does not recognize or refuses to bargain with legally elected employee representatives.
- Management does not comply with the terms of a collective bargaining agreement.
- Workers are refused hire because of their affiliations.

| Freedom of Association & Collective Bargaining: Examples of Findings and Corrective Actions | | | |
|---|---|------------------------|---|
| Finding | Corrective Action | Recommended Time Table | Confirmation Method |
| Collective Bargaining Agreements: Facility management refuses to adhere to the terms of an approved collective bargaining agreement. | The facility should respect the terms of the agreement and engage in dialogue with union representatives to resolve any conflicts. | Immediately |  |
| Union Affiliation: A facility penalizes employees who support the creation of a union or engage in union activities. | Immediately discontinue the practice. Adopt a neutral approach to unions, respect employees’ rights to freely associate, and engage in a dialogue with workers. | Immediately |  |

| Freedom of Association & Collective Bargaining: Examples of Findings and Corrective Actions | | | |
|---|--|-------------------------------|---|
| Finding | Corrective Action | Recommended Time Table | Confirmation Method |
| Union Affiliation: Management promises better benefits, bonuses or a promotion if an employee does not vote to unionize. | Discontinue the practice. Workers should not be treated differently based on their decision to engage or not engage in union activities. | Immediately |  |
| Collective Bargaining Agreements: Management meets and bargains with one union and then imposes the terms of the resulting agreement on a second union without their consent or any negotiation. | Discontinue the practice. Engage in a dialogue with all union entities to develop an agreement that is acceptable to all parties. | Immediately |  |

Discrimination

| The U.N. Global Compact | The SGP Principle | The Requirement |
|---|--|--|
| Eliminate discrimination in respect of employment and occupation. | Maintain workplaces that are free from discrimination or physical or verbal harassment. The basis for recruitment, hiring, placement, training, compensation, and advancement should be qualifications, performance skills and experience. | Supplier will comply with all applicable local and national discrimination laws. |




Key Requirements

- ❑ Facility does not discriminate on the basis of gender, race, religion, national origin, or other legally protected class.
- ❑ Hiring practices, pay, and opportunities for advancement are based on occupational skills and experience and not personal or physical qualities.



Indicators of Performance Gaps

- ❑ Employees are treated differently based on physical or personal qualities, religious beliefs or other attributes not directly related to occupational skills and experience.
- ❑ Employees are required to undergo mandatory pregnancy or HIV testing prior to being hired as a condition of employment.
- ❑ Men and women are not paid equally for equal work.

Discrimination: Examples of Findings and Corrective Actions

| Finding | Corrective Action | Recommended Time Table | Confirmation Method |
|---|--|------------------------|---|
| Gender Discrimination: Women (pregnant or not), members of a particular religion or religious sect, individuals of a particular racial or ethnic minority or any other protected category are not being hired or are barred from applying because of these specific characteristics. | Remove all discriminatory requirements from hiring criteria. Establish a hiring policy that prohibits discrimination and communicate the policy to management and human resources personnel responsible for making hiring decisions. | Immediately |  |
| HIV Testing: Prospective employees are required to take an HIV test prior to being hired. | Remove all discriminatory requirements from hiring criteria. This is considered an Immediate Notification issue and may jeopardize supplier authorization status. | Immediately |  |
| Pregnancy Testing: Prospective female employees are required to take a pregnancy test prior to being hired. | Remove all discriminatory requirements from hiring criteria. This is considered an Immediate Notification issue and may jeopardize supplier authorization status. | Immediately |  |

Discrimination: Examples of Findings and Corrective Actions

| Finding | Corrective Action | Recommended Time Table | Confirmation Method |
|---|---|--|---|
| <p>Discrimination: Several employees from a particular indigenous or ethnic group or of a particular race state that they are refused any assignments necessary to become qualified for a promotion.</p> | <p>Set forth a policy that prohibits differential treatment of workers based on their physical characteristics, gender, race, religion, social status, or any other legally protected class. Immediately communicate the policy to workers and supervisors.</p> <p>Ensure a grievance system is in place for workers to alert management of potential violations of the policy and investigate all complaints in a timely manner.</p> | <p>Immediately communicate policy / implement grievance system and investigation mechanism within 60 days.</p> |  |
| <p>Gender Discrimination: A manager passes over a female employee (who would be the normal choice) to make a sales presentation or distribute goods to a potential client, using instead a male employee because the manager thinks or knows that the client prefers to deal with men.</p> | <p>Discontinue the practice immediately.</p> <p>Set forth a policy that prohibits differential treatment of workers based on their physical characteristics, gender, race, religion, social status, or any other legally protected class. Immediately communicate the policy to workers and supervisors.</p> | <p>Immediately</p> |  |

Wages and Benefits

| The SGP Principle | The Requirement |
|---|--|
| Compensate employees relative to the industry and local labor market. Operate in full compliance with applicable wage, work hours, overtime and benefits laws and offer employees opportunities to develop their skills and capabilities, and provide advancement opportunities where possible. | Supplier will comply with all applicable local and national wages and benefits laws. |



Key Requirements






- Hours worked and overtime are calculated, compensated correctly, and paid in a timely manner.
- All mandated benefits should be paid / provided in a timely manner.
- All deductions shown on pay journal are authorized by law, with the employee’s written consent.

Indicators of Performance Gaps

- Employees are paid less than the required minimum wage.
- Wages or benefits are delayed or withheld.
- Workers are not compensated properly for overtime work.
- Mandated benefits are not provided.
- Workers attend meetings prior to normal work hours but are not compensated for the time.

Wages and Benefits: Examples of Findings and Corrective Actions

| Finding | Corrective Action | Recommended Time Table | Confirmation Method |
|---|---|---|---|
| Minimum Wage: New employees receive less than the monthly minimum wage during the first month following their hire date. | Pay the monthly minimum wage from the time of hire and pay employees retroactively who did not receive the minimum wage during the first month of work. | Immediately adjust pay to meet minimum wage requirements. Issue back pay within 30 days. |  |
| Overtime Payment: Legal requirements specify that payment for work on legal holidays be paid at twice the regular hourly rate but the facility is paying 1.5 times the regular wage. | Pay the holiday overtime rate in accordance with local law. Pay any employees retroactively who received the incorrect rate for work performed on holidays. | Immediately adjust pay to meet minimum wage requirements. Issue back pay within 30 days |  |

| Wages and Benefits: Examples of Findings and Corrective Actions | | | |
|--|---|--|---|
| Finding | Corrective Action | Recommended Time Table | Confirmation Method |
| <p>Benefits: Workers are not provided legally mandated health insurance benefits after their first 90 days.</p> | <p>Provide all legally required benefits and ensure the employees are aware of the benefits to which they are entitled. Ensure all legally required postings regarding benefits are posted in the manner required by law.</p> | <p>Allow employees to apply for benefits immediately.</p> <p>Communicate benefits and post all required postings within 60 days.</p> |   |
| <p>Social Insurance Deductions: A facility deducts an amount from employees' paychecks for social insurance but does not immediately transfer the money to the appropriate financial institution or the government.</p> | <p>Transfer all deducted funds promptly to the financial or government institution responsible for the administration of social insurance.</p> | <p>60 days to transfer delayed funds. All funds going forward should be kept current.</p> |  |
| <p>Wage Discrimination: Employees are paid differently based on their protected group status, such as religion or gender. (Note that this also violates the Discrimination component of the Supplier Guiding Principles).</p> | <p>Discontinue practice immediately and compensate employees who received less pay for equal work so that the total amount received equals then total amount received by the higher-paid worker. Ensure a policy is in place prohibiting unequal pay for equal work and ensure it is communicated to supervisors and payroll personnel.</p> | <p>Immediately discontinue practice and compensate employees within 30 days.</p> |   |

Work Hours and Overtime





| The SGP Principle | The Requirement |
|---|---|
| Compensate employees relative to the industry and local labor market. Operate in full compliance with applicable wage, work hours, overtime and benefits laws and offer employees opportunities to develop their skills and capabilities, and provide advancement opportunities where possible. | Supplier will comply with all applicable local and national work hours and overtime laws. |



Key Requirements

- Hours worked as shown on timecards or revealed by other means do not exceed legal restrictions.
- Hours worked and overtime are calculated and compensated correctly.
- Employees are aware of work hours terms of either written or oral employment contracts.

Indicators of Performance Gaps

- Workers work seven days or more without one day of rest.
- Workers work in excess of country overtime regulations.
- Break time is insufficient.

| <i>Work Hours and Overtime: Examples of Findings and Corrective Actions</i> | | | |
|---|--|------------------------|---|
| Finding | Corrective Action | Recommended Time Table | Confirmation Method |
| Rest and Meal Breaks: Workers cannot take rest or meal breaks as required by local law without staying late to “make up” the time. | Allow workers to take rest and meal breaks as required by local law without requiring make-up time. | Immediately |  |
| Rest Days: Workers are generally asked to work every day of the week without a day off in violation of local law or the provisions of a collective bargaining agreement. | Discontinue the practice and provide workers with one day off per week. Develop a work schedule that minimizes overtime and does not drive workers to sacrifice their rest days. | Immediately |   |
| Off-Clock Meetings: Workers are required attend meetings before or after work without being compensated for the time. | Eliminate the requirement to attend meetings off the clock or compensate employees at their regular hourly rate for time spent at the meetings. | Immediately |  |

| Work Hours and Overtime: Examples of Findings and Corrective Actions | | | |
|---|---|-------------------------------|---|
| Finding | Corrective Action | Recommended Time Table | Confirmation Method |
| Recordkeeping: The facility does not use an established system for recording hours worked. | Begin using an established system for recording hours worked that employees use to record their own hours for regular and overtime work. | 60 days |  |
| Excessive Overtime: Workers are required to work hours in excess of legal limits | Ensure that workers do not exceed legal limits on hours worked per week. Review published Hours of Work Guidance for ideas on how to reduce systemic overtime | 60 days |  |

Health and Safety

| The SGP Principle | The Requirement |
|---|---|
| Provide a secure, safe and healthy workplace. Maintain a productive workplace by minimizing the risk of accidents, injury and exposure to health risks. | Supplier will comply with all applicable local and national health and safety laws. |

Key Requirements

- ❑ Work area is well-lit, ventilated, free from debris, and aisles are clear.
- ❑ There is functioning fire control equipment.
- ❑ Facility maintains adequate on-site equipment and trained personnel to provide for basic first aid.
- ❑ Unlocked and accessible exit doors with multiple exits in each area..
- ❑ Machine pulleys have guards, tagging needles are disposed of properly.
- ❑ There are a sufficient number of clean, functioning restrooms, running water and trash cans.
- ❑ Chemicals are used, stored, labeled, and disposed of in compliance with local regulations and do not present an environmental risk or worker exposure risk.
- ❑ Food preparation areas are maintained in a sanitary condition and refrigerators/freezers are used for perishable ad temperature-sensitive foods.
- ❑ Employees are trained to respond to potential emergencies in accordance with local regulations. Facility is prepared for an emergency (cleared aisles, unlocked exit doors, first aid kits, fire drills, fire extinguishers, etc)
- ❑ Potable drinking water, compliant with local requirements, is available to all workers.
- ❑ Building structures do not pose imminent threat to worker safety and are maintained to safely house workers and production equipment.

Indicators of Performance Gaps

- ❑ Fire exits are blocked, locked or not marked properly.
- ❑ Employees work without appropriate protective equipment such as goggles, masks, helmets, shields, gloves, boots, respirators or earplugs, although required or appropriate.
- ❑ Employees are not trained about how to maintain a safe and healthy workplace, including how to wear and use safety gear and equipment when required or appropriate.
- ❑ First aid or emergency evacuation procedures or instructions are not visible or available.
- ❑ Spills of water, oil or other materials, including hazardous materials, are not promptly contained and cleaned up, or other appropriate actions are not taken to prevent slipping, fires, or explosions.
- ❑ Emergency equipment such as fire extinguishers, eyewash stations, safety showers, is not provided or not maintained.
- ❑ Gangways or aisles are obstructed by debris or otherwise blocked.
- ❑ Chemicals and other hazardous materials are not properly labeled, stored, secured, handled, and disposed.
- ❑ Employees do not have access to the Company’s up-to-date Occupational Safety & Health Management System and Standards in easily accessible locations.
- ❑ Employees are not following lock-out/tag-out or engage in hot work or other dangerous work procedures.
- ❑ Trolleys, buggies, equipment and pallets are not returned to proper locations after use.
- ❑ Large structural cracks or damage which has not been evaluated by a structural engineer or other legal authority.
- ❑ No permits available for structures built in which worker reside or worker

| Health and Safety: Examples of Findings and Corrective Actions | | | |
|---|---|---|---|
| Finding | Corrective Action | Recommended Time Table | Confirmation Method |
| First Aid Kits: A facility makes first aid kits available, but the kits are locked in the main office and can only be opened by a custodial worker who is currently on vacation. | Ensure the legally required number of first aid kits are accessible without any restricted access, contain the required supplies, and that the supplies have not expired. | Immediately |  |
| Emergency Exits: A facility has experienced a series of thefts from a warehouse where 200 workers operate a production line. The floor manager locks most emergency exits to deter intruders. One exit is left unlocked. Signs are placed on the locked doors directing workers to the unlocked door in case of emergency. Local law requires one emergency exit for every 50 workers. | Unlock at least three more emergency exits and ensure all work locations are within reasonable distance of an unlocked emergency exit in accordance with local law. Hire security personnel to monitor the facility at all times to prevent future thefts. | Immediately unlock emergency exits. Add security personnel as needed. |  |
| Machine Safety Guards: Machines do not have the legally required guards to prevent injury to workers. | Install legally required guards on all machines lacking them. | 60 days |  |
| Fire Alarms / Evacuation Drills: Some of the work rooms in a facility lack fire alarms. The last evacuation drill was one year ago while the law requires a drill every six months. | Ensure all work spaces have fire alarms and that a system is in place for checking alarms periodically to ensure they are functioning properly. Conduct evacuation drills as frequently as required by local law. | Immediately |  |
| Personal Protective Equipment: Workers are on a production floors where fumes from paint application circulate due to the operation of the production line. These workers are not wearing any protective masks to avoid inhalation of the fumes. | Provide personal protective equipment to all employees in accordance with local law and require employees to wear it. Determine whether ventilation system can be improved to eliminate exposure to fumes. | Immediately provide PPE. Conduct ventilation check within 60 days |  |
| Building Integrity: Large visible cracks are apparent in facility structure but no credible safety check completed | Contact local authority or structural engineer to verify that cracks do not pose safety risk. | Within 30 days |  |

| Health and Safety: Examples of Findings and Corrective Actions | | | |
|--|--|--|---|
| Finding | Corrective Action | Recommended Time Table | Confirmation Method |
| Fire extinguishers: Employees have not received training on the use of fire extinguishers and some extinguishers do not have maintenance labels indicating when they were last inspected. In addition, some extinguishers are blocked by crates. Some work areas lack extinguishers altogether. | Ensure all fire extinguishers have maintenance tags and have been inspected recently. Confirm that an adequate number of extinguishers are available, properly mounted and unblocked. Provide training to employees from each work area. | Immediately unblock any blocked extinguishers and purchase extinguishers for work areas that do not have them. Train within 60 days. |  |
| Emergency Exits: Doors open inwards, potentially preventing employees from leaving quickly during an evacuation. | Install doors that open in an outward direction on all emergency exits. | 60 days |  |
| First Aid Training: No one has been trained to administer first aid in case of employee injury or illness. | Provide first aid training and establish written medical procedures for treating victims of injury or illness. Verify that training and procedures comply with local law. | Begin formal training within 60 days. |  |
| Signs: There are no exit signs over some of the emergency exits, no “Warning” signs in hazardous areas, and some unlabeled chemicals. | Label all hazardous equipment with “Warning” signs, label all chemicals with the appropriate Material Data Safety Sheets, install exit signs over all exits, and provide maps showing evacuation routes in all work areas. | 60 days |  |
| Electrical Boxes: Electrical boxes do not have covers, wiring is exposed, and some switches lack labels. | Place covers over all electrical boxes, make sure no wiring is exposed, and label all switches. | 60 days |  |
| Dormitory Safety: Employee living quarters is in the same building or attached to the same building used for production or warehousing. | Provide living quarters that are physically separated from production areas and warehouses. Confirm that dormitories comply with local law with regard to emergency exits, signage, fire safety, toilets, climate, and cleanliness. | 90 days |  |

Environment




| The U.N. Global Compact | The SGP Principle | The Requirement |
|--|---|---|
| Support a precautionary approach to environmental challenges; undertake initiatives to promote greater environmental responsibility and encourage the development and diffusion of environmentally friendly technologies | Conduct business in ways which protect and preserve the environment. Meet applicable environmental laws, rules and regulations. | Supplier will comply with all applicable local and national environmental laws. |

Key Requirements





- Updated permissions and environmental licenses are available.
- Air emission permits and monitoring records are available.
- Wastewater discharge permits and monitoring reports are available.
- Records are available to confirm that generated wastes are disposed of in accordance with local regulations and managed while on site to prevent environmental contamination or worker risk.

Indicators of Performance Gaps

- Factory waste is discharged to the environment without proper treatment .
- Hazardous waste is disposed of with regular waste.
- Chemicals are used that are outlawed globally or in the country of operation.
- Waste management is not properly documented.

| <i>Environment: Examples of Findings and Corrective Actions</i> | | | |
|---|---|------------------------|---|
| Finding | Corrective Action | Recommended Time Table | Confirmation Method |
| Waste Disposal: Hazardous waste is mixed in with regular waste in receptacles on the production floors. | Provide separate containers for hazardous and non-hazardous waste at all waste disposal areas and clearly mark each container's purpose. | 60 days |  |
| Waste Disposal: A pipe drains liquid waste tainted with solvents into a nearby ditch on facility property. | Obtain an appropriate receptacle to contain the waste for subsequent disposal in accordance with local environmental regulations. Take necessary measures to clean waste that has drained to the environment and consult with local environmental authorities to take appropriate action. | Immediately |  |
| Chemical Use: Facility uses chemicals that are banned locally or nationally. | Immediately discontinue the use of banned chemicals. | Immediately |  |

Environment: Examples of Findings and Corrective Actions

| Finding | Corrective Action | Recommended Time Table | Confirmation Method |
|---|---|------------------------|---|
| <p>Flammable Materials Storage: Metal containers full of flammable fuel are located alongside a production building on dry grass and in full sunlight.</p> | <p>Immediately relocate fuel containers to a paved area away from any fire risk. Store out of direct sunlight in space with adequate heat ventilation, preferably in an unoccupied free-standing storage shed.</p> | <p>Immediately</p> |  |
| <p>Permits: A facility does not have permits for disposal of waste generated from wastewater treatment operations. The facility has not asked the contractor responsible for transporting the waste to produce a permit.</p> | <p>Confirm that the facility has all necessary permits for storage and treatment of waste. Obtain proof that the contractor has the necessary transport permits .</p> | <p>60 days</p> |  |
| <p>Permits: No permits are available for equipment on site (boilers, generators, etc.)</p> | <p>Check whether permits are required for all equipment used onsite and obtain the necessary permits.</p> | <p>60 days</p> |  |
| <p>Waste Disposal: A facility does not have any information on the location of the disposal site for its hazardous and non-hazardous waste. There is no process in place for tracking waste management.</p> | <p>Determine where non-hazardous and hazardous waste are disposed and confirm that the disposal facility meets all legal requirements. Develop a process for tracking and documenting the delivery of waste and train appropriate employees on the process.</p> | <p>60 days</p> |  |

Business Integrity

| The U.N. Global Compact | SGP Principle | The Requirement |
|---|--|--|
| Work against corruption in all its forms, including extortion and bribery | Supplier conducts business with integrity -without bribes or fraudulent business practices | Supplier will comply with all applicable local and national laws and will not use bribes or fraudulent practices |

The Coca-Cola Company expects all employees as well as suppliers to comply with the law and act ethically in business matters. To support this TCCC has a Code of Business Conduct for Suppliers which reviews our company policy about conflicts of Interest, Meals & Gifts, Business and Financial Records, Bribery and Protecting Information (http://www.thecocacola.com/citizenship/pdf/COBC_Suppliers.pdf). Business Integrity extends beyond corruption, extortion and bribery to include fraudulent business practices. Below are accepted explanations of such practices:

- Corruption: the abuse of entrusted power for private gain
- Extortion: The solicitation of bribes is the act of asking or enticing another to commit bribery. It becomes extortion when this demand is accompanied by threats that endanger the personal integrity or the life of the private actors involved
- Bribery: An offer or receipt of any gift, loan, fee, reward or other advantage to or from any person as an inducement to do something which is dishonest, illegal or a breach of trust, in the conduct of the enterprise's business
- Fraud: intentional deception often made for personal gain or to damage another individual



During the audit questions will be asked to validate facility’s knowledge and compliance with the code of business conduct and to ensure that no fraudulent practices, such as double books.






Key Requirements

- Awareness of relevant Business Integrity laws and regulations
- Awareness of TCCC Code of Business Conduct for Suppliers
- Accurate record keeping to reflect actual time worked and wages paid
- No facilitation payments paid or offered

Indicators of Performance Gaps

- No mechanism available for workers to file grievances related to business integrity.
- Inconsistent/incomplete documentation indicating potential falsification of records
- Evidence of facilitation payments to government officials

| Business Integrity: Examples of Findings and Corrective Actions | | | |
|--|---|------------------------|---|
| Finding | Corrective Action | Recommended Time Table | Confirmation Method |
| Bribery: Evidence of bribery to service provider or government official | Cease any bribes; develop policies and procedures to ensure no ongoing facilitation payments. Instances of such noncompliances will be reviewed on a case-by-case basis | Immediately |  |
| Record Keeping: Falsification of records | Discontinue practice of falsifying records immediately; | Immediately |  |

| | | | |
|---|--|---------|---|
| | ensure time records reflect accurate time worked and are in line with local law. Instances of such noncompliances will be reviewed on a case-by-case basis | |  |
| Record Keeping: Evidence of off-clock work | Discontinue practice of allowing workers to work off-clock – whether for work related meetings or for production. Ensure policies and procedures are in place and have been communicated to workers to avoid any off-clock work. | 30 days |   |
| Wage Records: Cash pay w/no required deductions, no proof of correct MW or OT pay | Implement system to withhold deductions and provide proof of min. wage and overtime payment | 60 days |   |

Land Rights

| SGP Principle | The Requirement |
|--|--|
| Commit to investing in land responsibly and ensuring all land acquisitions are made respecting the rights of individuals and communities impacted. Meet applicable law, engage with aggrieved communities and obtain Free, Prior and Informed Consent as applicable. | Supplier will comply with all applicable laws and obtain community support through Free, Prior, Informed Consent, in acquiring the right to use land for its business. |

In 2014, TCCC announced a set of industry-leading commitments to protect the land rights of smallholder farmers and communities impacted by Company and supplier operations. The commitments include zero tolerance for land grabs and adherence to the principle of Free, Prior, and Informed Consent (FPIC). FPIC ensures that all individuals, groups, and community members holding legitimate rights to the land meaningfully participate in decisions and negotiations for the sale or lease of land to facilities. The land rights element is incorporated into all supplier/bottlers audits, not just agricultural audits. Findings associated with the land rights principle are measured separately and do not impact the overall score.

Land acquisition and restrictions on land use by suppliers/bottlers can have adverse impacts on communities and persons using the land. Through documentation review and worker interviews, the below land rights elements will be assessed.








Key Requirements

- Compliance with applicable law
- Demonstration that grievances are being constructively engaged in good faith
- Demonstrate community buy-in for new land acquisition

Indicators of Performance Gaps

- No documents (title, certificate, deed, lease, rental agreement, or other written evidence) relating to ownership and/or leasing of the land.
- No grievance resolution process for the land the facility owns or leases
- Open disputes or grievances related to land rights
- Planned acquisition of land without a planned social impact assessment and/or a community engagement plan

During the audit questions will be asked to validate facility’s legal right to use the land/space - such as a title, certificate, deed, lease, or other written instrument. Similar documentation can establish if there was/is compensation for the land. In order to demonstrate that grievances are being constructively engaged in good faith, the facility may provide documentation describing a grievance resolution mechanism that shows how individuals and communities can register grievances and how they were/are being resolved.

| Land Rights: Examples of Findings and Corrective Actions | | | |
|--|---|------------------------|--|
| Finding | Corrective Action | Recommended Time Table | Confirmation Method |
| Record Keeping: No documents available (title, certificate, deed, lease, rental agreement, or other written evidence) relating to ownership and/or leasing of the land. | Present documents demonstrating legal ownership or lease of space | Immediately |  |
| Grievance Mechanism: No mechanism for site to receive and address concerns related to land ownership or land use | Develop a grievance mechanism whereby individuals and/or communities can express concerns about the facility. Process should be transparent and address concerns in a timely manner | 30-60 days |   |
| Open Community Disputes: Open disputes and/or grievances about the use of or legal right to the land. | Demonstrate grievances have been or are being addressed in a timely manner. | 30-60 days |   |
| Land Acquisition: New land purchased without assessing negative impacts to the community. | Conduct a social impact assessment or engage in FPIC. | 60-90 days |   |

Demonstration of Compliance

The Requirement


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









Key Requirements

- Sufficient documentation for wage and hour verification
- Access to all employees and production locations
- Complete employee records for the last 12 months (or as long as local law requires) must be available at the assessment site
- Time Records must:
 - Reflect complete employee name
 - Be recorded by employee
 - Indicate exact time in/time out
 - Be maintained for all employees
- Payroll Records Must Include:
 - Regular rate of pay and OT rate
 - Total regular and OT hours (separate)
 - Total regular and OT earnings (separate)
 - Date of payroll and pay date
- All compensation shall be paid in a timely manner (within 30 days)
- Number of employees present should match number of timecards and number of employees on payroll
- Average hours worked on timecards should not exceed legal limits
- Deductions must be legal and by employee consent
- Hours worked must be calculated and paid correctly
- Employees should be aware of terms of written or oral contracts
- Employee reports should match findings of payroll and timecards

Indicators of Performance Gaps

- Assessors are denied access to part or all of the facility.
- Time records or payroll records are not maintained, unavailable at the time of the assessment, or do not provide enough information.
- Assessors are denied access to employees for interviews.
- There is evidence of off-clock work.

| <i>Demonstration of Compliance: Examples of Findings and Corrective Actions</i> | | | |
|--|---|--|---|
| Finding | Corrective Action | Recommended Time Table | Confirmation Method |
| Facility management tells assessors that payroll records beyond the most recent month are maintained by a payroll company in another location and therefore they are not available for review on the assessment day. | Payroll records should be obtained in advance of the assessment and be ready for review by auditors, so that they can verify that wages were calculated correctly and based on local law. | Arrangements should be made for these records to be available on the assessment day. |  |

| Demonstration of Compliance: Examples of Findings and Corrective Actions | | | |
|--|---|---|---|
| Finding | Corrective Action | Recommended Time Table | Confirmation Method |
| Production records indicate work on Sunday, but time records and payroll records do not indicate any Sunday work. | If Sunday work is being performed it must be recorded on time records correctly for the day the work occurred. Payroll records should be recorded accurately. | Immediately |   |
| Some workers take work home legally but are not monitored. Actual work hours cannot be determined. | Discontinue homework so that work hours can be accounted for accurately. | Immediately |   |
| Age documents are not available for all workers and there are several young looking workers on the production line. | Acquire any missing age documents and establish a system to obtain age documents at time of hire so that it can be verified that all workers are of legal working age. | Obtain missing age documents immediately. Implement verification system with 60 days. |   |
| Facility management will not allow auditors to interview certain employees. | Allow auditors to select any workers for interviews. Auditors will only interview workers who voluntarily agree to an interview. | Immediately |  |
| Auditors are told they will not be able to see certain parts of the facility because those areas are locked and the manager with the key is not at work on the assessment day. | Auditors should be given access to all areas of the facility. Confirm prior to the assessment day that someone will be available to provide access to restricted areas of the facility. | Arrangements should be made for access prior to the assessment day. |  |

Good Practices

The Good Practices portion of the assessment is intended to highlight practices that are important to building ongoing respect for human and workplace rights, but which may not be violations of local law. Good Practices enable facilities to demonstrate use of leading practices as well as to identify areas for continuous improvement. It is important to note that Good Practices do not affect the facility's assessment score and are not currently a requirement. While no corrective action is required, instituting such practices demonstrates the facility's commitment to an open and inclusive working environment.

Generally speaking, Good Practices relate to adopting policies and procedures or, in other words, developing management systems. Management systems provide a foundation for respecting human and workplace rights in a systematic manner. By developing and implementing management systems a facility helps ensure that respect for workplace rights become part of doing business. Management systems may also help to address the root cause of noncompliances instead of simply fixing the symptom.

Example: If a fire extinguisher has expired, instituting policies and procedures to assess Health and Safety risks is a more sustainable solution than only fixing only that one fire extinguisher. Risk assessments and accountability help ensure ongoing compliance with emergency preparation. Fixing the single fire extinguisher is important but does not ensure that they others will not expire before another cycle audit.

What are management systems? At a basic level management systems are policies and procedures that are implemented by trained people with specific responsibilities. A management system is the organizational structure, resources, responsibilities, processes and documented procedures for implementing human and workplace rights management. When developing a management system basic components to review are:

- Are policies and procedures clearly written and properly updated?
- Are policies and procedures communicated?
- Are procedures followed?
- Is there a person or committee accountable for implementation and review?

What will auditors check for? Auditors are asked to check the presence of a policy and/or procedure and to ascertain that a written policy or procedure is implemented. The auditor will check those Good Practices found in the facility at the end of the Assessment Summary Report (ASR).

Below is some guidance on the Good Practices and how a facility may demonstrate that these practices are in place. This is not meant to be an exhaustive list, but rather examples for your reference. The next section provides additional guidance on building management systems to achieve continuous and sustainable improvement.

Below are examples of how facility can demonstrate fulfillment of Good Practices:

Procedures are in place to ensure new or revised legal requirements are incorporated into business practices.

| <i>Intention of Good Practice</i> | <i>Examples of Fulfilling Good Practice</i> |
|---|--|
| The intention of this Good Practice is that the facility has a process in place to remain updated on legal changes that may impact Workplace Rights such as changes to minimum wage laws. | <ul style="list-style-type: none"> ✓ Regional/Plant Managers obtain updates from corporate legal counsel and facility implements within timeframe required. ✓ Outside counsel on retainer to advise on updates or facility subscribes to relevant legal briefings. Once updates are determined facility implements within timeframe required |

A remediation plan is in place for use in cases where children are found to be working on site.

| <i>Intention of Good Practice</i> | <i>Examples of Fulfilling Good Practice</i> |
|--|---|
| The intention of this Good Practice is to ensure a plan is in place in the unlikely event that a child is found to be working. By having a plan in place the facility and The Coca-Cola Company can address the issue immediately and appropriately. | <p>Written policy. Components of plan may include:</p> <ul style="list-style-type: none"> ✓ Removal: Ensure the child is removed from the workplace and has a safe accommodation ✓ Remediation: Ensure that child is provided access education and is supported by the facility or other stakeholder to ensure continued education and livelihood until he/she reaches the legal working age. |

Facility has a policy prohibiting human trafficking and forced labor.

| <i>Intention of Good Practice</i> | <i>Examples of Fulfilling Good Practice</i> |
|--|---|
| The intention of this Good Practice is to ensure that the facility explicitly prohibits human trafficking and forced labor. Recent regulation requires companies to demonstrate actions to stop human trafficking and forced labor, including having a policy. | <ul style="list-style-type: none"> ✓ Stated policy that forced labor and/or human trafficking is prohibited. |

Policies and procedures are in place to safeguard worker privacy, including with regard to medical information.

| <i>Intention of Good Practice</i> | <i>Examples of Fulfilling Good Practice</i> |
|---|---|
| The intention of this Good Practice is to protect workers by ensuring that personally identifiable data is appropriately safeguarded. | <ul style="list-style-type: none"> ✓ Employee information is maintained in employment files in a locked cabinet/locked room ✓ Policy stating that health information is maintained confidential and adherence to privacy regulations such as HIPAA in the United States |

Management has established and communicated disciplinary procedures and records all disciplinary actions.

| <i>Intention of Good Practice</i> | <i>Examples of Fulfilling Good Practice</i> |
|---|--|
| The intention of this Good Practice is to ensure that disciplinary practices are not used in an arbitrary or discriminatory manner. By keeping records of disciplinary actions management can ensure that disciplinary procedures were implemented appropriately. In general disciplinary practices should not include wage deductions. | <ul style="list-style-type: none"> ✓ Disciplinary policies and procedures are listed within the employee handbook and/or on company intranet ✓ Records of disciplinary action are maintained within the employees' personnel record. |

Policies and procedures are in place to ensure security guards undergo criminal background checks, receive training on the use of force, and their duties are limited to protecting workers, the facility, and equipment.

| <i>Intention of Good Practice</i> | <i>Examples of Fulfilling Good Practice</i> |
|--|--|
| The intention of this Good Practice is to ensure that security guards are clear on their duties and limits of authority. | <ul style="list-style-type: none"> ✓ Contract clauses with security firms to ensure background checks are completed ✓ Training records |

Sensitivity training is provided to supervisors and security guards.

| <i>Intention of Good Practice</i> | <i>Examples of Fulfilling Good Practice</i> |
|--|--|
| The intention of this Good Practice is to ensure supervisors and security guards understand appropriate conduct with workers so as to avoid situations of actual or perceived harassment or intimidation of workers. | <ul style="list-style-type: none"> ✓ Records demonstrating that management, supervisors and security guards are provided with training related to topics such as sexual harassment, labor relations and diversity |

Policies and practices are in place to hire full-time employment over part time or contract labor for production work.

| <i>Intention of Good Practice</i> | <i>Examples of Fulfilling Good Practice</i> |
|--|---|
| The intention of this Good Practice is to ensure that workplace rights are not undermined by the use of contract labor. Labor advocacy organizations assert that regular, permanent jobs are being replaced by contract labor which is temporary and unstable thus leading to a phenomenon known as “precarious work.” As a good practice, facilities with workers doing ongoing core work should be hired as employees. | <ul style="list-style-type: none"> ✓ Policy outlining issues such as when contract labor is used, for what functions and acceptable duration. ✓ Policy outlining preferential hiring treatment for current contract workers |

Facility has policy and/or process to provide wages to workers that meet basic needs including food, clothing, housing, medical care, etc

| <i>Intention of Good Practice</i> | <i>Examples of Fulfilling Good Practice</i> |
|-----------------------------------|---|
|-----------------------------------|---|

| | |
|--|--|
| <p>The intention of this Good Practice is verify that workers can meet at least basic needs with wages earned. There is no universally accepted method to establish a ‘living wage’ so one single, objective calculation does not exist.</p> | <ul style="list-style-type: none"> ✓ Adherence to collectively bargained wage ✓ Wage calibration study ✓ If applicable, payment of defined living wage (city ordinance, accepted research, etc) ✓ Policy of cost of living adjustments |
|--|--|

Policies and procedures are in place to manage work hours and ensure working hours are limited to 48 hours per week and 12 hours of overtime (unless local law is more stringent).

| <i>Intention of Good Practice</i> | <i>Examples of Fulfilling Good Practice</i> |
|--|--|
| <p>The intention of this Good Practice is to ensure works hours are being proactively managed to ensure a safe and productive workplace. The TCCC Hours of Work Guidance document (available on our public website) outlines various strategies and tactics that may help facilities better manage work hours. The guidance also has case studies demonstrating the value not only to workers, but to the business of managing work hours.</p> | <ul style="list-style-type: none"> ✓ Wage and hour calculations demonstrate 60 hours max ✓ Collective Bargaining Agreement stipulated 60 hour (or below) limit |

Irrespective of the law, workers are provided one day off in seven-day period.

| <i>Intention of Good Practice</i> | <i>Examples of Fulfilling Good Practice</i> |
|--|---|
| <p>The intention of this Good Practice is to ensure workers receive adequate rest time, an important aspect of maintaining a safe workplace.</p> | <ul style="list-style-type: none"> ✓ Wage and hour calculations demonstrate 1 day off in 7 ✓ Handbook or other employee materials outline policy stating 1 day off in 7 ✓ Collective Bargaining Agreement stipulate 1 day off in 7 |

Policies and procedures are in place to safeguard worker safety and ensure legal compliance (e.g. management systems systematically assess health and safety risks, implement preventive measures, and investigate all accidents). A person /committee is designated to manage such programs.

| <i>Intention of Good Practice</i> | <i>Examples of Fulfilling Good Practice</i> |
|---|---|
| <p>The intention of this Good Practice is to ensure that health and safety is a serious business consideration. By having a systematic approach to reviewing health and safety the facility may reduce safety incidences and address the root cause of noncompliances rather than correcting the symptoms (blocked aisles, no fire alarm, etc).</p> | <ul style="list-style-type: none"> ✓ Meeting notes of active safety committee comprised of facility management and production workers ✓ OHSAS 18001 certification |

Policies and procedures to assess environmental risks, implement preventive measures, and investigate all accidents. A person or committee is designated to manage such programs.

| <i>Intention of Good Practice</i> | <i>Examples of Fulfilling Good Practice</i> |
|---|---|
| The intention of this Good Practice is to ensure environmental risks are addressed in a systemic manner and not reactive. | <ul style="list-style-type: none"> ✓ Meeting notes of active environment committee ✓ Routine surveys of risks completed by designated person/committee ✓ ISO 14000 Certification |

Facility measures emissions, water and energy usage and sets goals to minimize environmental impact overtime.

| <i>Intention of Good Practice</i> | <i>Examples of Fulfilling Good Practice</i> |
|---|---|
| The intention of this Good Practice is to ensure facility is measuring environmental impacts and has an established plan to reduce impact overtime. The intention is to go beyond having legally required permits by creating targets measuring progress towards targets. | <ul style="list-style-type: none"> ✓ Documented measurements of emissions, water, energy usages ✓ Written targets ✓ Documented progress towards established goals. |

Policies are in place to mitigate the impact of workforce reductions to the extent possible and communicate with employees in a timely manner.

| <i>Intention of Good Practice</i> | <i>Examples of Fulfilling Good Practice</i> |
|--|---|
| The intention of this Good Practice is to provide reasonable advance notice of termination of employment and reasons for the termination. Such practices help ensure that dismissals are not discriminatory and that employees are provided adequate support. In the EU this is a legal requirement. | <ul style="list-style-type: none"> ✓ Collective Bargaining Agreement outlines and governs workforce reduction practices ✓ Workforce reduction policy outlining impact mitigation (such as training or other support) and communication timing |

Facility measures and tracks employee satisfaction/engagement

| <i>Intention of Good Practice</i> | <i>Examples of Fulfilling Good Practice</i> |
|--|--|
| The intention of this Good Practice is to ensure that workers are engaged on workplace rights issues. Employee engagement helps ensure issues are raised and addressed to continuously improve the work environment and maintain a satisfied and productive workforce. | <ul style="list-style-type: none"> ✓ Employee satisfaction and feedback surveys are circulated, completed anonymously and all information is tracked ✓ Documents outlining outcomes of previous surveys and steps taken to address issues ✓ Records of townhall meetings in which employee satisfaction is assessed/issues raised |

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.

| <i>Intention of Good Practice</i> | <i>Examples of Fulfilling Good Practice</i> |
|-----------------------------------|---|
|-----------------------------------|---|

| | |
|---|---|
| <p>The intention of this Good Practice is to ensure that no discrimination – even beyond those classes protected by law - exists.</p> | <ul style="list-style-type: none"> ✓ Handbook includes policies such as: Recruitment Statement, Equal Employment Opportunity, Non-Discrimination, Affirmative Action Program ✓ Anti-discrimination policies posted in plant |
|---|---|

Facility has adequate policies and procedures to accommodate religious expression and promote a tolerant and respectful work environment

| <i>Intention of Good Practice</i> | <i>Examples of Fulfilling Good Practice</i> |
|--|--|
| <p>The intent of this Good Practice is to ensure a person’s freedom to choose, practice and observe his or her chosen religion or belief. When reasonable this may include the providing for the right to worship and observe rituals such as the wearing of particular clothes or headwear. Limitations may be due to health and safety or unwelcome proselytizing.</p> | <ul style="list-style-type: none"> ✓ Policy respecting and accommodating religious diversity (or included in overall workplace policy). ✓ Accommodation of reasonable prayer requirements (prayer room, schedule requirements, etc) ✓ Guidelines outlining limitations of religious expression to avoid ad hoc discrimination |

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.

| <i>Intention of Good Practice</i> | <i>Examples of Fulfilling Good Practice</i> |
|---|---|
| <p>The intent of this Good Practice is to ensure hiring and retention practices enable the employment and promotion of women. The Coca-Cola Company has signed onto the “5-by-20” initiative to empower 5 million women by 2020. To accomplish this goal our company needs to support the recruitment and retention of women.</p> | <ul style="list-style-type: none"> ✓ Anti-discrimination policy that specifically cites gender equality ✓ Documented goals and progress towards goals of gender equality ✓ Demonstrated equality of numbers, titles and salary between men and women |

Facility has a code of business conduct and procedures in place to investigate and reconcile violations of the code and communicates the code to workers.

| <i>Intention of Good Practice</i> | <i>Examples of Fulfilling Good Practice</i> |
|--|---|
| <p>The intention of this Good Practice is for the facility outline expectations of appropriate conduct for employees and management and repercussions for code violations. The code should stipulate that all employees are expected to act with integrity and follow the law as well as be accountable.</p> | <ul style="list-style-type: none"> ✓ Code of Business Conduct included in handbook/intranet and are available to workers ✓ Presence of hotline, internet portal or other mechanism to report violations ✓ Procedure to follow-up on violations |

Facility has procedures to protect workers who alert management to violations of the code of business conduct.

| <i>Intention of Good Practice</i> | <i>Examples of Fulfilling Good Practice</i> |
|---|---|
| The intention of this Good Practice is to create a “whistleblower” policy to protect workers from retaliation for disclosing code violations. Workers may not alert management to violations without assurance that they will not be fired. | <ul style="list-style-type: none"> ✓ Whistleblower policy ensuring non-retaliation |

Facility is aware of Coca-Cola Code of Business Conduct.

| <i>Intention of Good Practice</i> | <i>Examples of Fulfilling Good Practice</i> |
|---|---|
| The intention of this Good Practice is to ensure facility is aware of TCCC Code of Business Conduct which outlines expectations and requirements for suppliers. For suppliers the Code covers Conflicts of Interest, Gifts, Meals and Entertainment, Business and Financial Records, Bribery and Protecting Information | <ul style="list-style-type: none"> ✓ Copy of TCCC Code of Business Code for Suppliers posted and/or readily available ✓ For HRP signed copies available |

Facility has an Anti-Corruption policy prohibiting employees from giving something of value to a government employee/official in exchange for a business advantage and has communicated the policy to employees.

| <i>Intention of Good Practice</i> | <i>Examples of Fulfilling Good Practice</i> |
|--|--|
| The intention of Good Practice L.4.4 is to ensure facility has an anti-bribery policy and a procedure to ensure it is implemented. | <ul style="list-style-type: none"> ✓ Copy of facility/parent company anti-bribery policy ✓ Demonstration of how policy is communicated ✓ Any other written procedures related to implementation and assigned responsibility |

Facility management and employees are aware of TCCC Anti-Bribery Policy (for TCCC sites only)

| <i>Intention of Good Practice</i> | <i>Examples of Fulfilling Good Practice</i> |
|--|--|
| The intention of Good Practice L.4.5 is to ensure facility is aware of TCCC Anti-Bribery Policy. | <ul style="list-style-type: none"> ✓ Copy of TCCC Anti-bribery Policy posted and/or readily available ✓ Demonstrated awareness in interviews |

Facility management is familiar with and shares The Coca-Cola Company's Supplier Guiding Principles/Human Rights Policy (as applicable) with employees.

| <i>Intention of Good Practice</i> | <i>Examples of Fulfilling Good Practice</i> |
|--|---|
| The intention of this Good Practice is to ensure the facility is aware of and communicates TCCC requirements and policies related to workplace rights. SGP, HRP articulate the Company's values and requirements in respecting workplace and human rights. | <ul style="list-style-type: none"> ✓ Copies of policies posted in facility ✓ Copies included in employee handbook |

Facility requires subcontractors and labor contractors to comply with local law. (e.g. include labor standard clauses in contracts, monitor performance via workplace assessment, etc.)

| <i>Intention of Good Practice</i> | <i>Examples of Fulfilling Good Practice</i> |
|---|---|
| The intention of this Good Practice is to ensure the compliance does not stop with the authorized facility. By requiring their suppliers to adhere to law and/or a higher code of conduct compliance becomes a part of doing business from farm to shelf. | <ul style="list-style-type: none"> ✓ Standard clauses are not contained within the contracts with contract companies. ✓ Independent monitoring of suppliers is not conducted. |

Facility management uses external resources and/or experts for guidance on land acquisitions (e.g. IFC Performance Standards, TCCC Checklist, etc).

| <i>Intention of Good Practice</i> | <i>Examples of Fulfilling Good Practice</i> |
|--|---|
| The intention of Good Practice N.4.1 is to ensure any land acquisitions are done in accordance with SGP. External guidance, standards or expert consultants can help validate that the process is aligned to Free, Prior and Informed Consent. | <ul style="list-style-type: none"> ✓ Contract with independent expert ✓ Demonstrated use self-assessment tools ✓ Examples of how resources altered process/outcome |

Facility has adopted a written policy reflecting its commitment to respecting land rights

| <i>Intention of Good Practice</i> | <i>Examples of Fulfilling Good Practice</i> |
|--|--|
| The intention of Good Practice N.4.2 is to demonstrate that the facility is aware of the issue and is committed to respecting land rights. | <ul style="list-style-type: none"> ✓ Written policy on land rights ✓ Written procedures to ensure community engagement, including with respect to land rights. |

Facility demonstrates that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts

| <i>Intention of Good Practice</i> | <i>Examples of Fulfilling Good Practice</i> |
|---|--|
| The intention of Good Practice N.4.3 is to demonstrate that facility is aware of the potential impact land acquisition may have on the community and has considered alternatives. | <ul style="list-style-type: none"> ✓ Written assessment of impacts and efforts to avoid or minimize such impacts. ✓ Social impact assessment completed |

Building Policies & Procedures:

Below is a high level overview of developing management systems as well as a list of other resources to consult for guidance. The following steps are important as you develop basic level management systems:



STEP 1: SET STANDARDS

The first step is to define the human and workplace rights standards, guiding principles or values that should be embedded into your facility. You may want to refer to the International Labor (ILO) core Conventions, TCCC Supplier Guiding Principles or other company codes of conduct to help guide you. You may want to put this in a written document like a code of conduct. You may also choose to simply adopt SGP or another well-known standard.

Example areas to cover include:

- Freedom of Association
- Non-Discrimination
- Abuse of Labor
- Child Labor
- Forced Labor
- Health & Safety
- Environment
- Wages and Benefits
- Hours of Work

STEP 2: CREATE POLICIES



Once these standards are established the next step is to create written policies explaining these areas. These policy statements do not need to be long or complex. Instead they simply need to state your approach to upholding human and workplace rights.

Other areas will also be important to think about and document such as how you handle grievances and what happens in the case of retrenchment or lay-offs.

Example Policy Statements

Non-Discrimination

Our Company will hire, promote and compensate workers solely based on their ability to do the job.

All workers will be given equal access to training, tools and opportunities for advancement.

Child Labor

Our Company will not employ workers under the minimum age for employment as defined by national law. Workers between the minimum age and 18 will not be employed in dangerous work or work that interferes with their education or development.

Forced Labor

Our company will not employ forced labor. We will respect workers' rights to retain their personal documents and money. We will respect workers' rights to leave the workplace after work. We will respect workers' rights to resign.

STEP 3: PROCEDURES TO SUPPORT POLICIES



Once the Policies are created the next step is to create a procedure to implement the policy. Below are a few examples of procedures.

Example Procedures

Child Labor

The Human Resources Department will verify the age of the applicant by:

- ✓ The application will ask the applicant's age and require the signatures of both the applicant and the HR staff person verifying the information.
- ✓ The applicant will be required to submit an original of one of the following documents to verify the age: (1) national identification card, (2) birth certificate. If these are not available or if there is any doubt of the validity, the applicant will be required to submit additional records to verify age, such as medical or school records.
- ✓ A photocopy of the original document will be kept in the applicant's file.

In the event that our Company inadvertently hires a child under national age minimum, it will adhere to the following remediation procedure:

- ✓ The child will be immediately removed from employment.

- ✓ Our Company will pay the child an equivalent salary to attend school until they reach the national minimum age for employment.

We will provide training to middle-level management and supervisors, about our Child Labor policy, how to avoid hiring underage workers and how to enable a healthy and safe working environment for legally employed young workers.

Non-discrimination:

- ✓ The Application documents include a statement explaining our Company’s Non-Discrimination policy.
- ✓ Recruitment material will not specify requirements regarding gender, age or other personal characteristics
- ✓ We will include information about our Non-Discrimination policy to workers in training upon job commencement and ongoing and subsequent training regarding workers’ rights and obligations.
- ✓ We will provide training to middle-level management and supervisors, about our Non-Discrimination and Equal Opportunity policy and about how to enable a respectful and constructive workplace atmosphere.
- ✓ Individuals who believe they have experienced discrimination at the workplace should file their complaints through our Company’s Grievance Mechanism.
- ✓ On an ongoing basis the company will review the workplace demographics by department in comparison with application and personnel promotion files, review any complaints records, and interview workers, to check for evidence of discrimination

STEP 4: ASSIGN RESPONSIBILITY



To ensure the policies and procedures are implemented it is important to assign responsibility. A person or committee may be accountable to ensure ongoing and effective implementation of procedures. Committee could be comprised of workers and management and representatives from different departments. Example duties of the person/team responsible for implementation include:

- Discuss issues related to labor and working conditions and raise to management as appropriate
- With management set goals and create plans for improvement
- Create communication to keep workers and management informed
- Evaluate progress

STEP 5: MEASURE IMPLEMENTATION AND PROGRESS



Once the standards are set, the policies and procedures are in place and you have assigned responsibility (and resources accordingly) it is now time to measure implementation and progress. Ongoing evaluation and measurement help ensure that procedures are implemented and followed.

There are many self-assessment tools that can help you evaluate your performance or you those responsible can set up routine reporting to measure progress.

Remember that there may always be issues that arise but the important thing is to have a process in place to identify and address issues proactively and promptly.

RESOURCES:

The International Finance Corporation (IFC) worked with Social Accountability International (SAI) to develop a comprehensive toolkit for building management systems. The publication provides sample self-assessments, sample communications and step-by-step guidance on building and communication your social compliance programs. More information is available [here](#)

The Global Social Compliance Program has a reference tool which outlines important components of a management system. It provides a step-by-step approach. More information is available [here](#)

Glossary

ASR: See “Assessment Summary Report”

Assessment Summary Report: A summary of key assessment findings, the corrective actions required, and the timeframe for completion of corrective action. The ASR is prepared by the auditor immediately following a facility assessment and presented to facility management for a signature acknowledging receipt of the findings and required corrective actions.

Best Practices: Commonly accepted processes or methods used to manage a facility’s operations effectively. These processes/methods may or may not be required by local law.

Child Labor: The use of workers who are under the legal minimum working age.

Collective Bargaining: Negotiation between an employer and an employee union to agree upon conditions of work, including wages, benefits, working hours, and workplace conditions.

Compliance: Adherence to the requirements of a rule, guideline, or agreed-upon condition.

Consumer: The end consumer of a product or someone who buys a product for consumption by someone with whom they have direct contact.

Contractor: A firm that provides workers to a supplier that are not employed directly by the supplier.

Customer: A company that purchases products from another company for sale to consumers. Some customers of The Coca-Cola Company include large retailers, supermarkets, convenience stores, and restaurants.

Demonstration of Compliance: The requirement that a facility supplying goods or services to The Coca-Cola Company be able to demonstrate, through

adequate documentation, facility and management access, and employee

interviews, that it operates in a manner consistent with the company’s Supplier Guiding Principles.

Discrimination: Treating workers or prospective workers differently based on gender, race, religion, national origin, or other legally protected class.

Facility Action Plan: A written description of the steps an assessed facility proposes taking to resolve any findings discovered during an assessment. This form is completed by the facility and submitted for approval to the firm that conducted the assessment.

FAP: See “Facility Action Plan”

Finding: Any observation during a facility assessment indicating the facility operates in a manner that is inconsistent with the Supplier Guiding Principles, including violations of local law, a failure to demonstrate compliance with local law, or evidence of forced labor, abuse of labor, or discrimination.

Forced Labor: Any situation in which a worker’s mobility is restricted due to practices such as the withholding of documentation; withholding of wages; imposing penalties for refusing overtime hours without informing the worker prior to hire; restricting toilet, water, or meal breaks; or refusing permission to leave the facility or stop working.

Freedom of Association: The ability for workers to gather and associate in a manner that is free from outside interference or monitoring.

Hazardous Waste: Waste generated by a facility’s operations that may pose a risk to human health or the environment if not properly disposed of. Disposal of such waste is regulated by local law.

Machine Safety Guard: Protective covering for moving machine parts or other equipment that could pose a danger to workers if left uncovered.

Material Safety Data Sheet (MSDS): A document detailing all information on the hazardous chemicals contained within a chemical product, including the amount of each chemical and the potential associated hazards, physical features, and recommendations for protecting those who handle the product.

NEW: See “Non-Employee Worker”

NGO: See “Non-Governmental Organization”

Non-Employee Worker: A worker provided to a facility by a contract agency, where the worker is employee directly by the agency and not by the facility itself.

Non-Governmental Organization: An organization that is neither a government agency nor a public or private business. Such organizations are varied both in form and mission. They may be subject to certain legal requirements or required to register with the government to achieve official recognition as an NGO. They may or may not operate as non-profit organizations.

Personal Protective Equipment: Safety equipment used by workers to guard against work-related physical hazards. Such equipment includes, but is not limited to, eye guards, ear plugs, hard hats, protective footwear, dust masks, and gloves.

PPE: See “Personal Protective Equipment”

Prison Labor: The use of prisoners as part of the facility workforce, or the workforce of a subcontractor providing goods or services to the facility.

Rating: A designation of a facility as Green, Yellow, Orange, or Red. Color ratings are determined based on the number and type of findings discovered

during a facility assessment. The rating determines the actions a facility needs to

take to align with the Supplier Guiding Principles.

Rest Day: The requirement that workers be given at least one day off in a seven-day period so that no workers work more than six consecutive days.

Score: A numerical value that is the sum of points associated with any findings discovered during a facility assessment. A facility with no findings would receive a score of zero. A facility’s score determines its color rating, which in turn determines the extent of any follow-up actions required to resolve findings.

Self-Certification Letter: A letter submitted by facilities with minor assessment findings to the auditing company that conducted the assessment. The letter states that the facility has taken the required corrective actions to resolve the minor findings. The facility should send the letter within 30 days of the assessment.

Service Provider: A third-party firm hired to conduct a facility assessment.

Sexual Harassment: Any unwanted sexual advance, including unwanted sexual comments, touching of another person without consent, or manipulating someone to accept unwanted sexual advances under the potential threat of negative consequences if such advances are rejected. Such harassment may include offers of promotions or other special treatment in exchange for sexual favors.

SGP: See “Supplier Guiding Principles”

Stakeholder: Any person or entity affected by the operations of The Coca-Cola system, including, but not limited to, direct customers, consumers,, shareholders, non-governmental organizations, student activists, and governments.

Supplier Guiding Principles: A statement of The Coca-Cola Company’s core values and expectations of its suppliers concerning

workplace conditions, the environment, and compliance with applicable local laws and regulations.

TCCC: Acronym for “The Coca-Cola Company”

The Coca-Cola System: The Coca-Cola Company, company-owned and franchise bottlers, concentrate plants, and supply chain.

U.N. Global Compact: A framework for businesses that are committed to aligning their operations and strategies with universally accepted principles in the areas of human rights, labor, the environment and anti-corruption.

Workplace Accountability: The department within The Coca-Cola Company that is responsible for establishing and communicating company policies and processes governing implementation of the Supplier Guiding Principles.

Youth Worker: A non-adult worker who is above the legal minimum working age. Such workers may be subject to restrictions on the type of labor they can engage in and the number of hours they can work.