

# Pre-Sourcing Human Rights Due Diligence

## Human Rights Pre-Assessment Tool



### Global Workplace Rights



If you have questions about human rights or related issues, contact the Global Workplace Rights Department at [humanrights@coca-cola.com](mailto:humanrights@coca-cola.com)

## Human Rights Overview

Governments, companies and citizens all have an important role in upholding human rights globally. The term “human rights” refers to those rights recognized in the United Nations’ Universal Declaration of Human Rights and related international covenants. The Declaration considers all human rights inalienable, equal and connected. Human rights do not depend on citizenship or personal characteristics.

While governments are responsible for *protecting* human rights through legal frameworks and for providing access to remedies in cases where human rights are violated, businesses have a corporate responsibility to *respect* all human rights. The Coca-Cola Company’s Human Rights Statement recognizes this commitment. Our Workplace Rights Policy upholds these principles and applies to all of the entities that it owns or operates. The Supplier Guiding Principles reflect our commitment to respect human rights across our business system and global supply chain.

### Case Study

*As supply chains become increasingly global, many companies have been cited for poor labor practices. In 2004, 26 retailers agreed to a \$20 million settlement to address lawsuits initiated on the part of 30,000 factory workers in Saipan. The allegations included forced labor, deprivation of fundamental human rights and breaking labor laws. Similar allegations exist related to conflict minerals in the electronic industry, child labor in soccer ball production, slave labor in charcoal production and the list continues. Workplace Assessments help identify potential risks to human rights and mitigate any negative impacts.*

## Why Conduct a Human Rights Due Diligence Assessment?

The Company’s success is built on high standards of quality, integrity and excellence. We are committed to being a valued member of the communities in which we operate. Our Human Rights Statement and Workplace Rights Policy, Mutual Respect Policy and Supplier Guiding Principles confirm the Company’s commitment to respecting the human rights of our employees and those in the community.

There is an increasing expectation from our customers and from the public that we will “know and show” our respect for human rights across our value chain.

Each product manufactured or purchased by the Company poses different risks and challenges. By conducting due diligence at the beginning of the sourcing process, we can identify and mitigate human rights risks. This questionnaire helps identify potential human rights impacts in the product innovation and pre-sourcing process to ensure impacts are appropriately addressed and mitigated.

### Case Study-Product Misuse

*In India, a company’s low-cost ultrasound technology was being misused to facilitate sex-selective abortions. Addressing these allegations has required the company to work with stakeholders to prevent misuse, and implement a long-term, multi-faceted approach in support of human rights. The ultrasound equipment now goes through up to five internal checks — from the initial sales contact to equipment installation — to verify that the customer in India has a valid government certification which includes an affidavit against such product misuse.*



*Although product misuse often happens after a product is sold it can have significant reputational and cost implications for any company.*

## How Do I Use This Tool?

The purpose of this Assessment is to identify the potential human rights-related risk as the result of pre-sourcing activities. The Assessment questions will help you to identify:



- ✔ Low risk activities
- ▲ Potential risk activities

A low risk identification means that there is a low human rights-related risk with respect to that activity and further action may not be necessary or that a limited and manageable response action may mitigate or eliminate the risk. A potential identification, on the other hand, suggests that further inquiry or action may be needed in order to mitigate against potential human rights-related risk. In the case of a potential risk identification, one or more of the following actions could be taken:

- Perform the action suggested in the assessment question. Task should be completed prior to moving forward with production.
-  Obtain further information about the subject matter before determining next steps. This may entail talking to supplier management.
-  Contact internal subject matter experts (SME). For example Legal advisors, Global Workplace Rights, etc may provide further guidance on addressing the situation. GWR can guide you prior to moving forward.
- ↔ Engage third party provider (such as TCCC approved assessment providers)

**This human rights self-assessment tool focuses on the principal indicators of potential human rights impact. The questions are not exhaustive and local conditions may require examination and remediation of additional factors.**

## Procurement Self-Assessment

**KEY:** ✔ Low risk activity – no immediate action required     Perform Action     Contact experts  
 ▲ Potential Risk – complete suggested actions     Obtain further info    ↔ Engage 3<sup>rd</sup> party



### Product Innovation

*Product design can have impacts down the line on human rights. Upfront due diligence can mitigate future negative consequences.*

1. Does the product or production process utilize hazardous material or inputs deemed controversial or unsustainable?  
 NO ✔ YES ▲ ↔
2. Does product itself or product marketing have any negative cultural implications which can lead to sensitivity or social exclusion?  
 NO ✔ YES ▲ ↔
3. Will operations have the potential to negatively impact accessibility, quality or quantity of water or other natural resources in the local area?  
 NO ✔ YES ▲ ↔
4. Is there a potential for negative product misuse? *See case study*  
 NO ✔ YES ▲ ↔
5. Is this a seasonal or promotional good requiring quick turn around? *If so you'll want to understand the work hour implications.*  
 NO ✔ YES ▲ ↔
6. Is this part of a broader sponsorship campaign (e.g Olympics, World Cup)? *Sponsorship programs can be high profile and require additional due diligence measures.*  
 NO ✔ YES ▲ ↔

### Production Location & Process:

*Once the design is settled the location and environment for the actual production is a key factor in determining potential human rights risks*

7. Will the work be located in a country/region or industry known for prevalence of migrant, young or contract workers?  
 NO ✔ YES ▲  
  8. Will product be sourced from a non-traditional production site – such as community center, home or farm setting?  
 NO ✔ YES ▲  ↔
  9. Does this product have to be sourced from a new site instead of an existing SGP assessed facility?  
 NO ✔ YES ▲  ↔
  10. Has the supplier been unable to produce policy documents aligned to our Supplier Guiding Principles?  
 NO ✔ YES ▲  ↔
  11. Has the supplier been unable to produce a copy of a social compliance assessment completed within the last year?  
 NO ✔ YES ▲  ↔
- ### Workplace Environment:
- Production sites will need to show they uphold workplace and human rights.*
12. Will this product have a KO trademark or be part of the product itself (ingredient or package)?  
 NO ✔ YES ▲  

**If you need help to work through a “yes” response, contact the Global Workplace Rights Department at [humanrights@coke-cola.com](mailto:humanrights@coke-cola.com)**