



Unleashing the Potential of Women Entrepreneurs

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Coca-Cola 5by20 Initiative

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Executive Summary

In April 2016, The Coca-Cola Company announced that its 5by20 initiative had reached a major milestone, impacting 1.2 million women since its launch in late 2010. With a goal to enable the economic empowerment of 5 million women across the Coca-Cola value chain by 2020, the initiative was at the mid-point in its timeline, and its programs were on the cusp of moving from incremental to exponential scaling. The Company had earned significant international recognition for 5by20, including Catalyst Award (New York 2013), “Best Global Initiative for Women’s Empowerment,” awarded at the Women in Leadership Economic Forum (Dubai, December 2014), and “Women’s Empowerment Principles Leadership Award (2014),” given by Women’s Empowerment Principles, a joint initiative of UN Women and the UN Global Compact.

This report provides an overview of 5by20, starting with its multi-dimensional contextual setting: the extensive focus on gender equality shared by governments, NGOs and private enterprise, and Coca-Cola’s commitment to and investment in a broad array of initiatives focused on economic development, sustainability, and social goals. The report then describes eight programs from six value chain sectors: Producers, Suppliers, Distributors, Retailers, Recyclers and Artisans, and it concludes with a review of 5by20’s efforts to measure the impact of the initiative, a summary of key elements that contribute to successful scaling, and lessons learned.

Gender Equality

There is overwhelming evidence that gender equality – the equal participation of women in the labor market – can boost productivity and growth, enhancing both macro-economic development and firms’ competitive positions. Yet, in many parts of the world, entrenched barriers hamper women’s workforce participation and thus remain a constraint on economic performance. Such barriers include lack of asset ownership, unequal compensation, and difficulty accessing formal labor markets, financial services, and networks.

Gender equality has gained increasing momentum as a major priority for governments, international organizations and private firms over the past decade. On International Women’s Day 2010, the United Nations introduced the Women’s Empowerment Principles to offer practical guidance to business and to the private sector on how to empower women in the workplace, marketplace and community. The first ever High Level Panel on Women’s Economic Empowerment, launched in March, 2016, under the aegis of the UN Secretary-General, is intended to establish women’s economic empowerment as a priority for the UN’s international agenda.

Over the past decade there have been a significant number of programs targeting gender equality and women’s empowerment, many of which have achieved sustained success and provide useful models and learnings. Many also demonstrate the challenge of achieving scale, and they underscore the significance of The Coca-Cola Company’s ambitious goal of enabling five million women, orders of magnitude greater than most other initiatives created and managed by a single organization.

The Coca-Cola Company

The Coca-Cola Company stands in a unique position to play a significant role in improving gender equality around the world because of its brand recognition and global reach. As the world's largest beverage company, with more than 700,000 system associates, close relationships with 250 bottling partners serving more than 200 countries and territories, and close ties with customers and communities, Coca-Cola has the ability to impact millions of women who are connected to its value chain. Moreover, the Company has a longstanding commitment to helping build and support local communities through its core business practices and through specific initiatives designed to enhance environmental, social and economic sustainability. The goal of those sustainability initiatives is to create value both for corporate shareholders and for communities, and the Company has committed to integrate sustainability through-out the enterprise, focused on three priorities: Women, Water, and Well-being.

Although Coca-Cola has a deep and long-standing commitment to women's empowerment, in 2007 Chairman and CEO Muhtar Kent recognized a "glaring mismatch:" women controlled \$20 trillion in global annual spending and purchased 70 percent of Coca-Cola products yet held relatively few senior executive positions at the Company. Mr. Kent quickly instituted strategic changes to increase focus on gender equity, including the launch of a series of initiatives whose goals were to accelerate the hiring and development of female talent and the promotion of women into senior positions of responsibility and influence.

As the Company made progress on those objectives, Coca-Cola leadership began to consider how it might expand its gender equity efforts to an external audience – women in the Company value chain. Women play a significant role across the Coca-Cola value chain, especially in emerging markets, where they own or manage many of the small shops that comprise the "traditional trade" in the developing world.

5by20

Women face three particular obstacles to launching, operating and growing a business or working in one: business skills training, access to capital and assets, and access to mentoring and/or peer networks. To address these obstacles, The Coca-Cola Company made a commitment to enable the economic empowerment of 5 million women entrepreneurs across its global value chain by 2020. The initiative, entitled "5by20," is based on the philosophy of "Shared Value," a concept that links business and social objectives.

An innovative distribution program in East Africa, the Manual/Micro Distribution Center (MDC), served as a foundational catalyst for the initiative by demonstrating a successful program model that served a social development role and benefited Coca-Cola's core business operations and already engaged a significant number of women entrepreneurs. As 5by20 took shape, CEO Kent pushed the Company to adopt an ambitious target with strict metrics, aiming toward a goal that was achievable but challenging.

In 2010, the 5by20 initiative launched in four pilot markets - South Africa, Brazil, India and the Philippines -- under the guidance and oversight of a global 5by20 team. Initial programs included some that were newly created, as well as on-going programs reshaped to meet 5by20 criteria. By the end of 2012, 5by20 had expanded to 22 countries, 12 of which were led by countries piloting scalable programs. In the first two years, 78% of women enabled were in the Eurasia and Africa regions.

A global 5by20 team, reporting to the Chief Sustainability Officer, was established to provide strategic leadership of the initiative. The team provides oversight and governance, offers best practice guidance and works with local teams to help shape new programs. It also looks for opportunities to replicate programs across geographies. Local Coca-Cola teams are responsible for originating, designing, developing, resourcing and implementing initiatives in their markets. Annual targets combine top-down milestone goals with bottom-up forecasting conducted by regional groups.

Critical to the success of 5by20 has been the network of partners with whom the Company works to co-design and implement programs. Many partners are smaller, local NGOs with indispensable knowledge of regional markets, and civic and political conditions. Partnerships with several global organizations have also been crucial to the success of the initiative, including: UN Women, TechnoServe, Inter-American Development Bank, the Bill & Melinda Gates Foundation, the International Finance Corporation, and Mercy Corps.

New 5by20 programs require strong local and global collaboration, based on six guiding principles.

- 1.) Alignment with core business plans
- 2.) Inclusive participation and partnerships
- 3.) Shared value mindset
- 4.) Cross-program sharing
- 5.) Measurement and evaluation
- 6.) Strategic social investment

This report provides overviews of eight 5by20 programs, including examples from six value chain segments, which have achieved significant scaling success (**Figure 1**). Each description highlights the core components of the program, partners' roles, impact on women, and design elements that are tailored to women's needs.



Results

5by20 programs have demonstrated the capacity to deliver positive impact to businesses in the extended Coca-Cola value chain, to community economic development, and to the financial and social status and psychological health of women. 5by20 employs three methodologies to gather data and to monitor and evaluate the initiative.

- **Tracking:** The 5by20 team tracks and reports progress toward its goal of enabling the economic empowerment of 5 million women entrepreneurs, with figures published in the Company's Annual Sustainability Report. From 2012 – 2014, this data has been independently validated by DNV GL in a representative sample of countries each year to provide limited assurance on the reliability of the results and provide recommendations on the reporting and measuring of progress. Beginning in 2015, Ernst & Young, Coca-Cola's financial auditor, has been validating the 5by20 results publically reported in the Company's annual Sustainability Report.

- **Impact:** A longitudinal research study has been conducted by Ipsos, a leading market research partner, in South Africa to assess economic and social impacts of 5by20 on participating women, their families and their communities. A similar study is underway with Ipsos in the Philippines. In 2015, 5by20 also commissioned a study to evaluate impacts on the Artisan sector.
- **Insights:** Third-party case studies of specific programs provide insights on progress, effectiveness and scalability. One example is the 2014 case on Coletivo Retail –“Thirsty for More – Coca-Cola’s Shared Value Approach with Communities across Brazil.”

At the end of 2015, 5by20 had enabled more than 1.2 million women entrepreneurs across 60 countries, primarily in the retail (91%) and agricultural producer (6%) segments of the value chain. Women have been enabled primarily through business skills training and access to finance and/or assets. While peer networking and mentoring is taking place throughout communities, it is often organic and difficult to track.

Any organization striving to contribute on a large scale to the solution of globally pervasive and deeply embedded social problems needs to consider how to maximize its reach in order to achieve its goals. Once a pathway towards a solution is identified, the challenge is how, when, and where to replicate. For not-for-profit organizations the process of scaling is often evaluated in terms of context, people, financial structures, and service recipients in order to answer three primary questions: 1) where/how to grow, 2) the type of network needed to support the desired degree of growth, and 3) the role of the “center” in guiding and sustaining growth.¹ A slightly adapted set of these questions provides a useful framework to consider TCCC’s approach to scaling the 5by20 program.

The commitment to scaling fits into TCCC’s commitment to and investment in a broad array of initiatives focused on economic development, sustainability, and social goals. An additional part of the context for 5by20 is the early decision that this initiative would not be considered part of corporate social responsibility, but instead the initiative was integrated into the business model of the Company, directly aligning with Coca-Cola’s 2020 vision to continue to build an even stronger enterprise. An eye was also held on how 5by20 programs might cross over with other corporate sustainability priorities, such as water, in order to work simultaneously towards multiple objectives.

And finally, an additional early decision that provided context for subsequent replication was that certain programs would be designed for scaling. Components such as standardized educational content, train-the-trainer approaches, and the use of IT (and making sure the IT matched the geographic context) facilitated transferability of the programs across markets.

One of the roles of the global 5by20 team is to be attuned to and to help foster opportunities for program replication – transporting programs from one geography to another. Yet, while TCCC business units around the world face similar types of issues, replication is challenging due to the “local intensity” of most programs, based on local business conditions, market dynamics, value chain activities, Coca-Cola unit resources, and bottlers’ capabilities. There are, however, several good examples of program replication, such as Outlet Creation, which was launched in Nigeria and replicated in more than a half dozen African countries, enabling more than 300,000 women over four years. While replicating entire programs has been

¹ Bradach, J. L., *Going to Scale. Stanford Social Innovation Review*. Spring 2003.

challenging, program concepts and components have been transported to other markets. A broad example of program component replication is the use of a retail training curriculum, Shopkeeper Training and Access to Resources (STAR), which has been used by more than two dozen 5by20 programs.

Learnings and Learning Opportunities

The first five years of 5by20's implementation have provided a variety of opportunities to learn about women's empowerment, partnerships, training programs, and the overall creation of economic and social value through engagement housed across the value chain. Examples of learning to date and potential learning opportunities for the future include:

- 1.) Engaging local business unit leaders is critical to an initiative such as 5by20 that relies on local actors to initiate and drive programs in the context of their business operations. A key to inducing and sustaining that engagement is a solid business case that lays out the reasons why a business unit leader at a local level should be investing time and money in programs that meet the 5by20 criteria. For example: multiple elements of the programs, both direct (greater brand presence) and indirect (TCCC's reputation for doing good in the community), could contribute to higher brand perception and women running stronger businesses could increase sales of TCCC products.
- 2.) Initiating the 5by20 project from the Company mission and tying it to the local business case provides incentive for local leadership and participation. The opportunity exists for increased learning in opportunity scanning, and analyzing metrics and situations to identify additional potential opportunities to expand the 5by20 approach. This approach is strengthened even further by weaving 5by20 activities throughout the value chain, extending even into areas where TCCC has no direct control (producers).
- 3.) Engaging leaders at various levels of the business (leadership from the top and from local business units) works to embed the project throughout all aspects of the Company. This shared ownership model provides the foundation for long term sustainability of the project, including aligned values, strategic leadership, the development of tactics, and the commitment of resources.
- 4.) The engagement of partners at those same levels also increases the likelihood of successful scaling and sustainability. Local partners and global partners carry with them a sense of legitimacy in different ways and with different audiences. Each also brings a different set of resources, including knowledge of training programs, access to capital, and social networks. 5by20 provides the context to examine how these partnerships are created, function, and evaluated.
- 5.) Some aspects of the programs were developed with specific training attributes devoted to gendered differences identified as potentially relevant to the project. This is an area ripe for further development with the ability to contribute to the larger global discussion on women's empowerment, particularly through entrepreneurial behaviors.
- 6.) Technology has been an emergent tool of 5by20 efforts, particularly around the use of mobiles for training delivery at times and locations that suit women with heavy family obligations. Technology offers a means for rapid program scaling, and its use as a knowledge management platform would enhance the ability to identify, evaluate, design, and deliver 5by20 programs.

Introduction

In April 2016, The Coca-Cola Company announced that its 5by20 initiative had reached a major milestone, impacting 1.2 million women since its launch in late 2010. With a goal to enable the empowerment of 5 million women in the Coca-Cola value chain by 2020, the initiative was at the mid-point in its timeline, and its programs were on the cusp of moving from incremental to exponential scaling. Quantitative data and anecdotal reports were demonstrating financial and social benefits for women, and 5by20 had earned significant international recognition, including the Catalyst Award (New York 2013), “Best Global Initiative for Women’s Empowerment,” awarded at the Women in Leadership Economic Forum (Dubai, December 2014), and “Women’s Empowerment Principles Leadership Award (2014),” given by Women’s Empowerment Principles, a joint initiative of UN Women and the UN Global Compact.

This report provides an overview of 5by20, starting with its contextual setting: the extensive focus on gender equality shared by governments, NGOs and private enterprise, and Coca-Cola’s commitment to and investment in a broad array of initiatives focused on economic development, sustainability, and social goals. The report then describes eight programs from six value chain sectors: Producers, Suppliers, Distributors, Retailers, Recyclers and Artisans, and it concludes with a review of 5by20’s efforts to measure the impact of the initiative, and a summary of key elements that contribute to successful scaling and replication.

Gender Equality and Economic Development

There is overwhelming evidence that gender equality – the equal participation of women in the labor market -- can boost productivity and growth, enhancing both macro-economic development and firms’ competitive positions (**Figures 2 & 3**). Yet, in many parts of the world, entrenched barriers hamper women’s workforce participation and thus remain a constraint on economic performance. As one report stated: “Women are an untapped source of talent and productivity: when the potential of almost half the workforce is not fully realized, this has considerable implications for efficiency and growth at the enterprise, sectoral and national level.”² In developing economies especially, the workforce status of women trails men by significant margins. In brief, women work more, though often unpaid, and earn less, and they usually have less time for education, leisure, political participation and self-care.

As one means of countering their current workforce status, women are increasingly turning to the creation of their own jobs through entrepreneurial development, especially in countries where they have limited employment opportunities. While there is considerable regional variation, in 2012 approximately 126 million women were starting or running new businesses across the 67

Figure 2 **Women’s Empowerment** **(OECD definition)**

“Capacity of women to participate in, contribute to and benefit from growth processes in ways that recognize the value of their contribution, respect their dignity and make it possible to negotiate a fairer distribution of the benefits of growth.” (OECD DAC Gender Equality Network, 2011, Kabeer 2012, Eyben et al. 2008)

² Examples: “Investing in Women’s Employment: Good for Business, Good for Development”, International Finance Corporation, 2013

”Women, Work and the Economy,” International Monetary Fund, 2012

economies studied by the GEM project, with an additional 98 million women running established businesses (GEM, 2013).³ One measure of this phenomena can be seen in that by 2014, early stage entrepreneurship activity in the economies studied had increased by 7%, with the gender gap (ratio of women to men participating in entrepreneurship) narrowing to 6%, with particular improvement seen throughout many parts of Asia, Latin America and the Caribbean and sections of Europe.⁴

Figure 3

“There is a mountain of research today that is coming from all sources – multilateral organizations, governments, private sector, think tanks, academia – and they’re all essentially pointing in the same direction. When there are investments made in women and girls, those investments have enormous payoffs.”

Melanne Verveer, former U.S. Ambassador-at-Large

The issues of both business and workforce development have been the focus of considerable research over the past decade, and numerous reports have articulated the obstacles women confront both in securing well-paid jobs and in creating jobs through entrepreneurial endeavors. Examples of challenges of accessing opportunities and resources include (**Figure 4**):

Opportunities:

Access to Markets: Women’s seclusion from the public arena and lack of mobility limit their access to buy and sell markets in various ways.

Resources:

Physical Resources: Asset Ownership: In many countries, laws, customs and/or legacy practices limit women’s ownership of and/or access to assets, especially land, a critical resource for production and loan collateral.

Human Capital Resources: Access to Formal Labor Markets: Cultural restrictions and hiring biases limit employment opportunities. Participation in official labor markets is substantially lower for women, for whom the employment-to-population ratio in 2013 was 47.1 percent compared to 72.2 percent for men. Women are more likely than men to work in vulnerable, low-paid, or undervalued jobs in the informal sector, (80 percent in South Asia and 74 percent in sub-Saharan Africa).⁵

Unequal Compensation: In most countries, on average, women earn 60 to 75 per cent of men’s wages, due to a combination of factors, such as being more likely to be engaged in low-productivity work, to work in the informal sector, or to be paid less for the same jobs.⁶

³ GEM – Global Entrepreneurship Monitor is an annual survey of entrepreneurial activity and attitudes based on more than 200,000 interviews with more than 100 countries.

⁴ Kelley, D., Brush, C., Greene, P., Herrington, M., Ali, A., and Kew, P. 2015. GEM: Special Report. Women’s Entrepreneurship 2015. Babson College.

⁵ Facts and Figures: Economic Empowerment. <http://www.unwomen.org/en/what-we-do/economic-empowerment/facts-and-figures>

⁶ Ibid.

Financial Resources: Access to Financial Services: Lack of credit or collateral, informal sector employment and cultural constraints limit women's access to business-building capital and financial services.

Social Resources: Access to Networks: Women are often limited from participation in both formal and informal networks that could have the potential to facilitate access to other resources, including information and capital.

All of these issues limit women's ability to engage in economic activity, imposing direct negative impacts on regional economies. Overcoming these constraints offers significant potential benefits both for economic growth and for private enterprise.

Figure 4



Benefits to Economic Development

The benefits of gender equality on economic development are increasingly well-documented and include:

- An increase in female labor force participation drives stronger economic growth and a more productive workforce, both of which attract investment.
- Women tend to spend more on children, increasing human capital development. One study found that women are likely to spend 90 cents per dollar earned on education, health and nutrition.⁷

Benefits to Private Enterprise

Gender equality has the potential to benefit companies in multiple ways. Increased hiring and leadership participation of women has been shown to enhance organizational effectiveness and improve productivity,

⁷<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTGENDER/0,contentMDK:23392638~pagePK:210058~piPK:210062~theSitePK:336868,00.html>

driven by more diverse perspectives, stronger team dynamics and improved decision-making. Empowered women participating across a company's value chain can deliver a host of gains, including:⁸

- Accessing untapped talent
- Improving supply chain reliability
- Reaching female customers
- Opening new distribution channels
- Enhancing business brand and reputation within a community

Women's inclusion in businesses has been shown to have an impact on the success of the business. While much of the recent research in this area focuses on high growth businesses, one report suggests that "teams with women entrepreneurs perform as well or better than firms led exclusively by men."⁹

Women's Empowerment Programs

Over the past decade, gender equality has gained increasing momentum as a priority for governments, international organizations and private firms. On International Women's Day 2010, the United Nations introduced the Women's Empowerment Principles to offer practical guidance to business and the private sector on how to empower women in the workplace, marketplace and community (**Figure 5**). The Principles, which emphasize the business case for corporate action to promote gender equality and women's empowerment, were adapted from the Calvert Women's Principles® launched in 2004 as the first global corporate code of conduct focused exclusively on empowering, advancing and investing in women worldwide.

This work is continuing through the first ever High Level Panel on Women's Economic Empowerment, launched March, 2016, during the 60th session of the Commission on the Status of Women. The panel is under the aegis of the UN Secretary-General, and is

Figure 5
Women's Empowerment Principles



- Establish high-level corporate leadership for gender equality
- Treat all women and men fairly at work—respect and support human rights and nondiscrimination
- Ensure the health, safety and well-being of all women and men workers
- Promote education, training and professional development for women
- Implement enterprise development, supply chain and marketing practices that empower

Figure 6

"I firmly believe that there is huge potential that could be unlocked simply by valuing and empowering women. The energy, the power and creativity of women is badly needed—not only to make this world a better place, but to enable it to survive in the years to come. It is only by engaging the abilities of both women and men working together in partnership that the right steps can be taken towards building a sustainable world. This means the voices of both men and women must be heard at all levels of decision-making."

Simona Scarpaleggia, CEO of IKEA
Switzerland, Co-Chair, High Level Panel on
Women's Economic Empowerment

⁸ *Making the Business Case: Women's Economic Empowerment in Market Systems Development*, USAID, March 2015

⁹ Brush, C., Greene, P., Balachandra, L., & Davis, A. 2014. *Diana Report. Women Entrepreneurs 2014: Bridging the Gender Gap in Venture Capital*, Arthur M. Blank Center for Entrepreneurship. Babson College.

intended to establish women's economic empowerment as a priority for the UN's international agenda (**Figure 6**)¹⁰

Over the past decade there has been a significant number of programs targeting gender equality and women's empowerment. Many of these have achieved sustained success and provide useful models and learnings. Many also demonstrate the challenge of achieving scale and underscore the significance of The Coca-Cola's Company's ambitious goal of enabling five million women, orders of magnitude greater than most other initiatives created and managed by a single organization. Examples of successful women's programs include:

Goldman Sachs 10,000 Women is a campaign to foster economic growth by providing women entrepreneurs around the world with a business and management education and access to capital. The initiative, which launched in 2008, has exceeded its initial 10,000 goal and reached women from across 56 countries through a network of 100 academic, nonprofit, and bank partners. In 2014 the program partnered with the IFC to create the first-ever loan facility with a target of enabling 100,000 women business owners to access to capital around the world. By Year 2 after this launch, it has already reached 25,000 women entrepreneurs in 16 emerging markets. http://www.goldmansachs.com/citizenship/10000women/index.html?cid=PS_01_08_07_00_00_00_01

Wal-Mart Women's Economic Empowerment Project Partnership empowers women by providing entrepreneurial training and workforce development. Sponsored by the Walmart Foundation, the project is managed by Enactus, an international nonprofit that provides platforms for teams of entrepreneurial students to create community development projects. One goal of the program is to source \$20 billion from women-owned businesses in the U.S. while doubling the amount currently sourced from women suppliers outside of the U.S. Relatedly, the Sam's Club Giving Program is committed to enabling Community Development Financial Institutions to provide 5,000 loans to underserved small businesses, with one of their target audiences being women business owners. <http://www.walmartempowerswomen.org/>.

Dell Women's Entrepreneur Network connects female entrepreneurs across the globe with networks, sources of capital, knowledge and technology. Dell also partnered with IHS to sponsor research focused on creating a scoreboard on global women's entrepreneurship, ranking cities according to criteria of capital, technology, talent, culture and markets and how the factors link to provide a healthy business environment for women business owners. The work of the network is also advanced through an annual summit focused on innovation in addressing the challenges faced by women business owners. <http://www.dell.com/learn/us/en/uscopl/women-powering-business>.

Tupperware Global Links Program seeks to empower women through education and opportunity by providing yearlong externships designed to inspire women entrepreneurs. The program is built on a train-the-trainer model that expands the externship at Tupperware Brands Corporation with mentoring by a

¹⁰<http://www.unwomen.org/en/news/stories/2016/3/press-release-highlevel-panel-on-wee-holds-inaugural-meeting#sthash.tibld3Gu.dpuf>

trained female professor in the participants' home country. As a founding member of UN Women's Private Sector Leadership Advisory Council, the Company has "committed financial, human capital and cause-marketing support for UN Women to further economic and political empowerment for women around the world."

Overview: The Coca-Cola Company

The original Coca-Cola formulation was first sold in Atlanta pharmacies in the 1880s and quickly became a popular beverage, and The Coca-Cola Company (also referred to as "the Company," "TCCC" and "Coca-Cola") was incorporated in Georgia by Asa Candler in 1892. A year later, the Company sold the rights to control the bottling of the drink for \$1 dollar, launching what was to become a core element of the "Coca-Cola system," in which the Company sells syrup to bottlers. By the 1920s, there were more than 1,000 bottlers operating in the U.S, and by the 1930s the soft drink had achieved iconic status. The Coca-Cola Company launched international sales in 1906 in Canada, Panama and Cuba and then expanded in the 1920s and 30s with bottling operations in various European and South American countries, as well as South Africa and Australia. To supply Coca-Cola to American troops during World War II, the Company constructed sixty-four bottling plants throughout the world, many of which were later converted to civilian commercial operation. With the introduction of its products in Burma in 2012, and Cuba in 2015, Coca-Cola is officially available in every country in the world except North Korea, where it is reportedly sold as a "grey import." The Company's relationships with bottlers (some of whom are company-owned and some independent) gives it unmatched global reach and the capacity to drive initiatives, such as 5by20, throughout its supply chain.



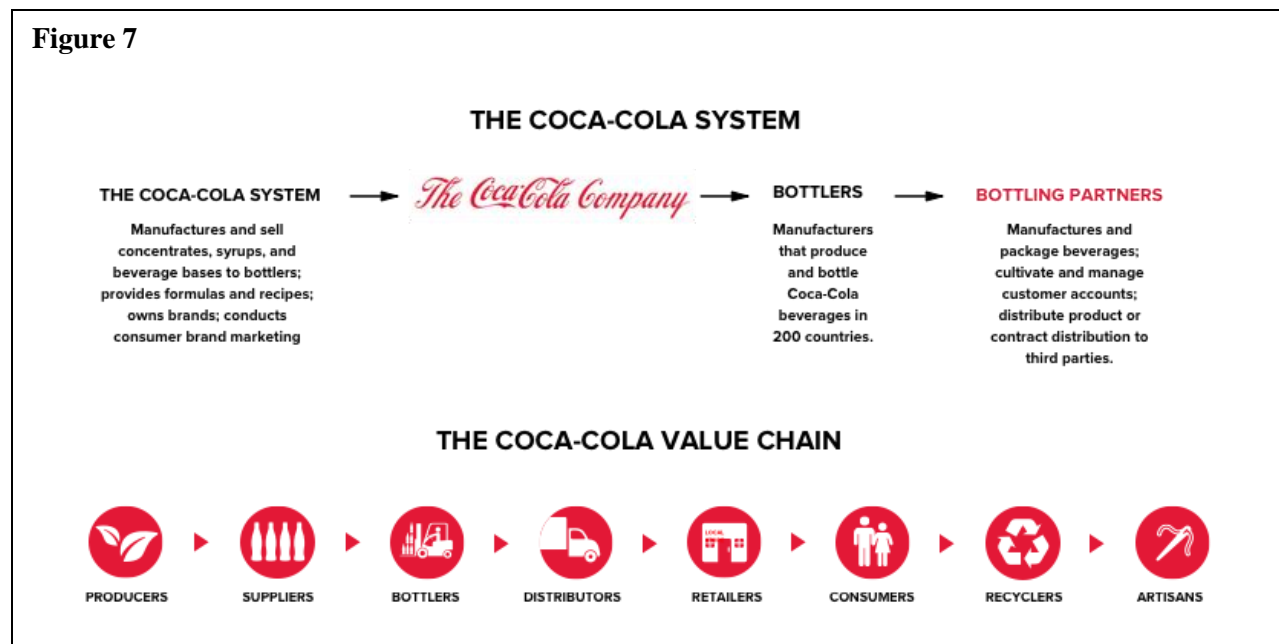
Today, The Coca-Cola Company stands as the world's largest non-alcoholic beverage company, with more than 500 sparkling and still brands and more than 3,800 beverage choices, including 20 billion-dollar brands such as Diet Coke, Fanta, Sprite, Coca-Cola Zero, vitaminwater, Powerade, Minute Maid, Simply, Georgia, Dasani, FUZE TEA and Del Valle. While signature brands, such as Coke, are universal, local brands play a strong role in serving distinct, local markets, and independent bottlers are allowed to modify some recipes to suit local tastes. Together with its bottling partners, The Coca-Cola Company ranks among the world's top 10 private employers with more than 700,000 system associates. Strong relationships between Coca-Cola bottlers, customers and local communities are viewed as the foundation for growth and success.

The Coca-Cola System and Value Chain

The Coca-Cola system comprises the Company and more than 250 bottling partners, who give the system presence in markets around the world, enable operations on a local scale and build relationships with local customers, consumers and stakeholders. The combination of global scale and local focus enables operational and marketing efficiencies while maintaining attention to local market nuances and requirements. The Company manufactures and sells concentrates, beverage bases and syrups to licensed bottling partners, who hold exclusive contracts for geographic territories. Bottlers manufacture the finished

product, usually by adding carbonated water and sweetener, and then package, merchandise and distribute the branded beverages to customers and vending partners, who range from grocery stores and street vendors to restaurants and movie theaters. Customers, executing localized strategies developed in partnership with the Company, sell the products to consumers -- more than 1.9 billion servings a day. Coca-Cola owns the brands and is responsible for consumer brand marketing initiatives.

The Coca-Cola system is the core of the Coca-Cola value chain, which starts with agricultural ingredients sourced from suppliers and concludes with the recycling of beverage containers and packaging materials and their transformation into decorative artwork by skilled artisans. (Figure 7).



Sustainability and Social Action

With more than 700,000 system associates¹¹ and selling nearly 2 billion servings of drinks daily in more than 200 countries and territories, Coca-Cola is a key part of communities worldwide. The Company has a longstanding commitment to help build and support those communities through its core business practices and through specific initiatives designed to enhance environmental, social and economic sustainability. Initiatives that create value both for corporate shareholders and for communities integrate sustainability through-out the enterprise around a framework of “Me, We, World” - focused on three leadership priorities: Women, Water, and Well-being (Figure 8).

Figure 8: Three Priorities

“We believe the majority of innovation over the next decade will happen at the intersection of sustainability and the supply chain. Working together with our bottling partners to empower women, better manage water resources and promote well-being gives us new opportunities to build business resilience and add value across our system.”

Bea Perez, Coca-Cola’s Chief Sustainability Officer, 2014-2015
Coca-Cola Sustainability Report

¹¹ Employees of companies working in the Coca-Cola System

- **Women:** Through its 5by20™ program, TCCC seeks to enable the economic empowerment of 5 million women entrepreneurs by 2020.
- **Water:** building business resiliency through water stewardship efforts involving 209 community water partnership projects in 61 countries
- **Well-being:** strengthening and enriching communities through programs that improve education, youth development and other community and civic initiatives

Commitment to Women's Empowerment

The Coca-Cola Company has a deep and long-standing commitment to women's empowerment, dating back to the 1930s when Lettie Whitehead Evans joined the Board, becoming one of the first women to sit on the board of a major U.S. corporation. The Company also was a leader in the use of women in its advertising campaigns. In spite of these ground-breaking measures, however, in 2007 Chairman and CEO Muhtar Kent recognized that the Company needed to address a "glaring mismatch:" women controlled \$20 trillion in global annual spending and purchased 70 percent of Coca-Cola products yet held relatively few senior executive positions at the Company. He described his insight:

*I found a disconnect between our percentage of women in leadership roles and young women executives coming into the company, and the people buying our products. I said, "we cannot be successful if this disconnect continues."*¹²

Mr. Kent quickly instituted strategic changes to increase focus on gender equality, including the launch of a series of initiatives whose goals were to accelerate the hiring and development of female talent and the promotion of women into senior positions of responsibility and influence (**Figure 9**).¹³

Figure 9: Women's Initiatives

- Addressing women as a separate pillar versus including under the broad umbrella of diversity
- Forming a Global Women's Initiative to develop female leaders inside the TCCC system and female entrepreneurs in developing markets outside the system
- Creating a Women's Leadership Council comprising 17 leaders from across TCCC to focus on recruiting and advancing women through assessment and development programs

By 2015, Coca-Cola had increased representation of women in senior roles to 30 percent globally, and representation of female mid-level leaders increased to 40 percent. While these gains represent progress, Kent acknowledged that "the numbers are moving in the right direction, but this is a journey."¹⁴

¹² "Women Enable Success:" Coke's Muhtar Kent Tells Execs. [Jay Moyer](http://www.coca-colacompany.com/stories/women-enable-success-cokes-muhtar-kent-tells-execs/) Aug 1, 2013 www.coca-colacompany.com/stories/women-enable-success-cokes-muhtar-kent-tells-execs/

¹³ Weaver, Helen W, *How The Coca-Cola Company Is Encouraging Women in Leadership*

¹⁴ "Women Enable Success: Coke's Muhtar Kent Tells Execs." [Jay Moyer](http://www.coca-colacompany.com/stories/women-enable-success-cokes-muhtar-kent-tells-execs/) Aug 1, 2013 www.coca-colacompany.com/stories/women-enable-success-cokes-muhtar-kent-tells-execs/

5by20 Initiative

For The Coca-Cola Company, enabling the empowerment of women entrepreneurs and helping them succeed does not require an altruistic motivation. Across the Company's value chain, women play an outsized role, especially in emerging markets. More than 40 percent of the agricultural labor force in developing countries, including shareholder farmers, are women, who serve as potential suppliers of tea, coffee, fruit and other ingredients that flavor beverages.¹⁵ Women own or manage many of the small shops -- corner stores, market stalls, kiosks, and street carts -- that comprise the "traditional trade" in the developing world, a critical sales channel.¹⁶ Globally, women are buyers of more than 70 percent of all Coca-Cola products. To realize its full business potential, Coca-Cola needs skilled, business-savvy women to produce and supply ingredients, and to distribute, sell, purchase and consume its beverages.

Women face three particular obstacles to launching, operating and growing a business: business skills training, access to capital and assets, and access to mentoring and/or peer networks. To address these obstacles, at the 2010 Clinton Global Initiative, The Coca-Cola Company announced its goal to enable the economic empowerment of 5 million women entrepreneurs across its global value chain by 2020. The initiative, entitled "5by20," is based on the philosophy of "Shared Value" a concept that links business and social objectives (**Figure 10**).

The idea for 5by20 emerged from an expanded view of the mission of the Women's Leadership Council (WLC), created to help women employees overcome barriers to achievement and advancement within the Company. As the Company made progress on those objectives, leadership began to consider how it might expand the Council's work to an external audience -- women across the Company value chain. An innovative distribution program in East Africa, the Manual/Micro Distribution Center (MDC), served as a foundational catalyst for the initiative

by demonstrating a successful program model that served a social development role and benefited Coca-Cola's core business operations and already engaged a significant number of women entrepreneurs. As one executive described: "It was an 'ah ha' moment when a 2009 case study revealed that more than 30% of our distributors and retailers in various East African countries were women. We realized that we had an opportunity to use our business system to drive women's economic empowerment." As the initiative took

Figure 10: Shared Value

"Shared Value" is a business strategy that links social and business impact. Companies adopting a shared value approach identify and solve social problems that intersect with their business while also boosting profits and competitive position. The concept was defined in the *Harvard Business Review* article "Creating Shared Value," which identifies three methods

- Reconceiving products and markets
- Redefining productivity in the value chain
- Local cluster development

Shared Value can be contrasted with Corporate Social Responsibility, which tends to have more of a philanthropic overtone and does not usually contribute directly to corporate financial or competitive performance.

¹⁵ On average, women comprise 43 percent of the agricultural labor force in developing countries; ranging from 20 percent in Latin America to 50 percent in parts of Africa and Asia. *Source:* Food and Agricultural Organization of the United Nations. <http://www.fao.org/sofa/gender/did-you-know/en/>

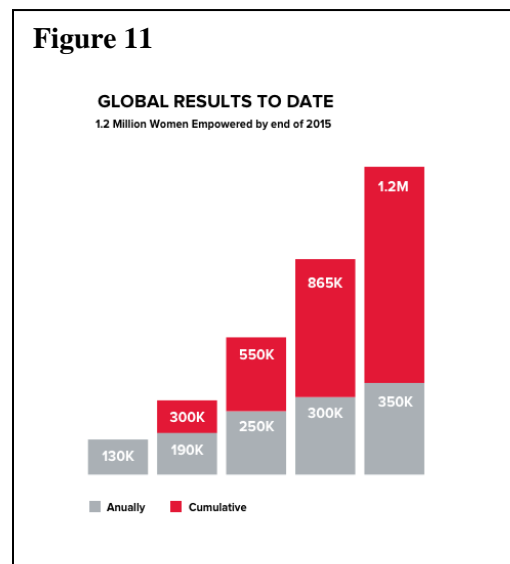
¹⁶ Percentages vary greatly by country and region, with examples running as high as an estimated 86% women-owned sari-sari shops in the Philippines.

shape under the direction of the WLC, CEO Kent pushed the team to adopt an ambitious target with strict metrics, aiming toward a goal that was achievable yet challenging.

Launch and Early Growth

In 2010, the 5by20 initiative was launched in four pilot markets -- South Africa, Brazil, India and the Philippines -- under the guidance and oversight of a global 5by20 team. Initial 5by20 programs included some that were newly created, as well as existing programs reshaped to meet 5by20 criteria. Early programs served as testing and learning grounds. For example, the South Africa program, which provided training to retail establishments, worked with several partner organizations and execution models to figure out workable partnership arrangements, appropriate curriculum and functional training logistics. By the end of 2012, 5by20 had expanded to 22 countries, 12 of which were led by countries piloting scalable programs. Early successful programs that scaled to achieve significant impact included: *Outlet Creation* (Nigeria), *Coletivo* (Brazil), *STAR* (Philippines) and *Project Nurture* (Kenya/Uganda), which together reached more than 225,000 women. In the first two years, 78% of women enabled were in the Eurasia and Africa regions. Dedicated teams, strong business cases, replicable models and effective NGO partners all combined to contribute to successful programs in those regions. 5by20 doubled over the following year to 44 countries and reached more than 550,000 women. While Eurasia and Africa remained the regions of greatest impact, several programs scaled effectively in the Pacific region, in China: *5by20 Training Program* and *Guangxi Sustainable Sugarcane Initiative*, and in India: *eKOCool Solar Cooler*, *Progati*, *Parivartan* and *Project Unnati*. In 2014, the initiative made further significant gains, reaching a cumulative total of 865,000 women in 52 countries. In 2015, 5by20 crossed the millionth woman milestone and reached a cumulative total of more than 1.2 million women across 60 countries (Figure 11).

Figure 11



Implementation and Management

A global 5by20 team, reporting to the Chief Sustainability Officer, was established to provide strategic leadership of the initiative. The team is intentionally lean and serves to provide oversight and governance while working with many local teams around the world to help shape programs and offer best practice guidance. Each member of the team stewards a specific geography, providing feedback on program ideas, offering guidance on new program design, launch and execution, and encouraging successful programs to scale. Regional leads allow the 5by20 team to better understand local programs: seeing which are driving the best results and then helping collaborate on ways to replicate program components and best practices. The leads “connect the dots” between the priorities and business needs in one geography and successful programs that address analogous needs in other markets. In addition to their regional responsibilities, the leads also have functional programs roles, focusing either on metrics, evaluation and validation, or artisan programs worldwide.

While the global 5by20 team plays an important supporting role, it is the local Coca-Cola “teams” who drive most of the programs and who are responsible for originating, designing, developing, resourcing and implementing initiatives in their markets. The composition of local teams varies by geography and market conditions and can be one of several groups within Coca-Cola or its value chain: a business unit, local country lead, public affairs department, or bottler.

Annual targets for 5by20 combine top-down milestone targets with bottom-up forecasting conducted by regional groups. The targets are an important element of each unit’s business plan but must also be considered within the context of other business priorities and objectives and with consideration to resource availability. 5by20 tracks the number of women impacted through every program and conducts independent validation to ensure that local teams are accountable to drive impactful programs relevant to their communities. Results of the initiative feed into TCCC’s annual global sustainability scorecard, which tracks progress against targets for the three leadership priorities.

Partnerships and the Golden Triangle

Critical to the success of 5by20 has been the network of partners with whom the Company works to co-design and implement programs. Many partners are smaller, local NGOs with indispensable knowledge of regional markets, and local civic and political conditions. Partnerships with several global organizations have developed into deep, long-term relationships that span multiple geographies. Many programs leverage the concept of the Golden Triangle, an integration of business, government and civil society partners who share common goals and complementary skills (**Figure 12**). By leveraging best practices from multiple organizations and encouraging innovation, these Golden Triangle partnerships often enable rapid scale up and create more opportunities for program replication, ultimately leading to greater impact. Key global partnerships include:

UN Women: In 2013, The Coca-Cola Company and UN Women launched a global partnership to enable 40,000 women in three countries, South Africa, Egypt and Brazil, to address barriers commonly faced by women entrepreneurs.

International Finance Corporation: The Company has worked with the IFC to address barriers that women face in developing markets and in March 2013, the organizations announced a \$100 million initiative to provide access to finance for women entrepreneurs.

Mercy Corps: In 2014, The Coca-Cola Company launched a partnership with Mercy Corps, the UK Department for International Development and the Nike Foundation to deliver the *Empowering Nigerian*

Figure 12

LEVERAGE PARTNERS FOR IMPACT AND SCALE



1. Business

Supply chain expertise, Access to markets/products, innovation of product/supply chain, Assets (e.g. warehouse, vehicles)

2. Civil Society

on-the-ground presence, Trusted local partners, Developmental expertise, Networks

3. Government

Reach and Scale. Trusted local partners, Developmental expertise, Networks

Girls in New Enterprises (ENGINE) program, with a goal of providing education to more than 18,000 young women and improving their economic opportunities.

The Aspen Institute’s Alliance for Artisan Enterprise: The Coca-Cola Company is a founding member of the Alliance for Artisan Enterprise, an organization that promotes the global opportunity with artisans and the \$32 billion artisan industry.

Inter-American Development Bank (IADB or IDB): IADB is the largest source of development financing for Latin America and the Caribbean and has been deeply involved in programs such as Coletivo.

TechnoServe: TechnoServe, an international nonprofit that works to develop business solutions to poverty by building competitive businesses and industries, has been a key partner in multiple 5by20 agricultural programs, including Project Nurture and Haiti Hope.

Program Principles

New 5by20 programs require strong local and global collaboration, based on six principles that guide the origination, development, implementation and management.

- 1.) Alignment with Core Business Plans: Program ideas start with an assessment of the growth plans of local business units and an exploration of areas that significantly depend on or impact women. For example: an identified business opportunity might be to grow juice sales by 10%, requiring an increase in local fruit sourcing and production, thereby offering an opportunity to launch a program to support women fruit farmers. The global 5by20 team collaborates in this process by putting a “women’s” lens on the effort, helping to identify elements of the value chain where women play an active role. The local team must include program resources in its core operating budget.
- 2.) Inclusive Participation and Partnerships: Success of a 5by20 program is enhanced by ensuring that all stakeholders, internal and external, are included in conceptualization, design, and launch. In addition to securing the buy-in of senior business leaders, it is critical to include the public relations and communications function, which often coordinates the partners’ actions on the ground. Moreover, community leaders, NGO partners and government officials often are key allies and supporters. While there are occasions that merit the participation of global partners, such as IDB or IFC, many programs are built around local partnerships and are identified and nurtured by the local teams.
- 3.) Shared Value Mindset: 5by20 is not solely a CSR program. Its success relies on the foundational understanding that creating value for the business and creating value for society (“shared value”) can be interdependent – not mutually exclusive. While this concept has gained increasing currency in the corporate community, there are obvious challenges to designing and executing programs that achieve well-balanced shared value. The 5by20 team has worked to cultivate awareness of this mindset and to overcome a reticence on the part of local business units to adopt the philosophy. When the power and value of the approach are well understood, it can have a catalyzing effect on individuals’ motivation to drive 5by20 programs.

- 4.) Cross-program Sharing: By virtue of its pan-regional perspective, the global 5by20 team has developed a deep inventory of best practices and lessons learned that it can share with regional and local teams as they originate, design and implement new programs. Shared knowledge and best practices include: program models and design, partnership identification and negotiation, training curricula and funding sources.
- 5.) Measurement and Evaluation: The 5by20 team measures initiative performance through biannual data collection of common metrics from active programs: number of women enabled and types of enabling activities delivered. In addition, DNV GL an independent third-party provider, conducted in-market audits through 2014 in a representative sample of countries each year to provide limited assurance on the reliability of results for the 5by20 initiative. In 2015, Ernst & Young, the Company's financial auditor, began validating 5by20 annual results. Starting in 2013, the global 5by20 team piloted in-depth evaluation assessments for select programs to evaluate the impact over time on such dimensions as women's income, confidence in running the business, and benefits to family and community.
- 6.) Strategic Social Investment: A core premise of the initiative is that local business units and bottlers resource their programs through their operating budgets to ensure tight alignment with business planning and thus to increase likelihood of sustainable performance and scaling potential. There are occasions, however, when the global team makes a strategic investment, such as curriculum development, in order to leverage an asset, relationship or approach across multiple regions.

Overview of Program Inventory

By end of 2015, there have been 171 programs cumulatively contributing to 5by20 in 60 countries around the globe. A survey of the entire program inventory reveals notable elements (**Figure 13**).

- Designed for Scaling: A number of programs were designed to facilitate their wide-spread dissemination and growth through such techniques as train-the-trainer models and use of information technology. Examples included a custom virtual platform with a variety of business training modules, training delivered on mobile phones (ubiquitous in some developing markets), and programs utilizing a self-taught syllabus.
- Reducing Obstacles: While all 5by20 programs seek to overcome the factors that constrain women's empowerment, some are designed for delivery to overcome particular obstacles, especially the fact that it can be difficult for women to attend training classes when they need to spend more time on home and child-care.
- Programs with Multiple Partnerships (3 or more entities) Most 5by20 programs involve an NGO, civic or government partner outside the TCCC value chain. Some programs involve partnerships with three or more outside entities. While multiple partnerships may increase the complexity of execution it also offers the potential to make the program more robust and stable by increasing buy-in, input and resources from multiple stakeholders.
- Programs with TCCC Mission Cross-Over – Nearly two dozen 5by20 programs are involved with water, one of Coca-Cola's three corporate sustainability priorities and a critical resource issue in many developing countries. Water-related initiatives may impact relatively few women

entrepreneurs, such as those involved as water system managers, but they often benefit thousands of people through the provision of safe drinking water or the availability of irrigation water. Another example of an emergent program with mission cross-over is the EKOCENTER™ Project, launched in 2014. An EKOCENTER serves as a “modular community market,” operated by a local woman entrepreneur, that provides a place for commerce as well as for access to safe water, solar power and wireless communication. EKOCENTERS integrate Coca-Cola’s sustainability priorities and are developed and operated with assistance from technology, development, and financial partners.

Figure 13: Exemplar Programs

PRINCIPLE	EXAMPLAR PROGRAM	DESCRIPTION
Designed for Scaling	Rongai Social Economic Women Organization (ROSEWO) (Kenya)	This program targets vulnerable women across Kenya by providing STAR training program delivered in partnership with the NGO ROSEWO. TCCC trains ROSEWO trainers who then deliver the STAR modules to the targeted population. The program has enabled 24,000 women by the end of 2015.
Reducing Obstacles (and Designed for Scaling)	Virtual Training Technology Pilot (Indonesia)	Traditionally women in Indonesia prioritize their families and domestic duties, limiting their ability to attend training classes. This program trains women in store management and financial management and customer service through a series of mini modules delivered by SMS, leveraging Indonesia’s wide mobile phone usage. The program enabled more than 30,000 women by 2015.
Mission Cross-Over	Water and Sanitation for the Urban Poor (WSUP) - Madagascar	TCCAF in partnership with WSUP enables women through training in marketable skills and provision of peer-to-peer networking opportunities by setting up Water User Associations which are responsible for the operation and management of kiosks. Women gain an active role in decision making in their local communities.

Programs across the Value Chain

The following section focuses on each of the six segments of the Coca-Cola value chain that are represented in the 5by20 initiative, with overviews of eight programs that have achieved significant scaling success. (Figure 14)

Producers

The Producer segment includes growers of tea, coffee, fruits and other ingredients used in The Coca-Cola Company’s beverages, as well as suppliers of clean water. Neither The Coca-Cola Company nor its bottlers have a direct relationship with Producers, who sell their products to processors and suppliers from whom bottlers purchase processed fruits and juice. Nevertheless, Producers are a critical element of the 5by20 commitment because they offer the opportunity to impact a large number of women, to improve Coca-Cola’s local sourcing capabilities and to meet its growing demand for agricultural commodities. In many developing economies, a significant number of women are engaged in agricultural activities, more often in labor than owner/manager roles. Elevating women’s position and status in agricultural and waterworks systems offers the potential to increase their incomes and enhance their status in the community. Thirty programs in 5by20 involve Producers, representing approximately six percent of the women that 5by20 has impacted.

The Business Case for Coca-Cola: A stable, local source of fruit (and clean water) provides savings from reduced transportation costs and import duties and supply security for regional juice business.

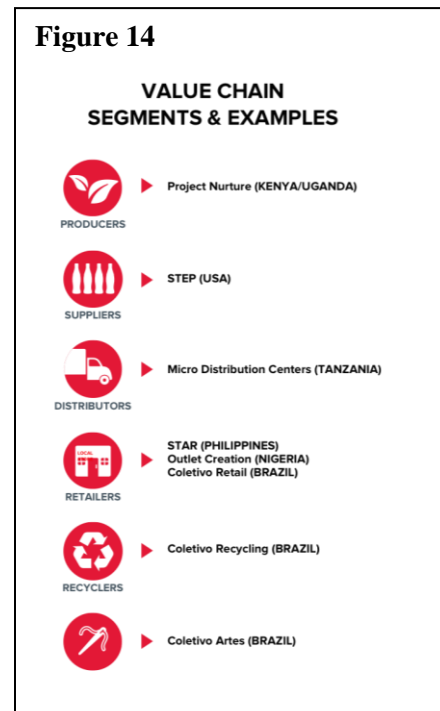
Project Nurture

Project Nurture was a multi-partner effort to improve the production capacity and incomes of 50,000 smallholder fruit farmers in Kenya and Uganda by building inclusive mango and passion fruit value chains. The four-year program was launched in 2010 and achieved its goal of 30 percent women’s participation, reaching 15,000 women farmers by 2014.

Project Nurture’s lead implementing partner, TechnoServe, works with existing or newly-created smallholder farmer collectives, called Producer Business Groups (“PBGs”), to deliver training, help strengthen their networks, improve market interactions, and facilitate their access to credit. Agronomy training, conducted in person and through crop management guides, focuses on practices and techniques for pruning, plant nutrition, post-harvesting handling and produce grading. Additionally, TechnoServe provides training in business skills and organizational governance to help PBGs adopt structures and practices that enable them to function as an organized business.

Because Coca-Cola purchases, through processors, only a portion of the mangoes and passion fruit that farmers produce (typically that which is bruised) a major component of the initiative has been helping

Figure 14



producers access additional markets in order to ensure sustainable sales for their produce. Project Nurture has worked with farmers to build relationships and strengthen interactions with four market channels for fresh and processed fruit: exporters, high-end market consolidators, open-air market traders and processors. Improved market access and enhanced selling power gives farmers greater opportunity to boost their incomes. The project has also developed market demand by working to expand processing capacity, encouraging processors to invest in their facilities and providing technical and business advice on meeting procurement standards for international markets.

Key Program Components

1. **Training and Facilitation:** TechnoServe, a not-for-profit, develops individual and organizational capacity in smallholder farmer communities. Training in agricultural and business skills and assistance in organizing into business groups enables these communities to access resources and financing and to improve their bargain power with buyers.
2. **Access to Resources and Credit:** TechnoServe connects farmers with vendors of planting material, suppliers of credit and with three types of buyers for its fruit: processors, domestic and regional fresh fruit traders, and fresh fruit exporters. The Coca-Cola Company purchases mango puree from the processors as an ingredient for its Minute Maid Mango.
3. **Monitoring and Evaluation System:** The project team developed an M&E system to assess performance and identify successes and opportunities for improvement and replication.

Partner Roles: The goal of building inclusive mango and passion fruit value chains brought together three partners with complementary objectives. Coca-Cola sought to secure stable, local sources of supply for its growing fruit juice business; The Bill and Melinda Gates Foundation saw an opportunity to play a catalyzing role in the development of a replicable model that had the potential to alleviate poverty for thousands of smallholder farmers; and for TechnoServe, Project Nurture offered an opportunity to leverage its competencies to impact a large number of smallholder farmers, a group with whom it had extensive experience. Because Coca-Cola does not purchase fruit directly from farmers, and because only a portion of the fruit is sold to processors, building a strong, inclusive value chain required an array of other partners: banks, agricultural research institutes, fruit processors, traders, exporters and government ministries (*Figure 15*). By engaging these partners and helping them build a strong business case and the capacity for continued expansion, the three core partners helped to develop a business model and ecosystem that is sustainable and replicable.

Impact on Women

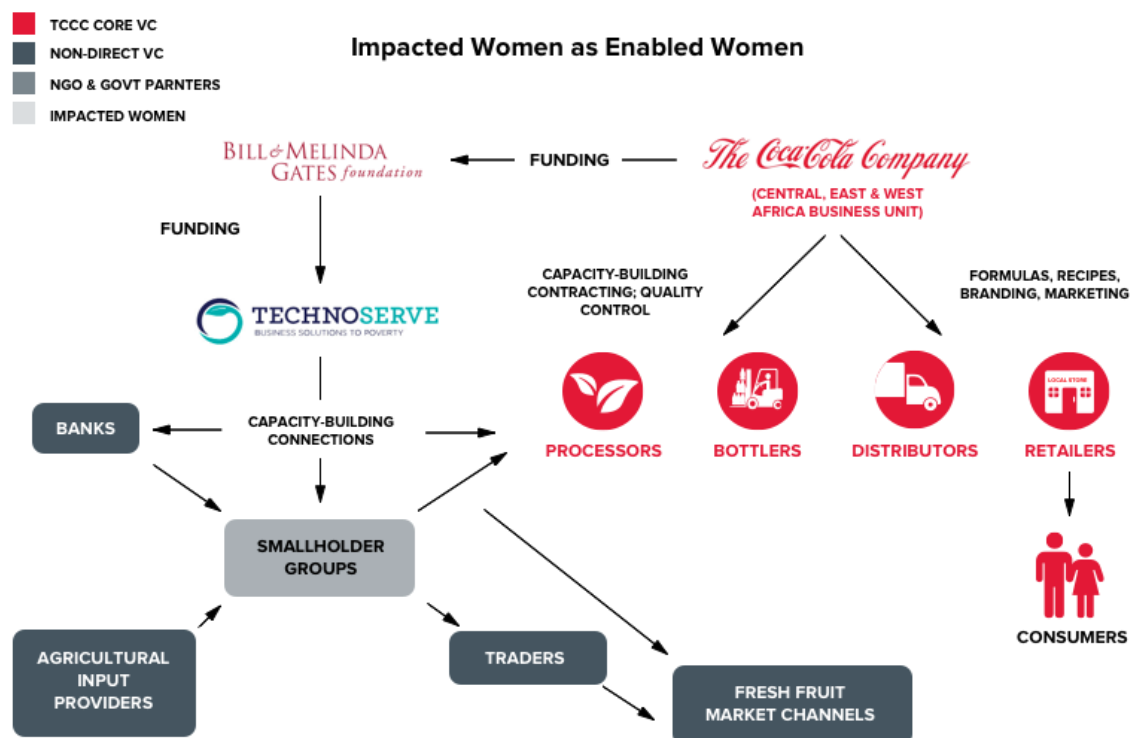
- Enabled nearly 16,000 women farmers, 30% of total of 53,000 project participants.
- Participating women farmers saw average incomes increase by 140% over the four year program.

Program Design Elements Tailored to Women

- Training techniques were designed to encourage women to participate actively in class.
- The benefits of gender equality and women's leadership skills were highlighted by trainers.

- Farmer business groups were encouraged to identify and address barriers to women's participation in group leadership, such as cultural attitudes, women's lack of self-confidence and competing demands on their time, such as family responsibilities.
- Sessions were conducted with men to help them understand that when women work they bring money into the household but do not challenge men's role and status in the family. This greater understanding significantly reduced the incidence of husbands blocking their wives' participation.
- Training location and scheduling was conducive to women's availability.

Figure 15



Source: The Coca-Cola Company's 5by20 Initiative, Harvard Kennedy School, 2013

Suppliers

The Coca-Cola Company and its bottling partners around the world purchase goods and services from thousands of Suppliers, who comprise a critical segment of the TCCC value chain. Since 2001 the Company has run a Supplier Diversity Program with efforts targeted toward minority and women-owned businesses among both Tier 1 and Tier 2 suppliers. Because of the strength of that long-standing initiative, 5by20 decided to focus initially on other activities in the value chain before launching supplier-related 5by20 programs.

The Business Case for Coca-Cola: A larger and more diversified supplier base provides greater stability of supply options and offers opportunities for enhanced community engagement.

Supplier Training & Empowerment Program

In 2014, The Company launched the **Supplier Training & Empowerment Program** (STEP) in the US, partnering with leading advocacy organizations, including the Women’s Business Enterprises National Council (WBENC), to identify issues most relevant for women-owned business enterprises (WBE). Through an on-line portal linked to the Supplier Diversity website, STEP offers interactive training modules on such topics as corporate procurement, financing and management to help women-owned suppliers grow their businesses.

Distributors

Distributors move beverage inventory from bottling facilities to retail outlets. Some distributors are owned by bottlers or function as part of the bottler’s core operations, while others are independent businesses that exclusively service Coca-Cola bottling partners. There have been ten 5by20 programs focused on the Distributor segment.

The Business Case for Coca-Cola: More efficient distribution systems, designed and managed to meet the specific needs of local retail outlets, will generate increase sales through better product availability.

Micro Distribution Centers

Micro Distribution Centers (MDCs) is the longest-running Coca-Cola program that contributes to the 5by20 initiative. Launched in 1999 and implemented in various forms by ten bottlers in more than two dozen countries, the MDC model has been a foundational component of Coca-Cola’s efforts to use its core business operations and value chain to drive social and economic development. Prior to 5by20, the MDC program was a key component of the Company’s commitment to the Business Call to Action, an initiative launched in 2007 to mobilize private enterprise to support the Millennium Development Goals.

The MDC model was developed in Ethiopia by regional bottler Coca-Cola Sabco to address the challenge of delivering Coca-Cola products to the numerous small shops in Addis Ababa, which are typical of the small-scale, urban retail outlets that represent an important sales channel (known as “traditional trade”) in

emerging markets. Narrow streets could not accommodate regular delivery trucks and small stores could afford neither to purchase nor to hold standard volumes of inventory. The solution was a network of MDCs that distribute Coca-Cola products to such shops with frequent, small deliveries via pushcarts, bicycles, three-wheelers and other non-motorized or small-powered vehicles. An MDC typically services between 250-600 retail outlets within a 3-10 kilometers radius of its warehouse. The average MDC owner has a high school education and a modicum of business experience and must possess the ability to raise capital.

Coca-Cola Kwanza, part of the Coca-Cola Sabco Group, developed a network of more than 170 MDCs to serve its territory in Tanzania, and in 2015, the MDCs accounted for 95 percent of Kwanza's sales volume. Coca-Cola Kwanza historically supported MDC owners in multiple ways, and with the advent of 5by20 in 2011, Kwanza reshaped components of its support systems to focus greater attention on the needs and circumstances of women owners.

The success of the MDC model owes much to its role as an integral component of Coca-Cola Kwanza's business operations in a market that requires flexible, small deliveries, and to the intensive and hands-on coaching and high value training. It also benefits from the investment that The Coca-Cola Company made in funding and piloting the experiential training curriculum, which then became available to other bottlers.

Key Program Components

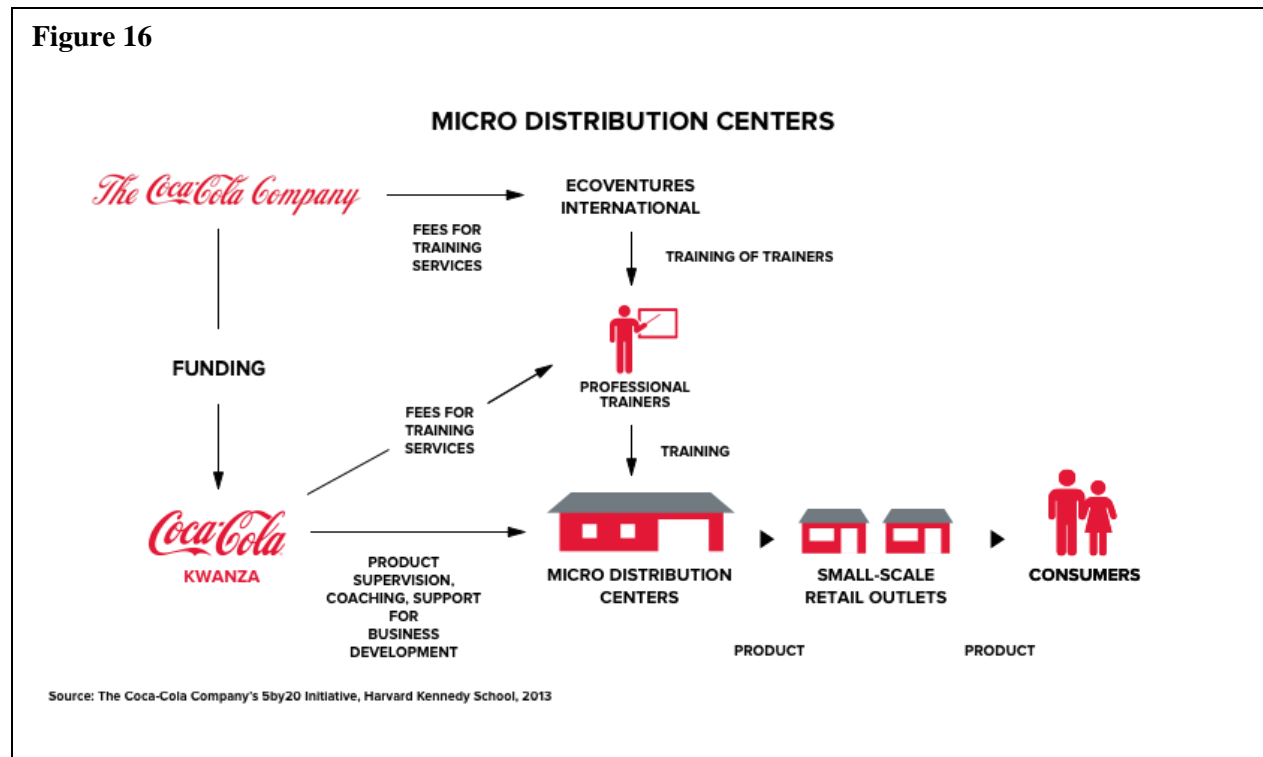
1. **Supervision, Coaching and Mentoring.** Kwanza sales staff, comprising Resident Account Developers (RADs) and senior Area Sales Managers (ASMs), visit MDCs frequently, sometimes daily, to monitor operations and coach owners on management and customer service issues, and to offer guidance on growth opportunities. Coca-Cola Kwanza increased the number of women serving as RADs and ASMs, a move that helped to improve performance of the MDC model.
2. **Training:** Coca-Cola Kwanza provides MDC owners skills training in business and financial management. Through a collaborative effort, Coca-Cola and Coca-Cola Kwanza elevated the value of the training by introducing an experimental program in place of the traditional classroom lecture model. Kwanza staff participate together with MDC owners and staff in business simulations that provide a hands-on, realistic experience in business decision-making that enables participants to understand the impact of decisions and process changes on profitability and asset utilization. The experiential training accommodates participants with varying levels of education and business literacy, and its modular design allows a variety of delivery formats to suit MDCs' schedules and time constraints. Kwanza makes a particular effort to encourage women owners to attend and schedules training sessions at times and places that meet women owners' availability.
3. **Financing:** Coca-Cola Kwanza helps owners access financing, such as zero-interest loans, to purchase hybrid motorcycles that enable MDCs to serve larger territories with more regular deliveries.

Partner Roles and Responsibilities

Coca-Cola Kwanza manages all elements of the MDC model in its territory, identifying distribution locations, recruiting new owners, providing assistance with route and service planning and investing in

facilities and equipment. EcoVentures International developed the curriculum and trained local trainers, who deliver the curriculum. TCCC funded the development work on the experiential curriculum and the training pilots, creating an asset that would be available to other bottlers. As the program matured it has become self-funding (**Figure 16**).

Figure 16



Impact on Women

- Sixty-five percent of MDC owners are women.
- More women are serving as Resident Account Developers (RADs) and more senior Area Sales Managers (ASMs).

Program Design Elements Tailored to Women

- Attention to encouraging women participation in training
- Experiential training better suited for people with less formal education, which is often the case for women owners and staff
- Flexible training format, locations and scheduling conducive to women's availability

5by20 Entrepreneur Profile



Lilian Kessy

"I am proud of my success. But I dream of growing my business bigger... It's all for my daughter."

Lilian Kessy always knew she wanted to be a businesswoman, just like her parents.

At the age of 24, Lilian launched a small manual distribution center, called Lilian MDC, in the Kinondoni District of Dar es Salaam, Tanzania in 2005. For Lilian, running her own business was not easy and her resources were limited. She was the sole manager, as well as the stock controller, cashier and salesperson – with only a pushcart to help her. At home, she was also a wife and the mother of a two year-old daughter, Angel. To increase the size of her business, she sold a portion of her family's land, investing all of the proceeds in her entrepreneurial dream.

In 2012, Coca-Cola invited Lilian to participate in 5by20, where she received training and mentoring that has helped her to run a more efficient business. She now knows how to manage the operation, save money, keep records, and communicate with staff and customers. By applying the training and skills learned, Lilian's business has more than doubled in size. She now manages 11 employees and has increased her sales to an average of 25,000 cases monthly to more than 500 customers, making her one of the top distributors in the area.

Lilian's success has made her a pillar of the community. In addition to serving Kinondoni through her business, she also serves as an inspiration to other women and gives back by providing advice and business knowledge. According to Lilian, "If you love something, you have to put [in] a lot of effort."

The growth of Lilian's business has also allowed her to realize personal aspirations including providing for her daughter, now 12 years old and a top student at her private school, with dreams of a career in science.

Although Lilian's business has already achieved much success, she dreams of more. She intends to open a second micro distribution center, expand to other communities and continue employing other women.

Source: The Coca-Cola Company

Retailers

5by20 includes more than 125 Retail programs, reaching nearly 91% of the women enabled. Multiple reasons contribute to the proliferation of programs in the retail segment:

- Adding and expanding sales in retail outlets is fundamental to Coca-Cola's core business objective of doubling sales volume by 2020.
- Small retail outlets, which are appropriate for many communities in developing economies, are relatively low cost and straightforward to set up and operate.
- Coca-Cola developed a highly-effective, modular, retail training program – STAR – which is transportable and adaptable to multiple markets.
- Retail is a sector that employs many women, making it a promising avenue for achieving significant impact.

The Business Case for Coca-Cola: Retail programs drive increased sales of Coca-Cola products through business growth at existing retailers due to improved merchandising and other business practices, through improved availability of product due to creation of new outlets in underserved areas, and through enhanced brand image and reputation due to social and development benefits of 5by20 community engagement.

Because of the importance and prevalence of Retailers to Coca-Cola and 5by20, this report provides overviews of three retail programs that offer three different approaches in three different geographies. ***Sari-Sari Training and Access to Resources (STAR) Philippines*** (Asia Pacific) builds the retail and business management skills of women who own small shops; ***Outlet Creation*** (Africa) helps marginalized women start up small outlets in rural villages; and ***Coletivo Retail*** (Latin America) develops the life skills and education of youth in preparation for employment in the retail sector.

The STAR Program – The Philippines

The STAR program in the Philippines was one of the founding 5by20 programs and has been one of the most ambitious and most successful, impacting more than 50,000 women by the end of 2015. Launched in mid-2011, the program seeks to increase the income and improve the quality of life of women owners and operators of sari-sari stores, ubiquitous small-scale retail outlets that serve as an important sales channel for Coca-Cola in the Philippines. After 2013, the initial target of 100,000 women retailers was doubled. Coca-Cola Philippines partners with its local bottler, Coca-Cola FEMSA Philippines (FEMSA), the Philippine government's Technical Education and Skills Development Authority (TESDA) and more than 20 other organizations (NGOs, microfinance institutions and local government entities) across the country to deliver the program to 10,000 women owners per year.

Clarification: The STAR (Sari-Sari Training and Access to Resources) program in the Philippines shares the acronym and some of the content of the STAR (Shopkeeper Training and Access to Resources) curriculum used in many 5by20 programs, but also has some key differences.

The program has been particularly important following several major natural disasters, such as the super typhoon Yolanda which struck in late 2013 and devastated the province of Leyte, forcing many sari-sari owners to rebuild their stores. Through a joint initiative between Coca-Cola, Procter & Gamble and US AID, by early 2016, 1,000 stores had been rebuilt and stocked with inventory and the owners enrolled in the STAR program.

Key Program Components

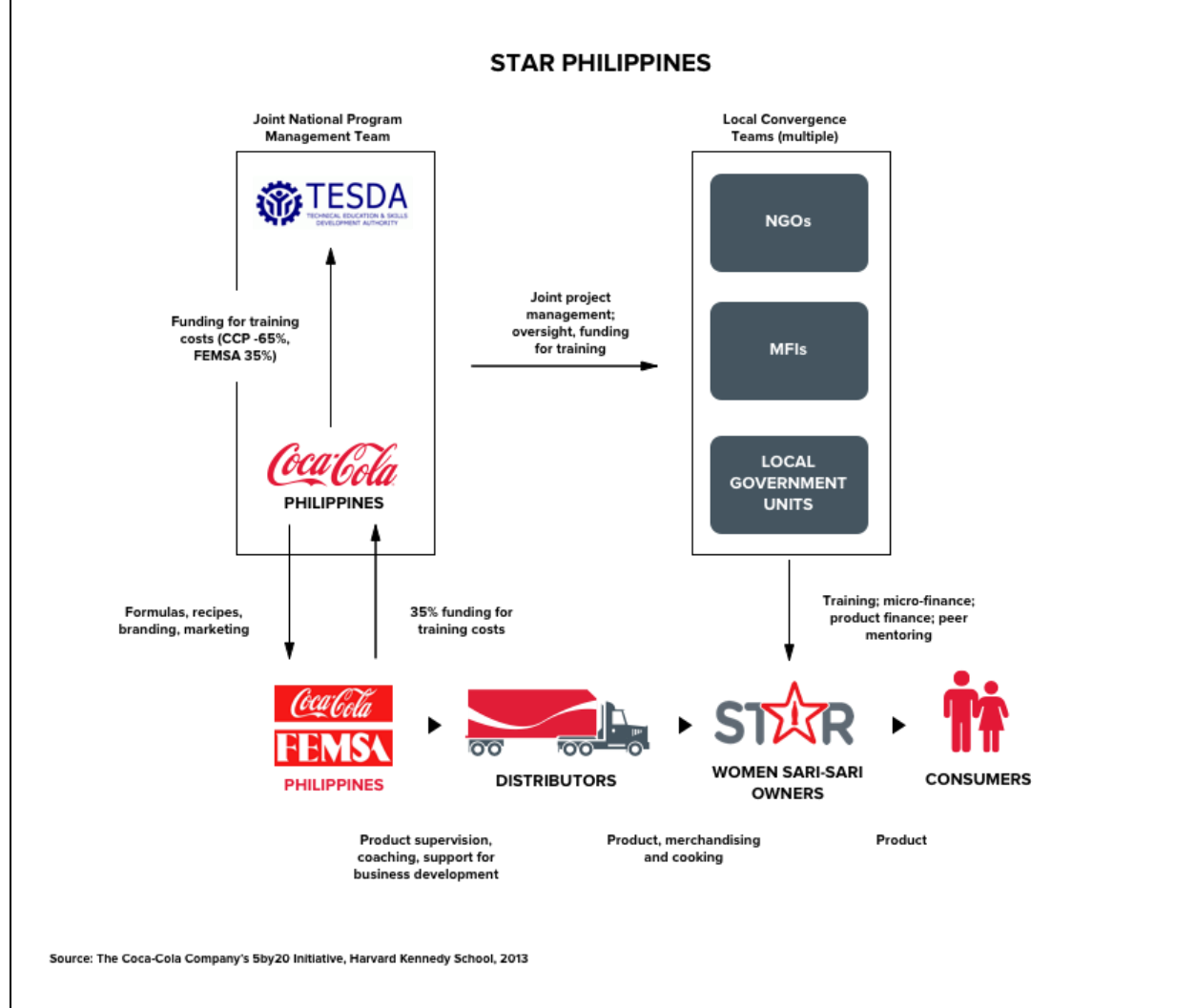
STAR Philippines offers sari-sari owners the three core 5by20 components.

- 1.) **Training and Capacity Building:** Women owners participate in a Basic Entrepreneurship and Gender Sensitivity Training course, customized to sari-sari outlets. The course uses an experiential approach and is offered in the local language in weekly half-day sessions for 12 weeks. In addition to retail and business operation concepts, the training helps prepare women to qualify and apply for loans
- 2.) **Access to Resources:** Partners facilitate access to finance by introducing owners to micro-finance institutions (MFIs) and helping them prepare and apply for loans. As part of the program Coca-Cola introduced STAR Loan, an electronic platform designed as a simple and efficient method of financing inventory for small-scale outlets. An owner places an order with a distributor via mobile phone, the lender approves a credit line for the amount of the order and then pays the distributor within a day or two of delivery. The retailer repays the loan within an agreed-upon period, typically a week. STAR program graduates also have access to FEMSA's merchandising program, in which bottler staff visit outlets to reinforce merchandising concepts and to determine eligibility for coolers, signage and assistance with facility renovations.
- 3.) **Peer Mentoring:** Graduates of the program can access peer networks through their local STAR partner NGO or through a micro-finance institution. Attendance at meetings, participation in organization events, and contact with other women entrepreneurs offer sari-sari owners the opportunity to continue to develop and expand their skills and confidence.

Partner Roles

CCP and TESDA manage the STAR Program through a joint National Program Management Team and FEMSA participates through a Coca-Cola System Technical Working Group. Funding for training costs (recruitment events, materials and trainer's fees) are split 65/35 between CCP and FEMSA. FEMSA is responsible for identifying potential participants and providing merchandising support. Program execution is managed by a TESDA team that oversees a network of partners across the country who are responsible for all program operations, including: recruiting and screening participants, supplying trainers, conducting training, providing all resources, and facilitating access to financing (**Figure 17**).

Figure 17



Impact on Women

- 50,000 women sari-sari owners have gained improved business skills, access to financing and peer mentorship.

“Be strong, never stop believing in yourself, and follow your dreams.”

Jocelyn Pacrin, artisan and 5by20 entrepreneur from Manila, Philippines

Program Design Elements Tailored to Women

- Training focuses on gender issues that can be a barrier to women owners' success, such as managing a large share of household duties.
- Experiential training better suited for people with less formal education, which is often the case for women owners and staff.

Outlet Creation

The largest 5by20 retail program model in Africa is the Outlet Creation program, launched in Nigeria in 2011. While creating new outlets has been an on-going element of TCCC's market development, the 5by20 team in Africa shaped a program for outlet creation that was tightly aligned with women's position in their communities and that particularly benefited marginalized women. The program addresses a significant challenge for TCCC: selling products in the numerous hard-to-reach locales, scattered across an expansive region, that lack small retail outlets.

By creating an "empowerment ecosystem" of partners and resources, the Outlet Creation program identifies women who are not connected to the social and economic system and who therefore are unable to find employment or to access the resources and training required to start a business. In spite of those apparent handicaps, the selected women possess the knowledge, motivations and aspirations that enable them to run outlet businesses successfully. They know their communities -- the people and who is able to afford to purchase what kinds of products -- and they possess a strong desire to improve their communities and to empower themselves and feed their families.

The program model is highly scalable and replicable to other markets in Africa due to the strong interest among women who have been excluded from the social and economic benefits of society. It first scaled in Nigeria and South Africa, and was then replicated in other African countries, including Kenya, Liberia, Ghana, Tanzania, and Uganda, markets with similar drivers (expansion into rural areas), cultural contexts (women positioned and motivated to start small outlets) and access to complementary resources from NGO civil society partners. Different geographies required modifications, but the core of the program remained the same. The Outlet Creation program could be challenging to translate directly to some countries in northern Africa, where religious and cultural norms often barred women from presenting themselves to the community as the owner/operator of a commercial establishment.

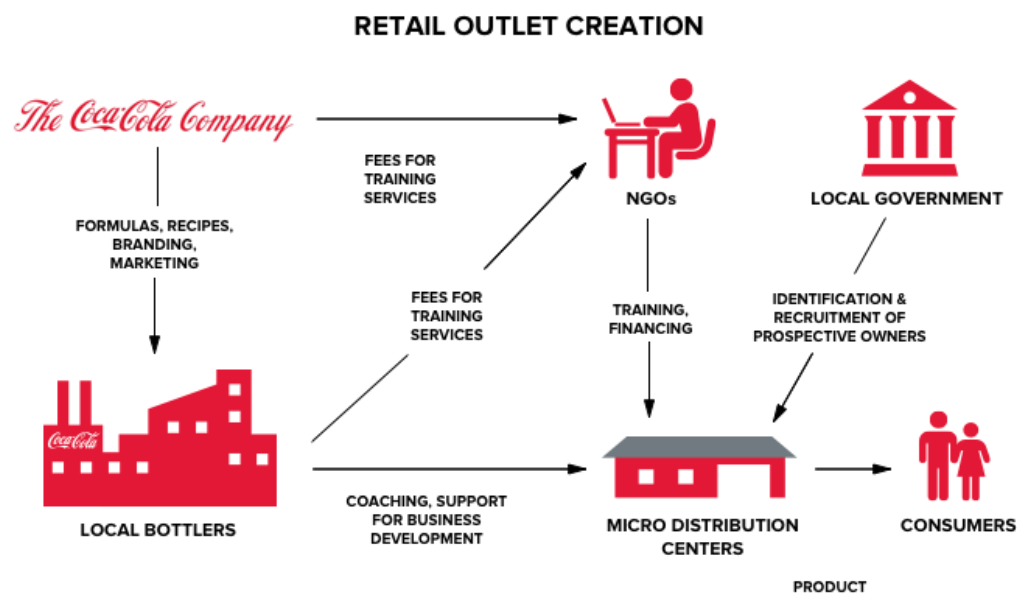
Key Program Components

1. **Business training** in retail management, adjusted to the appropriate level and delivered by a local NGO partner at a place and time that is accessible. TCCC supplies the training curriculum, which is based on the 13-module STAR program.
2. **Business assets:** typically a chest or larger refrigerator, and inventory to set-up and operate a small retail outlet
3. **Connection to financing:** typically a grant provided by an NGO
4. **Proven business model**, supported by The Coca-Cola Company and its system, and the support of the local Coca-Cola bottler
5. **Initial and on-going guidance:** Guidance on where to set up the outlet (e.g., street corner with good heavy foot traffic) and help maintaining sales records and financial accounting

Partner Roles

The Outlet Creation program has both local partners, which vary by country, and global partners, such as IFC, who are involved across all geographies. In every country, local government agencies help to identify and recruit participants, and NGOs deliver the training. IFC works with local banks to develop suitable loan products (**Figure 18**).

Figure 18



Source: The Coca-Cola Company's 5by20 Initiative, Harvard Kennedy School, 2013

Impact on Women

- More than 300,000 marginalized women have been impacted through training and access to assets and finance to create small scale outlets.
- Many women have gained economic empowerment, an increased ability to contribute to their families' well-being, and greater self-confidence.

Program Design Elements Tailored to Women

- The curriculum is simplified to suit the needs of marginalized women, many of whom have had minimal access to formal education.
- Based on women's inclination to socialize, the program facilitates the use of networking to enable participants to support and assist each other with business issues.
- The cost of entry is as low as possible to suit the economic status of marginalized women, who are able to start an outlet with only two cases of beverages.
- IFC works with local banks to create loan products suitable for women with minimal business knowledge.

Coletivo Retail

In 2009, Coca-Cola Brazil launched Coletivo Retail, an innovative program designed to generate income and increase empowerment among Brazilian communities and to strengthen local retailers. To develop this shared value approach that linked business and social needs, Coca-Cola created a cross-functional design team and immersed fifteen senior executives in the favelas of major cities, where they met with civic, church, school and other community leaders. The team identified a group of social needs that intersected with the business: low productivity among small retail operations, youth unemployment, low education levels and limited access to economic opportunity. Coca-Cola collaborated with local community leaders to ensure that program elements – target demographics, structure, incentives and recruitment practices -- were aligned with local conditions and would address the identified social needs.

Coletivo Retail features an eight-week course that combines skills training, work experience and employment readiness and access. The initial skills training was focused primarily on the technical elements of retailing, but students were hampered in their progress by lack of self-esteem and self-confidence, leading to inclusion of “life skills” (e.g., leadership, perseverance) as an integral part of the program. A monitoring system also revealed the importance of a strong NGO implementation partner with a physical presence in the community, prompting efforts to bolster the capacity of NGOs involved in the program.

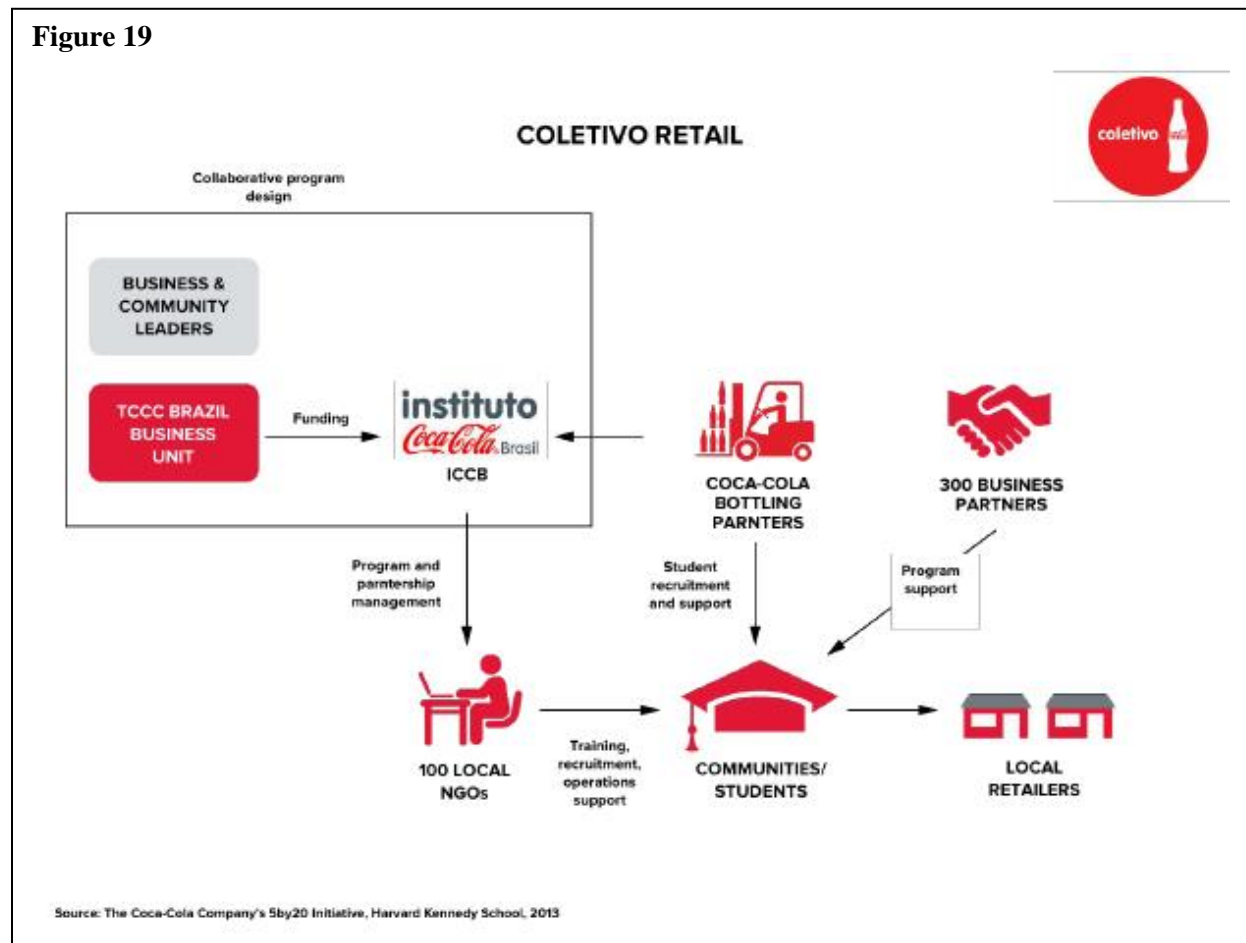
Key Program Components

1. **Skills Training:** a combination of technical merchandising/retailing skills and “life skills” to build self-confidence
2. **Work Experience:** assignment to a small retailer in the community where students assess operations and offer recommendations
3. **Employment Readiness and Access:** instruction in job readiness skills and access to job-placement support

Partner Roles

The Coca-Cola Brazil Institute has overall management responsibility for the initiative: developing, refining and implementing program design and methodology, overseeing monitoring and evaluation efforts, and managing NGO partnerships arrangements. NGO and business community support is extensive: more than 100 local NGOs assist in student recruitment, operations support and training, and 300 business partners support Coletivo Retail by providing technical support and hiring program graduates. Community leaders and NGOs also play an important role in helping to evaluate performance and improve execution (**Figure 19**).

Figure 19



Impact on Women

- 62% of Coletivo Retail graduates are female.
- 30% of graduates find a job within six months of completing the program, half of whom experience an average 50 percent increase in household income.
- Three-quarters of graduates report an increase in self-esteem, likelihood of maintaining sufficient earning power to support families, and greater confidence in their futures.

Program Design Elements Tailored to Women

- Training curriculum has been revised to incorporate gender- and human rights-based modules.

Recyclers

Building and supporting recycling capacity and systems is a critical element of Coca-Cola's sustainability commitment and serves both to reduce waste and to develop supply chains for recycled packaging material. Many low-income people are involved in recycling efforts and often work in cooperatives with low infrastructure as a survival economic activity. Helping them organize their cooperatives can help build greater economic self-reliance while also improving recycling efficiency.

The Business Case: Helping recyclers develop recycling capacity offers multiple potential benefits for Coca-Cola. In the short-term, the efforts enhance the Company's corporate reputation and further its strategic sustainability goals of reducing environmental impact. It also has the potential to increase the availability of recycled PET¹⁷ thereby reducing cost and enhancing supply security.

Coletivo Recycling

Coletivo Recycling is designed to help build the organizational capacity and the operational and management capabilities of recycling cooperatives in Brazil. Comprised of groups of low-income people, recycling cooperatives collect and sort waste from communities and dumps and sell the sorted waste to brokers, who sell it to recycling plants. Informal structure, small scale and lack of operational sophistication impede the ability of most cooperatives to sell directly to industry. Through training, coaching and help with market access, The Coca-Cola Brazil Foundation (ICCB) and a local partner work with cooperatives to achieve the necessary scale and skills to try to bypass brokers, sell to recycling plants and thereby increase their incomes. Increased recycling of plastic bottles can directly benefit Coca-Cola's goals of increasing use of recycled PET bottles.

Key Program Components

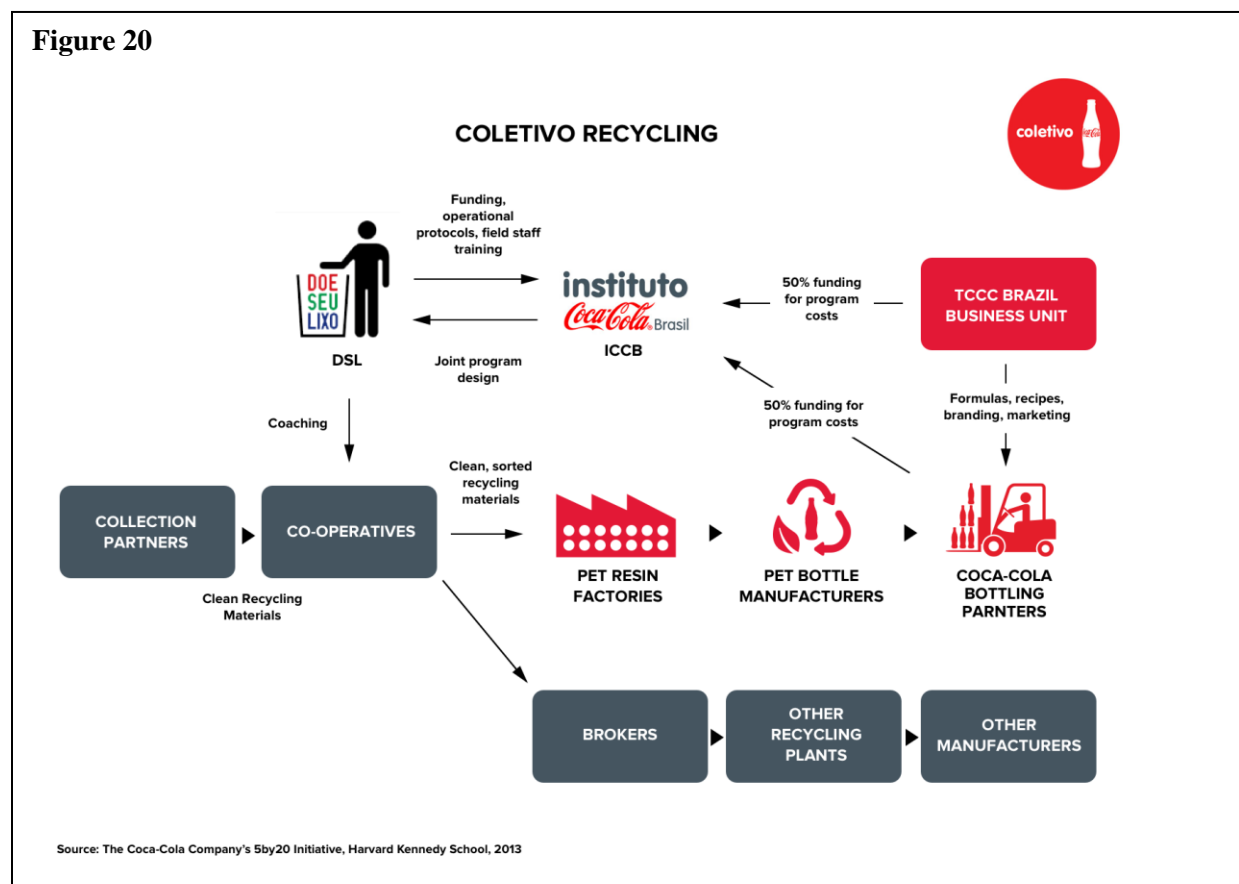
1. **Development Methodology:** The partners created a four stage methodology that determines support to help cooperatives transform into developed cooperatives.
2. **Training and Coaching:** Field staff visit recycling cooperatives to check on their operations and provide coaching around both operations management and life skills issues.
3. **Supply Access:** ICCB works with cooperatives to help them access new sources of supply, such as curb-side recycling. Through coaching and facilitation, cooperatives are empowered to negotiate with municipalities, who were required to offer curb-side recycling by 2018 under Brazil's new National Waste Policy.
4. **Demand Creation:** TCCC's Brazilian business unit has increased its use of bottles made with 20% recycled PET, leveraging its market power to encourage investment in resin facilities. There is an opportunity to increase demand and scale, boosting market incentives for recycling.

¹⁷ PET: polyethylene terephthalate, the type of plastic (labeled #1) mostly commonly used for beverage bottles.

Partner Roles

ICCB developed the Coletivo Recycling program, including recruiting standards for field staff, protocols for coaching the cooperatives through four stages of development, and procedures for ensuring that cooperatives receive consistent staff support and service. The organization manages the project, overseeing field staff and implementing the social technology. The program is funded out of ICCB's core operating budget, which is funded in equal proportions by bottling partners and by TCCC's Brazil business unit (Figure 20).

Figure 20



Impacts on Women

- Approximately 60% of the members of cooperatives are women.
- Highest performing cooperatives can generate three times the level of income for members as cooperatives at the 1st stage, significantly benefitting the women participants.

Artisans

Enabling the empowerment of artisans is an important component of the 5by20 commitment. Although they represent a small percentage of the total number of women enabled, artisans are an important part of their communities, and they add a valuable dimension to the value chain by crafting recycled beverage containers into high-quality artwork. The artisan segment is one that requires particular attention in order to identify program opportunities. Similar to Producers and Recyclers, Artisans are not directly linked to Coca-Cola business operations, as are Suppliers, Distributors and Retailers. A direct connection to the value chain can develop through Recyclers, however, who provide artisans with raw materials. Thus both Artisan and Recyclers play an important role in the Company's environmental and sustainability efforts (**Figure 21**).

By end of 2015, 5by20 had reached more than 1,000 artisans engaged in 25 programs across 15 countries around the world by providing access to design and/or business skills training, finance or assets, and mentorship. The artisans hand-craft products out of Coca-Cola product packaging, as well as some indigenous materials, and 5by20 programs provide training and advice on technical specifications, quality and consumer appeal.

As with other 5by20 programs, the origination, development and implementation of most artisan programs is managed locally. In contrast to other segments, however, one member of the global 5by20 team oversees all artisan programs and is active in identifying opportunities to share best practices across geographies, providing design and merchandising assistance, and leading global retailing efforts.

In settings as diverse as the Amazon rainforest and urban ghettos, the Company has worked with artisans in multiple ways based on their needs. In some cases it has identified communities where women have existing craft skills but needed either additional training, connection to recycled materials or assistance

Figure 21: Artisan Sector

Artisan: a skilled craft worker who creates functional and/or decorative hand-made items.

The artisan sector is the second largest employer in the developing world after agriculture, providing a livelihood for hundreds of thousands of people, primarily women. Estimates of the global value of artisan production range as high as \$34 billion. More than simply providing employment for those who might not otherwise have access to work, artisan income builds local economies and stabilizes communities by helping families escape poverty and educate and feed their children. Moreover, artisans often help to sustain ancient handicraft techniques and preserve culture. In spite of these benefits, the artisan sector is often undervalued as a driver of economic growth and a component of development assistance efforts. Recognizing the important role that companies and governments play to build and sustain the sector, the Aspen Institute and the US State Department organized a global event in September 2015 at which Secretary John Kerry spoke to 800 artisans from around the world.

Sources: *Three Surprising Facts You Didn't Know About the Artisan Industry*, October 23, 2014, Piece and Co. <http://www.pieceandco.com/blog/2014/10/23/3-surprising-facts-artisan-industry>
The Alliance for Artisan Enterprise: Bringing Artisan Enterprise to Scale, The Aspen Institute

finding markets for their products. One of the most successful of these programs is Coletivo Artes in Brazil (**below**), an artisan cooperative model that has expanded to 250 groups. In Manila, 5by20 created an artisan group “from scratch” as part of an effort to overcome endemic poverty. To enable parents to earn sufficient money to allow children to remain in school, rather than scavenge landfill sites to earn food money, a livelihood program was established, and 5by20 provided sewing machines and training to help parents learn artisan skills.

Artisans typically sell their goods within their local communities. 5by20 helps artisans elevate the design and quality of their products to command higher prices, and more income, from sale to markets outside their communities. In addition to being available in new markets within their regions, products made primarily with Coca-Cola packaging materials (aluminum cans, plastic and glass bottles, Coca-Cola labels, can pull tabs and bottle caps) are sold through an online Coca-Cola retail store website as well as physical Coca-Cola branded stores and a printed catalog. In 2015, 5by20 selected five artisan groups for a pilot program offering products in global consumer markets, an initiative that required dealing with such complexities as product liability insurance and inventory financing.

Coletivo Artes

Coletivo Artes, run by the Coca-Cola Brazil Foundation (ICCB), seeks to improve the incomes of artisan cooperatives in Brazil who use Coca-Cola packaging to hand-craft decorative artwork. Each cooperative is typically composed of 10 women, aged 20 to 50, who gather in the homes of friends and relatives to produce and sell artwork to supplement their incomes. Coletivo Artes was launched in 2011 as a pilot, and by 2016 it supported more than 250 cooperatives.

Key Program Components:

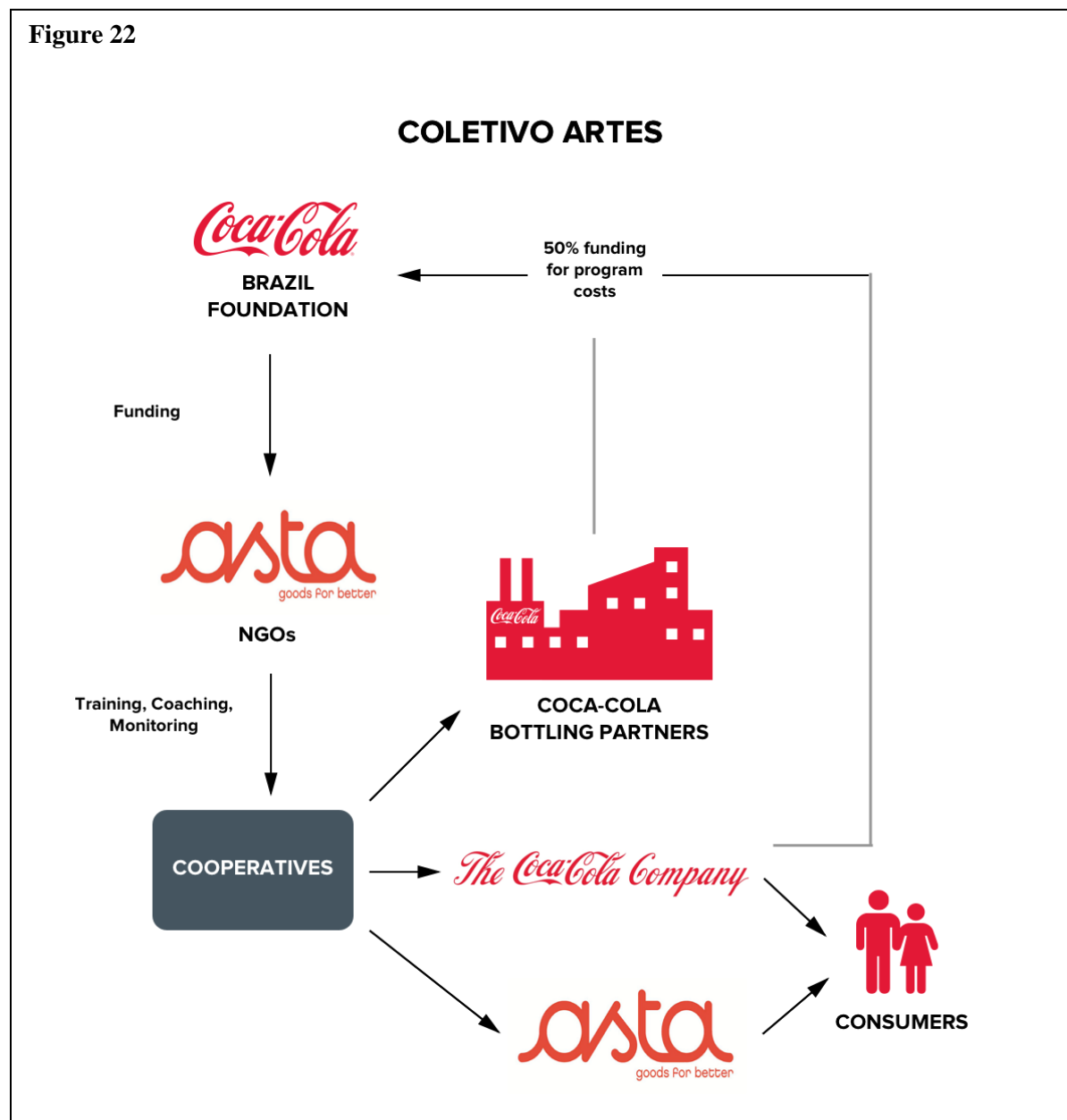
1. **Design Expertise:** A professional designer, hired by the program, develops an annual product line of 20 items that includes jewelry, purses and home decorative ware, all constructed of recycled packaging materials. Cooperatives typically select 3 to 5 items for production.
2. **Technical Expertise:** Program staff help cooperatives organize their workspace to enhance production efficiency and provide training in quality control and such areas as product packaging.
3. **Business Skills Training:** Staff train artisans in business skills, (e.g., product pricing and customer diversification) and production metrics (calculating order fulfillment time and scale potential.)
4. **Market Access:** Market access has been expanded through Asta, a partner NGO that purchases artisan goods for resale door-to-door, through a storefront in Rio de Janeiro, and through on-line sales. Coletivo products are also sold through the Coca-Cola corporate channel, including its catalogue, web site and company stores.

Partner Roles

In addition to initial training, field staff from Asta visit cooperatives to monitor production quality and volume, sales, access of recycled materials and product delivery. They provide guidance and coaching as

needed. Coletivo Artes was initially funded out of ICCB's operating budget but has been evolving to a self-funding model based on a percentage of profit from cooperative product sales (**Figure 22**).

Figure 22



Impact on Women

- All participants in Coletivo Artes are women, many of whose incomes support families.
- Cooperative members have seen their incomes increase by 30% since the start of the program.

Note on Program Structure

Most 5by20 programs are locally run and focus on a single segment of the value chain. Some, such as Outlet Creation, have been replicated in multiple countries but retain a regional geographic context. Two exceptions are the Artisan Segment, which has more of a global structure, and Coletivo, a platform in Brazil that has programs spanning the entire value chain.

The Coletivo Platform

Brazil is Coca-Cola's fourth largest market, after the US, Mexico and China, and represents seven percent of company sales. Recognizing the need to expand its presence in less-affluent communities, Coca-Cola developed Coletivo, a transformational platform designed to increase income and strengthen life-skills and self-esteem among disadvantaged youth. Launched in 2002, Coletivo now features seven models that span the Coca-Cola value chain (**Figure 23**). Many Coletivo programs have been integrated into 5by20.

Figure 23

Suppliers/Raw Materials	Coletivo Forest builds the capabilities of superfruit harvesters in the Amazon rainforest and improves supply security of high-quality raw ingredients for Coca-Cola beverages. It is not currently part of 5by20.
Product or Service Development	Coletivo Logistics trains participants for jobs in distribution, production, and warehousing, providing a source of skilled talent for the Coca-Cola system and its partners
Distribution	Coletivo Entrepreneurship trains participants to develop and expand their small enterprises, increasing their potential to connect to the Coca-Cola system and grow their sales.
Sales & Marketing	Coletivo Retail prepares youth for employment in the retail sector, providing a source of talent for Coca-Cola key accounts, such as McDonalds and Subway.
Customer Service	Coletivo Events prepares youth for hospitality jobs in large events hosted in Brazil, such as FIFA World Cup, 2016 Olympics and Rock in Rio music festival.
Recycling	Coletivo Recycling supports recycling cooperatives by investing in infrastructure and training members in organizational and management skills to build scale and improve efficiency to increase incomes.
Artisans	Coletivo Arts provides artisans with design and marketing expertise to enhance the consumer appeal of their handicrafts and enable broader sales distribution.

Measuring Impact

5by20 programs have demonstrated the capacity to facilitate and deliver positive impacts to business in the extended Coca-Cola value chain, to community economic development, and to the social position and psychological health of women (**Figure 24**).

Figure 24

THE COCA-COLA VALUE CHAIN AND COCA-COLA SYSTEM

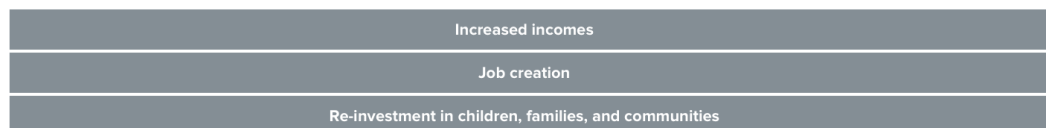
THE COCA-COLA VALUE CHAIN



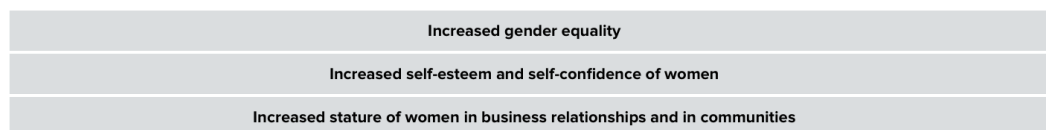
BUSINESS IMPACT



DEVELOPMENT IMPACT



SOCIAL IMPACT



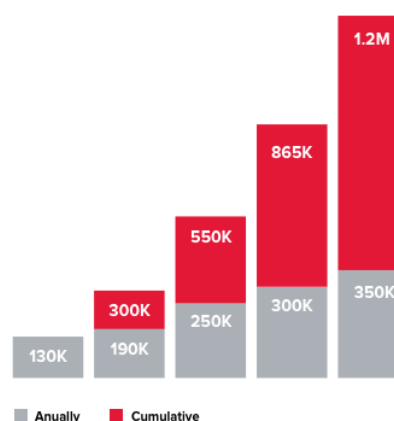
Source: Adapted from Harvard Kennedy School and Business Fights Poverty Report: The Coca-Cola Company's 5by20 Initiative, 2013

5by20 employs three methodologies to gather data and to monitor and evaluate various aspects of the initiative.

- Tracking:** The 5by20 team tracks and reports progress toward its goal of enabling the economic empowerment of 5 million women entrepreneurs, with figures published in the TCCC Annual Sustainability Report. From 2012 – 2014, this data has been independently validated by DNV GL in a representative sample of countries each year to provide limited assurance on the reliability of the results and provide recommendations on the reporting and measuring of progress. Beginning in 2015, Ernst & Young, Coca-Cola’s financial auditor, has been validating the 5by20 results publicly reported in the Company’s annual Sustainability Report.
- Impact:** A longitudinal research study has been conducted by Ipsos, a leading market research partner, in South Africa to assess economic and social impacts of 5by20 on participating women, their families and their communities. A similar study is underway with Ipsos in the Philippines. In 2015, 5by20 also commissioned a study to evaluate impacts on the Artisan sector.
- Insights:** Third-party case studies of specific programs provide insights on progress, effectiveness and scalability. One example is the 2014 case on Coletivo Retail “Thirsty for More – Coca-Cola’s Shared Value Approach with Communities across Brazil,” published by FSG.

Figure 25

GLOBAL RESULTS TO DATE
1.2 Million Women Empowered by end of 2015

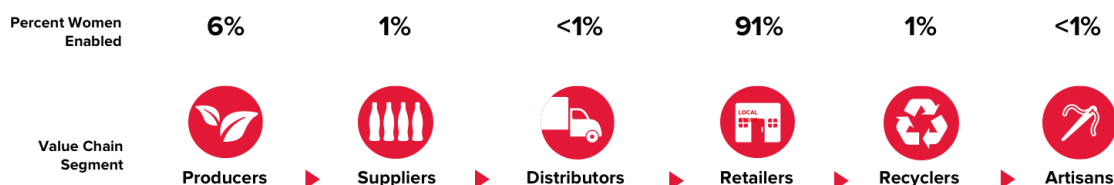


Tracking: 5by20 by the Numbers

By the end of 2015, the 5by20 program has enabled more than 1.2 million women entrepreneurs across 60 countries since its inception in 2011, primarily in the retail (91%) and producer (6%) segments of the value chain (Figures 25 & 26).

Figure 26

RESULTS BY VALUE CHAIN SEGMENT



Women have been enabled primarily through business skills training and access to finance and/or assets (**Figure 27**). Although cumulative results fell short of the 2015 global milestone target of 1.5 million, 5by20 programs were launched in eight new countries in 2015, bringing the total to 60 countries, and many programs achieved significant growth (**Figure 28**).

Figure 27
CUMULATIVE TOTALS BY TYPE OF INTERVENTION RECEIVED

Business Skills Training	1,054,209
Access to Finance/assets	512,893
Networking/Mentoring	359,173

*The numbers add up to more than the number of women enabled because a number of programs offer multiple enabling activities to each participant.

Figure 28
CUMULATIVE TOTALS BY GEOGRAPHY

GROUP	WOMEN ENABLED
North America	1.6%: 20,067
Latin America	11.9%: 147,380
Europe	>1%: 1,522
Eurasia/Africa	53%: 656,238
Asia Pacific	33.3%: 412,527

Regional Highlights

Eurasia/Africa: Programs in developing markets, especially Africa, have continued to have the greatest impact. Nigeria remains the single largest 5by20 contributor, enabling more than 300,000 women, many through the *Outlet Creation* program. Kenya has 18 programs which have enabled more than 189,000 women, primarily in the retail sector. The Women’s Enterprise Fund program in Kenya enabled 76,727 women, leveraging the STAR curriculum.

Asia Pacific: The STAR program in the Philippines continued to have a major impact, enabling 15,369 women in 2015 for cumulative total of more than 50,000 since 2011. A new program in Indonesia, **Virtual Training** quickly scaled to more than 30,000 women delivering the STAR through mobile technology. Programs in China ramped up in 2015, enabling 110,000 women for a cumulative total of more than 170,000.

Latin America: The Coletivo platform in Brazil continued to scale across multiple segments, cumulatively impacting 84,823 women since 2011. A Retail Skills training program in Mexico, teaching skills to owners of small “Mom and Pop” outlets, represented most of the 36,715 thousand women enabled in the country.

North America: In the US, the Adelante Movement, designed to empower Latina women entrepreneurs, enabled 6,183 women in 2015 for a cumulative total of more than 15,000. The Supplier Training Empowerment Program (STEP), launched in 2014, reached 142 women by the end of 2015.

Europe: The Women in Business Academy in France, a relatively new program designed to assist unemployed women set up their own business, enabled 700 participants in 2015.

Impact: South Africa Study

In 2013, The Coca-Cola Company launched a pilot longitudinal impact study of 101 women entrepreneurs in South Africa who were part of a retail business skills training program in partnership with UN Women. The evaluation featured a baseline conducted December 2013 and 4 follow up waves of quantitative data collection and qualitative research, conducted at six month intervals. Highlights of the study through the end of Wave 4 (December 2015) include:

- **Sales and Income:** Participants' total average business sales increased 46% from Wave 1 to Wave 3 and the change in business sales is significant. Data suggests average personal income increased 19% since Wave 1 but the increase is not considered statistically significant. However, analysis indicates increased business sales is significantly linked to increased personal income.
- **Impact of Training:** Nearly all women surveyed reported they used what they learned from the training to improve their business and over half (58%) of the women reported their businesses improved 'a lot' as a result of applying learning from the training to their business. There is a strong correlation between the number of training modules completed and increased confidence and increased business sales.
- **Household Finances:** Since baseline, women reporting their ability to afford basic expenses for themselves and their families across multiple categories (food, education, clothing and medical) has significantly improved.
- **Savings:** The number of women who stated they are able to save money in a typical month has improved from 65% to 69% since baseline, and the amount saved has increased over time.
- **Financial Situation:** More than 90% of women included in the study said they were confident they will keep their businesses open and will be able to grow.

"Sometimes when I look around my business, I see how far I have grown and I am filled with so much pride I could cry. Now I do not worry about my future, I am excited just thinking about how much more I can do. I want to transform my business further so I can add other services that will help my business and serve the needs of the community."

Noko Maganye, Store Owner and 5by20 entrepreneur in Diepsloot, South Africa

Artisans Impact

In 2015, The Coca-Cola Company conducted an assessment of the impact of 5by20 artisan programs across 12 groups of artisans, who represented more than 1,070 women. Each group completed a questionnaire, and follow-up phone calls with five groups clarified and expanded the findings. The surveys covered five themes, on all of which the artisans demonstrated considerable improvement since the start of their involvement with the initiative (**Figure 29**):

1. **Income and Living Standards:** Two out of three women artisans reported higher income, and half experienced improvements in critical areas such as living conditions and access to education for children. Many earned enough to start saving regularly.
2. **Upskilling:** Eight of ten women artisans reported gains in their business knowledge and skills and in their ability to apply those to building larger, more productive businesses, with increases in employees, productivity and income.
3. **Empowerment:** Eight of ten women artisans feel more empowered, with greater skills and more confidence in their ability to achieve. Two-thirds are actively expanding the scope of their business and investing in its growth, and the same number were expanding their networks: interacting with more people, supporting others and participating in training.
4. **Community Impact:** Eight of ten women artisans say that 5by20 has had a positive impact on their communities, by supporting suppliers, helping children and youth financially and improving the environment through waste reduction and increased attention to recycling.
5. **Vision for the Future:** Virtually all the groups reported that they expect their businesses and income to grow, projecting a positive view of the future.

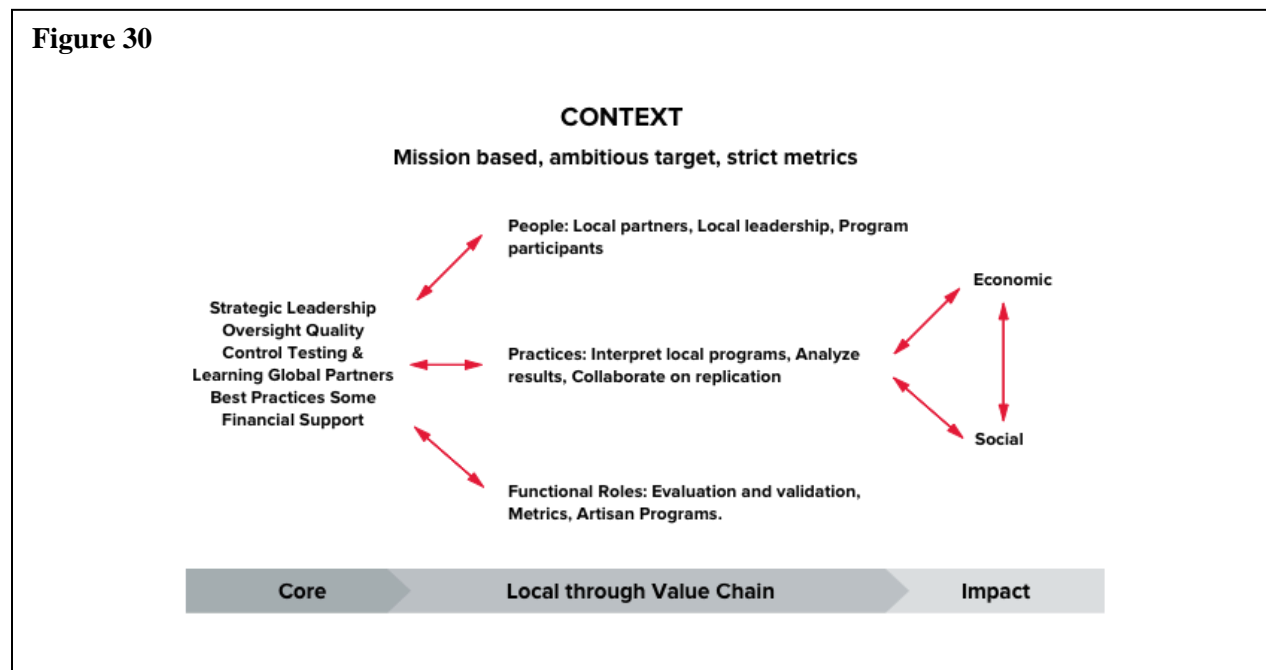
Figure 29



Going to Scale: Key Contributing Elements

Any organization striving to contribute on a large scale to the solution of globally pervasive and deeply embedded social problems needs to consider how to maximize its reach in order to achieve its goals. Once a pathway towards a solution is identified, the challenge is how, when, and where to replicate. For not-for-profit organizations the process of scaling is often evaluated in terms of context, people, financial structures, and service recipients in order to answer three primary questions: 1) where/how to grow, 2) the type of network needed to support the desired degree of growth, and 3) the role of the “center” in guiding and sustaining growth.¹⁸ A slightly adapted set of these questions provides a useful framework to consider TCCC’s approach to scaling the 5by20 program (**Figure 30**).

Figure 30



The commitment to scaling fits into TCCC’s commitment to and investment in a broad array of initiatives focused on economic development, sustainability, and social goals. In this case, the problem was already carefully articulated and visible: “Capacity of women to participate in, contribute to and benefit from growth processes in ways that recognize the value of their contribution, respect their dignity and make it possible to negotiate a fairer distribution of the benefits of growth. (OECD DAC Gender Equality Network, 2011, Kabeer 2012, Eyben et al. 2008). This type of careful definition provides direct guidance in helping to also define success.

An additional part of the context for 5by20 is the early decision that this initiative would not be considered part of corporate social responsibility, but instead the effort was to integrate the program into the business model of the company, directly aligning with Coca-Cola’s 2020 vision to continue to build an even stronger enterprise. Deemed a “shared value mindset,” 5by20 success relies on the foundational understanding – and agreement - that creating value for the business and creating value for society can be interdependent –

¹⁸ Bradach, J. L. 2003. Going to Scale. *Stanford Social Innovation Review*. Spring 2003.

not mutually exclusive. An eye was also held on how 5by20 programs might cross over with other corporate sustainability priorities, such as water, in order to work simultaneously towards multiple objectives.

And finally, an additional early decision that provided context for subsequent replication was that certain programs would be designed for scaling. Components such as standardized educational content, train-the-trainer approaches, and the use of IT (and making sure the IT matched the geographic context) facilitated transferability of the programs across markets much more readily. 5by20 empowers women across the TCCC value chain; therefore, the program target would be women who would be a program fit across six specified value chain sectors: Producers, Suppliers, Distributors, Retailers, Recyclers and Artisans.

Replication

One of the roles of the global 5by20 team is to be attuned to and to help foster opportunities for program replication – transporting programs from one geography to another. Yet, while TCCC business units around the world face similar types of issues, replication is challenging due to the “local intensity” of most programs. Business conditions, market dynamics, value chain activities, Coca-Cola unit resources, and bottlers’ capabilities may all have characteristics that are well adapted to the local environment but that don’t “translate” well to other markets. The cultural contexts that in part define the economic challenges that women confront may be very different from region to region. Also very important is that local program partners may have very specific capabilities to address narrow market conditions, restricting their ability to function in other geographies and making it difficult to find the same kinds of partners in other areas. On the converse, there are some regional and global partners, such as IDB and IFC, who have sufficient scale and extended networks to help propagate programs in new markets. In general, however, most elements of programs are suited to their specific local conditions and contribute to the difficulty of taking a program from one market and trying to implement it in another.

There are, however, several good examples of program replication, such as Outlet Creation, which was launched in Nigeria and South Africa and replicated in more than a half dozen African countries, enabling more than 300,000 women over four years.

While replicating entire programs has been challenging, program concepts and components have been transported to other markets. Project Nurture, an initiative in Kenya to improve the productivity of women mango growers, informed the development of a project in India that similarly targeted women who grew mangoes. Although the structure of the programs, types of partners and specific mechanisms were different, both projects were born out of the business need to increase local sourcing of fruit, targeted women who were unlikely to have access to other education programming and sought to “upscale” the farmers’ ability to access additional markets for their produce.

A broad example of program component replication is the use of the STAR retail training curriculum, which has been used as the basis for more than two dozen 5by20 projects. Coca-Cola created STAR by identifying the best retail training practices used by bottlers around the world, bringing those practices in-house to Coca-Cola University, and reshaping them into a 13-module program suitable for delivery to virtually any market through multiple vehicles. A simple format that relies primarily on visual images enables easy translation (or can even be learned without translation.) STAR can be delivered remotely in a large classroom and will be accessible on mobile platforms. The STAR curriculum extends well beyond selling

Coca-Cola beverages, covering issues such as customer service, marketing, merchandising, recordkeeping, and profit maximization.

Learnings and Learning Opportunities

The first five years of 5by20's implementation have provided a variety of opportunities to learn about women's empowerment, partnerships, training programs, and the overall creation of economic and social value through engagement housed across the value chain. Examples of learning to date and potential learning opportunities for the future include:

- 1.) Engaging local business unit leaders is critical to an initiative such as 5by20 that relies on local actors to initiate and drive programs in the context of their business operations. A key to inducing and sustaining that engagement is a solid business case that lays out the reasons why a business unit leader at a local level should be investing time and money in programs that meet the 5by20 criteria. For example: multiple elements of the programs, both direct (greater brand presence) and indirect (TCCC's reputation for doing good in the community), could contribute to higher brand perception and women running stronger businesses could increase sales of TCCC products.
- 2.) Initiating the 5by20 project from the Company mission and tying it to the local business case provides incentive for local leadership and participation. The opportunity exists for increased learning in opportunity scanning, and analyzing metrics and situations to identify additional potential opportunities to expand the 5by20 approach. This approach is strengthened even further by weaving 5by20 activities throughout the value chain, extending even into areas where TCCC has no direct control (producers).
- 3.) Engaging leaders at various levels of the business (leadership from the top and from local business units) works to embed the project throughout all aspects of the Company. This shared ownership model provides the foundation for long term sustainability of the project, including aligned values, strategic leadership, the development of tactics, and the commitment of resources.
- 4.) The engagement of partners at those same levels also increases the likelihood of successful scaling and sustainability. Local partners and global partners carry with them a sense of legitimacy in different ways and with different audiences. Each also brings a different set of resources, including knowledge of training programs, access to capital, and social networks. 5by20 provides the context to examine how these partnerships are created, function, and evaluated.
- 5.) Some aspects of the programs were developed with specific training attributes devoted to gendered differences identified as potentially relevant to the project. This is an area ripe for further development with the ability to contribute to the larger global discussion on women's empowerment, particularly through entrepreneurial behaviors.
- 6.) Technology has been an emergent tool of 5by20 efforts, particularly around the use of mobiles for training delivery at times and locations that suit women with heavy family obligations. Technology offers a means for rapid program scaling, and its use as a knowledge management platform would enhance the ability to identify, evaluate, design, and deliver 5by20 programs.

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In addition to the sources referenced in the text and footnotes, the authors used the following publications as the basis for the report.

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Babson College, established in 1919 in Wellesley, Massachusetts, is an independent, not-for-profit institution offering undergraduate (2100 students) and graduate (900 students) degree programs in management and entrepreneurial leadership. Babson's historic and continuing focus on entrepreneurship has enabled the college to be recognized as one of the world's premier entrepreneurship institutions, and its extensive commitment is demonstrated across activities and programs -- from award-winning, innovative curricula to pioneering work in teaching others how to be entrepreneurship educators. Under its unique methodology, Entrepreneurial Thought and Action® (ET&A), Babson seeks to be "the educator, convener and thought leader for Entrepreneurship of All Kinds™", leveraging the power of entrepreneurship as the most positive force on the planet for generating sustainable economic and social value.

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