

# OUR COMMITMENT



*The Coca-Cola Company recognizes the crucial role diversity plays in our relationships with customers, employees and suppliers - especially in today's global environment. We are committed to being a leader in supplier diversity and a model corporate citizen in the local communities we serve. Our Company has set an aggressive goal to increase diverse supplier 1st tier spend to \$1 billion by 2020.*

## VISION

*As a **System (The Coca-Cola Company, Coca-Cola North America & Coca-Cola Bottlers)**, we mirror and invigorate communities that we do business in. A diverse supplier base is a competitive advantage and capability that fuels this process and drives our revenue growth.*

## MISSION

*Our mission in Supplier Diversity is to ensure a sustainable, quality, competitively-advantaged supply of goods and services at maximum value for the Coca-Cola system by maximizing procurement opportunities with diverse businesses as suppliers, contractors and sub-contractors. We achieve this by proactively seeking, building relationships with, developing and buying from diverse businesses as well as integrating supplier diversity into our business practices.*

## POLICY/APPROACH

*The supplier diversity policy is embedded in the Company's Procurement, Purchasing and Payables Policy. The policy applies to the purchase of all goods and services and the Company expects all associates and suppliers to assist in the delivery of these objectives. The process for inclusion is fulfilled via our procurement process whereby supplier diversity team is included. They are actively involved in purchasing decisions to ensure that diverse suppliers are included in the process.*

*The Company maintains a database of potential diverse suppliers and contacts and Company representative also attend various networking events, trade shows, etc., to identify potential diverse suppliers. These practices ensure that the policy is enforced and diverse suppliers have a level playing field.*

# EXECUTIVE COMMITMENT

*The Coca-Cola Company*

COCA-COLA PLAZA  
ATLANTA, GEORGIA

REPLY TO:  
P. O. BOX 1734  
ATLANTA, GA 30301

April 26, 2018

The Coca-Cola Company remains committed to, and is on track to achieving the system target of spending \$1 billion dollars with diverse suppliers. Compared to 2016, in 2017 spending with diverse suppliers increased 3.7% to \$675 million. This is central to who we are and mirrors the richly diverse markets we serve.

We know that achieving our growth targets will require the expert contributions of every single Coca-Cola business partner, from every corner of the globe. That's one reason we've made achieving true diversity an essential, system-wide priority and integral to our culture. Diversity and inclusiveness is shown every day in our workforce and our engagement in the communities we serve.

As a business imperative, pursuing supplier diversity across our supply chain and business activities—including procurement, sales, advertising, marketing and other functions—helps us strengthen our business and deliver in the marketplace.

The Supplier Diversity guidelines apply to the purchase of all goods and services globally. With the Supplier Diversity Team and our procurement business partners working together, Coca-Cola is able to maximize opportunities system-wide for diverse providers to act as suppliers, contractors and sub-contractors.

As always, we thank you for your continued commitment to building new and ongoing relationships with a diverse and ever-broadening range of suppliers to The Coca-Cola Company. Supplier diversity not only improves and supports our growing business and culture of diversity and inclusion, but it also improves and strengthens the sustainability of the communities we serve.

Best wishes,



James Quincey  
President and CEO  
The Coca-Cola Company



Jim Dinkins  
President  
Coca-Cola North America

# PROVEN RESULTS

*About 80 percent of Coca-Cola's future growth is expected to come from multi-cultural communities, making supplier diversity not just a desirable company value but a critical business component. It was a key strategy in the company's recent refranchising of its bottling system, completed last fall, through which Coca-Cola sold its bottling operations to new or existing local partners and finalized diverse ownership for a third of its bottling system. The company's senior leadership has also reaffirmed its commitment to spend \$1 billion with diverse partners—in 2017, such spending increased 3.7% from the previous year to \$675 million.*





# SUBCONTRACTING

***The Coca-Cola Company has an established 2nd Tier Program that has been in existence for over 13 years. We have embraced the National Minority Supplier Development Council's (NMSDC) guidelines regarding 2nd Tier Programs and spend reporting which includes both Indirect & Direct methods of reporting 2nd tier spend. We do not have "direct" 2nd tier subcontracting opportunities (diverse suppliers engaged directly on HISD's agreement), however we can report "indirect" 2nd tier diversity spend to the school on a quarterly basis.***

***Details regarding our definition of indirect spend reporting is described below:***

- The indirect method calculates the 2nd tier spend by prorating the prime supplier's (The Coca-Cola Company's) company-wide MWBE spend with the percentage of its total business represented by the customer company's (The Houston Independent School District's) business. (For example, if the prime supplier spends \$100 million annually with MWBEs and Customer Company represents 1% of its total business, the 2nd tier spend reported would be \$1 million (\$100 million x 1%).***
- The direct method is geared towards engaging MWBEs directly for the Customer Company's contract/projects and the prime supplier reports to Customer Company only the amount paid to these specific MWBEs.***

# INCLUSIVE SUPPLIER ENGAGEMENT

- Benchmark/Best Practices Sessions***
- Supplier Development Collaboration***
- Collaboration with our Customers/Partners***  
***Joint supplier diversity workshops/webinars***
- Joint matchmaking sessions***



# DIVERSE SUPPLIER DEVELOPMENT

	Supplier Diversity Institute (C3SDI) Mentor Program	Supplier Training & Empowerment Program (STEP)
History	First inaugural program launched in 2014; 6 candidates with an average investment of \$50,000 per mentee or fellow for a 12-month program	Launched in 2014 as North America's first 5by20 supplier training program; 5by20 represents the Coca-Cola Companies commitment to empower 5MM women across the globe by 2020
Goal	Build a pipeline of contract-ready diverse suppliers	Provide a digital learning platform that addresses recognized barriers women entrepreneurs face while trying to start, sustain and grow their businesses
Strategy	Developing the supplier's capabilities against The contract requirements of The Coca-Cola Company to improve competitiveness	Provides current and potential women-owned businesses with knowledge, skills, and access to resources to build business capability and capacity
Outcome	Provides high potential suppliers with resources & tools to build capacity and capabilities	Provide a streamlined module experience (Digital and LIVE)



**2000+ US women  
business owners  
trained as of  
December 2017**

[www.coca-colacompany.com/supplier-diversity](http://www.coca-colacompany.com/supplier-diversity)

# GLOBAL IMPACT

***Drive incremental growth of diverse spend beyond the U.S. in support of business requirements while developing a pipeline of certified diverse businesses around the globe***

## **Increase Diversity of Supply Chain**

***Target incremental spend from certified diverse global suppliers***

## **Expand Reach & Relevance**

***Global Procurement team members are advocates on CAMSC and MSDUK corporate advisory councils***

## **Enable & Develop Suppliers**

***Identify diverse global suppliers in TCCC's supply chain for certification and development with advocacy organizations***

## **Compliance**

***Regional differences in diversity exist and there must be an adaption to cultural and societal norms in each respective country***

## **Activation**

***In-country program design and management varies based on business opportunities***



## RECOGNITION

*One measurement of our commitment to diversity is how we are seen in the eyes of others.*

- America's Top Corporation for Women Business Enterprises - Women Business Enterprises National Council (March 2017)
- Corporation of the Year Award & Category Top Performers – Gazelle Award National Minority Supplier Development Council (May 2017)
- U.S. Hispanic Chamber of Commerce for spending over \$1 million with Hispanic-owned businesses in 2016 (October 2017)

## EXTERNAL PARTNERS







# QUESTIONS



**Email**

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**Website**

**<http://www.coca-colacompany.com/supplier-diversity>**

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