The Coca-Cola Company’s Approach to Global Quality & Food Safety

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The Coca-Cola Company
Enterprise Profile

- Operate in 200+ Countries
- Provide 2,800+ Beverages
- Produce in 1,100+ Plants
- Deliver 1.6BN Servings/Day
- World’s Largest Juice Company
- Employ 90K+ Company and 900K+ System Associates Globally*
- Own 13 $1BN+ Brands
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Business Landscape

Challenges Facing Our System

- Ensure Food Safety & Security Across Entire Supply Chain While:
  - Maintaining Quality in a Rapidly Evolving Business Environment
  - Producing Products Compliant to Increasing Regulatory Requirements & Consumer Expectations
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Business Landscape

- “Self-Imposed” Challenges – Moving From a Few Stable Products to an Ever-Increasing Diverse Portfolio of New & Different Products via Innovation & Acquisition

- Recognized.
  - Loyal consumers.
  - Consistent quality.

- Simple portfolio.

- Respected.
  - Loyal stakeholders.
  - Trusted quality.

- Diverse portfolio.
WHY IS QUALITY & FOOD SAFETY IMPORTANT?

- “External” Challenges – Many Stakeholders Have Rising & Changing Expectations
Business Landscape

- “External” Challenges – Speed of Information Transfer of Real and Perceived Issues
Quality & Product Integrity: External Challenges

Toyota recalls Prius, three other hybrids
Brake problem may affect up to 400,000 cars worldwide

By HIROKO NAKATA
Staff writer

Struggling to keep its reputation for quality from being tarnished further, Toyota Motor Corp. on Tuesday issued a recall of 223,068 of its hybrid cars in Japan, including the latest Prius model, to fix a brake system problem.

The four models under recall are the new Prius, the luxury Lexus HS250h, the Sai compact sedan and the plug-in Prius hybrid, which all employ a similar brake system.

"We will do everything in our power to regain the confidence of our customers," Toyota President Akio Toyoda said in English at a news conference in Tokyo.

"We have decided to recall, as we regard safety for our customers as our foremost priority."

Toyoda said the company will soon announce the European recall of these models, adding that Toyota is also considering recalling its hybrid cars in the U.S.
Global Quality is focused on strong quality and food safety governance. We have identified our critical, key priorities and drive these throughout our system. We have over 200+ associates based in 14+ countries to help ensure consistent quality and food safety.
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Global Quality’s Key Priorities

Establish Policies and Requirements
- Standards & Specifications (Package, Process, Ingredients Sales & Marketing Equipment)
- Shaping External Stds. Landscape
- Authorizations
- Innovation - Adaptation, Assimilation, & Assessment
- Microbiology Expertise
- Food Safety

Execute
- Innovation alignment - leverage transfer of technology
- SME Network Facilitation
- Select Quality Capability
- Productivity, Field Quality, & Customer Support
- Division Audit

Risk Management
- Hindsight & Best Practices
- PIOC/Issue Detection
- IMCR

Measure Performance (Audit)
- Capability & Calibration Strategy
- Audit-type Alignment
  - Customer Requirements
- Audit Accountability & Trend Analysis

Measure Performance (Analytics)
- External Lab Approvals
- Capability & Calibration Strategy
- Operations Management
- Data Strategy & Governance
Quality & Food Safety Challenges That Impact TCCC:

Facing the Challenges

- Diversifying Portfolio
- Business Growing Globally
- Demographics Changing Rapidly
- Food Safety Systems Evolving
- Environmental Changes Bringing New Challenges
- Food Recalls Eroding Consumer Confidence
- Regulations Rapidly Changing
- Media Creating Perceived Risks
- Increasing Competition

- The Company must face different challenge areas to define strategies towards success
“...business-relevant policies, requirements and programs... to ensure product and food safety... protect the integrity of our brands...”

- Staff w/ Subject Matter Experts
- Engage Actively in Product and Packaging Design and Commercialization
- Leverage System Expertise
- Manage KORE (KO-Requirements) Process:
  - Provides Full Transparency & User Access
  - Operates by a Single Process
  - Reports Generated
“...business-relevant policies, requirements and programs ... to ensure product and food safety...protect the integrity of our brands...”

- Adjusted our strategy looking forward and at the external environment.
- Reviewed external management system approaches.
- Simplified our system by identifying the most critical requirements for Quality, Environment, & Safety.
“...leverage system expertise...enhance people skills and capabilities throughout our System...”

- Develop Customer-Focused and System Quality Initiatives:
  - Implement Protocols to Adequately Respond to Food Safety & Integrity Issues with Key Customers, Develop Relationships to Proactively Drive Value
  - Support Strategic Security Risk Assessments & Training

- Improve Internal & System Capability Through:
  - Oversight of Subject Matter Expert (SME) Networks
  - Direction of Targeted Process Improvement Projects
  - Identify 2020 Vision Capability Needs
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Measures, Governance and Oversight

“...world-class analytical capabilities...using a systematic audit approach...”

• Develop/Maintain Range of Analytical Tools & Techniques
• Monitor Ingredients & Products for Compliance to Standards and to Identify Potential/Emerging Risks
• Implement Global Laboratory Strategy to:
  — Support Company’s Long-Term Sustainable Growth Plans
  — Mitigate System Risk
  — Drive Innovation

[Map with cities such as Atlanta, Brussels, Shanghai, Mexico City, Rio de Janeiro, Pune, Johannesburg]
“…world-class analytical capabilities…using a systematic audit approach…”

- Utilize Risk-Based Auditing Strategy (QEOSH) To:
  - Focuses Resources
  - Target Our Audit Spend
  - Increases Effectiveness
- Operate a Zone Audit Organization In:
  - Asia & Pacific
  - Americas
  - Europe & Eurasia
- Blended Audit Program
  - Use Internal & External Resources
  - Selection → Capability → Calibration
Adapt – New Issues, Emerging Risks

“...mitigate and minimize risks...”

- Identify Issues & Risks Through:
  - Audit Findings & Laboratory Data Results
  - Specific Market/Field Actions
  - Formal Working Groups

**PROACTIVE**

- AWAT: Advance Warning Against Threats
- PIOC: Product Integrity Oversight Committee

**REACTIVE**

- IMCR: Incident Mgmt Crisis Resolution

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Key Learnings

• Anticipate Potential Risks, Issues, & Opportunities

• Be Responsive – Engage Experts When There Is A Potential Market Action Brewing... and Do It Fast!

• Be Transparent – Share What You Know...the Public EXPECTS IT & Employees deserve it!

• Do The Basics – Basic GMP Violations Are at the Heart of Many Recalls!
Thank You!