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Inclusive Futures
Promoting disability inclusion

Coca-Cola Beverages Africa Value Chain



Introduction

Background

The Global Labor Program is implemented by a coalition, which brings together a range of local and international organizations recognized globally for their expertise in labor rights, gender, and disability inclusion, equality, systems thinking, evaluative research, learning, and evidence uptake is led by Sightsavers. The program shall look at **providing solutions to the intersection of emerging trends in labor and inclusive development** as well as increasing protection for workers' rights. The program will focus on two value chains in Kenya namely East Africa Breweries Limited (EABL) - Locally Kenya Breweries Limited (KBL) (Subsidiary of Diageo) and Coca-Cola Beverages Africa (CCBA) the main objective of the program will be to demonstrate that a set of relational capacity building interventions along value chains leads to improved levels of employment among people, particularly women with disabilities and men with disabilities as well as improvements in the protection of their labor rights.

Study objectives

The purpose of analysing CCBA's value chain is to understand the structure of the value chain, the kind of jobs created and sustained along the chain and identify catalysts for inclusive employment and the greater protection and promotion of labor rights for all workers and producers.

Methodology

Primary and secondary data sources were leveraged in a bid to understand the CCBA value chain and the type of jobs sustained within it.

Key informant interviews were held with representatives of key business functions. The conversations were held both virtually and face to face and included representatives from Public Affairs and Communications, Human Resources, Manufacturing, Logistics, and Commercial based at the Nairobi bottlers and Equator bottlers in Kisumu.

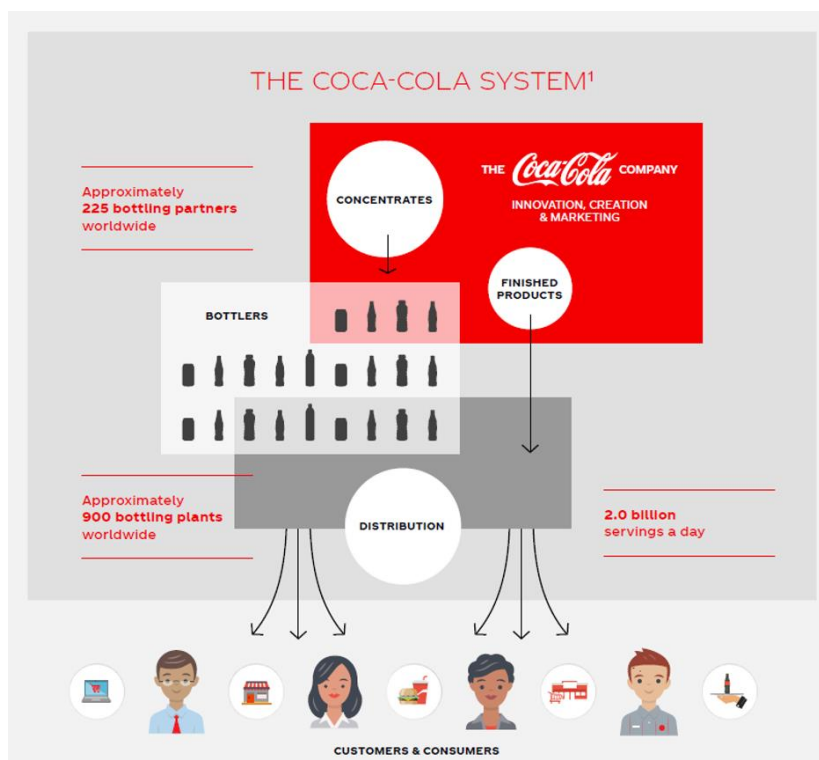
Secondary data was drawn from publicly available information such as CCBA's website, CCBA company policies, CCBA sustainability, and CSR reports sourced virtually.

The Coca-Cola system

The Coca-Cola company has a global reach, whose products are consumed at rate 2.0 billion servings a day. Coca-Cola is organised through a hybrid approach between chains and franchises. In the short term, during the market stabilisation process, Coca-Cola operates as a chain of bottling companies. In the long term, it acts like a franchise where bottling companies are kept independent yet tied to the Coca-Cola brand. The Coca-Cola system is supported by 225 bottling partners who run 900 bottling plants worldwide.

Coca-Cola manufactures and sells beverage concentrates and syrups which are sold to bottling companies for processing into final products such as soft drinks, sports drinks, juice, tea, coffee, and plant-based drinks. Bottler partners sign agreements with Coca-Cola, in which Coca-Cola authorises them to ‘prepare, package, distribute and sell company trademark beverages in authorised containers in identified territories. The bottlers are obligated to purchase their entire requirements of concentrates or syrups of the trademarks/products sold by Coca-Cola or from companies authorised by Coca-Cola. Hence although bottlers that act as franchises operate independently and are not managed by Coca-Cola, there remains a great level of control on the sourcing of raw materials and limitation of distribution zones. Coca-Cola then typically agrees to refrain from selling or distributing, or from authorized third parties to sell or distribute, the Company Trademark Beverages throughout the identified territory to guarantee bottling partner exclusivity under that territory and product. However, Coca-Cola does not fully relinquish its production and commercial functions but rather reserves the right to manufacture and distribute its products in some territories.

Figure 1: The Coca-Cola system¹



As discussed, Coca-Cola’s distribution systems operate either as a franchise or a chain depending on the stability of the market in a particular territory. Initially, the market in Kenya operated as a franchise, with more than 8 bottlers operating independently, serving specific territories. In a move to strengthen the brand in the region, Coca-Cola acquired controlling interests and consolidated operations in a few countries in East, Central, and South Africa. As per the company’s

¹ Coca-Cola System: The Coca-Cola Company (KO)

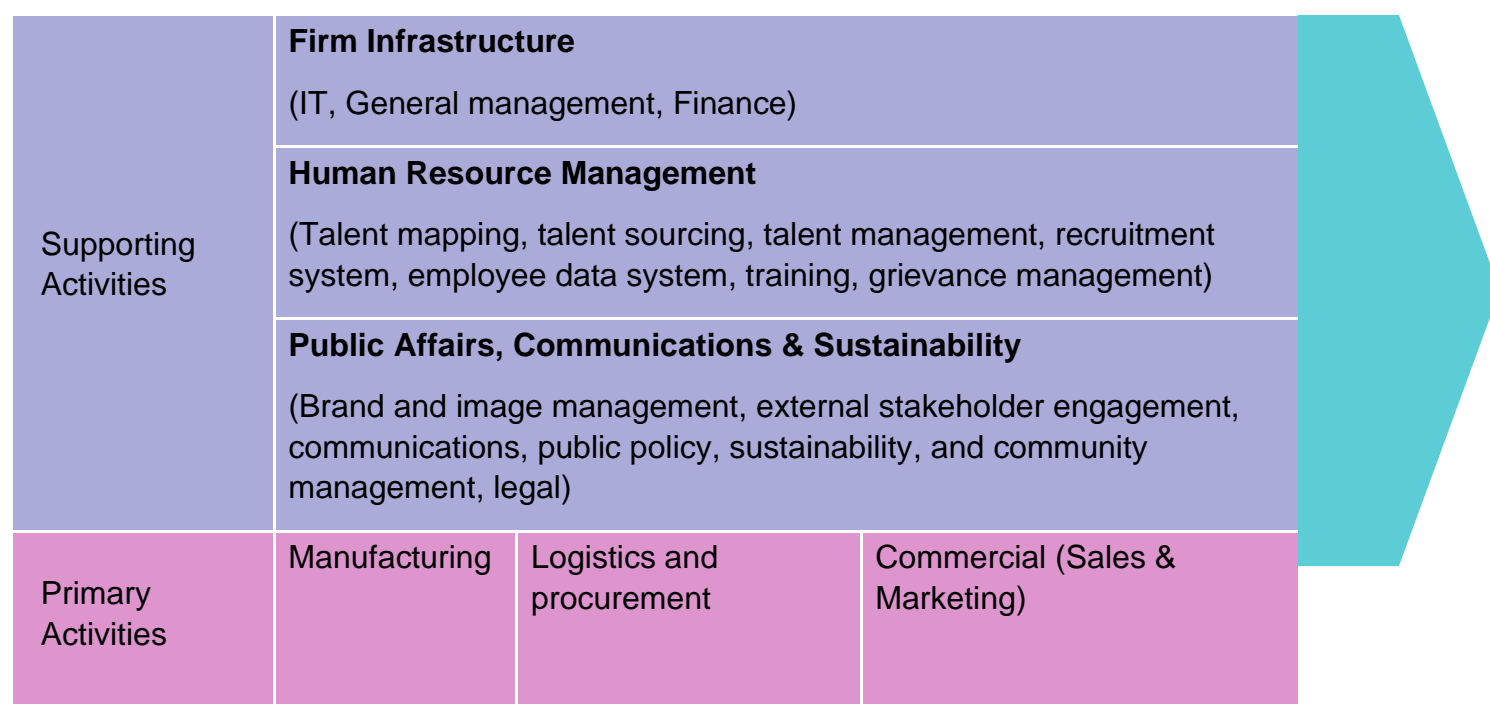
sustainability roadmap, the goal is to re-franchise the bottlers in Kenya, as the operations of the bottlers and the market stabilises².

Structural layout of Coca-Cola Beverages Africa - Kenya

CCBA-K is made up of 5 business functions that support key primary and secondary functions of the business. These include Human Resources (HR), Manufacturing, Logistics, Commercial and Public Affairs Communications, and Sustainability (PACS). Some of the secondary functions include finance, legal, and other firm infrastructure.

CCBA-K is a subsidiary of Coca-Cola Beverages Africa, which operates under the BIG component of Coca-Cola. In the past decade, Coca-Cola in Kenya operated as a franchise, working with bottlers responsible for operating in different geographical territories, however, in the past decade, CCBA has consolidated various bottlers under one entity, including Nairobi Bottlers, Almasi bottlers, Crown beverages, and Equator bottlers. All the bottlers under CCBA-K are guided by the same policies and standards and receive central support and leadership for different functions. Under CCBA-K, 194 products are distributed in the Kenyan market, some of the products are produced in Kenya while others are imported from other bottlers in the continent.

Figure 2: CCBA's value chain mapping



² Coca-Cola Bottlers & Coke System | The Coca-Cola Company

Manufacturing

Manufacturing takes a leading role in converting raw materials to final products. The department ensures the timely production of final products, in the right quality and quantity, packaged in the right way and according to the statutory requirements.

Manufacturing is a primary business function that links closely with the logistics and commercial business functions. Logistics ensures the timely provision of input products and receives final outputs from manufacturing for warehousing. Manufacturing also relies on the commercial side of the business in linking with logistics for the collection of returnable glass bottles, and in the provision of projection data on market demands that determine the volume of products needed.

The department employs 432 staff, some of whom have disabilities. Several HR and logistics staff are embedded/dedicated within this department for ease of delivery of services. These staff still report to their key departmental supervisors. The key positions sustained under this department include:

- Engineers
- Machine/Plant operators
- Manual laborers
- Quality controllers
- Visual inspectors
- Forklift drivers
- Technicians – Mechanical, electrical, and automation engineer

The key educational qualifications required are:

- Undergraduate degree for management and supervisor roles
- A minimum of a diploma is required for majority of the positions
- KCSE certificate for manual jobs

Procurement and Logistics

The function handles tangible inputs and outputs for the business. The department is organised into procurement, warehousing, distribution, fleet management, and cold storage equipment management. The logistics function is responsible for the timely procurement of input materials that are channelled to the manufacturing department to produce final products. The manufacturing function submits details such as the quantity and quality of the required inputs, as well as the timeline within which they are required.

Procurement and logistics support commercial business functions in handling and dispatching products from the manufacturing function. In addition to the distribution of final products, the logistics function also receives returnable glass bottles (RGBs) from commercials. The returned glass bottles are sorted and handed over to manufacturing for use in the packaging of final products.

The key positions sustained under this department include:

- Data Entry
- Sorters

- Rework
- Load pickers
- Invoicing clerks
- Stock controllers
- Quality controllers
- Checking bay
- Forklift drivers
- Asset care

The key educational qualifications required are:

- A minimum of a diploma is required for most management and supervisory positions e.g., stock management positions.
- KCSE certificate for operations positions such as load pickers
- Technical certifications for positions requiring specific technical skills such as automotive engineering, [refrigeration](#), and [air conditioning](#), [forklift driving](#), etc.

Commercial

The commercial business function connects the company to the consumers at a profit. The department manages the clients and closely works with the distribution department in meeting the demands of the clients, and in the collection of RGBs. CCBA has a network of 400 distributors who buy in bulk and supply about 154,000 retailers. The Commercial function establishes and manages relationships with distributors (wholesalers), and key account holders (i.e., retailers who buy in bulk directly from CCBA such as supermarkets). CCBA does not maintain contractual obligations with most retailers except those for whom CCBA has provided assets such as cold storage equipment and dispensers. The commercial function responsibilities include marketing and selling final products, forecasting market demand, maintenance of minimum distributor standards, and serving as a channel for receiving feedback from the distributions and retailers.

Minimum standards: Distributors are required to meet a particular minimum standard for them to be considered and must uphold minimum distributor standards throughout the period of engagement.

Feedback mechanisms: CCBA has established robust feedback mechanisms for engagement with distributors and retailers. The feedback channels include: 1) Quarterly distributor conferences, 2) WhatsApp distributors' forums 3) Monthly distributors' business reviews (guided by distributor operating standards) and 4) Annual customer satisfaction surveys targeting consumers that include distributors and retailers' indicators are also carried out. The feedback from distributors and retailers is useful to the business and informs business strategy.

The key positions sustained under this department include:

- Director of the commercial department
- Regional sales managers
- Area sales managers
- Accounts developers
- Front-line salespeople
- Merchandisers
- Data analysts
- Route to market specialists (data analysts)
- Graphic designer

The key educational qualifications required are:

- For the director, regional sales, and area managers, a minimum of an undergraduate degree is required. A business degree is preferred but not mandatory as relevant experience supersedes academic specialisation.
- Degrees highly preferred but diplomas acceptable for lower ranks sales positions

Public Affairs, Communications, and Sustainability

PACS is the custodian of CCBA's business image and external relationships. This department seats within the HQ and provides support externally and internally across all bottlers. PACS's mandate is to create an enabling environment for businesses to thrive and it also ensures that business is done the right way. It establishes and sustains the company's corporate social responsibility by focusing on effective waste management programs, water replenishment and restoration, and economic empowerment of people in the CCBA value chain. The legal unit of the business seats within the PACS department.

The PACS business function promotes a conducive business environment for business growth by advocating for a favorable regulatory environment for business operations through lobbying with appropriate government entities and other industry players.

The key positions sustained under this department include:

- PACS director
- Sustainability manager
- PACS coordinator
- Regulatory coordinator

The key educational qualifications required are:

- Communications experience
- Legal experience in the regulatory work
- Minimum undergraduate degree in communications, and legal (for regulatory related work)

Human resource management

CCBA's HR department attracts, develops, and retains talent, a key contributor to the company's success. In attracting, HR ensures that people have the right perception of the brand, hence attracting the right talent. In the development of talent, the department leverages learning opportunities e.g., graduate trainee programs, women leadership programs, training as per needs, mentorship & coaching, and job rotation. In staff retention, the business creates a conducive work environment for all staff by providing a flexible work policy, creating an inclusive work culture, providing benefits and promotion, implementing staff exchange programs, and carrying out employee engagement surveys to identify areas of improvement.

The HR is the custodian of the HR policies and leads the development and revision of policies. Findings from the employee engagement surveys, information from the feedback mechanisms and direct inputs from line managers are used to inform policy reviews and changes.

They key positions sustained under this department include:

- HR director
- Talent development and services
- HR manager
- HR business partners (supporting diverse departments)
- HR coordinators
- Talent specialists
- Learning and development specialists
- Payroll supervisors
- Payroll specialist

The key educational qualifications required are:

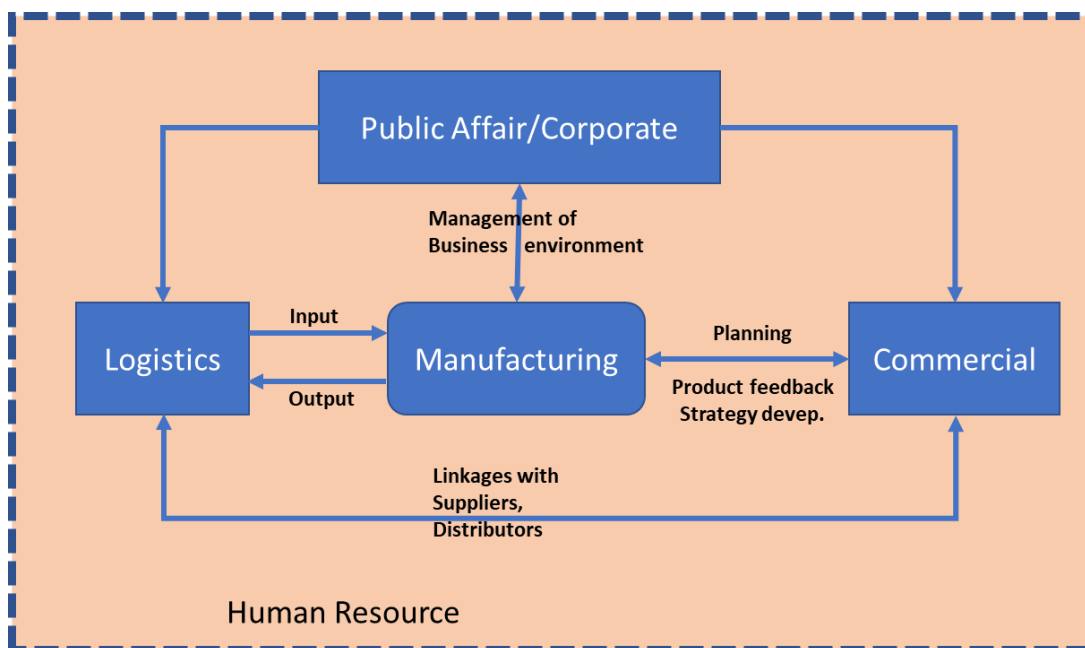
- Minimum undergraduate degree (degree in HR is preferred but not a must)
- Association of Chartered Certified Accountants
- Institute of Certified Public Accountants
- Certified Human Resource Professional - Kenya

Other business Infrastructure – Finance, IT, and General Management

Relationship between business functions

Information flow, power, and governance analysis

From the discussions with representatives of the different functional departments, departmental relationships in CCBA are more horizontal than vertical. All functional units play complementary and supportive roles to the manufacturing department through direct input or creation of a conducive business environment for profit making.



As depicted in the graphical representation of the information flow above, the relationship between departments is more horizontal than vertical with all departments making inputs to the other departments while at the same time receiving outputs from other departments for their internal use and processing. The Human Resources department has an encompassing responsibility to ensure that all departments function smoothly. To achieve this, each

business function has delegated Human Resource personnel embedded within the business function.

The Public Affairs and Corporate function, in collaboration with the Commercial and logistics function is responsible for supporting the company products market, in addition to creating a conducive business environment. By assessing the needs of the business based on the information received from the manufacturing, logistics, and commercial business functions, PAC ensures timely and effective interaction with external partners, suppliers, and service providers. PAC is also the liaison point for interaction between all business functions and the government and non-government agencies within the country of operations and globally.

Value chain governance

Internally, standards are set with major guidelines from the Coca-Cola mother company, and by the board through the executive. Standard guidelines affecting internal and external procedures are upheld by relevant departments. The Commercial department sets standards for wholesalers supports and audits the wholesalers to ensure set standards and practices are upheld. Monthly business reviews and annual audits are carried out to ensure alignment with the business ethos, performance, and operational standards. The commercial department goes a step ahead to carry out customer surveys among retailers who are engaged by the wholesalers. Quarterly conferences with wholesalers serve as an additional touch point for reiterating standards but also for receiving feedback from wholesalers on market situations. CCBA-K defines the means of engagement with suppliers but also has robust feedback mechanisms which are useful in informing business strategy.

Externally, CCBA-K is influenced by external organisations such as the mother company Coca-Cola, Kenyan legal instruments, and membership organisations they are part of. The business operations are also influenced by the Kenya Union of Commercial Food Allies, which negotiates favorable working conditions for its members, through a collective bargaining agreement that is signed every 2 years. KUCFA is an integral part of the grievance-handling process of the organisation where the union plays a key role in advocating for its membership's labor rights.

Systems and procedures that enhance opportunities for inclusivity and labor rights.

From the discussions with CCBA-K key informants, it is apparent that CCBA has robust systems and opportunities for enhancing inclusivity and labor rights. The symbiotic relationship between CCBA-K through the HR department provides a reliable working system for getting feedback and establishing systems that promote labor rights. The active participation of HR staff embedded within each function ensures that the recruitment process, day-to-day handling of grievances, monitoring of diversity milestones, and staff complaints are attended to promptly. Commercial business function maintains constant and

systematic contact with distributors and retailers creating opportunities for communication and avenues for the promotion and advancement of inclusivity and labor rights among distributions and retailers, in line with the appropriate CCBA-K policies and procedures.

The PAC unit plays an important role in management and interaction with other actors within the manufacturing and government system and has the potential to influence them toward the promotion and enhancement of inclusivity and labor rights. PAC business function works closely with the Kenya Revenue Authority and could be an effective agent in ensuring that KRA has an effective system for tax rebates for persons with disabilities as provided for in the given legal framework.

Wholesalers and retailers: Information flow and power relations

From the interviews, the Commercial department leads in the initiation and management of external relationships with wholesalers and retailers. The commercial department is responsible for marketing, sales, and working closely with the logistics department in the distribution of final products. Commercial also works with logistics in the collection and return of Returnable Glass Bottles. Wholesalers apply to join the CCBA-K distribution chain.

Wholesalers must meet minimum standards for them to be considered, including:

- Ability to raise KES 3-5 million capital,
- Ability to avail vehicles with adequate carrying capacity at the bottler locations,
- Availability of warehousing facilities at a minimum of 2,000 square feet,
- Commit to upholding the CCBA-Ks business code of conduct,
- Have qualified staff some of whom should be computer-literate and
- Applicants must prove strong business skills with an emphasis on strong sales records including door-to-door sales.

Most wholesalers distribute products to retailers, whereas select high-volume retail clients e.g., supermarkets buy wholesale but sell in retail. CCBA-K does not maintain contracts with retailers except for those that receive direct business kits such as cold storage equipment. However, Commercial sales representatives maintain relationships with wholesalers and retailers in the territories they are stationed in.

Retailers and wholesalers interact with the business through sales representatives. The Commercial department sets standards for wholesalers' support and audits the wholesales to ensure set standards and practices are upheld. Monthly business reviews and audits (Distributors' Operating Standards Audits) are carried out to ensure alignment with the business ethos, performance, and operational standards. The commercial department goes a step ahead to carry out annual customer satisfaction surveys which incorporate retailer and wholesalers' indexes. Quarterly conferences with wholesalers serve as additional touch points for reiterating standards but also for receiving feedback from wholesalers on market situations. CCBA-K defines the means of engagement with suppliers but also has robust feedback mechanisms which are useful in informing business strategy.

An opportunity to include youth and women with disabilities as retailers within the CCBA-K value chain is available. For the successful building of the businesses, interviews with commercial department representatives revealed that key areas of intervention and support are:

- obtaining licenses/permits
- obtaining premises for business operations
- provision of final products
- provision of cold storage equipment
- provision of promotional merchandise and business skills training.

The above-listed support can be achieved in partnership with local or international organizations in specialized skills such as Sightsavers, and Women Enterprise Fund among others.

Opportunities for external collaboration with specialised organisations

From the discussions with representatives of the CCBA-K's departments, it is apparent that there are opportunities for collaboration between CCBA-K and organisations promoting the labor rights of people with disabilities.

CCBA-K as an implementer - Given the key role played by HR and PACs, establishing, and maintaining external collaborations with specialised disability organisations, can significantly contribute to the realisation of the labor rights initiative and achievement of disability inclusive value chain. For instance, through engagement with Sightsavers and United Disabled Persons of Kenya, CCBA-K can carry out accessibility audits of their premises, disability capacity development of hiring managers, and linkage with disability talent for inclusion in the value chain.

HR undertook an innovative noble initiative of using the **NCPWD job portal** in advertising vacancies, but the initiative so far has not been very successful because they have not received any applications from the portal. However, we see this as an innovative approach that can be explored and used to reach talented persons with disability. NCPWD could be facilitated to train and promote their portal as a job-seeking and advertisement platform.

CCBA-K as an influencer - CCBA-K is an active and influential member of **KAM & KEPSA**, like EABL. By sharing their experience in hiring people with disabilities in diverse departments, CCBA-K could influence and motivate other players in the sector to adopt similar approaches. In addition, together with other members of the Ungana consortium, they have the potential to bring to attention disability labor rights among KAM & KEPSA members. From the discussions with CCBA-K, there is an opportunity to add disability inclusion as an agenda in upcoming KAM and KEPSA forums.

Another CCBA - K area of influence is its relationship with Kenya Revenue Authority, which has a massive influence on the Kenyan business sector. In the discussion held with PACS, there is an opportunity to work through **Kenya Business Disability Network** to galvanise support in influencing the simplification and transparency in the realisation of tax rebates for

businesses hiring people with disabilities as stipulated in the Disability Act of 2006. Further, there is an opportunity to lobby for tax waivers for businesspeople with disabilities, and tax reductions of the inputs needed for operationalizing businesses formed by retailers with disabilities. There is a nexus with what came up during the EABL value chains where lobbying for a reduction in taxation of inputs used by sorghum growers, can lead to reduced cost of growing sorghum and higher returns for people with disabilities. A discussion with Cereal Growers Association revealed that collective advocacy is backed by farmers with disabilities, EABL, and associations such as Cereal Growers Association. Hence there is an opportunity for Sightsavers to combine efforts by CCBA-K and EABL to influence KRA for improved labor rights realisation.

Through the PAC department, CCBA - K is keen to engage with the Ministry of labor and social protection, under which disability matters are domiciled in a bid to explore means of engagement in the empowerment of people with disabilities.

Disability inclusion along the CCBA value chain

Given the wide range of qualifications and skills requirements in the different business functions, there are many opportunities that the GLI program can leverage on disability inclusion.

Existing disability inclusive practises

HR plays a key role in promoting disability inclusion within the company and was the initial entry point for engagement on disability inclusion. They advertise open vacancies via different platforms including the NCPWD job portal. 28 people with diverse disabilities work for CCBA in various capacities, 18 of whom are on permanent contract basis, and 10 on casual contract basis. Disability accommodations needs for the staff with disabilities are met e.g., availing sign language interpreters for deaf staff.

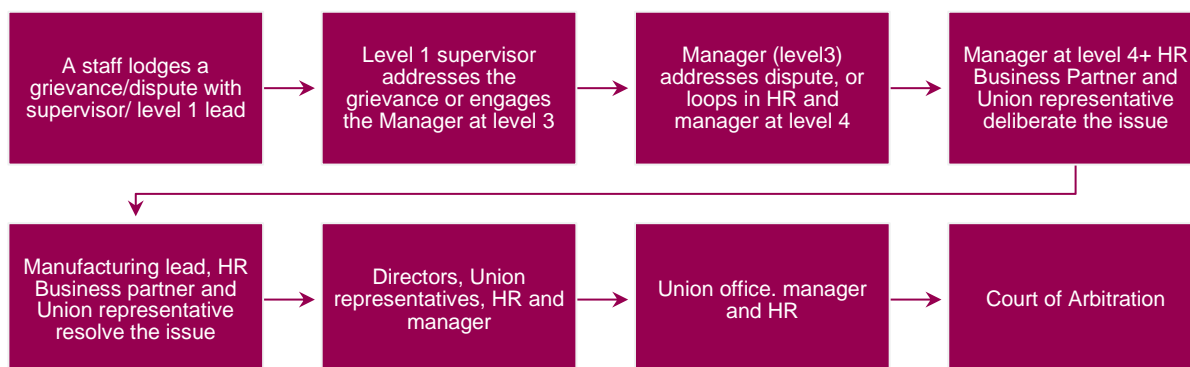
Through HR, a companywide disability accessibility audit was carried out with the support of the Association of the Physically Disabled Kenya. CCBA is also a member of the Kenya Business Disability Network, a platform through which they exchange best practices with other companies in Kenya. CCBA has recently developed a diversity and inclusion policy which is still undergoing reviews through the ranks. In 2021, a number of staff at CCBA drawn from various bottlers volunteered in a Sightsavers-led mentorship program for job seekers with disabilities which resulted in 2 people with disabilities getting paid employment.

Summary of opportunities for disability inclusion

- Promotion and training on NCPWD portal as a job advertisement and recruitment channel
- Mentorship building on lessons learned in phase 1 of the mentorship program.

- Enhancement of CCBA initiative on hiring of people with disabilities in supervisory and management levels by enhancing mobilisation of disability talent undertaken by the Sightsavers and the disability community
- The IT department at CCBA, most specifically the IT manager has a keen interest in hiring people with disabilities in his team. Linkage with the 2022 IT Academy cohort could potentially open opportunities for sourcing IT talent from this pool. A useful starting point would be to support the IT manager to visit the academy and connect with the current learners.
- There is an opportunity for the HR department to lead in establishing metrics and targets for disability inclusion and creating awareness on these ambitions to other departments.
- The PACS department is keen to partner with EABL to synergise efforts in influencing and advocating for the disability agenda in KEPSC/KAM
- Leveraging on the existing networks with KRA in revitalising discussions on realisation of tax rebates for people with disabilities
- Engage the Ministry of Labour and Social Services, with an aim to identify nexus of the ministry's ambition and CCBA's sphere of influence in systemwide strengthening of disability inclusion.
- Robust feedback mechanisms within the company staff and externally with distributors and retailers offers excellent opportunities to learn about challenges to labour rights realisation.
- Membership to the Kenya Union of Commercial Food Allies, provides a good platform for upholding employment rights and platform for negotiating the rights of people with disabilities.
- There is potential for the distributors and retailers' databases to collect disability disaggregated data, to keep track of disability inclusion.

Multiple reporting mechanisms allow for opportunities to raise grievances using the channels that staff are most comfortable with. A staff with a disability can report an issue directly to the line manager, they can report to HR, or the company's anonymous platform called KO Ethics Line. KO Ethics line is an online and phone-based reporting platform. The platform is managed by an external organisation and works directly with CCBA in resolving complaints. A grievance mechanism guides the internal and external dispute resolution mechanism.

Figure 3: CCBA staff dispute resolution process

Gaps in disability inclusion

Data: Currently, CCBA-K carries out a monthly headcount of employees with disabilities, to keep track of the population of people with disabilities in their workforce. However, disability status data is not collected at the point of recruitment, nor is such data collected from distributors and retailers. There is an opportunity to expand the functions of the HR and IT departments in supporting the business in collecting and keeping track of this data. This is an important gap and opportunity for engagement with CCBA HR and IT departments whereby disabilities partners can make inputs in setting inclusivity targets, and strategies for achieving and monitoring the set targets. The monitoring system could include updating the staff data management portal to capture the disability information of existing staff and new applicants.

Policies: A recently developed diversity and inclusion policy is in the draft stages and undergoing reviews. The draft explicitly mentions disabilities and will need approvals before company-wide dissemination. There is a need to fast-track the approval and implementation of the policy. Given the key role played by the HR Director, there exists an opportunity for influencing the realization of disability labor rights outlined in the policy.

Physical barriers - Physical accessibility of the business is a prominent issue that curtails disability inclusion efforts by the company. Most of the premises, including the HQ main offices, are inaccessible to people with physical and other disabilities. Though an accessibility audit was carried out in 2021, it did not sufficiently inform the gaps and recommendations for adjustment. The HR is keen to repeat this exercise with the support of a reputable organisation like Sightsavers. A comprehensive accessibility audit will be useful in informing accessibility gaps and budgeting for relevant changes to be made where possible. The business has taken some systems in ensuring the safety of staff with disabilities hired, including differently coloured overalls for deaf staff to ensure their safety in the manufacturing and warehousing facilities.

Attitudinal barriers – From the discussion held, there is a positive attitude and endearing curiosity about achieving disability inclusion. Business function leads spoke with pride about

people with disabilities that work in their departments, and what they've learned from them. Despite such positive experiences, there was a notably consistent challenge in terms of attitude towards the capabilities of people with disabilities. Concerns related to the safety of the people while undertaking their duties are important, there is need for balanced approach in engaging hiring managers so as not to pigeonhole people with disabilities in particular fields, thereby leading to entrenchment of unconscious bias. Departmental tailored training was identified as a key opportunity in supporting specific teams in the company in improving their disability employment practises.

Recommendations for further learning

- Efforts should be undertaken to increase understanding of the extent to which CCBA-Ks policies are explicit about the rights of people with disabilities.
- Check recommendations of opportunities for disability inclusion along the value chain and link relevant recommendations to the Future Makers program
- There is an opportunity to link CCBA IT department with the current student group and the interns at Safaricom for potential absorption into the company.
- Explore the synergy and linkage of the opportunities for disability inclusion conversations with KEPSA, KAM and KBDN