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A JOURNEY TOWARDS SUSTAINABILITY: The Coca-Cola Company Case Study

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Abstract

Responding to a challenge of sustainability and tracking the nature and scope of the company's sustainable goals will profoundly affect the competitiveness, and perhaps even survival of the organizations. However, willing corporations still do not have efficient sustainable long-term orientation. The United Nation's Agenda 2030 and its 17 Sustainable Development Goals (SDGs) have pointed the direction for achieving sustainability, concurrently becoming its powerful ally. This paper walks the reader through the journey The Coca-Cola Company managers had to undergo on a way towards sustainability. It enables discussions on how to overcome managerial challenges and capabilities needed to successfully integrate sustainability into the organization's operations and tackle arousing industrial tensions which occur along the growing trend of sustainability.

Key Words: Sustainability Development, Sustainable Development Goals (SDGs), Coca-Cola, Decision-making

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Introduction

The concept of Sustainable Development created a positive vision for the global future yet stated open for interpretation agenda of shifting the world's development towards more considerate actions that bring tangible benefits to society, environment and the world's economy. Consequently, the evolution of the Sustainable Development Goals (SDGs) created a common language for articulating the world's essential needs by setting clear, complementary goals which only by integration with one another can create a global sustainable future.

The SDGs were adopted by the United Nations Development Summit in 2015 and represent a collection of 17 global goals and 169 targets by which the United Nations (UN) (Exhibit 1) transmits a supremely ambitious and transformational vision for global sustainability. The SDGs are a part of Resolution 70/1 of the UN Global Assembly; "Transforming our World: the 2030 Agenda for Sustainable Development" or simply "2030 Agenda". Achieving all 169 targets signals accomplishing 17 goals.

Characteristics of the SDGs are: universality (all countries, including advanced nations, must act); inclusiveness (no one is to be left behind in accordance with a philosophy of ensuring security for people); participation (all stakeholders, including government, corporations and NGOs, have a role to play); integration (society, the economy and the environment are indivisible and an integrated approach is required); and transparency (indicators for monitoring are set, allowing routine follow-up).

Accordingly to Zoltan Syposs (2018), The Group Quality/Food Safety Director of The Coca-Cola Company, the industry will have to play more leadership role in driving the global sustainability development. However, not all sustainably active companies must be "labeled" as SDGs-contributing yet, even though, 49% of CEOs believe that business will be the most important factor in delivering the SDGs and 87% of CEOs globally believe the SDGs provide an opportunity to rethink approaches to sustainability (Econsense, 2017). Quest for sustainability has already set a strong impact into the competitive landscape; forcing companies that committed to make operations sustainable to rethink common business practices; products, technologies, processes, and business models (Nidumolu, Prahalad, & Rangaswami, 2009). By treating sustainability as a company's goal, early movers will stand out with competencies that rivals will find hard-pressed to match. Those competencies set a steady competitive advantage as sustainability will always be an integral part of development.

To outline the fundamental assumptions of the sustainability development, section one of this paper is going to examine the internal capabilities that willing companies must develop on the way to sustainability. After further overview of The Coca-Cola Company, the following sections will provide an insight on the company's managerial perspective on the need of change and execution. Finally, section four will elaborate on the implementation of sustainability through the analyze of decision-making process inducted in the sustainability initiatives of Coca-Cola. Within the analyze I will attempt to walk the reader through the journey the company had to undergo on the way towards sustainability and examine managerial challenges and capabilities needed to successfully integrate sustainability into the organization's operations as well as to overcome the challenge of arousing industrial tensions which occur along the growing trend of sustainability.

Therefore, the purpose of this paper is to analyze decision-making process toward developing sustainability through The Coca-Cola Company initiatives (The Company; Coca-Cola) as well as to measure the contribution of SDGs in the process. The discussion concluding the paper is intended to answer questions of (1) how does a sustainable company creates the conditions that embed sustainability in the company's strategy and operations, and (2) what are the main tensions and trends that occur along the process.

Sustainability Development

Sustainable Development has been on the global agenda at least since 1992, when the UN first drawn up action plans and strategies for moving towards more sustainable pattern of development. Yet, sustainable development remains a fluid term, since its definition changes overt time in response to increased information and society's evolving priorities. At this point in time, sustainability involves a broad variety of targets aiming to contribute into economic, environmental and societal well-being, translated by the SDGs. The Coca-Cola Company believes that sustainability efforts are a foundation of value creation and a base of maximizing its potential as a business to grow, create economic value and make lasting positive difference for communities and the world (Herman & Kent, 2018).

Becoming sustainable is a huge decision. However, the vision is simple: reshaping the company with a broad-based commitment to sustainability to provide a real change. To develop one, the company needs leadership commitment, an ability to engage with multiple stakeholders along the value chain, widespread employee engagement and a discipline mechanism for the execution (Eccles, Perkins, & Serafeim, 2012).

Reshaping the company's identity involves several stages which start from identifying the decision across an entire organization. The first stage must be ignited by leadership commitment and external engagement realized through partnerships and governmental support. The second stage involves codifying the new identity through employee engagement, internal initiatives, and mechanism of execution. Both are ongoing processes which reinforce each other. Employee engagement enables even more sophisticated external engagement, because a broader range of employees will be able to effectively engage with outside stakeholders. Mechanisms of execution bind leadership commitment, since the organizational-level attributes continue from generation of leaders to the next. Similarly, leadership commitment provides a strong motivating force for employee engagement because employees know that their leaders care about what they are doing. External engagement strengthens the company's mechanisms of execution, since stakeholders pressure challenges the company to constantly improve its quality (Eccles, Perkins, & Serafeim, 2012).

It is becoming clear, there is no alternative to sustainable development. Even so, many companies are convinced that the more environment-friendly they become, the more effort will erode their competitiveness. They believe it will add costs and will not deliver immediate financial benefits. CEOs are concerned that transforming their operations sustainable and developing "green" products places the companies as a disadvantage vis-à-vis in developing countries that do not face the same pressures (Nidumolu, Prahalad, & Rangaswami, 2009). It entails challenges across the entire value chain; suppliers need to provide green inputs and transparency, new costs of manufacturing and developing new processes, and finally customers who's changing expectations put pressure on value-adding products, simultaneously not willing to pay more for eco-friendly products during a recession.

Not surprisingly, the fight to save the planet has turned into a pitched battle between governments and companies, between companies and consumer activists, and sometimes between consumer activists and governments. It resembles a race in which all sides of interest hold each other back from moving forward. One solution, mooted by policy experts and environmental activists, is more and increasingly tougher regulation. They argue that voluntary action is unlikely to be enough. Another group suggests educating and organizing consumers so that they will force businesses to become sustainable (Nidumolu, Prahalad, & Rangaswami, 2009).

Putting theory into practice, it is essential to understand the implications entailed by sustainability. Transforming the company is not easy. Enterprises that have started the journey must go through distinctive stages of change that involves internal change, followed by external implications. Every step of a change faces different challenges which, leadership must be prepared for.

The Coca-Cola Company's Background and Overview

Established in 1886, The Coca-Cola Company is widely known for manufacturing one of the world's most recognizable soft-drink; Coca-Cola among its wide product portfolio which consists of 4,100 beverages within 500 brands sold worldwide, with other recognizable brands such as Sprite, SmartWater or Powerade.

The marketing tactics of the company led to its dominance of the soft-drink industry in the late 20th century. To this day the company's persuasive advertising is considered as an icon of American culture, and the red and white Coca-Cola logo is recognized by 94% of the world's population (The Coca-Cola Company).

Operations

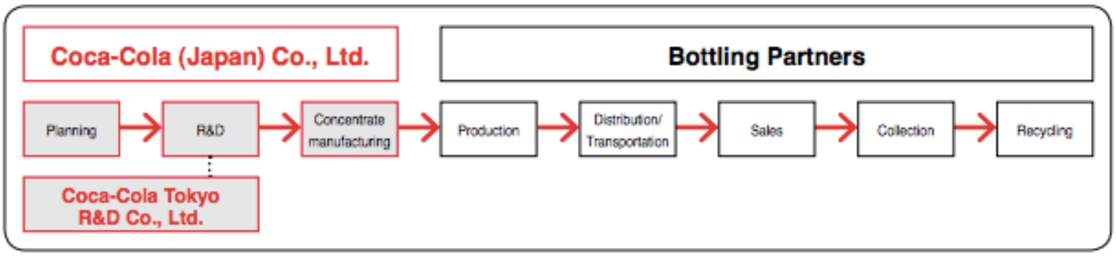


Figure 1: Operations Flow
Source: (The Coca-Cola (Japan) Company, 2018); Coca-Cola (Japan) Co., Ltd is just an example which can be replaced with any local branch worldwide, since Planning, R&D and Concentrate manufacturing lies in local responsibility.

The Coca-Cola Company is a global business that is community driven. The Coca-Cola has a unique business model that has served it well since the first bottling in 1894. The company's ability creates global reach with local focus based on the strength built upon the Coca-Cola's system, which comprises the company and nearly 900 manufacturing and bottling facilities worldwide. Those facilities are owned by over 250 independent franchises and The Coca-Cola Company.

The Coca-Cola system is not a single entity from a legal or managerial perspective, and the company does not own or control all of the bottling partners (The Coca-Cola Company, The Coca-Cola System, 2018).

While many view the company as simply "Coca-Cola", the system operates through multiple channels. The primary way that the products reach the marketplace starts with the Coca-Cola local branches which manufacture and sells concentrates, beverage bases and syrup to bottling operations within the branch's geographic range. Coca-Cola owns the brands and is responsible for consumer brand marketing initiatives. The bottling partners manufacture, package, merchandise and distribute final branded beverages to the customers and vending partners. They are responsible to execute localized strategies developed in partnership with the company. Customers then sell the products to customers in accumulated amount of 1.9 billion servings a day (The Coca-Cola Company, The Coca-Cola System, 2018)

Collaboration with so many small independent bottlers entails several challenges for the company. Those challenges stem between micro-to macroeconomic factors with additional geographically dependent challenges. When faced with economic challenges, some smaller, independent bottlers lack the financial assets to continue operations and fund necessary investments. And when bottlers face financial problems, it creates logistical and image issues for Coca-Cola (Buehler, 2018). In order to act upon those challenges, in January 2006, Coca-Cola merged company-owned bottling operations into The Bottling Investment Group (BIG). The goal of BIG was to ensure that bottling franchises in critical markets receive the appropriate financial support and institutional expertise to ensure their long-term success within the Coca-Cola franchise network. In a further stage, Coca-Cola utilizes the leadership and resources to exchange knowledge, drive growth, and return the franchise to profitability. Once the operations are profitable and stable within the local market, the company finds a qualified bottling partner to assume operations to continue to grow the business.

The BIG program currently operates in 19 countries and is responsible for managing over 25% of the total system bottling volume. Combined, the BIG program is the largest global bottler in the company (Buehler, 2018).

Between Corporate Social Responsibility and Business Sustainability

Many have continued to use Corporate Social Responsibility (CSR) and Business Sustainability interchangeably, but in practice, they rarely mean the same thing even though they are quite interrelated (Table 1).

***Table 1** Outlines the Differences Between CSR and Sustainability*

Description	CSR	Sustainability
Aim	The initial aim is to protect the reputation of the company (external tensions)	Driven by the need to create opportunities that allow to answer social and environmental problems worldwide (internal and external tensions)
Vision	Looks backwards, reporting on what a business has done, typically in the last 12 months, to make a contribution to society	Looks forward, planning the changes a business might make to secure its future (reducing waste, assuring supply chains, developing new markets, building its brand)
Target	Tends to target opinion formers – politicians, pressure groups, media	Targets the whole value chain – from suppliers to operations to partners to end-consumers
Business	Becoming about compliance	About transforming the whole business
Management	Managed in promotional manner, by communication team	Managed by operations and marketing

Source: Adjusted secondary sources

Coca-Cola's first shift towards sustainability started in 2008 when Muhtar Kent took the helm of Coca-Cola as its CEO. In the interview for Harvard Business Review (HBR), the CEO at the time stated *"We have a simple belief inside Coca-Cola that if we can't help create sustainable communities where we operate, we won't have a sustainable business. It needs to be embedded in your business as opposed to inserted in your corporate social responsibility report."* (Kent, 2011).

Coca-Cola was the first in the industry to declare long-term sustainable goals such as water neutrality, packaging and recycling while trying to grow the business without enlarging carbon footprint. Furthermore, as first, the company cracked the code for plant bottles by using a resin made from sugarcane up to 30%, instead of fossil fuels. Beyond environmentally aimed initiatives, the company committed to answer social problems with its women empowering and "Coca-Cola Scholars Scholarship" program which send kids to universities. Alongside long-term initiatives, the company supports communities connected to their operation by meeting short-term needs such as building more than 50 schools after the earthquake in China's Schichuan in 2008.

Nevertheless, several studies have shown that CSR and sustainability actions are interrelated. Quantitative research conducted by Lund University students resulted in significant positive correlation between gender equality (empowering women) and carbon emission reduction (Fernström & Rönnerfalk, 2018). The United Nations Climate Change states that women's participation is essential for sustainable development and climate change adaptation, and Drawdown calculated that, by taking steps towards universal education and investing in family planning in developing nations, the world could nix 120 billion tons of emissions by 2050 (Drawdown, 2018)[1].

Realizing the need to change: Managerial perception

The Coca-Cola's initiation of sustainability is a response to increasing stakeholders' pressure and changing expectations within the business world. In order to act upon arousing tensions, leaders of Coca-Cola have reevaluated their approach by integrating sustainability into the heart of all future actions and made it a continuous narrative throughout the decision-making process from identifying the problem, identifying enablers, agenda setting, implementation and impact assessment (Table 2). The decision process must be aligned with

[1] Project Drawdown is the comprehensive plan prepared by qualified and diverse researches group to identify, research and model the 100 most substantive, existing solutions to address climate change.

reshaping the identity stages, as tensions for change can be identified as a problem, which seeks a solution.

Table 2- Correlation between decision-making stages and reshaping the identity stages

Decision-making process	=equals	**Transformation stages**
Identify the problem		Leadership commitment
Collect information		Engage employees and externals
Weight the evidence		Engage employees and externals
Consider alternatives		Enablers
Decision		Agenda setting
Implement		Execution
Track		Impact Assessment

Source: Adjusted secondary sources

Only the top-level executives have the ability to create a long-term vision and the clout to see that this is realized. It is a top executives' role to ensure smooth transition and seed the new mindset within the organization. Coca-Cola is Key Performance Indicators (KPIs) driven; that can help track businesses' contributions to the sustainability and SDGs. Syposs (2018) reflects "*To become more sustainable is not only a manager problem, sustainability agenda is integrated into the business everywhere (Layer specific). For example, Plant Manager used to have two KPIs: production overhead and system-line efficiency, today he has four KPIs: people engagement, productivity, quality, and water-use ratio and the carbon reduction."* At Coca-Cola management transfers knowledge to the shop-floor and contracts responsibilities towards sustainability. In that way leadership commitment reinforce employee engagement and strengthen execution mechanism.

The crucial part of sustainability development is to connect economic performance as required by their shareholder with progress in meeting the targets of 2020 Sustainability Goals as well as SDGs, and create impact for the stakeholders. Before taking a decision about pursuing a project, leaders of Coca-Cola look for the actions that bring the biggest impact by comparison with the effort required to achieve the goal and create momentum. Without performance Coca-Cola business would not be able to make progress and implement change by its actions. Furthermore, solid performance resonates into the perception of the authenticity of sustainability and reinforce employee engagement, who are motivated by the progress. The impact effort is designed for the purpose of deciding which of many suggested solutions to implement by providing answers on which solutions seem the easiest to achieve with the biggest effect; where the legislation put the highest pressure, suppliers able to provide enough recycle PET materials and what it the cost of bringing it together.

Solution Development: The implementation of Sustainability

After realizing the need of change and committed leadership, the next essential managerial question is: *How to maintain profitable while embracing sustainability*?

This question entails the challenge of rethinking well-established aspects of the company; figuring how to deliver value proposition, and how to overcome the challenge of new investments on the way to long-term success.

Most executives assume that creating a sustainable business model entails simply rethinking the customer value proposition and figuring out how to deliver a new one (Nidumolu, Prahalad, & Rangaswami, 2009). However, reshaping the identity of the company includes novel ways of bringing new values by transforming the whole value chain (Exhibit 2) and deliver goals in tandem with other companies. The executives assume that the transition enforce them to choose between the largely social benefits of developing "green" products and sustainable processes and the financial costs of incorporating it. However, research conducted by HBR has shown that sustainability is a mother lode of organizational and technological innovations that yield bottom-line and top-line returns. Becoming environmentally-friendly lowers costs by reducing the inputs. Furthermore, the process generates additional revenues from better products, supply chain optimization, better risk management and encourages companies to become more innovative, namely treat sustainability as innovation's new frontier (Nidumolu, Prahalad, & Rangaswami, 2009). In addition, Weber (2008) states that increased employee motivation caused by the new sustainability mindset can increase productivity and eventually result in costs saving, in particular cost of labor. Moreover, by launching projects and measurable accounts for lowering resource consumption and decreasing emissions, risk and costs will be reduced over time. For example, projects aimed for reducing water usage in production and setting goals to reduce carbon emission can lower risk, simultaneously lowering costs. Finally, lower direct costs and taxes seem to be an almost natural consequence of engaging with sustainability. Better access to capital markets, bank loans and lower tax rates are following a company‘s sustainability efforts of better environmental performance which leads to avoidance of green fees, smaller quantities of CO^2 permits to be bought, and lowering of environmental taxes, and new investments of redesigning current products (Pihl Dalbøl & Lundgård Dalbøl, 2011). In that case, staying profitable resembles a J-shaped growth curve (Exhibit 3) in which new investments create short term losses with the intention of recovering the investment in the future, and overriding it with long-term strategic gains.

The following realization of sustainability advantages unlocks the implementation of sustainability and makes it a narrative throughout an entire decision-making process. This research distinguishes seven steps of change of Coca-Cola, such as: defining goals, project scoping, identifying enablers, external engagement, impact assessment, scaling opportunities, and supportive organizational culture.

Step 1: Defining Goals

Coca-Cola as the worst plastic polluter worldwide (Greenpeace International, 2018).

Coca-Cola "drinks India dry" (The Guardian, 2006).

Those, among many others, were the tensions that surfaced along the stable growth and worldwide expansion. To act upon arousing tensions, Coca-Cola managers had to not only develop unmistakable direction but also long-term vision while tolerating risk. Therefore, Coca-Cola's future action plan prioritizes "upstream" areas, having the biggest impact on the business and being the most pressured tensions; packaging commitment, carbon footprint commitment and water preservation (Folz, 2018). Packaging and carbon footprint are strongly correlated as packaging is the main driver for the carbon footprint. Packaging commitments over the years focused on light-weighting (using less material to make the packages lighter) and gradually increasing recycle content materials to reach 100% recyclable natural water bottles and recyclable PET green Sprite bottles in European Union by 2020. It is implemented by financing planning followed by engineering planning. All planning is executed by the management. As Syposs (2018) states *"We are very close to deliver this goal."*. The goals have to be strengthened by innovation in products and packaging.

Coca-Cola's commitment to sustainability became wildly recognized among its operations as one of its main strategic growth drivers. The Company initiated the 2020 Sustainability Goals aligned with SDGs created by the United Nations (UN), with an aim to improve systemwide change beyond small operational improvements of its 250 bottling partners in over 200 countries. Strong commitment to transparency is exhibited by Sustainability Report (Exhibit 4), updated annually.

Sustainability Framework Together with bottling partners, The Coca-Cola Company advances initiatives in three domains considered as particularly important to the business and matter most to the stakeholders: 1. Individuals (consumers); 2. Community; and 3. Environment (Figure 2).

Figure 2: Coca-Cola Sustainability Framework
Source: (The Coca-Cola (Japan) Company, 2018)

Activities are undertaken in nine core areas in consensus with the company's aim to find answers to arising social problems, and to not only create products that match the global traits, but also each respective region with stance of properly acknowledging and coexisting with stakeholders in the local community possessing diverse set of values. Sustainability initiatives are split into total of nine core areas: beverage benefits, active healthy living, community, workplace, women, water stewardship, a new packaging vision, energy and climate, and sustainable agriculture (The Coca-Cola (Japan) Company, 2018). Each domain is strengthened by targets set under the SDGs, and further attained into the Sustainability Action Plan. However, the framework is just a basic guideline issued globally to communicate and delegate the responsibilities of respective tangible tasks among partner-systems. Syposs (2018) formulates the process as a "Snowball Effect"; the big change starts from small tangible tasks, followed by a business case of progressive development driven by change segment by segment. Only by breaking the task into smaller, tangible pieces that departments can deliver creates small change towards the snowball effect.

Step 2: Projects Scoping

Coca-Cola's branded plastic pollution held top among plastic polluting brands, with its presence in 40 out of 42 countries participating in the audit (Greenpeace International, 2018). The audit led by the Break Free From Plastic member organizations provides the most comprehensive snapshot of the worst plastic polluting companies around the world. Consequently, fighting over plastic pollution is more urgent than ever for the sake of communities that rely on the access to the oceans for their lively-hoods, well-being and health. Brands relying on the plastic in their production line needs to take main responsibility for their actions.

"World Without Waste" is a project formulated in November 2017 in response to ongoing debates about plastic waste. It provides a great opportunity for changing the forefront position as a polluter, by holding responsibility for Coca-Cola production line along with building awareness within the operation and creating a new culture of aware customers to meet its goal of collecting and recycling the equivalent of every can and non-renewable petroleum-based materials for Polyethylene Terephthalate (PET) bottle it sells by 2030. However, Greenpeace argues that Coca-Cola, instead of focusing on recycling waste, should focus on reducing it. In response to that, Coca-Cola implemented the PlantBottle initiative, an idea that assumes 100% recyclable materials for their packaging.

Meeting the goal is complex as it includes changing the culture and customer behavior towards collecting, sorting and recycling (Folz, 2018). Coca-Cola needs to partner with local sorters, recyclers and local communities while differentiating the technological capabilities, legislative constraints and difficulty of implementation in accordance to the local capabilities.

Mentioned initiatives combine all domains of Coca-Cola Sustainability Framework and state an example of the previously mentioned importance of communication, partnership and employee engagement along an entire operation line.

Step 3: External engagement

SDG 17 "*Strengthen the means of implementation and revitalize the global partnership for sustainable development*". The goal recognizes multi-stakeholder partnerships as an important vehicle for mobilizing and sharing knowledge, expertise, technologies and financial resources to support the achievement of the sustainable development goals in all countries, particularly developing countries (United Nations, 2015). Concurrently, the experience of pervasive tensions pushed Coca-Cola managers to treat external engagement as indispensable element of reaching sustainability.

Ambiguity of water resources as the most scarce and simultaneously fundamental resource to the Company's business makes is an important theme on the way to sustainability. "Water neutrality", an initiative aimed to reduce its strategic risk of environmental impact by replenishing watershed to the full extent of the water it extracts, was a response to Coca-Cola's acknowledgment that water was a "limited resource facing unprecedented challenges from over-exploitation, increasing pollution and poor management" and began with a focus on water use in Coca-Cola's own operations (The Coca-Cola Company, 2004). In 2005, global risk assessment led to establishment of the Company's water stewardship framework (Exhibit 5) which focuses on plant performance, watershed protection, sustainable communities and raising global awareness and action around water challenges with further update in 2008. The framework affected bottling plants which from then on evaluated vulnerabilities associated with quantity and quality of local water resources, and they result in the development of source water protection plans. Reaching the goal wouldn't be possible without partnership with civil society and governments. The used metrics included reducing the amount of used water, recycling and replenishing. (The Coca Cola Company & The Nature Conservancy, 2010).

Coca-Cola's sustainability efforts are aimed to strengthen the community they operate within and address the local and business challenges. Only with strong local engagement and coalitions, the change might be accelerated. Folz (2018) reflected this reality *"You can't do it alone. If you are a supplier there is a whole range of barriers in the industry, and you cannot change the consumer behavior and the culture on your own."*. Embracing strong coalition of local employees and bottling partners, NGO, government and industry allowed to increase the percentage of plastic bottles being recycled in Mexico from 9% in 2002 to about 60% in 2018.

Step 4: Identifying Enablers

Enabler is defined as a tool that enables another to achieve an end, namely enabler as to give power, means, competence or ability to (Grzybowska, 2012).

Commitment to SDGs The Coca-Cola Company recognized Sustainable Development Goals as an enabler and an important framework for collective action and impact on the systematic challenges our world faces. Therefore, has long embraced cross-sector collaboration as a best practice for addressing global challenges, as exemplified through meaningful partnerships and programs, many of which align with the SDGs (Nowak, 2018). The SDGs are a call for action by all countries. The SDGs' aim is to set out how to improve the lives of the poor in emerging countries, and how to steer money and government policy towards areas where they can do the most good. They recognize the importance of ending poverty by collaboration with strategies that build economic growth and address a range of social needs. Coca-Cola's sustainability priorities map to all 17 SDGs, with an emphasis on SDGs that relate most closely to where it believes it can make the greatest impact. Coca-Cola is strongly focused in the areas of gender equity (SDG 5), clean water and sanitation (SDG 6), decent work and economic growth (SDG 8), responsible consumption and production (SDG 12), life below water (SDG 14), and partnerships for the goals (SDG 17) (Nowak, 2018). According Folz (2018), The Coca-Cola Company sees the value in their commitment to meaningful programs and partnerships that help communities within countries the company exists. Meeting the SDGs is particularly helpful in achieving global goals and build a better world for 2030 and beyond. However, adhering to the sustainable direction set by the company globally, targeting each country issues needs advanced and personalized activities reflecting the domestic issues along with bottling partners across the globe, a concept named further as "Localizing SDGs" (Steiner, 2017). The Coca-Cola has freedom in creating its own directives according to local needs.

Therefore, Folz (2018), responsible for the region of Western Europe, states "The SDG-label is not so relevant in Western Europe, because we have our own requirements around it.".

Criticism The SDGs are the successors to the Millennium Development Goals (MDGs) that governments around the world signed up to in 2000 and promised to reach by 2015. Even though, progress has been reported by 2018, the sanitation target, such as boosting access to clean water, still requires more to be done to achieve this international target (World Health Organisation, 2019). Subsequently, 8 goals and 21 targets of MDGs has been expanded by UN to 17 goals and 169 targets as SDGs. And while the MDGs focused primarily on poverty and health, the SDGs also cover the environment, human rights, and gender equality, among others. The contradictors claim that these are ambitions on a Biblical scale, impossible to implement.

And while SDGs' universality cover the wider range of global problems, it also draws major downfall of costs. The United Nations Conference on Trade and Development (UNCTAD) says achieving the Sustainable Development Goals (SDGs) will take between US$5 to $7 trillion, with an investment gap in developing countries of about $2.5 trillion (Niculescu, 2017). Who is going to cover the costs? Under the new Development Agenda, it is the actual governments that hold a significant share of the resources needed to achieve the SDGs. The World Bank estimated that between 50 and 80 percent of what's required will come from domestic resources (Niculescu, 2017). While highly developed and middle-income countries can handle this investment, developing countries can struggle. To tackle this issue, the UN Development Programme proposed social impact investments. It frames a social or economic problem as a matter of financial efficiency, putting a price tag on development challenges such as unemployment or public administration efficiency. The financial gains that would result from addressing the problem are presented as an investment opportunity for the private sector, guaranteed and repaid with a premium by the government with potential support from donors. Such approaches have been piloted in several high-income countries, and we believe they have potential in middle income countries (Niculescu, 2017). Global partners, such as Coca-Cola, as well as enabling global economic and financial environment are major drivers of change for SDGs and supporting efforts on national level.

Intensified need of co-operation, high costs and supercilious ambition of meeting all SDGs makes it prone to failure. Achieving sustainability via SDGs forces the need of sustainable authenticity, which still is not a priority for many. Meanwhile, sustainability brings clear advantages of increase in revenues, cost and risk reduction and increase of intangible values. With a clear business case for SDG maximization and building a link between SDGs, business strategy and product portfolio management, the company can transform into a sound business case, so essential for driving change in companies striving to become sustainable. Moreover, organizations need to be aware of the wide link of partnership which enhances the sustainability by knowledge exchange as all parties have just started the journey and experience a learning curve. An improved working relationship between suppliers unlocks the potential to maximize sustainability in the whole value chain, particularly in the supply chain, the most necessary element to consider in the case of Coca-Cola. It is also important to remember that not all companies make an impact via SDGs in the same way. To make the highest use of its power, companies must align priorities in the areas the change can be truly visible. The industry SDG impact analysis provided by Econsense (2017) shows there is a very high contribution potential towards many SDGs across producing and services industries. Moreover, the companies must be taken under consideration that not all SDGs can be equally impacted by business: decent work and economic growth (SDG 8) and responsible consumption and production (SDG 12) are more directly impacted by business activities, while reduced inequalities (SDG 10) and peace, justice and strong institutions (SDG 16) require more action from policy makers.

Government Improved international governance is an important instrument to make globalization sustainable. Closer and more practical cooperation is needed among national and inter-national organizations. According to Syposs (2018), the role of government was always important and always communicated as such, however, in the past it was quite superficial. Higher awareness of sustainability has not changed much on industrial and business level. Coca-Cola saw the need, but expected more in terms of governmental support and more "work-together" between government, academia and the industry. Sustainability is driven by more educated customers that drive the trend to be faster, more aggressive, and more demanding than ever before. However, the industry's dynamic pool still remains in need to bring governance that's willing to change alongside the industry. Syposs (2018) says "*Technological-wise it is not a problem to create 100% recyclable materials for bottles, it can be achieved by using different materials that can be physically-recycled or chemically-recycled. The problem is insufficient feed-stock and raw-material to create the bottles. It is because the collecting systems, which lies in governmental core tasks, are not working. The Coca-Cola Company invests 75 million euros in 19 collecting services in 25 countries as a license to operate. Yet, still struggling to get enough recycled PET materials.*".

Step 5: Impact Assessment

Arousing problems results in natural tensions between suppliers and stakeholders. Transparency is thus a critical asset in sustainability and must be achieved by communicating the targets broadly and by transparent reporting on the progress.

The Coca-Cola's reporting is aligned with the standards provided by the Global Reporting Initiative (GRI) Sustainability Reporting Guideline, which measures environmental, economic, social and governance performance. GRI Index provides transparency by disclosure company's profile, economic performance, environmental performance, labor practices, human rights, impact on society and product responsibility. In addition to reporting on performance indicators required by the GRI, the company reports on additional indicators important to the brand's range of stakeholders, followed by their feedback. Moreover, the company committed itself to United Nations Global Compact LEAD Program Advanced criteria for reporting, United Nations Guiding Principles Reporting Framework and the SDGs. That means, Coca-Cola must meet the requirements of the UN Global Compact Communication on Progress (The Coca-Cola Company, 2018).

Step 6: Scaling Opportunities

When a brand is successful in one region of the world, Coca-Cola often employs the "lift and shift" approach, which "lifts" the product and "shifts" it to another market. They are times, when the same recipe is introduced in a different country. Other times, the product with example of FUZE Tea, is customized to meet local taste and market needs. When it comes to sustainability, Coca-Cola also uses the "lift and shift" by scaling, expanding and tailoring projects that deliver positive impacts in one market and transferring them to another. Coca-Cola's system aims to initiate sustainability projects that convey positive impact locally and globally. The company and its bottling partners collectively harness the system advantage of deep local connections and relationships that create shared opportunity and value for stakeholders and communities. When a program takes off and delivers lasting results for one local market's economy and community, that's something worth replicating in another market. "Shifting" the projects are based on adjusting it to meet unique local needs while keeping the larger program framework in place (The Coca-Cola Company, 2018). In case of women empowering initiative "5by20" the key components have been adjusted accordingly to the country; where technology innovation was a key component in Malaysia due to a vast majority of women unable to attend training session which was provided to them instead via mobile and website applications. In India, however, the emphasis has been placed offline and in the field on sustainable sugarcane production to improve women farmers' yield and quality of cane produced.

Step 7: Supportive Organizational Culture

The growth mindset is more evident within Coca-Coal business than ever before. The company's managers after 120 years of history has never been as open for learning as nowadays: learning from other companies and through innovation. The innovation build on and contribute to the organization's existing capabilities, by rewarding innovation even for the cost of failure. Syposs (2018) reflects on this reality *"Coca-Cola has a huge ongoing amount of innovation and maybe 10% is successful"*. Moreover, next to technological innovation, there is innovation driven by both employees' engagement and external engagement. Experimental approach is appreciated and rewarded. Lateral conversation is enabled and people with different frames can come together to share ideas. When handled well, enterprise-wide conversations tend to create understanding across the organization. Alongside leading to synergy and innovation, these conversations build trust, an essential factor of maintaining sustainability (Eccles, Perkins, & Serafeim, 2012).

Conclusion and Discussion

Changing social and shareholder expectations will only increase the pressure on companies to adopt sustainable model. The transition requires committed leadership, without which the journey cannot begin. In reframing its identity, the company must learn to engage openly with external stakeholders. Maintaining transparency without recourse to defensive strategies is integral to a sustainable strategy. As this strategy is implemented through broad-based employee engagement and disciplined mechanisms for execution, a new identity can emerge: that of a sustainable company (Eccles, Perkins, & Serafeim, 2012). However, reshaping internal capabilities are only a peak of an iceberg. Development of sustainability entails overcoming time and technology constrains while launching long-term vision which create shared opportunities through growth. Sustainability initiatives are already replacing CSR actions in building long-term orientation for Coca-Cola and companies across industries.

The findings of this research unraveled that the process of sustainability development is filled with paradoxes which varies between brining intangible social benefits, and tangible environmental and economic value on individual and global level. Meeting the goals simultaneously results in natural tensions between suppliers and stakeholders, government and companies, and customer activists and companies. Suppliers and stakeholders require transparency as a critical asset of sustainability which must be achieved by communicating the targets broadly and by transparent reporting on the progress. Government and companies entail the need of closer and more practical cooperation where companies require improved collecting systems and policy making support. Finally ongoing environmental debates in accordance to plastic waste, water scarcity or carbon emission require more considerate and forward-looking actions from companies by taking responsibility for their operations and switching their approach from reactive to proactive. The same group suggests educating and organizing consumers so that they will force businesses to become sustainable. Although both legislation and education are necessary, they may not be able to solve the problem quickly or completely (Nidumolu, Prahalad, & Rangaswami, 2009).

The followed case revealed that Coca-Cola built sustainability development upon the strength of its well-established global operations and local acknowledgment. In that way, the company embedded sustainability by integrating sustainability agenda into the business requirements, by changing KPIs (Layer specific), simultaneously reinforcing employee engagement and strengthening its execution mechanism while remaining a global company with local focus. The business model shifted toward value creating focusing on the needs translated by SDGs and its own core areas to improve long-term value creation not only for shareholders, but also for stakeholders such as employees, bottling partners, suppliers, customers and communities placing people as a central part of its value chain. The leaders recognized innovation as new frontier of sustainability and developed growth mindset which encourages failures that bring long-term strategic gains.

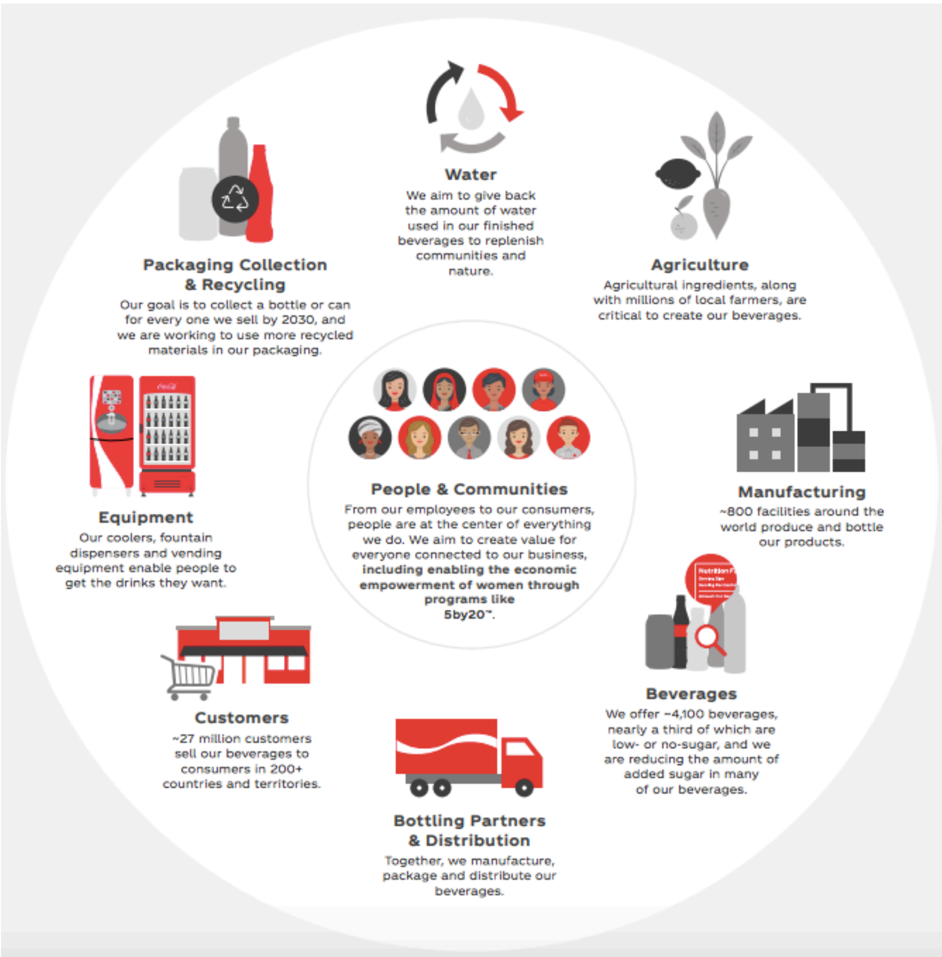
However, the company’s omitted conviction might be that the problem of sustainable development cannot be tackled simply by controlling the greenhouse or carbon footprint. The global leaders may have to think of reducing consumption levels so that the pressure on natural resources and consequent contamination of air, water bodies and soil is curtailed (Shankar Gupta, 2016).

Appendix

Exhibit 1 – SDGs

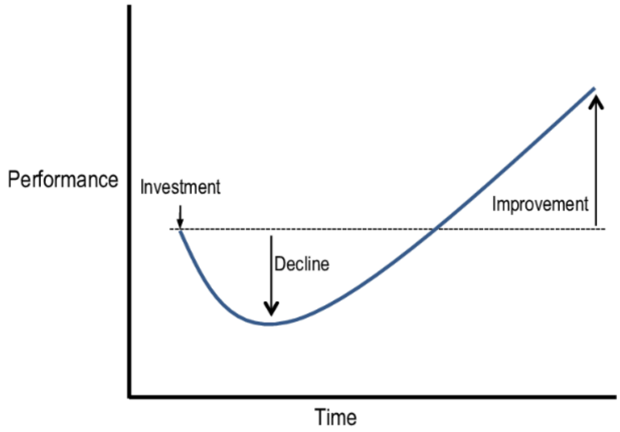
Source: United Nations

Exhibit 2 – Value Chain of Coca-Cola



Source: (The Coca-Cola Company, 2017)

Exhibit 3 – Three phases of J-Curve Investment



Source: (ResearchGate)

Exhibit 4 – 2017 Sustainability Report in comparison to previous years

TOPIC	2020 GOAL	PROGRESS 2015	2016	2017
AGRICULTURE	Sustainably source our key agricultural ingredients.	Finalized Supplier Engagement Program guidance document; procured 100 percent of our coffee and tea from more sustainable sources; on track to more sustainably source our key agricultural ingredients by 2020.	Continued to procure 100 percent of our coffee and tea from more sustainable sources; procured 51-75 percent of our lemons and beet sugar from more sustainable sources; procured 0-25 percent of cane sugar, corn and oranges from more sustainable sources.	Continued to procure 100 percent of our coffee and tea from more sustainable sources; procured 51-75 percent of our lemons and beet sugar from more sustainable sources; pro-cured 26-50 percent of grapes; procured 0-25 percent of cane sugar, corn, oranges and apples from more sustainable sources
CLIMATE PROTECTION	Reduce the carbon footprint of "the drink in your hand" by 25% (2010 baseline).	12%	Estimated to have reduced the CO2 embedded in the "drink in your hand" by 14% in 2016	19%
GIVING BACK	Give back at least 1 percent of the Company's operating income annually. (Total $; %OI)	$117MM; 1.9%	$106MM; 1.2%	$138MM; 1.6%
HUMAN & WORKPLACE RIGHTS	Achieve at least 98% com-pliance with independent franchise bottling partners and 95% compliance with our Sup-plier Guiding Principles (SGP) among our suppliers.	90% of bottling partners and 92% of direct suppliers achieved compliance with our SGP.	89% of bottling partners and 90% of direct suppliers achieved compliance with our SGP.	87% of bottling partners and 88% of direct suppliers achieved compliance with our SGP
PACKAGING & RECYCLING	Work with our partners to recover and recycle the equiv-alent of 75% of the bottles and cans we introduce into devel-oped markets.	59%	59.8%	59%

WATER STEWARDSHIP	Safely return to communities and nature an amount of water equivalent to what we use in our finished beverages and their production.	115%; (190.9 B liters of water replenished)	132.9%; (221.2 B liters of water replenished)	150%; (248.3B liters of water replenished)
	Improve water efficiency in manufacturing operations by 25%. (liters of water used per liter of product produced by the Coca-Cola system; % improvement since 2010)	1.98; 12%	1.96; 13%	1.92; 18%
WOMEN'S ECONOMIC EMPOWERMENT	Enable the economic empowerment of 5 million women across our global value chain - cumulative (as per Coca-Cola's definition)	1,200,000	1,700,000	2,400,000

Source: (The Coca-Cola Company, 2018)

Exhibit 5– The Coca-Cola Water Stewardship Framework

Source: (The Coca Cola Company & The Nature Conservancy, 2010)

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