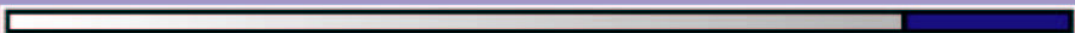




# Corporate Profile

## **Coca-Cola Company: Inside the Real Thing**

August 2005  
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# Introduction

*"All of us in the Coca-Cola family wake up each morning knowing that every single one of the world's 5.6 billion people will get thirsty that day. If we make it impossible for these 5.6 billion people to escape Coca-Cola, then we assure our future success for many years to come".<sup>1</sup>*

The Coca-Cola Company (herein known as Coke) possesses one of the most recognized brands on the planet. It sits firmly atop Business Weeks annual list of top-100 global brands by dollar value (\$67.3 billion), beating out the likes of Microsoft, IBM and General Electric.<sup>2</sup> It is through this brand recognition that the company has been able established itself as an icon of Americanism as it spreads its cult image to the rest of the world.

Coke and its catalogue of close to 400 brands, founded in 1886 by Civil War veteran and Atlanta pharmacist John Pemberton are found in 200 countries. The company's 2004 annual revenue of \$21.9 billion places it among the top two industry leaders along with longtime rival PepsiCo (2004 annual revenue \$29.2 billion). Coke paints itself as a wonderful corporation that produces amazing life enhancing products for the whole world to enjoy. In reality, however, the corporation is concerned with one thing, profit, and will stop at nothing to achieve this goal through universal expansion. Coke is an aggressive corporation that will jump at any opportunity to flog its products in its continuous push for global domination of the beverage industry. Examples from their dealings with the Nazis in Germany to shameless marketing to school children in the United States, to their theft of scarce water resources in India and questionable labour management, show how Coke is not the clean generous and healthy corporation it claims to be. The company has proven, however, that the power of its brand recognition along with its constant aggressive marketing, public relations and advertising campaigns succeed in shielding their reputation from the spotlight. Flying in the face of these cries of innocence this profile shows that Coke carries considerable reputational risk putting them in a vulnerable position to well organized corporate campaigns.

This profile covers all aspects of the corporation with the goal of providing a snapshot of Coke as a powerful company that has committed its fair share of corporate malfeasance. Divided into 5 sections, the profile covers Coke's operations, economic situation, political connections, social and environmental track record and finally the company's institutional holders and suppliers.

The operational profile is designed to explain the company's different operating segments and how the company organizes its global business. This section also covers which brands are associated with the company as well as the connections between the Coca-Cola Company and the bottling process. The operational profile provides information about what the company actually produces and how. The executive committee and the board of directors are named along with their annual salaries. Coke's public relations initiatives are looked at in this section as well as their extensive links to universities in the United States.

Coke's financial situation is covered in the second section of the profile. This section covers Coke's latest financial data, marketing campaigns and provides a history of lawsuits directed against the company. Coke's shameless targeting of young people for their products through exclusive contracts in US public schools is covered in detail.

<sup>1</sup> From Coke's 1993 Annual Report, quoted in Roddick, A., "Troubled Waters: Saints, Sinners, Truths and Lies About the Global Water Crisis", West Sussex: Anita Roddick Books, 2004, p.10

<sup>2</sup> PR Newswire, "Business Week Reports Interbrand's Annual Ranking of the 100 Top Global Brands in August 2<sup>nd</sup> Issue", July 22, 2004

Most large corporations in the United States have deep connections to the political process through donations, lobbying and the revolving door between former executives and public office and vice versa. Coke is no different, and the political profile provides this information. In addition this section looks at the alarming case of Coke's ties to Nazi Germany in the 1930s and 1940s.

The social profile begins by looking at three cases where Coke's business tactics have had incredible impact on its employees, the general population and the environment. The section covers Coke and its bottlers' involvement with the anti-union activities of Colombia's right-wing paramilitaries. It then moves to a summary of the company's operations in India where they are taking large amounts of water from drought stricken areas to the detriment of the surrounding population and the environment. Thirdly, the section looks at the results and motivation behind a land-mark racial discrimination class-action lawsuit filed against Coke by a group of African American employees in the State of Georgia. Finally the section profiles Coke's labour track and their lack of commitment towards using recycled plastic in areas without strict regulation.

The profile ends with information on Coke's institutional investors and main suppliers.

The purpose of the profile is to look at many aspects of Coke's operations and dealings from a critical perspective. The information provided here will act as a tool for dissecting and analyzing certain parts of Coke in order to discern its strengths and vulnerabilities. The profile presents strategic information and intelligence on Coke in such a way that will be useful for front-line activities against the company. At the end of each section is a box discussing specific strategies on how to use the information presented in the profile for existing and future campaigns against Coke.

# 1. Organizational Profile

The Coca-Cola Company employs 49,000 people worldwide

To visit The Coca-Cola Company's stock price visit: <http://finance.yahoo.com/q?s=ko>

## Contact Information

One Coca-Cola Plaza  
Atlanta, GA 30313  
phone (404) 676-2121  
fax (404) 676-6792

## Media Relations Contacts:

Sonya Soutus – Assistant Vice President and Director, Media Relations, T - (404) 676-2121, F - (404) 515-6428, [pressinquiries@na.ko.com](mailto:pressinquiries@na.ko.com)  
Kari Bjorhus – Director, Health & Nutrition Communications, T - (404) 676-2121, F - (404) 515-6428, [pressinquiries@na.ko.com](mailto:pressinquiries@na.ko.com)  
Ben Deutsch – Director, Financial Communications, T - (404) 676-2121, F - (404) 515-6428, [pressinquiries@na.ko.com](mailto:pressinquiries@na.ko.com)  
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Kelly Brooks – Director, Marketing Communications, T - (404) 676-2121, F - (404) 515-6428, [pressinquiries@na.ko.com](mailto:pressinquiries@na.ko.com)  
Dan A. Schafer – Director, North America Communications, T - (404) 676-2121, F - (404) 515-6428, [pressinquiries@na.ko.com](mailto:pressinquiries@na.ko.com)

## Stock Symbol:

KO

## 1.1 Operations

Coke's corporate structure is broken into 6 operating segments; the company refers to the first five in the list below as strategic business units. This structure forms the basis for the company's internal financing reports. The heads of each strategic business unit reports to the Chief Operating Officer who then reports to the Chief Executive Officer and Chairman of the Board of Directors, E. Neville Isdell.

In March 2005, Coke realigned its group structure in Europe and adjusted its structure for Asia and the Middle East. The company created a European Union Group which will include its operations in all of the current member states of the European Union as well as the European Free Trade Association countries. The group will be led by Dominique Reiniche. Two new operating groups were created: a North Asia, Eurasia and Middle East Group; and a Southeast Asia and Pacific Rim Group. The North Asia, Eurasia and Middle East Group will be led by Muhtar Kent while the Southeast Asia and Pacific Rim Group will be led by Patrick T. Siewert.

**North America – 30% and \$6.64 billion of Coke's 2004 annual revenue** – This business unit consists of two divisions: Foodservice and Hospitality and Retail Sales. Coke products have been sold in North America since 1886. Donald Knauss senior manager.

**Africa – 4.8% and \$1.06 billion of Coke's 2004 annual revenue** – Coke's African business is divided into two divisions: North and West Africa and Southern and East Africa. Coke products have been bottled in Africa since 1929. Alexander B. Cummings, Jr. senior manager.

**Asia – 21% and \$4.69 billion of Coke’s 2004 annual revenue** – The Asia business unit is divided into six divisions: China, India, Japan, Philippines, South Pacific and Korea, and Southeast and West Asia. Coke products have been bottled in Asia since 1912. In 2004 operating revenues in Japan represented approximately 61 percent of this business unit’s operating revenues. Mary E. Minnick senior manager. Minnick left this position in May 2005.

**Europe, Eurasia and the Middle East – 32% and \$7.19 billion of Coke’s 2004 annual revenue** – This unit is made up of seven divisions: Central Europe and Russia, Eurasia and Middle East, Germany and Nordic, Iberian, Italy and Alpine, Northwest Europe, and Southeast Europe and Gulf. Coke products have been bottled in this region since 1919. A.R.C. "Sandy" Allan senior manager. Allan retired in May 2005.

**Latin America – 9.6% and \$2.12 billion of Coke’s 2004 annual revenue** – The Latin America business unit has four divisions: Brazil, Latin Center, Mexico and South Latin. Company products have been bottled in Latin America since 1906. José Octavio Reyes senior manager.

**Corporate** – 11% and \$243 million of Coke's 2004 annual revenue.

## 1.2 What brands can I associate with the Coca-Cola Company?

The Coca-Cola Company owns four of the top-five selling soft-drink brands in the world – Coca-Cola, Diet Coke, Fanta and Sprite. Its other brands include Barq’s, Fruitopia, Minute Maid, POWERade and Dasani (tap) water. Coke sells Crush, Dr Pepper and Schweppes outside Australia, Europe and North America. When it comes to bottled water, in addition to their Dasani product, the company sells Group Danone’s spring water brands (Dannon, Sparkletts and Evian) in the United States. Coke sells close to 400 drink brands worldwide including coffees, juices, sports drinks and teas in 200 countries.

### Bottled Water

Coke has become a major player in bottled water throughout the world, mostly in the last five years, as they have expanded rapidly into dozens of countries. Over the past three years, Coke’s water sales have seen an incredible 59% growth; including 68% growth in 2002 (the industry average was 8%). They have dozens of different brands, with their most powerful, rapidly growing brands being Bonaqua (in mostly European countries of countries including Spain, Czech Republic, Slovakia), Dasani in the U.S. and Canada, Kinley in India, Mount Franklin in Australia, Malvern in Great Britain, and Ciel in Mexico.

This growth in water for Coca-Cola has been very good for the ‘corporate health’ of Coke, given that Coke’s soft drink brand has been in slight decline, not seeing much growth in a quite saturated market. For Coke, water has been a real cash cow, which is helping alleviate these other difficulties. Still, water remains only a small part of the company’s business, as soft drinks still account for 85% of Coke’s market.

Non-carbonated drinks, especially water, are to be the core of their growth strategy, though soft drinks will of course continue to be the core of their sales and production.

It is often stated that the bottled water industry is still in the middle of its process of consolidation, with many smaller brands being bought out by the big players or being pushed out of the market. It is expected that the big three players in the global market, Coke, Pepsi, and Nestle, will continue to battle for the 30 billion gallon and growing bottled water market and will come out as the 3 key players in the years to come.<sup>3</sup>

### Is Dasani Real Spring Water?

Dasani is essentially filtered tap water. During the bottling process water is taken from municipal water supply and then treated through a process of reverse osmosis that gets rid of many of minerals in the tap water. The bottler then adds a mineral blend (potassium chloride and magnesium sulfate) that comes in a packet. The packets are sold by Coke to the bottlers where they are added after the filtering process. In the end Dasani is simply glorified tap water that comes in a fancy bottle with an excellent advertising and distribution system to make it into a major brand.

<sup>3</sup> Leith, S., “Coca-Cola’s Grip on Water”, Atlanta Journal-Constitution, June 10, 2003

Measured in volume, 70 percent of Coke's sales come from outside the United States. The company estimates that they are responsible for 1 in every 10 non-alcoholic beverages sold in world.

The following is a complete list of brands associated with Coke. Some of the products on the list are owned by other companies but are distributed by Coke in certain regions.

- Coke produces nearly 400 different drinks worldwide. The following is a complete list of every Coke brand sold around the world<sup>4</sup>**
- A)** A&W, Accent, Ades, Alhambra, Alive, Almdudler, Ambasa, American, Andifrut, Appletiser, Aquactive, Aquana, Aquapure, Aquarius, Aqvaris, Arwa, Aybal-Kin
  - B)** Bacardi Mixers, Barq' s, Beat, Belté, Beverly, Bibo, Bimbo, Bimbo BreakBingooo, Bistrone, Bjare, BlackFire, Boco, Bom Bit Maesil, Bonaqua/Qa, BPM, Bright And Early, Bubbly, Burn
  - C)** caffeine free Barq' s, caffeine free CocaCola, caffeine free Coke II, caffeine free Diet Coke/Coca-Cola light, Cal King, Calypso, Canada Dry, Cannings, Cappy, Carvers, Chaho, Charrua, Chaudfontaine, Cheers, cherry Coke, Chinotto, Chinotto light, Chippewa, Chivalry, Ciel, Citra, Club, Coca-Cola, Cocoteen, Coke II, Cresta, Cristal, Crush, Crystal, Cumberland Gap
  - D)** DANNON , DASANI, Delaware Punch, DESCA, diet A&W , diet Almdudler, diet Andifrut/Andifrut light, diet Andina Nectar/Andina Nectar light, diet Barq' s, diet Canada Dry , diet cherry Coke, Diet Coke/CocaCola light, Diet Coke with Lemon /Coca-Cola light with Lemon, diet Crush , diet Dr Pepper, diet Fanta, diet Ikon, diet INCA KOLA, diet Kia Ora, diet Krest, diet Lift, diet Lilt, diet Mello Yello, diet Minute Maid Soft Drink , diet Mr Pibb, diet Nestea/Nestea light, diet Nestea COOL, diet Oasis, diet Pop, diet Sasi, diet Schweppes, diet Sprite, diet Squirt, diet Tai, diet vanilla Coke, Disney Hundred Acre Wood, Disney Mickey' s Adventure, Disney Winnie The Pooh, Disney Xtreme Cooler, Dorna, Drim, Dr Pepper
  - E)** E2, Earth & Sky, Eight O' Clock, Escuis, Escuis light, Eva Water, Evian
  - F)** Fanta, Finley, Fioravanti, Five Alive, Flavor Rage, Floatz, Fontana, Fraser & Neave, Freezits, Fresca, Frescolita, Freskyta  
Fresquinha, Frestea, Frisco, Frucci, Frugos, Frugos Fresh, Fruitia, Fruitlabo, Fruitopia, Fruitopa Freeze, Fruktime, Frutina Frutonic
  - G)** Genki No Moto, Georgia, Georgia Club, Georgia Gold, Gini, Gold Spot, Golden Crush, Grapette, Guarana Jesus
  - H)** H2OK, Happy Valley, Haru no Mint Shukan, Hawai, Hi-C, Hi Spot, Hit, Horizon, Huang
  - I)** Ice Dew, Ice Mountain, Ikon, INCA KOLA, Izvorul Alb
  - J)** Jaz Cola, Jet Tonic, Jinmeile, Jolly Juice, Joy, Jozuni Yasai, Jurassic Well, Just Juice, Juta
  - K)** Kapo , Kapo Axion, Kapo Super Power, Keri, Kia Ora, Kidsfruitz, Kilimanjaro, Kin, Kin light, Kinley, Kiwi Blue, KMX, Kochakaden, Koumisoukai, Krest, Kuat, Kuat light, Kuli
  - L)** Leed, Lift, Lilt, Limca, Limonade, Linnuse, Love Body
  - M)** Maaza, Mad River, Magnolia, Magnolia Funch, Magnolia Zip, Malvern, Manzana Mia, Mare Rosso, Marocha, Master Chill, Master Pour, Mazoe, Meijin, Mello, Mello Yello, Mer, Mezzo Mix, Miami, Mickey Mouse, Migoro-Nomigoro, Milo, Minaqua, Minute Maid, Minute Maid Juice To Go, Minute Maid Soft Drink, Mireille, Mone, Monsoon, Mori No Mizudayori, Mr. Pibb, Multivita
  - N)** Nagomi, Nalu, Namthip, Nativa, Naturaqua, Nature' s Own, Nectar Andina, Nectarin, NesteaNestea COOL, Nevada, Neverfail, Nordic Mist, Northern Neck, Nusta
  - O)** Oasis, Odwalla, Old Colony, Orchy, Oyu
  - P)** Paani, Pacific Orchard, Pampa, Pams, Parle, Peats Ridge Springs, Pepe Rico, Pibb Xtra, Piko, Pilskalna, Planet Java, Play, Pocarrot, Pocket Dr., Poiana Negri, Poms, Ponkana, Pop Cola, Portello, POWERADE, POWERADE light, Pulp Ananas, Pump
  - Q)** Qoo, Quatro, Quwat Jabal,
  - R)** Ramblin' Root Beer, Real Gold, Red Flash, Red Lion, Refresh Tea, Rimzim, Rio Gold, Ripe N Ready, Risco, Riwa, Robinson Brothers, Roses, Royal Tru
  - S)** Safaa, Safety First, Safia, Samantha, Samurai, Santiba, Santolin, Sarsi, Saryusaisai, Schweppes, Scorpion, Seagrams Seasons, Seltz, Sensation, Sensun, Senzao, Shichifukuzen, Shock, Signature, Sim, Simba , Simply Apple, Simply Orange, Sintonia, Slap, Smart, Sobo, Sodafruit Caprice Oranges, Sokenbicha, Solo , Sonfil, Soonsoo 100, Sparkle, Sparkletts, Sparletta, Sparletta Iron Brew, Splash, Splice, Sport Cola, Sport Plus, Spring Water, Sprite, Sprite Ice Sprite Ice Cube, Sprite ReMix, Sprite Zero, Spur, Squirt, Stoney Ginger Beer, Sun Valley, Sundrop, Sunfill, Sunfilled & Fruit Tree, Sunkist, Supa, Superkools, Superpac, Surge, Swerve
  - T)** TaB, TaB X-Tra, Tahitian Treat, Tai, Tarumi, Tavern, The Tea for Dining, Tea World Collection, Ten Ren, Thextons, Thums Up, Tian Tey, Tian Yu Di, Tiky , Top, Toppur, Tops, Tropical, Tuborg Squash, Turkuaz
  - U)** Urge
  - V)** Valpre, Valsler, vanilla Coke, Vegitabeta, Vica, Vita, Vital, Vital O, Vitingo, Viva,
  - W)** Water Salad, Wilkin' s Distilled Water, Wink, WinnieThe Pooh Junior Juice
  - Y)** Yang Guang, Yang Guang Juicy T, Youki,

<sup>4</sup> For updates of Coke's brands visit: <http://www.killercoke.org/brandlist2003.htm>

### 1.3 What does the Coca-Cola Company actually produce?

It is a common misconception that The Coca-Cola Company itself produced the drinks that bear its name from start to finish. The Coca-Cola Company primarily produces syrups and concentrates that are mixed with water at specific bottlers and then sold to retail outlets.

#### The bottling process: 'The Coca-Cola System'

*"Our company manufactures and sells beverage concentrates (sometimes referred to as beverage bases) and syrups, including fountain syrups. We also manufacture and sell some finished beverages, both carbonated and noncarbonated, including certain juice and juice-drink products and water products".* From Coke's 2003 Annual Report<sup>5</sup>

This quote sheds some light on the production process at the Coca-Cola Company. The company essentially produces syrups and concentrates and then sells them to authorized bottling and canning operations that package and distribute the final product. Separate contracts, or bottler's agreements, exist between Coke and each of its bottlers regarding the manufacture and sale of Coke products. The Bottler's Agreements authorize the bottler to prepare designated Coke trademark beverages, package the drinks in authorized containers, and then sell the final product in an identified territory. Bottlers are obligated to purchase all of their concentrates and syrups for designated Coke trademark beverages from the company's authorized suppliers.

Coke has relationships with three types of bottlers: independently owned bottlers where the company has no ownership interest; bottlers where the company has invested but has a non-controlling ownership interest; and bottlers where the company has invested and has a controlling interest. The company makes investments in selected bottling operations in order to bolster production, distribution and marketing and to simply ensure operations are running smoothly. While the company bottles and sells a limited amount of Coke products from company controlled and consolidated bottling operations – 8% of the company's 2003 worldwide volume – most Coke products are produced and distributed by bottling operations not wholly owned by Coke.<sup>6</sup>

This does not mean that the corporation is not intimately involved in the operation of the private bottling firms. Through bottler's agreements, the company is able to ensure that their products are being produced and distributed properly. The agreements allow the company to exert a certain amount of power and influence over the bottlers.

Two of Coke's Colombian bottlers, *Bebidas y Alimentos* and *Panamerican Beverages (Panamco)* were charged in a Federal Court in Miami with using right wing paramilitary squads to harass National Union of Food Industry Workers (SINALTRAINAL) members.<sup>7</sup> The goal was to break up unions at production facilities. The case against Coke's complicity with the anti-union activity hinges on the bottling agreement, and the extent to which the corporation is involved in the everyday activity at the bottling plant. If ownership is any indication of the corporation's involvement, Panamco is now owned by the Mexican bottling giant, Coca-Cola FEMSA. As of December 31, 2004 The Coca-Cola Company owned 40% of Coca-Cola FEMSA<sup>8</sup> and 46% of its voting stock. Coke is represented on Coca-Cola FEMSA's Board of Directors by high level Coca-Cola Company executives including Coke's Chief Financial Officer Gary Fayard and Irial Finan.<sup>9</sup> Finan, who is the President of Bottling Investments For The Coca-Cola Company, manages all of Coke's company-owned bottling operations and leads their equity-related investments with

<sup>5</sup> The Coca Cola Company, 2003 Annual Report 10K, p. 2

<sup>6</sup> The Coca Cola Company, 2003 Annual Report 10K p. 7

<sup>7</sup> Complaint filed against The Coca Cola Company in the United States District Court Southern District of Florida <http://www.laborrights.org/projects/corporate/coke/index.html>

<sup>8</sup> For more links between Coca-Cola FEMSA and the Coca-Cola Company please visit: <http://www.killercoke.org/pdf/collmerg.pdf>

<sup>9</sup> Coca-Cola FEMSA 2003 Annual Report, [http://media.corporate-ir.net/media\\_files/nys/kof/AR2003Eng.pdf](http://media.corporate-ir.net/media_files/nys/kof/AR2003Eng.pdf)



franchise bottlers. Charles McTier, Director of Sun Trust Banks which owns 5% of The Coca-Cola Company, also sits on Coca-Cola FEMSA's Board of Directors. Before Coca-Cola FEMSA acquired Panamco in 2003, the Coca-Cola Company held a 25% interest in the Corporation.<sup>10</sup> In 1996, when the murder occurred, the Coca-Cola Company held a 13% interest in Panamco.<sup>11</sup> At the time of the murder in 1996, The Coca-Cola Company could have been providing Panamco, as it does with bottlers where the company holds a non-controlling interest with expertise and resources in order to make the bottling company stronger.

According to Coke, in 2003, independently owned bottling operations produced and distributed approximately 24% of the company's worldwide volume, while 58% came from operations where the Coca-Cola Company had investments without controlling interests.<sup>12</sup> Regardless of what Coke says about 'controlling interests' in bottlers, the company, as a 2003 Forbes article reported, "effectively controls them [bottlers] by maintaining big equity stakes and a heavy presence on their boards, and by providing their main source of business. Yet it keeps its stakes in the bottlers below 50%, thereby avoiding getting hit with their piles of debt and any unpleasant liabilities".<sup>13</sup>

The remaining 10% of worldwide sales volume was produced and distributed by the company's fountain and finished drink operations. In certain cases the company will provide promotional and marketing services and funds to bottlers. The Coca-Cola Company has complete flexibility to determine the price and the terms of sale of the concentrates sold to bottlers outside of the United States. There are approximately 80 authorized bottler ownership groups in the North American Coca-Cola system.

#### Some of the biggest Coke bottlers and their annual revenues

**Coca-Cola Enterprises Inc** – 2500 Windy Ridge Parkway, Suite 700 Atlanta, GA 30339 (770) 989-3000 (770) 989-3788 <http://www.cokecce.com/>  
Annual revenue 2004 – \$18.15 billion  
Number of employees – 74,000  
As of December 31, 2004 Coke owned 36% of Coca-Cola Enterprises Inc.

**Coca-Cola FEMSA** – Guillermo Gonzalez Camarena, No. 600 Col. Centro De Ciudad Santa Fe, DF 01210 (212) 688-6840 (212) 838-3393 <http://www.cocacola-femsa.com.mx/>  
Annual revenue 2004 – \$4 billion  
Number of employees – 55,491  
As of December 31, 2004 Coke owned 40% of Coca-Cola FEMSA

**Coca-Cola Bottling Company Consolidated** – 4100 Coca-Cola Plaza, Charlotte, NC 28211 (704) 557-4400 (704) 551-4646 <http://www.cokeconsolidated.com/home.htm>  
Annual Revenue 2004 – \$1 .25 billion  
Number of employees – 5,500

**Coca-Cola Hellenic Bottling Company**: 9 Fragoklissias Street, Maroussi Athens 151 25, Greece <http://www.coca-colahbc.com/>  
Annual revenue 2004 – \$4.2 billion  
Number of employees – 37,553  
As of December 31, 2004 Coke owned 24% of the Coca-Cola Hellenic Bottling Company

**Coca-Cola Amatil Limited**: Level 15, 71 Macquarie Street, Sydney NSW 2000, Australia Tel: (61 2) 9259 6110 Fax: (61 2) 9241 3872 <http://www.ccamatil.com/>

<sup>10</sup> The Coca Cola Company, 2002 Annual Report 10K

<sup>11</sup> The Coca Cola Company, 1996 Annual Report 10K

<sup>12</sup> Ibid

<sup>13</sup> Klebnikov, P., "Coke's Sinful World", Forbes, December 22, 2003, Vol. 172 Issue 13, p86

Annual revenue 2004 – \$2.6 billion  
 As of December 31, 2004 Coke owned 34% of Coca-Cola Amatil Limited

[Source: Wall Street Journal, The Coca-Cola Company Annual Report, 2004]

#### 1.4 Production facilities

The Coca-Cola Company produces the concentrates and syrups used in its drinks at 30 principal companies owned and operated manufacturing plants worldwide. The production process is very secretive thus limiting the availability of production locations.

##### **Coca-Cola Syrups**

**Address:** 31 Pleasant St, Monticello, NY 12701-1430

**Phone:** 914.794.4266

##### **Coca-Cola USA Atlanta Syrup**

**Address:** PO Box 2467, Atlanta, GA 30301-2467

**Phone:** 404.676.8500

For a complete listing of Coke's bottling operations visit the following independent website:

<http://www.tomato.com/~bobby/f/www/coke/lists/bottlers.html>

#### 1.5 Coke executives and their Salaries as of June 2005

Coke executives have historically been awarded incredibly high levels of compensation through salaries, bonuses and stock options. For example, former CEO Douglas Daft and former COO Steven Heyer made \$11,026,237 and \$9,762,588 respectively in 2003 when bonuses and stock options are included.<sup>14</sup>

<b>Executives</b>	<b>Salary + Bonus</b>	<b>Total including all other compensation</b>
Nevell Isdel, Chair of the Board, Chief Executive Officer	\$3,739,862 (from June 1 to December 31, 2004)	\$4,062,393 (from June 1 to December 31, 2004)
Gary P. Fayard, Chief Financial Officer, Executive Vice President	\$1,379,250	\$1,789,607
Charles B. (Chuck) Fruit, Chief Marketing Officer	n.a.	n.a.
Muhtar Kent, President and Chief Operating Officer North Asia, Eurasia & Middle East	n.a.	n.a.
Don R. Knauss, President and Chief Operating Officer, Coca-Cola North America	n.a.	n.a.
Mary E. Minnick, President, Marketing, Strategy and Innovation	\$1,315,125	1,698,242
Dominique Reiniche, President, European Union Group	n.a.	n.a.
Alexander B. Cummings, Jr. Executive Vice President; President	\$1,131,112	\$1,473,400

<sup>14</sup> Wall Street Journal

and COO, Africa		
Jose O. Reyes, Executive Vice President and President and COO, Latin America	\$1,217,416	\$1,477,557
Patrick T. Siewert, President and Chief Operating Officer East, South Asia & Pacific Rim	n.a.	n.a.

[Source: The Coca-Cola Company, Notice of Annual Meeting of Shareholders]

## 1.6 Board of Directors<sup>15</sup> as of June 2005

- **Herbert Allen** – Director since 1982, President and Chief Executive Officer and Director of Allen & Company Incorporated, a privately held investment firm. **Contact info: (212) 832-8000**
- **Ronald Allen** – Director since 1991, Former Chief Executive Officer of Delta airlines. **Contact info: (404) 715-2581 (404) 715-6197**
- **Cathleen Black** – Director since 1993, President of Hearst Magazines, a unit of The Hearst Corporation. **Contact info: (212) 649-2641**
- **Warren Buffet** – Director since 1989, Chair of the Board and Chief Executive Officer of Berkshire Hathaway Inc. Buffet was targeted by a share-holder action at the corporation's 2004 annual general meeting. In 2004 the California State Pension Fund and Institutional Shareholder Services opposed the re-election of Buffet to the board of directors complaining that at least two of Berkshire Hathaway's companies do business with the Coca-Cola Company.<sup>16</sup> **Contact info: (402) 346-1400**
- **Barry Diller** – Director since 2002, Chair of the Board and Chief Executive Officer of InterActiveCorp, an interactive commerce company. **Contact info: (212) 581-6433 (212) 314-7300**
- **Donald Keough** – Director since 2004, Chair of the Board of Allen & Company Incorporated, a privately held investment firm. **Contact info: (212) 832-8000**
- **Maria Lagomasino** – Chair and Chief Executive Officer of J.P. Morgan Private Bank, a unit of J.P. Morgan Chase. **Contact info: (212) 464-2560**
- **Donald McHenry** – Director since 1981, Professor in the School of Foreign Service at Georgetown University. Owner and President of The IRC Group, a Washington D.C. consulting firm. **Contact info: mchenryd@georgetown.edu (202) 687-6083**
- **Robert Nardelli** – Director since 2002, Chairman of the Board, President and Chief Executive Officer of The Home Depot, Inc., from 1995 to December 2000, he served as President and Chief Executive Officer of GE Power Systems. **Contact info: (770)-433-8211, (770) 384-3622 (Direct)**
- **Sam Nunn** – Director since 1997, Former United States Senator from 1972 through 1996. **Contact info: (404) 572-4949 (404) 572-4600**
- **Pedro Reinhard** – Director since 2003, Reinhard is Executive Vice President and Chief Financial Officer of The Dow Chemical Company. **Contact info: (800) 422-8193 (U.S. and Canada), (989) 636-1463**
- **James Robinson III** – Director since 1975, co-Founder and General Partner of RRE Ventures and Chairman of RRE Investors, LLC, private information technology venture firms. **Contact info: (212) 418-5100**
- **Peter Ueberroth** – Director since 1986, Chairman of Contrarian Group. Former Commissioner of Major League Baseball, 1984-1989. **Contact info: (949) 720-9646**
- **James Williams** – Director since 1979, Former Chief Executive Officer of Sun Trust Banks. **Contact info: (404) 588-7711**

<sup>15</sup> For contact information please visit: <http://www.corporatecampaign.org/killer-coke/board/cokedir.htm>

<sup>16</sup> Teather, D., "Coca Cola Faces Down Shareholder Revolt and Ejects Protester", The Guardian, April 22, 2004

## 1.7 Public relations

*"Helping people all over the world live healthier lives through beverages"*<sup>17</sup>, From Coke's Beverage Institute for Health and Wellness website

Coke invests millions of dollars each year in order to passionately convince the consuming public that their product is good for you, or at least harmless. Coke looks to public relations firms, strategic alliances, targeted donations and the creation of research institutes as tools that can downplay the risks of tooth decay or weight gain that results from consuming their products. In fact, the corporation goes to some lengths to convince the public that their product is actually good for you. The following exposes some of the public relations firms used by Coke as well as some of the corporation's own PR campaigns and initiatives.

### Coke's PR initiatives:

- **The Beverage Institute for Health and Wellness** – In March 2004 Coke created a research institute with the goal of countering criticism about their role of soft drinks in the obesity epidemic. Coke claims that the institute will support nutrition research with a primary focus on beverages. Coke claims that the institute "will support consumer and health professional education on a variety of topics, such as hydration, sweeteners, micro-nutrient deficiencies, weight management and physical activity."<sup>18</sup> The institute is clearly a public relations initiative with the goal of convincing the public that Coke cares about health issues. Meanwhile the company continues to target young people with advertisements for their sugary caffeinated drinks. The institute reports directly to Vice President Donald Short.<sup>19</sup>
- **Coke's Website** – Coke uses its website to highlight many of its strategic programs and initiatives around the world. Many of these programs serve as public relations campaigns designed to boost the corporation's image. For example, Coke's website claims that In South Africa the corporation is introducing "model workplace programs aimed at raising awareness of HIV/AIDS for our 1,200 employees and their dependents".<sup>20</sup> However, as Health Gap, a US based Aids and human rights group claimed late 2003, Coke has been slow to implement the South Africa program.<sup>21</sup> In India, where the corporation has been taking vast amounts of water from local water tables with devastating results to the lives of villagers and farmers, the website claims that Coke is "committed to helping protect and preserve this resource in the communities and watersheds where we operate throughout the world."<sup>22</sup>

### Public relations firms:

- **Perfect Relations** – Coke hired the Indian public relations firm, Perfect Relations, to rebuild the corporation's tarnished image in India after years of resistance from groups protesting Coke's use of large amounts of water in their bottling operations and the fact that Coke products in India were found to contain pesticides.<sup>23</sup>

<sup>17</sup> The Beverage Institute for Health and Wellness, <http://www.thebeverageinstitute.org/>

<sup>18</sup> *ibid*

<sup>19</sup> Coca Cola Company Press Release, "Coca-Cola Unveils Plans For Institute Dedicated To The Role Of Beverages In Healthy Lifestyles", March 1, 2004,

[http://www2.cocacola.com/presscenter/nr\\_20040220\\_beverages\\_healthy\\_lifestyles.html](http://www2.cocacola.com/presscenter/nr_20040220_beverages_healthy_lifestyles.html)

<sup>20</sup> The Coca Cola Company Website, [http://www2.coca-cola.com/citizenship/africa\\_program.html](http://www2.coca-cola.com/citizenship/africa_program.html)

<sup>21</sup> Health Gap Press Release, "12 Months and Counting: Coke's HIV/AIDS Treatment Program in Africa Still Just a Public Relations Ploy", October 27, 2003, [http://www.healthgap.org/press\\_releases/03/102703\\_HGAP\\_PR\\_KO\\_12mos.html](http://www.healthgap.org/press_releases/03/102703_HGAP_PR_KO_12mos.html)

<sup>22</sup> The Coca Cola Company Website, [http://www2.coca-cola.com/citizenship/critical\\_global\\_resource.html](http://www2.coca-cola.com/citizenship/critical_global_resource.html)

<sup>23</sup> Srivastava, A., "Coke with Yet Another New Twist: Toxic Cola", India Resource Center, January 31, 2004, <http://www.indiaresource.org/campaigns/coke/2004/coketwist.html>

- **Lexis PR** – This UK firm is in charge of helping Coke recover from the disastrous launch of Dasani in England in February 2004.
- **GCI Group** – Coke is a client of GCI, of one of the United States' largest public relations firms.
- **Cohn, Overstreet & Parrish** – Formed in 2003, Cohn, Overstreet & Parrish, made up three former GCI executives, claims Coke as one of their clients.

### Strategic funding:

- **Australian Sports Commission** – In September 2004 the Australian Sports Commission released a report on children and sport<sup>24</sup>. The report was funded by Coke, which poured hundreds of thousands of dollars into the research. The report barely mentions dietary intake and its impact on obesity. Instead, the report states that children's obesity was more likely to be linked with declining physical activity than diet. The findings are troublesome for health and obesity experts who say that there is not enough evidence to say that diet has little to do with child obesity. More disturbing is how studies on health issues are being funded by the likes of Coke who have much to gain from distracting people from looking at the diets of young people.<sup>25</sup>
- **American Academy of Pediatric Dentistry** – In 2003 Coke donated \$1 million dollars to the American Academy of Pediatric Dentistry (AAPD). The Center for Science in the Public Interest, who started a campaign to end the partnership, commented that the AAPD, by partnering with Coke, "is burnishing the reputation of a company whose products cause tooth decay, obesity, and other health problems in children".<sup>26</sup> Coke's partnership with the AAPD gives them incredible influence over an organization that should support a reduction in the consumption of soft-drinks.
- **American Council on Science and Health** – The American Council on Science and Health (ACSH) is a self-described "consumer education consortium concerned with issues related to food, nutrition, chemicals, pharmaceuticals, lifestyle, the environment and health."<sup>27</sup> The group is funded by a large number of corporations who all have an interest in presenting themselves as healthy and harmless. The ACSH has not published a list of corporate donors since 1991, in the past Coke was included as one of their funders.<sup>28</sup> The ACSH takes an unapologetic stance regarding many health and environmental hazard produced by modern industry. In one case, ACSH President Elizabeth Whelan, suggested 1999 that reports claiming that Coke was making European children ill were based on mass hysteria: "Coke should simply announce: 'There is no health hazard at all from our product. It is a figment of your imagination'".<sup>29</sup>

## 1.8 University links

<sup>24</sup> Read the report here: <http://www.ausport.gov.au/research/youthandsport04.asp>

<sup>25</sup> "Health studies increasingly funded by food companies", Transcript from the Australian Broadcasting Corporation, PM, Broadcast September 6, 2004, <http://www.abc.net.au/pm/content/2004/s1193417.htm>

<sup>26</sup> Center for Science in the Public Interest Press Release, "Pediatric Dentists Accused of Selling Out to Coke", March 4, 2003, <http://www.cspinet.org/new/200303041.html>

<sup>27</sup> American Council on Science and Health Website, <http://www.acsh.org/about/index.html>

<sup>28</sup> Gumbel, A., "The man who ate McDonalds", The Independent, June 19, 2004

<sup>29</sup> Thurston, S., "Coca Cola: Struggle in Europe", Atlanta Journal and Constitution", June 22, 1999

- **Columbia University** – Gary Fayard, Executive Vice President and Chief Financial Officer, participates in the American Assembly at Columbia University concerning the future of the accounting profession.<sup>30</sup>
- **Dartmouth College** – Stephen Heyer, former President and Chief Operations Officer serves on the board of advisors of the Amos Tuck School at Dartmouth College.<sup>31</sup>
- **Emory University** – Stephen Heyer, former President and Chief Operations Officer serves on Emory University's Board of Visitors.<sup>32</sup> Alexander Douglas, chief customer officer and senior vice president, serves on the Anglican Studies Advisory Board at the Candler School, Emory University.<sup>33</sup> Clyde Tuggle, Senior Vice President is on the Board of Visitors.<sup>34</sup> Over \$1 billion in Emory University's endowments are in Coke stock. The University is also the global center for neuromarketing research, a major Coke marketing initiative.<sup>35</sup>
- **Georgetown University** – Member of the Board of Directors, Donald McHenry is Distinguished Professor in the Practice of Diplomacy and International Affairs at the School of Foreign Service, Georgetown University.<sup>36</sup>
- **Georgia State University** – Ingrid Saunders Jones, Senior Vice President, is a board member of the Council Foundations at the Andrew Young School of Policy Studies, Georgia Tech University.
- **Georgia Tech** – Board member Sam Nunn is distinguished professor at the Georgia Institute of Technology's Sam Nunn School of International Affairs. The school was created in 1990 and named after Nunn in 1996.
- **Grinnell College** – Board member Warren Buffet has been a life member of the Grinnell College's (Iowa) board of trustees since 1987.
- **Harvard University** – Mary Minnick, President of Marketing, Strategy and Innovation is a member of the Dean's Council of the John F. Kennedy School of Government at Harvard University.<sup>37</sup>
- **Kennesaw State University** – Clyde Tuggle, Senior Vice President, is a trustee at Kennesaw State University.<sup>38</sup>
- **New York University** – Board member Barry Diller is a trustee of New York University.
- **Notre Dame** – Board member Cathleen Black is a trustee of Notre Dame University.
- **Presbyterian College** – Board member Ronald Allen is Chair of the board of trustees of Presbyterian College.
- **The University of Alabama** – Gary Fayard, Executive Vice President and Chief Financial Officer sits on the University of Alabama's Board of Visitors.<sup>39</sup>

<sup>30</sup> The Coca Cola Company Website, <http://www2.coca-cola.com/ourcompany/executivej.html>

<sup>31</sup> The Coca Cola Company Website, <http://www2.coca-cola.com/ourcompany/executivef.html>

<sup>32</sup> The Coca Cola Company Website, <http://www2.coca-cola.com/ourcompany/executivef.html>

<sup>33</sup> The Coca Cola Company Website, [http://www2.coca-cola.com/ourcompany/bios/bio\\_14.html](http://www2.coca-cola.com/ourcompany/bios/bio_14.html)

<sup>34</sup> The Coca Cola Company Website, [http://www2.coca-cola.com/ourcompany/bios/bio\\_51.html](http://www2.coca-cola.com/ourcompany/bios/bio_51.html)

<sup>35</sup> Thompson, C., "There's a Sucker Born in Every Medial Prefrontal Cortex", New York Times, October 26, 2003

<sup>36</sup> The Coca Cola Company Website, [http://www2.coca-cola.com/ourcompany/bios/bio\\_25.html](http://www2.coca-cola.com/ourcompany/bios/bio_25.html)

<sup>37</sup> The Coca Cola Company Website, [http://www2.coca-cola.com/ourcompany/bios/bio\\_08.html](http://www2.coca-cola.com/ourcompany/bios/bio_08.html)

<sup>38</sup> The Coca Cola Company Website, [http://www2.coca-cola.com/ourcompany/bios/bio\\_51.html](http://www2.coca-cola.com/ourcompany/bios/bio_51.html)

<sup>39</sup> The Coca Cola Company Website, <http://www2.coca-cola.com/ourcompany/executivej.html>

- **University of Pennsylvania** – Former CEO Douglas Daft sits on the board of governors at the University of Pennsylvania’s Lauder Institute of Management and International Studies.
- **University of Southern California** – Board member Barry Diller sits on the Board of Councilors for the School of Cinema-Television at the University of Southern California.
- **Yale University** – Clyde Tuggle, Senior Vice President, serves on the Board of Directors at the Yale University Divinity School.<sup>40</sup>

The following Universities and professors are on the advisory council of Coke’s Beverage Institute for Health and Wellness.

- **Baylor College of Medicine**, Houston – **Dr. Steve A. Abrams**, Professor of Pediatrics, **Dr. John Foreyt**, Director, Behavioral Medicine Research Center
- **University of Ibaden**, Nigeria – **Dr. Tola Atinmo**, Professor of Nutrition, Department of Human Nutrition, College of Medicine
- **University of Nebraska**, Omaha – **Dr. Ann Grandjean**, Executive Director, The Center for Human Nutrition
- **University of Pittsburgh**, Pittsburgh – **Dr. John Jackicic**, Director, Physical Activity and Weight Management Research Center
- **University of Las Palmas de Gran Canaria**, Barcelona – **Dr. Luis Serra Majem**, MD, PhD, Professor of Preventive Medicine
- **Universidad Iberoamericana**, Mexico City – **Dr. Bertha Soledad de Santiago Martinez**, MD, DhD, Director of Health
- **Tufts University**, Boston – **Dr. Simin Medani**, Chief, Nutrition Immunology Lab, Jean Mayer USDA Human Nutrition Research Center on Aging, **Dr. Irwin Rosenberg**, University Professor, Friedman School of Nutrition Science & Policy
- **Georgia Institute of Technology**, Atlanta – **Dr. Mindy Millard-Stafford**, Professor, School of Applied Physiology
- **Kyoto University** – **Yukio Yamori, M.D., Ph.D.**, Emeritus Professor

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<sup>40</sup> The Coca Cola Company Website, [http://www2.coca-cola.com/ourcompany/bios/bio\\_51.html](http://www2.coca-cola.com/ourcompany/bios/bio_51.html)

## 2. Economic Profile

### 2.1 Financial data

Data	2004	2003	%Change
Revenue	\$21.96 billion	\$21.04 billion	4%
Net Income	\$4.84 billion	\$4.34 billion	12%
Long Term Debt	\$1.15 billion	\$2.51 billion	(54)%
Total Shareholder equity	\$31.32 billion	\$27.34 billion	14%
Long term debt to equity ratio	.036	.091	

For the Quarter ending December 31, 2004			
Financial Data	Dec. 31 2004	Dec. 31, 2003	% Change
Revenue	\$5.25 billion	\$5.17 billion	2%
Net Income	\$1.2 billion	\$927 million	30%

[Source: Wall Street Journal]

#### Debt to equity ratio

This ratio indicates how much the company is leveraged (in debt) by comparing what is owed to what is owned. A high debt to equity ratio could indicate that the company may be over-leveraged, and should look for ways to reduce its debt.

Coke's long-term debt: \$1.15 billion  
 Coke's total shareholder equity: \$31.32 billion  
 Coke's long term debt to equity ratio = .091

[Source: Wall Street Journal]

#### Revenue by geographic region

Region	2004 revenue	2003 revenue	% change
North America	\$6.64 billion	\$6.34 billion	4.7%
Africa	\$1.06 billion	\$827 million	29%
Asia	\$4.69 billion	\$5.05 billion	(7)%
Europe, Eurasia and Middle East	\$7.19 billion	\$6.55 billion	9.7%
Latin America	\$2.12 billion	\$2.04 billion	3.9%
Corporate	\$243 million	\$223 million	8.9%

[Coke 2004 annual Report]

### 2.2 Joint Ventures

**Beverage Partners Worldwide (BPW)** – Coca-Cola and Nestlé formed Coca-Cola and Nestlé Refreshments in 1991 in order to expand both companies' position in the ready-to-drink tea



category. In 2001, the joint venture was renamed Beverage Partners Worldwide. The collaboration currently operates in the United States and 59 other countries and has expanded into the ready-to-drink coffee business. Some brands within BPW include Nestea and Nescafé ready-to-drink products and the Tian Yu Di tea and Yang Guang tea businesses from Coke.<sup>41</sup>

### 2.3 Recent transaction and acquisitions

**June 2005, Serbia** – Coca-Cola Hellenic Bottling Company, CCHBC, (24% owned by Coke) took over the Vlasinka mineral water firm from another Serbian company. CCHBC has pledged to invest EUR100 million in marketing and modernizing production for the brand.<sup>42</sup>

**June 2005, Bulgaria** – Coca-Cola Hellenic Bottling Company acquired the Bulgarian mineral water company, Bankia. Bankia's assets include production facilities located just outside the Bulgarian capital of Sofia and the natural mineral water brand Bankia.<sup>43</sup>

**April 2005, Russia** – Coke, along with Coca-Cola Hellenic Bottling Company, bought 100 percent of Multon, a Russian juice company. Multon, which controls 25 percent of Russia's juice market, has production facilities in Moscow and St. Petersburg and produces and distributes juice products under the brands Rich, Nico and Dobry.<sup>44</sup>

**April 2005, United States** – In the Spring of 2005, Coke bought out Danone's 49 percent share of CCD Waters, the short-lived joint venture between the companies. Despite the end of the joint-venture Coke will continue to handle Danone's Evian water in the United States.<sup>45</sup>

**August 2004, Indonesia** – Water Partners SA, a joint venture between Coke and Nestlé, purchased a 55 percent stake in Indonesia's second largest bottled water producer, PT Ades Alfindo Putrasetia.<sup>46</sup>

### 2.4 Coke's main law firms

**White & Case** – White & Case are representing Coke in the Colombia lawsuit taking place in Miami (see page 26 below). 1155 Avenue of the Americas, New York, New York 10036-2787 United States, tel (212) 819 8200, Fax (212) 354 8113

**King & Spalding LLP** – 191 Peachtree Street Atlanta, Georgia 30303-1763, tel (404) 572-4600, fax (404) 572-5100 kingspalding@kslaw.com

**Brinks, Hofer, Gilson & Lione** – NBC Tower, Suite 3600, 455 N. Cityfront Plaza Drive, Chicago, IL 60611-5599, tel (312) 321-4200, Fax (312) 321-4299 postmaster@brinkshofer.com  
Cleary, Gottlieb, Steen & Hamilton, One Liberty Plaza, New York, NY 10006, tel (212) 225-2000, fax (212) 225-3999

**2.5 Marketing:** *"In the packaged water business, people pay for a product because they know it is safe, high quality, available, and convenient. When The Coca-Cola Company sells drinking*

<sup>41</sup> Nestlé Press Release, "Nestlé and Coca-Cola: Joint venture to tap rapidly growing beverage segments", January 30, 2001

<sup>42</sup> "Coca-Cola formally takes over Serbian mineral water bottler", SeeNews, June 6, 2005

<sup>43</sup> "CCHBC announce completion of Bankia acquisition in Bulgaria", Coca-Cola Hellenic Bottling Company press release, June 2, 2005, [http://www.coca-colahbc.com/cms/view.php?dir\\_pk=&cms\\_pk=438](http://www.coca-colahbc.com/cms/view.php?dir_pk=&cms_pk=438)

<sup>44</sup> Hope, K., "Coca-Cola buys Russian juice maker", Financial Times, April 1, 2005

<sup>45</sup> Leith, S., "Coke to buy stake of partner", The Atlanta Journal-Constitution, April 23, 2005

<sup>46</sup> "Nestlé, Coca-Cola's JV paid 14 mln usd for stake in Indonesia's Ades Alfindo", AFX European Focus, August 26, 2004

*water in its various forms, it is not charging for the water per se, but rather for the value we add to the water to make it a branded beverage.” Coke’s website<sup>47</sup>*

Coke is a master marketer with specific advertising campaigns for hundreds of different products. The quote above shows how Coke is able to package and market tap water and then convince consumers through seductive advertising campaigns and packaging that the product is worth the price asked. The company’s marketing strategy exposes their desire to hook specific customer groups on their products. The following section outlines how Coke markets to children and profiles some of their advertising firms.

### **Marketing to children**

The following quotes from Coke’s website indicate how the company views their markets.

*Mr Pibb – “Mr. Pibb appeals to 12-to-15 year olds who are just gaining independence from home and looking for things to call their own. Mr. Pibb enables them to have an uninhibited, fun and unconventional attitude because it has the sweet, refreshing bold taste they need to express their independence.”<sup>48</sup>*

*Fruitopia – “Fruitopia is a noncarbonated fruit beverage for teens and young adults looking to discover new and unique flavor experiences.”<sup>49</sup>*

#### **Coke dropped as sponsor for youth event in New Zealand**

In May 2005, Coke was ousted from its sponsorship of Rockquest, a nationwide rock band contest for high school students. Coke had been associated with the event for four years before being dropped. In 2005, the Government of New Zealand found enough funds to allow the event to go forward without the Coke sponsorship. The Government’s Health Sponsorship Council, which had always been uncomfortable with the involvement of Coke because of obvious contradictions in motivation and goals, is now the main funder.<sup>50</sup>

### **Cross promotion**

Coke has garnered numerous cross advertising ventures with various companies, mostly in the last 2 years. A few examples include:

**Musicmatch and Sprite** – Coke and Musicmatch, a digital music download provider, signed a deal where the company will use the partnership for promotions based around its Sprite brand later in 2004. This partnership came as a response to Pepsi’s deal with Apple Computer’s i-pod brand.

**Delta Airlines and Dasani** – On all Delta flights, all passengers receive individual 8oz bottles of Dasani. These 8oz bottles are only available on these flights, as they are made especially for Delta.<sup>51</sup>

**Disney and Dasani** – Dasani is the ‘featured water’ at all Disney theme-parks, resorts, and cruise-lines. This means that Dasani is the only bottled water available at all of these Disney locations (exclusivity contract).<sup>52</sup>

<sup>47</sup> Coke’s website [http://www2.coca-cola.com/citizenship/packaged\\_water.html](http://www2.coca-cola.com/citizenship/packaged_water.html)

<sup>48</sup> Coke’s website [http://www2.coca-cola.com/brands/brands\\_pibb.html](http://www2.coca-cola.com/brands/brands_pibb.html)

<sup>49</sup> Coke’s website [http://www2.coca-cola.com/brands/brands\\_fruitopia.html](http://www2.coca-cola.com/brands/brands_fruitopia.html)

<sup>50</sup> Macdonald, N., “Coca-Cola dropped as Rockquest sponsor”, The Dominion Post, May 26, 2005

<sup>51</sup> “Dasani Now on Board With Delta”, Atlanta Business Chronicle, September 3, 2003, <http://atlanta.bizjournals.com/atlanta/stories/2003/09/01/daily27.html>

## **Exclusivity contracts:**

Schools - *"We know high school students will continue to drink Coca-Cola products for 50 to 60 years... We' re trying to gain their business for the future."* Matt Nussbaum, Coca-Cola' s youth market representative in Cleveland Ohio.<sup>53</sup>

Another marketing ploy used by the company is to lure cash-strapped school boards and Universities across North America into exclusive contracts where only Coke products can be sold. Coke offers large sums of money to school districts and Universities for the exclusive rights to sell their products. While the agreements provide Coke with a captive group of consumers, it also provides the company with constant advertising through the proliferation of their brand in hallways, on scoreboards and in other prominent displays. Coke's goal of getting kids hooked on their products through exclusivity contracts has been criticized for commercializing schools and providing children with easy access to unhealthy products. The public outcry to this marketing approach has spawned a number of campaigns aimed at eliminating the sale of soft drinks in schools. While some school boards – San Francisco, Chicago<sup>54</sup> – have succeeded in banning the sale of soft drinks in schools, most of the criticism and action directed at the companies are based on health issues and not on the commercialization of schools or social track records. It is important to note that while the sale of soft drinks may be banned, the sale of other Coke products, such as fruit drinks and water is still allowed thus sustaining the company's presence in schools.

### **Coca-Cola not maintaining soft drink ban in Hernando Country, Florida**

In the Spring of 2004, the Hernando County school board voted to ban the sale of carbonated soft drinks in county schools. The decision meant that schools are supposed to only offer water, sports drinks, fruit juices and milk. Soft drinks were taken out of most vending machines while others were outfitted with timers that would turn them off before the school day and turn them back on after the day ended. Thus it came as a surprise to school officials in December 2004, when students were seen purchasing soda from vending machines during school hours. School officials saw this as Coke stretching the rules of the soft drink ban. Coke responded to the complaints saying that the problems were the results of miscommunication and misunderstandings.<sup>55</sup>

In January 2004, Refreshments Canada, a lobby group for companies including Coke, decided to pull all of its carbonated beverages from elementary and junior high schools. In place of these beverages, Coke has begun stocking their vending machines with fruit drinks, water and so-called sports drinks produced by other brands they own. The industry has begun talks with schools to reword contracts to reflect the changes.<sup>56</sup>

While campaigns at public schools are concerned about health issues, students at a number of Universities and Colleges in Canada, the United States and Ireland have been working to end their schools' exclusivity contracts with Coke due to the company's alleged human rights abuses in Colombia. Schools where campaigns have been successful in their efforts to terminate these contracts, include: Bard College, New York; Carleton College, Minnesota; Lake Forest College, Illinois; National College of Art and Design, Ireland; Rutgers University, New Jersey; Trinity College, Ireland; University College, Dublin; Salem State College; College Dupage (Illinois); Oberlin College (Ohio).<sup>57</sup>

<sup>52</sup> "Walt Disney Company and Coca-cola expand Multi-Year Strategic Alliance – Dasani Bottled Water to Be Featured Water at Disney's U.S. Parks and Resorts", Business Wire Joint Press Release of Disney and Coke, September 23, 2002

<sup>53</sup> Keough, D., "Soft Drink Companies' Deals With Schools Raise Concerns", Plain Dealer, January 18, 1999

<sup>54</sup> "Chicago Publis Schools ban carbonated drinks from school vending machines", Associated Press, April 21, 2004

<sup>55</sup> Quinlan, P., "Coca-Cola not maintaining soft drink ban, officials say", Tampa Tribune, December 18, 2004

<sup>56</sup> Heman, D., "Coke, Pepsi to pull soft drinks out of schools" CanWest News, January 12, 2004

<sup>57</sup> From [www.killercoke.org](http://www.killercoke.org) <http://www.killercoke.org/pdf/schools-active-incampaign-killercoke.pdf>

**The following North American Universities have signed exclusive contracts with Coke (see appendix 1 for a complete list of Colleges and Universities involved in the Stop Killer Coke campaign):**

- **American University**, Washington D.C. – American University is in the middle of a 10-year exclusivity contract with Coke.<sup>58</sup>
- **Boston College**, Massachusetts – Boston College is currently involved in an exclusivity contract with Coke.<sup>59</sup>
- **Carleton University**, Ottawa, Canada – In 1999 Carleton University signed a 10-year exclusivity contract with Coke.<sup>60</sup>
- **DePaul University**, Indiana – Depaul University is involved in an exclusivity contract with Coke.<sup>61</sup>
- **Dartmouth College** (New Hampshire) – In 1999 Dartmouth College signed a 15-year exclusivity contract with Coke.<sup>62</sup>
- **George Washington University** – The University's 5-year exclusivity contract with Coke will expire in 2005.<sup>63</sup>
- **Indiana University** – The University has a 10-year \$15 million exclusivity contract with Coke.<sup>64</sup>
- **Kansas University** – KU agreed to a 10-year exclusivity contract in 1997 with an estimated \$21 million value.<sup>65</sup>
- **Loyola University**, Chicago – In 1998 Loyola signed a 10-year exclusivity contract with Coke.<sup>66</sup>
- **McGill University**, Montreal, Canada – In 2002 McGill signed a 10-year exclusivity contract with Coke.<sup>67</sup>
- **McMaster University**, Hamilton, Canada – In 1998 signed a ten-year multi-million dollar exclusivity contract with Coke.<sup>68</sup>
- **N.C. State University** – In 2003, N.C. State Signed a 5-year \$8.4 million exclusivity contract with Coke.<sup>69</sup>
- **Ohio State University** – Ohio State University signed a 10-year \$30 million exclusivity contract with Coke in 1999.<sup>70</sup>
- **Oregon State University** – Oregon State University's \$2.3 million contract with Coke will expire in 2006.<sup>71</sup>
- **Queen's University**, Kingston, Canada – Queen's University signed a 10-year \$5.5 million (CND) in 2000.<sup>72</sup>
- **Rutgers University**, New Jersey – Coke's exclusive 10-year \$10 million contract with Rutgers University expires in Spring 2005

<sup>58</sup> Kimmel, J., "Colombian exile: Coca-Cola abuses workers", The Eagle, February 28, 2005

<sup>59</sup> Mueller, L., "Coca-Cola' s alleged human rights abuses stirs activists on campus", The Heights, January 25, 2005

<sup>60</sup> "It's the real thing: Campus Coke deal to benefit students", Carleton University Magazine, Fall 1999, [http://magazine.carleton.ca/1999\\_Fall/20.htm](http://magazine.carleton.ca/1999_Fall/20.htm)

<sup>61</sup> Noell, N., "Groups thirst for change", The Depaulia, <http://www.thedepaulia.com/story.asp?artid=438&sectid=1>

<sup>62</sup> Russo, B., "Coke wins new beverage contract at Dartmouth", University Wire, The Dartmouth, June 25, 1999

<sup>63</sup> Steinhardt, J., "George Washington U. signs Coke as campus drink", The GW Hatchet, August 28, 2000

<sup>64</sup> Chamberlain, T., "Cola deals common way for schools to raise money", University Wire, Daily Egyptian, July 21, 1999

<sup>65</sup> Gowan, M., "Professor Decries Commercialism on Campus of Kansas University", Knight Ridder, September 11, 1998

<sup>66</sup> Manieri, J., "LSAS, Coca-Cola worker rally for soft drink recall", The Phoenix, November 19, 2003,

[http://www.loyolaphoenix.com/media/paper673/news/2003/11/19/News/Lsas-](http://www.loyolaphoenix.com/media/paper673/news/2003/11/19/News/Lsas-Coca.Cola.Worker.Rally.For.Soft.Drink.Recall-562088.shtml)

[Coca.Cola.Worker.Rally.For.Soft.Drink.Recall-562088.shtml](http://www.loyolaphoenix.com/media/paper673/news/2003/11/19/News/Lsas-Coca.Cola.Worker.Rally.For.Soft.Drink.Recall-562088.shtml)

<sup>67</sup> Sward, M., "Coke to be official McGill beverage", The McGill Tribune, November 26, 2002

<sup>68</sup> "Coke assailed for alleged labour brutality", The Hamilton Spectator, December 11, 2001

<sup>69</sup> Newsom, J., "Pepsi Gets Deal For Beverages At A&T: Many Colleges Are Embracing Exclusive - And Lucrative - Cola Deals", News And Record, November 30, 2003

<sup>70</sup> Polansek, T., "Students given voice in soft drink deals", University Wire, Daily Illini, December 6, 2001

<sup>71</sup> Chamberlain, T., "Cola deals common way for schools to raise money", University Wire, Daily Egyptian, July 21, 1999

<sup>72</sup> MacMillan, J., "The carbonated controversy", Queen's Journal, February 15, 2005,

<http://www.queensjournal.ca/articlephp/point-vol132/issue32/news/lead1>

- **St. Michael's College**, Vermont – Coke has a 10-year exclusivity contract with St. Michael's.<sup>73</sup>
- **San Diego State University** – San Diego State's 12-year exclusivity contract with Coke will expire in 2005.<sup>74</sup>
- **South Carolina State University** – In 2001 S.C. State signed a 5-year \$1 million exclusivity contract with Coke.<sup>75</sup>
- **State University of New York (SUNY) Binghamton** – In 2003 SUNY Binghamton signed a 10-year \$2.5 million exclusivity contract with Coke.<sup>76</sup>
- **University of Alberta**, Edmonton Alberta, Canada – The University of Alberta signed a 10-year exclusivity contract with Coke in 1997.
- **University of California, Berkeley** – Berkeley signed a non-exclusive contract with Coke in 2001.<sup>77</sup>
- **University of Connecticut** – In 2002, the University of Connecticut signed a 10-year exclusivity contract with Coke.<sup>78</sup>
- **University of Houston System** – In 2000 the University of Houston System signed a 10-year \$13 million exclusivity contract with Coke.<sup>79</sup>
- **University of Illinois** – in 2001 the University of Illinois signed a 5 year exclusivity contract with Coke.
- **University of Iowa** – In 1998 the University of Iowa signed an exclusive contract with Coke.<sup>80</sup>
- **University of Maine** – The University of Maine signed a 10 year \$3 million exclusivity contract with Coke in 1999.<sup>81</sup>
- **University of Massachusetts** – The University Massachusetts' seven
- **University of Michigan** – The University of Michigan has a number of different contracts with Coke.<sup>82</sup>
- **University of Minnesota** – Coke's 10-year exclusivity contract with the University of Minnesota will expire in June 2006. As of late 2004 the university had already received \$21 million from the company.<sup>83</sup>
- **University of Montana** – In 2002 the University of Montana signed a 7-year \$2.8 million exclusivity contract with Coke.<sup>84</sup>
- **University of North Carolina** – UNC receives \$695,000 annually from a non-exclusive deal with Coke.<sup>85</sup>
- **University of Ottawa** – The University of Ottawa has had a contract with Coke since 1997.<sup>86</sup>
- **University of Regina**, Saskatchewan, Canada – Coke signed a 10-year exclusivity contract with the University of Regina in 1998. Under the contract the University received a \$1 million donation plus additional funds to use at its discretion.<sup>87</sup>

<sup>73</sup> "UVM signs on with Coca Cola for beverages", Associated Press, September 7, 2003

<sup>74</sup> Zisko, J., "San Diego State U. students oppose Coke deal", University Wire, The Daily Aztec, November 30, 1999

<sup>75</sup> Gunnells, C., "Coke' s contract extended 5 years at S.C. State", The Post Courier, January 13, 2001

<sup>76</sup> Strub, C., "Coke deal nixes Pepsi from SUNY-Binghamton campus", University Wire, Pipe Dream, September 15, 2003

<sup>77</sup> Han, K., "Coca-Cola prepares to become UC-Berkeley beverage provider", University Wire, The Daily Californian, July 17, 2001

<sup>78</sup> Mariani, D., "U. Connecticut signs Coca-Cola contract", University Wire, The Daily Campus, February 5, 2002

<sup>79</sup> Gonzales, J.R., "Coke is it for U. Houston system", University Wire, The Daily Cougar, January 12, 2000

<sup>80</sup> <http://www.uiowa.edu/~uisas/coke.html#Coca-Cola%20&%20the%20UI>

<sup>81</sup> Bonin, G., "Funds from Coca-Cola to aid UM academics", Bangor Daily News, December, 14, 1999.

<sup>82</sup> Selitsky, T., "Killer Coke Coalition rallies at U. Michigan", University Wire, Michigan Daily, February 10, 2005

<sup>83</sup> Juno, J., "Coke invests millions at U. Minnesota", University Wire, Minnesota Daily, November 15, 2004

<sup>84</sup> "University signs contract with Coke worth \$2.8 million cash", The Associated Press, September 26, 2002

<sup>85</sup> Newsom, J., "Pepsi Gets Deal For Beverages At A&T: Many Colleges Are Embracing Exclusive - And Lucrative - Cola Deals", News And Record, November 30, 2003

<sup>86</sup> Thomas, M., "University Coke-contracts coming up for renewal", The Gateway, February 3, 2005,

<http://www.gateway.ualberta.ca/view.php?aid=3891>

<sup>87</sup> "Coca-Cola to exclusively supply cold beverages at U of R", University of Regina press release, May 1, 1998, <http://www.uregina.ca/commun/news/1997%20&%201998/may0198.html>

- **University of Saskatchewan**, Saskatoon Saskatchewan, Canada – In 1998 the University of Saskatchewan signed a 10-year exclusivity contract with Coke.<sup>88</sup>
- **University of Southern California** – In January 2005 USC signed a ten-year exclusivity contract with Coke.<sup>89</sup>
- **University of Texas, Arlington** – In 2003 the University signed a 5-year exclusivity contract with Coke.<sup>90</sup>
- **University of Utah** – In 1997 the University signed a \$9 million 10-year exclusivity contract with Coke. Other universities in Utah with exclusivity contracts with Coke include: Snow, Southern Utah University and Utah Valley State College.<sup>91</sup>
- **University of Vermont** – In September 2003, UVM signed a near-exclusive contract to sell only Coke products on campus. The deal is worth \$4.3 million over 10 years.
- **University of Western Ontario**, London Ontario, Canada – The University of Western Ontario is currently involved in an exclusivity contract with Coke.<sup>92</sup>
- **Utah State University** – The University signed a 12-year \$6 million exclusivity contract with Coke in 2001.<sup>93</sup>–
- **Virginia Tech University** – In 2002 Virginia Tech signed a 10-year, \$17 exclusivity contract with Coke.<sup>94</sup> Coke's bottling plant in Virginia is in Sandston very close to Richmond.
- **West Virginia University** – In 2001 the University signed a 10-year exclusivity contract with Coke.<sup>95</sup>

The following is a list of selected schools, school districts, school boards and Universities in the United States where Coke has paid for the exclusive rights to sell their products. The following information was obtained through an extensive media search.

- **California**, San Diego Unified School District – In 2003, the San Diego Unified School District, signed an exclusivity contract with Coke worth \$1 million a year for five years.<sup>96</sup> Other California schools with exclusivity contracts include: Banning high school; East Valley High School.
- **Colorado** Cherry Creek – Douglas County and Littleton school districts have all signed exclusivity contracts with Coke and are projected to collect \$ 27.7 million over 10 years.<sup>97</sup>
- **Florida**, Clay County – Schools in Clay County signed a \$4 million exclusivity contract to sell Coke products in 2000.<sup>98</sup> Coca-Cola Enterprises has a bottling plant in Jacksonville.
- **Georgia**, Dekalb County – The County signed the 5 year \$10 million exclusivity contract in February 2003.<sup>99</sup> Elementary schools will get water only. Middle and high schools will get water, juice and carbonated products.<sup>100</sup>
- **Indiana**, East Allen County School District, South Allen County School District – In 2001, both school districts signed 5-year exclusivity contracts with Coke worth \$2.4 million

<sup>88</sup> "U of S and Coca-Cola enter into a 10-year agreement", University of Saskatchewan press release, February 2, 1998, <http://www.usask.ca/events/news/articles/19980203-1.html>

<sup>89</sup> Nichols, K., "USC, Coke sign exclusive contract", University Wire, The Daily Trojan, January 12, 2005

<sup>90</sup> Vashisht, R., "Coca-Cola gains exclusive rights on U. Texas-Arlington campus", University Wire, The Shorthorn, October 31, 2003

<sup>91</sup> *ibid*

<sup>92</sup> Satterthwaite, L., "Up close and personal with Western's corporate side", The Gazette, November 15, 2001, [http://www.gazette.uwo.ca/2001/November/15/Campus\\_and\\_Culture2.htm](http://www.gazette.uwo.ca/2001/November/15/Campus_and_Culture2.htm)

<sup>93</sup> Van Leer, T., Toomer-Cook, J., "' Cola wars' pour bucks into colleges", Deseret News, December 25, 2001

<sup>94</sup> Miller, K., "Tech Selects Coca-Cola", Roanoke Times, September 6, 2001

<sup>95</sup> Rowe, L., "West Virginia U. seals Coke deal", The Daily Athenaeum, August 31, 2001

<sup>96</sup> Magee, M., "S.D. schools seal exclusive 5-year deal with Coke", San Diego Tribune, July 12 2003

<sup>97</sup> "Schools foresee no changes in exclusive Coke deals", Denver Post, March 15, 2001

<sup>98</sup> Cravey, B. R., "Coke is it for Clay schools in \$ 4 million exclusive deal", Florida Times Union, June 24, 2000

<sup>99</sup> Molnar, A., "No Student Left Unsold: The Sixth Annual Report on Schoolhouse Commercialism Trends", Education Policy Studies Laboratory, Arizona State University, 2003, p. 14

<sup>100</sup> Gentry, M., Education Notebook, Atlanta Journal Constitution, February 20, 2003

- combined.<sup>101</sup> Other Indiana school districts with Coke contracts include: Crown Point School board.
- **Maryland**, Charles County School System – The Charles County School System signed a million dollar 10-year exclusivity contract with Coke in 2000.<sup>102</sup>
  - **Michigan**, Kent Intermediate School District – In 1999, the school district signed a \$28.6 million dollar exclusivity contract with Coke.<sup>103</sup>
  - **Missouri**, Rockwood and Parkway School Boards – Both boards have signed exclusivity contracts with Coke.<sup>104</sup>
  - **Montana**, Great Falls School District – The school district signed a 10-year \$500,000 exclusivity contract in 2001.<sup>105</sup>
  - **New Hampshire**, Fall Mountain Regional School District – Coke and the school district have an exclusivity contract.
  - **New York**, Baldwinsville Central School District – In 2003 the Baldwinsville district signed a \$200,000 exclusivity contract with Coke.<sup>106</sup>
  - **New York**, North Syracuse School Board – The board signed a 10-year, \$1.5 million exclusivity contract with Coke in 1998.<sup>107</sup>
  - **New York**, Cheektowaga-Sloan School Board – The Board signed a 10-year, \$330,000 exclusivity contract with Coke in 2001.<sup>108</sup> Other boards in New York with Coke deals include: Central Square school board and the Cato-Meridian school district.
  - **New Mexico**, Las Cruces Schools – Coke has exclusive rights to sell its products in Las Cruces high schools until June 2004 and in Las Cruces elementary and middle schools through 2006.<sup>109</sup>
  - **Ohio**, Cleveland Heights-University Heights school system – Schools in this area have a ten year \$1 million exclusivity contract with Coke.<sup>110</sup> Coke has a bottling plant in Twinsburg Ohio, very close to Cleveland.
  - **Oregon**, Sherwood School District – The school district signed a 12-year exclusivity contract in April 2003 worth \$400,000 plus commissions on the volume of sales to be shared by the district and the city.<sup>111</sup>
  - **Texas**, Houston School District – In September 2000 the school district signed a 5-year, \$5 million exclusivity contract giving them rights to sell Coke in Houston's schools.<sup>112</sup>
  - **Virginia**, Norfolk Public Schools – In 2002 Norfolk public schools signed a 5-year \$3.2 million exclusivity contract with Coke.<sup>113</sup>
  - **South Carolina**, Cayce-West Columbia School – In 2000, Coke and the Cayce-West Columbia School district in South Carolina signed a 10-year \$2.7 million exclusivity contract.<sup>114</sup> Coke's bottler in the area is located in Bishopville S.C.
  - **Wisconsin**, West Bend Schools – West Bend Schools signed a 5-year exclusivity contract with Coke in 2002.<sup>115</sup>
  - **Washington**, Seattle School Board – In 2003, the Seattle School Board renewed a 5-year exclusivity contract with Coke. The deal, worth over \$300,000 a year, restricted the amount of soft drinks that can be sold in vending machines.<sup>116</sup>

<sup>101</sup> Turner, T. "Cola contracts = school dollars", The News-Sentinel, July 6, 2001

<sup>102</sup> The Associated Press, August 10, 2000

<sup>103</sup> "Grand Rapids schools curb soft drink sales", The Associated Press, Sept. 21, 2003

<sup>104</sup> Bower, C., "Soda Machines In Schools Are Big Business", St. Louis Post-Dispatch, August 29, 2003

<sup>105</sup> Anez, R., "Court says school district can't be sued in soft drink feud", The Associated Press, October 9, 2003

<sup>106</sup> Acevedo, E., "District Considers How To Use \$120,000", The Post Standard, January 30, 2003

<sup>107</sup> Todd, J., "Board Restructures Coke Contract", The Post Standard, May 24, 2001

<sup>108</sup> Krysak, J., "Coca-Cola Captures Another District", Buffalo News, February 21, 2001

<sup>109</sup> Romo, R., "Healthy School Snacks Wanted", Albuquerque Journal, March 6, 2003

<sup>110</sup> Keough, D., "Soft Drink Companies' Deals With Schools Raise Concerns", Plain Dealer, January 18, 1999

<sup>111</sup> Ibid

<sup>112</sup> Bryant, S., "Vending-machine deals enrich schools, but exclusive contracts irk some parents", Associated Press, October 11, 2000

<sup>113</sup> "Norfolk Schools Surrender to Coke", Virginian-Pilot, September 4, 2002

<sup>114</sup> Robinson, W., "Columbia, S.C.-Area School System Picks Coke as Soft-Drink Provider", Knight Ridder News, March 24, 2000

<sup>115</sup> "\$55000 Coke deal set for West Bend schools", Milwaukee Journal Sentinel, April 25, 2002

<sup>116</sup> "Seattle School Board extends Coke vending contract", Associated Press, July 18, 2003

- **Texas**, Houston Independent School District – In 2000 the HISD signed a \$5 million, 5-year exclusivity contract with Coke to sell products in the US' seventh largest school district.<sup>117</sup>

## 2.6 Coke's advertising firms

In 2004, Coke spent \$2.2 billion on the production of print, radio, television and other advertisements. This total is up from the approximately \$1.8 billion spent in 2003 and the approximately \$1.7 billion spent in 2002 on advertising.<sup>118</sup> In 2003 Coke spent a total of \$472 million on advertising in the US and was ranked 69<sup>th</sup> in Advertising Age's top 100 Leading National Advertisers.<sup>119</sup> The company was ranked 57<sup>th</sup> and spent \$569 million in 2002.<sup>120</sup> The payoff for such large investments in advertising and branding has helped Coke maintain its position at the head of a list of world's Top 100 brands. In the fourth annual survey compiled by Business Week magazine, Coke's brand value was cited as over \$67 billion US – ranking ahead of Microsoft and IBM.<sup>121</sup>

- **Berlin Cameron/Red Cell** – Part of the Red Cell Network of advertising agencies, Berlin Cameron/Red Cell is responsible for Coke's 'Real' advertising campaign and are behind the Courtney Arquette television commercials in the United States. The firm has also created advertisements for Dasani in the United States.
- **BrightHouse** – Coke's former Vice President of Advertising said that BrightHouse is "fundamental and central to everything that we do on a global basis". What makes BrightHouse a noteworthy is the BrightHouse Neurostrategies Institute, which opened in Atlanta 2001 to undertake research to see how the human brain responds to advertising campaigns. BrightHouse will then use the information to design more effective marketing strategies for its customers. The main center for this kind of research in the United States is in the neuroscience wing at Emory University in Atlanta, a university with no less than three top Coke executives serving on various boards and over \$1 billion in Coke stock. Emory's neuromarketing research is a project of The Neurostrategies Institute.<sup>122</sup> BrightHouse's thought sciences website claims that this type of knowledge of the brain will "help establish the foundation for loyal, long-lasting consumer relationships not easily superseded by the competition".<sup>123</sup> The BrightHouse institute is working with one major client but will not identify who it is. Some of BrightHouse's other clients include: Delta; Georgia-Pacific; Home Depot; MetLife; K-Mart; Hitachi Data Systems.
- **Burrell Communications Group** – This Chicago based advertising firm has been creating ads for Coke for over 30 years. Burrell creates ads for Sprite, Diet Coke, Cherry Coke, Minute Maid Soda, Fanta, Fruitopia and Tab. Burrell's work is primarily aimed at the African American market in the United States. Some of Burrell's other clients include: Bacardi; McDonalds; Toyota; Crest; General Mills; Sears; Tide; Verizon.
- **Cossette Communications Group** – This Canadian company has created television advertisements for Coca-Cola, Diet Coke, Barqs Root Beer, Sprite, Vanilla Coke and Dasani for English and French markets in Canada. As with most Coke advertising, children seem to be the target market for Cassettes animated television ads.<sup>124</sup> Some of

<sup>117</sup> "Vending-machine deals enrich schools, but exclusive contracts irk some parents", The Associated Press, October 11, 2000

<sup>118</sup> Coke's 2004 Annual Report on 10-k, p. 68

<sup>119</sup> 100 Leading National Advertisers , Advertising Age, June 28, 2004

<sup>120</sup> 100 Leading National Advertisers , Advertising Age, June 23, 2004

<sup>121</sup> Conway-Smith, 3., "Coca-Cola still top world brand as more US firms slip in rankings" Globe and Mail, July 23, 2004

<sup>122</sup> Burne, J., "A Probe Inside the Mind of the Shopper", Financial Times, November 28, 2003

<sup>123</sup> BrightHouse Neurostrategies Group Website, <http://www.thoughtsciences.com>

<sup>124</sup> Cossette Communication Group, <http://www.cossette.com/en/flash/?d=oui&size=800>



Cossette's other clients include: Wal-Mart USA; TD WaterHouse; Shoppers Drug Mart; Air Canada, Canadian Broadcasting Corporation.

- **Foote Cone and Belding**  – This New York based ad firm creates advertisements for Diet Coke in the United States. Some of FCB's other clients include: Boeing; John Deere; Taco Bell; Hilton; Coors; Kraft; Mattel.
- **Momentum**  – Momentum is part of the Interpublic Group of Companies, a group of advertising and communication firms. In March 2004, Momentum was awarded Coke's promotions and retail account for the summer launch of its new low calorie cola.<sup>125</sup> Some of Momentum's other clients include: AMD; American Express; Nestle; Buick; NESCAFE.
- **Warner Bros., Harry Potter and Coke**  – Coke came under criticism in late 2001 from consumer health activists who launched a campaign to stop the company from using children's literary hero, Harry Potter to market its soft drinks. Coke reportedly paid \$150 million for the global marketing to the Harry Potter movies.<sup>126</sup>
- **Vallance Carruthers Coleman Priest (VCCP)**  – In February 2003 VCCP expanded its relationship with Coke when it was awarded a Pounds 5 million Minute Maid account. VCCP will create a multi-media campaign for TV, print and point of sale to help Coke introduce Minute Maid into the UK in the summer of 2005.<sup>127</sup> VCCP has previously worked on advertising for Coca-Cola and Diet Coke.

## 2.7 Lawsuits/Investigations

- **January 2005**  – In early 2005 India's Supreme Court ordered an investigation into whether or not soft drinks (including Coke) sold in the country contain addictive chemicals designed to hook consumers. The Court ordered the Indian Government to undertake an examination of bottles and cans for possible addictive agreements.<sup>128</sup>
- **May 2005**  – In May 2005, a Coca-Cola shareholder filed a lawsuit claiming former Coke Chair and CEO Douglas Daft made false and misleading statements regarding the company's performance. The suit is seeking class-action status and covers those who bought Coke shares between January 30, 2003 and September 15, 2004.<sup>129</sup>
- **December 2004**  – Both Coke and Pepsi were ordered by India's Supreme Court to label their products stating the amount of pesticide residues in their soft drinks. The court ruled that consumers had a right to know what they were drinking. Both Coke and Pepsi had challenged the order saying that their products in India were as safe as anywhere else in the world. The conflict began in August 2003 when an independent environmental group, the Centre for Science and the Environment, found that pesticide residue in the drinks were 11 and 30 times higher than the level permitted by the European Union.<sup>130</sup>
- **May 2003**  – Former Coke executive Mark Whitley sued the company in May 2003 for \$44.4 million in damages. The lawsuit claims that Coke's Fountain Division engaged in \$2 billion in accounting fraud, created slush funds, manipulated its inventories and discriminated against minorities. Whitley also claimed that the company rigged marketing tests in Burger King Restaurants by paying an intermediary to take hundreds of children

<sup>125</sup> Adweek, "Momentum Wins Coke Work", March 22, 2004

<sup>126</sup> Cray, C., "Trouble With Harry", *Multinational Monitor*, November 2001, Vol 22, Number 11

<sup>127</sup> "VCCP secures Coca-Cola's Minute Maid", *Campaign*, February 25, 2005

<sup>128</sup> Abdi, S.N.M., "Coke and Pepsi under scrutiny for addictives", *South China Morning Post*, January 6, 2005

<sup>129</sup> Leith, S., "Shareholder sues Coke", *The Atlanta Journal-Constitution*, May 10, 2005

<sup>130</sup> Dhillon, A., "Soft-drink giants lose pesticide legal battle", *South China Morning Post*, December 9, 2004

to the restaurant to buy Frozen Cokes, a slushy frozen drink that was being test-marketed at the time.<sup>131</sup> In June 2003, Coke admitted to having acted improperly towards Burger King and agreed to pay the restaurant chain up to \$21.1 million. The company reached a \$540,000 settlement with Whitley in October 2003.

The suit also alleged that the company was shipping excessive concentrate to Japan in the late 1990s in order to boost quarterly sales figures. Former CEO Doug Daft was in charge of the Asian office at the time.<sup>132</sup> The allegations led the US Securities and Exchange Commission (SEC) in January 2004, to launch a formal investigation. The investigation came to an end in April 2005 when Coke reached a settlement in which the company agreed to take certain undisclosed steps to strengthen its internal accounting controls. In a statement Richard Wessel, district administrator in the SEC's Atlanta office said "Coca-Cola misled investors by<sup>133</sup> failing to disclose end-of-period practices that impacted the company's future operating results." Coke did not have to pay a fine.

- **1999** – Coke's operations in Europe have been the target of a five year investigation into whether or not the corporation and its main European bottlers' marketing practices violated competition rules. The issues surround how Coke bolstered sales of its products with questionable methods including contracts with retailers that prohibit the sale of competitors' products, sales incentive programs, and discounts for certain customers<sup>134</sup>, and the practice of giving rebates to retailers that carry a range of Coke products.<sup>135</sup> The investigation originally involved the UK, Austria, Denmark, Belgium and Spain, but has been narrowed to Germany.<sup>136</sup> The case came to an end in October 2004 when Coke signed an agreement with the European Commission. Under the agreement, Coke promised to stop offering incentives to retailers across Europe and to open 20 percent of the space in Coke branded refrigerators to rival products. In exchange for the changes, the company will not have to pay a fine and will not be found guilty of breaking European competition law.<sup>137</sup>
- **December 1999** – In another European antitrust case Coke was fined \$16 million in late 1999 by Italy's competition authority for abusing its dominant market position. The 18 month investigation into the operations of Coke subsidiaries in Italy showed that the company violated competition rules by offering incentives to wholesalers and retailers to promote their own products instead of rival company Pepsi.<sup>138</sup> Coke lost its appeal of the decision in October 2000.<sup>139</sup>

## 2.8 Product recalls

- **Belgium** – In June 1999, the governments of France, Belgium, Luxembourg and the Netherlands ordered Coke products off their shelves after dozens of people who drank the soft drinks became ill. The soft drinks, originating from a bottling plant in Belgium, had been bottled using defective carbon dioxide.<sup>140</sup> The recall set off a flurry of investigations and recalls of Coke products across Europe. The recall, which cost the company \$103

<sup>131</sup> Day, S., "Coca-Cola Settles Whistle-Blower Suit for \$540,000", New York Times, October 8, 2003

<sup>132</sup> Buckley, N., Liu, B., "Wall Street is convinced that Steven Heyer, the company's president and chief operating officer, is the man for the top job", Financial Times, March 10, 2004

<sup>133</sup> Warner, M., "Coca-Cola settles inquiry over practices in Japan", The New York Times, April 19, 2005

<sup>134</sup> Hays, C., "European Regulators Raid Coke Offices in Brussels and London", The New York Times, May 19, 2000

<sup>135</sup> Dombey, D., "Talks to Start on Coke Antitrust Case", Financial Times, April 16, 2004

<sup>136</sup> *ibid*

<sup>137</sup> Buck, T., "Coke ends five-year Monti fight", Financial Times, October 20, 2004

<sup>138</sup> Liu, B., "Italian Competition Body Fines Coca-Cola for Abusing Position", Financial Times, December 18, 1999

<sup>139</sup> Blitz, J., "Coca-Cola loses antitrust appeal", Financial Times, October 31, 2000

<sup>140</sup> Hays, C., "Coke Products Are Ordered Off the Shelves in Four Countries", New York Times, June 16, 1999

million, had a hand in the 21 percent drop in earnings at Coke in the second quarter of 1999.<sup>141</sup>

- **United Kingdom** – In March 2004, only weeks after introducing Dasani into the United Kingdom, Coke ordered a recall of 500,000 bottles after excess levels of the cancer causing chemical Bromate was found in the purified tap water. What the recall will cost Coke is unclear; however, Coke did cancel its launch of Dasani brand bottled water in France and Germany and has not announced any plans to re-launch the product in the UK.<sup>142</sup>
- **Japan** – In May 2003, Coke was forced to recall 54 million cans and bottles of Boco and Winnie the Pooh Hiney Lemon for using lemon flavouring that had not been approved under Japan's Food Hygiene Law. Coke's sales in Japan dropped by 3 percent in the second quarter of 2003.<sup>143</sup>

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<sup>141</sup> Hays, C., "Coca-Cola Earnings Fall 21%, Reflecting Troubles in Europe", New York Times, July 16, 1999

<sup>142</sup> Johnson, J., Jones, A., "Coke cans plans for Dasani in France", Financial Times, March 25, 2004

<sup>143</sup> Leith, S., "Coca-Cola files lawsuit over a recall in Japan", August 9, 2003

# 3. Political Profile

## 3.1 Political connections

- **Vincente Fox:** Current President of Mexico – Fox began working for Coke in Mexico in 1964. When he left the company in 1979, he was the President of Coca-Cola Mexico.
- **Marta de Sahagun de Fox:** Currently Mexico's first lady – One of the first lady's major foundations, Vision Mexico, based in the United States received its entire \$7.5 million in assets from Coke.<sup>144</sup> US charities must raise at least one third of their resources from public sources.
- **Barclay Resler:** Vice President of Government Affairs – Prior to joining Coke in 1980, Resler, who is the company's top lobbyist, worked as a legislative aide in the US House of Representatives.<sup>145</sup> Resler was recently named a 'Ranger' by George W. Bush's 2004 campaign for having brought in over \$200,000 in funds for Bush's push for reelection.<sup>146</sup>
- **John Brownlee Jr:** Manager of Federal Government Affairs – Brownlee worked Staff Counsel and Legislative Assistant for Senator Max Cleland (D-GA) prior to joining Coke.

Coca-Cola India's connections to the Indian Government:

The following are all members of Coca-Cola India's advisory board. The board was set up guide the company on various issues including future strategies, corporate citizenship, and corporate governance.

- **Naresh Chandra, Chair of the advisory board** – Chandra served as India's Ambassador to the United States from 1996-2001 and recently headed the Indian Government's committee on Corporate Governance. He has also served as the Governor of Gujarat, senior advisor to the Prime Minister and as a Cabinet Secretary in the Indian Government.<sup>147</sup>
- **B. N. Kirpal** – Kirpal is India's former Chief Justice and currently serves as Chair of the National Forest Commission, an autonomous body, under the Ministry of Environment and Forests.<sup>148</sup>
- **General V.P. Malik (Retd)** - General Malik is the Former Chief of Indian Army. He is also a member of the National Security Advisory Board and Honorary Advisor to the Centre for Policy Research, New Delhi.<sup>149</sup>

## 3.2 Political donations

<sup>144</sup> Silver, S., "Marta Fox reveals Dollars 7.5m came from Coca-Cola donation", Financial Times, March 3, 2005

<sup>145</sup> The Coca Cola Company Press Release, "The Board Of Directors Of The Coca-Cola Company Elects Don Keough As Director; Increases Annual Dividend By 14 Percent; Revises Retirement Policy For Directors; And Elects Two Officers", February 19, 2004, [http://www2.coca-cola.com/presscenter/nr\\_20040219\\_corporate\\_dividend\\_don\\_keough.html](http://www2.coca-cola.com/presscenter/nr_20040219_corporate_dividend_don_keough.html)

<sup>146</sup> <http://www.whitehouseforsale.org>

[http://www.whitehouseforsale.org/ContributorsAndPaybacks/pioneer\\_profile.cfm?pioneer\\_ID=1117](http://www.whitehouseforsale.org/ContributorsAndPaybacks/pioneer_profile.cfm?pioneer_ID=1117)

<sup>147</sup> Coca-Cola India website, [http://www.coca-colaindia.com/about\\_us/abo\\_cor\\_gov.html](http://www.coca-colaindia.com/about_us/abo_cor_gov.html)

<sup>148</sup> *ibid*

<sup>149</sup> *ibid*

As is the case with most large corporations in the United States, Coke, along with its subsidiaries and joint-ventures, donates significantly to candidates during election campaigns. While Coke does not invest the millions that some other corporate giants do, the money they donate through their Political Action Committees (PACs are political committees organized for the purpose of raising and spending money to elect and defeat candidates, most PACs represent business, labor or ideological interests) will go to congressional and senatorial candidates who work towards policies that will be favourable to Coke's agenda.

An example of strategic donations can be seen in the number of donations Coke made in the 2002 election cycle to members of the Senate Committee on Agriculture, Nutrition and Forestry. Among other things, the Committee examines food programs for the needy to assure their availability and nutrition value, as well as encouraging a balanced diet among the general population, and most importantly ensuring that food is safely grown, prepared and delivered. Fourteen out of 21 Senators on the committee received a donation from Coke or Coca-Cola Enterprises during the 2002 election cycle. Donations to these senatorial candidates totaled \$37,000.<sup>150</sup>

Other strategic donations include \$9,000 from Coke and Coca-Cola Enterprises since 2000 to Florida Republican Ric Keller who tabled a bill banning lawsuits against junk food companies that was passed in the House of Representatives in 2004. Keller commented that "the food industry is under attack and in the cross hairs of the same trial lawyers who went after big tobacco".<sup>151</sup>

#### PAC donations by Coca-Cola and its main bottlers

Corporation	2005	2004	2002
<b>Coca-Cola</b>	\$31,500 (as of May 30, 2005) – 59% to Republicans, 41% to Democrats	\$152,000 – 58% to Republicans, 42% to democrats	\$171,900 – 60% to Republicans, 40% to Democrats
<b>Coca-Cola Enterprises</b>	n.a.	\$193,910 – 68% Republicans, 32% to Democrats	\$205,686 – 66% to Republicans, 34% to Democrats
<b>Coca-Cola Bottling Co. United</b>	n.a.	\$7,000 – 29% to Republicans, 71% to Democrats	\$13,000 – 85% to Republicans, 15% to Democrats

### 3.3 Industry associations

Coke is a member of the following powerful business and industry associations.

**US Council for International Business** [www.uscib.org](http://www.uscib.org) – The USCIB advocates for US based corporations with the goal of influencing "laws, rules and policies that may undermine U.S. competitiveness, wherever they may be". The USCIB is the U.S. wing of the International Chamber of Commerce, and was the key corporate lobby group in the push for the failed Multinational Agreement of Investment (MAI). They are also heavily involved in the current pro-liberalization lobby regarding negotiations on the Free Trade Area of the Americas and the World Trade Organization.

The USCIB, the World Health Organization and Sugar

In early 2003, the USCIB joined food industry groups and the Sugar Association (the main industry association representing big US sugar producers) wrote to US health secretary Tommy Thompson asking him to push for the withdrawal of a World Health Organization report on healthy eating. The report sets guidelines which say that sugar should only account for 10% of a healthy diet and that soft drink consumption has contributed to the obesity epidemic.

<sup>150</sup> Center for Responsive Politics

<sup>151</sup> Jackson, D., "Trash Food Makers Fatten GOP Coffers", The Boston Globe, March 12, 2004

Sugar industry associations threatened to use their lobbying power to get the United States Government to withdraw its \$406 million funding of the WHO if the report was not withdrawn.<sup>152</sup> The National Soft Drink Association said the reports guidelines for sugar were “too restrictive” and “not based on the best available science”.<sup>153</sup>

**USA-Engage** <http://www.usaengage.org> – Coke is a member of USA-Engage, a broad-based organization representing individuals and corporations who view the US’ unilateral economic sanctions imposed on various countries as damaging to the US economy. USA-Engage directly targets US sanctions restricting US companies from investing. The organization does not make distinctions between different government sanctions and how they may negatively impact local populations. They view sanctions strictly as barriers to profit for US corporations. USA-Engage is supported by powerful lobby groups, including The Wexler Group, who have successfully combated new sanctions efforts in the White House and Congress.<sup>154</sup>

**Office of the United States Trade Representative (USTR) Industry Consultations Program** <http://www.ita.doc.gov/> – Barclay Resler, Vice President of Coke’s Federal Government Relations Department, sits on the Industry Sector Advisory Committee On Consumer Goods For Trade Policy Matters (ISAC 4). The ISACs are the USTRs front line for advice on trade related policy, including GATS, FTAA, and Fast Track. ISAC members, made up of executives from large corporations, provide advice and information for the US administration on issues that affect US industry. Coke’s involvement in the ISACs gives them incredible power in the process of influencing the position of the US administration in this sector.<sup>155</sup>

**National Foreign Trade Council** [www.nftc.org](http://www.nftc.org) – The Coca-Cola Company is a member of the NFTC, which advocates for the international and public policy priorities of its business members. Former US Secretary of the Treasury Robert E. Rubin acknowledged the role of the NFTC saying that “The NFTC and its members have been a strong and important voice in a number of debates related to international economics”<sup>156</sup>

**National Soft Drink Association** [www.nstda.org](http://www.nstda.org) – Donald R. Knauss, President and Chief Operating Officer of Coca-Cola North America is on the NSDA’s board of directors. The Association serves as a liaison between the industry, government and the public, and represents the industry in legislative and regulatory matters.

**Grocery Manufacturers of America** <http://www.gmabrands.com/> – The Grocery Manufacturers of America is a powerful lobby group that represents the interests of food manufacturers in the United States. Coke’s CEO Douglas Daft sits on the GMA’s board of directors. In a case demonstrating the GMA’s influence, the group filed a lawsuit in August 2003 to block a new Maine law that would require bottled water labels to identify their water source. The GMA said that it wanted uniformity in labeling and held that Maine should not be allowed to make its own laws that would supercede Food and Drug Administration laws stating that companies need only label their products ‘Purified Water’. The case stated that the law would hurt sales and goodwill, and would conflict with “the reality that purified water is very different from tap water.”<sup>157</sup>

Coke’s position is demonstrated in the following statement: “The Coca-Cola Company supports GMA’s efforts to prevent the new law, which places unreasonable and inappropriate labeling requirements on bottled water sold in Maine, from taking effect.” In October 2003, Coke and the GMA got their wish, as Maine backed off on putting forward the law to label the water. The

<sup>152</sup> Boseley, S., “Sugar industry threatens to scupper WHO”, The Guardian, April 21 2003

<sup>153</sup> National Soft Drink Association Press Release, “World Health Organization Report Contains Crucial Recommendations for More Physical Activity”, March 4, 2003, <http://www.nstda.org/about/news/2003%20Releases/WHOreport.html>

<sup>154</sup> Bruno, K., Vallette, J., “Halliburton’ s Destructive Engagement” Earth Rights International, September 2000, <http://www.earthrights.org/pubs/halliburton.shtml>

<sup>155</sup> USTR website, <http://www.ita.doc.gov/td/icp/mission.html>

<sup>156</sup> NFTC website, <http://www.nftc.org/default.asp?Mode=DirectoryDisplay&id=1&Category=All>

<sup>157</sup> Murphy, E., “Bottler’s Sue State over Labels: A Manufacturing Group contends that Requiring Bottled Water Labels to Identify the Source of Water is Unconstitutional”, Portland Press Herald, August 20, 2003

settlement ensured that the state will not enforce the law unless the FDA decides that the law does not conflict with federal law.<sup>158</sup>

### 3.4 Lobby efforts

In addition to Coke's membership in powerful and influential industry groups, the company spends large amounts of money each year to hire lobby firms. According to The Center for Responsive Politics, Coke spent \$3.5 million on lobby firms between 1997 and 2000. Some of the lobby firms hired by Coke include: BKSH & Assoc; Chayet Communications Group; Fierce & Isakowitz; Hurt, Norton & Assoc Inc; Long, Aldridge & Norman; Miller & Chevalier; White & Case; and Williams & Jensen.<sup>159</sup> In addition to the firms listed here, Coke has its own internal lobbyists who fight for the company's interest in Washington.

#### Industry lobby in Texas

Like many levels of government facing much needed improvements in water related infrastructure, The Texas Senate in 2001 proposed to finance up to \$17 billion of needed improvements by posting a 5 cent tax on every bottle of water sold in the State. The bottle water industry, which includes Coke, quickly launched a counteroffensive.

A coalition was formed, called 'Texans for Prop 19, representing the bottled water industry and instead of mounting a direct campaign against the 5 cent tax, the corporate coalition decided to block the tax bill by pushing for something called Proposition 19. Coke gave \$50,000 to the effort.

Proposition 19 would authorize the Texas Water development Board to issue up to \$2 billion in additional public bonds that would then be used to make low interest loans to municipalities in Texas for projects to improve water infrastructures.

The proposed tax bill on bottle water would, of course, have raised far more revenue for needed water service improvements than Proposition 19. But, as a citizens watchdog group called 'Texans for Public Justice' reported: "The industry balked at this tax [i.e. the 5 cent tax on bottle water], which would have increased public appreciation of tap water."

As a result, the 5 cent tax bill on bottle water "never survived the trip across the lobby from the Senate to the House." When the tax bill died, other funding mechanisms were proposed, like Proposition 19.

In effect, the bottle water industry was able to prevent a tax being imposed on its own product sales by supporting another weaker funding mechanism for improving public water utilities, paid for by individual taxpayers in general.<sup>160</sup>

### 3.5 Corporate welfare

**Overseas Private Investment Corporation (OPIC):** OPIC provides low-cost financing and insurance to U.S. companies investing in foreign markets. OPIC helped open three separate Coke ventures in Russia with more that \$244 million in OPIC Insurance. OPIC backs the company's production and bottling plant in Moscow, its regional distribution center in St. Petersburg and its soft drink and mineral water bottling plant in Stavropol.<sup>161</sup>

**International Finance Corporation (IFC):** Coke and its bottlers have received millions of public dollars from the IFC to 'help' finance the company's expansion in the Global South. In one case the IFC is providing \$35-40 million to South Africa's Coca-Cola Sabco Group (24% owned by Coke) – South Africa is the Coke's largest profit and volume country on the continent – for the

<sup>158</sup> Murphy, E., "State backs off law on labeling bottled water", Portland Press Herald, October 28, 2003

<sup>159</sup> Center for Responsive Politics, <http://www.opensecrets.org/lobbyists/client.asp?id=5247&year=2000>

<sup>160</sup> "Water Bottlers Funded Passage Of \$2 Billion In TX Water Bonds", Texans for Public Justice article, [www.tpj.org/Lobby\\_Watch/waterbonds.html](http://www.tpj.org/Lobby_Watch/waterbonds.html)

<sup>161</sup> Overseas Private Investment Corporation, <http://www.opic.gov/>

expansion of production facilities throughout Southern and Eastern Africa.<sup>162</sup> The IFC is a member of the World Bank Group and states that it “promotes sustainable private sector investment in developing countries as a way to reduce poverty and improve people’ s lives.”<sup>163</sup> In reality, IFC is an institutional supporter of corporate welfare enabling large corporations to expand into new international markets using public monies.

### **3.6 Coke’s connections to Nazi Germany** *“It is [] a fact that the soft drinks giant from Atlanta, Georgia collaborated with the Nazi-regime throughout its reign from 1933 to 1945 and sold countless millions of bottled beverages to Hitler’ s Germany.”*<sup>164</sup> From Coca-Cola Goes to War, Jones and Ritzman

In 1929, during a time of virulent anti-Americanism, Coke entered Germany with the subsidiary Coca-Cola GmbH. Germany was to become the company’s second biggest market. Coke overcame strong competition from German breweries and cola companies by learning to combine its interests with those of the Nazi rulers after 1933 and to completely disassociate themselves from their US roots. The company’s success in Germany rested, in part, on its ability to establish itself as a German brand in the minds of the consumer.<sup>165</sup>

Coca-Cola GmbH was saved from Germany’ s fascist ruler because its corporate structure and advertising philosophy were very similar to the Nazis’ totalitarian and imperialist ideas. The company’s authoritarian leader and modern system of mass-production were consistent with the interests and values of the Nazi government. Coke’s advertising strategy used modern techniques and strategies similar to those employed by Nazi propagandists while the soft drink appealed to workers, soldiers and other target groups that epitomized the Nazis’ idea of modernity.<sup>166</sup>

Coke’s success in Germany during the thirties – sales went from zero cases in 1929 to 4 million in 1939 – is testament to the company’s compatibility with the fascist government. So successful was Coke in Germany that while the country was being destroyed in 1944 the company sold 2 million cases.<sup>167</sup>

In charge of Coke’s German operations was Max Keith a “quintessential Coca-Cola man and Nazi-collaborator.”<sup>168</sup> Keith’s strategy was to please the Nazis whenever possible and through any means possible. Coke sponsored many Nazi events, including the 1936 Olympics, and would situate billboards and advertisements in close proximity to Nazi leaders at rallies and in magazines. In one example, Keith succeeded in gaining a place in the Reich’s Working People Exhibit reserved for the companies most loyal to the new order. In another case Coke placed an advertisement in a 1938 issue of an army magazine printed to celebrate the annexation of Sudentland.<sup>169</sup> The strategy of direct association with Nazi leaders sent a strong message to the public that Coke was on Germany’s side and helped the company towards financial success.

By 1939 and the outbreak of war, Coke had established itself to such a degree that Keith was appointed to the Office of Enemy Property and was sent to supervise Coca-Cola businesses in Italy, France, Holland, Luxembourg, Belgium and Norway. Coke had clearly become part of the Nazi state.<sup>170</sup>

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<sup>162</sup> International Finance Corporation Website, <http://ifcln001.worldbank.org/IFCExt/spiwebsite1.nsf/d7e0de183d3bf4c685256eac004b7e90/5bf0e454deff12b585256b9d00529cd6?OpenDocument>

<sup>163</sup> International Finance Corporation Website, <http://www.ifc.org/about>

<sup>164</sup> Jones, E., Ritzman, F., “Coca-Cola Goes to War”, [http://www.people.virginia.edu/%7Etsawyer/coca\\_cola/coke.htm](http://www.people.virginia.edu/%7Etsawyer/coca_cola/coke.htm)

<sup>165</sup> *ibid*

<sup>166</sup> *ibid*

<sup>167</sup> *ibid*

<sup>168</sup> *ibid*

<sup>169</sup> *ibid*

<sup>170</sup> *ibid*



In comparison to other US companies, such as Standard Oil and I.G. Farben, which collaborated with Nazi Germany during the war, Coke's involvement seems fairly inconsequential. However, when Coke's wartime involvement with the Nazis is compared to their involvement with the war machine in the United States, the company's ruthless and contradictory quest for global expansion is exposed.

While Coke was rubbing shoulders with Nazis and pretending to be a German company, they were also establishing themselves as a patriotic morale booster for American soldiers.

Leading up to World War II, Coke worked hard through various advertising campaigns to establish themselves as the all-American drink. At the onset of WW II, in order to confront the possibility of rationed raw materials that would impact sales, Coke's management began working on ways to convince the government that the drink was essential to the war effort. After careful consideration the President of the company, Robert Woodruff declared Coke's wartime policy in 1941 after the bombing of Pearl Harbour: "We will see that every man in uniform gets a bottle of Coca-Cola for five cents wherever he is and whatever it costs."<sup>171</sup> Coke would thereafter become a source of American patriotism.

The War Department agreed with the idea that Coke would boost morale and arranged for the government to fund the installation of sixty-four bottling plants behind Allied lines. The bottling plants were shipped to the front lines and moved as soon as the battle front moved. Coke literally went to war with the rest of America.

Coke's wartime advertising in the United States highlighted the drink and the company as central to the war effort. After the war, millions of soldiers came home with a strong attachment to Coke thus bolstering the company's sales and helped to establish them as the leading soft-drink brand.

Their war-time advertising strategy helped create the Coke as a symbol of the United States both at home and abroad and made it possible for Coke to become the American icon that it is today. Unbeknownst to the population in the United States and the American soldiers fighting in Europe, their enemy was enjoying the same beverage in Germany with a similar patriotic zeal.

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<sup>171</sup> ibid

## 4. Social Profile

This section profiles three cases that demonstrate what Coke is capable of doing to protect its bottom line. Coke's complicity with the actions of right-wing paramilitary groups in Colombia along with massive ground water takings in India and their landmark racial discrimination settlement in the United States challenge the notion that this corporation practices a high standard of corporate social responsibility. Below are three specific cases followed by sections exposing Coke's labour and environmental track record.

**4.1 Colombia:** *"Our human rights as workers are systematically violated, with assassinations, disappearances, targeting, torture, exile, terrorism, mass sackings, and death threats as part of a bloody policy to eliminate the union and rob the workers' rights."*<sup>172</sup> SINALTRAINAL statement, 18<sup>th</sup> May 2005

Coke has extensive bottling operations in Latin America. The Latin American market has long been lucrative for the corporation who has bottling agreements with over 20 bottlers throughout Mexico and South and Central America. Ten percent of Coke's \$21.96 billion 2004 revenue was generated from sales in Latin America (excluding Puerto Rico), while over 25 percent of their unit case volume is consumed in the region. The Latin American country pages on Coke's website outline the locations of each bottling company Coke uses in region with one exception: Colombia. The Colombia page states only that Coke has "bottler agreements with independent companies that own and operate bottling plants that manufacture and distribute Coca-Cola products", while the other country sites disclose the number and names of the bottling companies used by Coke to manufacture their products.<sup>173</sup>

That Coke would be reluctant to disclose who they have bottling agreements with in Colombia but not in Argentina, Brazil, Chile, Ecuador, Mexico, Peru and Venezuela may be related to the corporate links with its bottlers' associations and paramilitary groups in Colombia.

The US based Stop Killer Coke campaign group cites that since 1989, seven union leaders and one friendly plant manager employed at Coca-Cola bottling operations have been murdered by right wing paramilitary groups in Colombia. Hundreds of other Coke workers and their family members have been tortured, kidnapped and/or illegally detained by violent paramilitaries, often working closely with plant managements.<sup>174</sup> As of July 2005, the situation for Coke workers and their family members remains dangerous.

Union organizers at Coca-Cola bottling plants are not alone in a country where hundreds of union leaders have been assassinated over the last decade by right wing paramilitary groups, widely known to be linked to the army and the Colombian government.<sup>175</sup> What makes the plight of Coke workers stand out is that one of the world's largest corporations is complicit in this inhumane treatment. For Coke the repression of organized labour helps cut production costs by dismissing thousands of workers and minimizing salaries while increasing production and profits. Regarding the attitude of the corporation towards the actions of paramilitaries at Coke's bottling facilities in Colombia, United Steelworkers of America (USWA) lawyer, Dan Kovalik said that "if any of these plants make a mistake in applying Coca-Cola's formula or in delivering Coke, they would be there to correct it, but in cases where they kill union leaders, they do nothing".<sup>176</sup>

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<sup>172</sup> "The anti-coke manifesto", Colombia Solidarity Campaign, 2005,

[http://www.polarisinstitute.org/polaris\\_project/water\\_lords/campaigns/anticokefinal1.pdf](http://www.polarisinstitute.org/polaris_project/water_lords/campaigns/anticokefinal1.pdf)

<sup>173</sup> Coca Cola website, [http://www2.coca-cola.com/ourcompany/cfs/cfs\\_colombia.html](http://www2.coca-cola.com/ourcompany/cfs/cfs_colombia.html)

<sup>174</sup> <http://www.killercoke.org/crimes.htm>

<sup>175</sup> Human Rights Watch website, <http://hrw.org/english/docs/2004/01/21/colomb6978.htm#3>

<sup>176</sup> Lobe, J., Coca-Cola to be Sued for Bottlers' Abuses, Inter Press Service, July 20, 2001, <http://www.commondreams.org/cgi-bin/print.cgi?file=/headlines01/0720-01.htm>

Colombia's National Union of Food Industry Workers (SINALTRAINAL), president Javier Correa says that "the paramilitaries have graffitied threats and accusations against us on the walls of bottling plants. These plants have become like concentration camps. The army patrols the buildings. There is so much repression that union workers are even followed into the toilet. One worker killed himself. In his suicide note he blamed Coca-Cola." On the attitude of the corporation, Correa says that "Coca-Cola has turned from a time of exploitation to a time of slavery. Because the workers continue to resist this oppression the paramilitaries now try to kidnap family members, they've burnt union headquarters and destroyed whatever evidence they can so we are unable to bring a case against them. If SINALTRAINAL is dissolved," adds Correa "we face assassinations".<sup>177</sup>

The links between Coke and actions of Colombia's paramilitary groups can be traced to the corporation's bottling agreements with companies in Colombia. As explained on page 1 of this report, Coke franchises its bottling operations to various bottling companies who purchase syrups and concentrates from the corporation, mix them with water, and package and sell the final product to retailers.

While different Coca-Cola bottling operations in Colombia have been involved in violence towards union organizers, one case in Carepa during the mid-1990s showcases how closely Coke is associated to paramilitary action in the country.

In July 2001, the Colombian labour union, SINALTRAINAL, along with the United Steel Workers Union and International Labor Rights Fund filed a lawsuit in a federal court in Miami against Coke and two of its bottlers, Bebidas y Alimentos and Panamerican Beverages, INC. The lawsuit charges that Coke and its associates are responsible for "the systematic intimidation, kidnapping, detention and murder of trade unionists" working at Coca-Cola bottling plants in Colombia.<sup>178</sup>

The suit alleges that Coke's Colombian bottlers maintained open relations with right wing paramilitary death squads as part of a strategy to intimidate union leaders. One portion of the case covers the 1996 murder of union organizer Isidro Segundo Gil who worked at the Coca-Cola bottling plant owned by Bebidas y Alimentos in Carepa Colombia.

Violence and intimidation towards SINALTRAINAL members at the plant began in April 1994 when paramilitary forces murdered Bebidas workers, Jose Eleazar Manco David and Luis Enrique Gomez Granada. Paramilitary forces then began to intimidate other SINALTRAINAL members and threatened local union leadership with violence if they did not resign. Many members left the bottling plant and moved from Carepa due to the threats. Paramilitaries had full permission to enter the plant to deliver the threats to the leadership.<sup>179</sup>

Very soon after the union elected a new executive, including Isidro Gil, to replace the one that had fled, Bebidas y Alimentos began to hire members of the paramilitaries who had threatened the first union board to work at the plant. In September 1995 Richard Kirby Keilland, the American owner of the bottler with his father Richard Kirby, hired Ariost Milan Mosquera to become the plant Manager. Ariost Milan Mosquera proceeded to illegally fire members of the SINALTRAINAL executive and threatened to destroy the union. He announced in public that he had given orders to the paramilitaries to carry out the task and bragged that he would sweep away the union.<sup>180</sup>

From the beginning of 1996 until December of the same year, the paramilitaries stepped up their threats against union members and executives, forcing members to flee Carepa fearing for their lives. During the same time period the suit claims that SINALTRAINAL members witnessed

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<sup>177</sup> Williams, M., "Coca Cola Genocide", Colombia Solidarity Campaign, <http://www.colombiasolidarity.org.uk/Solidarity%209/cocacolgenocide.html>

<sup>178</sup> Complaint filed against The Coca Cola Company in the United States District Court Southern District of Florida, page 1, <http://www.laborrights.org/projects/corporate/coke/index.html>

<sup>179</sup> *ibid.*, page 18, <http://www.laborrights.org/projects/corporate/coke/index.html>

<sup>180</sup> *ibid.*, page 19, <http://www.laborrights.org/projects/corporate/coke/index.html>

Bebidas manager Ariost Milan Mosquera socializing with paramilitaries and providing them with coca-cola products for their social functions.

SINALTRAINAL was meanwhile negotiating a new labour agreement at the plant which included proposals for increased security at the plant for threatened union members and a cessation of Ariost Milan Mosquera's threats against the union and his collusion with paramilitaries. Richard Kirby Keilland was present at the negotiations and refused the unions requests.

As a response to these events, SINALTRAINAL began a national campaign in August 1996, calling upon Bebidas, as well as Panamco Colombia and Coca-Cola Colombia to protect union leadership and members in Carepa. In November 1996, the union presented a labour contract to Bebidas which included a provision which would have required the bottler to provide security in the plant to protect workers from the paramilitaries. Ariost Milan Mosquera took the letter to Bogotá to discuss it with Richard Kirby Keilland.

On December 5<sup>th</sup>, 1996, two paramilitaries approached Isidro Gil, who was then involved in negotiations with the Bebidas, and shot him to death at the entrance to the Carepa plant. The same day paramilitaries approached other members of SINALTRAINAL's board telling them that they had murdered Gil and would do the same to them if they did not leave Carepa. They also said that they would hold a meeting the next day at the plant with all members of the union to tell them that they would have to resign from the union or face death. That night the paramilitaries went to the SINALTRAINAL office in Carepa and burned it down.

The paramilitaries held their meeting as planned on December 7 where they explained to the workers that they had 3 options: 1 resign from the union; 2 leave Carepa; 3 be killed. The workers were then directed to the manager's office where they signed resignation papers prepared by Bebidas y Alimentos. As a result of the threats, workers resigned en masse from the union thus destroying the SINALTRAINAL local in Carepa. The lawsuit says that after Gil's murder and the forced resignation of union members at the plant, Bebidas y Alimentos paid the paramilitaries for their efforts.<sup>181</sup> On December 26 the paramilitaries killed another Bebidas worker and then later in 2000 the wife of Isidro Gil.

In 1997 Richard Kirby and Richard Kirby Keilland asked Coke if they could sell the Bebidas y Alimentos along with the Carepa plant. Coke denied the request and they continue to own the Carepa plant.<sup>182</sup>

At Panamco's plant in Bucaramanga, the lawsuit claims that five members of the union executive were falsely accused in 1996 of planting a bomb in the plant during a labour dispute. The union members were badly beaten by police and then three were thrown in jail for six months only to be released after regional prosecutors found that the charges were groundless. At the bottler's Cucata and Barrancabermeja plants, union members were forced into hiding after receiving death threats from paramilitaries beginning in 1999. In a similar story to the Carepa plant, the manager in Barrancabermeja openly collaborated with and supported paramilitaries, according to the lawsuit.

This well documented case illustrates how the management at Bebidas y Alimentos, colluded with paramilitaries to commit murder and destroy the SINALTRAINAL union local in Carepa. But how are these bottling plants such as Bebidas y Alimentos and Panamco linked to Coke's corporate headquarters in Atlanta?

In the case of Bebidas, it receives its supply of Coke products from Coke Colombia – Coke's subsidiary in Colombia – which are then bottled and distributed throughout Colombia. Coke Colombia monitors and controls all aspects of Bebidas' bottler's agreement with Coke, including

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<sup>181</sup> *ibid*, pp 22-23

<sup>182</sup> *ibid*, p 23

Coke's requirements for product quality, presentation, marketing and bottling.<sup>183</sup> The union sponsored lawsuit claims that the bottler's agreement gives Coke control over small details of production and distribution including: approved containers, boxes, stamps; the right to inspect the products; the imposition of standards concerning employee qualification and appearance; the monitoring of labour relations and practices of its subsidiaries and bottlers; the right to terminate bottler's agreements for noncompliance with their terms and conditions; the right to conduct inspections and monitor day-to-day compliance with the bottler's agreement through frequent reports.<sup>184</sup>

Due to the extent of Coke's influence over its bottlers through bottler's agreements, the lawsuit states that Bebidas is "subject to the ultimate control of Coke because the business exists solely at the pleasure of Coke", and that Coke has complete control over "Panamco and Bebidas y Alimentos because these companies exist solely to bottle and distribute Coke products".<sup>185</sup> One striking example of Coke's control over Bebidas is their refusal to let Richard Kirby and Richard Kirby Keilland sell the company in 1997.

In the case of Coke and Panamco the two companies are linked both financially and through Coke executives serving on Panamco's Board of Directors. In 1996 Coke owned a 13% interest in the Panamco bottling company while two Coca-Cola Company executives sat on Panamco's Board of Directors.

A judge in Miami ruled these links were insufficient and removed Coke from the lawsuit in March 2003 saying that the company does not set labour policies at independently owned bottling plants. In April 2004, SINALTRAINAL filed an amendment to the lawsuit in the Miami Federal Court claiming that due to recent restructuring of Coca-Cola's bottling network in Latin America, where Coca-Cola Femsa purchased Panamco<sup>186</sup> (May 2003), the company's main bottler in Colombia, Coca-Cola can be held liable.<sup>187</sup> According to witnesses quoted in a Colombia Solidarity Campaign report, Panamco is explicitly linked to paramilitary leaders through financial donations. The report states that Panamco official Jhon Ordonez makes monthly payments to paramilitary leaders in Cucuta.<sup>188</sup>

Meanwhile, union leaders who work at Coca-Cola bottlers continue to live in fear for their lives. After exhausting all legal avenues in Colombia, SINALTRAINAL began a worldwide boycott of Coke products in July 2003. The campaign has brought worldwide attention to victims of Coke's complicity with assassination, harassment and displacement of many workers in their bottling facilities in Colombia.

Some other incidents of violence and harassment against Coke workers and their families in Colombia:

**June 2005** – On June 3<sup>rd</sup> paramilitaries in Barranquilla kidnapped 5 students who were working with SINALTRAINAL on Coke's environmental record. The students were threatened with death if they ever protested outside a Coke plant again. They were released the same day.<sup>189</sup>

**April 2004** – On April 20<sup>th</sup>, a number of armed men entered the house of Coke worker and union activist Efrain Guerrero's brother-in-law in Bucaramanga and opened fire at the family. The

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<sup>183</sup> Ibid 11

<sup>184</sup> Ibid, 12

<sup>185</sup> Ibid, pp. 13,14

<sup>186</sup> The merger was actually orchestrated by The Coca-Cola Company, for more information visit:  
<http://www.killercoke.org/pdf/collmerg.pdf>

<sup>187</sup> Liu, B., "Colombian Union Renews Coke Suit", Financial Times, April 17, 2004.

<sup>188</sup> "The Anti-Coke Manifesto", Colombia Solidarity Campaign, 2005,

[http://www.polarisinstitute.org/polaris\\_project/water\\_lords/campaigns/anticokefinal1.pdf](http://www.polarisinstitute.org/polaris_project/water_lords/campaigns/anticokefinal1.pdf)

<sup>189</sup> "The people vs Coke", Colombia Solidarity Campaign,

<http://www.colombiasolidarity.org.uk/cocacolacampaign/peoplevscoke.html>

gunmen killed Guerrero's brother-in-law, Gabriel Remolina, his wife Fanny Remolina and one of their children, Robinson Remolina.<sup>190</sup>

**November 2004** – On November 17<sup>th</sup>, paramilitaries delivered death threats to the regional headquarters of the CUT (a Brazilian labour federation) in Bucaramanga. The letter read as follows:

"This threat is directed towards those trade unionists who oppose the governor, the mayor and those private companies who are supporting the policies of the government of Dr Alvaro Uribe Velez. We inform you that we have made a military judgment to force you from the areas under our influence, or to kill you. We will show no mercy to those trade unionists who have initiated legal proceedings against government of private company officials. For this reason we have declared the following as military objectives:

David Florez  
Martha Diaz  
Teresa Baez  
Efraín Guerrero  
Carlos Castro  
Javier Jiménez  
Rafael Ovalle

Autodefensas Unidas de Colombia (AUC), Santander."

All of the people mentioned in the letter are members of the CUT. Efraín Guerrero works at Coke's Bucaramanga plant and is the leader of SINALTRAINAL at the facility. This is the second time that Guerrero has received death threats.<sup>191</sup>

**October 2002** – On October 2<sup>nd</sup>, a known paramilitary, Saul Rincon, along with another man were seen monitoring a union protest at the entrance to Coke's plant in Barrancabermeja. The men entered the plant and spoke with the managers. Three days later Rincon warned that local SINALTRAINAL leader Juan Carlos Galvis was an assassination target. Rincon was later seen spying in Galvis' neighbourhood. Close to a year later in August 2003, Galvis was shot at by a number of paramilitaries, but managed to escape with his life.<sup>192</sup>

**August 2001** – The AUC (Autodefensas Unidas de Colombia – paramilitary units) published death threats against two Coke workers and union activists in the Barrancabermeja publication *La Noticia*. On Christmas Eve of the same year both men found AUC greeting cards in their lockers.<sup>193</sup>

For more information on Coke's human rights abuses please visit the following websites:

Campaign to Stop Killer Coke - <http://www.killercoke.org/>  
Colombia Human Rights Network - <http://colhrnet.igc.org/>  
Colombia Solidarity Campaign - <http://www.colombiasolidarity.org.uk>  
SINALTRAINAL - <http://www.sinaltrainal.org/>

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<sup>190</sup> Communique between SINALTRAINAL and the Colombia Solidarity Campaign, April 20<sup>th</sup>, 2004, <http://www.colombiasolidarity.org.uk/UA%20Apr-Jun%2004/UA04.04.20.html>

<sup>191</sup> "Bucaramanga: More death threats against Coca Cola worker and trade unionists", Colombia Solidarity Campaign press release, November 17, 2005, <http://www.colombiasolidarity.org.uk/UA%20Oct-Dec%2004/UA04.11.22.html>

<sup>192</sup> "The Anti-Coke Manifesto", Colombia Solidarity Campaign, 2005, [http://www.polarisinstitute.org/polaris\\_project/water\\_lords/campaigns/anticokefinal1.pdf](http://www.polarisinstitute.org/polaris_project/water_lords/campaigns/anticokefinal1.pdf)

<sup>193</sup> *ibid*

**4.2 India**<sup>194</sup>: *“Without access to clean and safe water, natural systems are threatened, economies sputter, and communities wither. For companies like ours, continuing success depends on ensuring adequate water for both ourselves and for the communities where we operate. We are committed to benefiting and refreshing consumers and their communities, and being an active partner in addressing water challenges is a crucial part of that commitment.”*<sup>195</sup>  
From Coke’s website

Coke has had a long and volatile relationship with India. The company originally began selling its products during the 1950s but was eventually kicked out of the country in 1977 for violating investment laws. Coke refused to abide by India’s Foreign Exchange Regulation Act which required Multi-Nationals to sell 60% of their equity to an Indian interest. Coke refused, and was forced to leave the country. In 1993, in a new political and economic climate of liberalized trade and investment policy, Coke was allowed back into the country where they promptly purchased the leading domestic soft drink brand.<sup>196</sup> Since then, Coke has invested more than \$1 billion in India. The company operates 27 wholly owned bottling plants and another 17 franchise owned bottling operations and is constantly looking to expand its presence in a country where it sees a huge market for its products.<sup>197</sup>

However, all is not well for Coke in India. In 2002 Since 2002, Coke has come face to face with strong resistance to their ongoing water takings, their environmental pollution and the discovery of high levels of pesticides in their products. One community, after a long and bitter struggle, has been successful in shutting down production at a local bottling plant. The fight against Coke has spread to other parts of the country, beginning a movement that could bring about a repeat of 1977.

#### **Plachimada – Coke meets its match**

Coke opened its plant in Plachimada in 1998, digging 65 wells with the capacity to extract 1.5 million liters of water each day from the aquifer.<sup>198</sup> The company received 15% cash back on its investment in the Plachimada factory by the government of Kerala, in return for moving into an impoverished region within the state.<sup>199</sup> In Kerala, the desire of the provincial and national governments to attract investment from multinationals like Coke has meant that communities are losing control of their natural resources.

Since Coke set up shop in Plachimada and began extracting vast amounts of water and adding polluting sludge to farm fields, local farmers have seen their wells dry up and crop yields shrink forcing many to abandon their farms. In June 2005, the state Water Resources Department found that in 16 wells around the plant water levels dropped significantly in nine of them while one dried up completely between 2002 and 2004. The study also found that between May 2003 and May 2004 ground level dropped in 11 of the 16 wells.<sup>200</sup> Despite the region’s extended droughts, Coke continued to extract water from their boreholes, while 2000 families in the area were being adversely affected by the lack of water. Due to low water levels, families would walk long distances twice a day to find suitable drinking water while others were forced to try alternative crops. Salination and residues from bottle washing had rendered what little water remained useless.<sup>201</sup> One local farmer commented that his irrigation pump “used to run for 12 hours throughout the night; now it runs dry after 30 minutes...Coke managed to acquire all the lowest

<sup>194</sup> For timely updates on resistance movements against Coke’s operations in India please visit:  
<http://www.indiaresource.org>

<sup>195</sup> The Coca Cola Company, Website, <http://www2.coca-cola.com/citizenship/water.html>

<sup>196</sup> Multinational Monitor, “Backwash: Coke Returns from India Exile”, An Interview with George Fernandes, July August 1995, Vol. 16, No. 7&8

<sup>197</sup> Ranjith, K.R., “Holy Water From the West”, Altermedia: Thrissur, 2004, p. 48

<sup>198</sup> Vidal, J., Coke on trial as Indian villagers accuse plant of sucking them dry, The Guardian, November 19, 2003

<sup>199</sup> Stuart, L., “Multinationals should face the same rules no matter where they set up shop”, The Guardian, August 11, 2003

<sup>200</sup> “Ground water level down in Plachimada”, The Economic Times, July 6, 2005

<sup>201</sup> Ranjith, K.R., “Holy Water From the West”, Altermedia: Thrissur, 2004, 58

lying land in the area and after digging a series of deep wells they took all the water. Its downright theft."<sup>202</sup> The worst affected are the 10,000 landless labourers who relied on working on these farms for a livelihood. The shortage of water became so severe at one point that Coke itself was trucking water from outside the region as their boreholes had dried up.

When the suffering of the people in Plachimada reached a limit, farmers and community members began to organize resistance in order to regain control of their rights to the water and soil which was being used extensively by Coke. A non-violent protest began outside the plant in April 2002. A powerful group of local people began the protest sitting stoically under a Samarapanthal or thatched shed and have maintained their presence for over two years. Even though major political parties in Kerala province distanced themselves from the protests the struggle against Coke grew. The people demanded that Coke should work to restore groundwater resources and ensure a continuous water supply for the affected area, or leave Plachimada forever.<sup>203</sup>

The protests continued despite counter efforts by the corporation and repression from the police who have arrested hundreds of protestors. The sustained determination of the resistance combined with a BBC documentary exposing how Coke was selling contaminated 'fertilizer' to local farmers, finally gained the attention of the mainstream media. Coke responded with vehement denials of any wrongdoing and has hired a public relations firm to improve their image in India.<sup>204</sup>

In April 2003, the Village Council asserted their right to the self-determination of natural resources and revoked Coke's license. After arguing before the Kerala High Court, Coke managed to reverse the decision. The Village Council filed another petition in High Court and on December 16, 2003, the Court historically declared that the local self-government body has the right to control the water exploitation by Coke's Plachimada plant.<sup>205</sup> The judgment rejected Coke's claims and forced the company to stop exploitation of water reserves and find alternative water resources within one month.

Since the December order came down, a seesaw battle has ensued between the Village Council, Coke and the Kerala state government. Coke was given reprieve by the state government on the decision not to renew their license. However, on April 7, the court stayed the original order on a petition filed by the president of the Village Council who says that the state government has been interfering with the Village Council's constitutional power to issue or suspend a license or impose conditions on an industry<sup>206</sup>.

While the legal battle continues, a February 21, 2004 order is preventing the plant from drawing ground water until June 15 when monsoon rains are expected to arrive. The order will not prevent production at the plant, but stops the withdrawal of water from local groundwater. Meanwhile, the protests, which passed the 2 year mark on April 22, continue.

### **Dirty Coke and the spread of resistance**

In January 2004 the Indian parliament banned the sale of Coke as well as Pepsi products in its cafeteria after tests found high concentrations of pesticides and insecticides, including lindane,

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<sup>202</sup> Clarke, J., Stuart, L., "Coke Adds Life? In India, Impoverished Farmers are Fighting to Stop Drinks Giant Destroying Livelihoods", The Independent, July 25, 2003

<sup>203</sup> Ranjith, K.R., "Holy Water From the West", Altermedia: Thrissur, 2004, p. 60

<sup>204</sup> Srivastava, A., "Coke with Yet Another New Twist: Toxic Cola", India Resource Center, January 31, 2004, <http://www.indiaresource.org/campaigns/coke/2004/coketwist.html>

<sup>205</sup> Ranjith, K.R., "Holy Water From the West", Altermedia: Thrissur, 2004, p. 63.

<sup>206</sup> Surendranath, C., "Coke vs People: The Heat is on in Plachimada", India Resource Center, April 14, 2004, <http://www.indiaresource.org/campaigns/coke/2004/heatison.html>



DDT, malathion and chlorpyrifos, in the colas, making them unfit for consumption.<sup>207</sup> Some test samples showed toxin levels 30 times the standard allowed by the European Union.

#### Coke products from India rejected entrance to the United States

In May 2005 the US Food and Drug Administration (USDA) rejected a shipment of Fanta sent by Coca-Cola India to the United States. The USDA said that the products appeared to contain an unsafe colour additive. A Coca-Cola India representative claimed that Fanta has never been exported to the United States.<sup>208</sup>

Adding to Coke's problems in India, Villagers living in Mehdiganj near Varanasi in Uttar Pradesh, Kudus, in the Wada taluka of the Thane district and Sivaganga in TamilNadu - all regions experiencing acute water crises - have begun protests at local Coke plants.<sup>209</sup>

Some recent updates from India:

#### June-July 2005, Kerala

- **July 22** – The State Government of Kerala moved to take Coke to the Supreme Court of India challenging the company's right to extract groundwater. The announcement made by Local Self-Government Minister Kutty Ahmed Kutty, challenges the April 7 Kerala High Court ruling.<sup>210</sup>
- **June 13** – The Panchayat (village council) rejects Coke's application for a two-year license.<sup>211</sup>
- **June 9** – Coke files an application with the Panchayat for a two year license.<sup>212</sup>
- **June 6** – The Panchayat issued Coke a three month conditional license on June 6<sup>th</sup>. Coke rejected the temporary license saying that it was in violation of the April 7<sup>th</sup> High Court order entitling the company to draw 500,000 litres of groundwater a day at its plant in Plachimada.<sup>213</sup>
- **June 1** – The High court of Kerala directed the Panchayat to renew Coke's license within a week.<sup>214</sup>

#### April 2005, Kerala

- On April 28, the Panchayat of Kerala rejected Coke's application for the renewal of its license for the company's plant in Plachimada. The Panchayat claims that Coke did not supply the required documents with its application, including a clearance from the state pollution control board.<sup>215</sup>
- On April 7<sup>th</sup> The Kerala High Court entitled Coke to draw 500,000 litres of groundwater a day from its plant in Plachimada under normal rainfall conditions. The court ruled that the Panchayat did not have the authority to cancel the license issued to the company. The court also directed the company to ensure regular water supply for residents and to prepare an action plan to cover villager's social security and healthcare.<sup>216</sup>

**March 2005, Palakkad** – Thousand of people demanding the closure of Coke and Pepsi factories in the Palakkad district formed a human chain between Pepsi's bottling plant in Kanjikode and

<sup>207</sup> Srivastava, A., "Coke with Yet Another New Twist: Toxic Cola", India Resource Center, January 31, 2004, <http://www.indiaresource.org/campaigns/coke/2004/coketwist.html>

<sup>208</sup> "US rejects Coke, HLL, P&G, Britannia Shipments", Financial Express, June 9, 2005

<sup>209</sup> Ranjith, K.R., "Holy Water From the West", Altermedia: Thrissur, 2004, p. 68, 69.

<sup>210</sup> "Indian State takes Coca-Cola to court; Sales drop 14% in Summer", India Resource Center, July 22, 2005, <http://indiaresource.org/news/2005/1086.html>

<sup>211</sup> "Panchayat rejects Coke's plea for a two year licence", The Press Trust of India, June 13, 2005

<sup>212</sup> ibid

<sup>213</sup> "Coke rejects conditional licence, files another plea", The Hindu, June 10, 2005

<sup>214</sup> "Kerala HC asks Panchayat to renew Coca Cola licence", The Press Trust of India, June 1, 2005

<sup>215</sup> "This Kerala village wants Coke out", Hindustan Times, April 30, 2005

<sup>216</sup> "Coca-Cola firm gets nod for drawing groundwater", The Hindu, April 8, 2005

Coke's operation in Plachimada. Protesters included political leaders, students, environmentalists and community members.<sup>217</sup>

**March 2005, Kaladera, Rajasthan** – The village council (Panchayat) of Kaladera adopted a resolution that it would issue a notice to Coke demanding that it close down its bottling plant in the village. The demand will be issued because of what they say is Coke's 'indiscriminate exploitation' of ground water reserves that has led to a sharp decline in the water table. The resolution states that "the extraction of colossal amounts of water by the Coca-Cola factory has destroyed agriculture in Kaladera and nearby villages."<sup>218</sup>

**January 15, 2005, Plachimada** – January 15, 2005 marked the 100<sup>th</sup> day of struggle against Coke for the people of Plachimada.

**November 2004, Mehdiganj, Varanasi** – On November 24, over a thousand community members adversely affected by Coke marched to the Coca-Cola factory in Mehdiganj, near Varanasi. The rally brought an end to a 10-day, 250km march from the site of another Coke plant in Ballia to Mehdiganj, bringing attention to Coke's negative impacts on communities across India. Marchers who decided to approach the factory gates, which were heavily guarded by armed police, were met with a brutal baton (*lathi*) charge. Over 350 people were arrested and approximately 100 injured.<sup>219</sup>

For more information on Coke's ongoing abuses in India please visit the India Resource Center's website: <http://www.indiaresource.org/>

### **4.3 Racial discrimination in the workplace: Class action lawsuits and multi-million-dollar settlements**

In April 1999, a group of Coke employees filed a class-action lawsuit accusing the corporation of systemic racial discrimination against African Americans. The lawsuit was brought by four current and past employees on behalf of themselves and almost 2000 other former and current Coke employees. The class action lawsuit brought together a damning list of corporate behaviour. The list of racially discriminatory workplace practices was split into the following 6 categories:

- **Discrimination in evaluations:** The suit claimed that performance evaluations system implemented by managers, made biased and inconsistent determinations on evaluation scores, which permitted racial discrimination. The evaluation scores decided who would receive raises or promotions. The lawsuit stated that "because of the undue discretion of managers, African-Americans receive lower evaluation scores than Caucasians and fewer high scores".<sup>220</sup>
- **Discrimination in compensation:** Dramatic differences between salaries paid by Coke to African Americans and White employees at the company's headquarters and throughout the corporation were revealed in the lawsuit. In 1995 the average African-American employee in the corporate headquarters received \$19,000 less than the average white employee, while in 1998 the disparity had risen to \$27,000.<sup>221</sup>

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<sup>217</sup> "Thousands form Human Chain for Closure of soft drink units", The Hindu, March 30, 2005

<sup>218</sup> "Rajasthan village council wants coca-cola out", India Resource Center press release, March 15, 2005, <http://www.indiaresource.org/news/2005/1009.html>

<sup>219</sup> "Police attach Coca-Cola protest, over 350 arrested", India Resource Center press release, November 25, 2004, <http://www.indiaresource.org/press/2004/mehdiganjattack.html>

<sup>220</sup> United States District Court Northern District of Georgia, Civil Action No. 1-98-CV-3679, <http://www.essentialaction.org/spotlight/coke/complaint.html#IV>

<sup>221</sup> *ibid*

- **Discrimination in promotions:** Promotions opportunities were not posted and occur through management nominations, which amounted to little more than word of mouth recommendations and closed procedures. “Jobs are filled without being posted, candidates are handpicked in advance, and supervisors who make hiring decisions disregard the results of panel interviews and manipulate scores in order to ensure that their favorites are chosen. As a result of this kind of discrimination, African-Americans are denied the opportunity to advance to the same level and at the same rate as equally qualified Caucasian employees.”<sup>222</sup>
- **Glass ceiling:** African-American employees at Coke experience a glass ceiling, blocking equal opportunity advancement to top level positions at the company. Compared to the significant number of salaried African-American employees at Coke, very few make it to senior levels in the company. While African-American employees make up 15.7 percent of the employees at corporate headquarters, they are underrepresented at top pay-grade levels.<sup>223</sup>
- **Glass walls:** The suit also found that organizational barriers segregate the company into divisions where African-American leadership is acceptable, and divisions where it is not. African-Americans in senior positions are concentrated in less powerful and non-revenue generating areas.<sup>224</sup>
- **Terminations:** According to the lawsuit, African-American employees at Coke are involuntarily terminated at a much higher rate than white employees. In 1997, there were 62 involuntary terminations at Coke’s corporate headquarters, and African-American employees accounted for about 37% of those, or 23 people. Whites, who make up over 77% of the employees in the corporate office, accounted for fewer than 50% of the terminations in 1997.

The lawsuit also outlined cases where white Coke executives and managers had been discriminatory. In one case a white Vice President of Advertising told an African-American advertising agency that “I don’t hire you to do good advertising, I hire you to do black advertising...it’s not my fault you are black – it’s yours”. In another case, Coke’s marketing strategy succumbs to racial stereotyping. For example, during a presentation about ethnic marketing in 1998 a white brand manager showed a picture of an inner city neighborhood and said “this is where black people live” and then stated that American musician L.L. Cool J featured in a Coke commercial should be sitting in the ghetto instead of on the steps of an attractive suburban house.<sup>225</sup> In another situation, one of the plaintiffs received a low evaluation after making comments about racial discrimination, even though she had always received positive evaluations. Such examples were not simply from a few isolated incidents; rather the lawsuit argued they represented a company-wide pattern.

As the trial proceeded, Coke denied any wrongdoing. Coke initially responded to the lawsuit saying that actions toward the four African-American plaintiffs “were in no way motivated by race...but instead were based solely on legitimate, nondiscriminatory business reasons.”<sup>226</sup> The CEO at the time, Douglas Ivester, sent an email to all Coke employees a week after the suit was filed saying that the suit had “significant errors of fact” and that the company does not systematically discriminate against African-Americans.<sup>227</sup> Coke’s manager of share-holder affairs sent a similar letter to all share-holders trying to soothe investors over the lawsuit. The letter stated that “while we [Coke] believe the lawsuit is without merit, I wanted to write and assure you that our management team takes these allegations seriously. Discrimination in any form is not

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<sup>222</sup> *ibid*

<sup>223</sup> *ibid*

<sup>224</sup> *ibid*

<sup>225</sup> *ibid*

<sup>226</sup> Unger, H., Hosendolph, E. “Coke, plaintiffs in court today”, Atlanta Journal and Constitution, May 13, 1999

<sup>227</sup> Unger, H., “Coke chief: Suit wrong but serious”, Atlanta Journal and Constitution, April 30, 1999

tolerated."<sup>228</sup> The Company continued to deny any wrongdoing In December 1999 when a Coke spokesperson, commenting on the ongoing lawsuit said that the company "will demonstrate that Coca-Cola has not, does not and will not tolerate discrimination of any kind."<sup>229</sup> In July of the same year, the company said that "we' re confident it will be determined that CocaCola does not discriminate."<sup>230</sup>

After a long legal battle, a settlement was reached in principle in June 2000 and was finalized in November 2000 when Coke agreed to pay out a record \$192.5 million, the largest settlement in a US race discrimination lawsuit. Despite denying any wrongdoing for months, Coke agreed to pay \$113 million in direct compensation and another \$43.5 million towards the elimination of pay disparities.<sup>231</sup> Twenty three people who were covered in the suit opted out of the settlement to pursue their own settlements against the company. The settlement also ordered the establishment of a task force designed to monitor the company's progress in complying with the settlement guidelines.

After the settlement was finalized, Coke's new CEO Doug Daft sent a contrite e-mail to all of Coke's employees worldwide saying that ""Today we are closing a painful chapter in our company' s history...The settlement is meaningful, constructive and equitable to all parties and allows us to move forward. . . . In fact, we will not rest until we have reclaimed our position as the best of the best in these matters and restored the confidence of every person who touches the Coca-Cola Co."<sup>232</sup>

In 2002, two years after the settlement was reached, the court appointed panel in charge of monitoring Coke's human resources practices, found that minority employees at Coke continue to have issues with fairness in career advancement, pay decisions and the company's commitment to equal opportunity.<sup>233</sup> An April 2002 report in the Washington Post quoted one Coke employee who opted out of the settlement saying that "Coca-Cola has done a wonderful job of fooling the public into believing that the racial discrimination lawsuit is over...It's not over. And I'm not interested in settling. The only way to expose the racism at Coca-Cola is to have our day in court."<sup>234</sup>

The second of the four annual reports to be submitted to US district judge by the bias task force found in December 2003 that the company had failed to implement a number of planned changes and that the North American restructuring of the company has led to a disproportionate number of executive positions filled by white men. The report also said that the company failed to make recommended changes to its interview process or to develop a diverse candidature for executive positions.<sup>235</sup> Minority employees negatively rated the company's record on diversity in the report.

#### 4.4 Labour

This section will outline a selection of strikes, walkouts and labour negotiations that have taken place at various Coke bottling plants since 1994.

**Australia** – In September 2001, 140 employees at a Coca-Cola Amatil bottling plant and warehouse in Melbourne went on strike after the company moved to cancel a bargaining

<sup>228</sup> Unger, H., "Coca-Cola tries to soothe investors on suit", Atlanta Journal and Constitution, May 7, 1999

<sup>229</sup> McCarthy, M., "Racial bias suit at Coke awaits CEO New chief must tackle diversity issues", USA Today, December 13, 1999

<sup>230</sup> Unger, H., "Class-action part of Coca-Cola suit is not dismissed", Atlanta Journal and Constitution, July 16, 1999

<sup>231</sup> Unger, H., "Coke to Settle Racial Suit with \$192.5 Million Deal", Atlanta Journal Constitution, November 17, 2000

<sup>232</sup> Unger, H., "Coke to settle racial suit with \$ 192.5 million deal", Atlanta Journal and Constitution, November 17, 2000

<sup>233</sup> Day, S., "Anti-Bias Task Force Gives Coca-Cola Good Marks, but Says Challenges Remain", New York Times, September 26, 2002

<sup>234</sup> White, B., "Black Coca-Cola Workers Still Angry", Washington Post, Thursday, April 18, 2002

<sup>235</sup> Newkirk, M., "Bias Report Criticizes Coke: Planned Changes Fell Short , Judge Told", Atlanta Journal And Constitution, December 18, 2003

agreement. The Liquor, Hospitality and Miscellaneous Workers Union claimed the company was clearing the way to introduce individual contracts.<sup>236</sup>

**Australia** – In December 2004, Coca-Cola Amatil was ordered to pay AUS\$3 million compensation for failing to protect a former contractor who was shot five times while loading a vending machine. Craig Douglas Pareezer sued the company in the New South Wales Supreme Court for negligence after he was shot in the head, chest, stomach, leg and hand. The attack occurred in 1997. After being attacked in the same area in 1995, Pareezer returned to work only after the company promised he would not have to go back to the neighbourhood. However, when another worker was injured, Pareezer reluctantly made a trip there and was attacked in a robbery attempt. The Justice in the case ruled in September 2004 that the company was liable for Pareezer's injuries, saying that it failed to protect him when it knew drivers were a target of robberies.<sup>237</sup>

**Canada** – In November 2003, 50 workers at a Coke bottling plant in Cobourg, Ontario went on strike over wages, shift premiums, uniform allowance, better language for temporary workers and severance packages. After over a month on the picket lines, a deal was finalized in December 2003.<sup>238</sup>

**El Salvador** – A 2004 report by Human Rights Watch found that sugar used in drinks for domestic consumption in El Salvador is regularly processed from Sugar Cane harvested by child labourers. The report found that El Salvador's largest sugar mill, which supplies Coke with one of its main ingredients, is supplied with sugar cane from at least four plantations that regularly use child labour. The report stated that: "In Coca-Cola's case, child labor helped produce a key ingredient in its beverages bottled in El Salvador. In that sense, Coca-Cola indirectly benefits from child labor."<sup>239</sup>

**Guatemala** – In 2002 PANAMCO, Coke's biggest bottler in Latin America now owned by Coca-Cola FEMSA, used questionable tactics during a difficult collective bargaining situation with Guatemala's food and beverage workers' federation FESTRAS. PANAMCO's demands would have eroded conditions protected by an existing collective agreement. In order to sway the negotiations in their favour, PANAMCO pursued legal action to dismiss eight union representatives from the plant who were taking approved leave to participate in the bargaining. They also filed a court order alleging that the workers' vote authorizing strike action should have included confidential and management employees essentially asking the court to declare unconstitutional a section of the labour code that specifies that confidential and management employees are not included in this type of voting.<sup>240</sup> A collective bargaining agreement was reached in December 2002 that provided for general wage increases of 3% effective 1 March 2001, 4% on 1 March 2002, 5% on 1 March 2003 and 6% on 1 March 2004. In addition the union retained full paid union leave for elected executive committee members.<sup>241</sup>

Coke has a horrible record of labour abuses in Guatemala dating back to the late 1970s and early 1980s. In 1976, workers at a Coke bottling plant in Guatemala began a nine year struggle against their employer. During that time three general secretaries of their union were assassinated while members of their families, friends and legal advisors were threatened, arrested, kidnapped,

<sup>236</sup> "Coke workers walk off job", Herald Sun, September 5, 2001

<sup>237</sup> "Coca-Cola 'knew of danger at venue' \$3m compo for shot contractor", The Mercury, December 24, 2004

<sup>238</sup> United Food and Commercial Workers Union, Locals 175/633 Press Release, "At Last, Cobourg Coca-Cola Workers Win a Fair Settlement", December 11, 2003

<sup>239</sup> "Turning a Blind Eye: Hazardous child labor in El Salvador's sugarcane cultivation", Human Rights Watch, June 2004, <http://hrw.org/reports/2004/elsalvador0604/elsalvador0604simple.pdf>

<sup>240</sup> International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations (IUF) Press Release, "Trade Union Rights at Risk at Coca-Cola Guatemala, September 24, 2003, [http://www.iuf.org.uk/cgi-bin/dbman/db.cgi?db=default&uid=default&ID=487&view\\_records=1&ww=1&en=1](http://www.iuf.org.uk/cgi-bin/dbman/db.cgi?db=default&uid=default&ID=487&view_records=1&ww=1&en=1)

<sup>241</sup> International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations (IUF) Press Release, "Coca-Cola Bottler And IUF Affiliate STECSA Sign New Collective Agreement In Guatemala", December 23, 2002, [http://www.iuf.org/cgi-bin/dbman/db.cgi?db=default&uid=default&ID=656&view\\_records=1&ww=1&en=1](http://www.iuf.org/cgi-bin/dbman/db.cgi?db=default&uid=default&ID=656&view_records=1&ww=1&en=1)

beaten, tortured, shot or forced into exile. After a long battle combined with the support of international solidarity campaigns, STEGAC, the Coke workers union, won its fight against the corporation.<sup>242</sup>

**Russia** – In August 2001, the administration of Coca-Cola Hellenic Bottling Company Eurasia plant in Moscow fired the chairperson of the local trade union after being informed of the union's existence. In October, the Moscow labour inspectorate declared the dismissal illegal and ordered the worker reinstated.<sup>243</sup> It was not until August 2003 that the worker was reinstated after plant management announced it would respect the court's decision as well as provide the worker 350,000 rubles to cover two years' back pay. As of September 2003 the worker had only received 15,000 rubles while Coca-Cola HBC Eurasia Moscow filed an appeal for the reconsideration of the July agreement that reinstated the worker.<sup>244</sup> Coke HBC has a history of actively fighting the unionization of its operations in Russia.

**Russia** – Approximately 20 Coca-Cola Hellenic Bottling Company Eurasia employees picketed a St. Petersburg plant on May 20, 2005, demanding management index their salaries to inflation, adhere to labour laws and observe the rights of trade unions. The Chair of the plant's trade union, Vladimir Okhrimenko, said that employees are sometimes ordered to work six or seven days a week as well as long working hours. He said salaries at the plant, which employs 300, have not been indexed to inflation for several years. Coca-Cola has 11 bottling plants in Russia.<sup>245</sup>

**United States** – In April 2004, 470-500 production, warehouse employees, Drivers and maintenance workers at Philadelphia's Coca-Cola Bottling co. went on strike over pay, benefits and respect at work. Workers believed that a strike was the only way they would gain respect on the job. After a week-long strike workers won a 35-cent per hour pay raise increased pension benefits and a bonus of up to \$900.<sup>246</sup>

**United States** – On May 23, 2005, workers at Coca-Cola bottling and distribution facilities in Hartford Connecticut and Los Angeles went on Strike. The workers are striking over the breakdown of contract negotiations and Coke's continuing push to have workers pay more for their healthcare benefits. In Connecticut Approximately 345 production workers, drivers and merchandisers at a Coca-Cola Enterprise (CCE) bottling plant were on strike while In California close to 1,700 workers at six Southern California CCE locations.<sup>247</sup> All of the workers were members of the International Brotherhood of Teamsters union. The strike ended the two-week strike on June 7 after the union approved a five-year contract giving workers improved health-care benefits and an 85 cent-an-hour annual pay raise.<sup>248</sup>

**Layoffs** – In January 2000, Coke laid off 6,000 workers from its global workforce. A large scale job cut had not happened at Coke since 1988 when the company terminated 200 jobs. In 2003 Approximately 3,700 employees were laid off by Coca-Cola and its subsidiaries.

## 4.5 Environment

### Water Takings (see social profile above for information on Coke's water takings in India)

<sup>242</sup> For more information on this case please refer to, Gatehouse M., Reyes, M.A., "Soft Drink Hard Labour: Guatemalan Workers Take On Coca-Cola", London: Latin American Bureau, 1987

<sup>243</sup> International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations (IUF) Press Release, "Coke Fights Unions in Russia", November 26, 2001, [http://www.iuf.org/cgi-bin/dbman/db.cgi?db=default&uid=default&ID=71&view\\_records=1&ww=1&en=1](http://www.iuf.org/cgi-bin/dbman/db.cgi?db=default&uid=default&ID=71&view_records=1&ww=1&en=1)

<sup>244</sup> International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations (IUF) Press Release, "Coca-Cola Continues to Oppose Union Organization in Russia", September 18, 2003, [http://www.iuf.org/cgi-bin/dbman/db.cgi?db=default&uid=default&ID=1057&view\\_records=1&ww=1&en=1](http://www.iuf.org/cgi-bin/dbman/db.cgi?db=default&uid=default&ID=1057&view_records=1&ww=1&en=1)

<sup>245</sup> "Workers picket Coca-Cola bottler in Russia over pay, labour rules", Associated Press, May 20, 2005

<sup>246</sup> Von Bergen, J., "Coca-Cola Bottling workers end strike", The Philadelphia Inquirer, April 30, 2004

<sup>247</sup> Spano, J., "Coca-Cola plant workers go on strike", Los Angeles Times, May 23, 2005

<sup>248</sup> White, R., "Teamsters' Coca-Cola contract includes better pay, benefits", Los Angeles Times, June 7, 2005

**Australia** – Coca-Cola Amatil, Coke’s main Australian bottler of which it owns 34%, has come up against fierce resistance by city councillors in Gosford in eastern Australia. Coca-Cola Amatil is hoping to expand its bottling operations at a nearby plant and is hoping to triple its water extraction to 41 million litres a year. In May 2005, the company filed an action against the Gosford council with the Land and Environment Court over the access to underground water.<sup>249</sup> City Councillors from neighbouring Wyong have pledged their support for Gosford council in its legal battle with the corporation. The region is in the middle of its worst drought in 100 years. Gosford is situated approximately 110 kilometres north of Sydney.

**Recycling** – Each day in the United States, Coke sells 25 million plastic (PET, or polyethylene terephthalate) bottles. Coke’s bottlers use new PET bottles from non-renewable resources to manufacture millions of bottles of soda and juice each day. According to the Grass Roots Recycling Network, 10 billion plastic Coke bottles containing over 800 million pounds of virgin plastic are discarded in one year.<sup>250</sup> Sixty four percent of all plastic bottles are thrown into the garbage largely because companies like Coke refuse to take their bottles back. Ten years after Coke pledged to use more post consumer plastics, they substantially downgraded their plans, announcing that they would use only 10% recycled content in 25% of their plastic soda bottles.<sup>251</sup>

Legislation in the United States does not hold beverage companies accountable for the waste they produce, thus removing responsibility from companies like Coke and Pepsi. The beverage industry consistently lobbies against recycling bills (bottle bills) in order to continue using the cheaper and more wasteful option of producing new bottles. New bottles are cheaper in part because of Coke’s signal to the plastic bottle industry that they were moving back to using only virgin plastic. This, in turn brought down the price of recycled plastic driving many recyclers out of business.<sup>252</sup>

Coke’s practice of using only virgin plastic and actively opposing bottler bills in the United States is aimed at ensuring more profits for the company. The switch to recycled plastic in the US is completely feasible for the company whose bottler’s in other countries uses recycled plastic and refillable bottles.

**Drought** – Coke’s carbonated and bottled water beverage lines rely on large volumes of water taken directly from municipal water systems which in turn rely on the capacities of local watersheds. As described earlier, Coke’s bottling operations in parts of India have had deleterious impacts on the water tables where bottling plants are located. Similar affects may be likely in Coke’s bottling plants in American States where drought is a major problem. For a list of locations for Coke bottling plants located in drought sensitive States please see Appendix 2 below.

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<sup>249</sup> Elbra, T., “It’s Gosford and Wyong v Coca-Cola”, Daily Telegraph, May 19, 2005

<sup>250</sup> As You Sow Website, <http://www.asyousow.org/>

<sup>251</sup> Aftandilian, D., “Coke’s Broken Promise,” Conscious Choice, February 2000

<sup>252</sup> Grass Roots Recycling Project, Coca-Cola Campaign, Just the Facts, <http://www.grrn.org/coke/cc-facts.html>

## 5. Stakeholder Profile

As of December 31 2004 Coke's major institutional and mutual fund holders owned 60% of Cokes 2.409 billion shares outstanding.

### 5.1 Top 10 Institutional holders (reported March 31, 2005)

Holder	Shares	% of total shares	Value
Berkshire Hathaway Inc.	200,000,000	8.31	\$8,334,000,000
Barclays Bank Plc	112,370,422	4.67	\$4,682,475,484
Sun Trust Banks Inc.	110,071,361	4.57	\$4,586,673,612
State Street Corporation	75,620,197	3.14	\$3,151,093,608
Capital Research & Mgmt Company	57,671,700	2.4	\$2,403,179,739
Vanguard Group, Inc.	51,047,544	2.12	\$2,127,151,158
Citigroup Inc.	38,986,093	1.62	\$1,624,550,495
Fidelity Management & Research Corporation	36,250,314	1.51	\$1,510,550,584
Northern Trust Corp	35,355,516	1.47	\$1,473,264,351
JP Morgan Chase & Company	34,952,274	1.45	\$1,456,461,257

[Yahoo Finance]

### 5.2 Top 10 Mutual Fund holders

Holder	Shares	% of total shares	value	Reported
Vanguard 500 Index Fund	22,775,172	0.95	\$948,358,162	Dec. 31, 2004
Growth Fund of America	15,365,000	0.64	\$639,798,600	Dec. 31, 2004
College Retirement Equities Fund-Stock Account	11,959,479	0.5	\$478,977,133	Sept. 30, 2004
Washington Mutual Investors Fund	11,383,300	0.47	\$474,000,612	Dec. 31, 2004
SPDR Trust Series 1	10,659,576	0.44	\$426,916,018	Sept .30, 2004
Vanguard Institutional Index Fund-Institutional Index Fd	10,031,355	0.42	\$401,755,767	Sept. 30, 2004
Vanguard Total Stock Market Index Fund	9,338,930	0.39	\$388,873,045	Dec. 31, 2004
Fidelity Magellan Fund Inc	7,666,100	0.32	\$319,216,404	Dec. 31, 2004
Diamonds Trust	6,013,869	0.25	\$244,523,913	Dec. 31, 2004



Series I				
Vanguard/Wellington Fund Inc.	5,658,300	0.24	\$222,427,773	Nov. 30, 2004

[Yahoo Finance]

## 5.2 Suppliers

**Some of Cokes main suppliers include** (the suppliers listed below supply The Coca-Cola Company, Coca-Cola Enterprises, Coca-Cola Bottling Company, Coca-Cola Femsa and many of the corporation's subsidiaries):

**Alcan Packaging** – Plastic bottle labels, <http://www.alcanpackaging.com/>

**Alcoa** – Plastic caps, packaging <http://www.alcoa.com/> <http://www.alcoa.com/csi/default.asp>

**Amcor** - This Australian firm supply's Coke with cans in Australia and South East Asia, <http://www.amcor.com.au/>

**Bell South** – Communications services, <http://www.bellsouth.com/>

**Cannon** – Steam boilers, water treatment systems and plastic products, <http://www.thecannongroup.com/>

**Cingular Wireless** – <http://www.cingular.com/>

**Cutrale Citrus Juices USA** – This Brazilian orange juice company processes all of Coke's (Minute Maid, Hi-C) orange juice in Florida. For a report on Cutrale's labour and performance record visit: <http://www.cokewatch.org/consumer.htm> In one case, a worker was fired after telling a food inspection agent about a dead rat under a juice capping machine.<sup>253</sup>

**EDS** – EDS provides information technology services to Coca-Cola FEMSA for its operations in Argentina, Brazil, Colombia, Costa Rica, Guatemala, Mexico, Nicaragua, Panama and Venezuela.<sup>254</sup>

**Ernst & Young** – Financial services, <http://www.ey.com/global/content.nsf/International/Home>

**GE Osmonics** (a division of GE Water Technologies – GE bought Osmonics in 2002) – Reverse Osmosis membranes and equipment used for water purification, <http://www.gewater.com/>

**Graphic Packaging** – Supply's cartons and machinery to package cans and plastic and glass bottles for Coca-Cola brands worldwide, <http://www.graphicpkg.com/>

**Hewitt Associates** – A human resources and outsourcing firm, <http://was4.hewitt.com/hewitt/index.htm>

**Krones AG** - This German company supplies Coke with packaging machinery, <http://www.krones-group.com/>

**MeadWestvaco** - Packaging, <http://www.meadwestvaco.com/>

**Microsoft** – Software, <http://www.microsoft.com/>

**Novazone** – Ozone generating equipment used during water purification, <http://www.novazone.net/>

**Nutrasweet** – Manufactures Aspartame for use in Coke's diet soft drinks, <http://www.nutrasweet.com/>

**Owens-Illinois Plastic Group** – Coke is one of this company's largest customers for plastic containers and closures, <http://www.o-i.com/>

**Rexam** – After acquiring American National Can in 2000, Rexam became Coke's largest global supplier of aluminum cans, <http://www.rexam.com/>

**Sprint** – Telecommunications, <http://www.sprint.com/>

**SouthEastern Container** – Supply's US Coke bottlers with PET plastic bottles, Southeastern Container, Inc. P.O. Box 909, Enka, NC 28728, 828/667-0101

**Tate & Lyle** – In February 2005, Coke chose Tate & Lyle's Splenda sucralose sweetener for its new version of Diet Coke. Tate & Lyle makes sweeteners and other ingredients for food and drink firms.<sup>255</sup> Tate & Lyle PLC, Sugar Quay, Lower Thames St. London, EC3R 6DQ, Tel. (+44) (0) 7626 6525

<sup>253</sup> "Rat Found in Minute Maid Plant Coke's Processor Fires Whistle Blower", PR Newswire, July 10, 2001

<sup>254</sup> "EDS Toasts New Beverage Business This Holiday Season", Canada Newswire, December 29, 2003

<sup>255</sup> Waller, P., "Sugar giant in Coca-Cola deal", Press Association, February 8, 2005

**Visy Industries** – Australian company supply's PET (plastic) bottles for Coca-Cola Amatil in Australia, New Zealand and Papua New Guinea, <http://www.visy.com.au/>  
**Xerox** – Office products, <http://www.xerox.com/>

## Appendix 1

### Colleges and Universities active in the Campaign to Stop Killer Coke<sup>256</sup>:

American University, Washington, DC  
Amherst College, Massachusetts  
Antioch College, Ohio  
Bard College, New York\*  
Boston College, Massachusetts  
Bowdoin College, Maine  
Brandeis University, Massachusetts  
Bristol University, England  
California State University — Dominguez Hills, California  
Carleton College, Minnesota \*  
Carnegie Mellon University, Pennsylvania  
College of DuPage, Illinois \*  
Cordozo Law School, New York  
DePaul University, Illinois  
DePauw University, Indiana  
Evergreen State College, Washington  
Georgetown University, Washington, DC  
Georgian Court University, New Jersey  
Grinnell College, Iowa  
Haverford College, Pennsylvania  
Hofstra University, New York  
Holyoke Community College, Massachusetts  
Illinois State University, Illinois  
Illinois University, Illinois  
Indiana University, Indiana  
Indiana University Northwest, Indiana  
Iowa State University, Iowa  
Kent State, Ohio  
Lake Forest College, Illinois \*  
Leeds University, England  
Loyola University, Illinois  
Loyola University, Louisiana  
Macalester College, Minnesota  
Malaspina University College, Canada  
Maynooth University, Ireland  
McMaster University, Canada  
Michigan State University, Michigan  
Middlesex University, England  
Mt. Holyoke College, Massachusetts  
National College of Art and Design, Ireland \*  
National University of Ireland, Ireland  
New College of Florida, Florida  
New York University, New York  
Northeastern Illinois University, Illinois  
Northern Arizona University, Arizona  
Northland College, Ashland, Wisconsin  
Oberlin College, Ohio \*  
Oklahoma City University, Oklahoma  
Purdue University — Calumet, Indiana  
Purdue University — West Lafayette, Indiana

<sup>256</sup> From Killer Coke, <http://www.killercoke.org/active-in-campaign.htm>

Queens University, Canada  
 Roma Tre, Rome, Italy \*  
 Rutgers University, New Jersey \*  
 St. Louis University, Missouri  
 Salem State College, Massachusetts \*  
 San Francisco State University, California  
 Smith College, Massachusetts  
 SUNY Geneseo, New York  
 SUNY Oswego, New York  
 SUNY Stony Brook, New York  
 Swarthmore College, Pennsylvania  
 Trinity College, Ireland \*  
 Truman State University, Missouri  
 Union Theological Seminary, New York\*  
 University College Dublin, Ireland \*  
 University of California — Berkeley, California  
 University of California — Santa Barbara, California  
 University of California — Santa Cruz, California  
 University of Chicago, Illinois  
 University of Detroit Mercy, Michigan  
 University of Edinburgh, Scotland  
 University of Guelph — Student Union, Canada \*  
 University of Illinois at Chicago, Illinois  
 University of Illinois — Urbana-Champaign, Illinois  
 University of Iowa, Iowa  
 University of Massachusetts, Massachusetts  
 University of Michigan, Michigan  
 University of Missouri (Kansas City), Missouri  
 University of Montana, Montana  
 University of San Diego, California  
 University of San Francisco, California  
 University of Santa Clara, California  
 University of Toronto, Canada  
 University of Washington, Washington  
 University of Western Ontario, Canada  
 University of Wisconsin — Madison, Wisconsin  
 University of Wisconsin — Milwaukee, Wisconsin  
 West Virginia University, West Virginia  
 Western Michigan University

**High Schools active in the Campaign to Stop Killer Coke include:**

Ames High School, Iowa  
 Golden Valley School, Minnesota  
 Notre Dame High School, Canada  
 St. Peter' s Prep, New Jersey \*  
 The Student School, Canada \*

\* Campuses that have terminated major contracts with Coca-Cola due to the company's human rights abuses in Colombia. Many labor unions and other institutions (such as the Park Slope Food Coop in Brooklyn, NY) have also terminated contracts and/or removed Coke machines or banned the sale or distribution of Coke products from their premises.

The Gill-Montague (Massachusetts) School Committee voted to not accept Coke' s offer of a new scoreboard for the high school athletic field in exchange for a 7-year contract to sell Coke

products in the schools. Gill and Montague are two small towns (populations of about 1,000 and 8,000) in Western Massachusetts. The school district is composed of several elementary schools, 1 middle school, and 1 high school.

## Appendix 2

### Coke subsidiaries:

Barq's, Inc. (Mississippi)  
Bottling Investments Corp. (Delaware)  
Accbc Holding Co. (Georgia)  
Caribbean Refrescos, Inc. (Delaware)  
Cri Financial Corporation, Inc. (Delaware)  
Coca-Cola Oasis, Inc. (Delaware)  
Caribbean International Sales Corporation, Inc. (Nevada)  
Carolina Coca-Cola Bottling Investments, Inc. (Delaware)  
Coca-Cola Financial Corp. (Delaware)  
Coca-Cola Interamerican Corp. (Delaware)  
Ftz Coca-Cola Industrias Sa (Costa Rica)  
Montevideo Refrescos, Sa (Uruguay)  
Coca-Cola South Asia Holdings, Inc. (Delaware)  
Coca-Cola (China) Investments Ltd. (China)  
Coca-Cola (China) Beverages Ltd. (China)  
Coca-Cola Beverages Vietnam Ltd. (Vietnam), 77.70%  
Coca-Cola India Ltd. (India)  
Coca-Cola (Thailand) Ltd. (Thailand)  
Coca-Cola Tea Products Co. Ltd. (Japan)  
Cti Holdings, Inc. (Delaware)  
55th & 5th Avenue Corp. (New York)  
F&Ncc (Singapore) Pte. Ltd. (Singapore)  
Odwalla, Inc. (Delaware)  
Piedmont Partnership Holding Co. (Delaware)  
Coca-Cola Export Corp. (Delaware)  
Atlantic Industries (Cayman Islands)  
Coca-Cola Beverages Pakistan Ltd. (Pakistan), 90.52%  
Coca-Cola Bottlers Manufacturing (Dongguan) Co. Ltd. (China)  
Coca-Cola Holdings (Asia) Ltd. (Japan)  
Dulux Cbai 2003 Bv (Netherlands)  
Schweppes Namibia (Prop) Ltd. (Namibia)  
Valser Trading Ag (Switzerland)  
Barlan, Inc. (Delaware)  
Coca-Cola Drikker As (Norway)  
Hindustan Coca-Cola Holdings Pvt. Ltd. (India)  
Hindustan Coca-Cola Beverages Pvt. Ltd. (India)  
S.A. Coca-Cola Financial Services Nv (Belgium), 99.20%  
Soft Drinks Holdings Snc (France)  
Varoise De Concentres Sa (France)  
Worldwide Creative Services (Delaware)  
Beverage Products, Ltd. (Delaware)  
\*Beverage Brands, Sa (Peru), 50%  
\*\*Corporacion Inca Kola (Peru), 50%  
Cchbc Grouping Inc. (Delaware)  
Coca-Cola Beverages (Japan), 67.40%  
Coca-Cola Bottlers Of Sweden (Sweden)  
Coca-Cola Canners Of Southern Africa (Pty) Ltd. (South Africa), 51.55%  
Coca-Cola China Ltd. (Hong Kong)  
Coca-Cola Computer Services Gesmbh (Austria)  
Coca-Cola De Chile Sa (Chile)  
Coca-Cola De Colombia, Sa (Colombia)  
Coca-Cola East Africa Ltd. (Kenya)  
Coca-Cola Erfrischungsgetranke Ag (Germany), 80%  
Coca-Cola Gmbh (Germany)  
Coca-Cola Gesmbh (Austria)  
Coca-Cola Holdings West Japan, Inc. (Japan)  
Coca-Cola Industrias Ltda (Brazil)  
Recofarma Industria Do Amazonas Ltda (Brazil)  
Coca-Cola Ltd. (Canada)  
Minute Maid Company Canada Inc. (Canada)  
Coca-Cola (Japan) Company, Ltd. (Japan)  
Coca-Cola Korea Company, Ltd. (South Korea)  
Coca-Cola Nigeria Ltd. (Nigeria)  
Coca-Cola Overseas Parent Ltd. (Delaware)  
Coca-Cola Holdings (Overseas) Ltd. (Delaware)

Coca-Cola Holdings (Overseas) Ltd. (Australia)  
Coca-Cola Southern Africa (Pty) Ltd. (South Africa)  
Companhia Mineira De Refrescos Ltda (Brazil)  
Conco Ltd. (Cayman Islands)  
Dulux Cbexinmx 2003 Bv (Netherlands)  
International Beverages (Ireland)  
Refreshment Product Services, Inc. (Delaware)  
Beverage Services Ltd. (United Kingdom & Wales)  
Coca-Cola Holdings (Nederland) Bv (Netherlands)  
Coca-Cola Holdings (United Kingdom) Ltd. (United Kingdom & Wales)  
Coca-Cola Hungary Services, Ltd. (Hungary), 90%  
Coca-Cola Italia Srl (Italy)  
Coca-Cola Mesrubat Pazarlama Ve Danismanlik Hizmetleri As (Turkey)  
Coca-Cola Norge As (Norway)  
Coca-Cola Servicios De Venezuela Ca (Venezuela)  
Coca-Cola South Pacific Pty. Ltd. (Australia)  
Minute Maid Juices Sa Nv (Belgium)  
Soft Drink Services Co. (Delaware)  
\*Sa Coca-Cola Services Nv (Belgium)  
Servicios Y Productos Para Bebidas Refrescantes Srl (Argentina)  
Refrescos Envasados Sa (Spain)  
Compania De Servicios De Bebidas Refrescantes Slr (Spain), 99.99%  
Refrescos Guararapes Ltda (Brazil)  
Refrigerantes Minas Gerais (Brazil)

## Appendix 3

### Arizona

- Coca-Cola Bottling Co  
Address: Page 845 Vista Av, Page, AZ 86040  
Phone: 1.520.645.2497
- Coca-Cola Bottling Co Phoenix  
Address: PO Box 20008, Phoenix, AZ 85036-0008  
Phone: 602.345.3005, 602.831.0400, 602.345.3100, 602.831.0400,
- Coca-Cola Bottling Co Tucson  
Address: 5551 W Coca Cola Pl, Tucson, AZ 85743-8920  
Phone: 520.744.1333, 520.744.2235
- Coca-Cola Bottling of Yuma  
Address: 840 E 19th St, Yuma, AZ 85365-2001  
Phone: 520.782.5124
- Coca-Cola Bottling Co Cochise County  
Address: 680 Gonzales Blvd, Huachuca City, AZ 85616-9659  
Phone: 520.456.1805
- Coca-Cola Bottling Co Flagstaff Arizona  
Address: 5660 E Penstock Ave, Flagstaff, AZ 86004-2914  
Phone: 520.526.2239
- Coca-Cola Bottling Co Prescott Arizona  
Address: 2425 E State Route 69, Prescott, AZ 86301-5676  
Phone: 520.778.2681
- Coca-Cola Bottling Co Show Low Arizona  
Address: 701 N 6th St, Show Low, AZ 85901-4843  
Phone: 520.537.7415
- Coca-Cola Bottling Co Winslow Arizona  
Address: 2001 W 2nd St, Winslow, AZ 86047-2124  
Phone: 520.289.4663
- Coca-Cola Co  
Address: PO Box 529, Cortaro, AZ 85652-0529  
Phone: 520.744.1333
- Coca-Cola Fountain  
Address: 1880 W Elliot Rd, Tempe, AZ 85284-1004  
Phone: 602.756.6500
- Coca-Cola of Chinle  
Address: Hwy 191 Industrial Park, Chinle, AZ 86503  
Phone: 520.674.5442

### Idaho

- Coca-Cola Bottling Co  
Address: 1003 N Main St, Pocatello, ID 83204-2719  
Phone: 208.232.0762
- Coca-Cola Bottling Co  
Address: 248 3rd St S, Twin Falls, ID 83301-6220  
Phone: 208.733.3833
- Coca-Cola Bottling Co  
Address: 900 E Lincoln Rd, Idaho Falls, ID 83401-2165  
Phone: 208.356.9601
- Coca-Cola Bottling Co  
Address: 900 E Lincoln Rd, Idaho Falls, ID 83401-2165  
Phone: 208.522.4101
- Coca-Cola Northwest Bottling  
Address: 3010 Main St, Lewiston, ID 83501-3360  
Phone: 208.746.0541
- Swire Coca Cola of Fruitland  
Address: 605 NW 4th St, Fruitland, ID 83619-2426  
Phone: 208.452.3730

### New Mexico



- Coca-Cola Dr Pepper Bottling  
Address: 205 Marquette Ave Ne, Albuquerque, NM 87102-2344  
Phone: 505.243.2811
- Coca-Cola Bottling Co  
Address: 660 W San Mateo Rd, Santa Fe, NM 87505-3920  
Phone: 505.983.4612
- Coca-Cola Bottling Co  
Address: Industrial Park, Las Vegas, NM 87701  
Phone: 505.425.7171
- Coca-Cola Bottling Co  
Address: 2100 S Valley Dr, Las Cruces, NM 88005-3142  
Phone: 505.526.5534
- Coca-Cola Bottling Co  
Address: 2700 W 7th St, Clovis, NM 88101-9612  
Phone: 505.769.2268
- Coca-Cola Bottling Co Gallup  
Address: 2522 E Highway 66, Gallup, NM 87301-4766  
Phone: 505.863.6807
- Coca-Cola Bottling Co Farmington  
Address: 105 E Maple St, Farmington, NM 87401-6523  
Phone: 505.637.2653
- Coca-Cola Dr Pepper  
Address: Albuquerque, NM 87102  
Phone: 505.242.6967, 505.243.2878
- Coca-Cola Dr Pepper  
Address: 1203 E Broadway St, Hobbs, NM 88240-6231  
Phone: 505.397.6422
- Coca-Cola & Dr Pepper Bottling Co  
Address: 3104 S Main St, Roswell, NM 88201-4072  
Phone: 505.622.7121
- Coca-Cola Dr Pepper Bottling Co  
Address: 2409 N Florida Ave, Alamogordo, NM 88310-5420  
Phone: 505.437.7410
- Coca-Cola Dr Pepper  
Address: 205 Marquette Ave Ne, Albuquerque, NM 87102-2344  
Phone: 505.244.4000

#### **Nevada**

- Coca-Cola Bottling Co Las Vegas  
Address: 230 N Mojave Rd, Las Vegas, NV 89101-4814  
Phone: 702.437.7300
- Coca-Cola Shoshone Bottling Co  
Address: 2300 Vassar St, Reno, NV 89502-3211  
Phone: 702.322.3464

#### **Utah**

- Coca-Cola Bottling Co  
Address: **760 N Vernal Ave, Vernal, UT 84078-3777**  
Phone: **801.789.6535**
- Coca-Cola Bottling Co  
Address: **825 S Freedom Blvd, Provo, UT 84601-5800**  
Phone: **801.373.2180**
- Coca-Cola Bottling Co  
Address: **1342 W 560 N, Cedar City, UT 84720-4106**  
Phone: **801.586.8232**
- Coca-Cola Bottling Co  
Address: **72 W Hope St, Saint George, UT 84770-2818**  
Phone: **801.628.5976**
- Coca-Cola Bottling Co of Logan  
Address: **975 W 800th, North Logan, UT 84321**  
Phone: **801.752.3033**
- Coca-Cola Bottling Co of Ogden  
Address: **2860 Pennsylvania Ave, Ogden, UT 84401-3378**  
Phone: **801.627.1310**

- Coca-Cola Bottling Co of Price  
Address: **215 E 1850th S, Price, UT 84501**  
Phone: **801.637.3105**
- Coca-Cola Bottling Co Provo  
Address: **825 S Freedom Blvd, Provo, UT 84601-5800**  
Phone: **801.373.8391**  
**Coca-Cola Bottling Co 2269 S 3270 W Salt Lake City, UT 84119-1111 Phone: (801)816-5450**
- Coca-Cola Bottling Co  
Address: **2269 S 3270 W, Salt Lake Cty, UT 84119-1111**  
Phone: **801.816.5450**
- Swire Coca-Cola USA  
Website: <http://www.swirecc.com>

## Wyoming

- Coca-Cola  
Address: 413 Coral St, Kemmerer, WY 83101-3204  
Phone: 307.877.3220
- Coca-Cola Bottling Co  
Address: 205 S College Dr, Cheyenne, WY 82007-2623  
Phone: 307.638.3355
- Coca-Cola Bottling Co  
Address: Laramie, WY 82070  
Phone: 307.742.2162
- Coca-Cola Bottling Co Casper  
Address: 140 Camellia St, Casper, WY 82604-4058  
Phone: 307.235.6609
- Coca-Cola Bottling Company  
Address: 246 Wasatch Rd, Evanston, WY 82930-3095  
Phone: 307.789.7524
- Coca-Cola Bottling Co Wyoming Inc  
Address: 18 Road 2ab, Cody, WY 82414-8431  
Phone: 307.527.7141
- Coca-Cola Bottling Co Wyoming Inc  
Address: 100 S 1st St, Riverton, WY 82501-4266  
Phone: 307.856.9740
- Coca-Cola Bottling Co Wyoming Inc  
Address: 1814 Kroe Ln, Sheridan, WY 82801-9681  
Phone: 307.672.9711
- Coca-Cola Bottling West Inc  
Address: 200 Commerce Dr, Gillette, WY 82731  
Phone: 307.686.6056
- Coca-Cola of Rawlins  
Address: 1316 Bonanza St, Rawlins, WY 82301-4593  
Phone: 1.307.324.7207

## California

- Coca-Cola  
Address: 700 W Grove Ave, Orange, CA 92665-3214  
Phone: 714.974.1900
- Coca-Cola Bottling Co  
Address: 3220 E Malaga Ave, Fresno, CA 93725-9353  
Phone: 209.264.4631
- Coca-Cola Bottling Co  
Address: 1334 S Central Ave, Los Angeles, CA 90021-2261  
Phone: 213.746.5555
- Coca-Cola Bottling Co  
Address: 19875 Pacific Gateway Dr, Torrance, CA 90502-1118  
Phone: 310.768.0500
- Coca-Cola Bottling Co  
Address: 7105 Paramount Blvd, Pico Rivera, CA 90660-3711  
Phone: 310.695.5501
- Coca-Cola Bottling Co  
Address: 12925 Bradley Ave, Sylmar, CA 91342-3830  
Phone: 818.362.4307

- Coca-Cola Bottling Co  
Address: 10670 6th St, Rch Cucamonga, CA 91730-5912  
Phone: 909.980.3121
- Coca-Cola Bottling Co  
Address: 68600 Perez Rd, Cathedral Cty, CA 92234-7216  
Phone: 619.328.8817
- Coca-Cola Bottling Co  
Address: 126 S 3rd St, El Centro, CA 92243-2542  
Phone: 1.619.352.1561
- Coca-Cola Bottling Co  
Address: 5335 Walker St, Ventura, CA 93003-7406  
Phone: 805.644.2211
- Coca-Cola Bottling Co  
Address: 414 19th St, Bakersfield, CA 93301-4908  
Phone: 805.324.6531
- Coca-Cola Bottling Co  
Address: 120 E Jones St, Santa Maria, CA 93454-5115  
Phone: 805.925.2629
- Coca-Cola Bottling Co  
Address: 387 Hammond St, Bishop, CA 93514-2623  
Phone: 619.872.4511
- Coca-Cola Bottling Co  
Address: 39450 3rd St E, Palmdale, CA 93550-3249  
Phone: 805.947.0197
- Coca-Cola Bottling Co  
Address: 39450 3rd St E, Palmdale, CA 93550-3249  
Phone: 805.947.2620
- Coca-Cola Bottling Co  
Address: 251 W Market St, Salinas, CA 93901-1419  
Phone: 408.375.4229
- Coca-Cola Bottling Co  
Address: 530 Getty Ct, Benicia, CA 94510-1139  
Phone: 707.747.2000
- Coca-Cola Bottling Co  
Address: 1551 Atlantic St, Union City, CA 94587-2005  
Phone: 510.429.5800
- Coca-Cola Bottling Co  
Address: 1467 El Pinal Dr, Stockton, CA 95205-2672  
Phone: 209.466.9501
- Coca-Cola Bottling Co  
Address: 1430 Melody Rd, Marysville, CA 95901-7407  
Phone: 916.743.6533
- Coca-Cola Bottling Co Adeco  
Address: 666 Unionion St, Montebello, CA 90640-6624  
Phone: 213.890.2600
- Coca-Cola Bottling Co Inc  
Address: 4101 Gateway Park Blvd, Sacramento, CA 95834-1951  
Phone: 916.928.2365
- Coca-Cola Bottling Company  
Address: 1520 Princeton Ave, Modesto, CA 95350-5728  
Phone: 209.524.4881
- Coca-Cola Bottling Co of California  
Address: 251 W Market St, Salinas, CA 93901-1419  
Phone: 408.755.8300
- Coca-Cola Bottling Co of California  
Address: 7901 Oakport St, Oakland, CA 94621-2015  
Phone: 510.638.5001
- Coca-Cola Bottling Co of California  
Address: 1555 Old Bayshore Hwy, San Jose, CA 95112-4303  
Phone: 408.436.3700
- Coca-Cola Bottling Co of California  
Address: 650 Babcock Ln, Ukiah, CA 95482-6214  
Phone: 707.462.0557
- Coca-Cola Bottling Co of California  
Address: 265 Bel Marin Keys Blvd, Novato, CA 94949-5724  
Phone: 415.883.9221
- Coca-Cola Bottling Co of Los Angeles  
Address: 8729 Cleeta St, Downey, CA 90241-5202  
Phone: 310.869.1015

- Coca-Cola Bottling of Redding  
Address: 1580 Beltline Rd, Redding, CA 96003-1499  
Phone: 916.241.4315
- Coca-Cola Bottling Co Eureka California  
Address: 1335 Albee St, Eureka, CA 95501-2224  
Phone: 707.443.2796
- Coca-Cola Bottling Co Inc  
Address: 4101 Gateway Park Blvd, Sacramento, CA 95834-1951  
Phone: 916.928.2300
- Coca-Cola Bottling Co San Diego  
Address: 1348 47th St, San Diego, CA 92102-2510  
Phone: 619.266.3300
- Coca-Cola Co  
Address: 14655 Wicks Blvd, San Leandro, CA 94577-6715  
Phone: 510.667.6300
- Coca-Cola Distr James C Greer  
Address: 3173 Guerneville Rd, Santa Rosa, CA 95401-4028  
Phone: 707.545.5727
- Coca-Cola & Dr Pepper Bottling Co  
Address: 15346 Anacapa Rd, Victorville, CA 92392-2448  
Phone: 619.241.2653
- Coca-Cola Foods  
Address: 3080 Bristol St, Costa Mesa, CA 92626-3060  
Phone: 714.434.2510
- Coca-Cola Foods  
Address: 1226 N Olive St, Anaheim, CA 92801-2543  
Phone: 714.526.8695
- Coca-Cola Foods  
Address: 1731 Tech Dr Ste 860, San Jose, CA 95110  
Phone: 408.452.1494
- Coca-Cola of Placerville  
Address: 6516 Commerce Way, Diamond Springs, CA 95619-9391  
Phone: 916.622.6471
- Coca-Cola USA  
Address: 3441 W Temple Ave, Pomona, CA 91768-3284  
Phone: 909.468.2726
- Coca-Cola USA  
Address: 6 Executive Cir, Irvine, CA 92714-6732  
Phone: 714.250.5961
- Coca-Cola USA  
Address: 5800 3rd St, San Francisco, CA 94124-3102  
Phone: 415.822.2500
- Coca-Cola USA  
Address: 6601 Owens Dr, Pleasanton, CA 94588-3356  
Phone: 510.463.8154

