

formerly **Infact**

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Corporate Accountability International (formerly Infact) is a membership organization that protects people by waging and winning campaigns challenging irresponsible and dangerous corporate actions around the world. For over 25 years, Corporate Accountability International and its members have scored major victories that protect people and save lives.

Corporate Accountability International does not endorse, support, oppose or otherwise advocate the election or defeat of any political party or candidate.

A Corporate Snapshot

The Coca-Cola Company, maker of the #1 soft drink in the world, dominates half the global soft drink market. Headquartered in Atlanta, GA, the corporation markets approximately 300 brands, including Sprite, Dr. Pepper and Minute Maid juices, in 200

countries worldwide. While soda still makes up 85% of its business, Coca-Cola is aggressively pursuing and expanding into the global bottled water market. In 2002 its water business skyrocketed by 68%. In North America, Coca-Cola distributes three bottled water brands: Dasani, Dannon and Evian. Combined with Coca-Cola Enterprises, these corporations are a \$38.4 billion business.¹



At least five Indian communities near Coca-Cola's bottling factories are facing severe water shortages and widespread health problems, thanks to the beverage giant's siphoning of massive amounts of local groundwater.

Its largest distribution and bottling corporation, Coca-Cola Enterprises, is the world's #1 bottler and sells soft drinks in 46 US states, Canada and six countries in Europe. Another large Coke bottling corporation, Coca-Cola FEMSA, is the largest Coca-Cola bottler in Latin America, selling Coke products and delivering more than five million beverage cases a day to retailers in nine Latin American countries.²

An Abusive Track Record

The Dirty Truth Behind Bottled Water: The bottled water industry—of which Coke is a major player—is booming on a global

scale: from the 1970s to the year 2000, the annual volume of water purchased and sold increased by over 7000%. Yet the bottled water industry operates with little or no regulation—leaving consumers at risk and in the dark.³ A National Resources Defense Council study on bottled water sold in the

U.S. found traces of arsenic, chloroform and other impurities. Bottled water is frequently sourced from municipal water supplies with little alteration. Recently, Coke came under fire in London for marketing Dasani as “pure” when the water actually comes from the tap, and makes its way onto store shelves at a 3,000% mark-up. Even more alarming, government tests on Coke in India revealed high

concentration of pesticides and insecticides at levels 30 times the standard allowed by the European Union.⁴

Unethical Business Practices: From anti-union actions in Colombia to draining ground water in numerous locations around the world, Coca-Cola is engaging in a variety of irresponsible and dangerous actions.

Colombia: Union Workers Under Paramilitary Attack

At a Coke bottling plant in Colombia, members of a paramilitary gang murdered

Coke employee and union activist Isidro Segundo Gil and forced union workers to resign by gunpoint. Coca-Cola bottlers have since been named in a lawsuit, charged with collaborating with the paramilitary forces responsible for the torture and murder of union leaders.⁵

India: Communities Lack Access To Water

At least five Indian communities near Coca-Cola's bottling factories are facing severe water shortages and widespread health problems, thanks to the beverage giant's siphoning of massive amounts of local groundwater. In Gandhre village, Coca-Cola draws water for its factory operations that could otherwise serve 75,000 villagers a day. In Plachimada, Coke extracted hundreds of thousands of gallons of clean water through electric pumps, which resulted in hundreds of public wells drying up and forced community members to travel great distances to access water.⁶

Power, Pressure and Persuasion

U.S. Influence: The Coca-Cola Company wields enormous political influence in the U.S. by hiring lobbyists and stuffing political coffers. In 2003 the corporation reportedly spent \$1.7 million on federal lobbying. In the 2004 election cycle, Coca-Cola, Coca-Cola Bottling and Coca-Cola Enterprises reportedly shelled out almost \$300,000 in PAC contributions.⁷

In just over two decades, more than two-thirds of the world's people will suffer from lack of access to water.

Global Reach: Coca-Cola's new CEO E. Neville Isdell knows how important India is to the expansion of the corporation's operations in the bottled water business. One of his first priorities as the new top executive was to fly to India to wine and dine with Indian executives and an advisory board for the corporation made up of several high profile people including a former cabinet secretary, a former supreme court judge and an army official. The top-secret nature of this trip (Mr. Isdell denied he was traveling to India up until the moment he arrived) only fuels speculation that he was ensuring that Coke's water and bottling operations in the country were safe from consumer protest and government interference.⁸

The bottled water industry operates with little or no regulation—leaving consumers at risk and in the dark.

What We're Doing About It:

In just over two decades, more than two-thirds of the world's people will suffer from lack of access to water. Meanwhile, water has become a \$400 billion growth industry.⁹ Instead of helping to alleviate the world's water supply problems, in their quest for profits, Coke and other corporations add to the problem. Through water depletion, pollution and price gouging, Coke's practices threaten water supplies around the world.

That's why Corporate Accountability International is expanding our organizing to target Coca-Cola. Our goal is to protect the human right to water by challenging Coke's irresponsible and dangerous practices that threaten people's lives.

NOTES:

¹ "The Coca-Cola Company," Hoover's Online, http://www.hoovers.com/coca-cola/--ID__10359--/free-co-factsheet.xhtml, Accessed 29 October 2004; Scott Leith, "Coca-Cola's Grip on Water," *The Atlanta Journal-Constitution*, 11 June 2003.

² "Coca-Cola Enterprises Inc.," Hoover's Online, http://www.hoovers.com/coca-cola-enterprises/--ID__10360--/free-co-factsheet.xhtml, Accessed 29 October 2004; "Corporate Profile," Coca-Cola Femsa Corporate Profile, http://www.cocacola-femsa.com.mx/ireye/ir_site.zhtml?ticker=kof&script=2100 Accessed 10 October 2004.

³ Tony Clarke and Maude Barlow, *Blue Gold: The Battle Against Corporate Theft of the World's Water*, 1 August 2000.

⁴ "Bottled Water: Pure Drink or Pure Hype," *Natural Resources Defense Council*, March 1999; "Hard Truths About Soft Drinks," *Centre for Science and the Environment*, 5 August 2003. Matthew Beard, "The Real Thing? Coke's Water Comes Straight From the Tap with a Cool Mark-Up of 3000%," *The Independent*, 2 March 2004.

⁵ Madeleine Baran, "Stop Killer Coke!," *Dollars and Sense*, November/December 2003.

⁶ Amit Srivastava, "Coke with Yet Another New Twist: Toxic Cola," CorpWatch, <http://www.corpwatch.org/issues/PRT.jsp?articleid=9568>, 17 January 2004; K. Krishnankutty, "A Paper On Over Exploitation Of Ground Water In Plachimada & Its Consequence," *The World Water Conference*, 21-23 January 2004;

⁷ Figured based on Lobbying Registration and Reporting Filed with the U.S. Senate and compiled by Corporate Accountability International; "PAC Contributions," *Center for Responsive Politics*, <http://www.opensecrets.org/pacs/lookup2.asp?strID=C00347989&cycle=2004>, Accessed 29 October 2004.

⁸ "Why is Coca-Cola Secretive About Isdell's Visit?" *The Economic Times*, 30 September 2004; Chaitali Chakravarty, "Coca-Cola Sets Up Power Board to Win Back Credibility," *The Economic Times*, 17 December 2003; "Isdell Gives a Patient Hearing to Coke Bottlers," *Financial Express*, 8 October 2004.

⁹ "Water: The Facts," *The New Internationalist*, March 2003; Shawn Tully, "Water, Water Everywhere," *Fortune*, 15 May 2000.