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Nominated for the Public Eye Award 2006 in  
the category:

**E N V I R O N M E N T**

Nominated by: India Resource Center,  
California, USA

## The Coca-Cola Company

Headquarters:	Atlanta, Georgia, USA
Branch of trade:	Soft drinks; the largest beverage company in the world
Turnover/ Net profit 2004:	US\$ 22 billion / US\$ 4,8 billion
CEO:	Neville Isdell
Owned by:	Publicly-traded corporation
Employees 2004:	50'000
WEF-Participant 2006:	yes

### Summary

*According to the India Resource Center, Coca-Cola, the world's largest producer of soft drink concentrates, is guilty of causing severe water shortages, polluting soil and groundwater around its bottling facilities, and distributing its toxic waste as fertilizer. Furthermore, the company is selling soft drinks with high levels of pesticides. The India Resource Center demands that Coca-Cola cleanup the soil and water its operations contaminate, and compensate affected community members.*

### Information on the case and characteristics of irresponsible corporate behaviour

In 1993, Coca-Cola -- the world's largest corporate producer of soft drink concentrates -- took over the ownership of India's top soft-drink brands and bottling network. Today, the company operates almost fifty bottling plants in India and works with several contract-packers.

Communities living around Coca-Cola's bottling plants are experiencing severe water shortages because of Coca-Cola's massive extraction of water from common groundwater sources. By Coca-Cola's own admission, many of its plants in India are located in drought prone areas. Locating a water intensive industry in such areas is absolutely irresponsible. Many wells have run dry and the hand-driven water pumps of common people can no longer provide water.

Coca-Cola has been indiscriminately discharging its waste water into fields around its plants and sometimes into rivers, including the Ganges. This has led to extensive soil and groundwater pollution. In two communities, Plachimada and Mehdiganj, Coca-Cola was distributing its solid waste to local farmers as "fertilizer". Tests conducted by the BBC found cadmium and lead in the

waste, effectively making it toxic. Coca-Cola stopped the practice of distributing its toxic waste only when ordered to do so by the authorities.

Tests conducted by a variety of agencies confirmed that Coca-Cola products contained high levels of pesticides (including DDT, an insecticide banned by the international Stockholm Convention of 2001). As a result of the tests, the Parliament of India has banned the sale of Coca-Cola in its cafeterias. Yet Coca-Cola continues to sell Indian consumers soft drinks laced with toxins. These drinks would never be admitted for sale in the US or Europe.

### **Consequences**

In a country where over 70% of the population makes its living related to agriculture, sinking the water table and poisoning the water and soil is a sure recipe for disaster. Thousands of farmers in India are affected. But especially hard hit are marginalized communities such as the Adivasis (indigenous people) and Dalits (formerly known as untouchables), as well as low-income communities, landless agricultural workers and women. The irony is that most of the people suffering from water shortages and pollution cannot afford Coca-Cola products.

### **Current status and demands**

Coca-Cola refuses to admit responsibility for its crimes. But the arrogance of the multinational corporation has not gone unchallenged. Growing opposition to Coca-Cola, primarily from affected communities, has spread rapidly. The company responded to its critics with a public relations campaign spearheaded by Perfect Relations, a firm hired to develop a new image for Coca-Cola in India. But no amount of increased marketing can resolve serious environmental issues unless the company admits the severity of problems it has caused and looks for ways to address them operationally.

The India Resource Center demands that the Coca-Cola Company:

- permanently shut down its bottling facilities in Mehdiganj, Kala Dera and Plachimada;
- cleanup contaminated soil and groundwater, and compensate affected communities;
- admit its liability for the long-term consequences of exposure to toxic waste and pesticide laden drinks.

**Detailed nomination: [www.publiceye.ch/nominierungen](http://www.publiceye.ch/nominierungen)**

**Further information and links:**

- [www.IndiaResource.org](http://www.IndiaResource.org)
- [www.csindia.org](http://www.csindia.org)
- <http://parliamentofindia.nic.in/ls/jpc/jpc-prsfb.htm>