

## “The Public Eye Awards 2006”

### Nomination form A

(for companies that have excelled in socially and environmentally irresponsible behaviour)

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The nominations will be made public before the Awards Ceremony. Handing in a precise, detailed and formulated nomination (please do not just send keywords, but full sentences) in the given form saves us a great deal of (editorial) work!

#### **Nominated company or corporate group**

*Name:* Coca-Cola Company

*Headquarters:* One Coca-Cola Plaza, Atlanta, Georgia 30313

*Turnover / net profit:* 4,847,000,000

*Branch of trade:* largest beverage company in the world

*Owned by:* Publicly traded

*Number of employees:* 29,500 (does not include subcontracted employees)

*CEO:* Neville Isdell

#### *Further information/data on the company/corporate group:*

Coke is it -- "it" being the world's top soft-drink company. The Coca-Cola Company owns four of the top five soft-drink brands (Coca-Cola, Diet Coke, Fanta, and Sprite). Among its other brands are Barq's, Fruitopia, Minute Maid, POWERade, and Dasani water. In North America, it sells Groupe Danone's spring water brands (Evian, Dannon, and Sparkletts). Coca-Cola sells Crush, Dr Pepper, and Schweppes outside Australia, Europe, and North America. The firm sells about 400 drink brands, including coffees, juices, sports drinks, and teas, in about 200 nations. Although it does no bottling itself, the company owns about 36% of Coca-Cola Enterprises, the largest Coke bottler in the world. In 2004, the Coca-Cola Company had a net income of \$4,847,000,000.

#### **Nominated in the category (please do *not* tick more than one category):**

- environment
- social rights (human and labour rights)
- taxes

#### **Reasons for the nomination:**

The rationale should include detailed information and, if feasible, it should be listed according to below aspects of irresponsible behaviour of the nominated corporate group. In addition, your rationale should include a list of sources. Moreover, enclosures such as studies or newspaper articles on the case as well as film material are most welcome.

## *General information on the case and characteristics of irresponsible corporate behaviour*

Corporate greed continues to spread its wings around the world under the guise of free market enterprise. Often it is difficult to show a direct connection between a US based corporation and a localized struggle in the Southern Hemisphere. However there has been one company in particular that has marked the pages of every major media outlet over the past couple of years for situations in India, Colombia, Turkey, and Indonesia. This proposal will focus on the murders of trade unionists in Colombia performed by paramilitaries working for Coca-Cola bottling entities. There is also information located in the final pages detailing the situations in India, Turkey and Indonesia concerning the obvious social rights violations by Coca-Cola's subcontracted facilities.

*On December 5, 1996, at 9:00 in the morning, two paramilitaries approached Isidro Gil, who was then involved in negotiations on behalf of the union with Bebidas y Alimentos, as he stood in the entrance of the Bebidas y Alimentos plant. They asked him if he was in fact Isidro Gil. Isidro Gil responded, "what for?" The paramilitaries stated that they needed to go into the plant to talk to someone inside. Isidro Gil proceeded to open the door and the two paramilitaries then shot him to death inside the plant. That same night, these same paramilitaries went to the local union hall of SINALTRAINAL and started a fire therein.*

*On December 6, 1996, paramilitaries approached several more members of the local SINALTRAINAL executive board. These paramilitaries told the union board members that they killed Isidro Gil and burned the union office and that they would kill the remaining board members if they did not leave town. The paramilitaries also explained that they would have a meeting with the workers at the Bebidas y Alimentos plant the next day to tell them that they would have to resign from the union or face being killed.*

*On December 7, 1996 at 8:00 a.m., the paramilitaries appeared at the Bebidas y Alimentos plant as threatened. They assembled the workers and told them that Bebidas y Alimentos did not want the union at the plant. The paramilitaries explained that the workers had the option of either resigning from the union or leaving Carepa altogether lest they be killed. The paramilitaries then proceeded to direct the workers into the manager's office to sign resignation forms, which were prepared by Defendant Bebidas y Alimentos itself. As a result of the threats of the paramilitaries, workers resigned en masse from SINALTRAINAL.*

This account which is spelled out in a lawsuit filed against the Coca-Cola Company and a number of its subsidiaries and bottling companies by the International Labor Rights Fund (ILRF) and the United Steelworkers of America on behalf of SINALTRAINAL for human rights violations under the Alien Tort Claims Act is but one example of the hostile environment that trade unionists in Colombia must subsist in everyday. The following case involves the systematic intimidation, kidnapping, detention and murder of trade unionists in Colombia, South America at the hands of paramilitaries working as agents of corporations doing business in that country.

The violent persecution of trade unionists in Colombia has been at epidemic proportions for many years. Since 1986 when the Central Unitaria de Trabajadores de Colombia ("CUT"), the largest trade union confederation in Colombia, was formed, over 3,800 trade unionists have been murdered. In 2000, of every five (5) trade unionists murdered in the world, over 3 are Colombian. In particular, managers in Coca Cola bottling plants in

Colombia have been engaged with paramilitary forces to intimidate and murder trade union leaders in an effort to suppress workers in their facilities.

SINALTRAINAL is a Colombian trade union and a member of the CUT. SINALTRAINAL represents workers at a number of beverage and food companies in Colombia, including several Coke bottling plants throughout Colombia. This campaign of terror against trade unionists in Colombia and at Coca Cola in particular is ongoing.

Coke, which generates the vast majority of its operating income outside the United States, controls a highly organized network of bottling facilities throughout the world in order to ensure uniform quality and efficient distribution of Coke products. Any bottler that is awarded a contract to bottle and distribute Coke is required to conform absolutely to Coke's requirements as to product quality, presentation, and production. According to the 10-K Report filed by Coke on December 31, 2000, and other public sources, the specific details of Coke's control over any particular bottler are governed by a "Bottler's Agreement." These Bottler's Agreements provide Coke with the flexibility to assert the necessary degree of control and supervision over a particular bottler, depending upon the circumstances. As is indicated in the paragraphs below, Coke, through its specific Bottler's Agreements, exercises a particularly high level of control and supervision over Panamco and Bebidas y Alimentos, both bottling companies of which Coke owns significant shares and is one of their primary customers.

Further, as illustrated by a similar situation in Guatemala in the early 1980's, Coke specifically has control over whether a bottler can continue to do business in Coke's name if the bottler engages in violence against trade union leaders. Based on its Bottler Agreement, Coke forced an independently owned franchisee in Guatemala to sell its bottling business to a third party following the murder of three trade union leaders and an attempted murder of a fourth at the bottling plant. Coke's action was the result of a massive public campaign against the company, but its action, however motivated, shows specifically that Coke has the control to prevent and/or remedy violence against workers and trade union leaders in its foreign bottling plants, including the plants at issue in this case.

Coke's control through the specific Bottler's Agreements extends to the smallest details of production. For example, according to the 10-K Report filed with the Securities and Exchange Commission on December 31, 2000 by Panamco, "[Coke] must also approve the types of container used in bottling and controls the design and decoration of the bottles, boxes cartons, stamps, and other materials used in production. The [Bottler's] agreements grant [Coke] the right to inspect the products."

In addition, Coke, through the Bottler's Agreements, imposes standards concerning employee qualifications and appearance and standards for the appearance and condition of transport trucks. Further, Coke also provides direction on issues of environmental preservation and compliance with a code of conduct governing the treatment of employees. Coke also monitors the labor relations practices of its subsidiaries and bottlers, and requires that subsidiaries and bottlers refrain from activities that will damage Coke's brand-name in the market place.

Numerous organizations have taken on the unthinkable practices of Coca-Cola's bottlers. United Students Against Sweatshops and the Campaign to Stop Killer Coke together with ILRF and the Steelworkers have educated consumers and supported the efforts to the Colombian trade unionists. Because of the dire situation, Colombian unionists have called for a boycott of Coke. Students in the US, Australia, Canada, Ireland, the UK and other countries

have thus responded by demanding that their collegiate institutions withdraw all financial support from Coke by severing all existing contracts with Coke. Many students have even succeeded in pressuring their institutions to take immediate action. Only with constant and news worthy public pressure will Coke buckle to the demands of the Colombian trade unionists. The Public Eye Awards 2006 will bring the spotlight directly on Coke forcing them to react once again to the unbelievable situation they are intricately involved in.

### *Background concerning violence in Colombia*

Colombia is widely known as a country that is torn by a long-standing civil war involving armed leftist groups on the one side and the Colombian military as well as right-wing paramilitaries on the other. It is widely acknowledged that the regular military in Colombia, and the civil government authorities, tolerate the paramilitaries, allow them to operate, and often cooperate, protect and/or work in concert with them.

According to Human Rights Watch, 78% of the murders in Colombia from October 1999 to March 2000 were attributable to the paramilitaries. These and other murders go unpunished by the military. This is largely because of the symbiotic relationship that exists between the regular military and paramilitaries. A large number of the paramilitary units were created by active, reserve or retired military personnel. In addition, police officers throughout the country are likewise aligned with the paramilitaries and refuse to take action against known murderers who were acting on behalf of a paramilitary unit.

As a consequence of the official vilification of trade unionists by the Colombian and U.S. governments as well as corporations operating in Colombia, Colombia has lead the world in the number of murders of trade unionists for the past 10 years. There is comprehensive public reporting on the systematic human rights violations occurring in Colombia by the paramilitaries, as well as on the specific targeting for murder and other human rights violations of trade union leaders and members.

### *Consequences*

In addition to the examples listed above, Coca-Cola has caused devastation in the lives of so many families affected by the vicious murders of Colombian labor leaders. Below is a short list of the costs associated with Coke's willing participation in a repressive environment:

- Since 1989, paramilitary forces have murdered eight union leaders from Coca-Cola plants. Dozens of other workers have been intimidated, kidnapped, or tortured.
- In Carepa, members of the paramilitary murdered union leader Isidro Gil in broad daylight inside his factory's gates. They returned the next day and forced all of the plant's workers to resign from their union by signing documents on Coca-Cola letterhead.
- On June 21, 2001, at a Coca-Cola bottling plant in Monertia, in the Cordoba Province of Colombia, Oscar Dario Soto Polo an employee at this operation, and a member of the Executive Committee of the CUT, was gunned down in the street as he was accompanying his youngest daughter to her house. Sen. Oscar Soto was engaged in negotiations with Coca Cola at the time over union proposals to provide security to trade unionists under threat.
- The most recent murder attempt occurred on August 22, 2003, when two men riding motorcycles fired shots at Juan Carlos Galvis, a worker leader at Coca-Cola's Barrancabermeja plant.

- There is substantial evidence that managers of several bottling plants have ordered assaults to occur and made regular payments to leaders of the paramilitary groups carrying out the attacks.

### *Current status and demands made to the company*

Rather than taking concrete steps to solve the problems, Coke is continuing its efforts to defuse the growing opposition to its human rights violations. For example, Coke facilitated the creation of a Commission made up of University administrators, students, and SINALTRAINAL to complete an investigation by the Worker Rights Consortium of the factory situations in Colombia. This Commission has stalled negotiations and campaign activity since university decision makers are now waiting for the investigation results.

## **SINALTRAINAL'S DEMANDS TO COCA-COLA**

**1. Acknowledge Underlying Facts.** The events alleged in the four Complaints filed in federal district court in Miami, Florida are objectively verifiable. For example, Mr. Isidro Gil was murdered in the Coca-Cola bottling plant in Carepa. The Plaintiffs are extremely distraught that Coca-Cola's public statements have labeled these allegations as "false" since this constitutes an effort to alter the historical record. Plaintiffs require some accommodation here to admit or acknowledge the underlying facts, regardless of Coca-Cola's position on whether it is or is not directly responsible for the events. As one way to acknowledge and respect the victims of violence targeting trade union leaders that has undeniably occurred in Coca-Cola bottling plants in Colombia, July 22 shall be designated "Workers Memorial Day" and treated as a holiday.

**2. Public Statements Denouncing Anti-Union Violence.** Coca-Cola, Coca-Cola FEMSA ("FEMSA"), and Panamco should issue strong and public statements throughout the press in Colombia and in the world denouncing violence, and particularly anti-union violence, by all armed actors in Colombia. The companies should state that such violence, regardless of who commits it, is seen by corporations such as themselves as being bad for business and investment. Specifically, they should publicly state that if the paramilitaries see themselves as protecting the interests of domestic and foreign investment, they are wrong; that their violent conduct, especially against trade unionists, is bad for business and investment and must cease. Coca-Cola and Panamco also must make public statements in the press indicating their belief that, contrary to the statements made by local Colombian management, Sinaltrainal is not connected with any armed groups in Colombia, and acknowledge that the violent acts described in the four federal complaints was unlawful. SINALTRAINAL and the companies shall agree on an appropriate text.

**3. Human Rights Committee.** Coca-Cola, FEMSA, and Panamco must agree to support the creation of a committee to which workers can submit complaints about anti-union violence and intimidation at or around any Coca-Cola bottling plant. The Committee will work with such employees and the union to address such concerns in a productive way. Plaintiffs suggest that representatives from the International Labor Rights Fund, the United Steelworkers Union, the Colectivo de Abogados Jose Alvear Restrepo, and Sinaltrainal be included on the committee. The companies shall work with the committee to develop methods to provide better security for all workers in the Coca-Cola system.

**4. Investigation and Training:** Coca-Cola, FEMSA, and Panamco must encourage the proper authorities in Colombia to investigate links between local Colombian management

and the armed groups, particularly the paramilitaries. Further, the companies must conduct their own internal investigations and remove management with such links. This investigation must be subject to independent review. Coca-Cola, FEMSA, and Panamco should also conduct training with all management personnel and employees in which they strongly stress that any collusion with armed actors or any encouragement of anti-union violence by these actors, whether material or moral, will not be tolerated and will result in immediate discharge. Further, the companies must in all respects “demilitarize” their operations.

**5. Address Anti-Union Impact of Violence.** As a consequence of the anti-union violence that is the subject of the four legal cases, Plaintiff SINALTRAINAL has suffered significant losses of members and other institutional damage. In order to address this distinct aspect of the violence, Coca-Cola must agree to require its bottlers to negotiate with SINALTRAINAL to agree to a process to repair the damage suffered by SINALTRAINAL. This shall include prohibiting any of the Coca-Cola bottlers from referring to the union in a derogatory way, such as calling it a “guerilla union,” reinstating union members who fled following specific death threats from paramilitaries or who were discharged unlawfully for their union activity, and allowing SINALTRAINAL to have access to workers prior to elections in any of the subject bottling plants where SINALTRAINAL was decertified following the acts of violence due to lost membership from terror and intimidation.

**6. Cessation of Criminal Charges.** Coca-Cola, FEMSA, and Panamco must stop pressing the criminal legal action against the Plaintiffs which were brought shortly after, and in retaliation for, the Plaintiffs’ commencement of the civil human rights lawsuit in Miami.

**7. Compensation for Victims.** To settle and dismiss all claims brought by all of the Plaintiffs in the four cases, Plaintiffs will negotiate with Coca-Cola and its bottlers for a reasonable amount. In no event will this discussion occur until the non-monetary items have been addressed fully.

### *Other Coke situations around the world*

#### Environmental Devastation in India

In India, the rallying cry is “Somebody drank my water!” Communities in regions where Coca-Cola has opened factories are launching grassroots campaigns demanding that Coca-Cola stop its pattern of draining common water resources and polluting the scarce water that remains.

- At Coca-Cola’s factory in Plachimada, Kerala, the company extracts more than 800,000 liters of ground water free of charge each day, as the local community thirsts for drinking water because their wells have run dry. Because the factory has drained the local groundwater table, agricultural fields on which thousands of local people subsist have been destroyed.
- In Mehdigank, Coca-Cola is accused to spewing toxic chemicals into the agricultural fields surrounding its factory and illegally occupying a portion of common community property. When community members staged a protest at the factory in 2002, they were beaten severely by 200 police personnel sent to “protect” the plant and 50 gun-wielding private security guards.
- In late summer 2003, authorities in West Bengal, Punjab and Rajasthan banned the sale of Coca-Cola products based on a New Dehli research group’s finding of dangerous levels of pesticide residue in a sample of locally made drinks.

Campaigns to hold Coca-Cola accountable for its practices are spreading quickly throughout India and the campaign has garnered significant attention. But activists complain that Coca-Cola has assigned the entire “problem” to its public relations department rather than addressing the serious issues that are being raised.

### Violations of Worker Rights in Turkey

Within the past several months, workers engaged in the distribution of Coca-Cola products have been fired en masse in what appears to be a transparent effort to end a unionization effort. Workers and family members were then subjected to violence by riot police acting at the behest of the company and placed under arrest. The violations of worker rights concern workers who perform distribution operations for Coca-Cola in Turkey with the contractor Trakya Nakliyat ve Ticaret Ltd. Şti.. They are members of the union DISK/Nakliyat-İs. The following timeline provides background on these incidents:

#### Mass termination of union members at Dudullu plant

- Earlier this year, Trakya Nakliyat terminated 5 workers who have been leaders in a unionization effort at Coca-Cola's Dudullu facility. The workers are Fahrettin Taköcö, Erol Tÿredi, Hasan Şirinyurt, Fatih Dilbaz and Mustafa Akön. While management claimed the lay-offs were due to poor work performance, management provided no evidence of this claim; the workers have long, positive records of employment ranging from five to nine years.
- On May 19, 2005, shortly after the terminations were carried out, a group of workers visited management at Coca-Cola's Dudullu plant to inquire about the reasons for the termination of their colleagues. A meeting ensued among the managers of Coca-Cola's Marama operations, the Asia distribution program and the concerned workers. During this meeting, the Coca-Cola representatives told the workers that they should resign from the union, stating that "the Coca-Cola Company shall let no members of the union work with us".
- On the following day, May 20, 2005, facility management announced the termination of 50 additional workers who were members of the union. The workers were dismissed without severance pay. Since the terminations occurred, the 55 terminated workers have been campaigning to return to work, protesting day-to-night in a cardboard hut in front of the facility.

#### Mass termination of workers at Yenibosna plant

- On May 25, 2005, one day after the president of the DISK union federation met with the chairman of Anadolu Endÿstri Holding A.Ş – Coca-Cola's Turkish partner – and received an assurance that problems with labor violations would be resolved, Trakya Nakliyat ve Ticaret Ltd. Şti. announced the termination of 50 workers from the its Yenibosna plant, who are members of the DISK union. The terminations were effective July 2, 2005. Trakya Nakliyat claimed that the firings were made necessary by a decision by Coca-Cola Turkey to cancel business with Trakya Nakliyat.
- During and prior to this period, employees of the Yenibosna plant were pressured to resign from the union by both the authorities of Coca-Cola and Trakya Nakliyat. The union has asserted that the individuals who pressured workers to resign were representatives of Coca-Cola, Oğuz Aldemir and Sinan Oktay, and the manager of Trakya Nakliyat ve Ticaret Ltd. Şti, Yaşar Erdoğan.

- Since June 17, 2005, the workers who were to be dismissed on July 2, 2005, and who are on collective leave, have erected a tent in front of the Yenibosna plant and have protested to be reinstated.
- The business relations of Coca-Cola with Trakya Nakliyat ve Ticaret Ltd. Şti, as well as with the plants in ,erkekşy-, orlu and Bursa, which are not organised, are still in force.

It is clear based upon the information available – the timing of the firings, the individuals fired, and the fact that only workers at unionized plants have been dismissed in such numbers – that workers at both the Dudullu plant and the Yenibosna plant were singled out and terminated because of their membership in the union. This is a clear violation of Turkish law, internationally recognized labor standards, and Coca-Cola's own stated commitment to respecting basic worker rights.

#### Violence against workers family members at Yenibosna plant

Following the events described above, workers were subjected to violence during a protest regarding their dismissals.

- On July 20, 2005, sixty two days since their terminations were announced, the workers from Dudullu organized a demonstration with their families in front of the factory. The workers were protesting what they believed were illegal firings and demanded that they be reinstated. They were subjected to brutal violence by riot police acting at the behest of Coca-Cola.
- At 10:00 am on this day, workers and their family members, totalling roughly 150 people, entered the facility. Late in the afternoon, the head of the DISK and several other union officials had come to the factory and believed they were in the final process of negotiating a settlement with management when the police violently attacked the workers and family members. Police used tear gas and physically assaulted those present, causing serious injury to a number of children and workers' spouses.
- Following this incident, 92 people – including the president, an executive committee member of DİSK/Nakliyat-İş union, and the union's lawyer – were placed under arrest. 85 of these individuals were subsequently released, but seven people – including the president of Nakliyat-İş, Ali Rōza KŸŸkosmanođlu and the executive committee member of Nakliyat-iş Recep Vurmuş – were still under arrest by the Security Administration of İstanbul as of July 22, 2005.

Given that the workers and their families were physically present in the Coca-Cola factory when they were attacked, it is clear that the police could not have carried out the violent actions described above without the authorization of Coca-Cola officials. Coca-Cola is therefore responsible for the violence against workers and for the arrest of union members and officials.

#### Violations of Worker Rights in Indonesia

Another situation has recently arisen concerning the abuses of worker rights at a Coca-Cola facility in Indonesia. This case concerns the United Can Company, which is among Asia's largest manufacturers of rigid packaging product. Its primary customer in Indonesia is Coca-Cola.

- In October 2004, 48 workers of the PT United Can Company announced their intention to form an independent union. The union is called Gabungan Serikat Buruh Independen PT (the Federation of Independent Trade Unions at United Can Company), which is affiliated with the national federation GSBI.
- Since the union announced its formation, factory management has engaged in a campaign of intimidation and bribery against union members and leaders. On repeated and persistent occasions since October 2004, factory managers have pressured workers to resign from the union by interrogating not only the workers concerned, but their children, spouses, and other family members. In these conversations, managers have made frequent threats that the workers and their families would suffer economically from membership in the union, and that the company will never accept a GSBI associated union in the facility. At the end of each conversation, management has typically given workers a form to resign from the union. Members of management have also offered substantial bribes to workers who are willing to resign; for example, the first president of the union was reportedly paid some \$11,000 in exchange for resigning as president and a member of the union.
- In response, GSBI officials have sent letters and personally asked management to stop interrogating and intimidating its members. Factory management has ignored these communications and instead has continued to interrogate workers and promises financial rewards to workers who resign from the union.
- On and around June 21, 2005, the United Can Company announced the termination of 12 workers who are leaders in the unionization effort. In its dismissal letter, factory management explicitly states that the workers are being fired for their union activity, specifically for circulating a newsletter among workers in the facility saying that the factory has "lost trust and cannot tolerate" the workers, and they would be terminated immediately and barred from entering the company area without permission.

### *Sources / references*

- The overwhelming majority of the information in this proposal originated from the complaint filed by International Labor Rights Fund and the United Steelworkers of America on behalf of SINALTRAINAL, et. All. The case was filed in the Federal District Court for the Southern District of Florida, No. 01-03208-CIV, on July 21, 2001. This lawsuit can be found at [www.LaborRights.org](http://www.LaborRights.org).
- The reference to situation in Indonesia and Turkey came directly from a letter that United Students Against Sweatshops wrote to the CEO of Coke in July 2005. The letter is available at [www.StudentsAgainstSweatshops.org](http://www.StudentsAgainstSweatshops.org).
- The information concerning environmental devastation is located within an activist organizing guide which can be found at [www.KillerCoke.org](http://www.KillerCoke.org). India Resource Center has also been very active in this component of the anti-Coke campaign, which is where the information originated from.

### **Information for the organisers:**

#### **Nomination submitted by:**

*Name of organisation:* International Labor Rights Fund

*Name of the person:* Terry Collingsworth

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The contact person may be contacted for any follow-up queries from the organisers. In addition, it is planned to make this information available to the interested public in the course of the publication of the nominations (on [www.evb.ch/publiceye.htm](http://www.evb.ch/publiceye.htm)) Please tick below if you do not wish your contact details to be made public.

Do not publish my contact details

### **Award's Ceremony in Davos**

If the company you nominated is awarded a price, would your organisation be in the position to send a person to Davos to give a speech and to conduct a workshop on the topic? This person should have expert knowledge on the nominated company because she/he has written a report on it or carried out a campaign on the topic. Travel, accommodation and expenses of the spokesperson will be covered by the organisers.

A presentation of the case in Davos at the end of January 2006 is possible (please tick)

*Name of the person:* Terry Collingsworth

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