

Coke and Corporate Accountability: Information Regarding Coca-Cola Inc.'s Human Rights and Environmental Justice Record

Spring Semester, 2012

Prepared for the College Council on Community Policy by Economic Justice, a working group of Students for Social Justice and Institutional Change (SSJIC)

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I. Summary

In 2007, Smith College decided not to allow Coca-Cola to renew its exclusive soft-drink contract with the college. In her letter to the Coca-Cola Corporation, President Christ called Smith “a private college with a public conscience,” and cited “Coca-Cola’s business practices in Columbia and India”¹ as the reason the college was not willing to renew its contract with Coke. Now, in 2012, Smith is once again considering letting Coke bid to become a vendor. In light of Coke’s continuing environmental and human rights abuses, we strongly urge the college to continue to ban Coca-Cola from bidding.

Why was Coke kicked off campus in the first place?

President Christ cited the following as the most pressing issues behind her decision to kick Coke off campus:

Columbia:

Since 1989, there has been a systematic campaign of abuse and terror against union organizers in Coke’s Colombian bottling plants. An independent inquiry into Coke’s practices in 2004 found “a total of 179 major human rights violations of Coca-Cola’s workers, including nine murders.”² Coke has never acknowledged its complicity in this violence, although it did hire Cal-Safety Compliance Corporation to do a report on its factories in Columbia. Cal-Safety is best known for its role in the case of El Monte in the United States, where despite being a registered monitor for the company, it was unable to identify the company as a front for a slave-labor sweatshop. The failure of Cal-Safety to find abuses in this case (among others) is one of the most widely cited examples of the shortcomings of the private monitoring industry.³ The Cal-Safety report, then, is suspect, and not a reliable measure what occurred at the Colombian bottling plants or Coca-Cola’s culpability.

India:

Coke has a continuing legacy of depleting already limited groundwater in India. In Kala Dera, India, Coke built a factory despite the government declaring the local groundwater already “over exploited.” Since the factory was built, groundwater levels have been drastically reduced as a result of droughts and Coke’s refusal to shut down the plant. Even a study funded by Coke declared that the factory “would continue to be one of the contributors to a worsening water situation and a source of stress to the communities around.” Following this report, no action was taken regarding the factory.⁴

Why shouldn’t Coke be allowed to bid in 2012?

Coca-Cola continues to deny its involvement in the violence in Columbia, and anti-union violence continues to this day against workers in both Columbia and Guatemala. In February of 2010, a lawsuit was filed against Coke alleging the murder, rape and torture of union leaders and their families.⁵ Additionally, it continues to cite Cal-Safety as a reputable source for proving that it was not involved in the violence, and has yet to allow an independent investigation into past events.

Despite large scale community protests in India and being found liable for \$48 million in damages from its Plachimada factory alone, Coke refused to acknowledge the damage it has done and continues to operate its plants in Kala Dera and throughout India, in areas where water is already a scarcity.⁶

Furthermore, Coca-cola is responsible for a number of other human rights and environmental abuses around the globe. For example, undercover reports in 2008 found unreasonable and dangerous working conditions, unfair pay, and worker abuse in its Chinese factories. Coke denies these claims.⁷

Coke's continued denial of human rights and environmental abuses both in the past and in the present clearly demonstrate that the Coca-Cola corporation has not taken the "significant steps toward more responsible business practices across all realms of its operations" that President Christ urged in her letter.

Although Smith does not carry Coke, this is not a campaign to stop students from purchasing it from local stores if they choose to. We are not here to demonize individual consumer choices. This is about Smith. This is about the "private college with a public conscience." This is about the chance we have to continue making an institutional statement that we will not stand for the abuse of human rights or the environment. In doing so, we stand with over 150 other colleges and businesses in refusing to carry Coke.

Only concerted action by consumers – communities, students, trade unions and others – can force Coca-Cola to act responsibly and make retribution for its abuses.

Does refusing to sell Coke on Campus really make a difference?

Absolutely. Coke builds its brand name identity on college campuses. Smith's prestige as an institution lends enormous power to its purchasing choices. When the college makes the decision not to sell Coke on campus, it is making a powerful statement that reaches far beyond the 2,800 students here.

II. The 2006 - 07 Student Campaign to Kick Coke Off Campus

In the spring of 2007, after a two year long, student-run campaign demanding that Smith cut their contract with Coca-Cola, the company was kicked off campus. The campaign highlighted many of Coke's social justice violations; these include, as stated in the campaign's initial statement, "Coke's collaboration with paramilitaries in Colombia to crush union organizing efforts through murder, torture, and intimidation; their groundwater depletion and environmental degradation in India; and their discriminatory hiring practices in the United States."⁸ There was significant student support: along with educational events, students participated in several direct actions, including a "study-in" in the President's office during finals.

In May 2005, Carol Christ responded to student demands and wrote to Coke stating that Smith would most likely not be renewing the contract in 2007 "unless we are persuaded that Coca-Cola is making significant progress in addressing issues related to union organizing and environmental degradation."⁹ Despite attempting to clean up their image, Coke made little progress in the intervening two years in actually remedying the wrongs they had committed. Ultimately, Christ denied Coca-Cola the right to bid for the soft drink contract. The final letter she wrote follows (emphasis ours):

May 25, 2007

Dear Ms. Garza,

I am writing to confirm our decision about the renewal of our Coca-Cola contract. In my letter of May 15, 2007, I conveyed to you that, after considerable review and deliberation, Smith College's Soft Drink Advisory Committee had recommended that Smith not permit the Coca-Cola Corporation to participate in its upcoming soft drink bidding process. You asked if you and a group of your colleagues could meet with us to try to change our minds. The meeting was not persuasive in altering our view. I have consequently accepted the committee's recommendation. In light of Coca-Cola's business practices in Colombia and India, Smith will preclude Coca-Cola from the list of approved bidders when we enter the contract renewal process later this summer.

This is not a decision reached lightly. Smith's relationship with Coca-Cola spans some five decades; over the years, we have enjoyed positive interactions with our local distributor, which has supplied both bulk dispensers in our dining halls and vending machines throughout the campus. We conveyed our emerging unease to Coca-Cola President Donald Knauss two years ago, in a letter I wrote highlighting our concerns about issues related to union organizing and environmental degradation. We urged the company to address growing problems in these areas.

In reaching its recommendation, the Soft Drink Advisory Committee, comprised of faculty, staff and students, followed a careful process. It conducted an extensive review of written materials provided both by Coca-Cola and the Coke Off Campus national organization. It then gave representatives from both groups the opportunity to discuss the concerns raised by the committee. As I relayed to you, a significant majority of the committee did not feel that Coca-Cola responded persuasively to the committee's questions and concerns.

As a private college with a public conscience, Smith College takes issues of human rights and environmental sustainability very seriously. Social responsibility is a core value of the college, one we aspire to reflect in our educational mission and in our campus operations. In severing our ties with the Coca-Cola Corporation, Smith joins other institutions and organizations around the world in urging Coca-Cola to take significant steps toward more responsible business practices across all realms of its operations.

Sincerely,
Carol T. Christ

III. Coke's Defense

As of this moment, Coke has yet to provide a response to Smith's specific inquiry into its practices in Columbia and India. The information provided here is excerpted directly from its corporate website. At the bottom of this section, we have provided the link to access the full statement from Coke.

How does Coca-Cola respond to allegations that it is responsible for violence against union leaders in Columbia?

Two different judicial inquiries in Colombia -- one in a Colombian court and one by the Colombian attorney general -- have found no evidence to support these allegations. The allegations were the bases of a lawsuit filed in 2001 in a U.S. District Court in Miami against the Company and Coca-Cola independent bottling partners in Colombia. The Company was dismissed as a defendant in 2004, and in 2006 the independent bottling partners in Colombia were also dismissed, with the judge noting the lack of evidence in his dismissal. The plaintiffs have filed an appeal, which is the standard course of U.S. litigation...

Our Company and bottling partners have been valuable members of the Colombian community for more than 70 years and we respect the rights of all employees, including those who choose third-party representation or union membership. In fact, our bottling partners enjoy extensive, normal relations with multiple unions in Colombia and currently have collective bargaining agreements in place with all of the unions covering wages, benefits and working conditions. SINALTRAINBEC, a Colombian union representing bottler employees, has publicly stated that it has "not a single indication" that Coca-Cola or any bottler has links to illegal armed groups...

Through both collective bargaining agreements and their own initiative, our Colombian bottling partners are working with unions and the government to provide emergency cell phones, transportation to and from work, secure housing, and a host of other measures to protect our employees.

Additional security measures are provided to union leaders...

Additional third parties, including the courts and even other bottler unions, have investigated and dismissed the allegations.

Two different judicial inquiries in Colombia – one in a Colombian Court and one by the Colombian Attorney General – found no evidence to support the allegations that bottler management conspired to intimidate trade unionists.

These allegations were the thrust of a lawsuit filed in 2001 against The Coca-Cola Company in a U.S. District Court in Miami; the Company was dismissed as a defendant. On September 29, 2006 the court issued a decision to dismiss the two Coca-Cola bottlers in Colombia from all remaining cases as well...

Cal Safety Compliance Corporation (CSCC)- a respected global leader in conducting corporate social accountability audits - recently completed a thorough assessment of our bottling partners' operations in Colombia.

The assessment evaluated our bottling partners' current workplace practices, including wages and hours, facility security, freedom of association, collective bargaining, health and safety.

The assessment found no violations and uncovered no allegations with respect to human rights abuses at any of the plants...

In Colombia and around the world, The Coca-Cola Company is committed to improving the quality of life in the communities where we operate. Throughout the world, we work with our bottling partners on projects such as building school houses, providing basic educational tools, and promoting healthy lifestyles.

Update on Columbia Case:

On August 11, 2009 The United States Eleventh Circuit Court of Appeals upheld the U.S. District Court's dismissal of the Alien Tort Statute claims in 2006. The allegations that were the base of these claims have been investigated by courts in Colombia, as well by the International Labor Organization, outside law firms and senior executives of this Company -- all concluding that Coca-Cola employees in Colombia enjoy extensive, normal relations with multiple unions and are provided with safe working conditions there.

What has Coca-Cola done to ensure water is used responsibly in its operations in India?

In India, we are partnering with local governments, NGOs, schools and communities to establish local rainwater harvesting facilities. Over the last two years, we have installed 320 rainwater harvesting structures across 17 states in India. A substantial amount of the groundwater that we use in our operations is renewed and returned to groundwater systems, and we are working to return all of the groundwater we use by 2009.

The University of Michigan recommended, and we agreed, to an independent assessment of our water management practices in India by The Energy Resources Institute (TERI), a New Delhi-based international research organization. Our participation in the TERI assessment was an important, additional step in ensuring that our water management practices are consistently improving and are among the best in the world. The TERI report confirms that we are in overall compliance with Indian regulations and, with a few minor exceptions, consistently meet our own Company standards (which are often more stringent). It also confirms that we are on the right track with many of the improvements we have made over the last few years.

The TERI report also identified some areas where we can do better. In response, we are strengthening our plant siting requirements, our monitoring capabilities for both rainwater harvesting and effluent treatment, and our guidelines for source protection and operating in areas of water scarcity. We also are expanding our efforts to work with local communities to ensure sustainability of the local water resource and recently launched The Coca-Cola India Foundation for Sustainable Development and Inclusive Growth.

Coke Sustainability Report 2010/2011

By the end of 2010, we assessed 81 percent of our direct supplier facilities, bottling partners and Company-owned facilities. Of those, 63 percent achieved compliance with our Workplace Rights Policy and Supplier Guiding Principles, exceeding our interim goal

of achieving 60 percent compliance by 2010. Our Commercial Products Supply facilities achieved 100 percent compliance with our Workplace Rights Policy in 2010, and two of our largest bottling partners, Swire Beverages Limited and Coca-Cola FEMSA, achieved 100 percent compliance with our Supplier Guiding Principles.

Amid these successes, we are addressing increasing reports of audit fraud in China, India and Mexico. Incidents generally involve counterfeit audit reports or suppliers providing false information and documents to auditors. In response, we are improving our detection efforts and assessing our practices to make sure we are not enabling or compelling fraud.

Investigating rights-related complaints

We require all associates of The Coca-Cola Company to know our workplace standards and human rights principles, and to apply them in their work. Managers receive particularly intensive training. We also rely on our associates to speak up immediately if they believe our policies have been violated. Associates can report perceived violations confidentially and without fear of retaliation through numerous channels, including our EthicsLine—a toll-free, secure phone line and website.

In 2010, we investigated 118 perceived workplace rights violations, up from 93 in 2009. The largest number of complaints related to discrimination (which includes retaliation and harassment) and work hours and wages. In cases where claims are substantiated, we take corrective action. Depending on the violation, corrective action may take the form of back pay, reassignment of duties and, in severe cases, separation from the Company.

Furthermore, we detected no issues where freedom of association had been denied in 2010, as determined through both our workplace assessment process, which includes more than 2,000 assessments, and contacts made to the Company through our EthicsLine. This hotline is a grievance mechanism available to our associates, bottling partners and suppliers, as well as our customers and consumers, and we take action in response to every allegation.

Excerpted from the “Addressing Your Questions” section of the Coca-Cola site.
http://www.thecoca-colacompany.com/citizenship/challenges_opportunities.html

IV. Countering Coke's Claims

Unions and Unionizing in Columbia:

SINALTRAINBEC, the union that Coke quotes as saying that there is “not a single indication that Coca-Cola or any bottler has links to illegal armed groups,” is not the only union representing Coke workers in Columbia. The main union that has brought numerous lawsuits against Coca-Cola, had organizers threatened, harassed and murdered, and continues to fight for the rights of Coke workers today is SINALTRAINAL.¹⁰

SINALTRAINAL continues to be vocal in calling for Coke to acknowledge its complicity in the regular campaigns of violence against unions. Seventy-six percent of the Coke labor force is subcontracted. Attempts to organize in Columbia are regularly met with harassment and death threats.¹¹ Coke has not adequately addressed the labor concerns in Columbia, and continues to avoid acknowledging its complicity in the ongoing violence. The corporation also continues to cite investigations done by both Cal-Safety and the International Labor Organization (ILO) as reasons to absolve the company from responsibility. They fail to address the flaws in Cal-Safety's study, along with the compliance corporation's already shaky history of being able to adequately address or even recognize human rights violations. Additionally, the head of the ILO's Committee on Standards and Fundamental Principles and Rights at Work has stated that the investigation that Coke needs to look into the actions of the paramilitaries “was beyond the scope of the ILO committee that led the inquiry.”¹² Below, we have two articles expanding on the shortcomings of both the Cal-Safety and the ILO investigations.

Cal-Safety Compliance Corporation is Not a Credible Monitor for Coca-Cola's Labor Practices

The Coca-Cola Company has recently released a report by the for-profit corporation Cal-Safety Compliance Corporation as an "independent investigation" of Coca-Cola's labor practices in Colombia. This is a public relations move in anticipation of the huge protests that will happen at Coca Cola's shareholder meeting on April 19th as well as increasing student pressure on campuses throughout the nation.

Cal-Safety is not regarded as a credible monitoring organization within the mainstream worker rights advocate community as result of its track record of missing egregious violations in high profile cases and its flawed monitoring methodology. This investigation by Cal-Safety, which was fully funded by Coca-Cola, will not be taken seriously by the anti-sweatshop movement and does not put to rest our long standing concern about human rights abuses in Coca-Cola's plants in Colombia.

The document provides some background that informs our view of Cal-Safety and why the company cannot be relied upon to find, report, and correct worker rights violations in this case.

Cal-Safety and the Case of El Monte

Cal-Safety is perhaps best known among worker advocates for its role in the case of El Monte, an infamous incident of sweatshop abuse in modern American history. In this case, 75 women 5 men were kept in conditions resembling slavery in a factory compound located in El Monte, California. For up to five years, the workers were forbidden to leave the compound, forced to work behind razor wire and armed watch, sewing garments for top American brands for less than a dollar an hour. The workers worked from 7:00 am until midnight, seven days a week. Eight to ten people were forced to live in rat infested rooms designed for two.¹³

Cal-Safety was the registered monitor for the front shop, D&R. D&R transferred hundreds of bundles of cut cloth to the slave sweatshop and delivered thousands of finished garments to manufacturers and retailers each day, yet there were fewer than a dozen sewing machines at the D&R facility. Cal-Safety's inspection of the facility failed to uncover anything unusual, including the large volume of work being sent out to the slave sweatshop. In addition, Cal-Safety even failed to identify the numerous wage and hour violations of the 22 Latino workers employed by the D&R facility.¹⁴ The revelations of abuse at the El Monte factory was a major event in American labor history, helping to spark the modern anti-sweatshop movement. The failure of Cal-Safety to find abuses in this case is one of the most widely cited examples of the shortcomings of the private monitoring industry.

Cal-Safety's Flawed Monitoring Methodology

Information about the above example of Cal Safety's monitoring track record is complemented by the results of a thorough investigation into Cal Safety's monitoring methodology by Dr. Jill Esbenshade, presented in the recently released book, "Monitoring Sweatshops. . . ."

Unannounced factory visits have been shown to be substantially more effective in identifying worker rights violations, because they deny management the opportunity to hide abuses. Yet the majority of Cal-Safety's factory audits are announced, meaning that factory management has full knowledge that the auditors will be visiting the factory on the appointed date and time.¹⁵

Department of Labor investigations take roughly 20 hours to complete. WRC investigations often take hundreds of person hours over a period of months. However, Cal-Safety...audits frequently take substantially less than three hours.¹⁶

It is well established that interviewing workers outside of the factory in locations workers choose is far more effective in getting candid information about working conditions than interviewing workers inside of the factory where managers know who is being interviewed and workers can become the subjects of reprisal and retaliation. Yet, according to Cal-Safety auditors, Cal-Safety primarily conducts worker interviews on the factory floor or in an office in the factory. A former Cal-Safety monitor said, "There is no privacy in the conversation. The employer knew who was being interviewed."¹⁷

The key area of concern in Coca-Cola's bottling facilities is freedom of association and the right of workers to unionize and bargain collectively. . . Cal-Safety does not consider collective bargaining rights or freedom of association to be within the purview of its audits in the United States, and does not investigate for violations of the National Labor Relations Act. At the Cal-Safety office, researchers noticed anti-union propaganda posted on the wall voicing the message that monitoring is a substitute for unionization.¹⁸

Cal-Safety has been contracted and paid directly by many of the world's largest corporations, including Wal-Mart, Walt Disney, the Gap, and Nike.¹⁹ Cal-Safety's annual

revenue through private for-profit monitoring is in the millions of dollars.²⁰ Corporate contracts are its principle source of income.

A basic principle of the [College's] anti-sweatshop policy is transparency and the public disclosure of factory information a practice to which Cal-Safety has never submitted itself. Cal-Safety does not publicly disclose its monitoring reports to the public or to the workers whom the audits are supposedly designed to benefit.²¹

Conclusion

In sum, based upon the information available, there are ample grounds to conclude the Cal-Safety is unfit to monitor Coca-Cola's labor practices in Colombia. Indeed, given its repeated failure to find egregious violations in high profile cases of worker abuse, its status as a for-profit corporation, its practice of monitoring generating revenue from the major corporations for whom it monitors, its lack of experience with the core issue of freedom of association, its flawed methodology in visiting factories and conducting worker interviews, and its utter lack of transparency, Cal-Safety should easily be ruled out as a candidate for credibly investigating the case of Coca-Cola in Colombia. The University should not lend its credibility or place any credence in this transparent effort to whitewash a serious case of human rights abuse.

Excerpts from United Students Against Sweatshops statement on Cal-Safety
Compliance Corporation, April 15, 2005

Shortcomings of the ILO Report, from *The Coke Machine*

The ILO finally released its report on October 3, 2008, and like the TERI report it was a mixed bag for Coke. The agency criticized the bottler for hostility toward unionization, with managers threatening workers against joining unions, and punishing them with withheld pay, repeated dismissals, and even assaults if they did. The ILO reserved its highest criticism for the practice of subcontracting, nothing that at some plants up to 75 or 80 percent of workers now worked on a temporary or contract basis. Those workers, it found, received lower wages and worked far longer hours than the full-time workers—in some cases even required to work twenty-four-hour shifts.

Despite the harsh assessment, at no point did the ILO investigate the company's alleged past contact with paramilitaries, or their history of murder, threats, and intimidation. The Killer Coke campaign pounced, throwing back Neville Isdell's comments from the shareholder meetings in which he promised to investigate "past practices." But sure enough, that was never what the IUF had asked Coke to do, says Ron Oswald, the general secretary of the international union that formally requested the assessment. He confirms all along that the assessment was intended to look only into current working conditions, despite Coke's clearly positioning the report as a response to the student protests at NYU and Michigan. 'We told them very clearly they should not do that,' he says. 'It was never intended to be the response that a number of people continue to ask for and what I think is a legitimate request.

In fact, such an investigation was beyond the scope of the ILO committee that led the inquiry, says Kari Tapiola, the head of the ILO's Committee on Standards and Fundamental Principles and Rights at Work. "We said right from the beginning that we can only look into what the situation is currently," he says, "we would not start going into an area that is covered by the complaint section of the freedom of association." The

what? “A separate committee to which trade unions or employers can complain.” As it happens, that’s the very ILO committee to which SINALTRAINAL filed its complaint after ending negotiations with Coke, sending the company immediately running to judge Weinsten for sanctions.

Excerpt from “The Coke Machine” by Michael Blanding. Avery, 2010. Pages 279-80.

Court Cases in Columbia and the U.S.:

As Coke states, there are several cases filed against Coke in Colombia (see Resource List). However, even Colombian Vice-President Angelino Garzón has acknowledged that the Colombian justice system has a dismal record of prosecuting anti-union violence, stating in November 2010: “[T]he immense majority of crimes [against] trade unionists remain in impunity...there have been advances in the investigations...but we still have not gotten to 200 court rulings, and there are thousands of workers and union leaders killed and disappeared.”²²

The primary U.S. lawsuit, filed in a Miami district court in 2001, is problematic in several ways: first and foremost, Coca-Cola never provided its actual contract with the Colombian bottler, instead providing a sample one—supposedly due to the delay that the translation of the actual agreement would cause to the case. This sample contract was used as grounds for dismissing Coca-Cola from the case while retaining the local bottlers, despite the fact that there is evidence that the Coca-Cola Company had significant sway with the local bottlers, including a quarter share of the company and two seats on its board of directors. Furthermore, the case's judge, Jose Martinez, routinely showed significant contempt and disdain for the case.²³

Water usage in India:

Despite large scale community protests and a being found liable for \$48 million in damages from its Plachimada factory alone, Coke refused to acknowledge the damage it has done and continues to operate its plants in Kala Dera and throughout India, in areas where water is already a scarcity.

From “Case against Coca-Coa Kerala State: India

While student campaigns have mostly focused on the abuses in Colombia, some have included demands from other countries as well. Few companies have the kind of global reach of Coca-Cola, which has set up a network of bottling partners around the world that allows it to maximize profits by keeping distribution costs down and exploiting lax environmental and labor laws abroad. The first rumblings came from India, where villagers near several Coke bottling plants reported that their wells were dropping, sometimes more than fifty feet; meanwhile, the water they were able to get was tainted by foul-smelling chemicals. Starting in 2002 villagers near Plachimada, in the southern state of Kerala, began a permanent vigil outside the local plant. They finally won an indefinite closure in March 2004, although the case remains an issue in the Kerala High Court.

Villagers started another vigil, at Mehdiganj in central India, this past March. Escalating protests there and at a third plant, in the desert state of Rajasthan, have ended in police attacks on villagers employing Gandhian tactics of nonviolence, which Amit Srivastava of the India Resource Center (IRC) lays at Coke's feet. 'We know the company has the power to stop the police from resorting to violence,' he says, "but it has let this go on without saying a word"

Update on the case brought by the State of Kerala against Coca-Cola:

The State Government of Kerala has now challenged the extraction of water by Coca Cola in proceedings before the Supreme Court. The State Government argues that the company is taking water from poor communities, but according to a press article in October 2006, the Village Council was not pressing for the case in the Supreme Court to be listed for hearing. It appears to believe that as long as the conditions imposed by the Village Council are not fulfilled, the plant cannot reopen.

Nevertheless, water remains a problem for the villagers. With its groundwater still polluted, Plachimada now gets its drinking water through pipes, that provide water for only a few hours once in two days, and through tanker lorries which also arrive once in two days. Fifteen tanker-lorries of water are supplied by the government, and 15 more by the company.

Villagers remain particularly concerned at the pollution of the scarce remaining groundwater and land which they blame on the discharge by the Coca-Cola company of its waste into the surrounding fields.

Although the Coca Cola factory in Plachimada has remained closed since 2004, locals are not satisfied with simply closing the plant; they want justice for the damage caused to health and the environment. As the protestors complain:

"It's true that the company is not functioning, but that is not enough. We must get compensation for all the crimes committed by the company."

Whether or not the ban finally stays, the agitation in front of the factory gate is continuing. As Kaliaamma, one of the several tribal women squatting in the temporary 'agitation tent' says: 'Our problems have not been solved.

Excerpted from Rights to Water and Sanitation, a nonpartisan group dedicated to
"recognizing water and sanitation as human rights."

<http://www.righttowater.info/ways-to-influence/legal-approaches/case-against-coca-cola-kerala-state-india/>

New Abuses in Kala Dera, India:²⁴

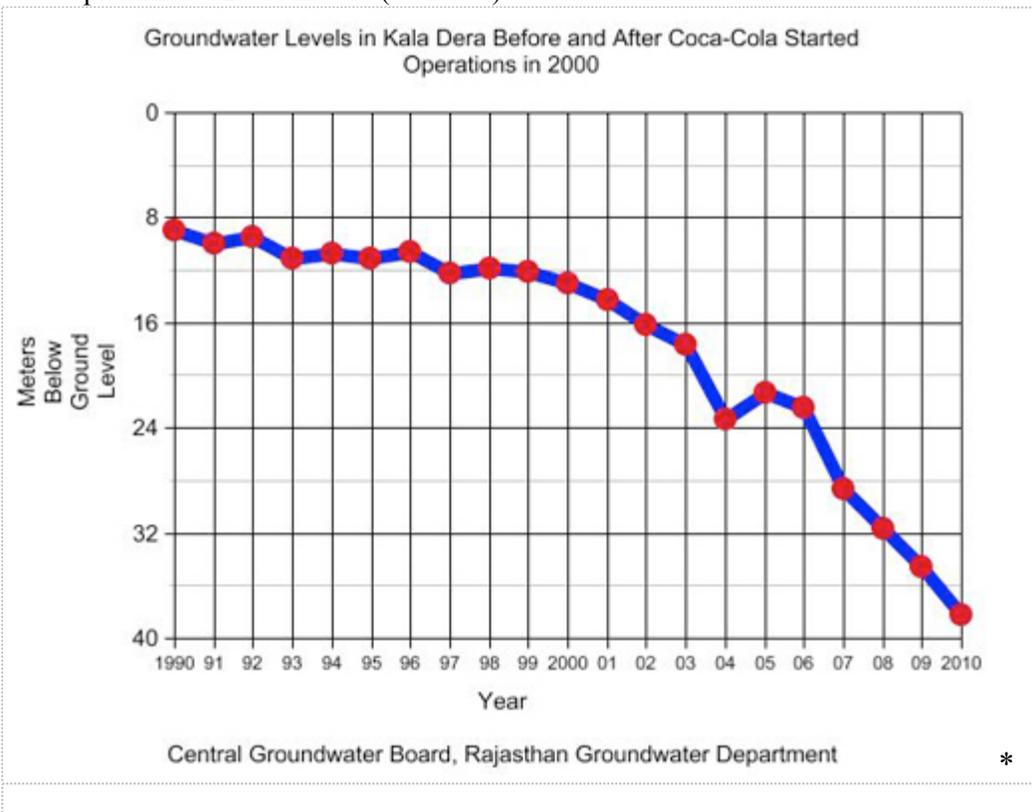
San Francisco (September 21, 2011): The Coca-Cola company continues to operate with arrogance and impunity in India – continuing bottling operations in areas where the community is unable to meet its basic water needs.

In the latest government data obtained by the India Resource Center, groundwater levels in Kala Dera have continued spiraling downwards, falling another 3.6 meters (11.8 feet) in just one year, between November 2009 and November 2010.

Coca-Cola's bottling operations have had a spectacular impact on the groundwater resources in the area.

In the 10 years before Coca-Cola started operations in Kala Dera (1990-2000), groundwater levels fell just 3.94 meters (12.9 feet).

In the 10 years since Coca-Cola started operations (2000-2010), groundwater levels have plummeted 25.35 meters (83.2 feet)



Coca-Cola started operations in Kala Dera in 2000, even though the area's groundwater reserves were declared as "over exploited" by the government in 1998.

"Coca-Cola should never have built their factory in Kala Dera in the first place," said Mahesh Yogi of the Kala Dera Sangharsh Samiti, a local group spearheading the efforts against Coca-Cola. "The right thing for Coca-Cola to do now is to shut down the plant, especially since farmers do not have enough water because Coca-Cola is taking too much water."

In 2008, a study financed by Coca-Cola on the Kala Dera operations found that the bottling plant was not sustainable and recommended that Coca-Cola shut down or relocate the factory in Kala Dera because continued operations "would continue to be one

of the contributors to a worsening water situation and a source of stress to the communities around."

Coca-Cola has ignored the recommendations of the study, and not surprisingly, groundwater levels have continued plummeting in Kala Dera.

Instead, the Coca-Cola company has embarked on a highly ambitious public relations and corporate social responsibility campaign, claiming that they have become "water neutral" in India, even though their own concept paper on water neutrality acknowledges that it is impossible to do so.

The company has also made fantastical claims that it recharges about 1.3 billion liters of groundwater annually in Kala Dera – a claim that has been debunked by water experts in the area because Kala Dera's rainfall patterns would make it impossible to recharge so much water.

Various visits by community members, journalists as well as the study team that Coca-Cola financed have found many of Coca-Cola's water conservation projects to be in dilapidated conditions.

[. . .]Coca-Cola's operations are also being challenged in other parts of India. In Mehdiganj, groundwater levels actually rose 8.95 meters – only to be nullified after Coca-Cola started operations."²⁵

Excerpted from the India Resource Center.

For more information visit: <http://www.indiaresource.org/news/2011/1008.html>

V. Coke's Ongoing Human Rights and Environmental Abuses

The Coca-Cola Co. was dropped from the Broad Market Social Index (BMSI) list of "socially responsible" companies in 2006. Since then, Coca-Cola has not altered their methods and have not warranted a spot back on the Index.

As of September 2011, Coca-Cola was removed from the Dow Jones Sustainability Index (DJSI), which measures corporate economic, environmental, and social performance. The Dow Jones assesses issues such as corporate governance, risk management, branding, climate change mitigation, supply chain standards and labor practices. The index has sent a strong message informing share-owners of its long term un-sustainability and has put pressure on Coca-Cola to get its house in order.²⁶

In late 2011, workers in Windhoek, Namibia fought against Coca-Cola for unreasonably low wages. These aggravated workers insist they are not being paid fairly for the nature of their work. The company does not pay its workers overtime and after taxes are deducted they are left with virtually nothing. In Namibia, these workers cannot afford health care because the company's medical aid is too costly and the the company refuses to contribute anything. When these lamented workers discuss their concerns with their supervisors they are told to "pack up and go home" if they are unhappy and can even be threatened to be fired and with high unemployment workers are careful about what they say.²⁷

While Coca-Cola continually refuses to comment on its worker and environment abuses the facts speak for themselves. In 2011, a bill flew through Kerala legislation aimed toward compensating Coca-Cola victims. This bill, "Plachimada Coca-Cola Victims Relief and Compensation Claims Special Tribunal Bill 2011" is the latest outcome of a protracted people's struggle and an almost two-year-long exercise to quantify the damages caused by a Coca-Cola unit.²⁸

In November of 2011, strikes broke out across the country at Coca-Cola factories. Talks between the major corporation and the Food and Allied Workers Union (FAWU) deadlocked after two weeks. According to FAWU, nearly 2,000 workers took part in the strike and fought against an unfair wage gap between plants. On Monday, November 29th there was a solidarity one day strike where an additional 4,000 workers refused to work as well.²⁹

VI. Schools and Companies that Have Cut their Contracts with Coke

These are campuses that have terminated major contracts with Coca-Cola due to the company's labor, human rights and environmental abuses in Colombia and worldwide. While dozens of schools have cut ties with Coca-Cola this is far from being solely a student campaign. Many labor unions and other institutions - stores, organizations, and food co-ops (such as the Park Slope Food Coop in Brooklyn, NY) have also terminated contracts and/or removed Coke machines or banned the sale of distribution of Coke products from their premises. In addition, TIAA-CREF (Teachers Insurance and Annuity Association - College Retirement Equities Fund) divested from Coca-Cola in 2006.³⁰

Numerous colleges and universities have been successful in terminating the sale of Coca-Cola products on their campuses, indicating institutional principles that are in tune with those of the major corporations whose products the schools carry. In the letter that cuts Smith College's ties with Coca-Cola, President Christ's statement that the institution is a "private college with a public conscience," highlights that students, as well as administrators uphold the institution's value for human rights, corporate accountability, and environment sustainability, and continues to spark an opportunity for spreading the word to other campuses.

Schools that have cut contracts with Coca-Cola:

Colleges and Universities:

- Aquinas College, Michigan
- Banaras Hindu University
- Bard College, New York
- Bryn Mawr College
- Carleton College, Minnesota
- Castleknock Community College, Ireland
- Chabot College, California
- City University of New York Law School
- College of DuPage, Illinois
- DePaul University, Illinois
- Dominican University, Illinois
- Evergreen Valley College, California
- Fresno City College, California (also Reedley College, Clovis Center, Madera Center & Oakhurst Center which are all covered by the same contract)
- Grinnell College, Iowa
- Guilford College, North Carolina
- Hampshire College, Massachusetts
- Hofstra University, New York
- Joseph Murphy Institute, CUNY, New York
- Lake Forest College, Illinois
- Loyola University, Illinois
- Macalester College, Minnesota
- Manhattanville College, New York
- McMaster University, Canada

- National College of Art and Design, Ireland
- Norwegian Colleges & Universities
- Oberlin College, Ohio
- Oxford University, UK (Wadham, St. John's, St. Hilda's)
- Queensborough Community College, CUNY, New York
- Roma Tre, Rome, Italy
- Rutgers University, New Jersey
- San Jose City College, California
- St. Joseph's University, Pennsylvania
- Salem State College, Massachusetts
- School of Oriental and African Studies (SOAS), UK
- Simon's Rock College, Massachusetts
- Skidmore College, New York
- Smith College, Massachusetts
- SUNY Stony Brook, New York
- Sussex University, UK
- Union Theological Seminary, New York
- University of Bangor, UK
- University of California, Berkeley, California (Aug 2011)
- University of Guelph — Student Union, Canada
- University of Illinois
- University of Manchester, UK
- University of Santa Clara, California
- University of Saskatchewan, Canada (Aug 2011)

High Schools:

- St. Peter's Prep, New Jersey
- The Student School, Canada
- Turners Fall High School, Massachusetts

VII. Further Reading

Environmental abuses in India: Water pollution and extreme shortages due to Coca-cola's factory in the State of Kerala and Kala Dera.

<http://www.righttowater.info/ways-to-influence/legal-approaches/case-against-coca-cola-kerala-state-india/>

<http://www.indiaresource.org/campaigns/coke/2005/cokechallenged.html>

<http://www.indiaresource.org/news/2011/1008.html>

<http://www.indiaresource.org/campaigns/coke/2003/communitiesprotest.html>

<http://www.indiaresource.org/campaigns/coke/2003/communitiesprotest.html>

In February 2010, a new lawsuit was launched on behalf of 8 plaintiffs against The Coca-Cola Co. and Coke processing and bottling plants in Guatemala, with charges of murder, rape, and torture of union leaders and their families.

http://www.grassrootsnetroots.org/articles/article_20311.cfm

<http://www.bloomberg.com/apps/news?pid=newsarchive&sid=an3NZK5YaGHw>

<http://leda.law.harvard.edu/leda/data/398/AIOthman.html>

<http://usleap.org/usleap-campaigns/other-current-and-past-struggles/coca-cola-global-accountability/new-lawsuit-filed->

Coca-Cola sued for human rights abuses in Colombia.

<http://www.mindfully.org/Industry/Coca-Cola-Human-Rights20jul01.htm>

<http://films.nfb.ca/the-coca-cola-case/>

<http://usleap.org/usleap-campaigns/colombia-murder-and-impunity/more-information-colombia-background-violence-against->

<http://usleap.org/death-threats>

Coca-Cola's own shareholders called for a code of conduct establishing "clear standards for its suppliers, vendors and bottlers" in 2002, but the proposal was rejected by the board of directors on the basis that "the proposal is. . . unnecessary."

<http://sec.gov/Archives/edgar/data/21344/000095014402001998/g74097def14a.txt>

<http://www.sec.gov/Archives/edgar/data/21344/000095014402001998/g74097def14a.txt>

Operational changes have led to labor conflicts across the US. The Teamsters union has filed suits with the National Labor Relations Board (NLRB) against Coca-Cola for engaging in unfair labor practices.

<http://www.inthesetimes.com/working/entry/6368/>

[teamsters_union_protests_against_coca_colas_unfair_labor_practices/](http://www.inthesetimes.com/working/entry/6368/teamsters_union_protests_against_coca_colas_unfair_labor_practices/)

"Killer Coke" or Innocent Abroad?

http://www.businessweek.com/magazine/content/06_04/b3968074.htm

Coke's Response and Sustainability Efforts:

Coca-Cola: The Coca-Cola Company. Rep. Web. Feb. 2012.

<http://www.thecoca-colacompany.com/sustainabilityreport/in-our-company/healthy-communities/workplace-and-human-rights.html>

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- ² Monserrate Report, Executive Summary
- ³ No Sweat: Fashion, Free Trade and the Rights of Garment Workers. 1997, Robert Ross et al.
- ⁴ "Coca-Cola Extracts Groundwater Even as Farmers and Community Left Without Water." September 21, 2011. India Resource Center. <http://www.indiaresource.org/news/2011/1008.html>
- ⁵ "Coca-Cola Hit with New Charges of Murder, Rape, Torture." March 1, 2010. http://www.grassrootsnetroots.org/articles/article_20311.cfm
- ⁶ "Coca-Cola's response disappoints Plachimada activists," April 23, 2010. *The Hindu*. <http://www.thehindu.com/opinion/op-ed/article408788.ece>
- ⁷ "Coca Cola: The world's most valuable brand is evading its legal and social responsibilities." Student Coca Cola Campaign Team. December 2008. <http://sacom.hk>
- ⁸ "Why Smith needs to cut its contract with Coca-Cola." Coke off Smith Campus. April 25th, 2007. <http://cokeoffsmithcampus.blogspot.com/2007/04/why-smith-needs-to-cut-its-contract.html>
- ⁹ Christ, Carol.
- ¹⁰ SINTALTRAINAL. "The Dangerous Messages of Coke." February 4th, 2012. http://www.sinaltrainal.org/index.php?option=com_content&task=view&id=2160&Itemid=34
- ¹¹ Gill, Leslie. College Council on Community Policy Meeting. Smith College, February 3rd, 2012
- ¹² Blanding, Michael. "The Coke Machine." Boston: Avery, 2010. 279
- ¹³ For a detailed account of the El Monte case, see Robert Ross et al. 1997. No Sweat: Fashion, Free Trade and the Rights of Garment Workers.
- ¹⁴ Hearing before the Subcommittee on Oversight and Investigations of the Committee of Education and the Workforce, California House of Representatives, May 18, 1998. Statement of Julie A. Su, Attorney, Asian Pacific Legal Center
- ¹⁵ Esbenshade, Jill. 2004. Monitoring Sweatshops: Workers, Consumers, and the Global Apparel Industry. pg 73
- ¹⁶ *Ibid* 72
- ¹⁷ *Ibid* 77
- ¹⁸ *Ibid* 81
- ¹⁹ Source: National Labor Committee
- ²⁰ Esbenshade 65
- ²¹ From Cal-Safety's website: http://www.cscs-online.com/faqs/container_faqs.shtml#
- ²² Vivanco, José Miguel. Human Rights Watch. Letter to Attorney General Morales. October 3, 2011. <http://www.hrw.org/news/2011/10/03/colombia-ensure-justice-anti-union-violence>
- ²³ Blanding, Michael. "The Case Against Coke." p. 212, 210, 270.

²⁴ Srivastava, Amit and Mahesh Yogi. "Coca-Cola Extracts Groundwater Even as Farmers and Community Left Without Water." *Indiaresource.org*. India Resource Center. 21 Sept, 2011. Web. 4 Feb. 2012.

²⁵ *Ibid.*

²⁶ <http://www.smartplanet.com/blog/business-brains/hp-coca-cola-and-fedex-knocked-off-dow-sustainability-indexes/18519>

²⁷ Nakale, Albertina. "Coca-Cola workers bemoan low pay." *New Era*. October 13, 2011. <http://www.newera.com.na/article.php?articleid=41150&title=Coca-Cola%20workers%20bemoan%20low%20pay>

²⁸ Uhavaligi. "Plachimada Coca-Cola Victims Relief and Compensation Claims Special Tribunal Bill 2011." Association for India's Development, Bay Area Chapter. February 25, 2010. <http://bayarea.aidindia.org/uhavaligi/blog/84>

²⁹ "Coca-Cola strike enters second week." *SABC News*. November 22, 2011. <http://www.sabc.co.za/news/a/9ed6f600492793e88bb9cb29c7ea7ac8/Coca-Cola-strike-enters-second-week-20111122>

³⁰ *The Chronicle*. "TIAA-CREF Removes Coca-Cola from 'Social Choice' Fund." *The Chronicle of Higher Education*. July 19th, 2006.