

Date: December 12, 2022

To: Coca-Cola Board of Directors

From: Brooks Zegeye

Subject: Message to the Board on Environmental and Health Issues of Coca-Cola



# Coca-Cola Marketing Strategy

This document is an Executive Memo to the BOD focusing on a challenging issue faced by Coca-Cola

As we are aware, Coca-Cola is a big corporation with vast supply chains, which includes our factories and several other bottling factories we work with directly. However, the sheer size of our company has brought major challenges, some avoidable and some rectifiable through time. Research by Auburn University has doubled down on our reputation for being discriminatory, however, after the lawsuit by our employees, and the setup of a diversity council, this has not been an issue for the company. The research includes Coca-Cola's impact on health and Coca-Cola as one of the biggest polluting companies in the world.

In fact, we are currently known as the most polluting brand in the world. Based on an audit by 'Break Free from Plastic,' reported that the highest plastic waste they found was from Coca-Cola. They counted 11,732 pieces in 37 countries, while the 2<sup>nd</sup> most were Nestle with 4,846 in 31 countries. The issue isn't only that we are more than double the 2<sup>nd</sup> place result, but also have held the top spot for 2 years in a row as of 2019.

Furthermore, health researchers have put Coca-Cola as the cause for type II diabetes, belly fat, tooth decay, and other health risks from drinking our product consistently. What is even more frightening is the fact that health advisors have concluded drinking accessible Coca-Cola and its sister products leads to digesting unhealthy calories otherwise taken from eating healthier foods. This results in speeding up weight gain and severely increases the likeness of getting diabetes. The chemicals on the Diet Coke have also been reported to have the exact same, if not worse, effect as our normal line of items.

Although the company has several issues to tackle, it is recommended that we focus on improving towards our reputation of being the most polluting brand to raise our company value for stockholders, through having a pleasant name to the media and environmentalists. We should also work towards providing healthier Coca-Cola produced alternatives.

Reducing our plastic waste not only gives us a good name to the media, but also improves our relationship with our investors. News articles about Coca-Cola's environment disaster has been detrimental to our stockholders, who have been losing money due to our stock prices falling. It is true that we are currently around our 1-year high, but it is important to base our performance based on our potential and look at previous trends which shows that we have left stockholders unhappy with our performances, specially between end of August to mid-October of 2022. The following are actions we can take to reduce our plastic wastes:

- We are being accused of greenwashing, to combat this, we should work closely with our partners to make recyclable plastic products, from recycled plastics. Furthermore, we can learn from the way poorer countries sell Coca-Cola in glass bottles. Some of them sell their drinks, along with a charge for the bottle which is returned when the bottle is returned uncracked. This has helped the packaging companies reuse the same bottle indefinitely.
- On the other hand, we have a problem with our drinks being perceived as unhealthy and to some extent, toxic. Liquor companies tell their customers not to drink and drive or drink excessively. However, people understand the risk and thus limit their drinking. We, on the other hand, can include a short informative statement on our labels that advice buyers not to drink more than the necessary amount if there's a risk of diabetes, or drinking before sleeping to avoid dental issues. Such actions can show that we care for our customers.

Word Count: 600/600

## References

- Auburn University. (2014). The Coca-Cola Company Struggles with. Retrieved from <https://harbert.auburn.edu/binaries/documents/center-for-ethical-organizational-cultures/cases/coca-cola.pdf>
- Hahn, J. (2021, February 09). *Coca-Cola's plans to reduce plastic waste "simply don't go far enough"*. Retrieved from dazeen.com: <https://www.dezeen.com/2021/02/09/coca-cola-recycled-plastic-bottles-pollution/>
- Nace, T. (2019, October 29). *Coca-Cola Named The World's Most Polluting Brand in Plastic Waste Audit*. Retrieved from Forbes: <https://www.forbes.com/sites/trevornace/2019/10/29/coca-cola-named-the-worlds-most-polluting-brand-in-plastic-waste-audit/?sh=43d1d3dd74e0>
- Penn Medicine. (2017, March 01). *Why Diet Soda is Bad for You*. Retrieved from pennmedicine.org: <https://www.pennmedicine.org/updates/blogs/health-and-wellness/2017/march/diet-soda>
- The Coca-Cola Company. (2022). *Board of Directors*. Retrieved from investors.coca-colacompany.com/: <https://investors.coca-colacompany.com/corporate-governance/board-of-directors>
- WebMD Editorial Contributors. (2022, October 22). *Drinking Cola: Is It Good for You?* (M. Dan Brennan, Editor) Retrieved from webmd.com: <https://www.webmd.com/diet/drinking-cola-good-for-you#:~:text=Even%20one%20or%20two%20colas,diabetes%20by%20more%20than%2020%25.&text=Sugar%20intake%20is%20linked%20to,the%20risk%20of%20heart%20disease.&text=Cola%20s%20and%20other%20sugary%20drinks,increased>
- Yahoo Finance. (2022, December). *The Coca-Cola Company (KO)*. Retrieved from finance.yahoo.com/: <https://finance.yahoo.com/quote/KO/>