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Corporate values and actions

Although beverage companies have value and mission statements, many of their actions contradict these statements, and show that they prioritize profits at the cost of public health, the environment, and equity ([Nestle 2015](#)).

1. Advertising and public relations

Beverage companies use numerous advertising and marketing techniques to attract people into consuming their products and distract attention from the negative effects of their products and actions ([Nestle 2015](#)).

PepsiCo's and Coca-Cola's advertising techniques include celebrity endorsements to appeal to black consumers, using spokespeople such as Beyonce, Serena Williams, and Common ([Harris et al. 2015](#)), and compete for endorsements from stars like [LeBron James](#).

Ad campaigns seek to co-opt cultural values and associate them with corporate brands, as PepsiCo's campaign in Hawai'i, which included sponsoring sporting events ([6 Pillars Marketing](#)).

Coca-Cola's goals for their public relations campaigns for the 2016 Rio Olympic Games and their 2013–2014 “Movement is Happiness” initiative were to ally with key media organizations and to marginalize opposition in order to target teenagers and their mothers ([Wood et al. 2020](#)).

Coca-Cola funded the Global Energy Balance Network, a non-profit organization that was created seemingly to divert attention away from consumption of SSBs as a cause of obesity, and instead blame lack of exercise. Coca-Cola tried to divert attention from its funding and conceal its extent, influence messaging, and build and support a network of higher education institution (HEI) researchers who participated in the project ([Serodio 2020](#)).

Beverage companies also influence research through funding. One study found that research articles with industry funding were 5 times more likely to conclude that scientific evidence did not support an association between SSB consumption and weight gain ([Bes-Rastrollo 2017](#)).

2. Greenwashing

Beverage companies engage in greenwashing by making claims that are contradicted by their actions. E.g., an analysis of the Children's Food and Beverage Advertising Initiative (CFBAI), a partnership of food and beverage companies to self-regulate nutrition standards, found that Coca-Cola and Pepsico were among “companies with the most advertising for fast food, sugary drinks, candy, and unhealthy snacks targeted to Hispanic and Black youth [who] publicize their corporate responsibility initiatives to promote nutrition and/or health and wellness” ([Harris et al. 2019](#), p. 8).

Responding to public pressure, Coca-Cola pledged in 2007 that it would replace all the water it used, but in fact defined “all the water” as only that in the beverage itself, ignoring water use in

its supply chain, which can be up to 90% of the total water used, and has given money to environmental groups to help in greenwashing the results ([MacDonald 2018](#)).

Contrary to their claims of seeking to address all known cases of conflict palm oil in their supply chain, PepsiCo has continued to source palm oil from Indofood, even though workers in this company continue to be denied equal pay and exposed to toxic chemicals without protection ([RAN 2016](#)).

Although PepsiCo has stated specific actions to target deforestation, a RAN investigation found evidence of the illegal destruction of rainforests in Southeast Asia perpetrated by a palm oil producer known as PT. Agra Bumi Niaga ([RAN 2017](#)). These rainforests are the only places that have Sumatran elephants, orangutans, tigers, and rhinos in the wild ([RAN 2017](#)). This palm oil from PT. Agra Bumi Niaga has been found to be used by consumer brands such as PepsiCo ([RAN 2017](#)).

PepsiCo claims to achieve a grade of 82% on the Roundtable on Sustainable Palm Oil (RSPO) certification scheme for sustainable palm oil ([PepsiCo 2021](#)). However, this certification doesn't account for habitat loss, and satellite imaging found that 75% of RSPO certified areas had been deforested or had been home to endangered large mammals ([Gatti, 2020](#)). This means that areas that are logged in the present could be certified as sustainable by the RSPO in the future ([Jong, 2020](#)).

PepsiCo now has an updated Palm Oil Policy, which addresses deforestation and exploitation in suppliers' entire operations, which now includes Indofood, but it is not clear if Indofood will adhere to PepsiCo's updated Palm Oil Policy ([RAN 2020](#)).

2.1. Beverage companies degrade the environment and negatively impact human health during beverage production

The negative environmental impacts of beverage production have been best documented in the Global South.

Coca-Cola bottling plants in India create sludge containing heavy metals and wastewater during soft drink production. ([Singh et al. 2014](#)).

The Central Pollution Control Board (CPCB) in India labeled Coca-Cola's sludge hazardous after the Board surveyed bottling plants across India, and found excessive levels of cadmium and lead in Coca-Cola's waste sludge, some of which was dumped on local land ([Burnett and Welford 2007](#)).

In Jordan, the water quality of the Zarqa River has declined for the past few decades, and organic pollutants and heavy metals in the water can be traced to a Pepsi factory ([Al-Omari 2018](#)).

3. Philanthropy, lobbying, political donations and disinformation

Beverage companies seek to influence public institutions to deflect criticism and stop government regulation by donating money to lawmakers and organizations, lobbying lawmakers and spreading disinformation ([Nestle 2015](#)).

3.1. Philanthropy

PepsiCo stated that they donated 60 million dollars to bring food and other vital resources to the communities most affected by COVID-19 ([PepsiCo 2021](#)). However, consuming PepsiCo's major product, SSBs, is associated with poor health that is linked to more severe COVID-19 symptoms (Health Fact Sheet).

PepsiCo and Coca-Cola jointly sponsor at least 95 health organizations, while in a 5-year period these companies lobbied against 28 of 29 public health bills ([Aaron et al., 2016](#)).

3.2. Political donations and disinformation

PepsiCo and Coca-Cola have spent at least \$50 million to oppose of state soda tax laws by funding front groups and trade associations ([Crosbie et al., 2021](#)). The American Beverage Association—the beverage industry's main trade association to which Coca-Cola and PepsiCo are major contributors—played a huge role in creating alliances with front groups ([Crosbie et al., 2021](#)).

PepsiCo also has a Political Action Committee that contributes to political candidates with records that show opposition to the ideas of justice and equity, such as Van Taylor, who ([PepsiCo PAC Contributions Report](#)) has voted to reduce the funds for the EPA environmental programs and management and voted against condemning unwanted medical procedures on patients without their consent ([Van Taylor Vote Record](#)).

Freedom of information requests have obtained emails between Coca-Cola employees and US Centers for Disease Control and Prevention (CDC) officials in which Coca-Cola lobbied the CDC to convince the World Health Organization to advise exercising over dieting to help stop the obesity epidemic, similar to what Coca-Cola was promoting in China ([Hessari, 2019](#)).

Former CDC director Brenda Fitzgerald had previously been the commissioner of the Georgia Department of Public Health, where she accepted a \$1 million dollar donation from Coca-Cola to fund a Georgia child obesity initiative ([Hessari, 2019](#)). Similarly, Barbara Bowman, former director of CDC's Division for Heart Disease and Stroke Prevention, left the CDC after emails revealed her willingness to work alongside the beverage industry to sway the WHO on emphasizing exercise over diet ([Hessari, 2019](#)).

Beverage companies run health initiatives at elementary schools that give misguided health lessons, e.g. that there is no "good" or "bad" food as long as they eat in moderation. The programs also heavily focus on physical activity and calorie-tracking, instead of sugar intake, a bigger factor in risk of obesity. ([Powell & Gard 2014](#), [Malhotra 2015](#))

3.2.1. Disinformation in China

Coca-Cola has been able to influence China's health policies to ensure that the company's anti-obesity policies don't undermine Coke's sales ([Greenhalgh, 2019](#)).

The International Life Sciences Institute, which promotes "pro-sugar research and policies" ([Pulley, 2021](#)) (ILSI) is housed within the Chinese Center for Disease Control and Intervention, providing unparalleled access to government officials ([Greenhalgh, 2019](#)).

As China began to define obesity as a major health issue, Coca-Cola and the ILSI began to heavily promote the use of "physical activity" as the defining factor that would reduce obesity, and stated that all kinds of foods and drinks are part of a healthy diet ([Greenhalgh, 2019](#)). Coca-Cola's influence on China's health establishment resulted in no taxes on sugary drinks and no restrictions on food advertisements to children.

While Coca-Cola left ILSI in 2021, PepsiCo remains a member ([Pulley, 2021](#)), and ILSI continues to be influential around the world ([McKee et al., 2019](#)).

3.3. The Beverage Industry's Bottled Water

Coca-Cola created Water for the Future in Columbia to bring water treatment facilities to schools and water back into the basins of Bogota, in order to compensate for the company's water extraction ([Schmidt et al., 2020](#)). However, independent studies have found that the company's "water neutrality" does not account for the large amount of water that goes into packaging and sugar and bottle production ([Schmidt et al., 2020](#)).

Coca-Cola and PepsiCo source most of their bottled water from the same municipal sources that also supply tap water to residences and businesses. Yet bottlers and consumers aren't treated the same way, e.g. in Detroit where consumers get their water shut off if they fall \$150 behind in their water bills, Coca-Cola and other bottling companies have had unpaid water bills for months without their water being shut off ([Felton, 2020](#)).

Residents whose water bills get shut off have no choice but to turn to bottled water, but even though the bottled water is from the same municipal source as the residents', the cost of Coca-Cola's and PepsiCo's bottled water is around 133 times more than tap water ([Felton, 2020](#)).

Dasani (owned by Coca-Cola) and Aquafina (owned by PepsiCo) take water directly from municipal sources in California, causing controversy due to the ongoing drought in California ([Lurie, 2014](#)).

4. Questions students can ask administrators

- Has our campus investigated the values and actions of the beverage company we have a pouring rights contract (PRC) with?
- If this has been done, what corporate values and actions have been found that are compatible with or conflict with our campus's mission and values?
- What has our campus done to mitigate the consequences of the beverage corporation's values and actions that are in conflict with our campus's mission and values?

- How can we ensure that in any future PRC negotiations our campus's mission and values are honored?