

DOROTHY HINCHCLIFF'S FA GREEN BLOG

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Coke Dismisses BPA Concerns

Coca-Cola may be on top when it comes to soft-drink sales, but it's a laggard when it comes to revealing how it's responding to [public concerns](#) about a chemical—bisphenol A (BPA)—that's been linked to significant health problems and is used in the lining of its cans. Nevertheless, shareholder activists did make some headway at Coke's annual meeting Wednesday when a resolution they sponsored looking for the company to disclose BPA information got 22% of the vote.

"This is an excellent first year vote. Few new resolutions get more than 5% to 6% on a first year vote. Some of the other new resolutions that I can remember getting more than 20% on their first vote were the Say on Pay and climate change resolutions—both of which now regularly get very high support—some even winning majority votes," said Michael Passoff Sr., program director of the Corporate Social Responsibility Program at nonprofit [As You Sow](#), a co-filer of the resolution. Other co-filers were Domini Social Investments and Trillium Asset Management. The resolution asks for Coke to disclose how it is responding to public concerns about BPA safety.

Passoff added that the shareholder coalition contacted Coke in 2007, 2008 and 2009 requesting a dialogue regarding the company's use of BPA. "The company did not agree to talk with us until December 2009. At that point we had already surveyed more than 20 companies over their use of BPA and had engaged in dialogues with several of them—so our dialogue with Coke made it quite clear that they were lagging the industry in several significant ways."

"Coke does not provide consumers with sufficient information regarding the health risks associated with BPA. For example, Heinz Company's Web site notes that the company is 'proactively exploring alternatives to BPA,'" he said.

Coke denies that its beverage packaging causes any public health risks. "The consensus among regulatory agencies in Canada, the United States, the European Union, Japan, Australia, and New Zealand and is that the level of exposure to BPA that results from consuming canned foods and beverages poses no risk to the health of consumers," it says at its Web site. "Indeed BPA is used to make the linings of cans to prevent spoilage and protect foods and beverages from direct contact with the can. BPA is not used in the manufacture of the PET (polyethylene terephthalate) plastic water and soft drink bottles used by The Coca-Cola Company."

However, a 2009 report from [As You Sow](#) and [Green Century Capital Management](#) ranking 20 packaged food companies on their efforts to eliminate BPA from products and mitigate BPA-related risk gave Coca-Cola an "F."

Others agree that Coke isn't doing enough on BPA and threw their support behind the resolution. Passoff said they included:

- **RiskMetrics Group and Proxy Governance** are the first- and third-largest proxy analyst services in the country. Both recommend voting FOR this resolution and note that Coca-Cola does not sufficiently disclose the steps the company is taking to address shareholder and consumer concerns about the use of BPA in can linings.
- **CalPERS**, the nation's largest pension fund, voted all of its 6,075,143 shares for this resolution.
- **The Investor Environmental Health Network**, a shareholder network with \$41B in combined assets, supported this resolution.

BPA is used in many consumer products, but most famously in the epoxy lining of cans and in polycarbonate plastic for food- and beverage-contact purposes. The chemical mimics estrogen in the body; the *Journal of Human Reproduction* last year that male workers with high exposure to BPA were several times more likely to experience sexual dysfunction. In addition, the *Journal of the American Medical Association* published the first-ever study of the chemical conducted on humans in September 2008 confirming previous reports linking BPA to the potential for causing heart disease, diabetes and unusually high levels of particular liver enzymes.