

Coca-Cola facing shareholder challenge over bisphenol A

By Rory Harrington, 21-Apr-2010

Shareholders from Coca-Cola will vote today on a proposal urging the company to disclose how it is responding to public fears over bisphenol A (BPA), which is used in the linings of Coke's beverage cans.

The move comes after social investment companies accused Coca-Cola of failing to show shareholders and consumers that it was taking sufficient steps to address public anxiety over the substance.

The bid is the first ever shareholder motion focussed solely on BPA, said Domini Social Investments, **As You Sow**, and Trillium Asset Management Corporation – the trio of groups behind filing the proposal.

The groups highlighted the alleged failure by contrasting Coke's actions with those of other manufacturers, such as Eden Foods which has used BPA-free cans since 1999. It also pointed to the announcement by General Mills that it will offer BPA-free linings in its organic canned tomatoes. BPA is not used in Coca-Cola's plastic bottles.

Wholly inadequate

“Investors need the company to improve its disclosure of the risks associated with Coca-Cola's use of BPA in beverage cans and how it is managing those risks. The company's current disclosures, especially when compared with General Mills, Whole Foods, and Eden Organics, are wholly insufficient and suggest the company should give greater attention to the issue,” said Jonas Kron, vice president, deputy director of ESG Research & Shareholder Advocacy of Trillium Asset Management.

Michael Passoff, senior program director at As You Sow said shareholders had attempted to engage with the soft drinks giant over the issue but that “Coca-Cola has failed to provide investors or consumers with sufficient evidence that it is taking steps to address these public health concerns”.

Shareholders have been urged to vote in favour of the disclosure resolution by US-based proxy advisory services RiskMetrics Group and ProxyGovernance Inc. Both groups believed 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, said a statement from As You Sow and Trillium.

“BPA can pose reputational and competitive risks to companies that use it in their products or packaging because of heightened public concern,” added Passoff.

Coke's BPA position

Coca-Cola was unable to provide a specific response to the proposal prior to publication but sent its general position on BPA to FoodProductionDaily.com.

“BPA has been repeatedly studied, with its safety affirmed by many government authorities and scientists worldwide,” said Coca-Cola. *“Several global health authorities, including those in the European Union, Germany, the United States, United Kingdom, Australia, New Zealand, Canada and Japan, have confirmed the safety of BPA in the manufacture of food and beverage cans.*

“In 2007, the European Food Safety Authority (EFSA) completed a major review of the safety aspects related to BPA and concluded that there were no major health concerns. As a result of this review, [EFSA](#) established a Tolerable Daily Intake (TDI) level of 0.05 milligrams per kilogram of body weight per day. All available scientific evidence and testing shows that drinks in aluminium and steel cans are safe.”

Over the past few years, the continuing use of BPA in the epoxy linings of food cans and [polycarbonate](#) baby bottles has become one of the most high-profile issues in food packaging safety. The US Food and Drug Administration (FDA) and the European Food Safety Authority (EFSA) are currently both formulating updated opinions on the chemical. In March, Denmark became the first European country to outlaw the chemical in packaging for children age 0-3.