

COCA-COLA 2010: Bisphenol A Resolution

WHEREAS: Coca-Cola is the world's largest beverage company, annually selling almost 570 billion servings of beverages. A significant part of Coca-Cola's business includes selling beverages in aluminum cans. Our company has developed a valuable premium brand based on the trust of consumers and our company's market leadership.

Coca-Cola's Product Safety Policy states that Coke uses "the highest standards and processes for ensuring consistent product safety and quality." Yet, Coca-Cola's canned beverages use linings containing Bisphenol A (BPA), a potentially hazardous chemical.

BPA has received media attention for its use in polycarbonate plastic bottles, which Coca-Cola does not use. However, BPA is a chemical also used in the epoxy lining of canned foods and beverages. BPA can leach out of these containers and into food and beverages, resulting in human exposures. BPA is known to mimic estrogen in the body; numerous animal studies link BPA, even at very low doses, to potential changes in brain structure, immune system, male and female reproductive systems, and changes in tissue associated with increased rates of breast cancer. Exposure to BPA by the very young as well as pregnant women are among the greatest concerns to experts.

A recent study published in the Journal of the American Medical Association also associated BPA with increased risk for human heart disease and diabetes. The U.S. Food and Drug Administration is reviewing the safety of BPA after significant concerns were raised by its own scientific subcommittee about the validity of its previous analysis of the chemical.

Manufacturers of baby and sports bottles have been eliminating BPA-containing plastics due to consumer concerns. According to US News & World Report, US-based Eden Organics has developed a can lining that does not contain BPA, and has been using it for several years. In contrast, the Washington Post reported in May 2009 that Coca-Cola was involved in meetings to "devise a public relations and lobbying strategy to block government bans" of BPA in can linings.

The US Congress, as well as some US states and cities, have proposed legislation banning BPA in certain food and beverage packages. Canada's health agency has already banned BPA-containing baby bottles.

In addition to potential bans, proponents believe our company faces liability or reputational risks from defending and continuing to use BPA in cans. For instance, class action lawsuits against other companies already contend that manufacturers and retailers of BPA-containing products failed to adequately disclose BPA's risks.

RESOLVED: Shareholders request the Board of Directors to publish a report by September 1, 2010, at reasonable cost and excluding confidential information, updating investors on how the company is responding to the public policy challenges associated with BPA, including summarizing what the company is doing to maintain its position of leadership and public trust on this issue, the company's role in adopting or encouraging development of alternatives to BPA in can linings, and any material risks to the company's market share or reputation in staying the course with continued use of BPA.