

Global Transparency Report

RESOLVED: Shareholders request the Company annually issue a transparency report on global public policy and political influence, disclosing company expenditures and activities outside of the United States. Such report should disclose company funding and in-kind support directed to candidates or electioneering, lobbying, and any charitable donations directed to public policy research or influence for the preceding year including:

- Recipients and amounts.
- The Company's membership in or payments to nongovernmental organizations including trade and business associations, scientific or academic organizations and charities.
- The rationale for these activities.

The Board and management may, in its discretion, establish a de minimis threshold, such as contributions to an individual or organization totaling less than \$250, below which itemized disclosures would not be required.

Supporting statement

Coke statements indicate they value transparency:

“Public Disclosures: We strive to be as transparent as possible, in all aspects of our business. This includes our public policy engagement activity.”

However, Coke's spending to influence and engage on public policy outside the United States is minimal and inconsistently disclosed. A truly global corporation, Coke is the world's largest beverage company and operates in approximately 200 countries.¹ As of 2019, Coke products were sold in all countries but Cuba and North Korea.²

Despite the global scope of operations, our company does not currently comprehensively disclose its involvement in politics and advocacy on public policies outside of the United States.

Coke scores low regarding international disclosures of corporate political activities, according to a recent transparency index.³ Despite the corporation's expansive global operations, there is minimal disclosure of and transparency around international political activity. In most cases, regional and country web pages offer codes of conduct in lieu of disclosures. When there are limited disclosures, details requested in this resolution, such as amounts paid and for what explicit purpose are absent.

¹ <https://answerstoall.com/technology/how-many-countries-does-the-coca-cola-company-operate-in/>

² <https://www.businessinsider.com/what-coca-cola-ads-look-like-around-the-world-2019-8>

³ https://feedthetruth.org/wp-content/uploads/2021/08/FeedtheTruth_FACT_Index_report_v3.pdf

Vanguard recently cautioned “poor governance of corporate political activity, coupled with misalignment to a company’s stated strategy or a lack of transparency about the activity, can manifest into financial, legal, and reputational risks that can affect long term value”.⁴

In the food industry, a particular arena of abuse is support for scientific advocacy intended to shape policy maker perceptions and influence policy making, regulations and rule setting. Coke funded the global industry lobby group International Life Sciences Institute to produce research that has helped slow, or stall altogether, public health policy in India, Mexico, China, and Brazil.⁵ And as of 2021, Coke funded entities like the Calorie Control Council, which has a history of leveraging covert public relations tactics.⁶

Food corporations like Coke rely heavily on consumer trust, brand affinity and public goodwill. These days, public officials, journalists, nongovernmental organizations, and social media can quickly and publicly reveal corporate activity that seems highly oppositional to a company’s image, brand or stated values.

Vote “YES” – Adopting this resolution would ensure the corporation inhabits its values.

⁴ https://about.vanguard.com/investment-stewardship/perspectives-and-commentary/INVSPOLS_032021.pdf

⁵ <https://ojo-publico.com/1702/mexico-empresas-ponen-de-pretexto-la-pandemia-para-aplazar-etiquetado>

⁶ <https://www.corporateaccountability.org/wp-content/uploads/2020/09/Partnership-for-an-unhealthy-planet.pdf>