

*RESOLVED, shareholders ask the Board of The Coca-Cola Company (the “Company” or “Coke”) to commission and disclose a report on the external public health costs created by the Company’s food and beverage businesses and the manner in which such costs may affect its diversified shareholders, whose ability to meet their financial goals depends primarily on overall market returns rather than the relative performance of individual companies.*

### **SUPPORTING STATEMENT**

The Harvard University School of Public Health says sugary drinks, such as those our Company makes, are a major public health problem:

*Americans consume on average more than 200 calories each day from sugary drinks—four times what they consumed in 1965—and strong evidence indicates that our rising thirst for “liquid candy” has been a major contributor to the obesity and diabetes epidemics...*

*Research shows that sugary drinks are one of the major determinants of obesity and diabetes, and emerging evidence indicates that high consumption of sugary drinks increases the risk for heart disease, the number one killer of men and women in the U.S.<sup>1</sup>*

The World Health Organization quantifies the social burdens of obesity as equivalent to nearly 3% of global GDP.<sup>2</sup> This cost, year after year, devastates economic growth. Thus, even if sales of sugar-laden products may benefit Coke’s short-term financial returns, they are bad for most of Coca-Cola’s long-term shareholders – who don’t just own Coke, but rely on a growing economy to support their diversified portfolios. As Warren Buffet, Chair of Berkshire Hathaway – our Company’s largest shareholder – has pointed out: GDP is the greatest proxy for diversified portfolio value.<sup>3</sup>

Investors in Coke are at risk from the public health costs the Company imposes on society. While Coke itself may profit by ignoring public health costs, diversified shareholders will ultimately pay these costs and have a right to know what they are.

Instead of being transparent about the damage it is causing, Coke works to obscure the relationship between its products and the public health crisis to which it contributes. As one recent study that analyzed internal company documents found:

---

<sup>1</sup> <https://www.hsph.harvard.edu/nutritionsource/healthy-drinks/beverages-public-health-concerns/>

<sup>2</sup> <https://www.schroders.com/en/sysglobalassets/digital/insights/2019/pdfs/sustainability/sustainex/sustainex-short.pdf>

<sup>3</sup> See, e.g., [https://archive.fortune.com/magazines/fortune/fortune\\_archive/2001/12/10/314691/index.htm](https://archive.fortune.com/magazines/fortune/fortune_archive/2001/12/10/314691/index.htm) (total market capitalization to GDP “is probably the best single measure of where valuations stand at any given moment”) (quoting Warren Buffet).

*Coca-Cola sought to obscure its relationship with researchers, minimise the public perception of its role and use these researchers to promote industry-friendly messaging.*<sup>4</sup>

Indeed, Coke continues its efforts to grow the categories that deliver sugar: On a recent earning call, the Company's Chair and CEO celebrated the "tremendous value" created for the Company by its investment in Monster, a clearly unhealthy drink choice.<sup>5</sup>

A study involving these external public health costs would help shareholders determine whether to seek changes that could better serve their long-term interests.

Please vote for: External Public Health Impact Disclosure – Proposal [4\*]

[This line and any below are not for publication]

Number 4\* to be assigned by the Company

---

<sup>4</sup> <https://www.cambridge.org/core/journals/public-health-nutrition/article/evaluating-cocacolas-attempts-to-influence-public-health-in-their-own-words-analysis-of-cocacola-emails-with-public-health-academics-leading-the-global-energy-balance-network/03A12A2379B132AFBDBE7A462ECB4041>

<sup>5</sup> <https://universityhealthnews.com/daily/nutrition/is-monster-bad-for-you-3-things-you-need-to-know/> ("The extreme acidity, high caffeine, and added stimulant content of these beverages can cause rapid heartbeat, high blood pressure, dehydration, vomiting, cardiac arrhythmias, seizures, headaches, insomnia, and have been linked to several deaths.")