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### Business Ethics and Corporate Social Responsibility

In response to media campaign against the Company's anti-environment business practices, Coca-Cola needs to act together with Pepsi Co. mainly to deal with the government as well as the judiciary. Once cleared from these, Coca-Cola will be able to tackle the rest of the elements working against the Company. In the midst of the ongoing crisis, Coca-Cola issued a lengthy statement addressing allegations made about its business in India.

On the issue of bio-solids or 'sludge,' the company said this is the result of the wastewater and water treatment processes and is made up of organic and inorganic material. The use of biosolids as a soil amendment is a common practice around the world, the company said. It added that 'for the avoidance of doubt,' it had suspended disposal of the biosolids until standard testing protocols were agreed and accepted by all constituents.

The company also claimed to be talking to the Indian central government to ensure that the issue of uniform and consistent national regulatory framework is given a full review that it deserves. In addition, the Kerala State Pollution Control Board had concluded that the concentration of cadmium and other heavy metals in the bio-solids are below prescribed limits and, for this reason, are not considered hazardous.

On the issue of water resources, Coca-Cola claimed that allegations that its bottling plant in Plachimada, Kerala, had been misusing local water resources are false. The company said that neighboring communities, tribal leaders, non-government organizations (NGOs),

environmental scientists and government officials had repeatedly rejected protesters' allegations as groundless.

Today's businesses are confronted by various challenges (Karakowsky, L., Carroll, A.B., and Buchholtz, A.K., 3). Since the Kerala plant had been built in 2000, Coca-Cola had complied with all federal and state laws and regulations in India. Several scientific studies were cited to support these claims. In October 2002, Dr. R. N. Athvale, emeritus scientist at the National Geophysical Research Institute in Hyderabad, India, stated in his report, 'there is no field evidence of overexploitation of the groundwater reserves in the plant area.' A report from the local Palakkad District Environmental Protection Council and Guidance Society in June 2002 concluded 'we declare that there is no environment harassment to the public by the factory at any level.'

Coca-Cola said that over the past two years, annual rainfall in Kerala had decreased by about 60% and that this was the cause of depleted water and drought conditions. It said the latest investigation by the Kerala State Groundwater Department had rejected the allegation that one of the reasons for water shortage in the area was 'overexploitation' by the plant. In an effort to combat this, the company said it had installed 'advanced rainfall harvesting technology' to help recharge the area's groundwater reserves.

To supplement existing water sources, Coca-Cola also dug a bore well for the neighboring village, which it supplies with two tankers of fresh water daily. The company said that by rapidly expanding the capacity of its rainwater harvesting technology at the plant its aim was to become a net contributor to water in the area by the end of 2004.

Works Cited

Karakowsky, L., Carroll, A.B., and Buchholtz, A.K., Business and Society: Ethics and Stakeholder Management, First Canadian Edition (2005), Toronto, Ontario: ITP Nelson Publisher.

