## **Union Consulting Group**

Team Member Name	Year	Major
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Advisor(s): Michael Lawrence Topic Title: New Cola Wars: Workers' Rights Audience: Coca Cola Board of Directors

## Sustainable Development Goal

<u>SDG #8: Decent Work and Economic Growth</u> Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

## **Executive Summary**

Coca-Cola's operation has, for several years, been the highest demonstration of the company's organizational might. From its links to paramilitary groups to control labor unionists, to convincing the Ministry of Labor of Colombia in revoking the by-laws of the labor unions itself, Coca-Cola's practices against its workers in the country have been unethical at best. Poor working conditions, the criminalization of unions, threats to union leaders and political coercion reached such heights that the Colombian organization Sinaltrainal filed a lawsuit in the Court of Miami District, against Coca-Cola. While the judge declared that he lacked jurisdiction to hear the case, it shines light on the shadows of the corporation's treatment of its own workers. However, Coca Cola's unethical practices of production, especially in the bottling industry, does not limit to Columbia, but spans across Latin America also including Philippines. In Philippines, Coca-Cola Philippines is laying off 600 employees, blaming the move on the "regulatory environment" just weeks after the country introduced its sugar tax. The sugar tax law imposed an increased tax rate of 6 pesos for refined sugar and 12 pesos for high fructose corn syrup. Therefore, Coca Cola laid off employees to compensate for a growing increase in manufacturing costs for beverages which used high fructose corn syrup.

Sustainable Development Goal #8 mandates sustained, inclusive and sustainable economic growth and fair labor practices for all. Our solution covers tenets of the goal which focuses on exploring ways such as improvising the packaging used by Coca Cola, and the strategy to shift its focus towards non-alcoholic, or "still" drinks brands to cover its losses suffered from a higher tax rate on beverages produced using refined sugar, in addition to exporting beverages produced from high fructose corn syrup. This strategy would help Coca Cola balance its cost of production and avoid laying-off workers at a massive scale. Additionally, our solution also focuses on improving relations between workers' unions and Coca Cola which includes dialogue between the two parties and strict vigilance over labor practices and operations by ensuring a sustainable working environment in bottling plants across Latin America and Philippines by corresponding local authorities.