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USVI Alleges Soft Drink Giants Misled Consumers, Caused Plastic Crisis in Territory

The government alleges the companies misled consumers into believing their single-use plastic bottles were sustainable, contributing to a growing waste crisis and violating territorial consumer protection laws.

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The Government of the Virgin Islands is suing the Coca-Cola Company, PepsiCo, and their local manufacturers and distributors for alleged deceptive business practices and becoming public nuisances.

The lawsuit claims that the companies have been deliberately fooling their customers into believing that the single-use plastic packaging the products are sold in can be sustainably recycled.

As a result, the territory is now drowning in plastic, which is overwhelming waste management systems, threatening ecosystems, and affecting the health of Virgin Islanders.

The civil complaint, which also names the Commissioner of the Department of Licensing and Consumer Affairs as a plaintiff, says that the soft drink companies are “purposefully manufacturing, bottling, and selling excessive amounts of beverages packaged in single-use plastic bottles without implementing or paying for an environmentally responsible way to dispose of them.” The 42-page document goes on to outline the many known harms of plastic pollution in the environment, citing research that shows the negative impact on marine life, and the harms to agriculture and human health posed by microplastics. The lawsuit also notes the limited efficacy of plastic recycling efforts, particularly here in the territory.

As a result of the overconsumption of soft drinks in single-use plastic bottles, “due in significant part to Defendants’ conduct in falsely promoting and distributing single-use plastic,” according to the lawsuit, “the Virgin Islands faces a waste management crisis.”

Noting that the territory's two landfills “have been near or at capacity for years,” the lawsuit also claims that the sheer volume of plastic waste produced means that it is “nearly impossible to fully clear from public areas.” The combination of circumstances means that “substantial amounts of plastic packaging and products litter public sidewalks, streets, beaches, and waterways,” the complaint states.

Together, PepsiCo and Coca-Cola produce over 5.7 million metric tons of plastic each year. They are ranked the number one and two polluters in the world respectively, and the lawsuit claims that “these results are consistent with pollution rates in the Virgin Islands.” Over 14 million Coca-Cola and PepsiCo products were sold in the territory in the ten years between 2014 and 2024, the lawsuit claims. This includes brands such as Dasani, Coke, Sprite, Aquafina, Pepsi, and Gatorade, among others.

Along with pumping out products in single-use plastic bottles which are usually discarded as soon as the beverage inside is consumed, the two companies “have used the plastic industry's decades-long playbook to deceive consumers and further exacerbate the plastic pollution crisis,” the lawsuit claims, arguing that selling recycling as the solution to the plastics problem is willful disinformation. The plastics industry first focused on the last “R” of the “reduce, reuse, recycle” mantra in the 1980s, “even though it knew plastics were notoriously difficult to recycle,” says the lawsuit. Since then, the beverage companies have allegedly “joined and extended the plastic industry's deceptive campaigns.”

Because consumers are now increasingly choosing to do business with companies that understand their responsibility to the environment, PepsiCo and Coca-Cola have clothed themselves in the language of sustainability, according to the lawsuit. The lawsuit cites online statements and social media posts from both companies which seek to burnish their environmental consciousness credentials. Meanwhile, their operations continue to inundate the world – and the Virgin Islands – with new single-use plastic items, the lawsuit argues.

Behind the scenes, the beverage companies are also part of lobbying efforts to weaken environmental protections and regulations around the world, the lawsuit contends. “The Consumer Brands Association, of which both PepsiCo and Coca-Cola are members, have made efforts to deceive consumers by advocating for changes to the definition of recycling,” the lawsuit claims. “Coca-Cola has proactively lobbied against packaging regulations around the world for over a decade.” PepsiCo industry alliances are “promoting numerous false solution projects, such

as...pushing responsibility for the plastic waste to consumers,” the document goes on to state.

The two companies were also longtime members and financial supporters of PLASTICS, “a trade association that lobbied against bans on single-use plastic,” explained the lawsuit, which was first reported by WTJX. Coca-Cola only stopped supporting the group in 2022 after “significant backlash from several environmental groups.”

Even while knowing the significant limitations of recycling in solving the issue of plastic pollution, PepsiCo and Coca-Cola continued to mislead consumers by pushing public messages suggesting that there could be a “circular economy” of beverage bottles, according to the lawsuit. “Plastic bottles cannot be recycled into new bottles over and over again, as PepsiCo and Coca-Cola suggest and state,” the lawsuit argues. The companies’ “promotion of recycling as a fix to the plastic pollution crisis is not feasible or based in the reality of the packaging they make and how they know consumers use and recycle them.”

The lawsuit also notes that, despite “consistent promises to be sustainable and reduce their use of virgin plastic,” PepsiCo and Coca-Cola have actually increased plastic production in recent years. Most of this is virgin plastic – Coca-Cola was only sourcing recycled plastic at a rate of 13.6% in 2022. PepsiCo's rate that year was 6%, according to the lawsuit.

The civil complaint charges PepsiCo and Coca-Cola with violations of the territory's 1973 Consumer Protection Law, and violations of the Consumer Fraud and Deceptive Business Practices Act. It also claims that all four defendants have created a public nuisance. The government is asking the courts to ban the defendants from continuing to engage in the unfair and deceptive trade practices alleged in the lawsuit, and to order fines and fees commensurate with the violations that have been alleged.

There has not yet been a legal response from any of the defendants as of press time.