

# Boycott, Divestment, and Sanctions Case Studies: SodaStream



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## Introduction: The Pitch



SodaStream manufactures home carbonation products ranging from carbonating machines and sparkling water makers to flavoring syrups and various accessories related to home carbonation. The company markets its products as a healthy substitute to store-bought carbonated drinks and as a more “exciting” drink than water, facilitating better hydration. SodaStream products also

bear an “Earth Friendly” seal and are presented as an ethical alternative for consumers concerned with the environmental impact of the packaging associated with traditional bottled sodas. Upon closer inspection, however, it becomes apparent that SodaStream policies and practices in the West Bank contradict their progressive mission statement.

# The Catch

## The Factory

SodaStream drew international attention for their operations in a large factory complex out of the Mishor Edomim Industrial Park, about seven miles east of Jerusalem in the occupied Palestinian Territory. The SodaStream complex opened in 1996 on a site selected because of the lax bureaucratic regulations, low real estate prices, and tax benefits from the Israeli government that come with locations in industrial parks in the occupied West Bank.



The creation of the 7,500-hectare Mishor Edomim Industrial Park was part of the largest expropriation of Palestinian land to date in the West Bank. Establishing the park simultaneously created an industrial zone to serve Jerusalem and illegal settlements, broke the contiguity of the northern and southern areas of Palestinian control in the West Bank, and strengthened the illegal settlement of Ma'ale Adumim, to which the park pays taxes, supporting the settlement's municipal government.

## Working Conditions

The SodaStream factory in Mishor Edomim has a long history of poor working conditions and incomplete recognition of workers' rights.

Because of the dire economic situation in the West Bank, many Palestinians are forced to seek employment with Israeli companies operating in occupied territory, even if those companies ultimately support and reinforce the



Employees hold a demonstration to protest substandard working conditions in the West Bank.

occupation. According to Israeli law, Palestinian workers employed by Israeli companies have the same rights as Israeli workers. However, this is rarely the case in practice because Palestinians rely on their employers for work permits and because the acquisition of said permits is impossible if a worker has any record of past disputes with employers. Thus, workers are doubly discouraged from demanding their rights be recognized: they are likely to be fired by their current employer and the dispute may be put on their record such that they can never again work for an Israeli company.

## The Campaign

SodaStream came to the forefront of American boycott, divestment, and sanctions (BDS) campaigns in early 2013 when the company began a major marketing campaign in the United States. The campaign was an effort to supplement waning profits in Europe as consumers there began to boycott SodaStream products, but everything did not go as planned. Led by the Interfaith Boycott Coalition, organizations across the US acted quickly to counter the SodaStream promotions with a campaign of their own, educating consumers about the company's involvement in illegal settlements and leading protests and rallies to demand that retailers not sell SodaStream products.



Ms. Johansson in an advertisement for SodaStream.

The campaign reached a turning point in 2014 when actress Scarlett Johansson, then a Global Ambassador for Oxfam International, appeared in an advertisement for the company. Under pressure from BDS activists, Oxfam expressed disapproval of Johansson's relationship with SodaStream, which the organization saw as "incompatible with her role as an Oxfam Global Ambassador" because "businesses, such as SodaStream, that operate in settlements further the ongoing poverty and denial of rights of the Palestinian communities that [Oxfam] work[s] to support." Johansson's resignation from her post as Global Ambassador to Oxfam in favor of maintaining her promotional contract with SodaStream sparked controversy drew press coverage worldwide.

## The Victories



SodaStream's new factory in the Nagab/Negev will likely also be the target of protests.

Due to the continuous and rapid drop in demand for its products, by early October 2014, SodaStream stock had dropped some 70% from its highest point in July 2011. In July 2014, SodaStream was forced to close its flagship store in Brighton, England due to repeated pickets by activists. Later that year, in a momentous victory for BDS activists, SodaStream announced its intention to sell its factory in the Mishor Edomim Industrial Park on October 30, 2014. However, because the company is moving forward with plans to

build a factory in the Naqab/Negev, a region fraught with tension because of the ongoing forced relocation of Bedouin Palestinians, the company remains embroiled in the ongoing mistreatment of non-Jewish Israeli citizens and will thus remain a target for activists across the globe.

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