



# Corporate impact in Latin America

The Case of Coca-Cola

Latimacto

## Introduction

Within the growing impact ecosystem, corporations play a unique and critically important role. Their ability to mobilize large volumes of capital, drive technological innovation, influence complex global supply chains, and reach millions of consumers and employees positions them as actors with exceptional transformative potential.

Corporations not only have the capacity to generate significant impact through their operations but also act as essential catalysts for other ecosystem stakeholders. They can scale solutions that would otherwise be out of reach for smaller organizations, legitimize and disseminate new purpose-driven business practices, and mobilize their extensive supplier and customer networks toward shared sustainability goals. Their active involvement in impact strategies is indispensable to advancing the Sustainable Development Goals (SDGs) and addressing systemic challenges that require solutions at a scale only they can provide.

Recognizing this potential, Latimpacto seeks to promote corporate impact in Latin America, with the aim of fostering synergies that contribute to advancing the sustainable development agenda in the region. As part of this effort, it has produced the first corporate impact report in Latin America, with the objective of analyzing the current state of corporate impact in the region and identifying common challenges, success factors, and lessons learned that are crucial for integrating impact into business strategy. The study also seeks to showcase good practices, thereby promoting the exchange of experiences and knowledge and motivating an increasing

number of corporations to adopt strategic impact approaches.

As a core component of the study, Latimpacto conducted ten case studies illustrating how leading companies and business groups in the region are using corporate impact strategies to help ensure the sustainability of their operations and to maximize the impact of their investments in social development and environmental preservation.



## The Initiative

The Coca-Cola Water Replenishment Initiative is a global strategy that seeks to achieve a positive water balance by returning to nature and communities a volume of water greater than 100% of that used in the production of its beverages. The program is implemented through projects that conserve water resources and improve access to water, focusing on watersheds where the company operates and where water stress has been identified.

This strategy goes beyond optimizing internal water efficiency, adopting a holistic approach to water sustainability. Through strategic partnerships with a range of organizations, Coca-Cola finances and supports projects aimed at aquifer recharge, conservation, and restoration of forest ecosystems, sanitation of water bodies, more efficient water use in agricultural activities, and improved access to drinking water for communities.

The main objective is to ensure the long-term sustainability of water resources—critical for the viability of the business—while contributing to community well-being and the health of ecosystems in its areas of operation. In doing so, the company not only mitigates the risks associated with water scarcity but also takes on a leading role in implementing innovative solutions and promoting collective action among diverse stakeholders to generate transformative impact on global water management.



### **Corporate:**

Coca-Cola Latin America.

### **Economic sector:**

Beverages.

### **Company Description:**

Coca-Cola is a multinational company dedicated to the production, marketing and distribution of non-alcoholic beverages (soft drinks and others).

### **Program Name:**

Water Replenishment.

### **Implementing countries:**

Argentina, Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Panama, Paraguay, Peru and Uruguay.

### **Target population:**

Local communities in watersheds with water stress.

# Impact Strategy Context

## The Challenge

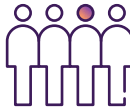
Water scarcity and water stress are a critical and growing problem in many regions of Latin America, given that water is essential for life, the economy, communities' social well-being, and the viability of diverse business activities. This situation is being aggravated by the interaction of several factors, including:

1



**Climate change:** alterations in rainfall patterns, increased frequency and intensity of extreme weather events that directly reduce the availability of freshwater.

2



**Population growth:** generates a rising demand for water for human consumption, sanitation, and urban development.

3



**Local economic dynamism:** The expansion of certain productive sectors puts significant additional pressure on existing water sources.

In this context, responsible and collective water management is essential to prevent the crisis from deepening. Inaction in the face of these challenges can lead to severe socioeconomic, environmental, and operational consequences, undermining community resilience and the long-term viability of activities that depend on this vital resource.

## Impact Strategy Context

### The Solution

Addressing the challenges associated with water stress requires a combination of innovative solutions and collective action. Coca-Cola therefore proposes a direct and multifaceted intervention in the watersheds where it operates, with the aim of safeguarding their ecological health and ensuring water security for local communities and natural ecosystems, as well as for the future sustainability of the company's business activities.

By investing in watershed health and fostering cross-sector collaboration, the company seeks to trigger a domino effect that increases water availability and quality through recharge, conservation, and sanitation projects, while reducing water-related risks, protecting communities, and ensuring business continuity. This systemic approach aspires to go beyond mitigating isolated impacts to drive structural change in how water resources are managed and valued, strengthening their resilience over the long term.



## Governance Strategy

### The role of the corporate

The implementation and steering of the Water Replenishment strategy combine corporate-level strategic oversight with adaptive execution at the local level.

The global Public Affairs, Communications and Sustainability (PACS) team is responsible for setting the initiative's strategic and policy direction. It defines global goals and parameters, designs the governance framework, sets impact-measurement guidelines, establishes project validation criteria, develops guidance for local business units and implementing partners, and oversees compliance with predefined standards.

Local business units are the program's on-the-ground implementers in each geography, and their role is crucial to contextualizing and ensuring the effectiveness of the initiative. They adapt the overarching corporate guidelines to the specific characteristics of each watershed and country and take on direct management and field supervision of projects in close collaboration with implementing partners.

This governance structure enables global strategic alignment driven by the PACS team while allowing flexible, context-sensitive implementation by local business units, thereby optimizing the initiative's effectiveness and impact across multiple geographies.

### The role of external allies

Implementing partners are the entities responsible for direct project implementation in the watersheds. They contribute technical expertise in areas such as reforestation and ecological restoration, conservation of aquatic ecosystems, construction and optimization of water infrastructure, and integrated water-resource management, among others. They are in charge of putting into practice the solutions designed in collaboration with the company.

Government entities are key enablers of implementation through the provision of supportive regulatory frameworks, alignment with public water and development policies, and facilitation of access to required financing or permits.

Local bottlers, given their direct operations in the watersheds, provide invaluable knowledge of each region's specific water context, including resource availability, local challenges, and community dynamics.

Other private-sector companies and organizations—particularly those operating in the same basins or value chains—help generate collective action by pooling resources, knowledge, and efforts to address water challenges at a greater scale.

## The Value of Partnerships

Strategic alliances are essential to the implementation of Water Replenishment projects. The company works with civil society organizations and startups to co-create innovative solutions, with government entities to address specific challenges, and with bottlers to leverage their local knowledge.

Identifying suitable partners is both vital and complex in order to achieve collective, transformative impact, extend the program's reach, and mobilize other stakeholders (businesses, governments, agricultural producers). Initiatives such as "Aliados por el Agua" (which brings together almost one hundred organizations in Latin America) illustrate the importance of coordination platforms that facilitate learning and joint action.

Coca-Cola recognizes that multisector collaboration is essential for transformative water management and, to expand the reach of its impact strategy, it therefore leverages alliances with a wide range of local stakeholders.

For further elements on how to maximize impact, see the report *Corporate Impact in Latin America*.



# The Impact Strategy

The program provides support at different scales of need. It invests in scalable solutions and works with partners to demonstrate volumetric water benefits, enabling other companies to co-finance these initiatives. It also invests in building the capacities of implementing partners, who may lack the resources and/or skills to meet impact measurement and reporting requirements, by offering support on methodologies and processes to facilitate their participation and growth. In addition, it collaborates with partners to identify further financing opportunities for their projects, with the aim of ensuring their long-term sustainability.



1

## Watershed Diagnosis

**Objective:** Identify critical areas and understand local water challenges in order to design interventions that respond directly to the needs identified.

1. Select operational locations with the greatest water scarcity.
2. Assess water use, demand, and availability.
3. Analyze impacts on communities and ecosystems.



2

## Design and selection of innovative projects

**Objective:** Develop effective solutions to water stress and foster collective action.

1. Invite civil society organizations and start-ups to submit project proposals.
2. Have experts quantify the expected volumetric water benefit of each project..



3

## Collaborative project implementation

**Objective:** Implement interventions with multistakeholder participation, ensuring the project's longterm sustainability.

1. Conservation of forests and ecosystems.
2. Reforestation and ecological restoration.
3. Water use efficiency in agriculture.
4. Repair of leaks in water infrastructure.



4

## Monitoring, verification and sustainability

**Objective:** Ensure continuity of benefits and robust accountability.

1. Track implementation against the plan and adjust as needed.
2. Verify the persistence of benefits over time (often using satellite technology).
3. Audit and verify the volume of water replenished to ensure transparency and rigor.

## Impact Measurement

The impact of the Water Replenishment strategy is assessed through a robust, transparent measurement system designed to quantify the benefits generated and ensure accountability.

The primary indicator is the volumetric benefit, defined as the number of liters of water replenished or made available within the water system as a direct result of project activities. This is calculated using clear, rigorous methodologies tailored to each project type. These methodologies are aligned with recognized global standards, such as the Volumetric Water Benefit Accounting guide developed by the World Resources Institute (WRI), which lends rigor and comparability to the results.

In addition to the volumetric benefit, other relevant environmental and social impacts are quantified, depending on the nature of each project. These may include, among others, the number of trees planted as an indicator of ecological restoration and carbon sequestration, the number of hectares conserved or the area of ecosystems protected or restored, and the number of jobs created as a measure of the interventions' socioeconomic impact.

Volumetric benefits are monitored annually, ensuring regular assessment of water replenishment performance. Other indicators, such as those related to reforestation and conservation, are tracked biannually, often using satellite technology to verify the continuity and scale of long-term benefits.

The rigor of the measurement system is reinforced through multiple audit, validation, and verification processes, both internal and external. These independent reviews help ensure the reliability, accuracy, and credibility of reported results, strengthening the overall transparency of the Water Replenishment strategy.



## The Achieved Impact

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Since 2015, the company has achieved the goal of replenishing **100% of the water it uses at the aggregate level.**

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**In Latin America, there are more than 70 replenishment projects,** implemented together with over **40** organizations.

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*"The issue of water is so relevant because we know it is fundamental for life and for the human and economic development of countries, communities, regions, and our own company. Ensuring water security is not only important for our business, because it is the basis of our products, but it is also essential for nature and for communities. That is why we not only focus on how we help address water-stress challenges, but also on how we lead and pioneer solutions and generate collective action.*

*We seek to understand the main uses of water in the regions where we operate and how we can intervene through projects with partners, always taking communities into account in the development of these projects. We reach out to civil society organizations and NGOs to develop projects in specific basins, and there we have found things we had not even considered—very good projects, very good ideas that we have been able to implement."*

**Andrea Mota**

Director of Sustainability and Stakeholders,  
Coca-Cola Latin America

## Articulation With the Business

For a company whose main raw material is water, ensuring its availability is a critical operational need. The Water Replenishment initiative is a fundamental pillar of Coca-Cola's corporate environmental policy, directly complementing internal operational water-efficiency efforts that focus on reducing consumption. At its core, the program seeks to safeguard the long-term sustainability of the company's operations while also contributing to the well-being of communities and the health of ecosystems in the watersheds where it operates.

Beyond securing a vital resource for production, the program generates multidimensional benefits that reinforce the company's strategic position and its social license to operate by fostering a direct connection with communities through the implementation of local projects. This strengthens relationships with strategic partners and catalyzes collaboration to generate a positive, tangible impact.

Program governance is structured at the corporate level but implemented and supervised directly by local teams within each business unit. This framework ensures project robustness and reporting reliability, enabling the company not only to mitigate operational risks associated with water scarcity but also to help build social and reputational capital—elements that are intrinsic to the business' resilience and sustainable growth.



# Lessons learned

## Flexibility is key

The program must remain highly adaptable to support the constant search for unconventional solutions.

Given the diversity of geographic and climatic contexts, there is no one-size-fits-all approach to water interventions.

Innovation and flexibility are essential to address water scarcity effectively in varied environments.

## Facing Contextual Challenges

The complexity of local contexts becomes even greater when trying to build effective strategic alliances.

Involving diverse stakeholders, such as local authorities, often means navigating bureaucratic procedures and cultivating collaborative relationships that are not always straightforward.

The ability to handle these contextual and relational challenges shapes the type of partnerships that can be formed and their success, underscoring the importance of building strong relationships and learning to navigate institutional frameworks.

## Impact measurement capabilities required

Quantifying project impact, particularly for the most innovative interventions, presents a major methodological challenge. Determining how best to measure volumetric benefits requires close coordination between technical experts and implementing partners, and differences in partner capabilities—especially among smaller local organizations—can hinder compliance with detailed reporting requirements.

Investing in capacity building for reporting methodologies is therefore crucial, as it not only ensures data quality and consistency but also empowers local organizations to manage water more effectively over the long term.

## Más información

<https://www.coca-cola.com/ca/en/sustainability/water-responsibility/water-replenishment-goal>

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