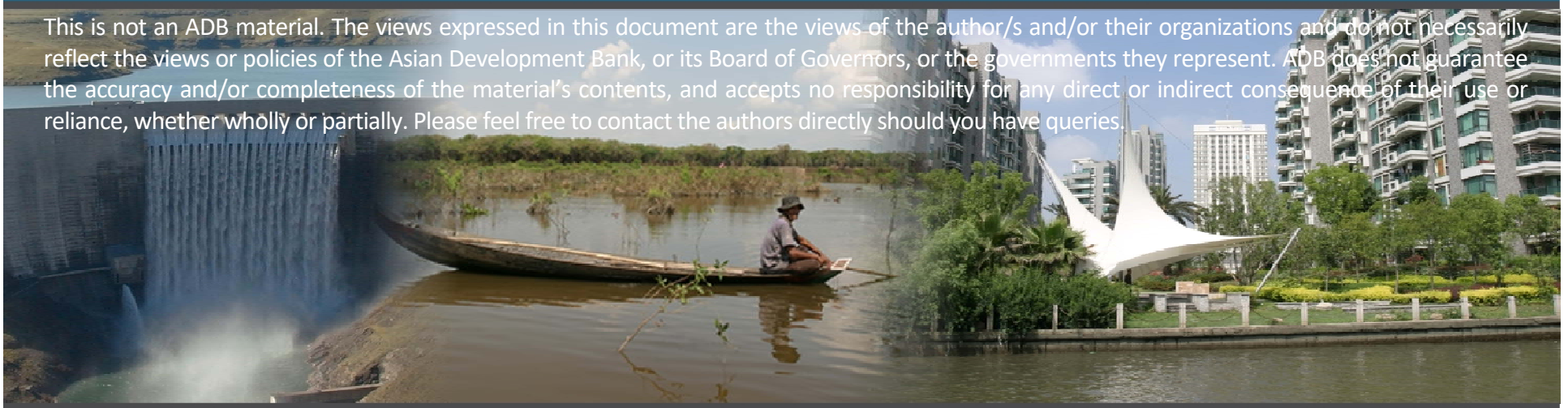




Asia Water Week 2013  
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# WATER STEWARDSHIP: Why Coca-Cola FEMSA cares

Juan Domínguez  
Coca-Cola FEMSA  
March 14, 2013

# INDEX

- **Who we are**
- **A new scope of the Corporate Social Responsibility**
- **Water Care**
- **Our water replenish**
- **Coca-Cola FEMSA and the AWS**
- **Final comments and lessons**



# Who we are

## FEMSA operates four business units

### COCA-COLA FEMSA



### FEMSA COMMERCE



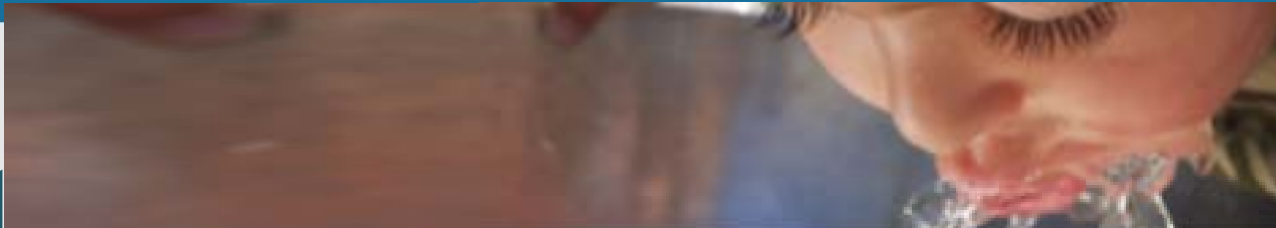
### BEER INVESTMENT



### FEMSA LOGISTICS



# The FEMSA Foundation



Dedicated to the conservation and sustainable use of water resources, and improving the quality of life in the communities where we operate.



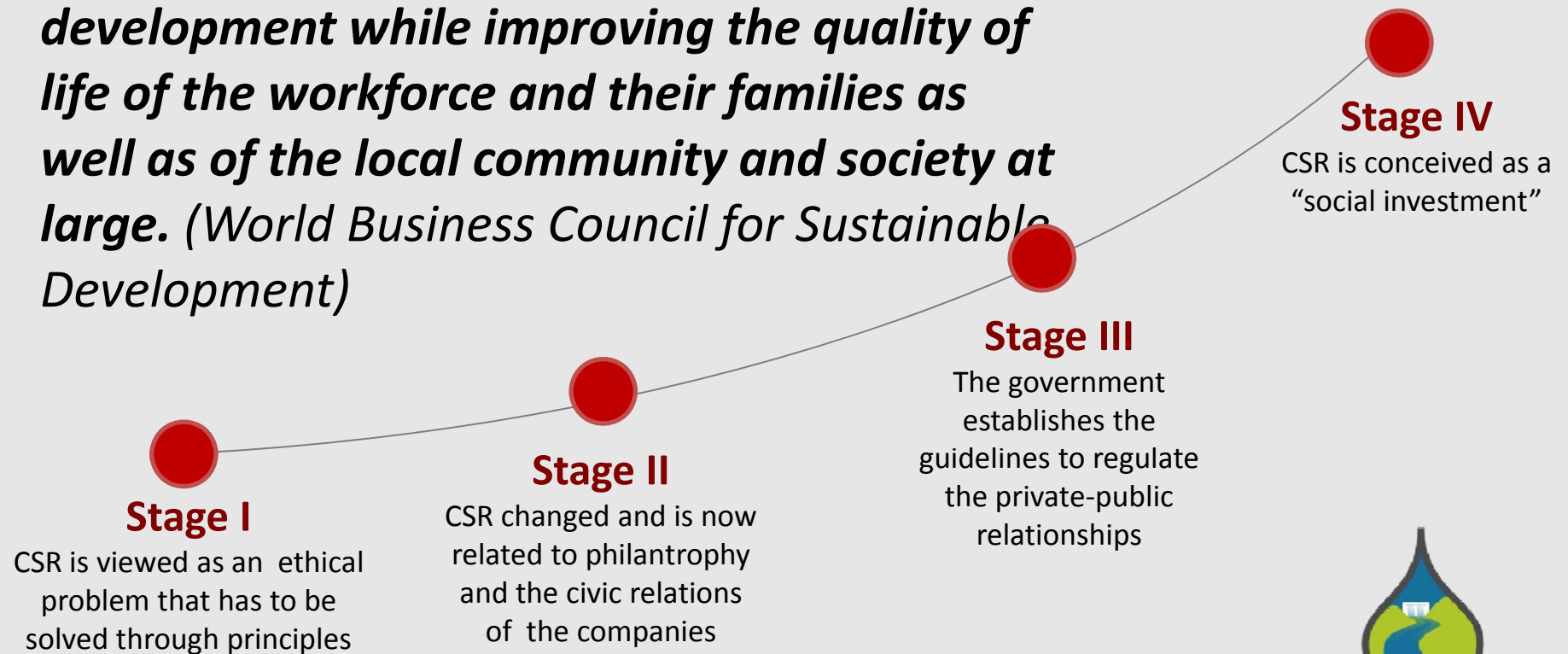
“At FEMSA, creating social and economic value, simultaneously, is a fundamental part of our work philosophy.”

Jose Antonio Fernandez - Chairman, FEMSA



# A NEW SCOPE FOR CORPORATE SOCIAL RESPONSIBILITY (CSR)

***Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. (World Business Council for Sustainable Development)***

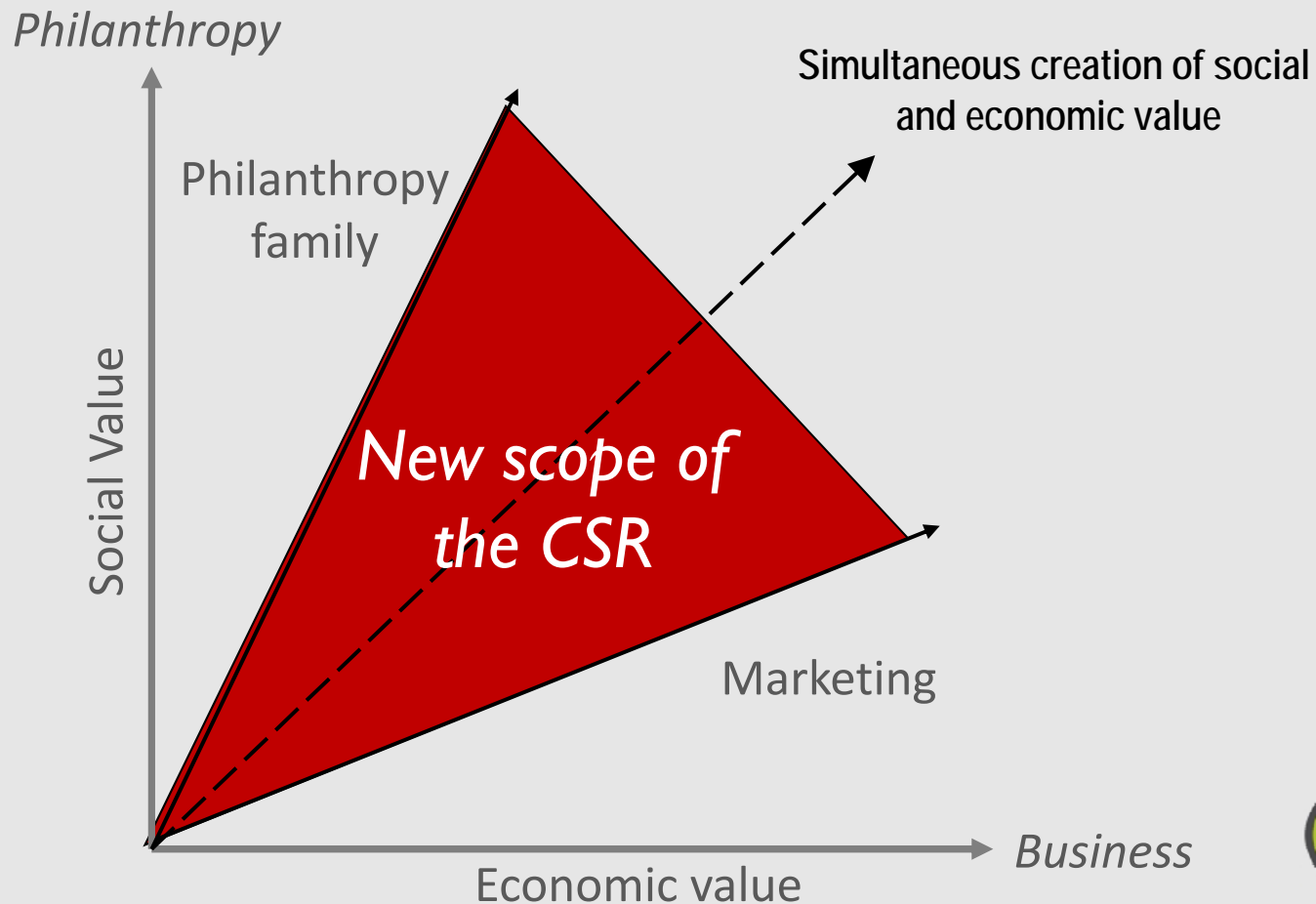


Source: INCAE Business Review



# A NEW SCOPE FOR CORPORATE SOCIAL RESPONSIBILITY (CSR)

We create shared value:



Porter, M. y Kramer, M. (2002). The Competitive Advantage of Corporate Philanthropy. *Harvard Business Review*. December.



# FEMSA's Sustainable Strategy

A. A methodology for comprehensive environmental management

**A**

B. An operational approach based on our four core areas to keep us focused and aligned

**B**

C. Clear guidelines and processes that allow us to work in a consistent manner

**C**

- **Core area 1 Quality of life in the company:**

Focused on the pursuit of an integral development of our employees and their families through programs offered in our facilities.

- **Core area 4 Environmental care:**

Establishing guidelines to minimize our footprint and create a broader awareness of caring for our environment.



- **Core area 2 Health and wellness:**

Promoting an attitude of health, self-care, responsible consumption, nutrition, and physical activity.

- **Core area 3 Community engagement:**

Working on projects that improve the quality of life in the communities where we operate.



# Alliance for Water Stewardship

How we

## Water Stewardship

To be more efficient

To be more sustainable

To be more productive

k

Fences out

To conserve our

## Millennium Water Alliance

the most disadvantaged

## Water Funds



BASIN



# A NEW SCOPE FOR CORPORATE SOCIAL RESPONSIBILITY (CSR)

How we make sure this happens

## WE WORK

**Fences in**

**Coca-Cola  
FEMSA**

**Fences out**

**Coca-Cola  
FEMSA**

**FEMSA  
Foundation**



# A NEW SCOPE FOR CORPORATE SOCIAL RESPONSIBILITY (CSR)



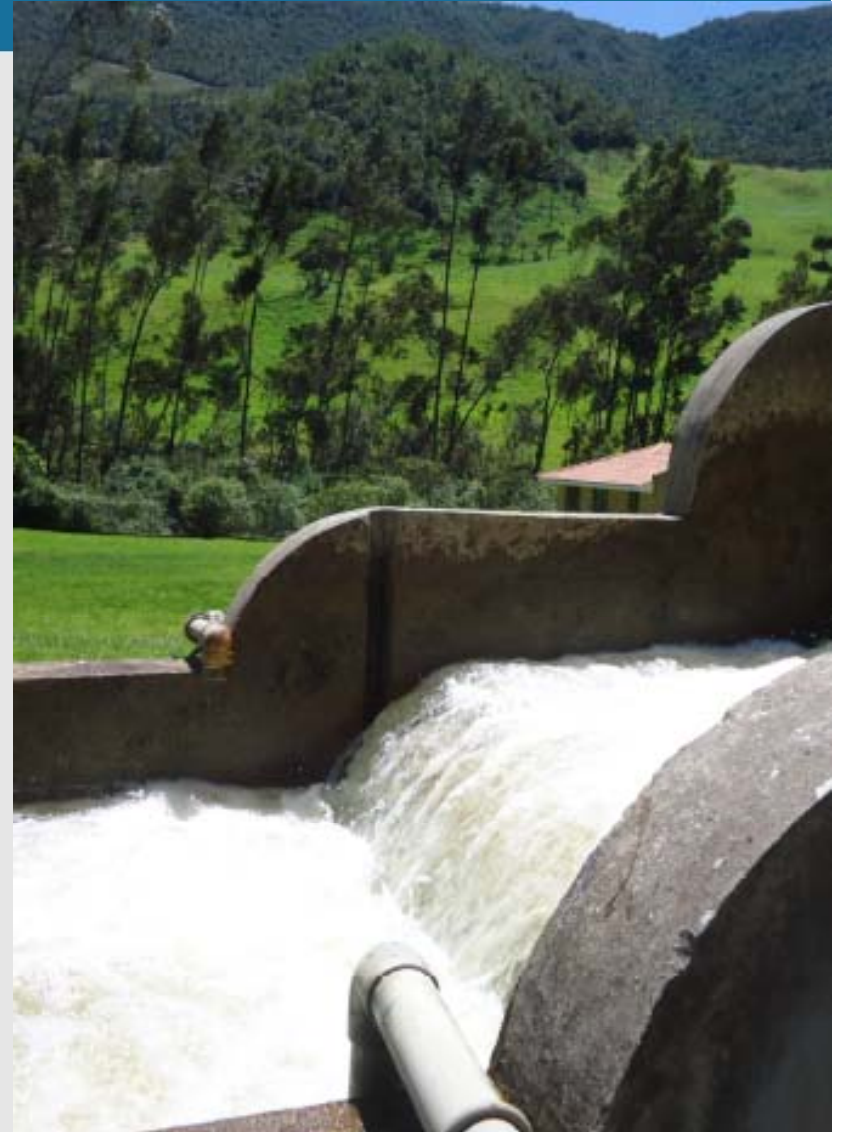
By being sustainable we:

- **AVOID COSTS.** E.g. By investing in our watersheds we can reduce costs related to water treatment, equipment malfunction due to water contamination, etc.
- **REDUCE REGULATORY, RESOURCE AND SOCIAL RISKS.** E.g. we avoid fines, suspensions, lawsuits due to over-exploitation of water, etc.
- **BUILD REPUTATION.** E.g. consumer preference, stakeholders support, etc.



# WATER CARE

- Water is critical for life, and is critical for our business.
- Optimizing water consumption in our company is a priority. We recognize that **water is critical** for our business, and we act accordingly. We have become a reference in the Coca-Cola System.
- For example, our plant in Toluca, Mexico, is the **most efficient plant** of the whole Coca-Cola system.
- Since 1992, we have invested **US\$39 million** in waste water treatment plants.



BASIN

# WATER CARE



- Our strategy for water care is to **Reduce, Recycle and Replenish** (the three R's) and base our actions and investments on these principles.
- We realize the **importance of water** for community development, protecting the ecosystem and developing our business.
- In order to **mitigate the risks** related to this important resource, we have joined the commitment acquired by the Coca-Cola system to perform plant-level risk assessments around each one of our beverage plants.

<http://www.coca-colacompany.com/stories/replenish>





# WATER REPLENISH

- **Goal: By 2020, safely return to nature and to communities an amount of water equal to what we use in our finished beverages and their production.**
- We have a role to play in helping the communities we rely upon. We know that to make a meaningful difference, we must focus our efforts beyond the confines of our own bottling plants.
- We work closely with our value chain, local communities, governments and nongovernment organizations to replenish water to nature and communities.



<http://www.coca-colacompany.com/stories/replenish>



# COCA-COLA FEMSA AND THE AWS



- In Europe, The Coca-Cola Company will certify 2 plants through the European Water Partnership (a board member of the AWS' round table).
- Coca-Cola FEMSA has been working for **3 years**, through our Foundation, in the AWS-Latin American initiative. We have developed **3 consultation forums** (Mexico, Colombia and Costa Rica), **5 workshops** (Chile, Mexico, Brazil, Ecuador, and Costa Rica), **5 pilot tests** (Chile, Mexico and Brazil) of the 1<sup>st</sup> draft of the Standard, and this week we started in Brazil the first field test of the Beta Version of the Standard.
- We are eager to participate in the AWS through pilot tests (initially in Latin America) and are open to work in the Philippines



# FINAL COMMENTS AND LESSONS

- **Coca-Cola FEMSA** is **strongly committed** to **sustainability**, and particularly with **water stewardship**.
- We strongly encourage you to use **available tools** to improve your water stewardship. There are several tools, and they complement each other. Use the one that suits your needs better.
- The **strengths** of the process, the **commitment** of serious, professional and international organizations, and the Beta Version of the Standard, make the International AWS' Standard a very interesting tool to **reduce risks related to water**.

The **AWS Standard** will be an **excellent instrument** for signaling to consumers and authorities about your **efficient water use** and your commitment to sustainable development.





# FINAL COMMENTS AND LESSONS

- Perhaps some time ago, water care was considered as a philanthropic issue. **Nowadays it is a strategic issue.**
- Water stewardship is not a luxury anymore, **it is a fundamental need.**
- We cannot be strategic if we don't measure our water risks, **and act accordingly to minimize those risks.**

**Join now!**

Take advantage of what has been built already.



# Thanks!

<http://femsafoundation.org/>

Contacts:



**AWS-LAC Coordinator**  
Ricardo Monsivais  
[rmonsivais@tnc.org](mailto:rmonsivais@tnc.org)



**FEMSA Foundation**  
Rodrigo Crespo  
[rodrigo.crespo@femsa.com.mx](mailto:rodrigo.crespo@femsa.com.mx)



**Coca-Cola FEMSA**  
Juan Carlos Domínguez  
[juanc.dominguez@kof.com.mx](mailto:juanc.dominguez@kof.com.mx)

