WATER FOOTPRINT LABELLING

WHY WWF BELIEVES COMPANIES SHOULD STEER CLEAR

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INTRODUCTION

On the surface the reason for labelling a product with 'water footprint' information is simple: Give consumers information about how much water (embedded water) it took to create a given product to empower them to choose between product A vs. product B to 'minimize (embedded) water use. But it's far more complex than that.

Credible methods (Water Footprint Network, ISO 14046, etc.) and databases exist and these can deliver, with a reasonable level of confidence, water footprint data for various agricultural (and even non-agricultural) commodities and products. Meaning it is feasible to attach water footprint information, or other product labels (e.g., certification such as AWS), to relatively simple products (i.e., an apple). However, attaching a water footprint label to more complex products (i.e., pancake mix) that are composed of multiple ingredients (many of which are sourced from global markets and opaque supply chains) is far more complicated and would change which every batch.

Simply because water footprint labelling *can* be done does not mean it *should* be done. WWF's strong recommendation to corporate partners is: don't do it.

WHY WATER FOOTPRINT LABELLING SHOULD BE AVOIDED

Water is a multi-dimensional, highly localised resource that is driven by supply and demand issues.

Multi-dimensional

Water footprinting is not just about the volume or quantity of water that is being used and aggravating water scarcity. Water is also a matter of quality, WASH (access to water, sanitation, and hygiene), water governance, freshwater ecosystems and flooding – all of which are part of the "water agenda" (as per SDG6 and Alliance for Water Stewardship outcomes).

Water footprint labelling has often focused narrowly on volume or quantity – effectively ignoring the other dimensions of water. Where methods have managed to convert dimensions like quality (e.g., WFN converts grey water/quality into a quantitative number of cubic meters of water impacted) presenting this complex (yet simplified information) to consumers is still confusing and still misses many dimensions of water.

Localised

Water quality and quantity (including both supply and demand) vary through time and space – meaning these dimensions of water are very localised and change constantly. So large water consumption is not necessarily problematic – only by placing this consumption in the context of where and when determines the impact of the consumption. For example:

• Water consumption in a given place can be problematic during certain months of the year but not in other months

• Large water consumption in one location (for a given month) can be non-problematic (e.g., in a water-abundant tropical rainforest, large water consumption may have zero impact) while in the same month small water consumption in another location can be problematic (e.g., in a water scarce region suffering from drought and high demand).

Simplifying water to 'more water use bad', 'less water use good' is highly misleading and unscientific because without the 'what/when/where', it's impossible to determine 'good' or 'bad'. Equally, using water is not inherently 'bad' because its use creates value – but capturing this is almost impossible.

Practically, using water footprinting on product labels to equip consumers to make more 'sustainable' choices means you are either:

1. Assuming consumers have sufficient awareness and knowledge about the complexities (multiple dimensions and localisation) of water to make an informed decision (almost none do!); or

2. Trying to simplify the complexities into a simple metric to help consumers decide but in the process unwittingly presenting the consumer with misleading information.

As a practical example: a consumer is presented with a choice of two apples with water footprint labels. One is from South Africa and the other is from the UK with the South African apple appearing to have a 'lower water footprint'. Logic would suggest that a consumer trying to make a more 'sustainable' choice would opt to buy the South African apple. However, the 'lower water footprint' is solely based on the use of 'efficient' drip irrigation with no allowance for the local context – South Africa's has a drier climate and higher water stress than the UK, which is wetter and where apples are unlikely to need artificial irrigation. With this additional information – a 'lower water footprint' may actually be the less 'sustainable' choice.

> "Pursuing water footprint product labelling is, at best, misleading and confusing to consumers and, at worst, a reputational liability for the company deploying it."

Such labelling has the potential to create perverse outcomes and could drive more impactful behaviour. This, in turn, leaves the company implementing such labelling with greater exposure to claims of greenwashing and reputational risks. If, in turn, a company were to try to incorporate the nuanced information relating to the multiple dimensions and locality of water into the label to give consumers a more accurate and meaningful picture of a product's true 'sustainability and 'good vs. bad' of its water footprint, it would likely overwhelm and confuse most consumers – who are just looking for a simple 'bad, better, best' answer.

Efforts to establish meaningful and 'accurate' water footprint labels for products will be costly and require large corporate resources. Both of which are distractions from what is really needed to create sustainable water systems – real watershed action. The concepts and some of the methods for water footprinting have been around for over 20 years, yet water footprinting labelling has not been adopted at scale by large companies. Why?

Put simply: pursuing water footprint product labelling is, at best, misleading and confusing to consumers and, at worst, a reputational liability for the company deploying it.

So what are the alternatives? While product labelling is complex under any circumstance, building on experiences with other credible sustainability standards (e.g., ISEAL Alliance standards in general), there are other potential pathways. Credible standards can help to address many of the challenges – from issues of traceability (addressed via chain-of-custody requirements) to context (addressed through deep understanding and stakeholder engagement at the local level), there are systems that can tackle these challenges. The Alliance for Water Stewardship has also explored product level labelling for 'simple' products (such as apples or grapes), not 'compound' products (such as pizzas or cell phones). Critical to this issue are the claims that are linked to product labels and, to that extent, WWF recommends reviewing and adhering to ISEAL's Sustainability Claims Good Practice Guide.

Ultimately the question that companies interested in labelling – be it water footprinting or other sustainability standards – need to ask themselves is "why"? If the rationale for labelling is consumer awareness, then there are many ways to tell the story of water. If the driver is investor pressure, then develop a stronger water strategy linked to opportunity and business growth. If it is about supply chain management, then consider other options to strengthen sites on water stewardship such as AWS. In our experience, rarely will labelling be the easiest, best approach, so consider all of your options before you proceed.

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