

Water risk in supply chains: a study of consumer attitudes

64% of the water we consume in the UK is sourced overseas through the embedded 'virtual water', or the water footprint of our food, clothes, and other consumables. Much of this water is used in developing countries where the associated jobs and export revenue are vital sources of economic and social development. However, because the regulatory systems to ensure sustainable and equitable water use are often weak in developing countries, the water used to support production for export markets can deplete and degrade local water resources and cause negative impacts for the environment, the poor and other water users.

Research by Water Witness International and others (e.g. Greenpeace) has shown how the water footprints of the developed world can have severe impacts in developing countries through pollution, overuse of water and creation of water conflict. These impacts are linked to a failure of existing market production standards, inadequate investment safeguards and an unmet demand for responsible water resource use in global supply chains. The Alliance for Water Stewardship has developed and launched an international water stewardship standard which will guide and reward the more responsible water use which we all need for a water secure future.

In July 2014 Water Witness International undertook a study to examine European consumer's attitudes, concerns and potential to advocate for improved equity and sustainability of water use in companies' supply chains. The study surveyed consumers and university procurement officers to gain insight into awareness and perceptions of water related issues and their likely actions in response to a better understanding and more information regarding the impacts of consumption patterns on water resource management issues. This document captures some of the high level findings from the work. These findings will be used to inform Water Witness International's next steps.

Methodology

The study was undertaken using a mixed methods research approach. Interviews were conducted with 81 German and UK consumers, a semi-structured online survey amongst UK higher education institutions' sustainability offices, a focus group meeting with six respondents as well as secondary data sources including case studies and underlying theories relevant for the report were used.

Key findings

Insights from Literature

Certification programmes focusing on environmental and social impacts in sourcing countries have emerged as effective tools in influencing business practices and responding to consumer preferences¹. The 2009 Circle of Blue and GlobeScan survey (32,000 people from 15 countries) found that the public's concerns about access to water and water pollution have outpaced concerns about global climate change.

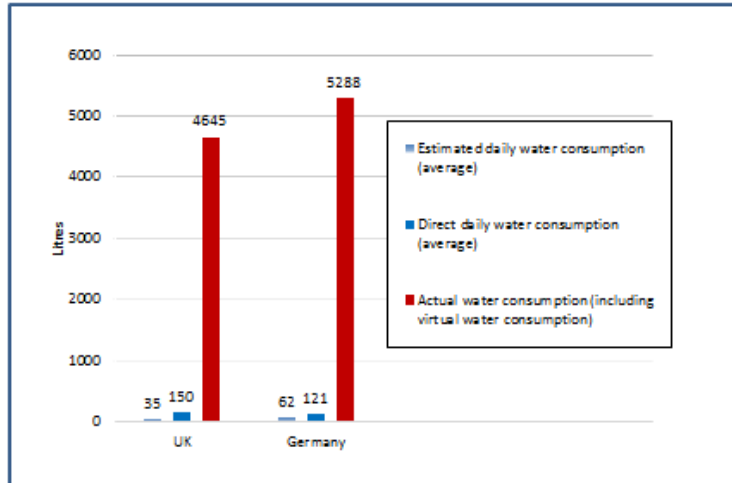


Figure 1: Perception and actual daily water consumption (Water Footprint Network)

Consumer Survey

A number of higher education institutions sustainability offices were interviewed as part of this work. 67% of those interviewed expressed low concern about the issue of water risks in supply chains. The majority of responding offices reported that this is due to the fact that there is currently not enough information available to make informed purchasing decisions.

The consumer questionnaire assessed perception of individual water use. The gap between the amount of perceived and actual water consumption was immense, especially when the virtual consumption is added. Figure 2 highlights the high interest consumers manifest regarding water risks. 66 % of respondents reported high or very high concern about water risks in supply chains.

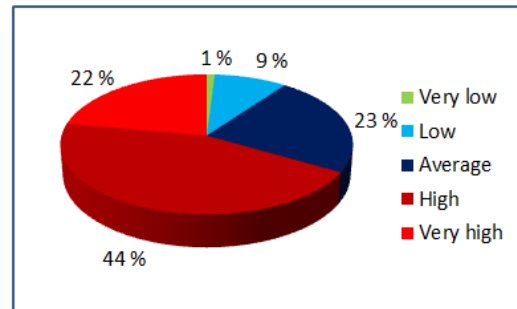


Figure 2: "To which level are water risks in supply chains of your concern?"

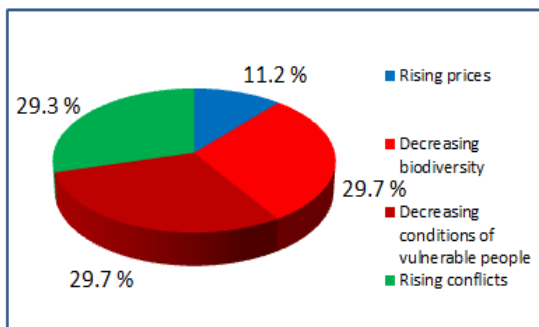


Figure 3: Consumers concerns about consequences of unsustainable water management – Rating of different issues

Regarding different consequences of unsustainable water management, consumers care less about decreasing availability or rising prices for products, whereas declining biodiversity, decreasing conditions of vulnerable people as well as rising conflicts were found to be more important to consumers.

¹ Richter, 2008

Asked about their preferences of communication, 94% of the interviewees expressed their preference for a label for good water resource management. A guarantee from supermarkets ranked second with 63% of the total votes.

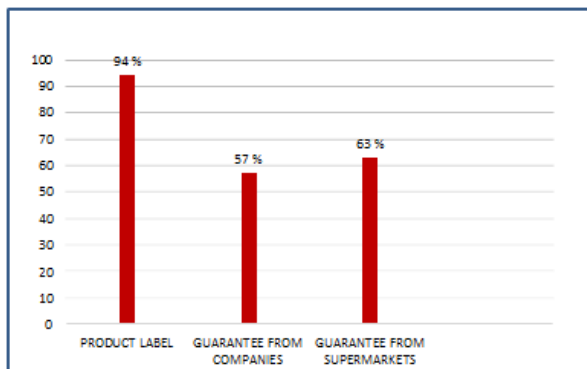


Figure 4: "How would you prefer to get information to enable you choices?" (multiple answers possible)

Conclusion

UK higher education sustainability offices are not prioritising water management, mainly because they lack information and guidance. This much needed information and guidance could be provided through the AWS standard. The consumer survey revealed that respondents are not aware of the actual water content of the goods they consume.

Consequently, there is a need for work to be done to raise awareness of virtual water consumption and its impacts in particular. Consumers are mostly concerned about negative environmental and social impacts of unsustainable water resource management. Decreasing availability and rising prices of products, due to unsustainable water management, are of lesser concern to consumers.

Furthermore, a uniform "water label" for products is highly demanded by consumers. With the AWS standard, the Alliance for Water Stewardship has created a scalable and global tool to create such a label and to enable consumers to make purchasing choices regarding water resource management issues. These choices would be a very powerful lever to change, as 84% of the interviewees are willing to pay a premium price (in average 21% more; Figure 5) for products with such a "water label".

Finally, 84 % of German and UK respondents were willing to spend more on products which are labelled as sourced through sustainable water management. Amongst these, consumers reported that they would pay a 21 % price premium for water-labelled products in average.

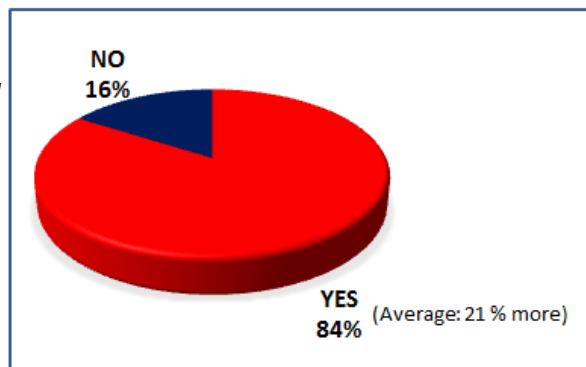


Figure 5: Would you be willing to pay more for products that are labelled as being produced under sustainable water management standards?

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Water Witness International is a charity registered in the UK which carries out research and advocacy, and takes action so that water resources are managed equitably and sustainably.

Front plate: Canada Water Week 2012 Logo

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