The corporate journey on water stewardship begins with implementing processes and activities to manage water within the company’s own operations, driven by compliance and risk mitigation. However, as companies gain a better understanding of the connections between their operations and water, the focus shifts from management to stewardship. A shift towards stewardship is often observed alongside a deepening of awareness and understanding of the environmental materiality of a company’s operations and the realisation that the more significant impacts and dependencies on water lie (deep) within a company’s supply chain (beyond Tier 1). Yet, as companies seek to apply the critically needed changes further from their direct purchasing to address their material environmental impacts and risks, their power/influence decreases, making implementation with Tier 3+ suppliers quite challenging (Figure 1).

**Figure 1:** Across a generic supply chain, a company’s Influence and Control is typically greater in lower tiers within the supply chain, while the Environmental Impacts are typically greater within higher tiers within the supply chain.
This leads to the question: “What mechanisms are available to companies to help them collaborate with others to advance water stewardship deeper within supply chains?”

To effectively collaborate with suppliers, companies can explore various pathways, such as:

- **Operational Enhancements**
- **Financial Activation**
- **Advocacy Engagement**
- **Industry Alignment**
- **Procurement Incentivisation**

These pathways aim to enhance suppliers’ practices, improve the operating environment, and standardize sectoral practices. Collaborating with suppliers on sustainability topics has multiple benefits, including process improvement, cost reduction, enhanced supplier loyalty, and increased resiliency. Companies can use various approaches, such as contractual incentives, benchmarking, training programs, and best practice guidance, to encourage supplier participation in sustainability initiatives.

Overall, there is no one-size-fits-all approach to supplier collaboration, and companies should have a menu of different collaboration pathways to choose from based on their unique context and goals. This guide will provide a menu of possible collaboration pathways (presented in table format) along with recommendations as to where they could be deployed within a supply chain and the potential benefits for water resources, the company and suppliers. In combination, these pathways are intended to help a company begin to identify the most effective and appropriate approach to collaborate with suppliers based on their unique business model.

This guide is current under review which will close on 25 August 2023. The guide is due to be released publicly in October 2023.

If you are interested in commenting on the document, please contact: Rylan.Dobson@WWF.de