The CSRD-PWI Crosswalk

A STEWARDSHIP JOURNEY TO REPORTING AND POSITIVE WATER IMPACT

UN GLOBAL COMPACT CEO WATER MANDATE | WATER RESILIENCE COALITION

Anthesis

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All the views expressed in this publication are those of the authors. For more information and resources relevant to Positive Water Impact (PWI), please visit the project page. This is a living document that will be updated periodically to reflect the evolution of both the CSRD directive and the PWI framework.

This white paper is based on the CSRD as of (October 2025). It is intended as a foundational guide to the alignment between CSRD disclosures and the PWI framework, and will be updated as CSRD evolves under the Omnibus Simplification Package. This is a living document.

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Abbreviations

AWS	Alliance for Water Stewardship
CSRD	Corporate Sustainability Reporting Directive
CSDDD	Corporate Sustainability Due Diligence Directive
EFRAG	European Financial Reporting Advisory Group
ESG	Environmental, Social and Governance
ESRS	European Sustainability Reporting Standards
EU	European Union
PWI	Positive Water Impact
SBTN	Science-Based Targets for Nature
TNFD	Taskforce on Nature-Related Financial Disclosures

Executive Summary

Mounting water stress, intensified by climate change, poses a critical and growing risk to business and ecosystems, elevating corporate water stewardship from a voluntary effort to a strategic imperative. Many companies are exposed to both regulatory reporting requirements like the Corporate Sustainability Reporting Directive (CSRD) from the European Union, and a growing set of voluntary water stewardship frameworks, such as the Positive Water Impact (PWI) guidance from the CEO Water Mandate and Water Resilience Coalition. This paper demonstrates that CSRD and PWI are complementary, showing how a robust, regulatory disclosure framework can help drive meaningful water-positive actions across sites, basins and value chains.

The CSRD establishes a regulatory framework for corporate water stewardship by requiring companies to disclose material water-related impacts, risks and opportunities across their operations and value chains. The PWI guidance offers a step-by-step framework to help companies identify and implement strategic, evidence-based actions that manage water risks in their operations and contribute positively to the health of the watersheds they rely upon. The PWI vision shifts the corporate water narrative from risk mitigation to resilience building.

This crosswalk assessment reveals a strong alignment between CSRD disclosure requirements and PWI's core principles. The processes required for CSRD, such as identifying and prioritizing water-related risks and opportunities, evaluating water impacts of operations and integrating water considerations into core business strategies, are essential building blocks of the PWI journey. Thus, companies do not need to build their PWI efforts from scratch. The rigor of CSRD increases the impetus to ensure that the appropriate data, governance structures and accountability mechanisms are in place, creating a solid foundation from which to scale towards a positive water future.

This report is structured as follows:

1. **Presenting the Frameworks:** The core components of CSRD (and its European Sustainability Reporting Standards - ESRS) and the PWI framework are introduced.
2. **Alignment between CSRD and PWI:** The overlaps (from overarching principles to a step-by-step crosswalk of ESRS requirements against PWI's implementation steps) are presented. This section also outlines the pathways for leveraging the two frameworks in tandem.
3. **Gaps, Challenges and Differences:** Discussions are offered on where the frameworks diverge in scope and approach.
4. **Concluding Remarks:** Summaries are presented showing how integrating PWI principles with CSRD compliance can transform a regulatory obligation into a competitive advantage.

This paper demonstrates that by viewing CSRD not as a mandatory reporting requirement but as a foundation for resilience building, and PWI not as another voluntary framework but as a strategic vision for corporate water stewardship, companies can efficiently align compliance with leadership. By linking the "what" of CSRD with the "how" of PWI, this assessment empowers companies to turn regulatory pressure into strategic progress and tangible positive water impact.

This paper compares the PWI version from 2024 with the 2023 version of CSRD, as interpreted prior to the Omnibus updates in late 2025/early 2026. Future updates to this crosswalk paper will follow PWI and CSRD revisions.

PRESENTING THE FRAMEWORKS

CORPORATE SUSTAINABILITY REPORTING DIRECTIVE

The Corporate Sustainability Reporting Directive (CSRD) is a piece of legislation introduced by the European Union to enhance corporate transparency regarding environmental, social and governance (ESG) matters. The CSRD builds upon the previous Non-Financial Reporting Directive and aims to ensure that companies disclose relevant sustainability information in a structured, consistent and comparable manner. This initiative reflects a growing recognition of the importance of sustainable business practices and the need for stakeholders, including investors, consumers and regulators, to understand the broader impacts of corporate operations on society and the environment.

A key feature of the CSRD is the requirement to conduct a double materiality assessment. Companies must assess both how sustainability issues impact their financial performance and how their operations impact people and the environment. If an issue, such as water, is deemed material, companies must report against the corresponding disclosure requirements in the European Sustainability Reporting Standards (ESRS). This includes providing information on policies, actions, targets, stakeholder engagement and performance metrics related to water management and stewardship.

In November 2024, proposals were raised to revise and consolidate current sustainability directives into one Omnibus (the Omnibus Simplification Package) to reduce the regulatory burden for companies. The European Financial Reporting Advisory Group (EFRAG) has been tasked with the revision. The EFRAG is to complete all technical advice by the end of 2025 and then changes need to be signed as part of the EU legislative process (European Financial Reporting Advisory Group [EFRAG], 2025). It is envisaged that companies will be able to apply the revised standards for the 2027 financial year. Until then, the 2023 version applies.

There are several objectives under CSRD. These include:

- **Enhancing transparency:** Ensure that companies provide clear and comprehensive sustainability reports to stakeholders.
- **Standardizing reporting:** Establish common standards (the European Sustainability Reporting Standards - ESRS) to enable comparability across companies and industries.
- **Improving accountability:** Hold companies accountable for their sustainability impacts and encourage responsible business practices.
- **Promoting sustainable finance:** Facilitate investment in sustainable enterprises by providing investors with the information they need to make informed decisions.

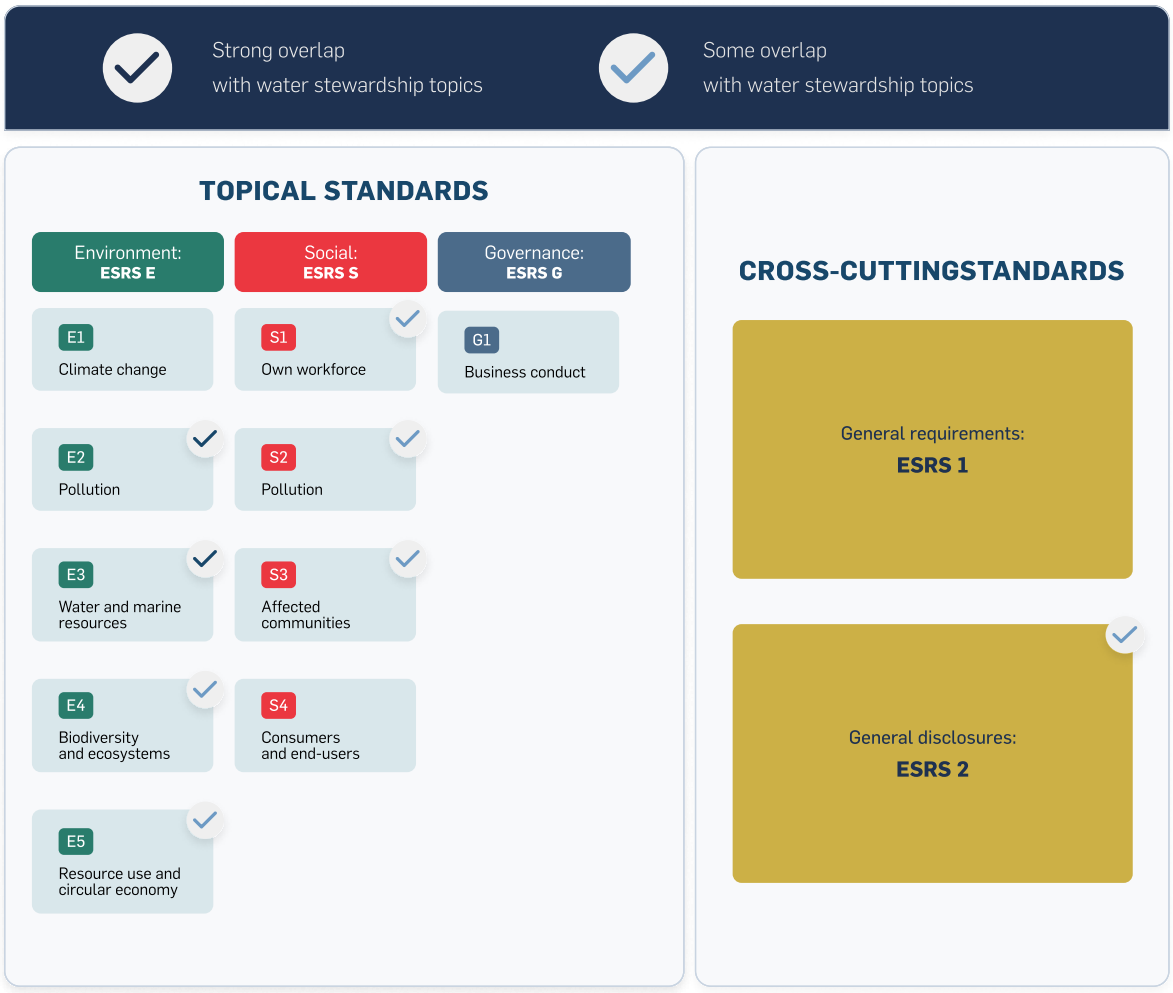
EUROPEAN SUSTAINABILITY REPORTING STANDARDS

The European Sustainability Reporting Standards (ESRS) provide the technical specifications for mandatory disclosures under the CSRD. Developed in parallel with the CSRD, the ESRS establishes consistent reporting expectations across ESG topics. The ESRS include two foundational standards (ESRS 1 and ESRS 2) that apply to all reporting, plus 10 specific topical standards covering Environment (E1 to E5), Social (S1 to S4) and Governance (G1).

Overlap between the European Sustainability Reporting Standards and water-related topics

Among the 12 standards of the ESRS, this paper focuses on those with the most direct relevance to water stewardship and overlap with PWI, as depicted in Figure 1. The strongest overlap of ESRS standards with water stewardship topics is in E2 (Pollution) and E3 (Water and Marine Resources). Water-related disclosures also appear in other standards of the ESRS due to interconnected sustainability issues. For example, ESRS E4 (Biodiversity and Ecosystems) can include aquatic ecosystems, while ESRS E5 (Resource Use and Circular Economy) has explicit overlaps with water topics such as water recycling and reuse.

FIGURE 1: CSRD STANDARD STRUCTURE (2023) AND OVERLAPS WITH WATER STEWARDSHIP TOPICS



Water and access to water, sanitation and hygiene (WASH) service issues are addressed explicitly and implicitly as part of the three Social standards ESRS S1 (Own Workforce), S2 (Workers in the Value Chain) and S3 (Affected Communities) (WaterAid, 2025). Some components of ESRS 2 (General Disclosures) also overlap with PWI content, such as the section "IRO-1 - *Description of the process to identify and assess material impacts, risks and opportunities*," and repeated requirements to consult with affected communities. This directly aligns with stakeholder engagement and collective action – a well-recognized component of water stewardship (Various Organizations, 2024) and consequently components of PWI.

POSITIVE WATER IMPACT

Positive Water Impact (PWI) is a leadership vision set at the enterprise level and is available to any company, across any sector, industry or geography. It aims to ensure that the water user's contributions towards a healthy basin exceed their impacts, especially in water-stressed basins. It requires long-term commitment and input towards quantifiable outcomes. The PWI framework was developed by the CEO Water Mandate, a special initiative of the UN Secretary-General and the UN Global Compact, carried out in partnership with the Pacific Institute and the Water Resilience Coalition. Launched in 2007, the Mandate is a CEO-led platform that brings together business leaders to address global water challenges collaboratively.

As part of PWI, companies seek to address **three dimensions of water stress:**

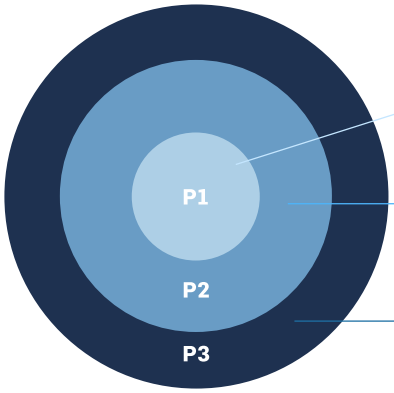
Water availability: The objective of this dimension is for companies to reduce the volume of water withdrawn within the basin over time (volume per unit of time).

Water quality: The objective of this dimension is to reduce (and ultimately avoid adding) pollutant load at the site, downstream and in the basin (percentage or total pollutant load reduction in mass or volume per unit of time).

Water accessibility: The objective of this dimension is to improve access to WASH services that are physically accessible at work, within or near the employee's household and for the population in the overall basin (percentage of people with safely managed and climate-resilient WASH services).

PWI has three distinct "Pillars" that define the scale at which PWI is being addressed. Each Pillar addresses the three dimensions of water stress across different scales. The PWI framework is structured around these, each defining a different scale of water stewardship. Pillar 1 focuses on the immediate site and its premises; Pillar 2 addresses the surrounding sub-basin level and Pillar 3 encompasses stakeholder engagement and collective action in the broader basin area beyond the scope of Pillars 1 and 2 (Figure 2). Together, these Pillars systematically tackle the three dimensions of water stress across varying geographical scales.

FIGURE 2: SPATIAL DELINEATION OF THE THREE PWI PILLARS



Pillar 1: Site level

The property in which all operations occur. Examples can be a farm, a factory, a complex or campus with multiple buildings.

Pillar 2: Site to sub-basin level

Includes company site premises and/or areas (e.g. wetlands, rivers) within the vicinity of the site at the sub-basin level. It should span the majority of employee households to address accessibility.

Pillar 3: Sub-basin/basin level

The property in which all operations occur. Examples can be a farm, a factory, a complex or campus with multiple buildings.

Implementing PWI involves five main steps (Figure 3), beginning with raising awareness and setting goals for PWI at the company level. This is followed by assessment, action and tracking progress and results at both the site and basin levels. These steps are flexible rather than fixed, allowing companies to adapt the process to their unique contexts. Depending upon available resources and specific goals, steps may also be undertaken simultaneously.

FIGURE 3: FIVE STEPS FOR PWI IMPLEMENTATION

STEPS AT A COMPANY LEVEL ← → **STEPS AT A SITE AND BASIN LEVEL**

Step 1 Awareness	Step 2 Ambition	Step 3 Assessment	Step 4 Action	Step 5 Measurement
1. Understand PWI 2. Integrate PWI into company business goals and priorities.	1. Identify list of sites in water-stressed basins. 2. Prioritize where and when to achieve PWI across company sites.	1. For each site and its basin, develop a baseline/benchmark assessment. 2. For each site and its basin, translate PWI requirements into own objectives and targets.	1. For each site and its basin, identify opportunities and prioritize activities. 2. Establish and secure inputs needed for financing and partnerships. 3. Implement activities.	1. For each site and basin, build a monitoring and evaluation plan. 2. Analyze and evaluate outputs and outcomes with recommended indicators. 3. Report and communicate outputs and outcomes. 4. Learn, improve and adapt over time.

(Source: Brill et al., 2024)

ALIGNMENT BETWEEN CSRD AND PWI

This section presents the key areas of alignment between CSRD and PWI from high-level principles to detailed requirements. These connection points are useful to corporates and practitioners looking for entry points to implement both frameworks.

OVERARCHING AREAS OF ALIGNMENT

PWI and CSRD share several common principles that support robust and transparent water stewardship:

- **Quantitative reporting:** Both frameworks require data on water consumption and may report on additional water aspects such as withdrawals and discharges.
- **Risk-based approach:** Each emphasizes the importance of assessing water-related risks at the basin level, particularly in water-stressed regions, to inform strategic decision-making. PWI's baseline and benchmark assessments (Step 3) align with CSRD's screening of risks and opportunities.
- **Policies and governance:** PWI's focus on water availability (quantity), quality and accessibility complements the CSRD's requirement to disclose water management policies (impacting water quantity and quality and affecting communities and their water access), pollution prevention strategies (water quality) and product/service design considerations (which can touch upon water quantity and quality).
- **Targets:** Both call for the setting of meaningful water-related targets and implementation of action plans.
- **Collective action:** PWI's emphasis on collective action in priority basins (Pillar 3) mirrors CSRD's expectation to engage in collective water stewardship with affected communities (S3).

HIGH-LEVEL ALIGNMENT OF ESRS WITH PWI

To illustrate the degree of alignment between CSRD and the PWI framework, each relevant ESRS requirement has been qualitatively assessed using a three-tiered rating scale. Only those requirements demonstrating direct or indirect thematic overlap are included in the following analysis. Steps without any discernible alignment have been excluded from all crosswalk tables in this paper.

The degree of alignment for these overlapping requirements has been assessed using the following three-tiered rating scale:

- Strong alignment
- Moderate alignment
- Indirect alignment

STRONG ALIGNMENT = ★★★

The ESRS standard addresses one or more PWI sub-steps directly.

- Strong alignment is identified where the ESRS guidance explicitly supports or reinforces PWI requirements. This includes language indicating required actions (e.g., "record," "measure," "implement") that clearly correspond with PWI steps.
- In such cases, the ESRS standard contributes directly to the achievement of key PWI objectives and may fulfil a substantial portion of the associated guidance.

MODERATE ALIGNMENT = ★★

The ESRS standard partially addresses one or more PWI sub-steps.

- Moderate alignment is typically observed when the ESRS standard covers a topic from a different perspective or with a different intent than PWI. For instance, the ESRS often emphasizes "disclosure" (e.g., starting clauses with "disclose..."), whereas PWI is more action-oriented (e.g., "record" or "implement").
- In such cases, the ESRS supports the communication of relevant information, while PWI focuses on the operational execution of that same activity. Partial alignment is noted in such cases, and it is important to note that all PWI disclosures are voluntary.
- Additionally, ESRS topics that span multiple domains (e.g., marine and freshwater systems) may only partially align with PWI steps that are narrower in scope (e.g., focused solely on freshwater management).

INDIRECT ALIGNMENT = ★

The ESRS standard addresses the PWI step indirectly.

- Alignment is considered indirect when the ESRS requirements may be applicable under specific conditions or contextual interpretations. This is particularly common in Social standards S1–S3, as well as Environmental standards E4 and E5, where the ESRS addresses a broad array of topics.
- For example, this can involve mention of health and safety in the ESRS, which includes WASH (Water, Sanitation and Hygiene), even if it is not explicitly mentioned. Another example is the restoration of wetlands, which may benefit aquatic biodiversity (E4), but may also contribute to improved water quality.
- Indirect alignment also includes instances where content generated through ESRS-related activities could enhance or support the PWI step without directly fulfilling its formal requirements. This is often observed in the early baseline information-gathering phases, where employee or stakeholder data collected for disclosure under the ESRS can enrich the PWI baseline.

TABLE 1: OVERALL PERCENTAGE ALIGNMENT OF WATER-RELATED ESRS REQUIREMENTS WITH PWI GUIDANCE

ESRS Standard	PWI dimension	Strong alignment ★★★	Moderate alignment ★★	Indirect alignment ★	Not aligned
ESRS 2	Pillar 3	0%	19%	2%	79%
E2 Pollution	Quality	26%	37%	15%	22%
E3	Availability	17%	52%	10%	21%
E4	Quality	1%	2%	17%	80%
E5	Availability	2%	12%	7%	79%
S1	Accessibility	0%	7%	7%	86%
S2	Accessibility	0%	0%	21%	79%
S3	Accessibility & Pillar 3	3%	26%	11%	60%

On the topic of water, there is a good amount of overlap between PWI and ESRS. The most direct alignment between PWI Water Quality is in ESRS standard E2 (Pollution) (26% strong and 37% moderate alignment). PWI Water Availability has strong alignment in E3 (Water and Marine Resources) (17% strong and 52% moderate alignment). There is notable overlap in PWI Water Accessibility and all collective action under Pillar 3 and the ESRS sub-standard S3 (Affected communities) (3% strong and 26% moderate alignment). The collective action component for PWI Pillar 3 also overlaps in part with ESRS 2 (General) (19% moderate alignment). The other sub-standards all show some indirect or partial alignment. E4 (Biodiversity and Ecosystems) aligns more indirectly (17% indirect) with components of the PWI Water Quality dimension, E5 (Resource Use and Circular Economy) (12% moderate and 7% indirect) with PWI Water Availability under Pillar 1. Large proportions of the 12 ESRS sub-standards, including the eight listed in Table 1, have a wider scope and speak to a variety of sustainability and environmental components that are unrelated to water. This explains the limited overlap shown in Table 1.

Detailed Crosswalk: PWI Steps and ESRS Requirements

This section examines the alignment between the ESRS (as part of the CSRD requirements) and the PWI's five implementation steps. In the CSRD and its associated 12 ESRS two important and recurring concepts are Disclosure Requirements (DR) and Application Requirements (AR). Both DRs and ARs feature throughout all standards as numbered points. DRs specify **what** information a company must disclose. ARs explain **how** to prepare and present the required information. As part of the detailed crosswalk, both DR and AR and their sub-points for each water-related standard are counted in the tables below. Table 2 provides a summary overview of how many ESRS requirements (DR and AR) of each standard align with one or more of the five PWI steps. When DRs and ARs overlap with multiple steps, they are counted separately under each step.

TABLE 2: NUMBER OF ESRS REQUIREMENTS (DR AND AR) IN EACH WATER-RELATED STANDARD THAT ALIGN WITH THE FIVE PWI STEPS

	PWI				
	Step 1: Awareness	**Step 2: Ambition**	**Step 3: Assessment**	**Step 4: Action**	**Step 5: Measurement**
ESRS 2	4	6	33	9	21
E2	8	3	28	9	26
E3	12	10	39	14	11
E4	5	9	16	6	4
E5	2	0	13	3	8
S1	1	0	25	6	7
S2	2	0	11	8	11
S3	2	0	21	22	26
Sum	**36**	**28**	**186**	**77**	**114**

Overall, the biggest overlap with the ESRS is found in PWI's *Step 3: Assessment and Step 5: Measurement*. That is due to the themes of defining impacts, risks and opportunities, understanding baseline conditions (Step 3) and a strong mutual focus on target setting and monitoring progress (Step 5). There is also significant overlap with ESRS requirements and Step 4: Act, although the requirements of the ESRS focus more on disclosing any actions, while PWI directly encourages action. Some of the risk assessment requirements of ESRS also speak to Step 2 of PWI, especially around risk mapping, while some policy-related points also find some level of application in PWI Step 1 (integrate PWI into business goals and priorities). A detailed breakdown for each DR and AR point per standard, across the five PWI steps, and their level of alignment can be found in the Appendix.

STRATEGIC PATHWAYS: LEVERAGING CSRD AND PWI IN TANDEM

The alignment between CSRD and PWI is not merely theoretical; it creates practical, strategic pathways for implementation. Companies can enter this cycle from either direction, using compliance to build a foundation for leadership or using a leadership vision to simplify and enhance compliance. The following sections explore these two complementary pathways.

PATHWAY 1: USING CSRD AS A FOUNDATION FOR PWI LEADERSHIP

This pathway has CSRD as the entry point, contributing to meeting the requirements for PWI. There are five considerations under this pathway:

1. Enhancing the credibility of PWI

CSRD enhances the credibility of PWI by aligning the core principles of the PWI methodology into a standardized regulatory framework. While PWI is voluntary and focused on achieving positive impact in water-stressed basins, CSRD mandates disclosure of water-related targets, risks and performance, validating key PWI approaches. To achieve these disclosures, CSRD requires transparency around water consumption, policies, targets and impacts in areas deemed material through a double materiality assessment. This drives companies towards PWI-aligned practices like context-based risk assessments, data collection and performance tracking.

2. Aligning PWI goals with science-based and contextual target-setting approaches

PWI supports flexible water target setting, whether contextual, basin-specific or enterprise-wide, while grounding this flexibility in a structured baseline assessment that considers local ecological conditions. It emphasizes alignment with biophysical realities, making it compatible with science-based frameworks like the Science-Based Targets for Nature (SBTN), particularly in addressing material impacts covered

under Pillar 3. The CSRD also promotes scientific rigor by requiring disclosure of how water targets are defined in relation to environmental boundaries. While PWI encourages a context-specific approach that reflects local challenges and stakeholder priorities, it does not mandate the use of science-based targets, allowing organizations to choose the most appropriate method based on their unique context.

3. Building the business case for PWI investments through financial risk disclosure

CSRD mandates quantification of financial risks and opportunities tied to water impacts, enabling companies to frame PWI-aligned projects as strategic investments rather than operational costs. PWI-aligned interventions, whether implemented within company operations (e.g., process efficiency, reuse or pollution reduction) or at the basin level (e.g., watershed restoration or stakeholder collaboration), can be positioned as strategic responses to shared water risks such as drought, regulatory changes and resource constraints. Additionally, companies can use CSRD-compliant reports to highlight how PWI-aligned initiatives unlock long-term value such as securing water rights or reducing procurement costs. CSRD enhances the business case for PWI by linking water stewardship efforts to tangible financial outcomes, making investments in water stewardship improvements and projects more compelling for CFOs and ESG-focused investors.

4. Futureproofing corporate strategy with PWI and CSRD

The regulatory landscape is dynamic, as evidenced by the ongoing review of the CSRD, EU Taxonomy[1] and the Corporate Sustainability Due Diligence Directive (CSDDD) under the EU's Omnibus. While specific reporting requirements may shift, the foundational principles of robust sustainability reporting are becoming standardized globally. CSRD aligns well with leading nature frameworks like the Taskforce on Nature-Related Financial Disclosure (TNFD) and SBTN. Similarly, basin health metrics under PWI align with criteria for sustainable water use defined by the EU Taxonomy Regulation, providing consistency across metrics reporting.

Therefore, by using the CSRD as a catalyst to build the data and governance systems needed for PWI, a company is doing more than just complying with a single directive. It is building an integrated, principles-based water strategy that is resilient to regulatory changes. This approach enables companies to streamline reporting and demonstrate leadership, turning compliance into a durable competitive advantage.

5. Establishing a foundation for water stewardship leadership

CSRD enhances the credibility of PWI by aligning its principles into a standardized regulatory framework that prioritizes transparency, scientific rigor and financial accountability. By aligning PWI goals with CSRD requirements, such as measurable targets and financial risk disclosure, companies can transform voluntary water stewardship initiatives into credible strategies that drive resilience, stakeholder trust and long-term value creation.

[1] The EU Taxonomy Regulation is a legal framework that establishes the EU Taxonomy for Sustainable Activities, a classification system for environmentally sustainable economic activities. Its purpose is to create a common language for investors, companies and policymakers to guide investment towards activities that support the EU's climate and environmental goals, such as climate change mitigation and adaptation.

PATHWAY 2: USING PWI TO SIMPLIFY AND ENHANCE CSRD COMPLIANCE

This pathway has PWI as the entry point, contributing to meeting the disclosure requirements of CSRD. Again, there are five considerations under this pathway:

1. Prioritizing basin-level risk for targeted reporting

CSRD mandates the identification of material water risks but does not specify how companies should prioritize their efforts across water-stressed basins. PWI's basin-prioritization steps fill this gap by outlining how companies can systematically identify high-risk areas based upon water stress levels and dependency factors. This targeted approach ensures that CSRD disclosures focus on critical regions where corporate activities have significant environmental and social impacts, enhancing the credibility and relevance of sustainability reports.

2. Driving leadership in corporate water stewardship

Beyond compliance, PWI empowers companies to position themselves as leaders in water stewardship. While CSRD focuses primarily on risk, impact and opportunity disclosure, PWI encourages proactive engagement through collaborative basin restoration projects and investments in sustainable water management practices in direct operations. These actions not only mitigate shared risks but also demonstrate corporate leadership in addressing global water challenges, an increasingly crucial factor for ESG-focused investors.

3. Enhancing transparency and accountability

PWI strengthens CSRD reporting by providing standardized metrics and methodologies for measuring water impacts across sites and basins. For example:

- **Quantifiable metrics:** Implementing PWI encourages tracking total water withdrawal and consumption, recycled/reused volumes and basin-level improvements—metrics directly aligned with CSRD's ESRS E3 requirements and recommendations.
- **Alignment with SDG 6 (ensuring sustainable water management):** By explicitly linking outcomes to SDG 6, PWI contextualizes CSRD disclosures within global sustainability frameworks, enhancing stakeholder trust.

4. Overcoming implementation challenges

CSRD's reporting standards can pose challenges for companies with limited data collection systems or immature sustainability programs. PWI simplifies compliance through its phased approach:

- **Starting with site-level metrics** to establish baseline data on water use and pollution.
- **Scaling efforts to basin-level** interventions that address systemic risks in high-water-stress regions and continue to monitor and report on key metrics and outcomes.

This structured methodology reduces complexity while ensuring resources are allocated efficiently to areas with the highest environmental impact. Collecting that data, which is ultimately reported in CSRD, is an essential step in achieving PWI.

5. Futureproofing against emerging regulation

The regulatory landscape is dynamic, as evidenced by the ongoing review of the CSRD, EU Taxonomy Regulation and CSDDD under the EU's Omnibus. While specific reporting requirements may shift, the foundational principles of robust sustainability reporting are becoming standardized globally. In this context, pursuing PWI strategically prepares a company for this evolving future, such as by embedding water efficiency into operations, encouraging investments in basin health to strengthen supply chain resilience and aligning with complementary regulatory and voluntary frameworks. Other leading frameworks in the water stewardship space include SBTN, the TNFD and the Alliance of Water Stewardship (AWS).

DIFFERENCES, GAPS AND CHALLENGES

A complete understanding of the CSRD-PWI relationship requires acknowledging not only their synergies but also their distinctions. Recognizing these differences is crucial for companies to navigate both frameworks effectively without duplication of effort and misalignment of goals. While the CSRD is a disclosure-focused directive, PWI is a vision-driven framework for corporate water stewardship. CSRD mandates standardized reporting on sustainability impacts, including water, whereas PWI guides companies through a flexible process aimed at driving tangible, basin-level water impact on water availability, quality and accessibility. The differences, gaps and challenges between CSRD and PWI are each noted in a separate section below, followed by a list of future opportunities.

DIFFERENCES

The key differences between CSRD and PWI include:

- **Focus and function:**

  CSRD is a legally binding framework under EU law, requiring mandatory, standardized public disclosures, including governance structures and accountability mechanisms, to ensure transparency and comparability. In contrast, PWI emphasizes practical action over formal reporting, offering a voluntary, modular framework focused on internal progress tracking. While governance disclosure is recommended, all disclosures under PWI are optional and primarily intended for internal audiences, such as the C-suite.

- **Language and accessibility:**

  PWI uses practical, business-oriented language, aiding cross-departmental collaboration. In contrast, CSRD uses more technical regulatory language, which may be harder for internal teams to navigate.

- **Action vs. reporting:**

PWI is goal-oriented, promoting interventions that address specific water challenges, but it does not mandate public disclosure or standardized reporting. CSRD focuses on reporting performance rather than mandating specific outcomes, although it does require disclosure of actions taken.

- **Scope of guidance:**

CSRD provides comprehensive coverage across the entire value chain, including direct operations, supply chain impacts and product use. PWI is currently focused on site-level application in direct operations. It is adaptable to broader value chain use and encourages upstream and downstream engagement. Guidance for full value chain implementation is still under development.

- **Scope of impact areas:**

The CSRD standards address a wide range of environmental and social issues, with freshwater topics integrated into eight of the 12 standards. In contrast, PWI is exclusively focused on water, examining three key dimensions of water stress: quality, quantity and access within direct operations.

- **Financial disclosure:**

CSRD requires companies to quantify water-related risks, costs and opportunities across short-, medium- and long-term timeframes. In contrast, PWI has no financial reporting obligations, emphasizing social, economic and environmental outcomes over monetary impacts.

- **Water access and risk:**

Water accessibility is explicit in PWI but less emphasized in CSRD. CSRD's value chain reporting (ESRS E2 and S3) do cover WASH components for affected communities and workers directly and indirectly.

- **Evidence of action:**

CSRD does not consistently require proof of implementation. PWI centers on documenting and driving real-world outcomes, emphasizing implementation and adaptive management.

- **Target setting:**

Target setting under the CSRD may align with frameworks like the EU Water Framework Directive, ecological thresholds and SBTN. In PWI, targets are primarily driven by corporate water risk and developed in collaboration with basin stakeholders, while alignment with ecological thresholds and SBTN remains optional.

GAPS

There are also existing gaps and areas where only partial alignment exists, which are:

- **Implementation gaps:**

PWI's Step 4, focused on implementing basin-level interventions, is only loosely reflected in CSRD's performance disclosures. More direct-action requirements are covered under the CSDDD, which is beyond the scope of this paper.

- **Stakeholder engagement**

Both CSRD and PWI emphasize the importance of stakeholder engagement, but their focus differs. CSRD requires broad, structured engagement across the value chain, including those affected by operations—past, present or future—as outlined in ESRS 2 (IRO-1) and ESRS S3. It mandates detailed reporting on the engagement process, responsibilities and outcomes, with a strong focus on identifying and addressing impacts. In contrast, PWI centers stakeholder engagement at the basin level, highlighting collective action, trust-building and joint target-setting as part of Pillar 3. While impact alleviation can also appear under Pillar 2, PWI allows flexibility in how engagement is applied, prioritizing local collaboration over standardized disclosure.

- **Science-based targets**

Both encourage science-based target-setting, but neither mandates a specific methodology. CSRD references ecological thresholds, and PWI allows flexibility—potentially leading to inconsistent approaches across companies.

- **CSRD materiality approach:**

For CSRD, companies focus on locations with both significant water impact and business importance, including areas with high sourcing volumes, critical supply partnerships or essential operations. This may include lower water-risk locations that are financially material while excluding higher-risk areas lacking business relevance. PWI places emphasis on water risk first and foremost but allows for some level of complexity in the site prioritization process.

- **Reporting requirements:**

CSRD mandates detailed, audited reporting of water inventories—including withdrawals, discharges and consumption—along with intensity metrics such as water use per unit of revenue. In PWI, data collection and measurement are integral to Steps 2 through 5 of the process. While third-party verification is encouraged for public claims, there are no requirements for intensity metrics.

CHALLENGES

Finally, there are a couple of challenges to integration, including:

- **Operational readiness:**

  CSRD's detailed disclosures can challenge companies lacking mature water data systems. PWI's phased implementation is more adaptable but still resource-intensive when combined with CSRD compliance.

- **Recognition and interoperability:**

  PWI is not formally recognized in CSRD's ESRS E3, unlike frameworks such as SBTN. This lack of formal alignment can lead to duplicated effort and uncertainty in meeting regulatory expectations.

FUTURE OPPORTUNITIES

While these gaps and challenges currently limit alignment, they are navigable through a strategic, integrated approach that uses CSRD and PWI in tandem. In this way, the compliance foundation of CSRD can be directly leveraged as a launchpad for the leadership vision of PWI.

- **Align target setting:** To overcome target-setting variability, adopting respected methodologies like SBTN can add scientific credibility to PWI targets, satisfying CSRD's expectation for context-based goals.

- **Building internal capacity and governance:** To address the recognition and interoperability challenge, building internal, cross-functional teams can efficiently manage the data collection and stakeholder engagement required by both frameworks, reducing duplication.

- **Existing crosswalk:** Appendix 1 provides a detailed crosswalk between PWI and CSRD in its current format, highlighting existing areas of overlap. With anticipated updates and the evolution of both frameworks, this crosswalk will be updated from time to time.

- **Stakeholder engagement across the value chain:** PWI is about to expand its guidance to include resilient value chains, and there is scope to build better alignment with CSRD stakeholder engagement in that process.

- **Support opportunities:** If there is sufficient interest from corporates, the CEO Water Mandate and Water Resilience Coalition can consider looking at corporate support efforts as part of their PWI corporate outreach activities. This could include some form of working group support or a pilot for integrated PWI/CSRD reporting or a deeper dive into data systems that can house both CSRD and PWI data.

As the CSRD evolves under the Omnibus, this crosswalk will be periodically updated to reflect new disclosure requirements and maintain alignment with PWI principles.

CONCLUDING REMARKS

In a world where business-as-usual practices threaten water security, initiatives like CSRD and PWI provide the mandatory and voluntary frameworks, respectively, for companies to evolve from passive reporters of water risk to active stewards of water resources. By aligning regulatory compliance with voluntary leadership, through efficient site operations, basin-level collaboration, transparent metrics and targeted investment, businesses can drive systemic resilience. The urgency is clear: safeguarding our water resources demands a shift from passive reporting to active stewardship. Together, CSRD and PWI complement and enhance each other as a roadmap for this essential journey.

Overall, there is strong alignment between the elements to be reported through CSRD requirements and those being collected through PWI implementation, suggesting that you can achieve both CSRD and PWI requirements by starting at either end. Although there are some gaps, challenges and differences between PWI and CSRD, the complementarity of the two suggests that a strategically entwined pathway is encouraged.

It is important to note that this is an evolving space. The PWI framework is designed to be a living document, adapting to align with best practice and the ongoing evolution in corporate water stewardship. Similarly, the CSRD is subject to change through the EU's Omnibus Simplification Package and the broader regulatory landscape. As the directives and guidance documents are adapted to speak to emerging needs, companies should remain agile and ensure their strategies can pivot as needed.

Ultimately, integrating PWI principles into sustainability strategies and stewardship activities enhances companies' readiness for CSRD reporting while delivering tangible strategic benefits. By viewing CSRD not as a reporting burden but as a foundation for resilience building and PWI not as an add-on but as a strategic vision, companies can efficiently align regulatory compliance with a leading-edge water stewardship strategy. These include cost savings through more efficient water use, strengthened stakeholder trust through transparent reporting and improved ESG ratings that demonstrate leadership in global water stewardship. This is how companies can bridge the gap between regulatory obligation and meaningful environmental impact, transforming the burden of compliance into the reward of resilient, water-secure operations and a durable competitive advantage.

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APPENDIX

APPENDIX 1: DETAILED CROSSWALK TABLES FOR ESRS STANDARDS AND PWI

Appendix 1 shows all standards of the ESRS in which there is some level of overlap with PWI around water and stakeholder engagement. Each section provides a brief overview of the standard objective and key headings. Both **Disclosure Requirements** (DR) and **Application Requirements (AR) are depicted in tables below.** This detailed, step-by-step comparison is intended to help practitioners identify where CSRD reporting obligations support or align with key elements of PWI's vision-driven approach.

ESRS 2 – GENERAL DISCLOSURES

Objective

This ESRS standard sets out the disclosure requirements that apply to all undertakings regardless of their sector of activity (i.e., sector agnostic) and apply across sustainability topics (i.e., crosscutting). This ESRS covers the reporting areas defined in ESRS 1 General requirements section 1.2 Cross-cutting standards and reporting areas.

TABLE A1: DETAILED CROSSWALK OF THE FIVE PWI STEPS AND THE ESRS GENERAL DISCLOSURE STANDARD ESRS 2

PWI	Alignment	Step 1: Awareness	Step 2: Ambition	Step 3: Assessment	Step 4: Action	Step 5: Measurement
ESRS 2 General Disclosure	★			DR 77 (c); AR 16; AR 25	AR 23;	DR 77 (c); AR 25
	★★	DR 53 (b) (ii), (d-f)	DR 51; DR 53 (a), (b) (i – iii), (e)	DR 40 (a) (iii); DR 45 (a) (i – v) (b), (c) (i – iii); DR 51; DR 53 (a), (b) (i – iv), (g); DR 68 (a); DR 75; DR 79 (a, b, e); DR 80 (b-h); AR 24	DR 53 (f); DR 66; DR 68 (a-d); DR 69 (a); DR 79 (e)	DR 53 (a), (b) (i – iv), (d-h); DR 68 (c-e); DR 75; DR 79 (a, c); DR 80 (e, i, j);

Table A1 was compiled from the General Disclosure Document ESRS 2 itself. All cross-references to ESRS 2 (IRO-1 and SBM-3) within the other standard documents (E2 – E5 and S1 – S3) are recorded and noted inside the respective standard tables below.

ESRS E2 – POLLUTION

Objective

ESRS E2 provides a structured framework for companies to disclose their strategies for pollution prevention, mitigation and impact reduction, ensuring transparency around how their operations may affect the environment. This includes critical dimensions such as water pollution, a key consideration for safeguarding water quality and maintaining ecosystem health.

TABLE A2: DETAILED CROSSWALK OF THE FIVE PWI STEPS AND THE ESRS E2 POLLUTION STANDARD

PWI	Alignment	Step 1: Awareness	Step 2: Ambition	Step 3: Assessment	Step 4: Action	Step 5: Measurement
ESRS E2	★	DR 14; DR15 (b); DR 25		DR 24 (b); AR 12 (a); AR 22; AR 28	DR 15 (c)	DR 77 (c); AR 25
	★★	DR 12; DR 13; DR 15 (a); DR 24 (c); AR 10	DR 11(a); DR 24 (c); AR 19	DR 11(a); DR 15 (a); DR 19 (c); DR 21; DR 28 (a,b); DR 29; DR 32; DR 33; DR 34; DR 35; AR 11; AR 23 (b); AR 23 (c)	DR 17; DR 18; DR 19 (c)	DR 53 (a), (b) (i – iv), (d-h); DR 68 (c-e); DR 75; DR 79 (a, c); DR 80 (e, i, j);
	★★★			DR 11 (b); DR 20; DR 23 (b, d); AR 16; AR 17; AR 18; AR 20; AR 21; AR 29;	DR 11 (b); DR 19 (a,b) AR 12 (b); AR 14	DR 30 (a); AR 26 (a-e); AR 27 (b);

ESRS E3 – WATER AND MARINE RESOURCES

Objective

ESRS E3 outlines disclosure requirements to help stakeholders understand an organization's impact on water and marine resources, including both risks and opportunities. It covers actions to reduce negative effects, water consumption and alignment with EU environmental goals and global targets like SDGs 6 and 14. It also requires reporting on strategic adaptation for sustainable water use and marine habitat protection, along with the financial impacts of related risks and dependencies. The scope includes surface and groundwater use, withdrawals, discharges and marine resource extraction.

TABLE A3: DETAILED CROSSWALK OF THE FIVE PWI STEPS AND THE ESRS E3 WATER AND MARINE RESOURCES STANDARD

PWI	Alignment	Step 1: Awareness	Step 2: Ambition	Step 3: Assessment	Step 4: Action	Step 5: Measurement
ESRS E3	★	DR 10	AR 15 (c);	DR 24(a); DR 24(b); DR 25; AR 8(b); AR 30; AR31	DR 17; DR 24 (c)	AR 30; AR 31
	★★	DR 9; DR 12 (a)(i-iii); DR 12 (c); AR 17 (a-e)	DR 8 (a); DR 13; DR 19; AR 1 (a); AR 5 (a-c); AR 15 (a); AR 28	DR 8 (b); DR 20; DR 21; DR 23 (c); DR 26; DR 28 (a-d); AR 1 (b-d); AR 2; AR 3; AR 6; AR 8 (a,c); AR 13 (a,b); AR 26; AR 27	DR 15; DR 16; DR 19; DR 23 (a)	DR 22; DR 26; DR 27; DR 28 (a-d); AR 29; AR 32
	★★★	AR 16		DR 11 (b); DR 20; DR 23 (b, d); AR 16; AR 17; AR 18; AR 20; AR 21; AR 29;	DR 18 (a-d); AR 4 (a); AR 19; AR 20; AR 21	

ESRS E4 – BIODIVERSITY AND ECOSYSTEMS

Objective

ESRS E4 defines disclosure requirements concerning an organization's impact on terrestrial, freshwater and marine biodiversity, including ecosystems and species diversity. It aims to inform stakeholders about the organization's effects on biodiversity, actions taken and its ability to adapt strategies in line with environmental limits and relevant frameworks. It also covers material risks, dependencies, opportunities and the financial impacts related to biodiversity and ecosystems.

TABLE A4: DETAILED CROSSWALK OF THE FIVE PWI STEPS AND THE ESRS E4 BIODIVERSITY AND ECOSYSTEMS STANDARD

PWI	Alignment	Step 1: Awareness	Step 2: Ambition	Step 3: Assessment	Step 4: Action	Step 5: Measurement
ESRS E4	★	AR 16 (a-c)	AR 7 (a-e); AR 9 (a,b,c(i))	DR 17 (a-e); DR 35; AR 8 (a-d); AR 9 (a,b,c(i)); AR 23	AR 20 (a-f)	DR 32(c); DR 38; DR 41 (b)(i); AR 37 (a)
	★★	AR 2 (g); AR 3 (b)	DR 16 (a)(ii)			
	★★★			AR 4 (a) (ii,v);		

ESRS - E5 RESOURCE USE AND CIRCULAR ECONOMY

Objective

ESRS E5 outlines disclosure requirements on resource use and circular economy practices, focusing on the organization's impacts, actions taken and strategic plans for aligning with circular economy principles. It covers material risks, opportunities and financial effects related to resource dependencies. Disclosures include information on resource inflows and outflows, based on the physical flow of materials and products used and generated. E5 supports PWI's "Water Quantity" dimension. It includes metrics on water use efficiency, recycling and reuse, supporting the goal of reducing freshwater withdrawal.

TABLE A5: DETAILED CROSSWALK OF THE FIVE PWI STEPS AND THE ESRS E5 RESOURCE USE AND CIRCULAR ECONOMY STANDARD

PWI	Alignment	Step 1: Awareness	Step 2: Ambition	Step 3: Assessment	Step 4: Action	Step 5: Measurement
ESRS E5	★	DR 15(a); AR 8		DR 24 (b); AR 15	DR 20 (a); AR 11; AR 12 (c)	DR 17; DR 34 (a)
	★★			DR 30; AR 1(a-d); AR 5 (a, b, c(i))		AR 7 (a-f)
	★★★			AR 4 (a,b); AR 19		

ESRS S1 – OWN WORKFORCE

Objective

ESRS S1 sets disclosure requirements to help users understand an organization's material impacts on its own workforce, including related risks, opportunities and financial effects across timeframes. It covers how the workforce is affected, actions taken and the extent of the organization's alignment with international and European human rights standards.

TABLE A6: DETAILED CROSSWALK OF THE FIVE PWI STEPS AND THE ESRS S1 OWN WORKFORCE STANDARD

PWI	Alignment	Step 1: Awareness	Step 2: Ambition	Step 3: Assessment	Step 4: Action	Step 5: Measurement
ESRS S1	★	DR 20;		DR 20; DR 27; DR 44 (a); DR 47 (a-c); DR 88 (d-e) AR 25 (b, c); AR 49; AR 92;	DR 38 (a-d); AR 17 (d); AR 46;	DR 47(a-c); AR 26; AR 41; AR 46; AR 92;
	★★			DR 48-52 AR 53-60;		

ESRS S2 – WORKERS IN THE VALUE CHAIN

Objective

ESRS S2 outlines disclosure requirements regarding the organization's material impacts on workers across its upstream and downstream value chain. It aims to inform users about how value chain workers are affected, actions taken, associated risks and opportunities and financial impacts over time. It also requires disclosure of how the organization identifies and manages impacts related to working conditions, equal treatment and other work-related rights such as housing, water, sanitation and privacy.

TABLE A7. DETAILED CROSSWALK OF THE FIVE PWI STEPS AND THE ESRS S2 WORKERS IN THE VALUE CHAIN STANDARD

PWI	Alignment	Step 1: Awareness	Step 2: Ambition	Step 3: Assessment	Step 4: Action	Step 5: Measurement
ESRS E2	★	DR 17; AR 37;		DR 17; DR 31 (b); DR 33 (a); DR 39 (a-c); DR 40; DR 42; AR 31; AR 38; AR 45	DR 27 (a); DR 32 (a-c); AR 28 (a-d);	DR 32 (a-c); AR 28 (a-d); AR 31; AR 33; AR 38; AR 45

ESRS S3 – AFFECTED COMMUNITIES

Objective

ESRS S3 sets disclosure requirements to help users understand the organization's material impacts on affected communities across its operations and value chain. It covers how communities are impacted, actions taken, related risks and opportunities and financial effects over time. The standard also requires disclosure of how the organization identifies and manages impacts on communities' economic, social and cultural rights, including housing, food, water, sanitation, land and security.

This standard directly addresses the PWI's "Water Accessibility" dimension by addressing Water, Sanitation and Hygiene (WASH) as well as all stakeholder engagement for impact alleviation under Pillar 2 and collective action under Pillar 3.

TABLE A8: DETAILED CROSSWALK OF THE FIVE PWI STEPS AND THE ESRS S3 AFFECTED COMMUNITIES STANDARD

PWI	Alignment	Step 1: Awareness	Step 2: Ambition	Step 3: Assessment	Step 4: Action	Step 5: Measurement
ESRS S3	★	DR 12; DR 16;		DR 8 (a,b); DR 10; DR 11; DR 23; DR 36;	AR 24 (a-h);	AR 35;
	★★			DR 7; DR 9 (a-d); DR 19; DR 20; DR 22; DR 35; AR 29; AR 38; AR 39; AR 44 (a-c)	DR 19; DR 20; DR 21 (a,b,d); DR 22; DR 32 (a-c); AR 19; AR 20; AR 25 (a,c,d)	DR 19; DR 39 (a-c) DR 21 (a,b,d); DR 22; DR 27 (d); DR 32(d); DR 35; AR 25 (a,c,d); AR 31; AR 32; AR 34 (a-c); AR 36; AR 38; AR 44 (a-c)
	★★★			DR 33 (a); AR 28 (a-e);	DR 33 (b);	DR 33 (c);

The CEO Water Mandate's six core elements:

DIRECT OPERATIONS
Mandate endorsers measure and reduce their water use and wastewater discharge and develop strategies for eliminating their impacts on communities and ecosystems.

SUPPLY CHAIN AND WATERSHED MANAGEMENT
Mandate endorsers seek avenues through which to encourage improved water management among their suppliers and public water managers alike.

COLLECTIVE ACTION
Mandate endorsers look to participate in collective efforts with civil society, intergovernmental organizations, affected communities, and other businesses to advance water sustainability.

PUBLIC POLICY
Mandate endorsers seek ways to facilitate the development and implementation of sustainable, equitable, and coherent water policy and regulatory frameworks.

COMMUNITY ENGAGEMENT
Mandate endorsers seek ways to improve community water efficiency, protect watersheds, and increase access to water services as a way of promoting sustainable water management and reducing risks.

TRANSPARENCY
Mandate endorsers are committed to transparency and disclosure in order to hold themselves accountable and meet the expectations of their stakeholders.