



LOG OF AMENDMENTS

# ESRS E3

WATER



JULY 2025

 EFRAG

## Log of Amendments by Standard - ESRS E3 *Water*

### Annex to the Basis for Conclusions – Illustration of the Amendments

**Disclaimer:** The Log of Amendments by Standard accompanies but is not part of the ESRS Amendments Exposure Drafts. It complements and should be read in conjunction with Chapter 7 of the Basis for Conclusions (BFC), where a summarised description of the main changes to individual Standards can be found. It does not reflect the position of the European Union or the European Commission DG Financial Stability, Financial Services and Capital Markets Union (DG FISMA).

#### Introduction

1. **This document complements and should be read in conjunction with Chapter 7 of the Basis for Conclusions (BFC) where a summarised description of the main changes to individual Standards can be found.**
2. This document illustrates the Amendments at paragraph level in Amended ESRS E3 *Water*.
3. The starting point is the text of the 2023 Delegated Act, with each paragraph listed and numbered in Column 1.
4. A markup of amendments is provided in Column 2 including text added or removed. Text added has been underlined in Column 2. Text deleted is marked as strikethrough (~~strikethrough~~) in Column 2. Where text is unchanged this is also included (no change to text) including where there is no change to the DR.
5. The last column includes an explanation of changes made to the DR (or Chapter for ESRS E3) using the following terminology: Amended, Unchanged, Merged, New or Deleted and moved to NMIG (where text has been deleted from mandatory content, but it is presented as illustration in NMIG).
6. The last column also includes additional explanations and rationale for changes useful to gain an understanding of why text or DRs have been amended.

Objective		
ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS E3 <i>Water</i>	Comment/Rationale
1. The objective of this Standard is to specify Disclosure Requirements which will enable users of the sustainability statement to understand:	<del>1. The objective of this Standard is to specify Disclosure Requirements which will enable users of</del> When reporting in accordance with the ESRS, <del><i>sustainability statements</i> to understand:</del> shall cover the following items of information, in relation to [Draft] Amended E3 <i>Water</i> , when this <b>topic</b> is related to material <b>impacts, risks</b> and <b>opportunities</b> . The DR on the material impacts, risks and opportunities is expected to cover <b>policies, actions</b> and <b>targets</b> (if in place), <b>dependencies</b> when relevant, <b>metrics</b> and the related <b>financial effects</b> .	<b>Amended</b> Merged and streamlined paragraphs 1(a), 1(b), 1(e), 1(f) into this paragraph for conciseness.
(a) how the undertaking affects water and marine resources, in terms of material positive and negative actual or potential impacts;	<del>(a) how the undertaking affects water and marine resources, in terms of material positive and negative actual or potential impacts;</del>	<b>Deleted</b> Streamlined and merged into paragraph 1 above for conciseness.
(b) any actions taken, and the result of such actions to prevent or mitigate material actual or potential negative impacts, to protect water and marine resources, also with reference to reduction of water consumption, and to address risks and opportunities;	<del>(b) any actions taken, and the result of such actions to prevent or mitigate material actual or potential negative impacts, to protect water and marine resources, also with reference to reduction of water consumption, and to address risks and opportunities;</del>	<b>Deleted</b> Streamlined and merged into paragraph 1 above for conciseness.  Removed marine resources from E3 (not in scope of E3 anymore), which was not addressed by specific DRs. Use of marine waters is still in scope of E3. Marine resources to be addressed in other E standards: Drivers of Marine Ecosystems and biodiversity change: E1 and E2; Use of marine waters (desalination, cooling): E3; Impacts on Marine Ecosystems and biodiversity: E4; Use of Marine resources: E5.
(c) whether, how and to what extent the undertaking contributes to the European Green Deal's ambitions for fresh air, clean water, healthy soil and biodiversity, as well as to the sustainability of the blue economy and fisheries sectors, taking	<del>(c) 8. The objective of this Standard is to specify Disclosure Requirements with will</del> shall also enable <b>users</b> of the <b>sustainability statement</b> to understand <u>the plans and capacity of the undertaking to adapt its strategy and <b>business model</b> in line with:</u>	<b>Amended</b> The list of legislative and policy references was updated to include the main sources forming the basis of ESRS E3. References connected to marine

<p>account of the following: Directive 2000/60/EC of the European Parliament and of the Council ( 68 ) (EU Water Framework Directive), Directive 2008/56/EC of the European Parliament and of the Council ( 69 ) (EU Marine Strategy Framework Directive), Directive 2014/89/EU of the European Parliament and of the Council ( 70 ) (EU Maritime Spatial Planning Directive), the Sustainable Development Goals (in particular SDG 6 Clean water and sanitation and 14 Life below water), and respect of global environmental limits (e.g. biosphere integrity, ocean acidification, freshwater use, and biogeochemical flows planetary boundaries );</p>	<p><del>whether, how and to what extent the undertaking contributes to the European Green Deal's ambitions for fresh air, clean water, healthy soil and biodiversity, as well as to the sustainability of the blue economy and fisheries sectors, taking account of the following:</del></p> <ul style="list-style-type: none"> <li>(a) <del>the EU Water Framework Directive (Directive 2000/60/EC); Directive 2008/56/EC of the European Parliament and of the Council ( 69 ) (EU Marine Strategy Framework Directive), Directive 2014/89/EU of the European Parliament and of the Council ( 70 ) (EU Maritime Spatial Planning Directive), the Sustainable Development Goals (in particular SDG 6 Clean water and sanitation and 14 Life below water), and respect of global environmental limits (e.g. biosphere integrity, ocean acidification, freshwater use, and biogeochemical flows planetary boundaries );</del></li> <li>(b) <u>the EU Drinking Water Directive (Directive 2020/2184/EU);</u></li> <li>(c) <u>the EU Water Resilience Strategy, and the Eco-Management and Audit Scheme (EMAS) Regulation (Regulation 1221/2009/EC);</u></li> <li>(d) <u>UN Watercourses Convention (1997); and</u></li> <li>(e) <u>UNECE Water Convention (1992).</u></li> </ul>	<p>resources were deleted to reflect the proper scope of the standard.</p>
<p>(d) the plans and capacity of the undertaking to adapt its strategy and <b>business model</b> in line with the promotion of sustainable water use based on long-term protection of available water resources; protection of aquatic <b>ecosystems</b> and restoration of <b>freshwater</b> and marine <b>habitats</b>;</p>	<p><del>(d) the plans and capacity of the undertaking to adapt its strategy and <b>business model</b> in line with the promotion of sustainable water use based on long-term protection of available water resources; protection of aquatic <b>ecosystems</b> and restoration of <b>freshwater</b> and marine <b>habitats</b>;</del></p>	<p><b>Deleted</b></p> <p>Merged into proposed paragraph 8</p>
<p>(e) the nature, type and extent of the undertaking's material <b>risks</b> and <b>opportunities</b> arising from the undertaking's <b>impacts</b> and <b>dependencies</b> on water and <b>marine resources</b>, and how the undertaking manages them; and</p>	<p><del>(e) the nature, type and extent of the undertaking's material <b>risks</b> and <b>opportunities</b> arising from the undertaking's <b>impacts</b> and <b>dependencies</b> on water and <b>marine resources</b>, and how the undertaking manages them; and</del></p>	<p><b>Deleted</b></p> <p>Merged into paragraph 1 for conciseness.</p>

(f) the financial effects on the undertaking over the short-, medium- and long-term of material risks and opportunities arising from the undertaking's impacts and dependencies on water and marine resources.	<del>(f) the financial effects on the undertaking over the short-, medium- and long-term of material risks and opportunities arising from the undertaking's impacts and dependencies on water and marine resources.</del>	<b>Deleted</b>  Merged into paragraph 1 for conciseness.
	<u>2. The objective of this Standard is to specify DRs in relation to these items of information mentioned in paragraph 1 that are not covered in [Draft] Amended ESRS 2.</u>	<b>New</b>  Specification introduced across topical standards to highlight interaction with ESRS 2.
	<u>3. When only one of the sub-topics covered by this Standard is material, the undertaking shall report only on that sub-topic.</u>	<b>New</b>  Specification introduced across topical standards to highlight the approach to disclose information on material topics in accordance with ESRS 1 and 2.
2. This Standard sets out Disclosure Requirements related to water and marine resources. With regard to “water”, this standard covers surface water and groundwater. It includes disclosure requirements on water consumption in the undertaking's activities, products and services, as well as related information on water withdrawals and water discharges.	<del>2-4. This Standard sets out Disclosure Requirements DRs related to <b>water</b> and, in particular, with respect to the following sub-topics: <b>marine resources</b>. With regard to “water”, this standard covers surface water and groundwater. It includes disclosure requirements on water consumption in the undertaking's activities, products and services, as well as related information on <b>water withdrawals</b>, <b>water consumption</b>, and <b>water discharges</b>, and <b>water storage</b>.</del>	<b>Amended</b>  Connection with topics listed in AR 16 strengthened, in alignment with similar amendments made in other standards.  Simplified, removed marine resources (to be addressed particularly under E5), made explicit reference to components of the water balance (consumption, withdrawal, etc), included both freshwater and marine water.  Elements related to the term ‘water’ moved to paragraph 7.
3. With regard to “marine resources”, this standard covers the extraction and use of such resources and associated economic activities.	<del>3. With regard to “marine resources”, this standard covers the extraction and use of such resources and associated economic activities.</del>	<b>Deleted</b>  Removed marine resources references from E3. Marine resources to be addressed in other E standards: Impact drivers on Marine Ecosystems and biodiversity: E1 and E2; Use of marine waters (desalination, cooling): E3; Impacts on Marine Ecosystems and biodiversity: E4;

		Use of Marine resources: E5.
	<u>5. The undertaking shall apply the provisions of [Draft] Amended ESRS 2, paragraphs 29 - 32, and GDR-P, GDR-A, GDR-T and GDR-M. In particular:</u>	<b>New</b> Specification introduced across topical standards to highlight interaction with ESRS 2. Substitutes former paragraph 6.
	<u>(a) if the undertaking has not adopted <b>policies, actions</b> and <b>targets</b> with reference to a <b>topic</b> related to material <b>impacts, risks</b> and <b>opportunities</b>, it shall disclose this fact; and</u>	<b>New</b> Specification introduced across topical standards to highlight interaction with ESRS 2.
	<u>(b) the undertaking may present the description of its material <b>impacts, risks</b> and <b>opportunities</b>, in accordance with [Draft] Amended ESRS 2 IRO-2, alongside information about its <b>policies, actions, targets</b> and <b>metrics</b> through which it addresses them, to avoid duplication and support a coherent narrative.</u>	<b>New</b> Specification introduced across topical standards to highlight interaction with ESRS 2.
	<u>6. In this Standard, each DR is introduced by a disclosure objective, with the exception of <b>policies, actions</b> and <b>targets</b>, for which the provisions in [Draft] Amended ESRS 2 GDR- P, GDR-A and GDR-T provide the necessary framing for the relevant DRs.</u>	<b>New</b> Specification introduced across topical standards to highlight interaction with ESRS 2.
	<u>7. <del>With regard to</del> The term “<b>water</b>”, refers to this standard covers <b>surface water</b>, and <b>groundwater</b> and marine waters.</u>	<b>Moved</b> Elements from former paragraph 2 moved into paragraph 7.
	<u>9. Location-specific considerations are particularly important in relation to <b>water</b>. When material <b>impacts, risks</b> or <b>opportunities</b> arise at local level, it is important to consider appropriate disaggregation or aggregation of the reported information, for example by <b>site</b>, asset, location, affected <b>area at water risk</b> or other appropriate level in accordance with [Draft] Amended ESRS 1, paragraph 53.</u>	<b>New</b> Disaggregation of reported information, for instance, by site is addressed under ESRS 1 and 2, and EFRAG considers it relevant to further highlight this in connection with select environmental topics such as biodiversity and ecosystems [analogue paragraphs to be found also under E2 and E4]. At the same, time, EFRAG suggests including this aspect under Objectives rather than as a specific disclosure requirement, which could potentially lead to a high number of

		site-specific disclosures (having the risk of obscuring material information).
Interactions with other ESRS		
ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS E3 <i>Water</i>	Comment/Rationale
4. The topic of water and marine resources is closely connected to other environmental sub-topics such as climate change, pollution, biodiversity and circular economy. Thus, to provide a comprehensive overview of what could be material to water and marine resources, relevant Disclosure Requirements are covered in other environmental ESRS as follows:	<del>4-10. Social and environmental topics</del> The topics of water and marine resources is closely interact with each other. The main points of interaction between [Draft] Amended ESRS E3 <i>Water</i> and the different ESRS connected to other environmental sub-topics standards are the such as climate change, pollution, biodiversity and circular economy. Thus, to provide a comprehensive overview of what could be material to water and marine resources, relevant Disclosure Requirements are covered in other environmental ESRS as followings:	<b>Amended</b> Editorial simplification. Includes reference to “social” topics as former paragraph 5 is merged into new point (e) below.
(a) ESRS E1 Climate change, which addresses, in particular, acute and chronic physical risks which arise from water and ocean-related hazards caused or exacerbated by climate change, including increasing water temperature, changing precipitation patterns and types (rain, hail, snow/ice), precipitation or hydrological variability, ocean acidification, saline intrusion, sea level rise, drought, high water stress, heavy precipitation, flood and glacial lake outbursts;	(a) [Draft] Amended ESRS E1 <i>Climate change</i> , which addresses, in particular, acute and chronic physical <b>risks</b> which arise from <b>water</b> and ocean-related hazards caused or exacerbated by <b>climate change</b> , including increasing water temperature, changing precipitation patterns and types (rain, hail, snow/ice), precipitation or hydrological variability, ocean acidification, saline intrusion, sea level rise, drought, high-water stress, heavy precipitation, flood and glacial lake outbursts;	<b>Amended</b> Minor editorial edits to improve clarity.
(b) ESRS E2 Pollution, which addresses, in particular, the emissions to water, which includes emissions to oceans, and the use and generation of microplastics;	(b) [Draft] Amended ESRS E2 <i>Pollution</i> , which addresses, in particular, the <b>emissions</b> to water, which including <u>emissions</u> to oceans, and the use, and generation, and release of <b>microplastics</b> ;	<b>Amended</b> Minor editorial edits to improve clarity.
(c) ESRS E4 <i>Biodiversity and ecosystems</i> , which addresses, in particular, the conservation and sustainable use of and impact on <b>freshwater</b> aquatic <b>ecosystems</b> as well as the oceans and seas; and	(c) [Draft] Amended ESRS E4 <i>Biodiversity and ecosystems</i> , which addresses, in particular, the conservation and sustainable use of and <b>impact</b> on <b>freshwater</b> aquatic <b>ecosystems</b> as well as the oceans and seas; and	<b>Amended</b> Minor editorial edits to improve clarity.
(d) ESRS E5 Resource use and circular economy which addresses in particular waste management including plastic, and the transition towards the extraction of non-renewable resources of	(d) [Draft] Amended ESRS E5 <i>Resource use and circular economy</i> which addresses in particular waste management including plastic, and the transition towards the extraction of <b>non-renewable</b> resources of <b>wastewater</b> ; reduced use of plastic; and the recycling of wastewater; and	<b>Amended</b> Minor editorial edits to improve clarity.

wastewater; reduced use of plastic; and the recycling of wastewater.		
5. The undertaking's impacts on water and marine resources affect people and communities. Material negative impacts on affected communities from water and marine resources -related impacts attributable to the undertaking are covered in ESRS S3 Affected communities.	<del>5. (e) The undertaking's impacts on water and marine resources affect people and communities. Material negative impacts on affected communities from water and marine resources -related impacts attributable to the undertaking are covered in [Draft] Amended ESRS S3 Affected communities addresses material <b>impacts</b> on people and communities resulting from the undertaking's activities related to <b>water</b>, including changes in water availability, quality, or access.</del>	<b>Amended</b> Former paragraph 5 edited and included as 10 (e) for consistency (all interactions with other ESRS listed under same paragraph).
6. This Standard should be read in conjunction with ESRS 1 General requirements and ESRS 2 General disclosures.	<del>6. This Standard should be read in conjunction with ESRS 1 General requirements and ESRS 2 General disclosures.</del>	<b>Deleted</b> Substituted by new para. 5.
<b>Disclosure Requirements – ESRS 2 General Disclosures</b>		
<b>ESRS Set 1 as per Delegated Act 2023</b>	<b>[Draft] Amended ESRS E3 Water</b>	<b>Comment/Rationale</b>
7. The requirements of this section should be read in conjunction with and reported alongside the disclosures required by ESRS 2 chapter 4 <i>Impact, risk and opportunity management</i> .	<del>5. The requirements of this section should be read in conjunction with and reported alongside the disclosures required by ESRS 2 chapter 4 Impact, risk and opportunity management.</del>	<b>Deleted</b> Substituted by new para. 5.
<b>Impact, risk and opportunities</b>		
<b>Disclosure requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities</b>	<del><b>Disclosure requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities</b></del>	<b>Comment/Rationale</b>
<b>ESRS Set 1 as per Delegated Act 2023</b>	<b>[Draft] Amended ESRS E3 Water</b>	
8. The undertaking shall describe the process to identify material impacts, risks and opportunities and shall provide information on:	<del>8. The undertaking shall describe the process to identify material impacts, risks and opportunities and shall provide information on:</del>	<b>Deleted</b> Deleted for reduction purposes, as already addressed in ESRS 2, and based on EFRAG's decision not to have IRO-1 sections in the topical standards.
(a) whether and how the undertaking it has screened its assets and activities in order to identify its actual and potential water and marine resources-related impacts, risks and opportunities in its own operations and its upstream and downstream value chain, and if so the	<del>(a) whether and how the undertaking it has screened its assets and activities in order to identify its actual and potential water and marine resources-related impacts, risks and opportunities in its own operations and its upstream and downstream value chain, and if so the methodologies, assumptions and tools used in the screening;</del>	<b>Deleted</b> Deleted for reduction purposes, as already addressed in ESRS 2, and based on EFRAG's decision not to have IRO-1 sections in the topical standards. Site-specific provisions in relation to

methodologies, assumptions and tools used in the screening;		the assessment of environmental IRO, considered highly relevant by EFRAG, are addressed under ESRS 2 IRO 1.
(b) whether and how it has conducted consultations, in particular, with affected communities <sup>71</sup> .	<del>(b) whether and how it has conducted consultations, in particular, with affected communities<sup>74</sup>.</del>	<b>Deleted</b>  Deleted as part of the deletion of section E3 IRO-1 for reduction purposes.
<b>Disclosure Requirement E3-1 – Policies related to water and marine resources</b>	<b>Disclosure Requirement E3-1 – Policies related to water and marine resources</b>	<b>Comment/Rationale</b>
<b>ESRS Set 1 as per Delegated Act 2023</b>	<b>[Draft] Amended ESRS E3 Water</b>	
9. The undertaking shall describe its policies adopted to manage its material impacts, risks and opportunities related to water and marine resources <sup>72</sup> .	<del>9. The undertaking shall describe its policies adopted to manage its material impacts, risks and opportunities related to water and marine resources<sup>72</sup>.</del>	<b>Deleted</b>  Consolidated with former para. 11 into para. 11.
10. The objective of this Disclosure Requirement is to enable an understanding of the extent to which the undertaking has <b>policies</b> that address the identification, assessment, management and/or <b>remediation</b> of its material water and <b>marine resources</b> -related <b>impacts, risks and opportunities</b> .	<del>10. The objective of this Disclosure Requirement is to enable an understanding of the extent to which the undertaking has <b>policies</b> that address the identification, assessment, management and/or <b>remediation</b> of its material water and <b>marine resources</b>-related <b>impacts, risks and opportunities</b>.</del>	<b>Deleted</b>  Objective deleted in alignment with EFRAG's approach to not include objectives for PATs under topical standards.
11. The disclosure required by paragraph 9 shall contain the information on the <b>policies</b> the undertaking has in place to manage its material <b>impacts, risks and opportunities</b> related to water and <b>marine resources</b> in accordance with ESRS 2 MDR-P <i>Policies adopted to manage material sustainability matters</i> .	<del>11. The undertaking disclosure required by paragraph 9 shall report its <u>water-related</u> contain the information on the <b>policies</b> the undertaking has in place to manage its material impacts, risks and opportunities related to water and marine resources in accordance with the provisions of [Draft] Amended ESRS 2 MDR-P <i>Policies adopted to manage material sustainability matters</i>.</del>	<b>Amended</b>  [NMIG 1 contains related guidance for para. 11]  Simplified and consolidated with former para 9 into para. 11. Specification introduced across topical standards to highlight interaction with ESRS 2. Removal of marine resources, to be addressed particularly under E5.
12. The undertaking shall indicate whether and how its <b>policies</b> address the following matters where material:	<del>12. The undertaking shall indicate whether and how its policies address the following matters where material:</del>	<b>Deleted from mandatory content and moved to NMIG</b>  Moved to NMIG 1

		Simplified, removed marine resources.
(a) water management including: i. the use and sourcing of water and marine resources in its own operations; ii. water treatment as a step towards more sustainable sourcing of water; and iii. the prevention and abatement of water pollution resulting from its activities.	<del>(a) water management including: i. the use and sourcing of water and marine resources in its own operations; ii. water treatment as a step towards more sustainable sourcing of water; and iii. the prevention and abatement of water pollution resulting from its activities.</del>	<b>Deleted from mandatory content and moved to NMIG</b>  Moved to NMIG 1  Moved from topical standards for reduction purposes.
(b) product and service design in view of addressing water-related issues and the preservation of marine resources; and	<del>(b) product and service design in view of addressing water-related issues and the preservation of marine resources; and</del>	<b>Deleted from mandatory content and moved to NMIG</b>  Moved to NMIG 1  Moved from topical standards for reduction purposes.  Reference to marine resources deleted as not in scope of E3 anymore.
(c) commitment to reduce material water consumption in areas at water risk in its own operations and along the upstream and downstream value chain.	<del>(c) commitment to reduce material water consumption in areas at water risk in its own operations and along the upstream and downstream value chain.</del>	<b>Deleted</b>  Deleted from topical standards for reduction purposes.
13. If at least one of the <b>sites</b> of the undertaking is located in an area of high-water stress and it is not covered by a <b>policy</b> , the undertaking shall state this to be the case and provide reasons for not having adopted such a policy. The undertaking may disclose a timeframe in which it aims to adopt such a policy. <sup>73</sup>	<del>13-12. If the undertaking <u>has</u> at least one of the <b>sites</b> of is located in an <b>areas at water risk</b>, including <b>areas of high-water stress</b> that are and it is not covered by a <u>its water-related <b>policies</b></u>, the undertaking <u>it shall state this to be the case</u> <u>disclose this fact and provide reasons for not having adopted such a policy.</u> The undertaking may disclose a timeframe in which it aims to adopt such a policy.</del>	<b>Amended</b>  EFRAG, also based on input received during stakeholder consultation, kept provision due to the relevance in relation to the topic of water to disaggregate information related to areas at water risk and of high-water stress, if material. Informs SFDR indicator.  Voluntary datapoint on timeframe deleted to align with EFRAG's approach of reducing to the

		maximum extent the number of voluntary datapoints and because it was no considered highly decision-useful.
14. The undertaking shall specify whether it has adopted <b>policies</b> or practices related to sustainable oceans and seas <sup>74</sup> .	<del>14. The undertaking shall specify whether it has adopted <b>policies</b> or practices related to sustainable oceans and seas<sup>74</sup>.</del>	<b>Deleted</b>  Removed for reduction purposes following EFRAG's approach of reducing the content provisions related to PAT under topical standards and because the topic of marine resources is furthermore not addressed under ESRS E3. Former para. 14 informed SFDR indicator. E4 AR 13 addresses policies on oceans.
<b>Disclosure Requirement E3-2 – Actions and resources related to water and marine resources</b>	<b>Disclosure Requirement E3-2 – Actions and resources related to water and marine resources</b>	<b>Comment/Rationale</b>
<b>ESRS Set 1 as per Delegated Act 2023</b>	<b>[Draft] Amended ESRS E3 Water</b>	
15. The undertaking shall disclose its water and marine resources-related actions and the resources allocated to their implementation.	<del>15. The undertaking shall disclose its water and marine resources-related actions and the resources allocated to their implementation.</del>	<b>Deleted</b>  Simplified and consolidated with former para 17 into para. 13..
16. The objective of this Disclosure Requirement is to enable an understanding of the key <b>actions</b> taken and planned to achieve the water and <b>marine resources</b> -related <b>policy</b> objectives and <b>targets</b> .	<del>16. The objective of this Disclosure Requirement is to enable an understanding of the key <b>actions</b> taken and planned to achieve the water and <b>marine resources</b>-related <b>policy</b> objectives and <b>targets</b>.</del>	<b>Deleted</b>  Objective deleted in alignment with EFRAG's approach to not include objectives for PATs under topical standards.
17. The description of the <b>actions</b> and resources shall follow the principles defined in ESRS 2 MDR-A Actions and resources in relation to material sustainability matters. In addition to ESRS 2 MDR-A, the undertaking may specify to which layer in the mitigation hierarchy an action and	<del>17. The description of the <b>actions</b> and resources shall follow the principles defined in ESRS 2 MDR-A Actions and resources in relation to material sustainability matters. In addition to ESRS 2 MDR-A, the undertaking may specify to which layer in the mitigation hierarchy an action and</del>  <u>13. The undertaking shall disclose its key water related <b>actions</b> and significant resources allocated to the implementation, in accordance with the provisions of [Draft] Amended ESRS 2 GDR-A.</u>	<b>Amended</b>  [NMIG 2, NMIG 3 contains related guidance for para. 13]  Simplified and consolidated with former para 15.
18. Resources can be allocated to:	<del>18. Resources can be allocated to:</del>	<b>Deleted from mandatory content and moved to NMIG</b>  Moved to NMIG 2

		Deleted under topical standards for simplification purposes; aspects related to the mitigation hierarchy to be addressed under ESRS 2 GDR-A para. 37(b).
(a) avoid the use of water and <i>marine resources</i> ;	<del>(a) avoid the use of water and <i>marine resources</i>;</del>	<p><b>Deleted from mandatory content and moved to NMIG</b></p> <p>Moved to NMIG 2</p> <p>Deleted under topical standards for simplification purposes; aspects related to the mitigation hierarchy to be addressed under ESRS 2 GDR-A para. 37(b).</p>
(b) reduce the use of water and marine resources such as through efficiency measures;	<del>(b) reduce the use of water and marine resources such as through efficiency measures;</del>	<p><b>Deleted from mandatory content and moved to NMIG</b></p> <p>Moved to NMIG 2</p> <p>Deleted under topical standards for simplification purposes; aspects related to the mitigation hierarchy to be addressed under ESRS 2 GDR-A para. 37(b).</p>
(c) reclaiming the use of water; or	<del>(c) reclaiming the use of water; or</del>	<p><b>Deleted from mandatory content and moved to NMIG</b></p> <p>Moved to NMIG 2</p> <p>Deleted under topical standards for simplification purposes; aspects related to the mitigation hierarchy to be addressed under ESRS 2 GDR-A para. 37(b).</p>
(d) restoration and regeneration of aquatic ecosystem and water bodies.	<del>(d) restoration and regeneration of aquatic ecosystem and water bodies.</del>	<p><b>Deleted from mandatory content and moved to NMIG</b></p> <p>Moved to NMIG 2</p> <p>Deleted under topical standards for simplification purposes; aspects related to the mitigation hierarchy to be addressed under ESRS 2 GDR-A para. 37(b).</p>

19. The undertaking shall specify <b>actions</b> and resources in relation to <b>areas at water risk</b> , including <b>areas of high-water stress</b> .	<del>19-14.</del> The undertaking shall specify <u>any <b>actions</b></u> and resources <del>in relation to</del> <b>areas at water risk</b> , including <b>areas of high-water stress</b> .	<b>Amended</b> [NMIG 2, NMIG 3 contains related guidance for para. 14] Minor editorial change.  Maintained as considered relevant by EFRAG and stakeholders to keep provision related to the disaggregation of water-related information by relevant geographies.
<b>Metrics and Targets</b>		
<b>Disclosure Requirement E3-3 – Targets related to water and marine resources</b>	<b>Disclosure Requirement E3-3 – Targets related to water and marine resources</b>	<b>Comment/Rationale</b>
<b>ESRS Set 1 as per Delegated Act 2023</b>	<b>[Draft] Amended ESRS E3 Water</b>	
20. The undertaking shall disclose the water and marine resources-related targets it has set.	<del>20. The undertaking shall disclose the water and marine resources-related targets it has set.</del>	<b>Deleted</b> Simplified and consolidated with former para 22.
21. The objective of this Disclosure Requirement is to enable an understanding of the targets the undertaking has adopted to support its water and marine resources-related policies and address its material water and marine resources-related impacts, risks and opportunities.	<del>21. The objective of this Disclosure Requirement is to enable an understanding of the targets the undertaking has adopted to support its water and marine resources-related policies and address its material water and marine resources-related impacts, risks and opportunities.</del>	<b>Deleted</b> Objective deleted in alignment with approach for PATs.
22. The description of the targets shall contain the information requirements defined in ESRS 2 MDR-T Tracking effectiveness of policies and actions through targets.	<del>22. The description of the targets shall contain the information requirements defined in ESRS 2 MDR-T Tracking effectiveness of policies and actions through targets.</del>  <u>15. The undertaking shall disclose its water-related <b>targets</b>, in accordance with the provisions of [Draft] Amended ESRS 2 GDR-T.</u>	<b>Amended</b> [NMIG 4 contains related guidance for para. 15] Simplified and consolidated with former para 20, removed marine resources.
23. The disclosure required by paragraph 20 shall indicate whether and how its <b>targets</b> relate to:	<del>23. The disclosure required by paragraph 20 shall indicate whether and how its targets relate to:</del>	<b>Deleted from mandatory content and moved to NMIG</b>  Moved to NMIG 4

		Moved for simplification and reduction purposes. Consolidated into NMIG 4 relevant elements to guide disclosure on water targets.
(a) the management of material impacts, risks and opportunities related to areas at water risk, including improvement of the water quality;	<del>(a) the management of material impacts, risks and opportunities related to areas at water risk, including improvement of the water quality;</del>	<b>Deleted from mandatory content and moved to NMIG</b>  Moved to NMIG 4  Moved for simplification and reduction purposes.
(b) the responsible management of marine resources impacts, risks and opportunities including the nature and quantity of marine resources-related commodities (such as gravels, deep-sea minerals, seafood) used by the undertaking; and	<del>(b) the responsible management of marine resources impacts, risks and opportunities including the nature and quantity of marine resources-related commodities (such as gravels, deep-sea minerals, seafood) used by the undertaking; and</del>	<b>Deleted from mandatory content and moved to NMIG</b>  Moved to NMIG 4  Moved for simplification and reduction purposes.
(c) the reduction of water consumption, including an explanation of how those targets relate to areas at water risk, including areas of high water-stress.	<del>(c) the reduction of water consumption, including an explanation of how those targets relate to areas at water risk, including areas of high water-stress.</del>	<b>Deleted from mandatory content and moved to NMIG</b>  Moved to NMIG 4.  Moved for simplification and reduction purposes. Consolidated and edited in NMIG 4.
24. In addition to ESRS 2 MDR-T, the undertaking may specify whether <b>ecological thresholds</b> and entity-specific allocations were taken into consideration when setting <b>targets</b> . If so, the undertaking may specify:	<del>24. In addition to ESRS 2 MDR-T, the undertaking may specify whether <b>ecological thresholds</b> and entity-specific allocations were taken into consideration when setting <b>targets</b>. If so, the undertaking may specify:</del>	<b>Deleted</b>  Deleted for reduction purposes. Ecological thresholds to be addressed under ESRS 2 GDR-T para. 43(g).
(a) the ecological thresholds identified, and the methodology used to identify such thresholds;	<del>(a) the ecological thresholds identified, and the methodology used to identify such thresholds;</del>	<b>Deleted</b>  Deleted for reduction purposes. Ecological thresholds to be addressed under ESRS 2 GDR-T para. 43(g).
(b) whether or not the thresholds are entity-specific and if so, how they were determined; and	<del>(b) whether or not the thresholds are entity-specific and if so, how they were determined; and</del>	<b>Deleted</b>  Deleted for reduction purposes. Ecological thresholds to be addressed under ESRS 2 GDR-T para. 43(g).

(c) how responsibility for respecting identified ecological thresholds is allocated in the undertaking.	<del>(c) how responsibility for respecting identified ecological thresholds is allocated in the undertaking.</del>	<b>Deleted</b>  Deleted for reduction purposes. Ecological thresholds to be addressed under ESRS 2 GDR-T para. 43(g).
25. The undertaking shall specify as part of the contextual information, whether the targets it has set and presented are mandatory (required by legislation) or voluntary.	<del>The undertaking shall specify as part of the contextual information, whether the targets it has set and presented are mandatory (required by legislation) or voluntary.</del>	<b>Deleted</b>  Removed from topical standard for reduction purposes, addressed under ESRS 2 GDR-T para 43(f).
<b>Disclosure Requirement E3-4 – Water consumption</b>	<b>Disclosure Requirement E3-4 – Water consumption metrics</b>	<b>Comment/Rationale</b>
<b>ESRS Set 1 as per Delegated Act 2023</b>	<b>[Draft] Amended ESRS E3 Water</b>	
26. The undertaking shall disclose information on its water consumption performance related to its material impacts, risks and opportunities.	<del>26. The undertaking shall disclose information on its water consumption performance related to its material impacts, risks and opportunities.</del>	<b>Deleted</b>  Simplified and consolidated with former para 28 in para. 17.
27. The objective of this Disclosure Requirement is to provide an understanding of the undertaking's water consumption and any progress by the undertaking in relation to its <b>targets</b> .	<del>27-16. The objective of this Disclosure Requirement DR is to provide an help <b>users</b> understanding of the undertaking's <b>water</b> management practices and progress over time consumption and any progress by the undertaking in relation to its <b>targets</b>.</del>	<b>Amended</b>  Amended to better reflect scope of E3-4.
28. The disclosure required by paragraph 26 relates to own operations and shall include:	<del>28-17. The disclosure required by paragraph 26 relates to own operations and undertaking shall include disclose for its own operations:</del>	<b>Amended</b>  [AR 1, AR 2 contains related guidance for para. 17] [NMIG 5, NMIG 6 contains related guidance for para. 17]  Simplified and consolidated with former para 26.
(a) total <b>water consumption</b> in m3	(a) total <b>water consumption</b> in m3;	<b>Unchanged</b>  [AR 1, AR 2 contains related guidance for para. 17] [NMIG 5, NMIG 6 contains related guidance for para. 17] Units moved to AR 2

		Considered relevant by EFRAG, also based on stakeholder feedback received, to maintain metric to properly reflect all water balance elements.
(b) total water consumption in m3 in areas at water risk, including <b>areas of high-water stress</b> ;	(b) total water consumption in m3 in <b>areas at water risk</b> , including <b>areas of high-water stress</b> ;	<p><b>Unchanged</b></p> <p>[AR 1, AR 2 contains related guidance for para. 17] [NMIG 5, NMIG 6 contains related guidance for para. 17]</p> <p>Units moved to AR 2</p> <p>Considered relevant by EFRAG to disaggregate information by relevant water area.</p>
	<p>[DR]</p> <p>(c) <u>total</u> <b>water withdrawals</b>;</p>	<p><b>Moved</b></p> <p>[AR 1, AR 2 contains related guidance for para. 17]</p> <p>Moved to para. 17 from prior amended AR 32</p> <p>This requirement should not create an additional burden, as reporting water consumption already relies on understanding the water balance, including both withdrawals and discharges. Changed from optional ('may') to mandatory ('shall') requirement due to the relevance of these metrics to complete the water balance equation and to provide relevant information connected to material IROs that support fair presentation. Water withdrawal refers to the volume of water removed from ecosystems and is a key measure for assessing pressure on local water resources - particularly in water-stressed regions. Excessive withdrawals can reduce river flows, alter hydrological regimes, and place significant stress on aquatic ecosystems. This can lead to environmental and social impacts, such as reduced</p>

		water availability for communities, agriculture, and biodiversity. Water withdrawal is already a major driver of water scarcity and ecological degradation in several regions, including in the EU. Addressing water withdrawals as part of a sustainable water management is critical to enhance climate change adaptation and water security.
	[DR] (d) <u>total</u> <b>water discharges</b> ;	<b>Moved</b> [AR 1, AR 2 contains related guidance for para. 17] Moved to para. 17 from prior amended AR 32 This requirement should not create an additional burden, as reporting water consumption already relies on understanding the water balance, including both withdrawals and discharges. Changed from optional ('may') to mandatory ('shall') requirement due to the relevance of these metrics to complete the water balance equation and to provide relevant information connected to material IROs that support fair presentation. Water discharges serve as an additional indicator of resource pressure, complementing the disclosure on water withdrawals. In ESRS E3, the focus is on the volume of water discharges, while issues related to discharge quality and pollution are addressed under ESRS E2.
(c) total water recycled and reused in m3;	<del>(e)</del> <u>(e)</u> total <b>water recycled and or reused</b> in m3; and	<b>Amended</b> [AR 1, AR 2 contains related guidance for para. 17] [NMIG 5, NMIG 6 contains related guidance for para. 17]  Units moved to AR 2

		Changed to 'or' for clarification purposes.
(d) total water stored and changes in storage in m3; and	<del>(d)(f)</del> total <b>water stored</b> and changes in storage in m3; and	<b>Amended</b> [AR 1, AR 2 contains related guidance for para. 17] [NMIG 5, NMIG 6 contains related guidance for para. 17]  Units moved to AR 2 Deletion of 'changes in storage' for reduction and simplification purposes. 'Total water stored' metric kept reflecting relevant elements of the water balance and based on feedback received by stakeholders. This metric is also aligned with other relevant standards.
(e) any contextual information necessary regarding points (a) to (d), including the water basins' water quality and quantity, how the data have been compiled, such as any standards, methodologies, and assumptions used, including whether the information is calculated, estimated, modelled, or sourced from direct measurements, and the approach taken for this, such as the use of any sector-specific factors.	<del>(e) any contextual information necessary regarding points (a) to (d), including the water basins' water quality and quantity, how the data have been compiled, such as any standards, methodologies, and assumptions used, including whether the information is calculated, estimated, modelled, or sourced from direct measurements, and the approach taken for this, such as the use of any sector-specific factors.</del>	<b>Deleted from mandatory content and moved to NMIG</b>  Moved to NMIG 5  Moved for reduction purposes. Contextual information for metrics to be addressed under ERS 2 GDR-M para. 41.
29. The undertaking shall provide information on its <b>water intensity</b> : total <b>water consumption</b> in its own operations in m3 per million EUR net revenue.	29. The undertaking shall provide information on its <b>water intensity</b> : total <b>water consumption</b> in its own operations in m3 per million EUR net revenue.	<b>Deleted</b>  Deleted, also based on stakeholder input, for reduction purposes and as EFRAG considers datapoint not highly decision-useful. Datapoint can be derived by users from existing disclosures.
<b>Disclosure Requirement E3-5 – Anticipated financial effects from material water and marine resources-related risks and opportunities</b>	<b>Disclosure Requirement E3-5 – Anticipated financial effects from material water and marine resources-related risks and opportunities</b>	<b>Comment/Rationale</b>
<b>ESRS Set 1 as per Delegated Act 2023</b>	<b>[Draft] Amended ESRS E3 Water</b>	

30. The undertaking shall disclose the anticipated financial effects of material water and marine resources-related risks and opportunities.	<del>30. The undertaking shall disclose the anticipated financial effects of material water and marine resources-related risks and opportunities.</del>	<b>Deleted</b>  E3-5 deleted at topical level (in alignment with E2 through E5), based also on stakeholder input pointing at, among others, perceived complexity of accurate quantification. Anticipated financial effects to be addressed under ESRS 2 SBM-3 para. 23
31. The information required by paragraph 30 is in addition to the information on current financial effects on the entity's financial position, financial performance and cash flows for the reporting period required under ESRS 2 SBM-3 para 48 (d).	<del>31. The information required by paragraph 30 is in addition to the information on current financial effects on the entity's financial position, financial performance and cash flows for the reporting period required under ESRS 2 SBM-3 para 48 (d).</del>	<b>Deleted</b>  E3-5 deleted at topical level (in alignment with E2 through E5), based also on stakeholder input pointing at, among others, perceived complexity of accurate quantification. Anticipated financial effects to be addressed under ESRS 2 SBM-3 para. 23
32. The objective of this Disclosure Requirement is to provide an understanding of:	<del>32. The objective of this Disclosure Requirement is to provide an understanding of:</del>	<b>Deleted</b>  E3-5 deleted at topical level (in alignment with E2 through E5), based also on stakeholder input pointing at, among others, perceived complexity of accurate quantification. Anticipated financial effects to be addressed under ESRS 2 SBM-3 para. 23
(a) anticipated financial effects due to material risks arising from water and marine resources-related impacts and dependencies and how these risks have (or could reasonably be expected to have) a material influence on the undertaking's financial position, financial performance and cash flows, over the short-, medium- and long-term; and	<del>(a) anticipated financial effects due to material risks arising from water and marine resources-related impacts and dependencies and how these risks have (or could reasonably be expected to have) a material influence on the undertaking's financial position, financial performance and cash flows, over the short-, medium- and long-term; and</del>	<b>Deleted</b>  E3-5 deleted at topical level (in alignment with E2 through E5), based also on stakeholder input pointing at, among others, perceived complexity of accurate quantification. Anticipated financial effects to be addressed under ESRS 2 SBM-3 para. 23
(b) anticipated financial effects due to material opportunities related to water and marine resources.	<del>(b) anticipated financial effects due to material opportunities related to water and marine resources.</del>	<b>Deleted</b>  E3-5 deleted at topical level (in alignment with E2 through E5), based also on stakeholder input pointing at, among others, perceived complexity of

		accurate quantification. Anticipated financial effects to be addressed under ESRS 2 SBM-3 para. 23
33. The disclosure shall include:	<del>33. The disclosure shall include:</del>	<b>Deleted</b>
(a) a quantification of the anticipated financial effects in monetary terms before considering water and marine resources-related actions or where not possible without undue cost or effort, qualitative information. For financial effects arising from opportunities, a quantification is not required if it would result in disclosure that does not meet the qualitative characteristics of information (see ESRS 1 Appendix B Qualitative characteristics of information);	<del>(a) a quantification of the anticipated financial effects in monetary terms before considering water and marine resources-related actions or where not possible without undue cost or effort, qualitative information. For financial effects arising from opportunities, a quantification is not required if it would result in disclosure that does not meet the qualitative characteristics of information (see ESRS 1 Appendix B Qualitative characteristics of information);</del>	<b>Deleted</b> E3-5 deleted at topical level (in alignment with E2 through E5), based also on stakeholder input pointing at, among others, perceived complexity of accurate quantification. Anticipated financial effects to be addressed under ESRS 2 SBM-3 para. 23
(b) a description of the effects considered, the impacts and dependencies to which they relate, and the time horizons in which they are likely to materialise; and	<del>(b) a description of the effects considered, the impacts and dependencies to which they relate, and the time horizons in which they are likely to materialise; and</del>	<b>Deleted</b> E3-5 deleted at topical level (in alignment with E2 through E5), based also on stakeholder input pointing at, among others, perceived complexity of accurate quantification. Anticipated financial effects to be addressed under ESRS 2 SBM-3 para. 23
(c) the critical assumptions used to quantify the anticipated financial effects, as well as the sources and level of uncertainty of those assumptions.	<del>the critical assumptions used to quantify the anticipated financial effects, as well as the sources and level of uncertainty of those assumptions.</del>	<b>Deleted</b> E3-5 deleted at topical level (in alignment with E2 through E5), based also on stakeholder input pointing at, among others, perceived complexity of accurate quantification. Anticipated financial effects to be addressed under ESRS 2 SBM-3 para. 23
<b>Appendix A</b>		
<b>Application Requirements</b>		
<b>Impact, risk and opportunity</b>		

Disclosure requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities	Disclosure requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities	Comment/Rationale
ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS E3 Water	
AR 1. When conducting a <b>materiality</b> assessment on environmental subtopics, the undertaking shall assess the materiality of water and marine resources in its own operations and its upstream and downstream value chain, and may consider the four phases below, also known as the LEAP approach:	<del>AR 1. When conducting a <b>materiality</b> assessment on environmental subtopics, the undertaking shall assess the materiality of water and marine resources in its own operations and its upstream and downstream value chain, and may consider the four phases below, also known as the LEAP approach:</del>	<b>Deleted</b> Deleted for reduction purposes and to align with EFRAG's approach of including only mandatory methodological requirements in AR. Reference to LEAP kept now in ESRS 1 para. AR7.
(a) Phase 1: locate where in its own operations and along the value chain the interface with nature takes place;	<del>(a) Phase 1: locate where in its own operations and along the value chain the interface with nature takes place;</del>	<b>Deleted</b> Deleted for reduction purposes and to align with EFRAG's approach of including only mandatory methodological requirements in AR. Reference to LEAP kept now in ESRS 1 para. AR7.
(b) Phase 2: evaluate the dependencies and impacts;	<del>(b) Phase 2: evaluate the dependencies and impacts;</del>	<b>Deleted</b> Deleted for reduction purposes and to align with EFRAG's approach of including only mandatory methodological requirements in AR. Reference to LEAP kept now in ESRS 1 para. AR7.
(c) Phase 3: assess the material <b>risks</b> and <b>opportunities</b> ; and	<del>(c) Phase 3: assess the material <b>risks</b> and <b>opportunities</b>; and</del>	<b>Deleted</b> Deleted for reduction purposes and to align with EFRAG's approach of including only mandatory methodological requirements in AR. Reference to LEAP kept now in ESRS 1 para. AR7.
(d) Phase 4: prepare and report the results of the materiality assessment.	<del>(d) Phase 4: prepare and report the results of the materiality assessment.</del>	<b>Deleted</b> Deleted for reduction purposes and to align with EFRAG's approach of including only mandatory methodological requirements in AR. Reference to LEAP kept now in ESRS 1 para. AR7.

AR 2. The materiality assessment for ESRS E3 corresponds to the first three phases of this LEAP approach, the fourth phase addresses the outcome of the process.	<del>AR 2. The materiality assessment for ESRS E3 corresponds to the first three phases of this LEAP approach, the fourth phase addresses the outcome of the process.</del>	<b>Deleted</b>  Deleted for reduction purposes and to align with EFRAG's approach of including only mandatory methodological requirements in AR. Reference to LEAP kept now in ESRS 1 para. AR7.
AR 3. The processes to assess the materiality of impacts, risks and opportunities shall consider the provisions in ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities, and IRO-2 Disclosure Requirements in ESRS covered by the undertaking's sustainability statement.	<del>AR 3. The processes to assess the materiality of impacts, risks and opportunities shall consider the provisions in ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities, and IRO-2 Disclosure Requirements in ESRS covered by the undertaking's sustainability statement.</del>	<b>Deleted</b>  Deleted based on EFRAG's approach to delete IRO-1 sections under topical standards for simplification and reduction purposes.
AR 4. The sub-topics related to water and marine resources covered by the <b>materiality</b> assessment include:	<del>AR 4. The sub-topics related to water and marine resources covered by the <b>materiality</b> assessment include:</del>	<b>Deleted</b>  Deleted based on EFRAG's approach to delete IRO-1 sections under topical standards for simplification and reduction purposes.
(a) water, which encompasses the consumption of surface water, groundwater, as well as withdrawals and discharges of water; and	<del>(a) water, which encompasses the consumption of surface water, groundwater, as well as withdrawals and discharges of water; and</del>	<b>Deleted</b>  Deleted based on EFRAG's approach to delete IRO-1 sections under topical standards for simplification and reduction purposes.
(b) <b>marine resources</b> , which encompasses the extraction and use of such resources and associated economic activities.	<del>(b) <b>marine resources</b>, which encompasses the extraction and use of such resources and associated economic activities.</del>	<b>Deleted</b>  Deleted based on EFRAG's approach to delete IRO-1 sections under topical standards for simplification and reduction purposes. Also, marine resources not a E3 subtopic anymore.
AR 5. In phase 1, to locate where there are areas at water risk, and areas where there is an interface with <b>marine resources</b> that could lead to material impacts and <b>dependencies</b> in its own operations and along its upstream and downstream value chain, the undertaking may consider:	<del>AR 5. In phase 1, to locate where there are areas at water risk, and areas where there is an interface with <b>marine resources</b> that could lead to material impacts and <b>dependencies</b> in its own operations and along its upstream and downstream value chain, the undertaking may consider:</del>	<b>Deleted</b>  Deleted based on EFRAG's approach to delete IRO-1 sections under topical standards for simplification and reduction purposes and to align with EFRAG's approach of including only mandatory methodological requirements in AR. Reference to LEAP kept now in ESRS 1 para. AR7. Consideration of location-specific aspects when identifying and assessing material IROs to be addressed under ESRS 2.

(a) the locations of direct assets and operations and related upstream and downstream activities across the <b>value chain</b> ;	<del>(a) the locations of direct assets and operations and related upstream and downstream activities across the value chain;</del>	<b>Deleted</b>  Deleted based on EFRAG's approach to delete IRO-1 sections under topical standards for simplification and reduction purposes and to align with EFRAG's approach of including only mandatory methodological requirements in AR. Reference to LEAP kept now in ESRS 1 para. AR7. Consideration of location-specific aspects when identifying and assessing material IROs to be addressed under ESRS 2.
(b) the <b>sites</b> located in <b>areas at water risk</b> , including areas of high-water stress; and	<del>(b) the <b>sites</b> located in <b>areas at water risk</b>, including areas of high-water stress; and</del>	<b>Deleted</b>  Deleted based on EFRAG's approach to delete IRO-1 sections under topical standards for simplification and reduction purposes and to align with EFRAG's approach of including only mandatory methodological requirements in AR. Reference to LEAP kept now in ESRS 1 para. AR7. Consideration of location-specific aspects when identifying and assessing material IROs to be addressed under ESRS 2.
(c) the sectors or business units that are interfacing with water or marine resources in these priority locations.	<del>(c) the sectors or business units that are interfacing with water or marine resources in these priority locations.</del>	<b>Deleted</b>  Deleted based on EFRAG's approach to delete IRO-1 sections under topical standards for simplification and reduction purposes and to align with EFRAG's approach of including only mandatory methodological requirements in AR. Reference to LEAP kept now in ESRS 1 para. AR7. Consideration of aspects like sector when identifying and assessing material IROs to be addressed under ESRS 2.
AR 6. The undertaking shall consider river basins as the relevant level for assessment of locations and combine that approach with an operational risk assessment of its	<del>AR 6. The undertaking shall consider river basins as the relevant level for assessment of locations and combine that approach with an operational risk assessment of its facilities and the facilities of suppliers with material impacts and risks.</del>	<b>Deleted</b>  Deleted based on EFRAG's approach to delete IRO-1 sections under topical standards for

facilities and the facilities of suppliers with material impacts and risks.		simplification and reduction purposes. Consideration of location ecosystem specific aspects when identifying and assessing material IROs to be addressed under ESRS 2.
AR 7. The undertaking shall consider the criteria for defining the status of water bodies according to the relevant Annexes of Directive 2000/60/EC (Water Framework Directive) as well as the guidance documents provided for implementation of the Water Framework Directive. The list of guidance documents can be accessed under the European Commission's Environment home page.	<del>AR 7. The undertaking shall consider the criteria for defining the status of water bodies according to the relevant Annexes of Directive 2000/60/EC (Water Framework Directive) as well as the guidance documents provided for implementation of the Water Framework Directive. The list of guidance documents can be accessed under the European Commission's Environment home page.</del>	<b>Deleted</b>  Deleted based on EFRAG's approach to delete IRO-1 sections under topical standards for simplification and reduction purposes.
AR 8. In phase 2, to evaluate its impacts and <b>dependencies</b> for each priority location identified under AR 5, the undertaking may:	<del>AR 8. In phase 2, to evaluate its impacts and <b>dependencies</b> for each priority location identified under AR 5, the undertaking may:</del>	<b>Deleted</b>  Deleted based on EFRAG's approach to delete IRO-1 sections under topical standards for simplification and reduction purposes and to align with EFRAG's approach of including only mandatory methodological requirements in AR. Reference to LEAP kept now in ESRS 1 para. AR7. Consideration of location-specific aspects when identifying and assessing material IROs to be addressed under ESRS 2.
(a) identify business processes and activities that lead to impacts and dependencies on environmental assets and ecosystem services;	<del>(a) identify business processes and activities that lead to impacts and dependencies on environmental assets and ecosystem services;</del>	<b>Deleted</b>  Deleted based on EFRAG's approach to delete IRO-1 sections under topical standards for simplification and reduction purposes and to align with EFRAG's approach of including only mandatory methodological requirements in AR.
(b) identify water and <b>marine resources</b> -related impacts and dependencies across the undertaking's value chain; and	<del>(b) identify water and <b>marine resources</b>-related impacts and dependencies across the undertaking's value chain; and</del>	<b>Deleted</b>  Deleted based on EFRAG's approach to delete IRO-1 sections under topical standards for simplification and reduction purposes and to align with EFRAG's approach of including only mandatory methodological requirements in AR.

(c) assess the severity and likelihood of the positive and negative impacts on water and marine resources.	<del>(c) assess the severity and likelihood of the positive and negative impacts on water and marine resources.</del>	<b>Deleted</b>  Deleted based on EFRAG's approach to delete IRO-1 sections under topical standards for simplification and reduction purposes and to align with EFRAG's approach of including only mandatory methodological requirements in AR.
AR 9. For the identification of water and marine resources-related dependencies, the undertaking may rely on international classifications such as the Common International Classification of Ecosystem Services (CICES).	<del>AR 9. For the identification of water and marine resources-related dependencies, the undertaking may rely on international classifications such as the Common International Classification of Ecosystem Services (CICES).</del>	<b>Deleted</b>  Deleted for simplification and reduction purposes and to align with EFRAG's approach of including only mandatory methodological requirements in AR.
AR 10. When identifying its marine resources-related dependencies, the undertaking shall consider if it depends upon key marine resources-related commodities, including but not limited to gravels and seafood products.	<del>AR 10. When identifying its marine resources-related dependencies, the undertaking shall consider if it depends upon key marine resources-related commodities, including but not limited to gravels and seafood products.</del>	<b>Deleted</b>  Deleted based on EFRAG's approach to delete IRO-1 sections under topical standards for simplification and reduction purposes and because marine resources are not in the scope of E3 anymore.
AR 11. Marine resources are defined according to their use by human societies and must be considered in relation to the pressure they are subject to. Some of the pressure indicators are presented in other ESRS, namely microplastics and emissions to water in ESRS E2 and plastic waste in ESRS E5.	<del>AR 11. Marine resources are defined according to their use by human societies and must be considered in relation to the pressure they are subject to. Some of the pressure indicators are presented in other ESRS, namely microplastics and emissions to water in ESRS E2 and plastic waste in ESRS E5.</del>	<b>Deleted</b>  Deleted based on EFRAG's approach to delete IRO-1 sections under topical standards for simplification and reduction purposes and because marine resources are not in the scope of E3 anymore.
AR 12. Examples of marine resources dependencies which may be considered by the undertaking are:	<del>AR 12. Examples of marine resources dependencies which may be considered by the undertaking are:</del>	<b>Deleted</b>  Deleted based on EFRAG's approach to delete IRO-1 sections under topical standards for simplification and reduction purposes and because marine resources are not in the scope of E3 anymore.
(a) dependencies on commercially exploited fish and shellfish in its own operations and its upstream and downstream value chain; and	<del>(a) dependencies on commercially exploited fish and shellfish in its own operations and its upstream and downstream value chain; and</del>	<b>Deleted</b>  Deleted based on EFRAG's approach to delete IRO-1 sections under topical standards for

		simplification and reduction purposes and because marine resources are not in the scope of E3 anymore.
(b) fishing activity that involves mobile bottom trawling, which can also have negative impacts on the seabed.	<del>(b) fishing activity that involves mobile bottom trawling, which can also have negative impacts on the seabed.</del>	<b>Deleted</b>  Deleted based on EFRAG's approach to delete IRO-1 sections under topical standards for simplification and reduction purposes and because marine resources are not in the scope of E3 anymore.
AR 13. In Phase 3, to assess its material <b>risks</b> and <b>opportunities</b> based on the results of Phases 1 and 2, the undertaking may:	<del>AR 13. In Phase 3, to assess its material <b>risks</b> and <b>opportunities</b> based on the results of Phases 1 and 2, the undertaking may:</del>	<b>Deleted</b>  Deleted based on EFRAG's approach to delete IRO-1 sections under topical standards for simplification and reduction purposes and to align with EFRAG's approach of including only mandatory methodological requirements in AR. Reference to LEAP kept now in ESRS 1 para. AR7.
(a) identify <b>transition risks</b> and <b>opportunities</b> in its own operations and its <b>value chain</b> by the categories of:  i. policy and legal: e.g., introduction of regulation or policy (e.g., changes such as increased water protection, increased quality of water regulations, regulation of flows of water supply), ineffective governance of water bodies or <b>marine resources</b> , in particular across boundaries (e.g., transboundary governance and cooperation) resulting in water or oceans <b>degradation</b> , exposure to sanctions and litigation (e.g., non-respect of permits or allocations; negligence towards or killing of threatened marine species), enhanced reporting obligations on marine ecosystems and related services;  ii. technology: e.g., substitution of products or services by products or services with a lower impact on water and marine resources,	<del>(a) identify transition risks and opportunities in its own operations and its value chain by the categories of:  i. policy and legal: e.g., introduction of regulation or policy (e.g., changes such as increased water protection, increased quality of water regulations, regulation of flows of water supply), ineffective governance of water bodies or marine resources, in particular across boundaries (e.g., transboundary governance and cooperation) resulting in water or oceans degradation, exposure to sanctions and litigation (e.g., non-respect of permits or allocations; negligence towards or killing of threatened marine species), enhanced reporting obligations on marine ecosystems and related services;  ii. technology: e.g., substitution of products or services by products or services with a lower impact on water and marine resources, transition to more efficient and cleaner technologies (i.e., with lower impacts on oceans and water), new monitoring technologies (e.g., satellite), water purification, flood protection;  iii. iii. market: e.g., shifting supply, demand and financing, volatility or increased costs of water or marine resources;</del>	<b>Deleted</b>  Deleted based on EFRAG's approach to delete IRO-1 sections under topical standards for simplification and reduction purposes and to align with EFRAG's approach of including only mandatory methodological requirements in AR.

<p>transition to more efficient and cleaner technologies (i.e., with lower impacts on oceans and water), new monitoring technologies (e.g., satellite), water purification, flood protection;</p> <p>iii. market: e.g., shifting supply, demand and financing, volatility or increased costs of water or marine resources;</p> <p>iv. reputation: e.g., changing societal, customer or community perceptions as a result of an organisation's impact on water and marine resources; and</p> <p>v. contribution to systemic risks via its own operations and its upstream and downstream value chain, including the risks that a marine ecosystem collapses or the risks that a critical natural system no longer functions (e.g., tipping points are reached, summing physical risks);</p>	<p>iv. reputation: e.g., changing societal, customer or community perceptions as a result of an organisation's impact on water and marine resources; and</p> <p>v. contribution to systemic risks via its own operations and its upstream and downstream value chain, including the risks that a marine ecosystem collapses or the risks that a critical natural system no longer functions (e.g., tipping points are reached, summing physical risks);</p>	
<p>(b) identify physical risk including water quantity (<b>water scarcity</b>, water stress), water quality, infrastructure decay or unavailability of some marine resources-related commodities (e.g. the rarefaction of some species of fish or other underwater marine living organisms sold as products by the undertaking) leading for instance to the impossibility of running operations in certain geographical areas;</p>	<p>identify physical risk including water quantity (<del>water scarcity</del>, water stress), <del>water quality, infrastructure decay or unavailability of some marine resources-related commodities (e.g. the rarefaction of some species of fish or other underwater marine living organisms sold as products by the undertaking)</del> leading for instance to the impossibility of running operations in certain geographical areas;</p>	<p><b>Deleted</b></p> <p>Deleted based on EFRAG's approach to delete IRO-1 sections under topical standards for simplification and reduction purposes and to align with EFRAG's approach of including only mandatory methodological requirements in AR.</p>
<p>(c) identify opportunities categorized by:</p> <p>i. resource efficiency: e.g., transition to more efficient services and processes requiring less water and marine resources;</p> <p>ii. markets: e.g., development of less resource-intensive products and services, diversification of business activities;</p>	<p><del>(c) identify opportunities categorized by:</del></p> <p><del>i. resource efficiency: e.g., transition to more efficient services and processes requiring less water and marine resources;</del></p> <p><del>ii. markets: e.g., development of less resource-intensive products and services, diversification of business activities;</del></p> <p><del>iii. financing: e.g., access to green funds, bonds or loans;</del></p>	<p><b>Deleted</b></p> <p>Deleted based on EFRAG's approach to delete IRO-1 sections under topical standards for simplification and reduction purposes and to align with EFRAG's approach of including only mandatory methodological requirements in AR.</p>

<p>iii. financing: e.g., access to green funds, bonds or loans;</p> <p>iv. resilience: e.g., diversification of marine or water resources and business activities (e.g., starting a new business unit on ecosystem restoration), investing in green infrastructures, nature-based solutions, adopting recycling and circularity mechanisms that reduce the dependencies on water or marine resources; and</p> <p>v. reputation: positive stakeholder engagement as a result of a proactive stance on managing nature-related risks (e.g., leading to preferred partner status).</p>	<p>iv. resilience: e.g., diversification of marine or water resources and business activities (e.g., starting a new business unit on ecosystem restoration), investing in green infrastructures, nature-based solutions, adopting recycling and circularity mechanisms that reduce the dependencies on water or marine resources; and</p> <p>v. reputation: positive stakeholder engagement as a result of a proactive stance on managing nature-related risks (e.g., leading to preferred partner status).</p>	
AR 14. The undertaking may rely on primary, secondary or modelled data collection or other relevant approaches to assess material impacts, dependencies, risks and opportunities, including Commission Recommendation 2021/2279 on the use of the Environmental Footprint methods to measure and communicate the life cycle environmental performance of products and organisations (Annex I – Product Environmental Footprint; Annex III – Organisation Environmental Footprint).	AR 14. The undertaking may rely on primary, secondary or modelled data collection or other relevant approaches to assess material impacts, dependencies, risks and opportunities, including Commission Recommendation 2021/2279 on the use of the Environmental Footprint methods to measure and communicate the life cycle environmental performance of products and organisations (Annex I – Product Environmental Footprint; Annex III – Organisation Environmental Footprint).	<p><b>Deleted</b></p> <p>Deleted based on EFRAG's approach to delete IRO-1 sections under topical standards for simplification and reduction purposes and to align with EFRAG's approach of including only mandatory methodological requirements in AR.</p>
AR 15. When providing information on the outcome of the <b>materiality</b> assessment, the undertaking shall consider:	AR 15. When providing information on the outcome of the <b>materiality</b> assessment, the undertaking shall consider:	<p><b>Deleted</b></p> <p>Deleted based on EFRAG's approach to delete IRO-1 sections under topical standards for simplification and reduction purposes.</p>
(a) a list of geographical areas where water is a material issue for the undertaking's own operations and its upstream and downstream value chain;	(a) a list of geographical areas where water is a material issue for the undertaking's own operations and its upstream and downstream value chain;	<p><b>Deleted</b></p> <p>Deleted based on EFRAG's approach to delete IRO-1 sections under topical standards for simplification and reduction purposes. Provisions related to location-specific disaggregation of information to be addressed under ESRS 2.</p>

(b) a list of <b>marine resources</b> -related commodities used by the undertaking which are material to the good environmental status of marine waters as well as for the protection of marine resources; and	<del>(b) a list of <b>marine resources</b>-related commodities used by the undertaking which are material to the good environmental status of marine waters as well as for the protection of marine resources; and</del>	<b>Deleted</b>  Deleted based on EFRAG's approach to delete IRO-1 sections under topical standards for simplification and reduction purposes and because marine resources are not in the scope of E3 anymore.
(c) a list of sectors or segments associated with water and marine resources material impacts, risks and opportunities.	<del>(c) a list of sectors or segments associated with water and marine resources material impacts, risks and opportunities.</del>	<b>Deleted</b>  Deleted based on EFRAG's approach to delete IRO-1 sections under topical standards for simplification and reduction purposes and because marine resources are not in the scope of E3 anymore.
<b>Disclosure Requirement E3-1 – Policies related to water and marine resources</b>	<b>Disclosure Requirement E3-1 – Policies related to water and marine resources</b>	<b>Comment/Rationale</b>
<b>ESRS Set 1 as per Delegated Act 2023</b>	<b>[Draft] Amended ESRS E3 Water</b>	
AR 16. The policies described under this Disclosure Requirement may be integrated in broader environmental or sustainability policies covering different subtopics.	<del>AR 16. The policies described under this Disclosure Requirement may be integrated in broader environmental or sustainability policies covering different subtopics.</del>	<b>Deleted</b>  Deleted for reduction purposes and to align with EFRAG's approach that AR shall contain mandatory methodological requirements only. These type of specifications are addressed under ESRS 2 GDR-P.
AR 17. When disclosing information under paragraph 9, the undertaking may disclose whether its policies:	<del>AR 17. When disclosing information under paragraph 9, the undertaking may disclose whether its policies:</del>	<b>Deleted</b>  Deleted for reduction purposes and to align with EFRAG's approach that AR shall contain mandatory methodological requirements only.
(a) prevent further deterioration and protect and enhance the status of water bodies and aquatic ecosystems;	<del>(a) prevent further deterioration and protect and enhance the status of water bodies and aquatic ecosystems;</del>	<b>Deleted</b>  Deleted for reduction purposes and to align with EFRAG's approach that AR shall contain mandatory methodological requirements only.
(b) promote sustainable water use based on a long-term protection of available water resources;	<del>(b) promote sustainable water use based on a long-term protection of available water resources;</del>	<b>Deleted</b>

		Deleted for reduction purposes and to align with EFRAG's approach that AR shall contain mandatory methodological requirements only.
(c) aim at enhanced protection and improvement of the aquatic environment;	<del>(c) aim at enhanced protection and improvement of the aquatic environment;</del>	<b>Deleted</b> Deleted for reduction purposes and to align with EFRAG's approach that AR shall contain mandatory methodological requirements only. Related aspects addressed under NMIG 1.
(d) promote a good environmental status of marine water; and	<del>(d) promote a good environmental status of marine water; and</del>	<b>Deleted</b> Deleted for reduction purposes and to align with EFRAG's approach that AR shall contain mandatory methodological requirements only.
(e) promote reduction of water withdrawals and water discharges.	<del>(e) promote reduction of water withdrawals and water discharges.</del>	<b>Deleted</b> Deleted for reduction purposes and to align with EFRAG's approach that AR shall contain mandatory methodological requirements only. Related aspects addressed under NMIG 1.
AR 18. The undertaking may also disclose information about <b>policies</b> which:	<del>AR 18. The undertaking may also disclose information about <b>policies</b> which:</del>	<b>Deleted from mandatory content and moved to NMIG</b>  Moved to NMIG 1  Moved and simplified for reduction purposes and to align with EFRAG's approach that AR shall contain mandatory methodological requirements only.
(a) contribute to good ecological and chemical quality of <b>surface water</b> bodies and good chemical quality and quantity of groundwater bodies, in order to protect human health, water supply, natural <b>ecosystems</b> and biodiversity, the good environmental status of marine waters and the protection of the resource base upon which marine related activities depend;	<del>(a) contribute to good ecological and chemical quality of <b>surface water</b> bodies and good chemical quality and quantity of groundwater bodies, in order to protect human health, water supply, natural <b>ecosystems</b> and biodiversity, the good environmental status of marine waters and the protection of the resource base upon which marine related activities depend;</del>	<b>Deleted from mandatory content and moved to NMIG</b>  Moved to NMIG 1  Moved and simplified for reduction purposes and to align with EFRAG's approach that AR shall contain mandatory methodological requirements only.

(b) minimise material <b>impacts</b> and <b>risks</b> and implement mitigation measures that aim to maintain the value and functionality of priority services and to increase resource efficiency on own operations; and	<del>(b) minimise material <b>impacts</b> and <b>risks</b> and implement mitigation measures that aim to maintain the value and functionality of priority services and to increase resource efficiency on own operations; and</del>	<b>Deleted from mandatory content and moved to NMIG</b>  Moved to NMIG 1  Moved and simplified for reduction purposes and to align with EFRAG's approach that AR shall contain mandatory methodological requirements only.
(c) avoid impacts on <b>affected communities</b> .	<del>(c) avoid impacts on affected communities.</del>	<b>Deleted from mandatory content and moved to NMIG</b>  Moved to NMIG 1  Moved and simplified for reduction purposes and to align with EFRAG's approach that AR shall contain mandatory methodological requirements only.
<b>Disclosure Requirement E3-2 – Actions and resources related to water and marine resources</b>	<b>Disclosure Requirement E3-2 – Actions and resources related to water and marine resources</b>	<b>Comment/Rationale</b>
<b>ESRS Set 1 as per Delegated Act 2023</b>	<b>[Draft] Amended ESRS E3 Water</b>	
AR 19. When disclosing information required under paragraph 15, the undertaking shall consider the actions, or action plans, contributing to address the material impacts, risks and opportunities identified. Useful guidance is provided by the Alliance for Water Stewardship (AWS).	<del>AR 19. When disclosing information required under paragraph 15, the undertaking shall consider the actions, or action plans, contributing to address the material impacts, risks and opportunities identified. Useful guidance is provided by the Alliance for Water Stewardship (AWS).</del>	<b>Deleted</b>  Deleted for reduction purposes and to align with EFRAG's approach that AR shall contain mandatory methodological requirements only.
AR 20. Considering that water and marine resources are shared resources which may require collective actions , or action plans, involving other stakeholders, the undertaking may provide information on those specific collective actions, including information on other parties (competitors, suppliers , retailers, customers, other business partners, local communities and authorities, government agencies...) and specific	<del>AR 20. Considering that water and marine resources are shared resources which may require collective actions , or action plans, involving other stakeholders, the undertaking may provide information on those specific collective actions, including information on other parties (competitors, suppliers , retailers, customers, other business partners, local communities and authorities, government agencies...) and specific information on the project, its specific contribution, its sponsors and other participants.</del>	<b>Deleted from mandatory content and moved to NMIG</b>  Moved to NMIG 3  Moved and edited for reduction purposes and to align with EFRAG's approach that AR shall contain mandatory methodological requirements only.

information on the project, its specific contribution, its sponsors and other participants.		
AR 21. When providing information on capital expenditures, the undertaking may consider expenditures related, for example, to stormwater drain rehabilitation, pipelines, or machinery used to manufacture new low water-use products.	<del>AR 21. When providing information on capital expenditures, the undertaking may consider expenditures related, for example, to stormwater drain rehabilitation, pipelines, or machinery used to manufacture new low water-use products.</del>	<b>Deleted</b>  Deleted for reduction purposes and to align with EFRAG's approach that AR shall contain mandatory methodological requirements only.
<b>Metrics and Targets</b>		
<b>Disclosure Requirement E3-3 – Targets related to water and marine resources</b>	<b>Disclosure Requirement E3-3 – Targets related to water and marine resources</b>	<b>Comment/Rationale</b>
<b>ESRS Set 1 as per Delegated Act 2023</b>	<b>[Draft] Amended ESRS E3 Water</b>	
AR 22. If the undertaking refers to ecological thresholds when setting targets, it may refer to the guidance provided by the Science-Based Targets Initiative for Nature (SBTN) in its interim guidance (Initial Guidance for Business, September 2020). It may also refer to any other guidance with a scientifically acknowledged methodology that enables the setting of science-based targets by identifying ecological thresholds and, if applicable, organisation-specific allocations. Ecological thresholds can be local, national and/or global.	<del>AR 22. If the undertaking refers to ecological thresholds when setting targets, it may refer to the guidance provided by the Science-Based Targets Initiative for Nature (SBTN) in its interim guidance (Initial Guidance for Business, September 2020). It may also refer to any other guidance with a scientifically acknowledged methodology that enables the setting of science-based targets by identifying ecological thresholds and, if applicable, organisation-specific allocations. Ecological thresholds can be local, national and/or global.</del>	<b>Deleted</b>  Deleted for reduction purposes. Ecological thresholds to be addressed under ESRS 2 GDR-T para. 43(g).
AR 23. The undertaking may provide targets relating to:	<del>AR 23. The undertaking may provide targets relating to:</del>	<b>Deleted from mandatory content and moved to NMIG</b>  Moved to NMIG 4  Moved for reduction purposes and to align with EFRAG's approach that AR shall contain mandatory methodological requirements only.
(a) the reduction of water withdrawals; and	<del>(a) the reduction of water withdrawals; and</del>	<b>Deleted from mandatory content and moved to NMIG</b>  Moved to NMIG 4

		Moved for reduction purposes and to align with EFRAG's approach that AR shall contain mandatory methodological requirements only.
(b) the reduction of water discharges.	<del>(b) the reduction of water discharges.</del>	<b>Deleted from mandatory content and moved to NMIG</b>  Moved to NMIG 4  Moved for reduction purposes and to align with EFRAG's approach that AR shall contain mandatory methodological requirements only.
AR 24. If the undertaking provides targets on withdrawals, it may include water withdrawal from polluted soils and aquifers, and water withdrawn and treated for remediation purposes.	<del>AR 24. If the undertaking provides targets on withdrawals, it may include water withdrawal from polluted soils and aquifers, and water withdrawn and treated for remediation purposes.</del>	<b>Deleted</b>  Deleted for reduction purposes and to align with EFRAG's approach that AR shall contain mandatory methodological requirements only.
AR 25. If the undertaking provides targets on discharges, it may include water discharges to groundwater such as reinjection to aquifers, or water returning to a groundwater source via a soakaway or a swale.	<del>AR 25. If the undertaking provides targets on discharges, it may include water discharges to groundwater such as reinjection to aquifers, or water returning to a groundwater source via a soakaway or a swale.</del>	<b>Deleted</b>  Deleted for reduction purposes and to align with EFRAG's approach that AR shall contain mandatory methodological requirements only.
AR 26. The targets may cover its own operations and/or its upstream and downstream value chain.	<del>AR 26. The targets may cover its own operations and/or its upstream and downstream value chain.</del>	<b>Deleted</b>  Deleted for reduction purposes and because these specifications are to be addressed in ESRS 2 GDR-T.
AR 27. The undertaking may specify whether the target addresses shortcomings related to the Substantial Contribution criteria for Water and Marine Resources as defined in the Commission delegated acts adopted pursuant to Article 12(2) of Regulation (EU) 2020/852. Where the Do No Significant Harm (DNSH) criteria for Water and Marine Resources as defined in delegated acts adopted pursuant to Article 10(3), Article 11(3), Article 13(2), Article 14(2), and Article 15(2) of Regulation (EU) 2020/852 are not met, the undertaking may specify whether the target addresses shortcomings related those DNSH criteria.	<del>AR 27. The undertaking may specify whether the target addresses shortcomings related to the Substantial Contribution criteria for Water and Marine Resources as defined in the Commission delegated acts adopted pursuant to Article 12(2) of Regulation (EU) 2020/852. Where the Do No Significant Harm (DNSH) criteria for Water and Marine Resources as defined in delegated acts adopted pursuant to Article 10(3), Article 11(3), Article 13(2), Article 14(2), and Article 15(2) of Regulation (EU) 2020/852 are not met, the undertaking may specify whether the target addresses shortcomings related those DNSH criteria.</del>	<b>Deleted</b>  Deleted for reduction purposes and to align with EFRAG's approach that AR shall contain mandatory methodological requirements only.

Disclosure Requirement E3-4 – Water consumption	Disclosure Requirement E3-4 – Water consumption	Comment/Rationale
ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS E3 Water	
AR 28. The undertaking may operate in various <b>areas at water risk</b> . When disclosing information under paragraph 28 (b), the undertaking shall include such information only for those areas that have been identified as material in accordance with ESRS2 IRO-1 and ESRS2 SBM-3.	<del>AR 28. The undertaking may operate in various <b>areas at water risk</b>. When disclosing information under paragraph 28 (b), the undertaking shall include such information only for those areas that have been identified as material in accordance with ESRS2 IRO-1 and ESRS2 SBM-3.</del>	<b>Deleted</b>  Deleted for reduction purposes. Specifications related to the disaggregation of information will be addressed in the Objectives and under ESRS 1 and 2.
	AR 1. <b>Water consumption</b> shall be calculated using a <b>water balance</b> approach:  <u>it equals <b>water withdrawal</b> minus <b>water discharges</b>, adjusted for changes in <b>water storage</b>.</u>	<b>New</b>  [AR 1, AR 2 contains related guidance for para. 17]  EFRAG considers it relevant to provide this guidance, also based on input by stakeholders received.
	AR 2. Water <b>metrics</b> under paragraph 17 (a)-(f) are expressed in cubic meters (m <sup>3</sup> ).	<b>New</b>  [AR 1, AR 2 contains related guidance for para. 17]  Reference to units connected to former para 28 moved into one AR for clarity.
AR 29. When disclosing contextual information on water consumption performance required by paragraph 28(e), the undertaking shall explain the calculation methodologies and more specifically the share of the measure obtained from direct measurement, from sampling and extrapolation, or from best estimates.	<del>AR 29. When disclosing contextual information on water consumption performance required by paragraph 28(e), the undertaking shall explain the calculation methodologies and more specifically the share of the measure obtained from direct measurement, from sampling and extrapolation, or from best estimates.</del>	<b>Deleted</b>  Deleted for reduction purposes. The disclosure of contextual information is addressed under ESRS 2 GDR-M.
AR 30. The undertaking may provide information on other breakdowns (i.e., per sector or segments).	<del>AR 30. The undertaking may provide information on other breakdowns (i.e., per sector or segments).</del>	<b>Deleted</b>  Deleted for reduction purposes. Specifications related to the disaggregation of information will be addressed in the Objectives and under ESRS 1 and 2.
AR 31. When disclosing information required by paragraph 29 the undertaking may provide additional intensity ratios based on other denominators.	<del>AR 31. When disclosing information required by paragraph 29 the undertaking may provide additional intensity ratios based on other denominators.</del>	<b>Deleted</b>  Deleted in connection with the deletion of former para 29.

AR 32. The undertaking may also provide information on its <b>water withdrawals</b> and <b>water discharges</b> .	[DR] AR 32. The undertaking may also provide information on its  (See para. 17 above)	<b>Amended</b>  [AR 1, AR 2 contains related guidance for para. 17]  Amended and moved to para. 17 (see above)  Changed from optional ('may') to mandatory ('shall') requirement due to the relevance of these metrics to complete the water balance equation and to provide relevant information connected to material IROs that support fair presentation.
<b>Disclosure Requirement E3-5 – Anticipated financial effects from material water and marine resources-related risks and opportunities</b>	<b>Disclosure Requirement E3-5 – Anticipated financial effects from material water and marine resources-related risks and opportunities</b>	<b>Comment/Rationale</b>
<b>ESRS Set 1 as per Delegated Act 2023</b>	<b>[Draft] Amended ESRS E3 Water</b>	
AR 33. The undertaking may include an assessment of its related products and services at risk over the short-, medium- and long-term, explaining how these are defined, how financial amounts are estimated, and which critical assumptions are made.	<del>AR 33. The undertaking may include an assessment of its related products and services at risk over the short-, medium- and long-term, explaining how these are defined, how financial amounts are estimated, and which critical assumptions are made.</del>	<b>Deleted</b>  Deleted following deletion of E2-5 in alignment with approach taken for E2-E5 standards and based on stakeholder input. Anticipated Financial Effects to be addressed under ESRS 2 SBM-3.
AR 34. The quantification of the anticipated financial effects in monetary terms under paragraph 33(a) may be a single amount or a range.	<del>AR 34. The quantification of the anticipated financial effects in monetary terms under paragraph 33(a) may be a single amount or a range.</del>	<b>Deleted</b>  Deleted following deletion of E2-5 in alignment with approach taken for E2-E5 standards and based on stakeholder input. Anticipated Financial Effects to be addressed under ESRS 2 SBM-3.