

ESRS E3 – *Water*

December 2025

Comparison between ED (July) and V2 (December)

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Revised structure and drafting conventions

As compared to ESRS Set 1 (Delegated Regulation (EU) 2023/2772 adopted by the European Commission in July 2023), the structure of the Standards has been revised and streamlined.

- All the ‘shall disclose/shall include/shall report/shall describe/shall explain’ are presented in the main body of the Standard. They have been counted as separate datapoints.
- Below the text of each Disclosure Requirement (‘DR’) in topical standards (or chapter for ESRS 1), boxed content presents the streamlined corresponding mandatory methodological guidance, which is still named ‘Application Requirements’ (‘ARs’). This includes ‘shall consider’ as element of methodology for preparing the disclosure, and ‘may (present)’ for presentation options — which does not represent voluntary disclosure but brings flexibility on how to present the disclosure.
- All the ‘may’ disclosures have been either eliminated or redrafted as application requirements (which do not include separate datapoints but methodology content).
- A minority of the deleted datapoints is gathered in a document named ‘Non-Mandatory Illustrative Guidance’ (‘NMIG’) and has been redrafted to fit this classification. While the content of ‘shall disclose’ datapoints in the main body of the standard and of application requirements are drafted to become part of the delegated act, the legal status of the NMIG (either as appendices in the Delegated Act or as document to be issued by EFRAG independently of the Delegated Act) will be considered by the European Commission (‘EC’) in due course. EFRAG recommends NMIG not to be part of the Delegated Act.
- The ESRS use several terms to indicate similar concepts: matters, topic, sub-topic, sub-subtopic. In Amended ESRS ‘sub-subtopics’ have been eliminated. In addition, to simplify the content and eliminate one term (matter), the Standards only refer to topics and sub-topics. For this reason, in all the documents the term ‘matter’ has been replaced by ‘topic’ where ‘topic’ is meant to refer either to topic or sub-topic depending on the context of the relevant disclosure. When used in this way, the bold italic format is used (***topic***), as this is a defined term. When used to express one of the 10 topics in Appendix A of [Draft] Amended ESRS 1, a normal font is used.
- The paragraph numbering has been revised to reflect the draft amendments. Where applicable, the paragraph number of the 2023 Delegated Act is indicated in brackets — for example, ‘4. (24)’ or ‘4. (24 amended)’ in paragraph [Draft] Amended ESRS 1.

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Objective

1. ~~(1 amended)~~ When reporting in accordance with the ESRS, the **sustainability statement** shall ~~cover~~include information in relation to ~~[Draft] Amended ESRS E3 Water, when if this topic is~~ related to material **impacts, risks and opportunities** to cover all the reporting areas listed in paragraph 5 of ESRS 1 General Requirements. ~~The DR on the material impacts, risks and opportunities is expected to cover policies, actions and targets (if in place), dependencies when relevant, metrics and the related financial effects.~~ If not all the sub-topics prescribed by this Standard are to be reported following the materiality assessment, paragraph 30 of ESRS 1 General Requirements applies.
2. ~~(6 amended)~~ The objective of this Standard is to ~~specify~~set out Disclosure Requirements (DRs) providing information in relation to ~~these items of information mentioned in paragraph 1 that are not covered in [Draft] Amended the reporting areas referred above that implement and complement the cross-cutting provisions of ESRS 1 General Requirements and ESRS 2 General Disclosures.~~
2. —
3. ~~(new)~~ In this Standard, each DR is introduced by a disclosure objective, except for **policies, actions and targets**, for which the provisions in ESRS 2 General Disclosures GDR-P, GDR-A and GDR-T provide the necessary framing for the relevant DRs.
3. — When only one of the sub-topics covered by this Standard is material, the undertaking shall report only on that sub-topic.
4. — 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:~~
 - (a) ~~if the undertaking has not adopted policies, actions and targets with reference to a topic related to material impacts, risks and opportunities, it shall disclose this fact; and~~
 - (b) ~~the undertaking may present the description of its material impacts, risks and opportunities, in accordance with [Draft] Amended ESRS 2 IRO-2, alongside information about its policies, actions, targets and metrics through which it addresses them, to avoid duplication and support a coherent narrative.~~
5. — In this Standard, each DR is introduced by a disclosure objective, with the exception of **policies, actions and targets**, for which the provisions in ~~[Draft] Amended ESRS 2 GDR-P, GDR-A and GDR-T~~ provide the necessary framing for the relevant DRs.
- 6.4. ~~The objective of t~~ (1(c) amended) This Standard shall also enable ~~users of the sustainability statement to understand the plans and capacity of the undertaking to adapt its strategy and business model in line with:~~ takes account of EU regulatory frameworks and other relevant frameworks, including the EU Water Framework Directive (Directive 2000/60/EC), the EU Drinking Water Directive (Directive 2020/2184/EU), Industrial Emissions Directive (Directive 2010/75/EU), the EU Water Resilience Strategy, and the Eco-Management and Audit Scheme (EMAS) Regulation (Regulation 1221/2009/EC), the UN Watercourses Convention (1997), and UNECE Water Convention (1992).
- 7.5. ~~(2 amended)~~ This Standard sets out DRs related to water, ~~and in particular,~~ with respect to the following sub-topics: water use, which includes water withdrawals; water consumption; water discharge; and water stored.
- 8.6. ~~(2 amended)~~ The term ‘~~w~~Water’ refers to encompasses freshwater and other type of water, for example brackish water, from different source surfaces, such as surface water, groundwater, seawater, produced water and third-party water. and marine waters.
7. ~~(new)~~ LocationContext-specific considerations are particularly important in relation to water. ~~When material~~ If material **impacts, risks or opportunities** arise at local level, it is important to consider ~~appropriate~~ are connected to specific geographies, it is important to consider appropriate aggregation or disaggregation or aggregation of the reported information, e.g. by ~~site, asset, basin, location, affected area~~ with ~~at~~ **water risk** ~~stress~~ or any other appropriate level in accordance with [Draft] Amended ESRS 1 General Requirements, Chapter 3.3.2 Level of Aggregation, Disaggregation. paragraph 53.

Interaction with other ESRS

9.8. (3, 4, 5 amended) Social and environmental **topics** ~~closely~~ interact with each other. The main points of interaction between ~~[Draft] Amended~~ ESRS E3 *Water* and the other different ESRS topical standards are the following:

- (a) ~~[Draft] Amended~~ ESRS E1 *Climate* ~~e~~Change addresses 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, precipitation or hydrological variability, ocean acidification, saline intrusion, sea level rise, drought, **high**-water stress, heavy precipitation, **floods** and glacial lake outbursts;
- (b) ~~[Draft] Amended~~ ESRS E2 *Pollution* addresses the **emissions** to water, including emissions to ~~oceans~~seawater, and the manufacturing, use, and release ~~generation and release~~ of **microplastics**.
- (c) ~~[Draft] Amended~~ ESRS E4 *Biodiversity and e*Ecossystems addresses ~~the conservation and sustainable use of and~~ **impacts** on marine and freshwater aquatic ecosystems as well as the ~~oceans and seas;~~ and **biodiversity** connected to the use of water.
- (d) ~~[Draft] Amended~~ ESRS E5 *Resource u*Use and ~~e~~Circular ~~e~~Economy addresses the ~~transition~~type towards the extraction of **non-renewable** resources of ~~wastewater~~; and circularity of resource inflows, including **marine resources**.
- (e) ~~[Draft] Amended~~ ESRS S3 *Affected e*Communities addresses material **impacts** on people and communities resulting from the undertaking's activities related to water, including changes in water availability, quality, or access.

Disclosure Requirements

Impact, risk and opportunity management

Disclosure Requirement E3-1 – *Policies related to water*

10.9. (11 amended) The undertaking shall ~~disclose~~report its water-related **policies** in accordance with the provisions of ~~[Draft] Amended~~ ESRS 2 GDR-P.

11.10. (13 amended) If the undertaking has **sites** located in areas ~~with~~at **water risk**~~stress~~, including **areas of high water stress** that are not covered by its water-related **policies**, it shall disclose this fact.

APPLICATION REQUIREMENTS

AR 1 for paras. 10, 12, 13 and 15(b) (Water stress)	<p>(new) Water stress encompasses quantity or availability (related to water scarcity) together with water quality and accessibility considerations and provides a broader measure of basin pressure.</p> <p><u>Water stress is one component of physical water-related risks, together with other non-water-stress-related factors, such as flooding and droughts. A comprehensive understanding of water-related risks considers all components of physical water-related risks (e.g., water stress, flooding, droughts) as well as regulatory and reputational water-related risks.</u></p>
AR 2 for paras. 10, 12, 13 and 15(b) (Areas with water stress)	<p>(Defined Terms 'Areas of high-water stress' amended) Global indicators (with associated datasets) and related thresholds to assess if an area <u>is with</u> water stress include:</p> <ul style="list-style-type: none"> a) baseline water stress – equal to or greater than 'High': 40–80% (WRI); b) water depletion – greater than 'High': 25–75% (Seasonal) (Brauman et al.); c) baseline water depletion – equal to or greater than 'High': 50–75% (WRI); and d) WEI+ (Water Exploitation Index plus) – equal to or greater than 40% (EEA).

	<p><u>While these global indicators account for water stress in terms of the quantity of water resource available (related to water scarcity), a comprehensive assessment of water stress encompasses all its dimensions (quantity, quality and accessibility).</u></p> <p><u>The assessment whether an area is exposed to water stress is typically done at the basin level as a minimum. Tailored methodologies may be used to assess whether an area is exposed to water stress and may leverage local knowledge.</u></p>
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Disclosure Requirement E3-2 – Actions and resources related to water

~~12-11.~~ (17 amended) The undertaking shall disclose its key water-related **actions** and ~~significant~~ resources allocated to their implementation, in accordance with the provisions of ~~{Draft} Amended~~ ESRS 2 GDR-A.

~~13-12.~~ (19 amended) The undertaking shall specify ~~any~~**key actions** and resources related ~~to areas at water risk, including areas at~~ to areas with of high water stress.

Metrics and targets

Disclosure Requirement E3-3 – Targets related to water

~~14-13.~~ (22 amended) The undertaking shall disclose its water-related **targets**, in accordance with the provisions of ~~{Draft} Amended~~ ESRS 2 GDR-T.

APPLICATION REQUIREMENTS

AR 3 for para. 13 (Targets on areas with water stress)	<p>(23 amended) In line with the scope considerations set out in ESRS 2 GDR-T, paragraph 51(c), the undertaking shall, where relevant, express water-related targets with reference to specific geographic areas, such as areas with water stress.</p>
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Disclosure Requirement E3-4 – Water metrics

~~15-14.~~ (27 amended) The objective of this DR is to help **users** to understand the undertaking's water ~~management practices and progress over time.~~ performance.

~~16-15.~~ (28, AR 32 amended) The undertaking shall disclose the following water metrics for its own operations:

- (a) total **water consumption**;
- (b) total **water consumption** in areas with at water risk, including areas of high water stress;
- (c) total **water withdrawal**;
- (d) total **water discharges**;
- (e) total **water recycled or and reused**; and
- (f) total **water stored**.

APPLICATION REQUIREMENTS

AR 14 for para. 1715 (Water metrics)	<p>(new) Water consumption (C) shall be calculated using a water balance approach:</p> <p>it equals water withdrawal minus water discharges, adjusted for changes in water storage, can be measured directly, modelled, estimated or calculated by subtracting total water discharge (D) from total water withdrawal (W) during the reporting period: $C = W - D$.</p>
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AR 25 for para. 175 (Water metrics units)	(28 amended) Water metrics under paragraphs 175 (a)-(f) shall be presented are expressed in cubic meters (m ³) or multiples thereof .
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