



 COMPARATIVE TABLE OF TEXTS

ESRS E3

WATER

 DECEMBER 2025

 EFRAG

Comparative Table: ESRS as enacted in 2023, Exposure Draft ESRS, and Draft Amended ESRS – ESRS E3 *Water*

Disclaimer: The ‘Comparative Table: ESRS as enacted in 2023, Exposure Draft ESRS, and Draft Amended ESRS’ accompanies but is not part of the draft amended ESRS issued by EFRAG on 3 December 2025. It is a non-binding document which complements and should be read in conjunction with the Basis for Conclusions and Log of Amendments, where descriptions and illustrations of the main changes to the Standards can be found. This document 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 illustrates the text of each of the following three versions of ESRS E3: ESRS E3 as enacted in 2023 (Column 1), Exposure Draft ESRS E3 (Column 2) and Draft Amended ESRS E3 (Column 3).
2. This document is purely illustrative and does not offer explanations for changes to ESRS E3. The Basis for Conclusions and the relevant Log of Amendments should be consulted for an explanation of draft amended ESRS E3.
3. By reading each row, the reader can understand how each paragraph of ESRS E3 has changed across the three versions of ESRS listed above. The starting point is Column 1, the text of the ESRS E3 as enacted in 2023.

ESRS E3 as enacted in 2023	Exposure Draft ESRS E3	Draft Amended ESRS E3
1. The objective of this Standard is to specify Disclosure Requirements which will enable users of the sustainability statement to understand:	1. When reporting in accordance with the ESRS, the sustainability statement shall cover information in relation to [Draft] Amended ESRS E3 <i>Water</i> , when this topic is related to material impacts, risks and opportunities . 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 .	1. The sustainability statement shall include information in relation to ESRS E3 <i>Water</i> if this topic relates to material impacts, risks and opportunities to cover all the reporting areas listed in paragraph 5 of ESRS 1 <i>General Requirements</i> . If not all the sub-topics prescribed by this Standard are to be reported following the materiality assessment, paragraph 30 of ESRS 1 <i>General Requirements</i> applies.
(a) how the undertaking affects water and marine resources, in terms of material positive and negative actual or potential impacts;		
(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;		
(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 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,	8. The objective of 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: (a) the EU Water Framework Directive (Directive 2000/60/EC); (b) the EU Drinking Water Directive (Directive 2020/2184/EU); (c) the EU Water Resilience Strategy, and the Eco-Management and Audit Scheme (EMAS) Regulation (Regulation 1221/2009/EC); (d) UN Watercourses Convention (1997); and (e) UNECE Water Convention (1992).	4. This Standard takes account of EU regulatory frameworks and other relevant frameworks, including EU Water Framework Directive (Directive 2000/60/EC), EU Drinking Water Directive (Directive 2020/2184/EU), Industrial Emissions Directive (Directive 2010/75/EU), EU Water Resilience Strategy, the Eco-Management and Audit Scheme (EMAS) Regulation (Regulation 1221/2009/EC), UN Watercourses Convention (1997) and UNECE Water Convention (1992).

ESRS E3 as enacted in 2023	Exposure Draft ESRS E3	Draft Amended ESRS E3
freshwater use, and biogeochemical flows planetary boundaries);		
(d) the plans and capacity of the undertaking to adapt its strategy and business model in line with the promotion of sustainable water use based on long-term protection of available water resources; protection of aquatic ecosystems and restoration of freshwater and marine habitats ;		
(e) the nature, type and extent of the undertaking’s material risks and opportunities arising from the undertaking’s impacts and dependencies on water and marine resources , and how the undertaking manages them; and		
(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.		
	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.	2. The objective of this Standard is to set out Disclosure Requirements (DRs) providing information in relation to the reporting areas referred above that implement and complement the cross-cutting provisions of ESRS 1 <i>General Requirements</i> and ESRS 2 <i>General Disclosures</i> .
	3. When only one of the sub-topics covered by this Standard is material, the undertaking shall report only on that sub-topic.	
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.	4. This Standard sets out DRs related to water and in particular, with respect to the following sub-topics: water withdrawals ; water consumption ; water discharges ; and water storage .	5. This Standard sets out DRs related to water, particularly with respect to the following sub-topics: water use, which includes water withdrawal ; water consumption ; water discharge and water stored .

ESRS E3 as enacted in 2023	Exposure Draft ESRS E3	Draft Amended ESRS E3
3. With regard to “marine resources”, this standard covers the extraction and use of such resources and associated economic activities.		
	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:	
	(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.	
	6. 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.	3. In this Standard, each DR is introduced by a disclosure objective, except for policies, actions and targets , for which the provisions in ESRS 2 <i>General Disclosures</i> GDR-P, GDR-A and GDR-T provide the necessary framing for the relevant DRs.
	7. The term ‘water’ refers to surface water, groundwater and marine waters.	6. Water encompasses freshwater and other types of water, for example brackish water, from different sources, such as surface water, groundwater , seawater, produced water and third-party water.
	9. Location-specific considerations are particularly important in relation to water . When material impacts, risks or opportunities arise at local level, it is important to consider appropriate disaggregation or aggregation of the	7. Context-specific considerations are particularly important in relation to water. If material impacts, risks or opportunities are connected to specific geographies , it is important to consider appropriate aggregation or

ESRS E3 as enacted in 2023	Exposure Draft ESRS E3	Draft Amended ESRS E3
	reported information, for example by <i>site</i> , asset, location, affected area at water risk or other appropriate level in accordance with [Draft] Amended ESRS 1, paragraph 53.	disaggregation of the reported information, e.g. by <i>site</i> , basin, area with water stress or any other level in accordance with ESRS 1 <i>General Requirements</i> , Chapter 3.3.2 <i>Level of Aggregation, Disaggregation</i> .
Interactions with other ESRS	Interaction with other ESRS	Interaction with other ESRS
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:	10. Social and environmental topics closely interact with each other. The main points of interaction between [Draft] Amended ESRS E3 <i>Water</i> and the different ESRS topical standards are the following:	8. Social and environmental topics interact with each other. The main points of interaction between ESRS E3 <i>Water</i> and the other topical standards are the following.
(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> 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, flood and glacial lake outbursts;	(a) ESRS E1 <i>Climate Change</i> 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, water stress , heavy precipitation, floods and glacial lake outbursts.
(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> addresses the emissions to water, including emissions to oceans, and the use, generation and release of microplastics ;	(b) ESRS E2 <i>Pollution</i> addresses the emissions to water, including emissions to seawater, and the manufacturing, use and release of microplastics .
(c) ESRS E4 <i>Biodiversity and ecosystems</i> , which addresses, in particular, the conservation and sustainable use of and impact on freshwater aquatic ecosystems as well as the oceans and seas; and	(c) [Draft] Amended ESRS E4 <i>Biodiversity and ecosystems</i> addresses the conservation and sustainable use of and impact on freshwater aquatic ecosystems as well as the oceans and seas;	(c) ESRS E4 <i>Biodiversity and Ecosystems</i> addresses impacts on marine and freshwater ecosystems and biodiversity connected to the use of water.
(d) ESRS E5 Resource use and circular economy which addresses in particular waste management including plastic, and the transition towards the extraction of non-	(d) [Draft] Amended ESRS E5 <i>Resource use and circular economy</i> addresses the transition towards the extraction of non-renewable resources of wastewater ; and	(d) ESRS E5 <i>Resource Use and Circular Economy</i> addresses the type and circularity of resource inflows , including marine resources .

ESRS E3 as enacted in 2023	Exposure Draft ESRS E3	Draft Amended ESRS E3
renewable resources of 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.	(e) [Draft] Amended ESRS S3 <i>Affected communities</i> addresses material impacts on people and communities resulting from the undertaking's activities related to water, including changes in water availability, quality, or access.	(e) ESRS S3 <i>Affected Communities</i> addresses material impacts on people and communities resulting from the undertaking's activities related to water, including changes in water availability, quality or access.
6. This Standard should be read in conjunction with ESRS 1 General requirements and ESRS 2 General disclosures.		
Disclosure Requirements	Disclosure Requirements	Disclosure Requirements
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> .		
Impact, risk and opportunities	Impact, risk and opportunity management	Impact, risk and opportunity management
Disclosure requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities		
8. The undertaking shall describe the process to identify material impacts, risks and opportunities and shall provide information on:		
(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;		
(b) whether and how it has conducted consultations, in particular, with affected communities ⁷¹ .		
Disclosure Requirement E3-1 – Policies related to water and marine resources	Disclosure Requirement E3-1 – Policies related to water	Disclosure Requirement E3-1 – Policies related to water

ESRS E3 as enacted in 2023	Exposure Draft ESRS E3	Draft Amended ESRS E3
9. The undertaking shall describe its policies adopted to manage its material impacts, risks and opportunities related to water and marine resources ⁷² .		
10. The objective of this Disclosure Requirement is to enable an understanding of the extent to which the undertaking has policies that address the identification, assessment, management and/or remediation of its material water and marine resources -related impacts, risks and opportunities .		
11. The disclosure required by paragraph 9 shall contain the information on the policies the undertaking has in place to manage its material impacts, risks and opportunities related to water and marine resources in accordance with ESRS 2 MDR-P <i>Policies adopted to manage material sustainability matters</i> .	11. The undertaking shall report its water-related policies in accordance with the provisions of [Draft] Amended ESRS 2 GDR-P.	9. The undertaking shall disclose its water-related policies in accordance with the provisions of ESRS 2 GDR-P.
12. The undertaking shall indicate whether and how its policies address the following matters where material:		
(a) water management including: <ul style="list-style-type: none"> 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. 		
(b) product and service design in view of addressing water-related issues and the preservation of marine resources; and		
(c) commitment to reduce material water consumption in areas at water risk in its own operations and along the upstream and downstream value chain.		

ESRS E3 as enacted in 2023	Exposure Draft ESRS E3	Draft Amended ESRS E3
13. If at least one of the sites of the undertaking is located in an area of high-water stress and it is not covered by a policy , 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. ⁷³	12. If the undertaking has sites located in areas at water risk , including areas of high-water stress that are not covered by its water-related policies , it shall disclose this fact.	10. If the undertaking has sites located in areas with water stress that are not covered by its water-related policies , it shall disclose this fact.
14. The undertaking shall specify whether it has adopted policies or practices related to sustainable oceans and seas ⁷⁴ .		
Disclosure Requirement E3-2 – Actions and resources related to water and marine resources	Disclosure Requirement E3-2 – Actions and resources related to water	Disclosure Requirement E3-2 – Actions and resources related to water
15. The undertaking shall disclose its water and marine resources-related actions and the resources allocated to their implementation.		
16. The objective of this Disclosure Requirement is to enable an understanding of the key actions taken and planned to achieve the water and marine resources - related policy objectives and targets .		
17. The description of the actions 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	13. The undertaking shall disclose its key water related actions and significant resources allocated to the implementation, in accordance with the provisions of [Draft] Amended ESRS 2 GDR-A.	11. The undertaking shall disclose its key water-related actions and resources allocated to their implementation in accordance with the provisions of ESRS 2 GDR-A.
18. Resources can be allocated to:		
(a) avoid the use of water and marine resources ;		
(b) reduce the use of water and marine resources such as through efficiency measures;		
(c) reclaiming the use of water; or		

ESRS E3 as enacted in 2023	Exposure Draft ESRS E3	Draft Amended ESRS E3
(d) restoration and regeneration of aquatic ecosystem and water bodies.		
19. The undertaking shall specify actions and resources in relation to areas at water risk , including areas of high-water stress .	14. The undertaking shall specify any actions and resources related to areas at water risk , including areas of high-water stress .	12. The undertaking shall specify key actions and resources related to areas with water stress .
Metrics and Targets	Metrics and targets	Metrics and targets
Disclosure Requirement E3-3 – Targets related to water and marine resources	Disclosure Requirement E3-3 – Targets related to water	Disclosure Requirement E3-3 – Targets related to water
20. The undertaking shall disclose the water and marine resources-related targets it has set.		
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.		
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.	15. The undertaking shall disclose its water-related targets , in accordance with the provisions of [Draft] Amended ESRS 2 GDR-T.	13. The undertaking shall disclose its water-related targets in accordance with the provisions of ESRS 2 GDR-T.
23. The disclosure required by paragraph 20 shall indicate whether and how its targets relate to:		
(a) the management of material impacts, risks and opportunities related to areas at water risk, including improvement of the water quality;		
(b) the responsible management of marine resources impacts, risks and opportunities including the nature and quantity of marine resources-related commodities (such		

ESRS E3 as enacted in 2023	Exposure Draft ESRS E3	Draft Amended ESRS E3
as gravels, deep-sea minerals, seafood) used by the undertaking; and		
(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.		AR 3. for para. 13 (Targets on areas with water stress) 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 .
24. In addition to ESRS 2 MDR-T, the undertaking may specify whether ecological thresholds and entity-specific allocations were taken into consideration when setting targets . If so, the undertaking may specify:		
(a) the ecological thresholds identified, and the methodology used to identify such thresholds;		
(b) whether or not the thresholds are entity-specific and if so, how they were determined; and		
(c) how responsibility for respecting identified ecological thresholds is allocated in the undertaking.		
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.		
Disclosure Requirement E3-4 – Water consumption	Disclosure Requirement E3-4 – Water metrics	Disclosure Requirement E3-4 – Water metrics
26. The undertaking shall disclose information on its water consumption performance related to its material impacts, risks and opportunities.		
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 targets .	16. The undertaking shall disclose its water-related targets , in accordance with the provisions of [Draft] Amended ESRS 2 GDR-T.	14. The objective of this DR is to enable users to understand the undertaking's water performance.

ESRS E3 as enacted in 2023	Exposure Draft ESRS E3	Draft Amended ESRS E3
28. The disclosure required by paragraph 26 relates to own operations and shall include:	17. The undertaking shall disclose for its own operations:	15. The undertaking shall disclose the following water metrics for its own operations:
(a) total water consumption in m3	(a) total water consumption ;	(a) total water consumption ;
(b) total water consumption in m3 in areas at water risk, including areas of high-water stress ;	(b) total water consumption in areas at water risk , including areas of high-water stress ;	(b) total water consumption in areas with water stress ;
[See para. AR 32]	(c) total water withdrawals ;	(c) total water withdrawal ;
[See para. AR 32]	(d) total water discharges ;	(d) total water discharge ;
(c) total water recycled and reused in m3;	(e) total water recycled or reused ; and	(e) total water recycled and reused ; and
(d) total water stored and changes in storage in m3; and	(f) total water stored .	(f) total water stored .
(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.		
29. The undertaking shall provide information on its water intensity : total water consumption in its own operations in m3 per million EUR net revenue.		
Disclosure Requirement E3-5 – Anticipated financial effects from material water and marine resources-related risks and opportunities		
30. The undertaking shall disclose the anticipated financial effects of material water and marine resources-related risks and opportunities.		

ESRS E3 as enacted in 2023	Exposure Draft ESRS E3	Draft Amended ESRS E3
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).		
32. The objective of this Disclosure Requirement is to provide an understanding of:		
(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		
(b) anticipated financial effects due to material opportunities related to water and marine resources.		
33. The disclosure shall include:		
(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);		
(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		
(c) the critical assumptions used to quantify the anticipated financial effects, as well as the sources and level of uncertainty of those assumptions.		
Appendix A Application Requirements		

ESRS E3 as enacted in 2023	Exposure Draft ESRS E3	Draft Amended ESRS E3
Impact, risk and opportunity		
Disclosure requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities		
AR 1. When conducting a materiality 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:		
Phase 1: locate where in its own operations and along the value chain the interface with nature takes place;		
Phase 2: evaluate the dependencies and impacts;		
Phase 3: assess the material risks and opportunities ; and		
Phase 4: prepare and report the results of the materiality assessment.		
		<p>AR 1. For paras. 10,12,13 and 15(b) (Water stress) <i>Water stress</i> encompasses quantity or availability (related to <i>water scarcity</i>) together with water quality and accessibility considerations and provides a broader measure of basin pressure.</p> <p>Water stress is one component of physical water-related <i>risks</i>, 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.</p>

ESRS E3 as enacted in 2023	Exposure Draft ESRS E3	Draft Amended ESRS E3
<p>[Annex II Acronyms and Glossary of Terms, ‘Area of high-water stress’: Regions where the percentage of total water withdrawn is high (40-80%) or extremely high (greater than 80%) in the Aqueduct Water Risk Atlas tool of the World Resources Institute (WRI). See also water scarcity.]</p>	<p>[Annex II Aggregated Acronyms and Glossary of Terms, ‘Area of high-water stress’: Water stress is the ability of an area, or lack thereof, to meet the human and ecological demand for water. Based on the different publicly available and credible tools for assessing areas with water stress, water stress in an area may be assessed using either of the following indicators and their thresholds:</p> <ul style="list-style-type: none"> i. The ratio of total annual water withdrawal to total available annual renewable water supply (i.e., baseline water stress) is high (40-80%) or extremely high (>80%); ii. The ratio of water consumption-to-availability (i.e., water depletion) is moderate (dry-year depletion, where for at least 10% of the time, the monthly depletion ratio is >75%), high (seasonal depletion, where for one month of the year on average, the depletion ratio is >75%), or very high (ongoing depletion, where the depletion ratio on average is >75%).] 	<p>AR 2. For paras. 10,12,13 and 15(b) (Areas with water stress) Global indicators (with associated datasets) and related thresholds to assess if an area is with 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>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).</p> <p>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.</p>
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.		
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.		

ESRS E3 as enacted in 2023	Exposure Draft ESRS E3	Draft Amended ESRS E3
AR 4. The sub-topics related to water and marine resources covered by the materiality assessment include:		
(a) water, which encompasses the consumption of surface water, groundwater, as well as withdrawals and discharges of water; and		
(b) marine resources , which encompasses the extraction and use of such resources and associated economic activities.		
AR 5. In phase 1, to locate where there are areas at water risk, and areas where there is an interface with marine resources that could lead to material impacts and dependencies in its own operations and along its upstream and downstream value chain, the undertaking may consider:		
(a) the locations of direct assets and operations and related upstream and downstream activities across the value chain ;		
(b) the sites located in areas at water risk , including areas of high-water stress; and		
(c) the sectors or business units that are interfacing with water or marine resources in these priority locations.		
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.		

ESRS E3 as enacted in 2023	Exposure Draft ESRS E3	Draft Amended ESRS E3
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.		
AR 8. In phase 2, to evaluate its impacts and dependencies for each priority location identified under AR 5, the undertaking may:		
(a) identify business processes and activities that lead to impacts and dependencies on environmental assets and ecosystem services;		
(b) identify water and marine resources -related impacts and dependencies across the undertaking's value chain; and		
(c) assess the severity and likelihood of the positive and negative impacts on water and marine resources.		
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).		
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.		

ESRS E3 as enacted in 2023	Exposure Draft ESRS E3	Draft Amended ESRS E3
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.		
AR 12. Examples of marine resources dependencies which may be considered by the undertaking are:		
(a) dependencies on commercially exploited fish and shellfish in its own operations and its upstream and downstream value chain; and		
(b) fishing activity that involves mobile bottom trawling, which can also have negative impacts on the seabed.		
AR 13. In Phase 3, to assess its material risks and opportunities based on the results of Phases 1 and 2, the undertaking may:		
(a) identify transition risks and opportunities in its own operations and its value chain by the categories of: <ul style="list-style-type: none"> 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 		

ESRS E3 as enacted in 2023	Exposure Draft ESRS E3	Draft Amended ESRS E3
<p>obligations on marine ecosystems and related services;</p> <p>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;</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>(b) identify physical risk including water quantity (water scarcity, 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>(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>		

ESRS E3 as enacted in 2023	Exposure Draft ESRS E3	Draft Amended ESRS E3
<p>ii. markets: e.g., development of less resource-intensive products and services, diversification of business activities;</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>		
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 15. When providing information on the outcome of the materiality assessment, the undertaking shall consider:		
(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;		
(b) a list of marine resources -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		

ESRS E3 as enacted in 2023	Exposure Draft ESRS E3	Draft Amended ESRS E3
(c) a list of sectors or segments associated with water and marine resources material impacts, risks and opportunities.		
<i>Disclosure Requirement E3-1 – Policies related to water and marine resources</i>	<i>Disclosure Requirement E3-1 – Policies related to water</i>	<i>Disclosure Requirement E3-1 – Policies related to water</i>
AR 16. The policies described under this Disclosure Requirement may be integrated in broader environmental or sustainability policies covering different subtopics.		
AR 17. When disclosing information under paragraph 9, the undertaking may disclose whether its policies:		
(a) prevent further deterioration and protect and enhance the status of water bodies and aquatic ecosystems;		
(b) promote sustainable water use based on a long-term protection of available water resources;		
(c) aim at enhanced protection and improvement of the aquatic environment;		
(d) promote a good environmental status of marine water; and		
(e) promote reduction of water withdrawals and water discharges.		
AR 18. The undertaking may also disclose information about <i>policies</i> which:		
(a) contribute to good ecological and chemical quality of <i>surface water</i> bodies and good chemical quality and quantity of groundwater bodies, in order to protect human health, water supply, natural <i>ecosystems</i> and biodiversity, the good environmental status of marine waters and the protection of the resource base upon which marine related activities depend;		
(b) minimise material <i>impacts</i> and <i>risks</i> and implement mitigation measures that aim to maintain the value and		

ESRS E3 as enacted in 2023	Exposure Draft ESRS E3	Draft Amended ESRS E3
functionality of priority services and to increase resource efficiency on own operations; and		
(c) avoid impacts on <i>affected communities</i> .		
<i>Disclosure Requirement E3-2 – Actions and resources related to water and marine resources</i>	<i>Disclosure Requirement E3-2 – Actions and resources related to water and marine resources</i>	<i>Disclosure Requirement E3-2 – Actions and resources related to water and marine resources</i>
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).		
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.		
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.		
Metrics and Targets		
Disclosure Requirement E3-3 – Targets related to water and marine resources		
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		

ESRS E3 as enacted in 2023	Exposure Draft ESRS E3	Draft Amended ESRS E3
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.		
AR 23. The undertaking may provide targets relating to:		
(a) the reduction of water withdrawals; and		
(b) the reduction of water discharges.		
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.		
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.		
AR 26. The targets may cover its own operations and/or its upstream and downstream value chain.		
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.		
Disclosure Requirement E3-4 – Water consumption	Disclosure Requirement E3-4 – Water consumption	Disclosure Requirement E3-4 – Water consumption
AR 28. The undertaking may operate in various areas at water risk . When disclosing information under paragraph 28 (b), the undertaking shall include such information only for those areas that have been		

ESRS E3 as enacted in 2023	Exposure Draft ESRS E3	Draft Amended ESRS E3
identified as material in accordance with ESRS2 IRO-1 and ESRS2 SBM-3.		
	AR 1. Water consumption shall be calculated using a water balance approach: it equals water withdrawal minus water discharges , adjusted for changes in water storage .	AR 4 for para. 15 (Water metrics) Water consumption (C) can be measured directly, modelled, estimated or calculated by subtracting total water discharge (D) from total water withdrawal (W) during the reporting period: $C = W - D$.
	AR 2. Water metrics under paragraph 17 (a)-(f) are expressed in cubic meters (m ³).	AR 5 for para. 15 (Water metrics units) Water metrics under paragraph 15(a)–(f) shall be presented in cubic meters (m ³) or multiples thereof.
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.		
AR 30. The undertaking may provide information on other breakdowns (i.e., per sector or segments).		
AR 31. When disclosing information required by paragraph 29 the undertaking may provide additional intensity ratios based on other denominators.		
AR 32. The undertaking may also provide information on its water withdrawals and water discharges .	[See para. 17(c) and 17(d)]	[See para. 15(c) and 15(d)]
Disclosure Requirement E3-5 – Anticipated financial effects from material water and marine resources-related risks and opportunities	Disclosure Requirement E3-5 – Anticipated financial effects from material water and marine resources-related risks and opportunities	Disclosure Requirement E3-5 – Anticipated financial effects from material water and marine resources-related risks and opportunities
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.		
AR 34. The quantification of the anticipated financial effects in monetary terms under paragraph 33(a) may be a single amount or a range.		



EFRAG is co-funded by the European Union through the Single Market Programme in which the EEA-EFTA countries (Norway, Iceland and Liechtenstein), as well as Kosovo participate. This document does not necessarily reflect the views of the European Union, the European Commission or of countries that participate in the Single Market Programme. Neither the European Union, the European Commission nor countries participating in the Single Market Programme can be held responsible for them.