



LOG OF AMENDMENTS

ESRS E3

WATER



DECEMBER 2025

 EFRAG

Log of Amendments by Standard – ESRS E3 *Water*

Annex to the Basis for Conclusions accompanying the draft amended ESRS – Illustration of the Amendments

Disclaimer: The Log of Amendments by Standard accompanies but is not part of the draft amended ESRS issued by EFRAG on 3 December 2025. It complements and should be read in conjunction with the Basis for Conclusions (BFC), where a summarised description of the main changes to the 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 the Basis for Conclusions where a summarised description of the main changes to individual Standards can be found.**
2. This document illustrates the amendments at paragraph level in draft amended ESRS E3 *Water*.
3. The starting point is the text of the ESRS as enacted in 2023, 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 a summary of changes made to the DR using the following terminology: [AMENDED], [UNCHANGED], [MOVED], [NEW] or [DELETED].
6. The last column also includes explanations and rationale for changes useful to gain an understanding of why text or DRs have been amended.

Objective		
ESRS E3 as enacted in 2023	Amended ESRS E3	Comment/Rationale
1. The objective of this Standard is to specify Disclosure Requirements which will enable users of the sustainability statement to understand:	1. The objective of this Standard is to specify Disclosure Requirements which will enable users of The sustainability statements to understand: shall include information in relation to ESRS E3 Water if this topic relates to material impacts, risks and opportunities to cover all the reporting areas listed in paragraph 5 of ESRS 1 General Requirements. 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.	[AMENDED] Merged and streamlined para. 1(a), 1(b), 1(d) and 1(e) of ESRS (as enacted in 2023) into this paragraph for conciseness.
	<u>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 General Disclosures GDR-P, GDR-A and GDR-T provide the necessary framing for the relevant DRs.</u>	[NEW] Specification introduced across topical standards to highlighting the connection with general disclosure requirements in accordance with Amended ESRS 2 <i>General Disclosures</i> .
(a) how the undertaking affects water and marine resources, in terms of material positive and negative actual or potential impacts;	(a) how the undertaking affects water and marine resources, in terms of material positive and negative actual or potential impacts;	[AMENDED, MOVED] Streamlined into Amended ESRS E3 para. 1 for conciseness. Marine resources were removed from Amended ESRS E3. This environmental factor is no longer covered in this standard and not addressed through specific DRs. The use of seawater is still in the scope of Amended ESRS E3. Amended ESRS E5 <i>Resource use and circular economy</i> addresses marine resources through which circular measures can reduce consumption and improve efficiency.
(b) any actions taken, and the result of such actions to prevent or mitigate material actual or potential negative impacts, to protect water	(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	[AMENDED, MOVED] Streamlined into Amended ESRS E3 para. 1 for conciseness.

and marine resources, also with reference to reduction of water consumption, and to address risks and opportunities;	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, freshwater use, and biogeochemical flows planetary boundaries);	(c) 4. 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: This Standard takes account of EU regulatory frameworks and other relevant frameworks, including EU Water Framework Directive (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); 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).	[AMENDED] Created a consistent structure for EU law references across topical standards and updated the list of sources underpinning Amended ESRS E3.
(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 ;	(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	[AMENDED, MOVED] Streamlined into paragraph 1 above, for conciseness.

	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	(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	[AMENDED, MOVED] Same as above.
(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.	(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.	[AMENDED, MOVED] Same as above.
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.	2. 5. This Standard sets out Disclosure Requirements DRs related to water, particularly with respect to the following sub-topics: water use, which includes 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; water consumption; and water discharges and water stored. <u>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.</u>	[AMENDED] Connection with topics listed in Amended ESRS 1 <i>General Requirements</i> Appendix A has been strengthened, in alignment with similar amendments in other standards, as well as with the metrics in Amended ESRS E3-4 Water metrics. Simplified, removed 'marine resources' (now addressed particularly under Amended ESRS E5 <i>Resource Use and Circular Economy</i>), made explicit reference to components of the water balance (consumption, withdrawal, etc.). Clarified sources of water and types of water included in Amended ESRS E3, based on stakeholders' feedback in consultation.
3. With regard to "marine resources", this standard covers the extraction and use of such resources and associated economic activities.	3. With regard to "marine resources", this standard covers the extraction and use of such resources and associated economic activities.	[DELETED] Marine resources were removed from Amended ESRS E3: this environmental factor is no longer covered in this standard and not addressed through specific DRs. The use of seawater is still in the scope of Amended ESRS E3.

		Amended ESRS E5 <i>Resource Use and Circular Economy</i> addresses marine resources through which circular measures can reduce consumption and improve efficiency.
	<p>7. Context-specific considerations are particularly important in relation to water. If material <i>impacts, risks or opportunities</i> are connected to specific <i>geographies</i>, it is important to consider appropriate aggregation or disaggregation of the reported information, e.g. by <i>site</i>, basin, area with <i>water stress</i> or any other level in accordance with ESRS 1 <i>General Requirements</i>, Chapter 3.3.2 <i>Level of Aggregation, Disaggregation</i>.</p>	<p>[NEW]</p> <p>The principle-based approach related to the consideration of location-specific context when identifying IROs, as well as the disaggregation of reported information by relevant geography, for instance by site, is addressed under Amended ESRS 1 <i>General Requirements</i> and Amended ESRS 2 <i>General Disclosures</i>. This paragraph in the Objective sections in the Amended ESRS E2 to ESRS E4 has been introduced to briefly restate the relevance of context-specific considerations in relation to pollution, water and biodiversity as well as the aggregation or disaggregation of reported information across geographies, as appropriate.</p> <p>Substitutes para. 6 of ESRS E3 as enacted in 2023, and also para. AR 6 and AR 30 as enacted in 2023.</p>
Interactions with other ESRS		
ESRS E3 as enacted in 2023	Amended ESRS E3	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:	<p>4-8. Social and environmental topics of water and marine resources is closely interact with each other. 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:- The main points of interaction between ESRS E3 Water and the other topical standards are the following:-</p>	<p>[AMENDED]</p> <p>Editorial simplification.</p> <p>Includes reference to ‘social’ topics as para. 5 of ESRS E3 as enacted in 2023 is merged into the point (e) of para. 8 in the Amended ESRS E3.</p> <p>Marine resources were removed from Amended ESRS E3</p>

(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) ESRS E1 <i>Climate change</i> , 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.;	[AMENDED] Minor editorial changes to improve clarity of boundaries between Amended ESRS E1 <i>Climate change</i> and Amended ESRS E3.
(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) ESRS E2 <i>Pollution</i> , which addresses, in particular, the emissions to water, which includes emissions to <u>seawater, and the manufacturing, use and release</u> oceans, and the use and generation of microplastics .;	[AMENDED] Updated the references to Amended ESRS E2 <i>Pollution</i> content as per revision, streamlined terminology within Amended ESRS E3 (seawater), and improved the clarity over the boundaries between Amended ESRS E3 and ESRS E2 <i>Pollution</i> .
(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) ESRS E4 <i>Biodiversity and Ecosystems</i> , which addresses, in particular, the conservation and sustainable use of and impacts on <u>marine and freshwater aquatic ecosystems as well as the oceans and seas; and biodiversity connected to the use of water.</u>	[AMENDED] Editorial simplification and addition of clarification on the relationship between Amended ESRS E4 <i>Biodiversity</i> and Amended ESRS E3, to improve the understanding of their boundaries.
(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 wastewater; reduced use of plastic; and the recycling of wastewater.	(d) ESRS E5 <i>Resource Use and Circular Economy</i> which addresses in particular waste management including plastic, and the transition towards the extraction of non-renewable resources of wastewater; reduced use of plastic; and the recycling of wastewater. <u>the type and circularity of resource inflows, including marine resources.</u>	[AMENDED] Editorial simplification on the content of Amended ESRS E5 <i>Resource use and circular economy</i> . As required by stakeholders, additional of clarification the boundaries between Amended ESRS E5 <i>Resource use and circular economy</i> and Amended ESRS E3 was brought by EFRAG by explicitly outlining that the environmental factor ‘marine resources’ falls now under the scope of Amended ESRS E5 <i>Resource use and circular economy</i> .
5. The undertaking’s impacts on water and marine resources affect people and communities. Material negative impacts on affected communities from	5.(e) The undertaking’s impacts on water and marine resources affect people and communities. Material negative impacts on affected communities from water	[AMENDED, MOVED]

water and marine resources -related impacts attributable to the undertaking are covered in ESRS S3 Affected communities.	and marine resources -related impacts attributable to the undertaking are covered in ESRS S3 <i>Affected Communities</i> <u>addresses material impacts on people and communities resulting from the undertaking's activities related to water, including changes in water availability, quality or access.</u>	Para. 5 of ESRS E3 as enacted in 2023 was edited and included as point (e) of para. 8 in Amended ESRS E3 for consistency (all interactions with other Amended ESRS listed under same paragraph).
6. This Standard should be read in conjunction with ESRS 1 General requirements and ESRS 2 General disclosures.	6-2. The objective of this Standard is to set out Disclosure Requirements (DRs) providing information to the reporting areas referred above that implement and complement the cross-cutting provisions of should be read in conjunction with ESRS 1 General Requirements and ESRS 2 General Disclosures.	[AMENDED] Enhanced the clarity of this standard's objective.
Disclosure Requirements – ESRS 2 General Disclosures		
ESRS E3 as enacted in 2023	Amended ESRS E3	Comment/Rationale
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> .	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>.	[DELETED] Redundant with Amended ESRS 2 <i>General Disclosures</i> .
Impact, risk 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	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
8. The undertaking shall describe the process to identify material impacts, risks and opportunities and shall provide information on:	8. The undertaking shall describe the process to identify material impacts, risks and opportunities and shall provide information on:	[DELETED] Deleted for reduction purposes, as already addressed in Amended ESRS 2 <i>General Disclosures</i> , 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	(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	[DELETED] Deleted for reduction purposes under topical standards. Site-specific provisions in relation to the assessment of environmental IRO,

downstream value chain, and if so the methodologies, assumptions and tools used in the screening;	methodologies, assumptions and tools used in the screening;	considered highly relevant by EFRAG, are addressed under Amended ESRS 2 IRO-1 para. AR 26 as 'geographies'.
(b) whether and how it has conducted consultations, in particular, with affected communities ⁷¹ .	(b) whether and how it has conducted consultations, in particular, with affected communities⁷⁴.	[DELETED] Deleted for reduction purposes under topical standards. Given their relevance and considering feedback received from stakeholders, the aspect of consultation with affected communities in the context of the assessment of environmental IRO is addressed under Amended ESRS 2 <i>General Disclosures</i> para. 35 (c).
(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;	(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;	[DELETED] Deleted for reduction purposes under topical standards and to align with EFRAG's approach of including only mandatory methodological requirements in AR. Amended ESRS E3 para. AR 1 touches upon the concept of (physical) water risk, in the context of explaining the interconnection between water stress-water scarcity-water risk. Reference to marine resources is not in scope of Amended ESRS E3 anymore.
(c) identify opportunities categorized by: i. resource efficiency: e.g., transition to more efficient services and processes requiring less water and marine resources; ii. markets: e.g., development of less resource-intense products and services, diversification of business activities; iii. financing: e.g., access to green funds, bonds or loans; iv. resilience: e.g., diversification of marine or water resources and business activities (e.g., starting a new business unit on ecosystem	(c) identify opportunities categorized by: i. resource efficiency: e.g., transition to more efficient services and processes requiring less water and marine resources; ii. markets: e.g., development of less resource-intense products and services, diversification of business activities;	[DELETED] Deleted for reduction purposes under topical standards and to align with EFRAG's approach of including only mandatory methodological requirements in AR. This datapoint has been deleted.

restoration), investing in green infrastructures, nature-based solutions, adopting recycling and circularity mechanisms that reduce the dependencies on water or marine resources; and v. reputation: positive stakeholder engagement as a result of a proactive stance on managing nature-related risks (e.g., leading to preferred partner status).	iii. financing: e.g., access to green funds, bonds or loans; 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 v. reputation: positive stakeholder engagement as a result of a proactive stance on managing nature-related risks (e.g., leading to preferred partner status).	
Disclosure Requirement E3-1 – Policies related to water and marine resources	Disclosure Requirement E3-1 – Policies related to water and marine resources	Comment/Rationale
9. The undertaking shall describe its policies adopted to manage its material impacts, risks and opportunities related to water and marine resources ⁷² .	9. The undertaking shall describe its policies adopted to manage its material impacts, risks and opportunities related to water and marine resources⁷².	[DELETED] Simplified and consolidated with para. 11 of ESRS E3 as enacted in 2023 in Amended ESRS E3 para 9.
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 .	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.	[DELETED] 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 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> .	11.9. The disclosure required by paragraph 9 shall contain the information on the <u>undertaking shall disclose its water-related policies 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 ESRS 2 GDR-P. MDR-P <i>Policies adopted to manage material sustainability matters</i>.</u>	[AMENDED] Simplified and consolidated with para. 9 of ESRS E3 as enacted in 2023. Specification maintained across topical standards to highlight interaction with Amended ESRS 2 <i>General requirements</i> , addressing the feedback received from stakeholders. Removal of marine resources, which is now addressed particularly under Amended ESRS E5 <i>Resource Use and Circular Economy</i> .

12. The undertaking shall indicate whether and how its policies address the following matters where material:	12. The undertaking shall indicate whether and how its policies address the following matters where material:	[DELETED] This datapoint has been deleted.
(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.	(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.	[DELETED] Same as above. Reference to marine resources is not in scope of Amended ESRS E3 anymore.
(b) product and service design in view of addressing water-related issues and the preservation of marine resources; and	(b) product and service design in view of addressing water-related issues and the preservation of marine resources; and	[DELETED] Same as above. Reference to marine resources is not in scope of Amended ESRS 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.	(c) commitment to reduce material water consumption in areas at water risk in its own operations and along the upstream and downstream value chain.	[DELETED] Same as above.
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	1310. If the undertaking has at least one of the sites located of the undertaking is located in an areas with of high water stress and it is not that are not covered by its water-related a policies, the undertaking it shall disclose this fact. 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	[AMENDED] EFRAG kept this provision on policy-coverage of areas particularly relevant to the topic of water, backed up by stakeholder’s feedbacks. Based on stakeholder input received in consultation, that expressed that the concept ‘area at water risk’ was methodologically challenging to apply, EFRAG narrowed the focus to areas with water stress (which encompasses water scarcity). ‘Areas at water risk’ was removed, but the dimension of water risk is addressed through the DMA and also mentioned in Amended ESRS E3 para. AR 1. Interoperability with water standards and frameworks (GRI, CDP, TNFD) is enhanced through this amendment.

		<p>The datapoint informs an SFDR indicator.</p> <p>Voluntary datapoint on timeframe deleted to align with EFRAG's approach of deleting voluntary datapoints and because it was not considered highly decision useful.</p>
14. The undertaking shall specify whether it has adopted policies or practices related to sustainable oceans and seas ⁷⁴ .	14. The undertaking shall specify whether it has adopted policies or practices related to sustainable oceans and seas⁷⁴.	<p>[DELETED]</p> <p>Removed for reduction purposes and because marine resources are no more addressed under Amended ESRS E3.</p> <p>ESRS as enacted in 2023 para. 14 informed SFDR indicator.</p> <p>Amended ESRS E4 <i>Biodiversity</i> para. AR 3 addresses policies on sustainable oceans and seas.</p>
Disclosure Requirement E3-2 – Actions and resources related to water and marine resources	Disclosure Requirement E3-2 – Actions and resources related to water and marine resources	Comment/Rationale
15. The undertaking shall disclose its water and marine resources-related actions and the resources allocated to their implementation.	15. The undertaking shall disclose its water and marine resources-related actions and the resources allocated to their implementation.	<p>[DELETED]</p> <p>Simplified and consolidated with paragraph 17 of ESRS E3 as enacted in 2023 into Amended ESRS E3 para. 11.</p>
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 .	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.	<p>[DELETED]</p> <p>Objective deleted in alignment with EFRAG's approach to not include objectives for PATs under topical standards.</p>
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	17.11. The description of 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, 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	<p>[AMENDED]</p> <p>Simplified and consolidated with para. 15 of ESRS E3 as enacted in 2023. Specification maintained across topical standards to highlight the interaction with Amended ESRS 2 <i>General Disclosures</i>, addressing the feedback received from stakeholders.</p>

18. Resources can be allocated to:	18. Resources can be allocated to:	[DELETED] Deleted under topical standards for simplification purposes; aspects related to the mitigation hierarchy are referenced in Amended ESRS 2 <i>General Disclosures</i> GDR-A para. AR 38.
(a) avoid the use of water and marine resources ;	(a) avoid the use of water and marine resources;	[DELETED] Deleted under topical standards for simplification purposes; mitigation hierarchy is addressed under Amended ESRS 2 <i>General Disclosures</i> GDR-A para. AR 38. General specifications of this nature are also addressed under Amended ESRS 2 <i>General Disclosures</i> GDR para. 40 (a). Reference to marine resources is not in scope of Amended ESRS E3 anymore.
(b) reduce the use of water and marine resources such as through efficiency measures;	(b) reduce the use of water and marine resources such as through efficiency measures;	[DELETED] Same as above.,
(c) reclaiming the use of water; or	(c) reclaiming the use of water; or	[DELETED] Same as above.
(d) restoration and regeneration of aquatic ecosystem and water bodies.	(d) restoration and regeneration of aquatic ecosystem and water bodies.	[DELETED] Same as above.
19. The undertaking shall specify actions and resources in relation to areas at water risk , including areas of high-water stress .	19.12. The undertaking shall specify key actions and resources <u>related in relation to areas at water risk, including areas of high-</u> to areas with water stress.	[AMENDED] EFRAG kept the provision related to areas particularly relevant to the topic of water, backed up by stakeholder's feedbacks in consultation. Based on stakeholder input received in consultation, that expressed that the concept 'area at water risk' was methodologically challenging to apply, EFRAG narrowed the focus to areas with water stress (which encompasses water scarcity). 'Areas at water risk' was removed, but the dimension of water risk is addressed through the DMA and also mentioned in Amended ESRS E3 para. AR 1.

Metrics and Targets		
Disclosure Requirement E3-3 – Targets related to water and marine resources	Disclosure Requirement E3-3 – Targets related to water and marine resources	Comment/Rationale
20. The undertaking shall disclose the water and marine resources-related targets it has set.	20. The undertaking shall disclose the water and marine resources-related targets it has set.	[DELETED] Simplified and consolidated with paragraph 22 of ESRS E3 as enacted in 2023 into Amended ESRS E3 para. 13.
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.	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.	[DELETED] Objective deleted in alignment with EFRAG's approach to not include objectives for PATs under topical standards.
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.	22.13. The undertaking description of the targets shall contain the information requirements defined in ESRS 2 MDR-T Tracking effectiveness of policies and actions through targets. <u>disclose its water-related targets in accordance with the provisions of ESRS 2 GDR-T.</u>	[DELETED] Simplified and consolidated with para. 20 of ESRS E3 as enacted in 2023. Specification maintained across topical standards to highlight the interaction with Amended ESRS 2 <i>General Disclosures</i> , addressing the feedback received from stakeholders.
23. The disclosure required by paragraph 20 shall indicate whether and how its targets relate to:	23. The disclosure required by paragraph 20 shall indicate whether and how its targets relate to:	[DELETED] This datapoint has been deleted.
(a) the management of material impacts, risks and opportunities related to areas at water risk, including improvement of the water quality;	(a) the management of material impacts, risks and opportunities related to areas at water risk, including improvement of the water quality;	[DELETED] This datapoint has been deleted.
(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	(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	[DELETED] Reference to marine resources is not in scope of Amended ESRS E3 anymore.
(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.	(c) AR 3. the reduction of water consumption, including an explanation of how those targets relate to areas at water risk, including areas of high water-stress. <u>In line with the scope considerations set out in ESRS 2 GDR-T,</u>	[AMENDED] Provision moved to AR and aligned with Amended ESRS 2 <i>General Disclosures</i> GDR-T, para. 51(c); kept as AR due to stakeholder's

	<u>paragraph 51(c), the undertaking shall, where relevant, express water-related targets with reference to specific geographic areas, such as areas with water stress.</u>	feedback in consultation and EFRAG's own assessment of the relevance of disaggregation of information in relation to the topic of water, when appropriate. Based on stakeholder input received in consultation, that expressed that the concept 'area at water risk' was methodologically challenging to apply, EFRAG narrowed the focus to areas with water stress (which encompasses water scarcity). Areas at water risk was removed, but the dimension of water risk is addressed through the DMA and also mentioned in Amended ESRS E3 para. AR 1.
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:	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:	[DELETED] Main requirement on ecological thresholds is now a cross-cutting element addressed in Amended ESRS 2 <i>General Disclosures</i> GDR-T para. 51 (g) and AR 48.
(a) the ecological thresholds identified, and the methodology used to identify such thresholds;	(a) the ecological thresholds identified, and the methodology used to identify such thresholds;	[DELETED] Same as above.
(b) whether or not the thresholds are entity-specific and if so, how they were determined; and	(b) whether or not the thresholds are entity-specific and if so, how they were determined; and	[DELETED] Same as above.
(c) how responsibility for respecting identified ecological thresholds is allocated in the undertaking.	(c) how responsibility for respecting identified ecological thresholds is allocated in the undertaking.	[DELETED] Same as above.
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.	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.	[DELETED] Same as above.
Disclosure Requirement E3-4 – Water consumption	Disclosure Requirement E3-4 – Water consumption metrics	Comment/Rationale
26. The undertaking shall disclose information on its water consumption performance related to its material impacts, risks and opportunities.	26. The undertaking shall disclose information on its water consumption performance related to its material impacts, risks and opportunities.	[DELETED] Simplified and consolidated with para. 28 of ESRS E3 as enacted in 2023 into Amended ESRS E3 para. 15.

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 .	27.14. The objective of this Disclosure Requirement DR is to provide an enable users to understanding of the undertaking's water performance, consumption and any progress by the undertaking in relation to its targets.	[AMENDED] Amended to better reflect the content of Amended ESRS E3-4 Water metrics.
28. The disclosure required by paragraph 26 relates to own operations and shall include:	28.15. The disclosure required by paragraph 26 relates to own operations and shall include: undertaking shall disclose the following water metrics for its own operations:	[AMENDED] Simplified and consolidated with para. 26 of ESRS E3 as enacted in 2023.
(a) total water consumption in m3	(a) total water consumption ; in m3	[AMENDED] Considered relevant by EFRAG, also based on stakeholder feedback received, to maintain metric to properly reflect all water balance elements. Guidance on units of measurement was moved to Amended ESRS E3 para. AR 5.
(b) total water consumption in m3 in areas at water risk, including areas of high-water stress ;	(b) total water consumption in m3 in areas <u>with water risk</u> , including areas of high-water stress ;	[AMENDED] EFRAG kept the provision, backed up by stakeholders' feedbacks in consultation and due to the relevance in relation to the topic of water to disaggregate information water consumption related to some areas. Based on stakeholder input received in consultation, that expressed that the concept 'area at water risk' was methodologically challenging to apply, EFRAG narrowed the focus to areas with water stress (which encompasses water scarcity). Areas at water risk was removed, but the dimension of water risk dimension is encompassed (implicitly) in DMA for Amended ESRS E3 (see also Amended ESRS E3 para. AR 1). Amended ESRS E3 para. AR 1 and AR 2 contains related guidance for para. 15

		Guidance on units of measurement was moved to Amended ESRS E3 para. AR 5.
	<u>(c) total water withdrawal:</u>	<p>[AMENDED]</p> <p>Moved to Amended ESRS E3 para. 15 from para. AR 32 of ESRS E3 as enacted in 2023.</p> <p>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. This requirement should not create an additional burden, as reporting water consumption already relies on understanding the water balance, including both withdrawal and discharge. 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 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.</p> <p>Guidance on units of measurement was moved to Amended ESRS E3 para. AR 5.</p>
	<u>(d) total water discharge:</u>	[AMENDED]

		Same as above.
(c) total water recycled and reused in m3;	(e) (e) total water recycled and reused in m3; and	[AMENDED] Concepts of ‘recycled’ and ‘reused’ are now jointly addressed under a single definition across the standard (DR, Glossary), improving clarity and consistency in disclosure as requested by stakeholders. Guidance on units of measurement was moved to Amended ESRS E3 para. AR 5.
(d) total water stored and changes in storage in m3; and	(d) (f) total water stored and changes in storage in m3; and	[AMENDED] Deletion of ‘changes in storage’ for reduction and simplification purposes. ‘Total water stored’ metric kept as it is a relevant element of the water balance and based on feedback received by stakeholders. Guidance on units of measurement was moved to Amended ESRS E3 para. AR 5.
(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.	(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.	[DELETED] Deleted for reduction purposes. Contextual information for metrics to be addressed under Amended ESRS 2 <i>General Disclosures</i> GDR-M para. 49 (c).
29. The undertaking shall provide information on its water intensity : total water consumption in its own operations in m3 per million EUR net revenue.	29. The undertaking shall provide information on its water intensity: total water consumption in its own operations in m3 per million EUR net revenue.	[DELETED] Deleted, also based on some stakeholder input, for reduction purposes and as EFRAG considers datapoint not highly decision-useful; it can be derived by users from existing disclosures. ESRS as enacted in 2023 para. 29 informed SFDR indicator.

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	Comment/Rationale
30. The undertaking shall disclose the anticipated financial effects of 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.	[DELETED] ESRS E3-5 as enacted in 2023 was deleted at topical level (in alignment with Amended ESRS E2 through Amended ESRS E5), based also on stakeholder input pointing at, among others, perceived complexity of accurate quantification. Anticipated financial effects are addressed under Amended ESRS 2 <i>General Disclosures</i> SBM-3. Reference to marine resources is not in scope of Amended ESRS E3 anymore.
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).	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).	[DELETED] Same as above.
32. The objective of this Disclosure Requirement is to provide an understanding of:	32. The objective of this Disclosure Requirement is to provide an understanding of:	[DELETED] Same as above.
(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	(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	[DELETED] Same as above.
(b) anticipated financial effects due to material opportunities related to water and marine resources.	(b) anticipated financial effects due to material opportunities related to water and marine resources.	[DELETED] Same as above.
33. The disclosure shall include:	33. The disclosure shall include:	[DELETED] Same as above.

(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);	(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);	[DELETED] Same as above.
(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	(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	[DELETED] Same as above.
(c) the critical assumptions used to quantify the anticipated financial effects, as well as the sources and level of uncertainty of those assumptions.	(c) the critical assumptions used to quantify the anticipated financial effects, as well as the sources and level of uncertainty of those assumptions.	[DELETED] Same as above.

Appendix A Application Requirements		
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	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 E3 as enacted in 2023	[Draft] Amended ESRS E3 <i>Water</i>	
	<p>AR 1. <u>Water stress</u> encompasses quantity or availability (related to <u>water scarcity</u>) 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>	<p>[NEW]</p> <p>Amended ESRS E3 para. AR 1 was drafted to clarify the interconnection between water stress, water scarcity and water risk, as requested by stakeholders, and that the assessment of water stress factors is, together with others, part of the assessment of water risk.</p>
<p>[ESRS Annex II Defined Terms as enacted in 2023, Areas 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 <i>water scarcity</i>.]</p>	<p>AR 2. Global indicators (with associated datasets) and related thresholds to assess if an area is with <i>water stress</i> include:</p> <ul style="list-style-type: none"> a) <u>baseline water stress – equal to or greater than ‘High’: 40–80% (WRI);</u> b) <u>water depletion – greater than ‘High’: 25–75% (Seasonal) (Brauman et al.);</u> c) <u>baseline water depletion – equal to or greater than ‘High’: 50–75% (WRI); and</u> d) <u>WEI+ (Water Exploitation Index plus) – equal to or greater than 40% (EEA).</u> <p><u>While these global indicators account for water stress in terms of the quantity of water resource available (related to <i>water scarcity</i>), 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>	<p>[AMENDED]</p> <p>Amended ESRS E3 para. AR 2 draws from the definition of ‘Areas of high-water stress’ in the Defined Terms of ESRS as enacted in 2023. It provides methodological guidance to assess an area with water stress. Amended AR 2 proposes a (non-exhaustive) pool of indicators for the assessment of areas with water stress that focus on one of the 3 components of the latter (water scarcity), and refers to the databases that developed the indicators, rather than to existing tools in the market that integrate the indicators in their methodologies. In such way flexibility is left to the undertaking both to choose between (or beyond) the proposed indicators, and to use the preferred available tools.</p> <p>The focus on water quantity indicators is in line with the approach of other relevant</p>

		water standards and frameworks, and the relevance of the other two components of water stress (quality and accessibility) is explicitly highlighted, responding to requests from EFRAG SR TEG. For similar reasons, general guidance over the scope of the assessment and the leverage of local knowledge was provided.
	AR 4. <u>Water consumption</u> (C) can be measured directly, modelled, estimated or calculated by subtracting total <u>water discharge</u> (D) from total <u>water withdrawal</u> (W) during the reporting period: $C = W - D$.	[NEW] Methodological guidance for water metrics was developed, in line with the main water standards and frameworks, to respond to stakeholder's needs raised in consultation.
	AR 5. <u>Water metrics</u> under paragraph 15(a)–(f) shall be presented in cubic meters (m ³) or multiples thereof.	[AMENDED] Units of measurement for water metrics were removed from the single datapoints in para. 28 of ESRS E3 as enacted in 2023, leaving related indication in Amended ESRS E3 para. AR 5. Flexibility in the units of measurements was given in response to stakeholders' request in consultation.
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:	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:	[DELETED] Deleted for reduction purposes and to align with EFRAG's approach of including only mandatory methodological requirements in AR. Reference to LEAP deleted from environmental standards and kept simplified in Amended ESRS 1 <i>General Requirements</i> para. AR 15. Reference to marine resources is not in scope of Amended ESRS E3 anymore.
(a) Phase 1: locate where in its own operations and along the value chain the interface with nature takes place;	Phase 1: locate where in its own operations and along the value chain the interface with nature takes place;	[DELETED] Same as above.

(b) Phase 2: evaluate the dependencies and impacts;	Phase 2: evaluate the dependencies and impacts;	[DELETED] Same as above.
(c) Phase 3: assess the material risks and opportunities ; and	Phase 3: assess the material risks and opportunities; and	[DELETED] Same as above.
(d) Phase 4: prepare and report the results of the materiality assessment.	Phase 4: prepare and report the results of the materiality assessment.	[DELETED] Same as above.
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 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.	[DELETED] Same as above.
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.	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.	[DELETED] 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 materiality assessment include:	AR 4. The sub-topics related to water and marine resources covered by the materiality assessment include:	[DELETED] Same as above. Reference to marine resources is not in scope of Amended ESRS E3 anymore.
(a) water, which encompasses the consumption of surface water, groundwater, as well as withdrawals and discharges of water; and	(a) water, which encompasses the consumption of surface water, groundwater, as well as withdrawals and discharges of water; and	[DELETED] Same as above.
(b) marine resources , which encompasses the extraction and use of such resources and associated economic activities.	(b) marine resources, which encompasses the extraction and use of such resources and associated economic activities.	[DELETED] Deleted based on EFRAG's approach to delete IRO-1 sections under topical standards for simplification and reduction purposes. Also, marine resources no more a sub-topic in Amended ESRS E3.
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:	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:	[DELETED] 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 deleted from environmental standards and kept simplified in Amended ESRS 1 <i>General Requirements</i> para. AR 15. Consideration of location-specific aspects when identifying and assessing material IROs to be addressed under Amended ESRS 2 <i>General Disclosures</i> .
(a) the locations of direct assets and operations and related upstream and downstream activities across the value chain ;	(a) the locations of direct assets and operations and related upstream and downstream activities across the value chain;	[DELETED] Same as above.
(b) the sites located in areas at water risk , including areas of high-water stress; and	(b) the sites located in areas at water risk, including areas of high-water stress; and	[DELETED] Same as above.
(c) the sectors or business units that are interfacing with water or marine resources in these priority locations.	(c) the sectors or business units that are interfacing with water or marine resources in these priority locations.	[DELETED] Same as above. Reference to marine resources is not in scope of Amended ESRS E3 anymore.
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.	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.	[DELETED] Deleted based on EFRAG's approach to delete IRO-1 sections under topical standards for simplification and reduction purposes. Consideration of location ecosystem specific aspects when identifying and assessing material IROs to be addressed under Amended ESRS 2 <i>General Disclosures</i> . Amended ESRS E3 para. AR 2 touches upon the aspect of basin-level assessment.
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 Directive. The list of guidance documents can be	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.	[DELETED] Deleted based on EFRAG's approach to delete IRO-1 sections under topical standards for simplification and reduction purposes.

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:	AR 8. In phase 2, to evaluate its impacts and dependencies for each priority location identified under AR 5, the undertaking may:	[DELETED] 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 deleted from environmental standards and kept simplified in Amended ESRS 1 <i>General Requirements</i> para. AR 15. Consideration of location-specific aspects when identifying and assessing material IROs to be addressed under Amended ESRS 2 <i>General Disclosures</i> .
(a) identify business processes and activities that lead to impacts and dependencies on environmental assets and ecosystem services;	(a) identify business processes and activities that lead to impacts and dependencies on environmental assets and ecosystem services;	[DELETED] 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 marine resources -related impacts and dependencies across the undertaking's value chain; and	(b) identify water and marine resources-related impacts and dependencies across the undertaking's value chain; and	[DELETED] Same as above. Reference to marine resources is not in scope of Amended ESRS E3 anymore.
(c) assess the severity and likelihood of the positive and negative impacts on water and marine resources.	(c) assess the severity and likelihood of the positive and negative impacts on water and marine resources.	[DELETED] Same as above. Reference to marine resources is not in scope of Amended ESRS E3 anymore.
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 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).	[DELETED] 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.	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.	[DELETED] 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.	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.	[DELETED] Same as above.
AR 12. Examples of marine resources dependencies which may be considered by the undertaking are:	AR 12. Examples of marine resources dependencies which may be considered by the undertaking are:	[DELETED] Same as above.
(a) dependencies on commercially exploited fish and shellfish in its own operations and its upstream and downstream value chain; and	(a) dependencies on commercially exploited fish and shellfish in its own operations and its upstream and downstream value chain; and	[DELETED] Same as above.
(b) fishing activity that involves mobile bottom trawling, which can also have negative impacts on the seabed.	(b) fishing activity that involves mobile bottom trawling, which can also have negative impacts on the seabed.	[DELETED] Same as above.
AR 13. In Phase 3, to assess its material risks and opportunities based on the results of Phases 1 and 2, the undertaking may:	AR 13. In Phase 3, to assess its material risks and opportunities based on the results of Phases 1 and 2, the undertaking may:	[DELETED] 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 deleted from environmental standards and kept simplified in Amended ESRS 1 <i>General Requirements</i> para. AR 15.

<p>(a) identify transition risks and opportunities in its own operations and its value chain by the categories of:</p> <p>i. policy and legal: e.g., introduction of regulation or policy (e.g., changes such as increased water protection, increased quality 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;</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.,</p>	<p>(a) identify transition risks and opportunities in its own operations and its value chain by the categories of:</p> <p>i. policy and legal: e.g., introduction of regulation or policy (e.g., changes such as increased water protection, increased quality 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;</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>[DELETED]</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>
--	---	---

tipping points are reached, summing physical risks);		
(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;	(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;	[DELETED] Same as above.
(c) identify opportunities categorized by: i. resource efficiency: e.g., transition to more efficient services and processes requiring less water and marine resources; ii. markets: e.g., development of less resource-intensive products and services, diversification of business activities; iii. financing: e.g., access to green funds, bonds or loans; 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 v. reputation: positive stakeholder engagement as a result of a proactive stance on managing nature-related risks (e.g., leading to preferred partner status).	(c) identify opportunities categorized by: i. resource efficiency: e.g., transition to more efficient services and processes requiring less water and marine resources; ii. markets: e.g., development of less resource-intensive products and services, diversification of business activities; iii. financing: e.g., access to green funds, bonds or loans; 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 v. reputation: positive stakeholder engagement as a result of a proactive stance on managing nature-related risks (e.g., leading to preferred partner status).	[DELETED] Streamlined into paragraph 1 above, for conciseness.
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	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	[DELETED] Streamlined into paragraph 1 above, for conciseness.

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).	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:	AR 15. When providing information on the outcome of the materiality assessment, the undertaking shall consider:	[DELETED] Deleted based on EFRAG's approach to delete IRO-1 sections under topical standards for simplification and reduction purposes.
(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 list of geographical areas where water is a material issue for the undertaking's own operations and its upstream and downstream value chain;	[DELETED] 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 amended ESRS 2.
(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	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	[DELETED] Deleted based on EFRAG's approach to delete IRO-1 sections under topical standards for simplification and reduction purposes and because marine resources is not in scope of Amended ESRS E3 anymore.
(c) a list of sectors or segments associated with water and marine resources material impacts, risks and opportunities.	a list of sectors or segments associated with water and marine resources material impacts, risks and opportunities.	[DELETED] Same as above.
Disclosure Requirement E3-1 – Policies related to water and marine resources	Disclosure Requirement E3-1 – Policies related to water and marine resources	Comment/Rationale
ESRS E3 as enacted in 2023	[Draft] Amended ESRS E3 Water	

AR 16. The policies described under this Disclosure Requirement may be integrated in broader environmental or sustainability policies covering different subtopics.	AR 16. The policies described under this Disclosure Requirement may be integrated in broader environmental or sustainability policies covering different subtopics.	[DELETED] Deleted for reduction purposes and to align with EFRAG's approach that AR shall contain mandatory methodological requirements only. These types of specifications are addressed under Amended ESRS 2 GDR-P.
AR 17. When disclosing information under paragraph 9, the undertaking may disclose whether its policies:	AR 17. When disclosing information under paragraph 9, the undertaking may disclose whether its policies:	[DELETED] 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;	(a) prevent further deterioration and protect and enhance the status of water bodies and aquatic ecosystems;	[DELETED] Same as above.
(b) promote sustainable water use based on a long-term protection of available water resources;	(b) promote sustainable water use based on a long-term protection of available water resources;	[DELETED] Same as above.
(c) aim at enhanced protection and improvement of the aquatic environment;	(c) aim at enhanced protection and improvement of the aquatic environment;	[DELETED] Same as above.
(d) promote a good environmental status of marine water; and	(d) promote a good environmental status of marine water; and	[DELETED] Same as above.
(e) promote reduction of water withdrawals and water discharges.	(e) promote reduction of water withdrawals and water discharges.	[DELETED] Same as above.
AR 18. The undertaking may also disclose information about policies which:	AR 18. The undertaking may also disclose information about policies which:	[DELETED] Same as above.
(a) contribute to good ecological and chemical quality of surface water bodies and good chemical quality and quantity of groundwater bodies, in order to protect human health, water supply, natural ecosystems and biodiversity, the good environmental status of marine waters and the protection of the resource base upon which marine related activities depend;	(a) contribute to good ecological and chemical quality of surface water bodies and good chemical quality and quantity of groundwater bodies, in order to protect human health, water supply, natural ecosystems and biodiversity, the good environmental status of marine waters and the protection of the resource base upon which marine related activities depend;	[DELETED] Same as above.

(b) minimise material impacts and risks and implement mitigation measures that aim to maintain the value and functionality of priority services and to increase resource efficiency on own operations; and	(b) minimise material impacts and risks and implement mitigation measures that aim to maintain the value and functionality of priority services and to increase resource efficiency on own operations; and	[DELETED] Same as above.
(c) avoid impacts on affected communities .	(c) avoid impacts on affected communities.	[DELETED] Same as above.
Disclosure Requirement E3-2 – Actions and resources related to water and marine resources	Disclosure Requirement E3-2 – Actions and resources related to water and marine resources	Comment/Rationale
ESRS E3 as enacted in 2023	[Draft] Amended ESRS E3 Water	
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 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).	[DELETED] Same as above.
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 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.	[DELETED] Same as above. Reference to marine resources is not in scope of Amended ESRS E3 anymore.
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.	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.	[DELETED] Same as above.
Metrics and Targets		
Disclosure Requirement E3-3 – Targets related to water and marine resources	Disclosure Requirement E3-3 – Targets related to water and marine resources	Comment/Rationale
ESRS E3 as enacted in 2023	[Draft] Amended ESRS E3 Water	

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.	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.	[DELETED] Deleted for reduction purposes. Main requirement on ecological thresholds is now a cross-cutting element addressed in Amended ESRS 2 <i>General Disclosures</i> GDR-T para. 51 (g) and AR 48.
AR 23. The undertaking may provide targets relating to:	AR 23. The undertaking may provide targets relating to:	[DELETED] Deleted 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	(a) the reduction of water withdrawals; and	[DELETED] Same as above.
(b) the reduction of water discharges.	(b) the reduction of water discharges.	[DELETED] Same as above.
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 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.	[DELETED] Same as above.
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 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.	[DELETED] Same as above.
AR 26. The targets may cover its own operations and/or its upstream and downstream value chain.	AR 26. The targets may cover its own operations and/or its upstream and downstream value chain.	[DELETED] Deleted for reduction purposes and because these specifications are to be addressed in Amended ESRS 2 <i>General Disclosures</i> 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.	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.	Deleted 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 E3 as enacted in 2023	[Draft] Amended ESRS E3 Water	
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 identified as material in accordance with ESRS2 IRO-1 and ESRS2 SBM-3.	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 identified as material in accordance with ESRS2 IRO 1 and ESRS2 SBM 3.	[DELETED] Deleted for reduction purposes. Specifications related to the disaggregation of information will be addressed in the Objectives and under Amended ESRS 1 <i>General Requirements</i> and Amended ESRS E3 para. 15 (b) and AR 1.
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 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.	[DELETED] Deleted for reduction purposes. Contextual information for metrics to be addressed under Amended ESRS 2 <i>General Disclosures</i> GDR-M para. 49 (c).
AR 30. The undertaking may provide information on other breakdowns (i.e., per sector or segments).	AR 30. The undertaking may provide information on other breakdowns (i.e., per sector or segments).	[DELETED] Deleted for reduction purposes. Specifications related to the disaggregation of information will be addressed in the Objectives and under ESRS 1 <i>General Requirements</i> and Amended ESRS 2 <i>General Disclosures</i> .

AR 31. When disclosing information required by paragraph 29 the undertaking may provide additional intensity ratios based on other denominators.	AR 31. When disclosing information required by paragraph 29 the undertaking may provide additional intensity ratios based on other denominators.	[DELETED] Deleted in connection with the deletion of para. 29 of ESRS E3 as enacted in 2023.
AR 32. The undertaking may also provide information on its water withdrawals and water discharges .	AR 32. The undertaking may also provide information on its water withdrawals and water discharges.	[AMENDED, MOVED] Amended and moved to Amended ESRS E3 para. 15. 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. The change was supported by feedback in public consultation.
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	Comment/Rationale
ESRS E3 as enacted in 2023	[Draft] Amended ESRS E3 Water	
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 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.	[DELETED] Deleted following deletion of ESRS E3-5 as enacted in 2023, in alignment with Amended ESRS E2 through Amended ESRS E5 standards and based on stakeholder input. Anticipated financial effects are addressed under Amended ESRS 2 <i>General Disclosures</i> 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.	AR 34. The quantification of the anticipated financial effects in monetary terms under paragraph 33(a) may be a single amount or a range.	[DELETED] Same as above.



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.