

ESRS E3 Water
UNNAPROVED DRAFT
November 2025 - comparison between ED (July) and V1
(November)

[Draft] ESRS E3 Water – November 2025 – V0

Status of this draft:

Implemented in this draft:

- Suggestions from an extended sample group and outreaches
- SRB strategic directions
- FISMA detailed English and editorial review
- Horizontal editorial review across standards
- suggestions from remaining respondents (if any)

Still outstanding (not yet in this draft):

- internal cross-references (numbers of paragraphs) still to be updated
- English review of the markup text

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Revised structure and drafting conventions

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

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

Objective

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Objective

- ~~1. When reporting in accordance with the ESRS, the~~ **sustainability statement** shall ~~cover~~include information in relation to ~~[Draft] Amended ESRS E3 Water, when if this topic is related~~relates 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, to cover all the reporting areas listed in paragraph 5 of ESRS 1 General Requirements. When only one particular sub-topic prescribed by this Standard is material, paragraph 30 of ESRS 1 General Requirements applies.~~
- ~~1.~~
- ~~1.~~ The objective of this Standard is to specify Disclosure Requirements (DRs) in relation to ~~these items of information~~the reporting areas mentioned in paragraph 1 that are not covered in ~~[Draft] Amended ESRS 2, General Disclosures. This standard shall be applied in conjunction with ESRS 1 General requirements and ESRS 2 General Disclosures.~~
- ~~2. When only one of the sub-topics covered by this Standard is material, the undertaking shall report only on that sub-topic.~~
- ~~3. 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.~~
- ~~4.2.~~ The undertaking shall apply the provisions of ~~[Draft] Amended ESRS 2, paragraphs 29–32, and GDR-P, GDR-A, GDR-T and GDR-M. In particular:~~
 - ~~(a) if the undertaking has not adopted policies, actions and targets with reference to a topic related to material impacts, risks and opportunities, it shall disclose this fact; and~~
 - ~~(b) the undertaking may present the description of its material impacts, risks and opportunities, in accordance with [Draft] Amended ESRS 2 IRO-2, alongside information about its policies, actions, targets and metrics through which it addresses them, to avoid duplication and support a coherent narrative.~~
- ~~5.3.~~ In this Standard, each DR is introduced by a disclosure objective, ~~with the exception of~~except for **policies, actions and targets**, for which the provisions in ~~[Draft] Amended ESRS 2 General Disclosures~~ ESRS 2 General Disclosures GDR-P, GDR-A and GDR-T provide the necessary framing for the relevant DRs.
- ~~4.~~ 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.
- ~~6.~~ (2 amended) The ~~term ‘water’ refers to~~ DRs related to Water encompasses **freshwater** and other types of water, for example brackish water, from different sources, such as surface water, groundwater, and marine waters, seawater, produced water and third-party water.
- ~~5.~~ 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
- ~~7.6.~~ and **business model** in line with: The ESRS E3 Water relates to EU regulatory frameworks and other relevant frameworks, including
 - ~~(a) the~~ EU Water Framework Directive (Directive 2000/60/EC);
 - ~~(b) the~~ EU Drinking Water Directive (Directive 2020/2184/EU);

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~~(c) the~~, Industrial Emissions Directive (Directive 2010/75/EU), 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).

~~8.7. Location~~Context-specific considerations are particularly important in relation to water. ~~When~~If material **impacts, risks** or **opportunities** ~~arise at local level~~are connected to specific **geographies**, it is important to consider appropriate ~~aggregation or disaggregation or aggregation~~ of the reported information, e.g. by ~~site, asset, location, affected basin,~~ area at **water risk**stress or ~~any other appropriate~~ level in accordance with ~~[Draft] Amended~~ ESRS 1 General Requirements, paragraph 53. ~~Chapter 3.3.2 Level of Aggregation, Disaggregation.~~

Interaction with other ESRS

~~8. 10.~~ (4, 5 amended) Social and environmental **topics** closely interact with each other. The main points of interaction between ~~[Draft] Amended~~ ESRS E3 Water and the ~~different ESRS~~other topical standards are the following:

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

Disclosure Requirements

Impact, risk and opportunity management

Disclosure Requirement E3-1 – Policies related to water

~~11.9.~~ (11 amended) The undertaking shall ~~report~~disclose its water-related **policies** in accordance with the provisions of ~~[Draft] Amended~~ ESRS 2 General Disclosures GDR-P.

~~12.10.~~ (13 amended) 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.

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<p>AR 1 for para. 10,12,13,15(b)</p> <p>(Policies, Actions and Metrics in areas at water stress)</p>	<p>Water stress encompasses quantity/availability (water scarcity) together with water quality and accessibility considerations and provides a broader measure of basin pressure. Understanding water stress is necessary to interpret water-related risks, which arise if such pressures - alone or combined with other non-water-stress factors such as flooding, drought, or weak governance - may adversely affect ecosystems, communities, or economic activities. Water-related risks can be physical, reputational or regulatory.</p>
<p>AR 2 for para. 10, 12, 13,15 (b)</p> <p>(Policies, Actions and Metrics in areas at water stress)</p>	<p>Global indicators (with associated datasets) and related thresholds to assess if an area is at -water stress include:</p> <ul style="list-style-type: none"> • Baseline water stress - equal to or greater than 'High': 40-80% (WRI). • Water depletion – greater than 'High' 25-75% (Seasonal) (Brauman et al.); • Baseline water depletion - equal to or greater than 'High': 50-75% (WRI); and • WEI+ (Water Exploitation Index plus) – equal to or greater than 40% (EEA). <p>These global indicators account for water stress in terms of the quantity of water resource available (water scarcity), which is one dimension of water stress together with water accessibility and water quality.</p> <p>The assessment if an area is exposed to water stress is typically done at the basin level as a minimum.</p>

Disclosure Requirement E3-2 – Actions and resources related to water

~~13.11.~~ (17 amended) The undertaking shall disclose its key water-related **actions** and ~~significant~~ resources allocated to their implementation, in accordance with the provisions of ~~{Draft} Amended~~ ESRS 2 General Disclosures GDR-A.

~~14.12.~~ (19 amended) The undertaking shall specify ~~any~~key **actions** and resources related to areas at **water risk**, including ~~areas of high~~ **stress**.

Metrics and targets

Disclosure Requirement E3-3 – Targets related to water

~~13. 15.~~ (22 amended) The undertaking shall disclose its water-related **targets**, in accordance with the provisions of ~~{Draft} Amended~~ ESRS 2 General Disclosures GDR-T.

APPLICATION REQUIREMENTS

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

2.14. (27 amended) The objective of this DR is to enable help users to understand the undertaking's water ~~management practices and progress over time~~ performance.

3.15. (28 amended) The undertaking shall disclose water metrics for its own operations:

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

APPLICATION REQUIREMENTS

AR 41 for para. <u>157</u> (Water metrics)	Water consumption (C) shall <u>can be measured directly, modelled, estimated or calculated by subtracting total water discharges (D) from total water withdrawal (W) during the reporting period: $C = W - D$ using a water balance approach:</u> <u>it equals water withdrawal minus water discharges, adjusted for changes in water storage.</u>
AR <u>52</u> for para. <u>157</u> (Water metrics)	Water metrics under paragraphs <u>157</u> (a)-(f) <u>can be</u> are expressed in cubic meters (m3) <u>or multiples thereof</u> .