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ESRS for Non-EU Groups
NESRS E3
WATER AND MARINE RESOURCES

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Objective

1. The objective of this Standard is to specify Disclosure Requirements which will enable users of the **sustainability statement report** to understand:
 - (a) how the undertaking affects water and **marine resources**, in terms of material positive and negative actual or potential **impacts**;
 - (b) any **actions** taken, and the result of such actions to prevent or mitigate material actual or potential negative impacts, to protect water and marine resources, also with reference to reduction of **water consumption**; ~~and to address **risks and opportunities**;~~
 - (c) whether, how and to what extent the undertaking contributes to the European Green Deal's ambitions for fresh air, clean water, healthy **soil** and **biodiversity**, as well as to the sustainability of the **blue economy** and fisheries sectors, taking account of the following: Directive 2000/60/EC of the European Parliament and of the Council¹ (EU Water Framework Directive), Directive 2008/56/EC of the European Parliament and of the Council² (EU Marine Strategy Framework Directive), Directive 2014/89/EU of the European Parliament and of the Council³ (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**);
 - (d) the plans and capacity of the undertaking to adapt its strategy and **business model** in line with the promotion of sustainable water use based on long-term protection of available water resources; protection of aquatic **ecosystems** and restoration of **freshwater** and marine **habitats**;
 - ~~(e) the nature, type and extent of the undertaking's material **risks and opportunities** arising from the undertaking's **impacts and dependencies** on water and **marine resources**, and how the undertaking manages them; and~~
 - ~~(f) the **financial effects** on the undertaking over the short, medium and long term of material risks and opportunities arising from the undertaking's **impacts and dependencies** on water and marine resources.~~
2. 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**.
3. With regard to "**marine resources**", this standard covers the extraction and use of such resources, and associated economic activities.

Interaction with other **ESRS**/**NESRS**

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**/**NESRS** as follows:

¹ Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy (Water Framework Directive) (OJ L 327, 22.12.2000, p. 1).

² Directive 2008/56/EC of the European Parliament and of the Council of 17 June 2008 establishing a framework for community action in the field of marine environmental policy (Marine Strategy Framework Directive) (OJ L 164, 25.6.2008, p. 19).

³ Directive 2014/89/EU of the European Parliament and of the Council of 23 July 2014 establishing a framework for maritime spatial planning (OJ L 257, 28.8.2014, p. 135).

- (a) ~~ESRS~~NESRS 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;
 - (b) ~~ESRS~~NESRS E2 *Pollution*, which addresses, in particular, the **emissions** to water, which includes emissions to oceans, and the use and generation of microplastics;
 - (c) ~~ESRS~~NESRS E4 *Biodiversity and ecosystems*, which addresses, in particular, the conservation and sustainable use of and impact on **freshwater** aquatic **ecosystems** as well as the oceans and seas; and
 - (d) ~~ESRS~~NESRS E5 *Resource use and circular economy* which addresses in particular **waste management** including plastic, and the transition towards the extraction of nonrenewable resources of **wastewater**; reduced use of plastic; and the **recycling** of wastewater.
5. The undertaking's impacts on water and **marine resources** affect people and communities. Material negative impacts on **affected communities** from water and **marine resources** related impacts attributable to the undertaking are covered in ~~ESRS~~NESRS S3 *Affected communities*.
6. This Standard should be read in conjunction with ~~ESRS~~NESRS 1 *General requirements* and ~~ESRS~~NESRS 2 *General disclosures*.

Disclosure requirements

~~ESRS~~NESRS 2 *General disclosures*

7. The requirements of this section should be read in conjunction with and reported alongside the disclosures required by ~~ESRS~~NESRS 2 chapter 4 *Impact, risk and opportunity management*.

Impact, risk and opportunity management

Disclosure Requirement related to ~~ESRS~~NESRS 2 ~~IMRO-1~~ – Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities

8. The undertaking shall describe the process to identify material impacts, risks and opportunities and shall provide information on:
- (a) whether and how the undertaking it has screened its assets and activities in order to identify its actual and potential water and **marine resources**-related **impacts, risks and opportunities** in its own operations and its upstream and downstream **value chain**, and if so the methodologies, assumptions and tools used in the screening;
 - (b) whether and how it has conducted consultations, in particular, with affected communities⁴.

Disclosure Requirement E3-1 – Policies related to water and marine resources

⁴ Source: IFC Performance Standard 6, 2012.

9. **The undertaking shall describe its policies adopted to manage its material impacts, risks and opportunities related to water and marine resources⁵.**
- ~~10.~~ The objective of this Disclosure Requirement is to enable an understanding of the extent to which the undertaking has **policies** that address the identification, assessment, management and/or **remediation** of its material water and **marine resources**-related ~~impacts, risks and opportunities~~.
- ~~11.~~10. 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~~NESRS 2 MDR-P **Policies adopted to manage material sustainability matters**.
- ~~12.~~11. The undertaking shall indicate whether and how its **policies** address the following matters where material:
- (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.
 - (b) product and service design in view of addressing water-related issues and the preservation of marine resources; and
 - (c) commitment to reduce material **water consumption** in **areas at water risk** in its own operations and along the upstream and downstream **value chain**.
- ~~13.~~12. 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.⁶
- ~~14.~~13. The undertaking shall specify whether it has adopted **policies** or practices related to sustainable oceans and seas⁷.

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

15. **The undertaking shall disclose its water and marine resources-related actions and the resources allocated to their implementation.**
16. The objective of this Disclosure Requirement is to enable an understanding of the key **actions** taken and planned to achieve the water and **marine resources**-related **policy** objectives and **targets**.

⁵ This information supports the information needs of financial market participants subject to Regulation (EU) 2019/2088 because it is derived from an additional indicator related to principal adverse impacts as set out by indicator #7 in Table II of Annex I of Commission Delegated Regulation (EU) 2022/1288 with regard to disclosure rules on sustainable investments (“Investments in companies without water management policies”).

⁶ This information supports the information needs of financial market participants subject to Regulation (EU) 2019/2088 because it is derived from an additional indicator related to principal adverse impacts as set out by indicator #8 in Table II of Annex I of Commission Delegated Regulation (EU) 2022/1288 with regard to disclosure rules on sustainable investments (“Exposure to areas of high water stress”).

⁷ This information supports the information needs of financial market participants subject to Regulation (EU) 2019/2088 because it is derived from an additional indicator related to principal adverse impacts as set out by indicator #12 in Table II of Annex I of Commission Delegated Regulation (EU) 2022/1288 with regard to disclosure rules on sustainable investments (“Investments in companies without sustainable oceans/seas practices”).

17. The description of the **actions** and resources shall follow the principles defined in ~~ESRS~~NESRS 2 MDR-A *Actions and resources in relation to material sustainability matters*. In addition to ~~ESRS~~NESRS 2 MDR-A, the undertaking may specify to which layer in the mitigation hierarchy an action and
18. Resources can be allocated to:
 - (a) avoid the use of water and **marine resources**;
 - (b) reduce the use of water and marine resources such as through efficiency measures;
 - (c) reclaiming and reuse of water; or
 - (d) restoration and **regeneration** of aquatic ecosystem and water bodies.
19. The undertaking shall specify **actions** and resources in relation to **areas at water risk**, including **areas of high-water stress**.

Metrics and targets

Disclosure Requirement E3-3 – Targets related to water and marine resources

20. **The undertaking shall disclose the water and marine resources-related targets it has set.**
21. The objective of this Disclosure Requirement is to enable an understanding of the targets the undertaking has adopted to support its water and marine resources-related policies and address its material water and marine resources-related impacts, risks and opportunities.
22. The description of the targets shall contain the information requirements defined in ~~ESRS~~NESRS 2 MDR-T Tracking effectiveness of policies and actions through targets.
23. The disclosure required by paragraph 20 shall indicate whether and how its **targets** relate to:
 - (a) the management of material **impacts, risks and opportunities** related to **areas at water risk**, including improvement of the water quality;
 - (b) the responsible management of **marine resources** impacts, risks and opportunities including the nature and quantity of marine resources-related commodities (such as gravels, deep-sea minerals, seafood) used by the undertaking; and
 - (c) the reduction of **water consumption**, including an explanation of how those targets relate to areas at water risk, including areas of high water-stress.
24. In addition to ~~ESRS~~NESRS 2 MDR-T, the undertaking may specify whether **ecological thresholds** and entity-specific allocations were taken into consideration when setting **targets**. If so, the undertaking may specify:
 - (a) the ecological thresholds identified, and the methodology used to identify such thresholds;
 - (b) whether or not the thresholds are entity-specific and if so, how they were determined; and
 - (c) how responsibility for respecting identified ecological thresholds is allocated in the undertaking.
25. The undertaking shall specify as part of the contextual information, whether the **targets** it has set and presented are mandatory (required by legislation) or voluntary.

Disclosure Requirement E3-4 – Water consumption

26. **The undertaking shall disclose information on its water consumption performance related to its material impacts, ~~risks and opportunities~~.**
27. The objective of this Disclosure Requirement is to provide an understanding of the undertaking's water consumption and any progress by the undertaking in relation to its **targets**.
28. The disclosure required by paragraph 26 relates to own operations and shall include:
- (a) total **water consumption** in m3;
 - (b) total water consumption in m3 in areas at water risk, including **areas of high-water stress**;
 - (c) total water recycled and reused in m3;⁸
 - (d) total water stored and changes in storage in m3; and
 - (e) any contextual information necessary regarding points (a) to (d), including the water basins' water quality and quantity, how the data have been compiled, such as any standards, methodologies, and assumptions used, including whether the information is calculated, estimated, modelled, or sourced from direct measurements, and the approach taken for this, such as the use of any sector-specific factors.
29. The undertaking shall provide information on its **water intensity**: total **water consumption** in its own operations in m³ per million EUR net revenue⁹.

[Disclosure Requirement E3-5 including paragraphs 30 to 33 have been deleted.](#)

~~Disclosure Requirement E3-5 – Anticipated financial effects from material water and marine resources-related risks and opportunities~~

- ~~30. The undertaking shall disclose the anticipated financial effects of material water and marine resources-related risks and opportunities.~~
- ~~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 ~~NESRS~~ 2-SBM-3 para 48 (d).~~
- ~~32. The objective of this Disclosure Requirement is to provide an understanding of:~~
- ~~(a) **anticipated financial effects** due to material risks arising from water and **marine resources**-related impacts and **dependencies** and how these risks have (or could reasonably be expected to have) a material influence on the undertaking's financial position, financial performance and cash flows, over the short-, medium- and long-term; and~~
 - ~~(b) **anticipated financial effects** due to material opportunities related to water and marine resources.~~
- ~~33. The disclosure shall include:~~

⁸ This information supports the information needs of financial market participants subject to Regulation (EU) 2019/2088 because it is derived from an additional indicator related to principal adverse impacts as set out by indicator #6.2 in Table II of Annex I of Commission Delegated Regulation (EU) 2022/1288 regarding disclosure rules on sustainable investments ("Water usage and recycling", 2. Weighted average percentage of water recycled and reused by investee companies).

⁹ This information supports the information needs of financial market participants subject to Regulation (EU) 2019/2088 because it is derived from an additional indicator related to principal adverse impacts as set out by indicator #6.1 in Table II of Annex I of Commission Delegated Regulation (EU) 2022/1288 with regard to disclosure rules on sustainable investments ("Water usage and recycling", 1. Average amount of water consumed by the investee companies (in cubic meters) per million EUR of revenue of investee companies).

- ~~(a) — a quantification of the **anticipated financial effects** in monetary terms before considering water and marine resources related actions or where not possible without undue cost or effort, qualitative information. For **financial effects** arising from opportunities, a quantification is not required if it would result in disclosure that does not meet the qualitative characteristics of information (see ESRS 1 Appendix B *Qualitative characteristics of information*);~~
- ~~(b) — a description of the effects considered, the impacts and dependencies to which they relate, and the time horizons in which they are likely to materialise; and~~
- ~~(c) — the critical assumptions used to quantify the anticipated financial effects, as well as the sources and level of uncertainty of those assumptions.~~

Appendix A: Application Requirements

This appendix is an integral part of the ESRS/NESRS E3. It supports the application of the disclosure requirements set out in this standard and has the same authority as the other parts of the Standard.

ESRS/NESRS 2 General disclosures

Impact, risk and opportunity management

Disclosure Requirement related to ESRS/NESRS 2 IMRO-1 – Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities

- AR 1. When conducting a **materiality** assessment on environmental subtopics, the undertaking shall assess the materiality of water and marine resources in its own operations and its upstream and downstream value chain, and may consider the ~~four~~three phases below, also known as the LEAP approach (as adjusted for NESRS):
- (a) Phase 1: locate where in its own operations and along the **value chain** the interface with nature takes place;
 - (b) Phase 2: evaluate the ~~dependencies and impacts~~;
 - ~~(c) Phase 3: assess the material risks and opportunities; and~~
 - ~~(d)~~(c) Phase 4: prepare and report the results of the materiality assessment.
- AR 2. The **materiality** assessment for ESRS/NESRS E3 corresponds to the first ~~three~~two phases of this LEAP approach, the fourth phase addresses the outcome of the process.
- AR 3. The processes to assess the **materiality** of ~~impacts, risks and opportunities~~ shall consider the provisions in ESRS/NESRS 2 IMRO-1 *Description of the processes to identify and assess material impacts, risks and opportunities*, and IMRO-2 *Disclosure Requirements in ESRS/NESRS covered by the undertaking's sustainability statement report*.
- AR 4. The sub-topics related to water and marine resources covered by the **materiality** assessment include:
- (a) water, which encompasses the consumption of **surface water, groundwater**, as well as withdrawals and **discharges** of water; and
 - (b) **marine resources**, which encompasses the extraction and use of such resources and associated economic activities.
- AR 5. In phase 1, to locate where there are areas at water risk, and areas where there is an interface with **marine resources** that could lead to material impacts ~~and dependencies~~ in its own operations and along its upstream and downstream ~~value chain~~, the undertaking may consider:
- (a) the locations of direct assets and operations and related upstream and downstream activities across the **value chain**;
 - (b) the **sites** located in **areas at water risk**, including areas of high-water stress; ~~and~~
 - (c) the sectors or business units that are interfacing with water or marine resources in these priority locations.
- AR 6. The undertaking shall consider river basins as the relevant level for assessment of locations and combine that approach with an operational risk assessment of its facilities ~~and~~ the facilities of **suppliers** with material impacts and risks.

- AR 7. The undertaking shall consider the criteria for defining the status of water bodies according to the relevant Annexes of Directive 2000/60/EC (Water Framework Directive) as well as the guidance documents provided for implementation of the Water Framework Directive. The list of guidance documents can be accessed under the European Commission's Environment home page.
- AR 8. In phase 2, to evaluate its impacts ~~and dependencies~~ for each priority location identified under AR 5, the undertaking may:
- (a) identify business processes and activities that lead to impacts ~~and dependencies~~ on environmental assets and **ecosystem services**;
 - (b) identify water and **marine resources**-related impacts ~~and dependencies~~ across the undertaking's value chain; and
 - (c) assess the severity and likelihood of the positive and negative impacts on water and marine resources.
- ~~AR 9. For the identification of water and **marine resources**-related **dependencies**, the undertaking may rely on international classifications such as the Common International Classification of Ecosystem Services (CICES).~~
- ~~AR 10. When identifying its **marine resources**-related **dependencies**, the undertaking shall consider if it depends upon key marine resources-related commodities, including but not limited to gravels and seafood products.~~
- 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~~**NESRS**, namely microplastics and **emissions** to water in ~~ESRS~~**NESRS** E2 and plastic **waste** in ~~ESRS~~**NESRS** E5.
- ~~AR 12. Examples of **marine resources dependencies** which may be considered by the undertaking are:~~
- ~~(a) dependencies on commercially exploited fish and shellfish in its own operations and its upstream and downstream value chain; and~~
 - ~~(b)(a) fishing activity that involves mobile bottom trawling, which can also have negative impacts on the seabed.~~
- ~~AR 13. In Phase 3, to assess its material **risks** and **opportunities** based on the results of Phases 1 and 2, the undertaking may:~~
- ~~(a) identify **transition risks** and **opportunities** in its own operations and its **value chain** by the categories of:~~
 - ~~i. **policy** and legal: e.g., introduction of regulation or policy (e.g., changes such as increased water protection, increased quality of water regulations, regulation of flows of water supply), ineffective governance of water bodies or **marine resources**, in particular across boundaries (e.g., transboundary governance and cooperation) resulting in water or oceans **degradation**, exposure to sanctions and litigation (e.g., non-respect of permits or allocations; negligence towards or killing of threatened marine species), enhanced reporting obligations on marine ecosystems and related services;~~
 - ~~ii. **technology**: e.g., substitution of products or services by products or services with a lower impact on water and marine resources, transition to more efficient and cleaner technologies (i.e., with lower impacts on oceans and water), new monitoring technologies (e.g., satellite), water purification, flood protection;~~
 - ~~iii. **market**: e.g., shifting supply, demand and financing, volatility or increased costs of water or marine resources;~~
 - ~~iv. **reputation**: e.g., changing societal, customer or community perceptions as a result of an organisation's impact on water and marine resources; and~~

- ~~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);~~
- ~~(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; (c) identify opportunities categorised 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 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).~~

AR 14. The undertaking may rely on primary, secondary or modelled data collection or other relevant approaches to assess material impacts ~~s, s, **dependencies**, risks and opportunities~~, including Commission Recommendation 2021/2279 on the use of the Environmental Footprint methods to measure and communicate the life cycle environmental performance of products and organisations (Annex I – Product Environmental Footprint; Annex III – Organisation Environmental Footprint).

AR 15. When providing information on the outcome of the **materiality** assessment, the undertaking shall consider:

- (a) a list of geographical areas where water is a material issue for the undertaking's own operations and its upstream and downstream value chain;
- (b) a list of **marine resources**-related commodities used by the undertaking which are material to the good environmental status of marine waters as well as for the protection of marine resources; and
- (c) a list of sectors or segments associated with water and marine resources material impacts, risks and opportunities.

Disclosure Requirement E3-1 – Policies related to water and marine resources

AR 16. The **policies** described under this Disclosure Requirement may be integrated in broader environmental or sustainability policies covering different subtopics.

AR 17. When disclosing information under paragraph 9, the undertaking may disclose whether its **policies** :

- (a) prevent further deterioration and protect and enhance the status of water bodies and aquatic **ecosystems**;
- (b) promote sustainable water use based on a long-term protection of available water resources;
- (c) aim at enhanced protection and improvement of the aquatic environment;
- (d) promote a good environmental status of marine water; and

- (e) promote reduction of **water withdrawals** and **water discharges**.

AR 18. The undertaking may also disclose information about **policies** which:

- (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;
- (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
- (c) avoid impacts on **affected communities**.

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

AR 19. When disclosing information required under paragraph 15, the undertaking shall consider the **actions**, or action plans, contributing to address the material impacts, risks and opportunities identified. Useful guidance is provided by the Alliance for Water Stewardship (AWS).

AR 20. Considering that water and **marine resources** are shared resources which may require collective **actions**, or action plans, involving other **stakeholders**, the undertaking may provide information on those specific collective actions, including information on other parties (competitors, **suppliers**, retailers, customers, other business partners, local communities and authorities, government agencies...) and specific information on the project, its specific contribution, its sponsors and other participants.

AR 21. When providing information on capital expenditures, the undertaking may consider expenditures related, for example, to stormwater drain rehabilitation, pipelines, or machinery used to manufacture new low water-use products.

Metrics and targets

Disclosure Requirement E3-3 – Targets related to water and marine resources

AR 22. If the undertaking refers to **ecological thresholds** when setting **targets**, it may refer to the guidance provided by the Science-Based Targets Initiative for Nature (SBTN) in its interim guidance (Initial Guidance for Business, September 2020). It may also refer to any other guidance with a scientifically acknowledged methodology that enables the setting of science-based targets by identifying ecological thresholds and, if applicable, organisationspecific allocations. Ecological thresholds can be local, national and/or global.

AR 23. The undertaking may provide **targets** relating to:

- (a) the reduction of water withdrawals; and
- (b) the reduction of water discharges.

AR 24. If the undertaking provides **targets** on withdrawals, it may include **water withdrawal** from polluted **soils** and aquifers, and water withdrawn and treated for **remediation** purposes.

AR 25. If the undertaking provides **targets** on **discharges**, it may include **water discharges** to **groundwater** such as reinjection to aquifers, or water returning to a groundwater source via a soakaway or a swale.

- AR 26. The **targets** may cover its own operations and/or its upstream and downstream value chain.
- AR 27. The undertaking may specify whether the **target** addresses shortcomings related to the Substantial Contribution criteria for Water and Marine Resources as defined in the Commission delegated acts adopted pursuant to Article 12(2) of Regulation (EU) 2020/852. Where the Do No Significant Harm (DNSH) criteria for Water and Marine Resources as defined in delegated acts adopted pursuant to Article 10(3), Article 11(3), Article 13(2), Article 14(2), and Article 15(2) of Regulation (EU) 2020/852 are not met, the undertaking may specify whether the target addresses shortcomings related those DNSH criteria.

Disclosure Requirement E3-4 – Water consumption

- 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 ~~ESRS~~**NESRS**2 IMRO-1 and ~~ESRS~~**NESRS**2 SBM-3.
- AR 29. When disclosing contextual information on water consumption performance required by paragraph 26, the undertaking shall explain the calculation methodologies and more specifically the share of the measure obtained from direct measurement, from sampling and extrapolation, or from best estimates.
- AR 30. The undertaking may provide information on other breakdowns (i.e., per sector or segments).
- AR 31. When disclosing information required by paragraph 29 the undertaking may provide additional intensity ratios based on other denominators.
- AR 32. The undertaking may also provide information on its **water withdrawals** and **water discharges**.

~~Disclosure Requirement E3-5 – Anticipated financial effects from material water and marine resources-related risks and opportunities~~

- ~~AR 33. The undertaking may include an assessment of its related products and services at risk over the short, medium and long term, explaining how these are defined, how financial amounts are estimated, and which critical assumptions are made.~~
- ~~AR 34. The quantification of the **anticipated financial effects** in monetary terms under paragraph 39(a) may be a single amount or a range.~~

~~-AR 33 and 34 have been deleted.~~