EFRAG SECRETARIAT ANALYSIS OF THE COMMENTS

Q42 Survey 1 on E3 general remarks

n.	Comment	Type	Already in TEG / GRI comments	EFRAG Secretariat comments	EFRAG Secretariat conclusion (*)	Issue paper needed ?
1	Sector-specificity Ackowledging materiality: not enough focus on marine resources Lack of guidance: lack of examples of relevant sectors (a list could be useful), missing sector-specific guidance relevant for water to understand how to apply the sector-agnostic standard / as sector-specific standards **Views that water should be sector-specific (in full or partially):** - There is a need to reassess the sector-agnosticism of ESRS E3 and its DRs; Certain respondents suggest that some DRs should be moved under sector-specific standards, in particular, water-related indicators; other suggest that the entire standard is only applicable to certain industries - Marine resources should be sector-specific - Marine resources should be separate from water and possibly sector-specific - Any other specific marine resources impacts (e.g. on non-living elements) would be more relevant in sector-specific standards (e.g. for oil companies, fishing companies etc.). Definition of marine resources to be added. - Water is applicable to certain industries which may lead to heavy costs for companies or also to a lack of comparability across sectors and limited added value	Sector-specifcity	No	Water and marines resources are environmental factors to be mandatorily covered as mentioned in the CSRD (Article 29b 2 (a) iii) and in the Taxonomy Regulation (art. 9), deemed material also by GRI and in the context of SFDR principal adverse indicators (water). There are mixed views in the consultation's feedback on the fact that the standard would be sector-specific. Some comments note that parts of the standard should be considered sector-specific (in particular marine resources), others that the standard in full should be sector-specific. A majority of RAR believe ESRS E3 to be sector-agnostic. **The Secretariat hence propose a DR by DR analysis,** also considering that water and marines resources are definitely very material (they are considered "one" environmental objective in the Taxonomy Regulation) and are not as mature as other topics. Materiality assessment in the value chain is a key step to be led for all undertakings.	DR by DR – sometimes datapoint by datapoint led (see template 2).	**No, template 2.**

	compared to the efforts put. Not relevant for direct impacts of financial institutions - Many DRs are of limited relevance to certain sectors, in particular to financial undertakings - The use of water resources should be the main focus for the relevant sectors (agri-food, agriculture, some industrial sectors, power stations…)					
2	**Nature of water: add information on waater withdrawal and water discharge** - The standard mentions the volumes and flows of water used, but never addresses the origin/nature of the water used (sea water, recycled water, water from groundwater…) which would be useful and essential, especially in a context of water scarcity. Similarly, the type and destination of water discharge shall also be specified. - There are many different types of water, and the standard does not provide the relevant guidance and differentiation between the relevant water sources.	Missing	Yes	EFRAG Secretariat recognizes the need to add information on water withdrawal and water discharge to allow more relevant information and further alignment with GRI 303-3 and 303-4 provided that these disclosure requirements remain sector-agnostic. Considering the general remarks on the excessive granularity of the standards, suggest to added along the DR in the dedicated sector-specific standards.	No actions	No.
3	Add requirement on Transition plan	Missing	No	In the CSRD, the transition plan (plans) is mentioned only for climate. Given the definition in para 17 of ESRS 1 (key strategic decision, major change in the business model, particularly important action plan), it was not deemed relevant to have transition plans on other topical areas at a sector-agnostic level.	No action	No.
4	The standard prescribes measurements and targets in a volume/total number manner and not volume/quantities concentration levels	Missing	No	EFRAG Secretariat does not support adding granularity with additional information on concentration level for this sector-agnostic standard.	No action.	No.
5	Clarity is needed on the applicability of disclosure in terms of whether and how they apply to: (a) businesses operating on or near to oceans, (b) business consuming water as a primary element/factor in production and (c) emissions to water (e.g. emissions/waste to rivers).	Guidance	Yes	A sector-agnostic standard should apply to all businesses, whatever the location and sector. Examples and guidance on indications of materiality could be added at a later stage.	To be considered *Subject to timing*	No.

	EFRAG should prioritise the development of sector specific guidance, in particular for financial undertakings, which otherwise will not know how to apply the DRs				*constraints: draft to be amended: guidance to be added to materiality assessment.*	
6	The standard does not include details on waste water treatment and quality of the effluent discharge (as per GRI). A reference to the Pollution and Circularity standards to be added with details to cover the entire water cycle. Openness on recycled water in this guidance will help in pushing countries, governments and municipals councils to jump on the water circularity journey. A Beverage Industry Environmental roundtable (BIER) guidance for beverage industry has good guidance on the metrics https://www.bieroundtable.com/publication/water-circularity-metrics/ (although we appreciate cannot be used as a reference). the World Bank metrics can be used as a reference point. A minimum requirement should be set for the quality of effluent discharge	Missing	Yes	Alignment with GRI has been considered a priority, but not all elements were onboarded, conscious of the need to remain sector-agnostic and to avoid too much granularity. This said, the Secretariat acknowledges that this is relevant information and GRI alignment is key and hence proposes to include this information along with water discharges element where it will sit, either in sector-agnostic standard, or sector-specific standard.	To be considered Draft to be amended either way.	No.
7	Geographical aspects: - **DRs covering certain relevant aspects/topics are missing, e.g. in relation to high water stress, the location of operations,** environmental health need to be systematically taken into account, not only for metrics - When we talk water the watershed/water basin/river basin and their health should be priority – reporting should mainly apply to high water stress zones mainly and not the global company level - Suggestions for the inclusion of additional or more precise DRs are made; e.g. regarding geographical location, discharge - ESRS E3 is not clear enough regarding the disclosure of information with regards to high water stress areas	Geographical area/local aspects	Yes	These topics are important and the standard should be amended in a way that takes into account these factors. Because of the granularity of the information required, some data points should be provided at sector specific level only.	Draft to be amended	No

8	Value chain reporting - Should not be applicable for water but rather (i) be included in sector-specific standards at the risk of not reaching the right cost-benefit balance or (ii) should le be provided only on a risk-based approach is a main concern - Information difficult to obtain - The value chain framework and scope of reporting should be more clearly defined as they will impact companies' reporting workload - There is no specific disclosure requirement to explain whether the undertaking has identified actors in its value chain with significant water consumption, located in areas with high water stress, who and where these are and how it attempts to manage them - The standard does not address water consumption in the downstream value chain	Value chain	Yes	ESRS E3 Performance measurement disclosure requirements are focused on own operations (except for marine resources). Value chain is present in materiality assessment and PTAPR because this is also where the key impacts, risks and opportunities may sit. The materiality assessment throughout the value chain and related PTAPR should remain, but EFRAG Secretariat proposes to first focus on qualitative and narrative information and possibly phase-in in the first place– it will then allow companies to have an actual understanding of their water and marine resources-related impacts, risks and opportunities. Value chain transition provisions propones to postpone PTAPR to year 2.	To be discussed DR by DR – sometimes datapoint by datapoint - analysis to be led (see template 2).	**No, template 2 and phase-in**
9	Several comments were received around international alignment: - start with IFRS and SFDR only and add additional disclosure requirements only if needed - More alignment with CDP questionnaire to be seeked - ISO standards - Beverage Industry Environmental roundtable (BIER) and World Bank Metrics should be considered There are inconsistencies with other existing EU (e.g. Duty of Care Regulation) and international requirements (e.g. GRI standards, IFRS); ESRS E3 also contains more detailed and demanding requirements than existing reporting standards. The standard's DRs go beyond what is required by the CSRD	Alignment with international standards (and EU regulations)	No	As a priority, alignment was seeked with EU reporting and environmental legislative framework. Then, priority was given to alignment GRI, all the more as there is no existing standard under the ISSB, and TNFD is still draft. Other frameworks are also very key and were considered to the greatest extent possibly but without contradicting EU sources and GRI, in particular in terms of concepts and definitions. Only in rare and welcome cases, useful details to consider were provided and are being considered.	To be aligned Under consideration to the greatest extent possible.	No.

10	The disclosure requirements are too complex for entities which are not capital market-oriented. Current DR are very complex and analytical Articulation between application guidance and main body should be considered	Granularity	Yes	Ongoing efforts of simplification which are ackwoledged. Sector-specificity and prioritization are being considered.	To be considered	**No, template 2.**
11	AG 2 "The description of the process shall also include: (a) processes to identify suppliers in the value chain with material water quantity or water quality related impacts or risks; (b) processes to conduct an assessment of key suppliers" is only possible for the first supply chain.	PTAPR improvement	Yes	PTPAR harmonization needed.	To be aligned Draft to be amended.	**Yes under CCS.**
12	Phase-in: some DR are too granular for a sector-agnostic approach, phase-in would be welcome Phasing in of disclosure requirements over time should be considered, as opposed to requiring the large amount of DRs to be disclosed from the beginning, which could create an excessive workload. The standard should be phased in gradually in order to allow for methodologies and data to develop, as well as for companies to prepare.	Prioritisation	Yes	DR by DR – sometimes datapoint by datapoint - analysis to be led (see template 2).	To be discussed	**No, template 2.**
13	Prioritise the definitions of certain concepts (for instance, “substances of concern”), including marine resources which is quite a new topic which may be difficult for companies Certain notions/definitions/concepts should be clarified; e.g. (among others) the notions of "segment", "key suppliers", "water" & "marine resources", “commodities which have an impact on the environmental status of marine waters as well as on the protection of marine resources”, “marine resource-related commodities”, “commodities of marine origin”, "net turnover"	Clarification / definitions	Yes	Indeed a definition of marine resources would be useful. Wherever possible, definitions were taken from the EU legislative frameworks. Further alignment with GRI will be considered notwithstanding alignment with EU texts.	To be aligned To be aligned Draft to be amended	No.

14	Prioritise and clarify interaction / improve consistency with other standards Marine resources would be better placed in Pollution and Biodiversity standards with references A WASH (Water Sanitation and Hygiene) in the Social standards. SDG 6 speaks of water quantity, quality and accessibility so a section on WASH should be included here. From the nature of the standard it has indeed more social nature but the actions to be in place are closely tied with the water section. If covered in other area – at least a clear reference should be here.	Architecture	Yes	Introductory section to environmental standards to be drafted and all existing or missing cross-references to be reviewed and clarified.	To be aligned Draft to be amended	**Yes. Dedicated issue paper on architecture.**
15	DRs reflecting a financial materiality perspective are scarcer than those focusing on an impact materiality perspective Implementation difficulties for financial effects, additional guidance would be needed – besides it is confidential information	Financial materiality	Yes	Scenario analysis and assessing markets size indeed are delicate elements which indeed need more guidance to be developed. A dedicated issue paper was provided to propose a way forward.	To be discussed Draft to be amended	**Yes, Financial effects paper.**
16	The intensity ratios based on turnover do not appear relevant as they do not enable meaningful comparisons between two different activities. Reporting water intensity based on other variables should be allowed	Architecture	Yes	SFDR indicator, terminology to be consistent. Given the granularity issue, EFRAG Secretariat proposes not to add a different variable.	No action	No.
17	References to documents and materials across the full ESRS should be done in the form of a direct document hyperlink	Admin	No		No action.	No.
18	Taxonomy should not be explicitly mentioned as still not yet set for Water References to other frameworks should be considered very carefully (including CDP)	Taxonomy	No	Careful look at all upcoming regulations, proposal to suppress direct references to future possible delegated acts. Same comments for frameworks -all references will be reconsidered.	To be aligned Draft to be amended.	No.
19	Certain information could be confidential or sensitive and therefore should not be required	Confidentiality	Yes	This issue should be covered by general concepts embedded in Level 1 (CSRD) or CCS.	No action.	No.

<u>Note for next questions:</u> general comments which did not relate specifically to a DR have not be duplicated in the next questions to avoid unnecessary redundancies.

Q47: E3-1 – Policies implemented to manage water and marine resources

n.	Comment	Type	Already in TEG survey/ISSB alignment/GRI alignment	EFRAG Secretariat comments	EFRAG Secretariat conclusion (*)	Issue paper needed ?
1	Reporting on suppliers would require extensive resources and efforts and data may not be available – let alone assured. This would be a huge reporting burden. Suggestion to focus on own operations and priority topics Data from supply chain may not be available in necessary quality in time frame for companies to publish their annual reports	Value chain	Yes	Value chain is also where the key impacts, risks and opportunities sometimes sit. Only where IROs are material, policies are expected to be in place. They can be simple in the first place, this is only disclosure requirements and transparency – new wording will be amended.	To be aligned Draft to be amended. PTAPR harmonization including careful rewording as regards transparency.	**Yes – PTAPR harmonisation**
2	What seems to be missing from this disclosure requirement is how the undertaking identifies and assesses its water-related impacts, risks and opportunities: a. Which methodologies and tools were applied to assess impacts, risks and opportunities and identify hotspots? b. at what value chain stages exist the most material water impacts, risks and opportunities? What are major impacts, risks and opportunities at these value chain stages? c. at which geographies exist the most material water impacts, risks and opportunities? What are major impacts, risks and opportunities in these locations? d. as water impacts, risks and opportunities are multi-dimensional (physical, regulatory and reputational) and cannot be limited to water quality and water quantity issues, it needs to become clear that undertakings need to address all their material water issues with their policies	Missing	No	PTAPR harmonization will help better clarify articulation and focus on material IROs. Value chain and geographical location are part of what makes an area material for disclosure.	To be aligned Draft to be amended. PTAPR harmonization including clear articulation between material IROs, leading to policies, related targets and related action plans.	**Yes – PTAPR harmonisation**

					In addition clear focus on geographical areas at water risk will be integrated.	
3	SFDR should be the priority	Prioritisation	No	All ESRS should fully onboard SFDR PAI. Light changes will be proposed to ensure 100% alignment and clarity when some considered it was not the case.	To be aligned Draft to be amended to ensure 100% onboarding of SFDR PAI.	No.
4	The DR seems too prescriptive/ granular The wording of E3-1 & 2 on Policies and Targets should be revised as the current draft seems too prescriptive. "shall include" followed by a list of subjects and possible targets may give the impression of mandating the content of policies and targets when undertakings should remain free under the prevailing circumstances to define them themselves.	Granularity	Yes	A certain level of granularity is needed in order to overcome the limits of the NFRD. We agree to reach the right level of balance between main body and application guidance which should be illustrative and not compulsory	To be aligned Draft to be amended. PTAPR harmonization including careful rewording as regards transparency.	**Yes – PTAPR harmonisation**

Q48: DR E3-2 – Measurable targets for water and marine resources

n.	Comment	Type	Already in TEG survey/ISSB alignment/GRI alignment	EFRAG Secretariat comments	EFRAG Secretariat conclusion (*)	Issue paper needed ?
1	Standard currently too granular and too prescriptive Reporting on related targets and water intensity figures, if available, seems meaningful. Given the broad nature of industries, it seems too limiting to request disclosures on specific figures in specific units. Suggestion to allow some flexibility in disclosures. The current draft seems too prescriptive, undertakings should remain free to define them themselves the content of their policies and targets Reporting burden We suggest that absolute targets are defined as mandatory for undertakings with activities in water-stressed areas (so that expansion can be controlled), intensity target or other targets selected by undertakings is sufficient for all other. Please refer to CEO Mandate enterprise target setting guidance: https://ceowatermandate.org/enterprise-water-targets/	Granularity	Yes	A certain level of granularity is needed in order to overcome the limits of the NFRD. We agree to reach the right level of balance between main body and application guidance which should be illustrative and not compulsory Absolute targets cannot be made mandatory. Transparency on absolute targets for undertakings with activities in high water stress areas will be made mandatory.	To be aligned Draft to be amended. PTAPR harmonization including careful rewording as regards transparency.	**Yes – PTAPR harmonisation**
2	The proposed key performance indicators under paragraph 20 are too narrowly focused on water quantity and quality issues and not necessarily addressing the undertaking's material IROs (WWF), besides the scope of the undertaking's target-setting is unclear. Undertakings should have strategic corporate goals addressing their water policies (and therefore their material water impacts, risks and opportunities). The undertakings should also set site-specific targets based on scientific knowledge and contextual conditions and which address their water policies and	Granularity	Yes	PTAPR harmonization will help better clarify articulation and focus on material IROs. Value chain and geographical location are part of what makes an area material for disclosure.	To be aligned Draft to be amended. PTAPR harmonization including clear articulation between	**Yes – CCS Issue paper**

	therefore their material water IRO as may not only exist within the undertaking's own operations, it is likely necessary to set targets in cooperation with suppliers. Targets need to be set at the most material stages of the value chain where the impacts are				material IROs, leading to policies, related targets and related action plans. In addition clear focus on geographical areas at water risk will be integrated.	
3	**The time horizon** for targets and their interim presentation should be always aligned with the time horizon of the business plan/more flexibility should be required.	Time horizon	Yes	PTAPR harmonization and specific issue paper on time horizons.		**Yes – PTAPR harmonisation**
4	This target may also be relative by presenting the percentage of water discharge of material priority substances of concern relative to the total amount of water used	Missing	No	EWG question, proposal not to add granularity at this stage on this specific aspect.	No action.	No.
5	The proposed indicators are hard to interpretate if not set into context. Undertakings need to explain the methodology that they used for setting targets	Missing	No	PTAPR harmonization.		**Yes – PTAPR harmonisation**
6	Water consumption in industrial and energy installations are most of the time subject to regulatory constraints mentioned in the legal permit issued by the local authority. It is therefore unlike GHG emissions, subject to global targets at company level. With an aggregation of volumetric indicators from a site to a corporate level, the indicators lose even more of their meaning. These aggregated indicators are not contextualized and hard to interpretate.	Geographical area versus global indicators	No	Though relevance is clear at geographical level, EFRAG Secretariat proposes to keep also Group indicators and hence PTAPR in order to promote comparability and also for two of the indicators, in order to allow SFDR PAI reporting.	No action.	No.

7	Value chain should be defined	Value chain	Yes	Value chain should be defined in cross-cutting standards. Guidance could be added to help undertakings implement the standard.	No action in ESRS E3, see ESRS 1.	No.
8	Guidance missing WWF provides freely accessible resources for companies on how to set meaningful water targets e.g.https://wwfint.awsassets.panda.org/downloads/wwf_contextual_water_targets_hr.pdf	Guidance	NO	Guidance could be added at a later stage..	To be considered	No.

Q49: DR E3-3 – Water and marine resources action plans and resources

n.	Comment	Type	Already in TEG survey/ISSB alignment/GRI alignment	EFRAG Secretariat comments	EFRAG Secretariat conclusion (*)	Issue paper needed ?
1	Unnecessary information on resources: - Detailing resources does not seem appropriate, target-oriented approach would be more welcome - A size of the allocated budget is not necessarily a proof of seriousness of the action plan, AG 21a not particularly relevant Too detailed and beyond GRI There needs to be a clear hierarchy and consistency from policies (strategy), targets, indicators and actions/resources. The total cost burden for all reporting requirements combined may not be reasonable for first reporters and should therefore be considered with a possible solution in a phased-in approach	GranularityValue chain	NO	PTAPR harmonization will help better clarify articulation and focus on material IROs. Value chain and geographical location are part of what makes an area material for disclosure.	To be aligned Draft to be amended. PTAPR harmonization including clear articulation between material IROs, leading to policies, related targets and related action plans.	**Yes – PTAPR harmonisation**
2	This DR is not relevant for all sectors	Sector-specific	Yes	Water is deemed relevant for all sectors at least from a GRI and SFDR perspective. Disclosure requirements and datapoints need to be discussed individually. See template 2.	To be aligned Draft to be amended.	**See Template 2.**

Q50: DR E3-4 – Water management performance

n.	Comment	Type	Already in TEG survey/ISSB alignment/GRI alignment	EFRAG Secretariat comments	EFRAG Secretariat conclusion (*)	Issue paper needed ?
1	Entity should read Group	Terminology	NO		To be aligned Draft to be amended.	No.
2	Emissions to water definition should be added	Terminology	NO	Definition is already present in AG for SFDR alignment. Request to move all SFDR to main body, which should be the case once AG is left to true guidance.	To be aligned Draft to be amended.	No.
3	It would be worth adding disclosure requirements on withdrawal, discharge and consumption of water in areas with water stress specifically; as well as info on the proportion of water withdrawal and discharge that is made of freshwater. DR E3-4 should require reporting water withdrawal, discharge and consumption in areas with (high) water stress and the proportion of water withdrawal and discharge that constitutes freshwater.	Missing	YES	Indeed, many comments relate to the importance of geographical areas at water risk following the materiality assessment. EFRAG Secretariat proposes to add, on top of Group information for comparability, the requirement to includeinformation at geographical level which are at water risk.	To be aligned Draft to be amended.	**No. Template 2.**'
4	Prioritisation needed: - Discharges for substances of concern list is too comprehensive, a priority list should be defined as to decrease the reporting burden (See E2) - E3 should focus on SFDR-related requirements Some consider that ESRS E3-4 should be a priority. Other question the Cost/benefit ?	Prioritisation		EFRAG Secretariat understands and share the need to lighten the reporting burden. ESRS E3-4 currenlty focuses on own operations. Because views were mixed on the sector-agnostic characteristics of water withdrawals and water discharges, EFRAG Secretariat would rather propose moving aspects of ESRS E3-3 to		**No. Template 2.**'

				sector-specific where relevant (when not SFDR), than considering phase-in on a limited number of remaining indicators or revising a list fo substances which derives from EU legislative framework.		
5	Regarding the disaggregation of water withdrawals, discharges, consumptions currently required at least by geographical area and business segment, a more representative breakdown of the impacts could be that between areas with water and non-water stress (AG24-30) In order to avoid high level of granularity, it would be useful to provide information on a regional level as different regions are differently affected	Geographical area	Yes	These topics are important and the standard should be amended in a way that takes into account these factors. Because of the granularity of the information required, some data points could be provided at sector specific level	To be aligned Draft to be amended	**No. Template 2.**
6	The definitions of the performance indicators in the current draft are too generic to allow comparability between undertakings. More precise calculation rules should be provided to cover the main methodological aspects that can have a significant impact on the data reported.	Granularity	Yes	More guidance and more specific methodologies should be developed at later stages. Time constraint does not allow the development of more guidance. Full alignment with GRI will be pursued to ensure that the current level of comparability remains, given this is one of the most commonly used standards, upon decision on sector-specific/agnostic.	To be considered To be onboarded in a second step. No immediate action.	No.
7	Water management mixes different subtopics which is not appropriate for materiality assessment. Having ESRS Disclosure Requirements mixing subtopics creates confusion for the user. This DR also presents redundancies with E2 on water discharges.	Architecture	Yes	Introductory section to environmental standards to be drafted and all existing or missing cross-references to be reviewed and clarified/streamlined avoiding duplications.	To be aligned Draft to be amended	Yes.
8	Getting water consumption in volumes from suppliers and customers seem very difficult. It is therefore questionable	Value chain	No	ESRS E3-5 currently focuses on own operations.	No action	No.

	to require from companies to obtain precise water volumes from upstream and downstream actors.					
9	The indicators are only referring to the undertaking's own operations but that's not necessarily where the material water impacts, risks and opportunities exist. Performance needs to be measured at the most material stages of the value chain and geographies	Value chain	YES	Proposal implemented as a simplification / phase-in following debated within the PTF. EFRAG Secretariat proposes not to add value chain information on quantitative information. Relevant qualitative information could be proposed and phased-in.	To be discussed Draft to be amended.	**No.** **Template 2.**
10	WEI and AqueDuct data bases references would be useful	Guidance	No	Already in the standard.	No action.	No.
11	In AG26 the reference to withdrawals for remediation purposes is not clear. Performance should be evaluated only in consideration of withdrawals operated for production purposes, not for remediation purposes. Remediation withdrawals should be counted only if they are used for production purposes.	Clarification	No	Proposal to keep in application guidance.	No action.	No.

Q51: DR E3-5 – Water intensity performance

n.	Comment	Type	Already in TEG survey/ISSB alignment/GRI alignment	EFRAG Secretariat comments	EFRAG Secretariat conclusion (*)	Issue paper needed ?
1	The use of "may" is not consistently applied across standards	Terminology	NO	May = not mandatory	No action	No.
2	Water intensity performance should reflect the sector specificities, e.g. for some undertakings it may be valuable to also disclose indicators per unit of product. This is an indicator that, although optional, makes little sense because the denominator (net turnover) varies for other reasons, not for water withdrawals / consumption / discharges. These values (water withdrawals /consumption / discharges) should be related to industry-specific parameters (such as per unit of product). The intensity ratios based on turnover do not appear relevant for comparability purposes, they should be moved to sector-specific standards This DR is not necessary as could be recalculated by data users	Granularity / flexibility	YES	Good comment to be reflected on for sector-specific standards. Intensity to net turnover is a SFDR indicator for water consumption, and allows consistency with ESRS E1 as well. Propoe to drop (a) and(c) to keep only SFDR PAI.	No action	**No. Template 2.**
3	This information should be provided specifically for the areas with high water stress	Missing	Yes	Contrary to what was initially proposed, EFRAG Secretariat suggest to remain at Group level for this indicator in order to ensure consistency with SFDR PAI.	No action.	No.
4	Reporting on related targets and water intensity figures is not relevant for all sectors			Water is deemed relevant for all sectors at least from a GRI and SFDR perspective. Disclosure requirements and datapoints need to be discussed individually		

Q52: DR E3-6 – Marine resources-related performance

n.	Comment	Type	Already in TEG survey/ISSB alignment/GRI alignment	EFRAG Secretariat comments	EFRAG Secretariat conclusion (*)	Issue paper needed ?
1	Granularity too high with no added-value and not lead comparable reporting Marines resources is a new topic, the concept is unclear, this could be more relevant in sector-specific information High burden	Relevance and granularity		Marine resources is deemed relevant according to CSRD and are also considered as environmental assets in TNFD framework. EFRAG Secretariat proposes to keep marine resources indicators, but to work on the consistency of the approaches with ESRS E4 and consider phase-in or more principles-based information along with guidance.	To be aligned Draft to be amended.	**Yes. On top of template 2, dedicated issue paper on architecture.**
2	Links with other standards may appear confusing	Architecture	Yes	Introductory section to environmental standards to be drafted and all existing or missing cross-references to be reviewed and clarified.	To be aligned Draft to be amended	**Yes. Dedicated issue paper on architecture.**

Q53: DR E3-7 – Financial effects from water and marine resources related impacts, risks and opportunities

n.	Comment	Type	Already in TEG survey/ISSB alignment/GRI alignment	EFRAG Secretariat comments	EFRAG Secretariat conclusion (*)	Issue paper needed ?
1	More guidance is needed i. Any specific information requirement on the financial effects shall be clearly identified, clarifying the type of information required and the criteria that shall be used for its detection. In addition, the requirement should be supported by sectoral guidelines. Regarding the assessment of the market size of related products and services at risk, it could be affected by significant uncertainties, especially in relation to the significance of the market prices of the water resource (compared to its real systemic value). The use of future scenarios relating to its availability and / or quality conditions (e.g. Aqueduct 2030-50 maps or similar) could only be of (qualitative) direction to estimate the economic effects on operating activities (e.g. lack of production). ii. ii. likelihood and grade of impact might vary massively between "educated guess" and real figures, which are confidential. iii. iii. unlike the climate standard, which indicates the quantities on which these effects must be determined (assets and net turnover) iv. Cost benefit not reached	Guidance needed	Yes	Scenario analysis and assessing markets size indeed are delicate elements which need more guidance to be developed. A dedicated issue paper was provided to propose a way forward.	To be aligned Draft to be amended	**Yes, Financial effects paper.**