Item 07 – Draft version GRI 303: Water and Effluents 2018

For GSSB discussion

Date 28 March 2018
Meeting 11-12 April 2018
Project Review of GRI 303: Water

Description

This document presents the final GRI 303: Water and Effluents 2018 Standard, for GSSB discussion and approval. A summary of key changes in the Standard compared to the exposure drafts has been included at the beginning of the document.

This document represents the final outcome and consensus of the Project Working Group (PWG) deliberations with the exception of the important aspect of water quality and the question of what constitutes a sensible expectation to disaggregate water withdrawal and water discharge by water quality levels.

The PWG had initially reached consensus by majority on the approach to water quality reporting, but several members have flagged issues with the approach as it currently stands during the final sign-off. As it continues to be the aim to reach consensus with the full PWG where possible, the Standards Division will facilitate the discussions to reach consensus on this important aspect in the coming days and aims to share the final and complete version of GRI 303: Water and Effluents by the end of the week commencing 3 April.

For now, the Standards Division requests the GSSB members to review the content of the draft version GRI 303: Water and Effluents that is not highlighted in blue. The content currently highlighted in blue is subject to change based on the ongoing PWG discussion and can be ignored in the review. In the final version of GRI 303: Water and Effluents, the Standards Division will highlight the content that relates to the final outcome of the discussions on water quality to facilitate the review in advance of the GSSB in-person meeting on 11-12 April.

Please note that as part of this approval the Standards Division is proposing an effective date of 1 January 2021 (see line 114). The GSSB is asked to consider the proposed effective date upon review of the Standard; this will be discussed specifically at the upcoming GSSB meeting on 11-12 April.

This document is complemented with Item 08 – Draft GSSB basis for conclusions for GRI 303: Water and Effluents (Public Comment 10 August – 9 October 2017) and Item 09 – Draft GSSB basis for conclusions for GRI 303: Water and Effluents (Public Comment 20 December 2017 – 18 February 2018), which summarize the significant issues raised by respondents during public comment, and the GSSB response to these.
Summary of key changes compared to the exposure drafts

This section summarizes the key changes in GRI 303: Water and Effluents compared to the first exposure draft from 10 August 2017 and the second exposure draft from 20 December 2017, based on feedback from the public and the Project Working Group. To provide a complete overview of all changes made to the Standard till date, the Standards Division has included changes made to both exposure drafts following public comment.

Management approach disclosures

- More requirements have been added to describe how minimum standards for the quality of discharges have been set. See lines 310-314.
- The requirement to report on impacts from surface runoff has been moved to requirement 1.2.1 to serve as an example of impacts from an organization’s interaction with water. See line 296.
- The requirement to report on impacts in the supply chain and related to products and services has been merged with requirement 1.2.1 to encourage reporting on impacts across the entire value chain. See lines 292-296.
- The requirement to report on how the organization addresses impacts in the supply chain and related to products and services has been moved to requirement 1.2.3 to encourage integrated reporting on how the organization addresses impacts in the value chain. See lines 300-303.
- Examples of suppliers causing significant water-related impacts have been added in the guidance. See lines 342-344.
- Examples of how an organization can work with stakeholders to steward water as a shared resource have been added in the guidance. See lines 365-368.

Disclosure 303-1 Water withdrawal

- Content on water consumption has been moved to a separate disclosure: Disclosure 303-3 Water Consumption, to distinguish between the topics of water withdrawal and water consumption. See Disclosure 303-3.
- Withdrawal source categories have been revised to distinguish between fresh surface water and non-fresh surface water, seawater, fresh groundwater, and non-fresh groundwater. An additional category ‘produced water’ has been added to withdrawal sources. Additionally, the definitions for these sources have been added to the Glossary. See line 415.
• For water supplied by a third party, it has been clarified that only original withdrawal sources of this water located in areas with water stress need to be reported. See Disclosure 303-1-b-vii.

• The recommendation to report the total water withdrawal by suppliers causing significant water-related impacts in areas with water stress has been moved to Disclosure 303-1 after rearranging the content of Disclosure 303-4 Water impacts in the supply chain and related to products and services. See lines 431-432.

• The recommendation to report the volume of water recycled and reused has been removed from the Standard, as the Project Working Group did not agree on a meaningful metric to calculate this volume and considered the issue less relevant (irrelevant) from an impact perspective.

• Indicators and thresholds to assess water stress have been clarified in the guidance. See lines 449-453.

• An example of how to calculate a breakdown of total water withdrawal by withdrawal source categories at each facility in areas with water stress has been added in the guidance. See lines 464-467.

• An example of how to calculate total water withdrawal by suppliers causing significant water-related impacts in areas with water stress has been added in the guidance. See lines 469-472.

Disclosure 303-2 Water discharge

• Discharge destinations have been revised to only refer to the physical characteristics of the receiving waterbody, and not to its quality characteristics. See Disclosure 303-2-a.

• A classification of water quality categories has been added to report total water discharge by quality. See Disclosure 303-2-b.

• Reporting water treatment has been made a recommendation. See lines 481-482.

• A requirement has been added to report water discharge to areas with water stress. See Disclosure 303-2-c.

• The scope for reporting substances of concern has been narrowed down to ‘priority’ substances of concern. Additionally, a description of ‘substances of concern’ has been added in the guidance. See Disclosure 303-2-d and lines 519-520.

• A recommendation has been added to report the number of occasions where discharge limits are exceeded. See line 480.

• The recommendation to report the percentage of suppliers causing significant water-related impacts from water discharge that have set minimum standards for the quality of water discharges has been moved to Disclosure 303-2 after rearranging the content of Disclosure 303-4 Water impacts in the supply chain and related to products and services. See lines 483-484.
Disclosure 303-3 Water consumption

- A requirement has been added to report the change in storage if identified as a significant water-related impact, to account for sectors with high impact where the practice of storing water is common. Additionally, an example of how to calculate change in storage has been added in the guidance. See Disclosure 303-3-c.

- A requirement has been added to report whether the information on water consumption is calculated, estimated, modeled, or sourced from direct measurements, and the approach taken for this including the use of any sector-specific factors. See Disclosure 303-3-d.

- The recommendation to report the total water discharge by suppliers causing significant water-related impacts in areas with water stress has been moved to Disclosure 303-3 after rearranging the content of Disclosure 303-4 Water impacts in the supply chain and related to products and services. See lines 558-559.

- An example of how to calculate total water consumption at each facility in areas with water stress has been added in the guidance. See lines 580-582.

- An example of how to calculate total water discharge by suppliers causing significant water-related impacts in areas with water stress has been added in the guidance. See lines 584-587.

Other changes

- The Disclosure on Spills and Leaks has been removed from the Standard, as the topic is not explicitly relevant to GRI 303: Water and Effluents. A new project has been initiated to develop a standalone Standard on Spills and Leaks.

- Some definitions have been revised (e.g., ‘water consumption’) and new definitions (e.g., ‘freshwater’) have been added in the Glossary.

- Example tables have been added in the Annex to illustrate how to present information on requirements and recommendations in the Standard.

- Overall, wording has been revised and additions have been made in the guidance. For instance:

  - Examples of third-party water suppliers have been included in the guidance to Disclosure 303-1.
  - Use of the word ‘significant’ has been revised – examples of what is considered ‘significant’ have been added, where relevant.
  - It has been clarified that in the context of the GRI Standards, value chain is defined as including both direct operations as well as supply chain and products and services.
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About this Standard

Responsibility

This Standard is issued by the Global Sustainability Standards Board (GSSB). Any feedback on the GRI Standards can be submitted to standards@globalreporting.org for the consideration of the GSSB.

Scope

GRI 303: Water and Effluents sets out reporting requirements on the topic of water and effluents. This Standard can be used by an organization of any size, type, sector or geographic location that wants to report on its impacts related to this topic.

Normative references

This Standard is to be used together with the most recent versions of the following documents:

- GRI 101: Foundation
- GRI 103: Management Approach
- GRI Standards Glossary

In the text of this Standard, terms defined in the Glossary are underlined.

Effective date

This Standard is effective for reports or other materials published on or after 1 January 2021. Earlier adoption is encouraged.

Note: This document includes hyperlinks to other Standards. In most browsers, using ’ctrl’ + click will open external links in a new browser window. After clicking on a link, use ’alt’ + left arrow to return to the previous view.
Introduction

A. Overview

This Standard is part of the set of GRI Sustainability Reporting Standards (GRI Standards). The Standards are designed to be used by organizations to report about their impacts on the economy, the environment, and society.

The GRI Standards are structured as a set of interrelated, modular standards. The full set can be downloaded at www.globalreporting.org/standards/.

There are three universal Standards that apply to every organization preparing a sustainability report:

- **GRI 101: Foundation**
- **GRI 102: General Disclosures**
- **GRI 103: Management Approach**

**GRI 101: Foundation** is the starting point for using the GRI Standards. It has essential information on how to use and reference the Standards.

**GRI 102: General Disclosures**

**GRI 103: Management Approach**

**B. Using the GRI Standards and making claims**

There are two basic approaches for using the GRI Standards. For each way of using the Standards there is a corresponding claim, or statement of use, which an organization is required to include in any published materials.

1. The GRI Standards can be used as a set to prepare a sustainability report that is in accordance with the Standards. There are two options for preparing a report in accordance (Core or Comprehensive), depending on the extent of disclosures included in the report.

   - **1.1.** An organization preparing a report in accordance with the GRI Standards uses this Standard, **GRI 303: Water and Effluents**, if this is one of its material topics.

2. Selected GRI Standards, or parts of their content, can also be used to report specific information, without preparing a report in accordance with the Standards. Any published materials that use the GRI Standards in this way are to include a ‘GRI-referenced’ claim.

See Section 3 of GRI 101: Foundation for more information on how to use the GRI Standards, and the specific claims that organizations are required to include in any published materials.

Reasons for omission as set out in GRI 101: Foundation are applicable to this Standard. See clause 3.2 in GRI 101 for requirements on reasons for omission.
C. Requirements, recommendations and guidance

The GRI Standards include:

**Requirements.** These are mandatory instructions. In the text, requirements are presented in **bold font** and indicated with the word ‘shall’.

Requirements are to be read in the context of recommendations and guidance; however, the organization is not required to comply with recommendations or guidance in order to claim that a report has been prepared in accordance with the Standards.

**Recommendations.** These are cases where a particular course of action is encouraged, but not required. In the text, the word ‘should’ indicates a recommendation.

**Guidance.** These sections include background information, explanations, and examples to help organizations better understand the requirements.

An organization is required to comply with all applicable requirements in order to claim that its report has been prepared in accordance with the GRI Standards. See GRI 101: Foundation for more information.

D. Background context

In the context of the GRI Standards, the environmental dimension of sustainability concerns an organization’s impacts on living and non-living natural systems, including land, air, water, and ecosystems.

**GRI 303** addresses the topic of water and effluents.

Access to fresh water is essential for human life and well-being, and is recognized by the United Nations (UN) as a human right. The Sustainable Development Goals, adopted by the UN as part of the 2030 Agenda for Sustainable Development, include key targets related to sustainable water management under Goal 6: ‘Ensure availability and sustainable management of water and sanitation for all’. These targets aim, for example, to achieve universal access to safe and affordable drinking water, improve water quality, and address water scarcity.

The amount of water withdrawn and consumed by an organization, and the quality of its discharges, can impact the functioning of the ecosystem in numerous ways. Direct impacts on a catchment can have wider impacts on the quality of life in an area, including social and economic consequences for local communities and indigenous peoples.

Since water is a shared resource, and water-related impacts are localized, organizations are increasingly being encouraged to:

- prioritize action in areas with water stress;
- understand and respond to local contexts, including social and environmental impacts;
- aim to benefit and respect the needs and priorities of all water users in an area;
- align their approaches and collective actions with other water users and with effective public policy.

The disclosures in this Standard are designed to help an organization better understand and communicate its significant water-related impacts, and how it manages them.

Through a comprehensive understanding of its water use, an organization can assess the impacts it has on water resources that benefit the ecosystem, other water users, and the organization itself. An organization, particularly a water-intensive one, can use this information for more effective water management.

Due to the strong relationship between water withdrawal, consumption, and discharge, the reporting organization is expected to report on all three topic-specific disclosures of GRI 303. Since water-related impacts are often localized, the organization is expected, as much as possible, to support any quantitative aggregate-level information with narrative descriptions of any contextual factors that were considered when compiling the information. This will provide a more comprehensive overview of the organization’s water use.
GRI 303: Water and Effluents

This Standard includes disclosures on the management approach and topic-specific disclosures. These are set out in the Standard as follows:

- Management approach disclosures (this section references GRI 103)
- Disclosure 303-1 Water withdrawal
- Disclosure 303-2 Water discharge
- Disclosure 303-3 Water consumption

1. Management approach disclosures

Management approach disclosures are a narrative explanation of how an organization manages a material topic, the associated impacts, and stakeholders’ reasonable expectations and interests. Any organization that claims its report has been prepared in accordance with the GRI Standards is required to report on its management approach for every material topic.

An organization reporting on the topic of water and effluents is required to report its management approach using both GRI 103: Management Approach, and the management approach disclosures in this section.

The management approach disclosures in this section focus on how an organization identifies and manages its water-related impacts. This section is therefore designed to supplement – and not to replace – the content in GRI 103.

Reporting requirements

1.1 The reporting organization shall report its management approach for water and effluents using GRI 103: Management Approach.

1.2 When reporting its management approach using GRI 103, the reporting organization shall report the following additional information:

1.2.1 A description of how it interacts with water, including how and where water is withdrawn, consumed, and discharged, and the water-related impacts it causes or contributes to, or that are directly linked to its activities, products or services through a business relationship (e.g., impacts caused by runoff).

1.2.2 A description of its approach for identifying water-related impacts, including the scope of assessments, their timeframe, and any tools or methodologies used.

1.2.3 A description of how it addresses water-related impacts, including how it works with stakeholders to steward water as a shared resource, and how it engages with suppliers or customers causing significant water-related impacts.
1.2.4 An explanation of the process for setting any water-related goals and targets that are part of its management approach, and how they relate to public policy and the local context of each area with water stress.

1.2.5 A description of any minimum standards it has set for the quality of effluent discharges, and how these minimum standards were determined, including:

- how standards for facilities operating in locations with no local discharge requirements were determined;
- any internally developed water quality standards or guidelines;
- any sector-specific standards considered;
- whether the profile of the receiving waterbody was considered.

**Reporting recommendations**

1.3 When reporting on its interaction with water as specified in clause 1.2.1, the reporting organization should:

- provide an overview of water use across its value chain;
- report specific catchments where it causes significant water-related impacts.

**Guidance**

**Background**

The disclosures in this Standard request essential information to help understand how an organization manages water-related impacts. The reporting organization can report any additional information about its water stewardship efforts and practices.

An effective management approach accounts for the local context of water use, and acknowledges the importance of stewarding water as a shared resource. An organization can reduce its water withdrawal, consumption, discharge, and associated impacts, through efficiency measures, such as water recycling and reuse, and process redesign, as well as through collective actions that extend beyond its operations within the catchment. It can improve water quality through better treatment of water discharge.

See references 1 and 3 in the References section.

**Guidance for clause 1.2.1**

Through its value chain, an organization can affect both the quality as well as the availability of water. If the reporting organization has identified significant water-related impacts in the value chain, which includes entities with which the organization has a direct or indirect business relationship and which either: (a) supply products or services that contribute to the organization’s own products or services, or (b) receive products or services from the organization; it is required to report information about these impacts. For describing where the impacts occur (topic Boundary), see Guidance for Disclosure 103-1.

The description of how the organization interacts with water can include information on specific catchments where water is withdrawn, consumed, and discharged, and information on what the water is used for in direct operations and elsewhere in the value chain (e.g., for cooling, storage, incorporating in products, growing crops).

In the context of this Standard, suppliers causing significant water-related impacts may include suppliers of water-intensive commodities or services, suppliers located in areas with water stress, and/or suppliers with significant impacts on the local water environment and the related local communities.
If applicable, the organization can describe its environmental impacts caused by runoff, and how they are addressed. For example, runoff can carry high-nutrient and pollution loads due to an organization’s activities, leading to eutrophication and other negative impacts on local waterbodies.

**Guidance for clause 1.2.2**

When assessing impacts, it is important that the reporting organization consider its future impacts on water quality and availability, as these factors can change over time.

Tools and methodologies for identifying impacts can include life cycle assessments, environmental impact assessments, water footprints, scenario analysis, and stakeholder engagement. If information is estimated or modeled, rather than sourced from direct measurements, the organization is expected to explain its estimation or modeling methods.

**Guidance for clause 1.2.3**

Working with stakeholders is critical for an organization to steward water as a shared resource and account for the needs of other water users of the catchment. An organization’s stakeholders can include:

- suppliers with significant water-related impacts;
- users of its products and services;
- local communities and action groups;
- employees and other workers;
- other water users in its sector or industry;
- governments, regulators, and non-governmental organizations (NGOs);
- global initiatives, trade associations, and partnerships.

The reporting organization can describe how it participates in discussions with stakeholders, the frequency of this engagement, and its role in these discussions. Outcomes of working with stakeholders can include, for example, setting collective targets for water use, increased investment in infrastructure, policy advocacy, or capacity building and awareness raising.

When reporting on its engagement with suppliers, the organization can describe:

- the number of suppliers it engages with;
- how it engages with its suppliers to help them improve their water management practices;
- the outcomes of this engagement;
- the amount of procurement that the proportion of suppliers it engages with represents;
- why it does not request information from suppliers causing or contributing to significant water-related impacts;
- its future plans and goals for working with suppliers on reducing water-related impacts.

Water impacts related to products and services might be addressed by, for example, improving product design, providing information and advice on the responsible use of products and services, and holding regular consultations with users.

**Guidance for clause 1.2.4**

Meaningful targets for managing water-related impacts:

- account for the local context where water is withdrawn and discharged;
are scientifically informed by sustainable thresholds and the social context of a given catchment;

- align with public sector efforts, such as the targets relating to the UN Sustainable Development Goal 6 and other water-relevant Sustainable Development Goals, or targets set by national and local government institutions;

- are informed by the advocacy of other stakeholders, such as NGOs, trade associations, and action groups.

See reference 4 in the References section.

The reporting organization can report its progress against goals and targets under clause 1.5 in GRI 103: Management Approach.

**Guidance for clause 1.2.5**

Minimum standards are those that go beyond regulatory requirements in controlling the quality of effluent discharges.

Water quality refers to the physical, chemical, biological, and taste-related characteristics of water. It is a measure of water suitability for a given purpose or function, including its use as a human right. Water quality standards help uphold water quality in order to protect ecosystems, wildlife, and human health and welfare, and can be based on water properties, such as temperature or pH value.

The specific choice of water quality standards and parameters can vary depending on an organization’s products, services, and facility location, and can depend on national and/or regional regulations, as well as the profile of the receiving waterbody.

**Guidance for clause 1.3.1**

The overview of water use across a value chain can be presented as a simple breakdown, in graphic or written form, showing, for example, parts of the value chain where water consumption is significant and the commodities to which it is related, or the percentage of commodity sourcing that comes from catchments located in areas with water stress. The reporting organization is encouraged to include information about both upstream as well as downstream water use; e.g., use of water for consumer products, such as soaps, shampoos, and cleaning solutions.

**Guidance for clause 1.3.2**

To identify catchments where an organization causes water-related impacts, the reporting organization can use global catchment data sets. These include the CEO Water Mandate ‘Interactive Database of the World’s River Basins’ and the WWF ‘HydroSHEDS’.
2. Topic-specific disclosures

Disclosure 303-1 Water withdrawal

Reporting requirements

<table>
<thead>
<tr>
<th>Disclosure 303-1</th>
</tr>
</thead>
<tbody>
<tr>
<td>The reporting organization shall report the following information:</td>
</tr>
<tr>
<td>a. Total water withdrawal from all areas in megaliters, and a breakdown of this total by the following sources, if applicable:</td>
</tr>
<tr>
<td>i. Fresh surface water;</td>
</tr>
<tr>
<td>ii. Non-fresh surface water;</td>
</tr>
<tr>
<td>iii. Fresh groundwater;</td>
</tr>
<tr>
<td>iv. Non-fresh groundwater;</td>
</tr>
<tr>
<td>v. Seawater;</td>
</tr>
<tr>
<td>vi. Produced water;</td>
</tr>
<tr>
<td>vii. Third party.</td>
</tr>
<tr>
<td>b. Total water withdrawal from areas with water stress in megaliters, and a breakdown of this total by the following sources, if applicable:</td>
</tr>
<tr>
<td>i. Fresh surface water;</td>
</tr>
<tr>
<td>ii. Non-fresh surface water;</td>
</tr>
<tr>
<td>iii. Fresh groundwater;</td>
</tr>
<tr>
<td>iv. Non-fresh groundwater;</td>
</tr>
<tr>
<td>v. Seawater;</td>
</tr>
<tr>
<td>vi. Produced water;</td>
</tr>
<tr>
<td>vii. Third party, and a breakdown of this total by withdrawal sources as listed above in i-v.</td>
</tr>
<tr>
<td>c. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.</td>
</tr>
</tbody>
</table>
2.1 When compiling the information specified in Disclosure 303-1, the reporting organization shall use publicly available and credible tools and methodologies for assessing water stress in an area.

Reporting recommendations

2.2 The reporting organization should report the following additional information:

2.2.1 A breakdown of total water withdrawal from all areas by the following water quality categories in megaliters:

i. Freshwater

ii. Non-fresh water

2.2.2 A breakdown of total water withdrawal from areas with water stress by the following water quality categories in megaliters:

i. Freshwater

ii. Non-fresh water

2.2.3 A breakdown of total water withdrawal by withdrawal source categories listed in Disclosure 303-1, at each facility in areas with water stress;

2.2.4 Total water withdrawal by suppliers causing significant water-related impacts in areas with water stress.

Guidance

Background

The volume of water withdrawn from areas with water stress can indicate an organization’s impacts in sensitive locations.

To learn more about locations where water-related impacts might be significant, and actions to address them are most needed, information in Disclosure 303-1 can also be reported for each facility in areas with water stress. This could also give stakeholders more confidence in an organization’s water stewardship approach and practices.

Guidance for Disclosure 303-1

For an example of how to present information on requirements in Disclosure 303-1, refer to Table 1.

Fresh surface water includes collected or harvested rainwater. Water supplied by third party includes water supplied by municipal water networks or other organizations.

Water stress refers to the ability, or lack thereof, to meet the human and ecological demand for water. Water stress can include the availability, quality, or accessibility of water.


An area may be assessed as water-stressed based on the following indicators and their thresholds as derived from these tools:
The ratio of total annual water withdrawals to total available annual renewable supply (i.e., baseline water stress) is high (40-80%) or extremely high (>80%); or

Water depletion is equal to or greater than 75% on an annual, seasonal, and inter-annual timescale. The reporting organization may use these indicators even though they account only for quantity and not the quality or accessibility of water (as per the inclusive approach to the definition of ‘water stress’).

The organization may complement the results from these tools with their own assessments, to provide more granular local-level data. Water stress in an area may be measured at catchment level at a minimum.

Guidance for Disclosure 303-1-b-vii

If water is supplied by a third party, the reporting organization is required to request information about its withdrawal sources as listed in Disclosure 303-1-b-i to 303-1-b-v from the third-party supplier. An organization may report any additional information about water supplied by third parties, such as who the third-party suppliers are and the volume of water supplied by them.

Guidance for clause 2.2.3

To compile this information, the organization can use the following approach: (a) determine which facilities are located in areas with water stress, (b) for each of these facilities, report the total water withdrawal and a breakdown of the total water withdrawal by the withdrawal source categories listed in Disclosure 303-1. For an example of how to present this information, refer to Table 2.

Guidance for clause 2.2.4

To compile this information, the organization can use the following approach: (a) determine which suppliers are located in areas with water stress, (b) determine which of these suppliers cause significant water-related impacts, (c) add up the total water withdrawal of each of these suppliers, (d) report the sum. For an example of how to present this information, refer to Table 3.

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2 Indicator used in WWF Water Risk Filter, [waterriskfilter.panda.org](http://waterriskfilter.panda.org), accessed on 27 March 2018.
### Disclosure 303-2 Water discharge

#### Reporting requirements

<table>
<thead>
<tr>
<th>Disclosure 303-2</th>
</tr>
</thead>
<tbody>
<tr>
<td>The reporting organization shall report the following information:</td>
</tr>
<tr>
<td>a. <strong>Total water discharge</strong> to all areas in megaliters, and a breakdown of this total by the following types of destination, if applicable:**</td>
</tr>
<tr>
<td>i. <strong>Surface water</strong>;</td>
</tr>
<tr>
<td>ii. <strong>Groundwater</strong>;</td>
</tr>
<tr>
<td>iii. <strong>Seawater</strong>;</td>
</tr>
<tr>
<td>iv. <strong>Third party</strong>, and a breakdown of this total by water sent for use to other organizations, if applicable.</td>
</tr>
<tr>
<td>b. <strong>A breakdown of total water discharge to all areas by the following water quality categories in megaliters:</strong></td>
</tr>
<tr>
<td>i. <strong>Freshwater</strong>;</td>
</tr>
<tr>
<td>ii. <strong>Non-fresh water</strong>;</td>
</tr>
<tr>
<td>c. <strong>Total water discharge to areas with water stress in megaliters.</strong></td>
</tr>
<tr>
<td>d. <strong>Priority substances of concern for which discharges are treated, including:</strong></td>
</tr>
<tr>
<td>i. how priority substances of concern were defined, and any international standard, authoritative list, or criteria used;</td>
</tr>
<tr>
<td>ii. the approach for setting discharge limits for priority substances of concern;</td>
</tr>
<tr>
<td>iii. number of incidents of non-compliance with discharge limits.</td>
</tr>
<tr>
<td>e. <strong>Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.</strong></td>
</tr>
</tbody>
</table>

#### 2.3 When compiling the information specified in Disclosure 303-2, the reporting organization shall use publicly available and credible tools and methodologies for assessing water stress in an area.

#### Reporting recommendations

<table>
<thead>
<tr>
<th>2.4 The reporting organization should report the following additional information:</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.4.1 <strong>Number of occasions where discharge limits were exceeded.</strong></td>
</tr>
<tr>
<td>2.4.2 <strong>Total water discharge by level of treatment, and how the levels of treatment were determined.</strong></td>
</tr>
</tbody>
</table>
2.4.3 Percentage of suppliers causing significant water-related impacts from water discharge that have set minimum standards for the quality of their water discharge.

Guidance

Background

Quantifying the volume of water discharged can help an organization to understand its negative impacts on the receiving waterbody.

The relationship between water discharge and negative impacts is not linear. An increase in the total volume of water discharge does not necessarily correspond to greater negative impacts, since these impacts depend on the quality of the water discharged and the sensitivity of the receiving waterbody. An organization with high water discharge, but a high level of treatment and strict quality standards, can have positive impacts on the local receiving waterbody.

To learn more about locations where water-related impacts might be significant, and actions to address them are most needed, information in Disclosure 303-2 can also be reported for each facility in areas with water stress.

Guidance for Disclosure 303-2

For an example of how to present information on requirements in Disclosure 303-2, refer to Table 1.

See Guidance for Disclosure 303-1 for how to assess areas with water stress.

Guidance for Disclosure 303-2-a-iv

An example of discharge to third party is when an organization sends (waste)water to other organizations for further use. In these instances, the reporting organization is required to also report the volume of this water discharge separately.

Guidance for Disclosures 303-2-b

See Guidance for clause 1.2.5 for how the reporting organization can explain its choice of water quality standards. Water quality standards use specific physical or chemical parameters that can help the organization define appropriate water quality categories. An appropriate categorization of water quality considers the potential value of water to its users, as well as absolute physical and/or chemical criteria.

Freshwater is water close to drinking standards. It only requires minimum treatment (disinfection) to be safe for human consumption. It can be used for all purposes. Freshwater has a concentration of dissolved solids equal to or below 1,000 mg/L total dissolved solids (TDS).

Non-fresh water comprises water that requires additional or significant treatment to be suitable for human consumption or other purposes. Non-fresh water has a concentration of dissolved solids above 1,000 mg/L TDS.

An organization may report additional information on how water quality categories were determined, including consideration of the potential value of water to its users, as well as absolute physical and/or chemical criteria.

See reference 6 in the References section.

Guidance for Disclosure 303-2-d

In the context of this Standard, substances of concern are those that cause irreversible damage to the waterbody, ecosystem, or human health.

Discharge limits for substances of concern can be based on regulation and/or other factors determined by an organization. In countries where no regulation for discharge limits is available, the organization can develop its own discharge limits.
‘Discharge consent’ is the permission granted to an organization, allowing it to discharge a set amount of a substance. Unauthorized discharges that exceed these limits are to be reported under Disclosure 303-2-e. The organization can also describe any plans to reduce unauthorized discharges in the future.

Guidance for clause 2.4.2

Reporting water discharge by level of treatment can provide insight into the effort an organization is making to improve the quality of its water discharge. When reporting how the level of treatment was determined, the reporting organization is expected to include the reasons why a certain level of treatment was set.

Levels of treatment can be reported for any (waste)water at the point of discharge, whether treated by the organization onsite or sent to third party for treatment.

Water treatment involves physical, chemical, or biological processes that improve water quality by removing solids, pollutants, and organic matter from wastewater. Minimum requirements for treatment might be specified in national, state, or local legislation; however, the organization is expected to consider its overall water discharge impacts and the needs of other water users in setting treatment standards.

The organization can break down its water discharge by the following treatment levels:

- Primary treatment, which aims to remove solid substances that settle or float on the water surface;
- Secondary treatment, which aims to remove substances and materials that have remained in the water, or are dissolved or suspended in it;
- Tertiary treatment, which aims to upgrade water to a higher level of quality before it is discharged or reused. It includes individual processes that remove, for example, heavy metals, nitrogen, and phosphorous.

An organization might withdraw and discharge water of good quality that does not require treatment. If so, the organization can explain this in its report.

Guidance for clause 2.4.3

Minimum standards are those that go beyond regulatory requirements in controlling the quality of effluent discharges. For more information on water quality standards, see also clause 1.2.5.

To compile this information, the organization can use the following approach: (a) determine which suppliers cause significant water-related impacts from water discharge, (b) determine how many of these suppliers have set minimum standards for the quality of their water discharge, (c) calculate the percentage as follows: (b/a) x 100. For an example of how to present this information, refer to Table 3.
Disclosure 303-3 Water consumption

Reporting requirements

Disclosure 303-3

The reporting organization shall report the following information:

- Total water consumption from all areas in megaliters.
- Total water consumption from areas with water stress in megaliters.
- Change in water storage in megaliters, if identified as a significant water-related impact.
- Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used. This includes whether the information on water consumption is calculated, estimated, modeled, or sourced from direct measurements, and the approach taken for this including the use of any sector-specific factors.

Reporting recommendations

2.5 The reporting organization should report the following additional information:

2.5.1 Total water consumption at each facility in areas with water stress;

2.5.2 Total water consumption by suppliers causing significant water-related impacts in areas with water stress.

Guidance

Background

Water consumption measures water used by an organization such that is no longer available for use by the ecosystem or local community in the reporting period. Reporting the volume of water consumption contributes to an organization’s understanding of the overall scale of its impact due to water withdrawal on downstream water availability. The reporting organization can report this information for each facility in areas with water stress.

Guidance for Disclosure 303-3

For an example of how to present information on requirements in Disclosure 303-3, refer to Table 1.

See Guidance for Disclosure 303-1 for how to assess areas with water stress.

Guidance for Disclosure 303-3-c

If significant water-related impacts from water storage have been identified, the change in water storage is required to be reported. The change in storage can be calculated by subtracting the total water storage at the beginning of the reporting period from the total water storage at the end of the reporting period: change in storage = total water storage at the end of the reporting period − total water storage at the beginning of the reporting period.
Guidance for clause 2.5.1

To compile this information, the organization can use the following approach: (a) determine which facilities are located in areas with water stress, (b) for each of these facilities, report the total water consumption. For an example of how to present this information, refer to Table 2.

Guidance for clause 2.5.2

To compile this information, the organization can use the following approach: (a) determine which suppliers are located in areas with water stress, (b) determine which of these suppliers cause significant water-related impacts, (c) add up the total water consumption of each of these suppliers, (d) report the sum. For an example of how to present this information, refer to Table 3.
Table 1. Example template for presenting information for Disclosures 303-1, 303-2, and 303-3

Table 1 offers an example of how to present information on reporting requirements specified in Disclosures 303-1, 303-2, and 303-3, and the reporting recommendations 2.2.1, 2.2.2, and 2.4.2. The reporting organization can amend the table according to its practices, for example by disclosing additional data or by reporting this information for each facility in areas with water stress.

### Water withdrawal (303-1)

<table>
<thead>
<tr>
<th>Water withdrawal source</th>
<th>All areas (volume)</th>
<th>Areas with water stress (volume)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fresh surface water</td>
<td>ML (303-1-a)</td>
<td>ML (303-1-b)</td>
</tr>
<tr>
<td>Non-fresh surface water</td>
<td>ML (303-1-a)</td>
<td>ML (303-1-b)</td>
</tr>
<tr>
<td>Fresh groundwater</td>
<td>ML (303-1-a)</td>
<td>ML (303-1-b)</td>
</tr>
<tr>
<td>Non-fresh groundwater</td>
<td>ML (303-1-a)</td>
<td>ML (303-1-b)</td>
</tr>
<tr>
<td>Seawater</td>
<td>ML (303-1-a)</td>
<td>ML (303-1-b)</td>
</tr>
<tr>
<td>Produced water</td>
<td>ML (303-1-a)</td>
<td>ML (303-1-b)</td>
</tr>
<tr>
<td>Third party (total)</td>
<td>ML (303-1-a)</td>
<td>ML (303-1-b)</td>
</tr>
<tr>
<td>Total third-party withdrawal by original withdrawal source</td>
<td>Fresh surface water</td>
<td>ML (303-1-a)</td>
</tr>
<tr>
<td></td>
<td>Non-fresh surface water</td>
<td>ML (303-1-a)</td>
</tr>
<tr>
<td></td>
<td>Fresh groundwater</td>
<td>ML (303-1-a)</td>
</tr>
<tr>
<td></td>
<td>Non-fresh groundwater</td>
<td>ML (303-1-a)</td>
</tr>
<tr>
<td></td>
<td>Seawater</td>
<td>ML (303-1-b)</td>
</tr>
<tr>
<td>Total water withdrawal</td>
<td>Fresh surface water + non-fresh surface water + fresh groundwater + non-fresh groundwater + seawater + produced water + total withdrawal from third party</td>
<td>ML (303-1-a)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ML (303-1-b)</td>
</tr>
<tr>
<td>Total water withdrawal by quality category</td>
<td>Freshwater</td>
<td>ML (clause 2.2.1)</td>
</tr>
<tr>
<td></td>
<td>Non-fresh water</td>
<td>ML (clause 2.2.2)</td>
</tr>
</tbody>
</table>

### Water discharge (303-2)

<table>
<thead>
<tr>
<th>Water discharge destination</th>
<th>All areas (volume)</th>
<th>Areas with water stress (volume)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surface water</td>
<td>ML (303-2-a)</td>
<td></td>
</tr>
<tr>
<td>Groundwater</td>
<td>ML (303-2-a)</td>
<td></td>
</tr>
<tr>
<td>Seawater</td>
<td>ML (303-2-a)</td>
<td></td>
</tr>
<tr>
<td>Third party (total)</td>
<td>ML (303-2-a)</td>
<td></td>
</tr>
<tr>
<td>Volume of third party water discharge sent for use to other organizations</td>
<td>ML (303-2-a)</td>
<td></td>
</tr>
<tr>
<td>Total water discharge</td>
<td>Surface water + groundwater + seawater + total discharge to third party</td>
<td>ML (303-2-a)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ML (303-2-c)</td>
</tr>
<tr>
<td>Total water discharge by water quality category</td>
<td>Freshwater</td>
<td>ML (303-2-b)</td>
</tr>
<tr>
<td></td>
<td>Non-fresh water</td>
<td>ML (303-2-b)</td>
</tr>
<tr>
<td>Total water discharge by treatment</td>
<td>No treatment</td>
<td>ML (clause 2.4.2)</td>
</tr>
<tr>
<td></td>
<td>Treatment level</td>
<td>ML (clause 2.4.2)</td>
</tr>
<tr>
<td></td>
<td>Treatment level</td>
<td>ML (clause 2.4.2)</td>
</tr>
</tbody>
</table>

Note that this is recommended, but not required
Table 2. Example template for presenting facility-level information

Table 2 offers an example of how to present information on facilities located in areas with water stress as per the reporting recommendations specified in Disclosures 303-1 and 303-3. The reporting organization can amend the table according to its practices, for example by disclosing water discharge data.

<table>
<thead>
<tr>
<th>Facilities in areas with water stress</th>
<th>Facility A (volume)</th>
<th>Facility B (volume)</th>
<th>[Facility X] (volume)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Water withdrawal</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Disclosure 303-1, clause 2.2.3)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fresh surface water</td>
<td>ML</td>
<td>ML</td>
<td>ML</td>
</tr>
<tr>
<td>Non-fresh surface water</td>
<td>ML</td>
<td>ML</td>
<td>ML</td>
</tr>
<tr>
<td>Fresh groundwater</td>
<td>ML</td>
<td>ML</td>
<td>ML</td>
</tr>
<tr>
<td>Non-fresh groundwater</td>
<td>ML</td>
<td>ML</td>
<td>ML</td>
</tr>
<tr>
<td>Seawater</td>
<td>ML</td>
<td>ML</td>
<td>ML</td>
</tr>
<tr>
<td>Produced water</td>
<td>ML</td>
<td>ML</td>
<td>ML</td>
</tr>
<tr>
<td>Third party</td>
<td>ML</td>
<td>ML</td>
<td>ML</td>
</tr>
<tr>
<td><strong>Total water withdrawal</strong></td>
<td>ML</td>
<td>ML</td>
<td>ML</td>
</tr>
<tr>
<td>(Disclosure 303-3, clause 2.5.1)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Water consumption</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Disclosure 303-3, clause 2.5.1)</td>
<td>Total water consumption</td>
<td>ML</td>
<td>ML</td>
</tr>
</tbody>
</table>

Table 3. Example template for presenting supply chain information

Table 3 offers an example of how to present information on the organization’s suppliers as per the reporting recommendations specified in Disclosures 303-1, 303-2, and 303-3. The reporting organization can amend the table according to its practices, for example by specifying the location of suppliers.

<table>
<thead>
<tr>
<th>Water withdrawal</th>
<th>Total water withdrawal by suppliers causing significant water-related impacts in areas with water stress</th>
<th>Volume in ML</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Disclosure 303-1, clause 2.2.4)</td>
<td>--------------------------------------------------------------------------------------------------------</td>
<td>---------------</td>
</tr>
<tr>
<td>Water discharge</td>
<td>Percentage of suppliers causing significant water-related impacts from water discharge that have set minimum standards for the quality of their water discharge</td>
<td>%</td>
</tr>
<tr>
<td>(Disclosure 303-2, clause 2.4.3)</td>
<td>--------------------------------------------------------------------------------------------------------</td>
<td>---------------</td>
</tr>
<tr>
<td>Water consumption</td>
<td>Total water consumption by suppliers causing significant water-related impacts in areas with water stress</td>
<td>Volume in ML</td>
</tr>
<tr>
<td>(Disclosure 303-3, clause 2.5.2)</td>
<td>--------------------------------------------------------------------------------------------------------</td>
<td>---------------</td>
</tr>
</tbody>
</table>
Defined Terms

catchment

area of land from which all surface runoff and subsurface water, flows through a sequence of streams, rivers, aquifers, and lakes into the sea or another outlet at a single river mouth, estuary, or delta

**Note 1:** Catchments include associated groundwater areas and might include portions of waterbodies (such as lakes or rivers). In different parts of the world, catchments are also referred to as watersheds, or basins (or sub-basins).

**Note 2:** This definition is based on the Alliance for Water Stewardship (AWS), *International Water Stewardship Standard, Version 1.0*, 2014.

effluent

treated or untreated wastewater that is discharged

**Note:** This definition is based on the Alliance for Water Stewardship (AWS), AWS *International Water Stewardship Standard, Version 1.0*, 2014.

freshwater

water with concentration of dissolved solids equal to or below 1,000 mg/L TDS


fresh groundwater

water which is being held in, and can be recovered from, an underground formation, and has a concentration of dissolved solids below or equal to 1,000 mg/L total dissolved solids (TDS)

**Note:** This definition is based on ISO 14046:2014.

fresh surface water

water that occurs naturally on the Earth’s surface in ice sheets, ice caps, glaciers, icebergs, bogs, ponds, lakes, rivers, and streams, and has a concentration of dissolved solids below or equal to 1,000 mg/L total dissolved solids (TDS)

**Note 1:** Fresh surface water includes rainwater, water from wetlands, rivers, and lakes, but excludes water from oceans and seas

groundwater
water that is being held in, and can be recovered from, an underground formation

Note: This definition comes from ISO 14046:2014.

non-fresh groundwater
water that is being held in, and can be recovered from, an underground formation, and has a high concentration of dissolved solids above 1,000 mg/L total dissolved solids (TDS)

Note: This definition is based on ISO 14046:2014.

non-fresh surface water
water that occurs naturally on the Earth’s surface in ice sheets, ice caps, glaciers, icebergs, bogs, ponds, lakes, rivers, and streams, and has a high concentration of dissolved solids above 1,000 mg/L total dissolved solids (TDS)

Note 1: Fresh surface water includes rainwater, water from wetlands, rivers, and lakes, but excludes water from oceans and seas


non-fresh water
water with a high concentration of dissolved solids above 1,000 mg/L total dissolved solids (TDS)

Note: This definition is based on the United States Geological Survey (USGS), Water Science Glossary of Terms, water.usgs.gov/edu/dictionary.html, accessed on 27 March 2018; and the World Health Organization (WHO), Guidelines for Drinking-water Quality, 2017.

produced water
water that enters the organization’s boundary as a result of extraction (e.g., crude oil), processing (e.g., sugar cane crushing), or use of any raw material, so that it has to be managed by the organization

Note 1: This water should not be counted as recycled water when simply used within a single cycle of a business process.

Note 2: This definition is based on the CDP, CDP Water Security Reporting Guidance, 2018.
runoff

part of the precipitation that flows towards a river on the ground surface (i.e., surface runoff) or within the soil (i.e., subsurface flow)


seawater

water in a sea or an ocean

Note: This definition comes from ISO 14046:2014.

sicewater

water that occurs naturally on the Earth’s surface in ice sheets, ice caps, glaciers, icebergs, bogs, ponds, lakes, rivers, and streams

Note: This definition is based on the CDP, *CDP Water Security Reporting Guidance*, 2018.

third-party sources and destinations

municipal water suppliers and municipal wastewater treatment plants, public or private utilities, and other organizations involved in the provision, transport, treatment, disposal, or use of water and wastewater

water consumption

sum of all water that has been withdrawn and incorporated into products, produced crops or waste, evaporated, transpired, consumed by humans or livestock, polluted to the point of being unusable by other users, and therefore not released back to fresh surface water, non-fresh surface water, seawater, groundwater, or third party over the course of the reporting period

water discharge

sum of effluents, used water, and unused water released to fresh surface water, non-fresh surface water, seawater, groundwater, or third party, for which the organization has no further use, over the course of the reporting period

Note 1: Water can be released into the receiving waterbody either at a defined discharge point (point-source discharge) or dispersed over land in an undefined manner (non-point-source discharge).

Note 2: Water discharge can be authorized (in accordance with discharge consent) or unauthorized (if discharge consent is exceeded).
water stewardship — use of fresh water that is socially equitable, environmentally sustainable, and economically beneficial, achieved through a stakeholder-inclusive process that involves facility- and catchment-based actions; good water stewards understand their own water use, catchment context, and shared risk in terms of water governance, water balance, water quality, and important water-related areas, and engage in meaningful individual and collective actions that benefit people and nature. Further:

- Socially equitable water use recognizes and implements the human right to water and sanitation and helps ensure human wellbeing and equity.
- Environmentally sustainable water use maintains or improves biodiversity and ecological and hydrological processes at the catchment level.
- Economically beneficial water use contributes to long-term efficiency, and development and poverty alleviation for water users, local communities, and society at large.
- Water stewardship is intended to support and contribute to integrated water resource management by all actors.

Note: This definition is based on the Alliance for Water Stewardship (AWS), AWS International Water Stewardship Standard, Version 1.0, 2014.

water storage — water held in water storage facilities or reservoirs

water stress — ability, or lack thereof, to meet the human and ecological demand for water

Note 1: Water stress can include the availability, quality, or accessibility of water.

Note 2: Water stress is based on subjective elements and is assessed differently depending on societal values, such as the suitability of water for drinking or the requirements to be afforded to ecosystems.

Note 3: Water stress in an area may be measured at catchment level at a minimum.

Note 4: See Guidance for Disclosure 303-1 for how an organization can assess areas with water stress.

Note 5: This definition comes from the CEO Water Mandate, Corporate Water Disclosure Guidelines, 2014.

water withdrawal — sum of all water drawn from fresh surface water, non-fresh surface water, seawater, groundwater, or third party for any use over the course of the reporting period.

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References

The following documents informed the development of this Standard and can be helpful for understanding and applying it.

**Authoritative intergovernmental instruments:**


**Other relevant references:**