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Item 02 – Exposure draft of *GRI 303: Water and Effluents*

For GSSB approval

Date	05 July 2017
Meeting	19 July 2017
Project	Review of <i>GRI 303: Water</i>
Description	<p>This paper sets out the public comment draft of <i>GRI 303: Water and Effluents</i>, for the approval of the GSSB.</p> <p>A list of defined terms is included in the Annex.</p>

This document has been prepared by the GRI Standards Division. It is provided as a convenience to observers at meetings of the Global Sustainability Standards Board (GSSB), to assist them in following the Board's discussion. It does not represent an official position of the GSSB. Board positions are set out in the GRI Sustainability Reporting Standards. The GSSB is the independent standard-setting body of GRI. For more information visit www.globalreporting.org.

Background

This paper sets out the proposed Exposure Draft for the revised *GRI 303: Water and Effluents* Standard. The draft Standard has been developed by a designated [Project Working Group](#) (PWG) between March and June 2017. High-level proposed changes were shared with the GSSB during their virtual meeting on 24th May 2017, and a rough draft of the revised Standard was also discussed by the GSSB during their virtual meeting on 29 June 2017. Feedback and proposed changes from that discussion were shared back with the PWG for consideration.

Key changes since 29 June 2017

This section outlines main changes in this Exposure Draft as compared to the previous version ([Item 02 – Rough draft of revised GRI 303: Water](#)) which was discussed by the GSSB on 29 June 2017. These changes were made in response to comments from GSSB members during that virtual meeting and via email, as well as final input from PWG discussions.

- [Agricultural runoff \(lines 239-241 and 302-305\)](#): Based on GSSB feedback during the call on 29 June, a new management approach requirement has been added asking, where relevant, for a description of agricultural runoff impacts and how these are managed (with guidance).
- [Reference to the UN resolution on water as a human right \(lines 262-263\)](#): Based on GSSB feedback during the call on 29 June, an additional reference has been added to UN Resolution A/RES/64/292 within the management approach guidance.
- [Calculating water consumption \(lines 325-326 and 359\)](#): Additional guidance has been brought in on calculating water consumption, aligned with CDP's methodology. In addition, organizations are now recommended to explain how they have calculated consumption, which will allow organizations with any specific circumstances to explain these factors (for example, they discharge water to a nearby source, but not the original source).
- [Guidance tables \(line 371\)](#): Based on PWG input, guidance Table I has been updated to combine withdrawals, consumption, and discharge, and to align the sources/ destinations. A new column has been added to show the percentage of withdrawals that is reused/ recycled. There is now a separate table showing an example of how to report withdrawals and discharges by quality (Table 2), since this is not required to be broken down by source/ destination as in Table I.
- [Destinations for discharge \(line 390\)](#): Based on PWG input, the destinations for discharge have been slightly simplified to merge treatment plants and water to other organizations into one category (Third-party water), with a recommendation to report water to other organizations separately.
- [Quality/ treatment of discharges \(line 390 and lines 431-445\)](#): Disclosure 303-2 on discharges has been updated to require reporting discharges by either level of treatment or quality – with additional guidance added around levels of quality.
- [Defining thresholds for spills \(line 450\)](#): Based on GSSB comments received via email, an additional requirement has been added below Disclosure 303-3, requiring that organizations describe how they identified the thresholds for reporting significant spills and leaks, where applicable. The PWG had previously discussed whether to include a specific threshold and decided not to, since appropriate thresholds can vary by industry and location.

- 43 • Minor changes to water discharge definition (lines 587-590): Based on comments from PWG
44 and GSSB members, Note 2 (on authorized and unauthorized discharges) has been re-
45 worded to improve clarity, and Note 3 (on unplanned discharges) has been removed.

46

47 *Input from GSSB members to date*

48 One GSSB member has recommended that the GSSB consider adding in an additional reporting
49 recommendation under Disclosure 303-4 that organizations should report the *percentage of their*
50 *suppliers located in a water-stressed area*. The rationale is that many organizations won't be able to
51 provide quantitative data on consumption or withdrawal for their suppliers, and might only report
52 high-level narrative information. These metrics could help to serve as a proxy for impact for those
53 companies who can't report specific water usage in the supply chain.

54 This was discussed previously with the PWG, who felt that this metric was not an accurate
55 representation of impact, since for example, only 10% of suppliers might be in a water-stressed area,
56 but those 10% might be the most significant water users.

57 This point will be tabled for further discussion during the 19 July GSSB meeting.

58

59

60 *Feedback requested from the GSSB*

The GSSB is asked to raise any questions, concerns, or feedback on the draft Standard by email to the Standards Division by **13 July 2017**. This will allow the Standards Division time to analyze and respond to comments ahead of the 19 July virtual meeting.

61

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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	<i>GRI 303: Water and Effluents</i> 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 these topics.
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 <u>underlined</u> .
Effective date	This Standard is effective for reports or other materials published on or after [tbc]. Earlier adoption is encouraged.

73 **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.

74

75

76 Introduction

77 A. Overview

78 This Standard is part of the set of GRI
79 Sustainability Reporting Standards (GRI
80 Standards). These Standards are designed to be
81 used by organizations to report about their
82 impacts on the economy, the environment, and
83 society.

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

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

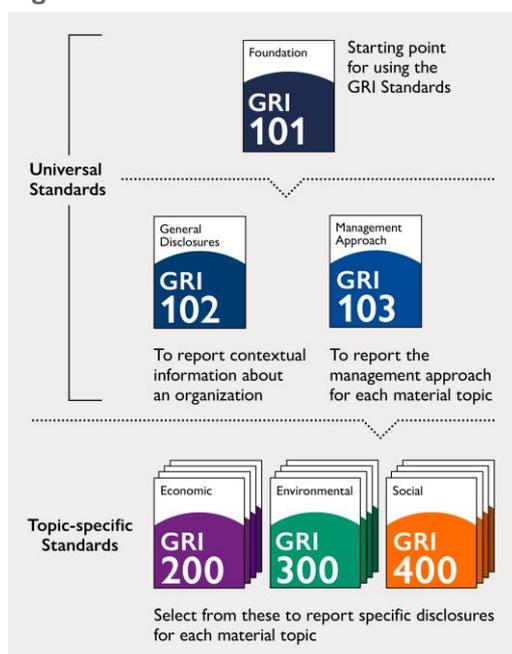
91 *GRI 101: Foundation*

92 *GRI 102: General Disclosures*

93 *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.

94 **Figure I** Overview of the set of GRI Standards



95 An organization then selects from the set of
96 topic-specific GRI Standards for reporting on its
97 material topics. These Standards are organized
98 into three series: 200 (Economic topics), 300
99 (Environmental topics) and 400 (Social topics).

100 Each topic Standard includes disclosures specific
101 to that topic, and is designed to be used together
102 with *GRI 103: Management Approach*, which is

103 used to report the management approach for the
104 topic.

GRI 303: Water and Effluents is a topic-specific GRI Standard in the 300 series (Environmental topics).

105 B. Using the GRI Standards and making claims

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

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

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

122 2. Selected GRI Standards, or parts of their
123 content, can also be used to report specific
124 information, without preparing a report in
125 accordance with the Standards. Any
126 published materials that use the GRI
127 Standards in this way are to include a 'GRI-
128 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.

129 C. Requirements, recommendations and guidance

131 The GRI Standards include:

132 **Requirements.** These are mandatory
133 instructions. In the text, requirements are
134 presented in **bold font** and indicated with the
135 word 'shall'. Requirements are to be read in the
136 context of recommendations and guidance;
137 however, an organization is not required to
138 comply with recommendations or guidance in
139 order to claim that a report has been prepared
140 in accordance with the Standards.

141 **Recommendations.** These are cases where a
142 particular course of action is encouraged, but not
143 required. In the text, the word 'should' indicates
144 a recommendation.

145 **Guidance.** These sections include background
146 information, explanations and examples to help

147 organizations better understand the
148 requirements.

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

154 D. Background context

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

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

162 Access to fresh water is essential for human life
163 and wellbeing, and is recognized by the United
164 Nations as a human right. The set of Sustainable
165 Development Goals, agreed by the UN and
166 international community, includes key targets
167 related to water stewardship under Goal 6
168 (Ensure access to water and sanitation for all).
169 These targets cover, for example, achieving
170 universal access to safe and affordable drinking
171 water, improving water quality, and addressing
172 water scarcity issues.

173 The withdrawal and discharge of water can affect
174 the function of ecosystems in numerous ways.
175 Such changes have wider impacts on the quality
176 of life in an area, including economic and social
177 consequences for local communities or
178 indigenous peoples.

179 The amount of water used by an organization and
180 the quality of its discharges are important factors
181 in understanding an organization's overall water
182 impacts. Impacts on the local water environment
183 depend on a number of contextual factors, such
184 as a basin's ability to absorb pollution, or the
185 other users in a locality.

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

- 189 • prioritize action in water-stressed
190 areas;
- 191 • understand and respond to local
192 context, including for social impacts;
- 193 • aim to benefit and respect the needs;
194 and priorities of all water users in an
195 area;

- 196 • align their approaches with other water
197 users and with effective public policy.

198

199 The disclosures in this Standard can provide
200 information about an organization's water-
201 related impacts, and how it manages them.

202 By focusing on water-stressed areas, and on
203 narrative explanations, they are designed to help
204 organizations to better understand and
205 communicate about their most significant
206 impacts, and how they are managing them

207 GRI 303: Water and Effluents

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

- 210 • Management approach disclosures (this section references *GRI 103*)
- 211 • Disclosure 303-1: Water withdrawal and consumption
- 212 • Disclosure 303-2: Water discharge
- 213 • Disclosure 303-3: Spills and leaks
- 214 • Disclosure 303-4: Water impacts in the supply chain and of products and services

215 *1. Management approach disclosures*

216 Management approach disclosures are a narrative explanation of how an organization manages a
217 material topic, the associated impacts, and stakeholders' reasonable expectations and interests.
218 Any organization that claims its report has been prepared in accordance with the GRI Standards
219 is required to report on its management approach for every material topic, as well as reporting
220 topic-specific disclosures for those topics.

221 Therefore, this topic-specific Standard is designed to be used together with *GRI 103: Management*
222 *Approach* in order to provide full disclosure of the organization's impacts. *GRI 103* specifies how
223 to report on the management approach and what information to provide.

224 Reporting requirements

225 **1.1 The reporting organization shall report its management approach for water**
226 **and effluents using *GRI 103: Management Approach*.**

227 **1.2 The reporting organization shall:**

- 228 **1.2.1 describe its main uses of water, including how and where water is**
229 **used and discharged;**
- 230 **1.2.2 describe its approach for identifying [impacts](#), including the scope of**
231 **assessments, their timeframe, and any tools or methodologies used;**
- 232 **1.2.3 describe how it works with other stakeholders to manage water as a**
233 **shared resource;**
- 234 **1.2.4 describe any minimum standard it has set for the quality of**
235 **discharges, and how the minimum standard was established;**
- 236 **1.2.5 explain the process for setting any goals and targets that are part of**
237 **its management approach, including how they relate to public policy**
238 **and the local context of each water-stressed area;**

239 1.2.6 in cases where there are significant impacts from surface runoff,
240 including agricultural runoff, describe these impacts and how they are
241 managed.

242

243 Reporting recommendations

244 1.3 The reporting organization should:

245 1.3.1 provide an overview of how water use and effluent discharge is distributed
246 across its value chain;

247 1.3.2 identify the specific locations or river basins where it has significant impacts.

248

249 Guidance

250

251 Background

252 An effective management approach accounts for the local context of water use, and acknowledges the
253 importance of managing water as a shared resource. Organizations can reduce their direct water usage and
254 impacts through efficiency measures, reuse and recycling, and process re-design. They can improve water
255 quality through better treatment of water discharge.

256

257 Some organizations may use efficiency metrics to help measure and manage their water use; for example,
258 tracking the liters of water consumed per unit of production. Where relevant, organizations can report on
259 these metrics as a part of their overall management approach. This can include an explanation of how the
260 efficiency metrics were selected and the organization's current and past performance against the metrics.

261

262 Organizations can also use voluntary standards to help manage their water-related impacts, such as UN
263 Resolution A/RES/64/292 (The human right to water and sanitation), the AWS International Water
264 Stewardship Standard and the European Water Stewardship (EWS) Standard. See references 1 and 3 in the
265 [References section](#).

266

267 Guidance for clause 1.2.1

268 The description of where water is used and discharged can include the geographical location and/or the
269 process stages of water use. An overview of how water use and effluent discharge is distributed across the
270 value chain is covered in clause 1.3.1.

271

272 Guidance for clause 1.2.2

273 In assessing impacts, it is important to consider the organization's future impacts on water quality and
274 availability, as these factors can change over time.

275

276 Tools and methodologies for identifying impacts can include lifecycle assessments, environmental impact
277 assessments, water footprints, scenario analysis, and stakeholder engagement, among others.

278

279 Guidance for clause 1.2.3

280 Working with other stakeholders is critical to help organizations manage water as a shared resource and to
281 account for the needs of other users in a river basin or catchment area. Other stakeholders can include:

- 282 • local communities or action groups;

283 • suppliers;
284 • users of its products or services;
285 • employees and workers;
286 • other water-users in its sector or industry;
287 • governments, regulators or non-governmental organizations (NGOs), for example in policy advocacy;
288 • global initiatives, trade associations or partnerships.
289
290 Outcomes of working with other stakeholders can include for example, setting collective targets around
291 water use, increased investment in infrastructure, policy advocacy, or capacity building and awareness raising.
292
293 *Guidance for clause 1.2.5*
294 Meaningful targets for managing water-related impacts are those that:
295 • account for the local context where water is withdrawn and discharged;
296 • are informed by sustainable thresholds or the limits of a given basin, based on science;
297 • align with effective public sector efforts, such as the targets relating to the United Nations' Sustainable
298 Development Goal on water, or other effective policies advocated by NGOs, global initiatives,
299 national and local government institutions, trade associations and action groups.
300 See reference 5 in the [References section](#).
301
302 *Guidance for clause 1.2.6*
303 Agricultural runoff can carry significant levels of nutrients such as phosphorus and nitrogen, due to animal
304 waste and the fertilizers and pesticides used in farming. These high-nutrient loads can lead to eutrophication
305 and other negative impacts on local water sources. Runoff impacts can be relevant in the organization's
306 own operations and/or in its the supply chain.
307
308 *Guidance for clause 1.3.1*
309 The overview of water use and effluent discharge across a value chain can be a simple breakdown, presented
310 in graphic or written form, which shows, for example, the percentage of water consumption related to raw
materials vs. manufacturing, distribution, etc.

311 *2. Topic-specific disclosures*

312 Disclosure 303-I Water withdrawal and consumption

313 Reporting requirements

Disclosure 303-I	
The reporting organization shall report the following information:	
a.	Total <u>water withdrawal</u> from water-stressed areas, with a breakdown by the following sources, if applicable: <ul style="list-style-type: none">i. Surface water, including rainwater, water from wetlands, rivers, and lakes;ii. Seawater/ brackish surface water;iii. Groundwater;iv. Third-party water.
b.	Total water withdrawal (from all areas), with a breakdown by the following sources, if applicable: <ul style="list-style-type: none">i. Surface water, including rainwater, water from wetlands, rivers, and lakes;ii. Seawater/ brackish surface water;iii. Groundwater;iv. Third-party water.
c.	Total <u>water consumption</u> from water-stressed areas.
d.	Total water consumption (from all areas).
e.	Standards, methodologies, and assumptions used.

- 315 2.1 When compiling the information specified in Disclosure 303-I, the reporting
316 organization shall:
- 317 2.1.1 use publicly-available and credible methodologies for assessing water-
318 stressed areas;
 - 319 2.1.2 report withdrawal and consumption in megaliters (ML);
 - 320 2.1.3 if the original sources of water supplied by third parties are known,
321 report these sources.

322 Reporting recommendations

- 323 2.2 When compiling the information specified in Disclosure 303-I, the reporting
324 organization should:

- 325 2.2.1 explain how it has calculated water consumption, including any specific factors
326 or assumptions;
- 327 2.2.2 break down total water withdrawal by quality;
- 328 2.2.3 report water withdrawal by source, and water consumption, at each facility in a
329 water-stressed area;
- 330 2.2.4 report the volume of reused and recycled water as a percentage of the total
331 water withdrawal.

332

333 **Guidance**

334

335 *Background*

336

337 The volume of water consumption and withdrawal from water-stressed areas can indicate an organization's
338 impacts in the most sensitive locations.

339

340 It is strongly recommended to report this information for each facility in a water-stressed area. This provides
341 detail on locations where water-related impacts are most significant, and actions to address them are most
342 needed. It may also give stakeholders more confidence in the organization's water stewardship and risk
343 management in general.

344

345 *Guidance for Disclosure 303-1*

346

347 Water stress refers to the ability, or lack thereof, to meet the human and ecological demand for water, and
348 considers the availability, quality, and accessibility of water. For reporting Disclosure 303-1, a water-stressed
349 area can be defined based on the following indicators and thresholds:

- 350 • baseline water stress is above medium to high range (20-40%)¹; or
- 351 • average annual monthly depletion is above 'medium depletion' (dry year)²

352

353 Water supplied by a third party can include wastewater from another organization, municipal water supplies,
354 or water from other public or private utilities.

355

356 Withdrawal includes water for cooling, or water withdrawn for any other purpose or process. Where
357 relevant, the organization can include produced water in total water consumption.

358

359 Water consumption can typically be calculated as total water withdrawals minus total water discharges.

360

361 If information is estimated or modelled, rather than sourced from direct measurements, the organization is
362 expected to explain its approach for doing so.

363

364 Table 1 gives one example of how an organization can present information about its water withdrawal,
365 recycling/ reuse, consumption, and discharge. Table 2 provides one example of how organizations can
366 report withdrawals and discharges by quality.

367

¹ Indicator used in water impact tools such as the WRI Water Risk Atlas (<http://www.wri.org/our-work/project/aqueduct/>) and WBCSD Global Water Tool (<http://old.wbcsd.org/work-program/sector-projects/water/global-water-tool.aspx>)

² Indicator used in WWF Water Risk Filter <http://waterriskfilter.panda.org>

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Table 1. Water withdrawals, recycling, consumption, and discharges

Source/Destination	Water withdrawal (ML)		Water reused or recycled (as % of total withdrawals)	Water consumption (ML)		Water discharge (ML)	
	Water-stressed	All areas		Water-stressed	All areas	Water-stressed	All areas
Surface water							
Groundwater							
Seawater							
Third-party water							
Total							

372

Table 2: Water withdrawals and discharge by quality

Level of quality ¹	Withdrawals (ML)	Discharge (ML)
Category 1 (high)		
Category 2 (medium)		
Category 3 (low)		
Total		

373
374
375
376
377

¹Note that it is recommended, but not required to report withdrawals by quality. See clause 2.2.1. Water discharges are required to be reported by either quality or level of treatment (i.e. no treatment, primary, secondary, tertiary). See Disclosure 303-2-b.

Guidance for clause 2.1.1

378

Publicly-available and credible methodologies for assessing water stress include:

379
380
381
382
383

- [WRI Aqueduct Water Risk Atlas](#);
- [WWF-DEG Water Risk Filter](#);
- [WBCSD Global Water Tool](#);
- [Global Water Tool for Oil and Gas](#).

384

Guidance for clause 2.2.1

385
386
387
388

Water quality refers to the physical, chemical, biological and taste-related characteristics of water. It is a measure of water’s suitability for a given purpose or function. This includes human use, as a human right. See guidance to Disclosure 303-2 for examples on how to define quality categories.

389 Disclosure 303-2 Water discharge

390 Reporting requirements

Disclosure 303-2

The reporting organization shall report the following information:

- a. Total volume of water discharge, in megaliters, with a breakdown by the following types of destination:
 - i. Surface water, including water from wetlands, rivers, and lakes;
 - ii. Groundwater;
 - iii. Seawater/ brackish surface water;
 - iv. Third-party water, including water to treatment plants and water to other organizations.
- b. Total water discharge with a breakdown by either:
 - a. level of treatment (no treatment, primary, secondary, tertiary), or
 - b. water quality
- c. An explanation of how the organization determines its levels of treatment or defines quality levels, where applicable
- d. The substances of concern for which discharges are treated, including:
 - i. the discharge limits set for each substance;
 - ii. an explanation of how the limits are set, or why no limits are set;
 - iii. performance against the limits.
- e. Standards, methodologies, and assumptions used.

391

392 Reporting recommendations

393 2.3 When compiling the information specified in Disclosure 303-2, the reporting
394 organization should:

395 2.3.1 where relevant, report separately the volume of water discharge that is used by
396 other organizations;

397 2.3.2 explain how it identified substances of concern.

398

399 **Guidance**

400

401 *Background*

402 Changes in the total volume of water discharge do not necessarily correspond to greater negative impacts,
403 since these impacts depend on the quality of the water discharged and the sensitivity of the destination. An

404 organization with greater discharges, but a higher level of treatment and quality, can have positive impacts
405 on local water destinations.

406
407 An organization may withdraw and discharge water of good quality, which does not require treatment. If so,
408 the organization can explain this in its response to Disclosure 303-2-c.

409
410 'Discharge consent' is a permission that is granted to an organization, allowing it to discharge a set amount
411 of effluent. Unauthorized discharges that exceed these limits are to be reported under Disclosure 303-2-d.
412 The organization can also describe any plans to reduce unauthorized discharges in the future.

413

414 *Guidance for Disclosure 303-2-a*

415 See the example table in Guidance for Disclosure 303-1 for one way to report water discharge by
416 destination and quality/ level of treatment.

417

418 *Guidance for Disclosures 303-2-b and 303-2-c*

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

423

424 If reporting discharges by level of treatment, the following categories are to be used:

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

430

431 If reporting discharges by quality, organizations are required to explain how they defined the levels of quality.
432 As one approach, organizations can use the quality categories defined by the Minerals Council of Australia:

433

- 434 • Category 1: Water is of a high quality and may require minimal and inexpensive treatment (for
435 example disinfection and pond settlement of solids) to raise the quality to appropriate drinking water
436 standards.
- 437 • Category 2: Water is of a medium quality with individual constituents encompassing a wide range of
438 values. It would require moderate level of treatment such as disinfection, neutralization, removal of
439 solids and chemicals to meet appropriate drinking water standards.
- 440 • Category 3: Water is of a low quality with individual constituents encompassing high values of total
441 dissolved solids, elevated levels of dissolved metals or extreme levels of pH. It would require
442 significant treatment to remove dissolved solids and metals, neutralize and disinfect to meet
443 appropriate drinking water standards.

444

445 See reference 6 in the [References section](#).

446

447 Disclosure 303-3 Spills and leaks

448 Reporting requirements

Disclosure 303-3

The reporting organization shall report the following information:

- a. Volume of each significant spill or leak, the location, and the substance.
- b. Impact of each significant spill or leak on affected water bodies, environments, and communities.
- c. An explanation of how the organization is addressing the impacts.
- d. Number and description of regulatory violations for significant spills and leaks.

449

450 **2.4** When compiling the information specified in Disclosure 303-3, the
451 organization shall describe how it has identified the threshold for reporting
452 significant spills and leaks, where applicable.

453

Guidance

454

455

456

Guidance for Disclosure 303-3

457

458

459

460

In the context of the GRI Standards, a spill is the accidental and sudden release of a substance that can affect human health, flora and fauna, water bodies, ground water, and land. A leak is the gradual release of such a substance.

461

462

463

464

Disclosure 303-3 is concerned with spills and leaks into water as well as onto land, which can affect underground water sources. The substance of the spill or leak can be classified as oil, fuel, wastes, chemicals, or wastewater; or another substance, as specified by the reporting organization.

465

466

467

When describing the impacts of a spill or leak, the organization can describe the impact on exposure pathways and recipient profiles.

468

469

A regulatory violation is an incident that incurs a fine, penalty, or enforcement order. When describing a regulatory violation, it can be useful for the reporting organization to include the monetary value of fines.

470

471 Disclosure 303-4 Water impacts in the supply chain and related to products
472 and services

473 Reporting requirements

Disclosure 303-4

If water impacts are material in the supply chain, or due to its products and services, the organization shall report:

- a. A description of water-related impacts in the supply chain or due to its products and services, and the approach for identifying them, including any tools or methodologies used.**
- b. A description of how the organization is addressing these impacts, including its engagement with significant suppliers or customers.**

474 Reporting recommendations

475 2.5 The reporting organization should report:

476 2.5.1 total water consumption and withdrawal by significant suppliers in water-
477 stressed areas;

478 2.5.2 the percentage of water-discharging suppliers that have set minimum standards
479 for the quality of their water discharge.

Guidance

Guidance for Disclosure 303-4

484 Through their suppliers, activities, products, and services, organizations can affect both the quality as well
485 as the availability of water. The organization's overall approach for managing water-related impacts, both in
486 its own operations and elsewhere in the value chain, is required by Disclosure 103-2 in *GRI 103: Management*
487 *Approach*. Disclosure 303-4 requires additional information on impacts in the supply chain, and/or the
488 impacts of products and services, if the organization has identified them as material.

490 Tools or methodologies for identifying water-related impacts can include lifecycle assessments,
491 environmental impacts assessments, water footprints, and scenario analysis. If information is estimated or
492 modelled, rather than sourced from direct measurements, the organization is expected to explain its
493 approach for doing so.

495 Water impacts related to products and services may be addressed by, for example, improved product
496 design; providing information and advice about the responsible use of products and services; and consulting
497 regularly with users.

499 In the context of this Standard, significant suppliers are high-volume suppliers, suppliers of critical
500 components, and non-substitutable suppliers; and/or suppliers of water-intensive commodities.

502 When reporting on its engagement with suppliers, it can be useful for the organization to include:

- the number of suppliers it engages with;
- the results of the engagement;

- 505
- 506
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- 509
- the proportion of suppliers from which it requests information;
 - how much of total procurement this proportion represents;
 - an explanation of why it does not request information from suppliers;
 - its future plans and goals for working with suppliers on water-related impacts.

510 References

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

513 **Authoritative intergovernmental instruments:**

- 514 1. United Nations (UN), Resolution 64/292, 'The human right to water and sanitation', 2010.
515 2. 'United Nations (UN), Transforming our world: the 2030 Agenda for Sustainable
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534 8. WRI Aqueduct Water Risk Atlas, <http://www.wri.org/our-work/project/aqueduct/>, 2013.
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568 Annex – Defined Terms

569 **effluent**

570 treated or untreated wastewater that is discharged

571

572 **river basin**

573 area of land from which all water flows into a specific river

574

575 **water consumption**

576 the use of water that is not returned to its original source

577

578 Note: Consumed water includes water that has evaporated, transpired, been incorporated
579 into products, produced crops or waste, consumed by humans or livestock, polluted to
580 the point of being unusable by other users, or otherwise permanently removed from its
581 source.

582

583 **water discharge**

584 the sum of effluents, used water, and unused water released to surface and sub-surface
585 water resources or to third parties for treatment

586

587 Note 1: In the context of the GRI Standards, water discharge does not include domestic
588 sewage.

589 Note 2: Water discharge can be authorized (according to discharge consent) or
590 unauthorized (if discharge consent is exceeded).

591

592 **water stress**

593 ability, or lack thereof, to meet human and ecological demand for water

594

595 Note 1: Water stress includes the availability, quality, and accessibility of water.

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

599

600 **water withdrawal**

601 water removed from the ground or a surface-water source, harvested from rainwater, or
602 supplied by a third party