

On 4 June 2025, the European Commission adopted its landmark [Water Resilience Strategy for Europe](#), laying out an ambitious agenda to secure and manage the continent's water resources amid growing environmental pressures.

Beyond setting strategic priorities, this initiative introduces a significant shift in regulatory expectations, financial incentives and operational frameworks that will profoundly affect businesses, especially those in water-intensive industries such as agriculture, manufacturing, energy and digital infrastructure.

A pivotal element of the strategy is its detailed **Action Plan (Annex I)**, which outlines concrete steps and deadlines through 2030. These actions herald a new era of intensified enforcement, enhanced monitoring and innovative water management practices, all designed to embed resilience and sustainability into European water governance.

## The New Regulatory Paradigm

One of the immediate priorities is a concerted effort to **strengthen enforcement of existing water legislation**, notably the **Water Framework Directive** and **Floods Directive**. This will take the form of structured dialogues with Member States, starting in 2025, aimed at closing long-standing compliance gaps. For businesses, this signals an escalation in regulatory scrutiny, permits and operations related to water usage and discharge will be closely monitored, and noncompliance will carry increased risks. Companies must ensure they are prepared for heightened inspections and possible penalties, while proactively adapting to evolving standards.

In parallel, the commission is moving to equip Member States with **new technical guidance on drought management and water scarcity**, expected by 2027. As water scarcity becomes an increasingly acute challenge, companies operating in vulnerable regions should anticipate mandatory reporting on water use efficiency and contingency plans to mitigate drought impacts. This signals a growing regulatory focus on resilience planning, not just compliance.

The strategy also launches innovative **public-private initiatives targeting emerging pollutants like per- and polyfluoroalkyl substances (PFAS)**, along with broader nutrient pollution. These initiatives are likely to result in new regulatory instruments requiring advanced detection and remediation technologies, compelling businesses to invest in upgraded environmental controls. Firms using or producing persistent chemicals should prepare for enhanced transparency and potential restrictions.

An important component of the **strategy focuses on consumers**, recognising their essential role in enhancing water resilience. The commission plans to take action to secure **clean and affordable water for all**, while empowering consumers and users through various initiatives. This includes addressing the water footprint of products in the context of setting or updating requirements under **the Ecodesign for Sustainable Products Regulation (ESPR)** and the **EU Ecolabel**. Efforts to promote water resilience in the built environment will also be supported through the 2026-2027 work programme of the New European Bauhaus Facility and the upcoming Affordable Housing Plan, expected in 2026.

## Water Efficiency and Circularity as Compliance Pillars

The commission's upcoming formal recommendation of the **"Water Efficiency First" principle**, scheduled for 2025 or 2026, will embed water efficiency at the heart of business operations and investments. Although initially nonbinding, this principle is expected to be reflected in national regulations and sectoral guidelines soon after, translating into legally enforceable expectations. Companies will be required to demonstrate proactive water management measures, incorporating water-saving technologies and practices as standard.

Beyond efficiency, the strategy signals regulatory momentum to **expand water reuse beyond agriculture**, with a comprehensive review of the Water Reuse Regulation planned through 2028. This points to tightening standards and likely mandatory uptake of reuse practices across sectors, fostering circular water economies but imposing operational changes.

Significantly, the strategy introduces **minimum water consumption standards for sectors such as data centres**, reflecting growing awareness of the water footprint in digital infrastructure. This development foreshadows an era where water sustainability will become a crucial parameter in corporate environmental performance, alongside energy and carbon metrics.



## Digitalisation and Data – New Tools for Compliance and Management

Central to the strategy's vision is the digital transformation of water governance. The forthcoming EU-wide Action Plan on digitalisation and smart metering, expected in 2026, will require businesses and utilities to adopt interoperable digital platforms, AI-driven monitoring and real-time data sharing. These digital tools aim to enhance transparency and enable more effective water management but will necessitate significant investments in IT infrastructure and data governance protocols.

Furthermore, integration of water data into the **Digital Twin of the Ocean and Destination Earth** projects by 2030 will increase regulatory oversight capabilities, meaning businesses should prepare for near real-time compliance monitoring and reporting demands.

## Security and Resilience – Heightened Obligations for Critical Water Infrastructure

Another crucial regulatory development is the extension of the **Critical Entities Resilience Directive (CER)** and the **NIS2 Directive** to the water sector, effective from 2025. Operators of water infrastructure will be subject to stringent resilience and cybersecurity requirements, including risk assessments, contingency planning and incident reporting. These obligations mark a shift towards recognising water infrastructure as critical not only environmentally, but also from security and public health perspectives. Firms must review their governance frameworks and bolster operational safeguards accordingly.

## Financial and Competitive Implications

While the strategy places clear regulatory demands on businesses, it also offers significant opportunities. The European Investment Bank's new Water Programme and the forthcoming Water Resilience Investment Accelerator are designed to mobilise private capital towards infrastructure modernisation and nature-based solutions. Companies that align early with the strategy's priorities may unlock preferential financing and secure a competitive edge in a rapidly evolving market that increasingly rewards sustainability and resilience.

## Preparing for a Water-resilient Future

The 2025 Water Resilience Strategy represents a transformative regulatory framework, reshaping the European water landscape and imposing new legal and operational demands on businesses. The detailed timelines and actions in Annex I show a phased but rapid escalation in enforcement, technical requirements and digital integration, coupled with financial incentives and innovation opportunities.

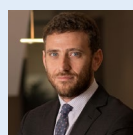
Businesses should assess their water risks, invest in efficiency and digital solutions, and engage with emerging regulatory developments to secure compliance and capitalise on growth prospects. For more information on the forthcoming reforms and tailored advice on managing these evolving requirements and aligning your operations with the EU's water resilience ambitions, please contact our team.

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