

Luxembourg, 05.05.25

## Environmental and Social Data Sheet

### Overview

Project Name:	AQUALIA GREEN FINANCING FRAMEWORK (GBPP)
Project Number:	2024-0335
Country:	<i>Spain</i>
Project Description:	Purchase by the EIB of Green Bond instruments issued by AQUALIA under its Green Financing Framework, the proceeds of which will finance new investments in the water sector, compliant with the substantial contribution of the EU Taxonomy and the Bank's Climate Action and Environmental Sustainability (CA & ES) framework and eligibility criteria.
EIA required:	yes
Project included in Carbon Footprint Exercise <sup>1</sup> :	no
(details for projects included are provided in section: "EIB Carbon Footprint Exercise")	

### Environmental and Social Assessment

#### Environmental Assessment

The EIB's participation consists of the purchase of publicly offered green bonds issued by AQUALIA (the Promoter). AQUALIA is one of the main international private water operators. The proceeds of the green bonds will be used to finance sustainable investments in the water sector within the EU, aligned with the substantial contribution of the EU Taxonomy and contributing to the Bank's "Climate Action" and/or "Environmental Sustainability" objectives (CA&ES). In this specific operation, the bonds will be issued under the Promoter's Green Finance Framework (GFF), which sets out the applicable eligibility criteria, selection of use of proceeds, and reporting processes. The GFF was presented in March 2025.

The EIB environmental and social due diligence has focused on the Promoter's capacity to implement the projects to be financed by the bonds, in line with the EIB Environmental and Social Standards. Due to the nature of the works and the location of the investments, projects are expected to be in line with EIB Climate Action and Environmental Sustainability (CA&ES) requirements, and to have limited negative environmental impacts when properly mitigated.

Due to their technical characteristics, some of the investments could fall under Annex II of Directive 2014/52/EU amending EIA Directive 2011/92/EU. Exceptionally, some investments would fall under Annex I, requiring an environmental impact assessment. For the remainder of the investments, the competent authority may require an environmental impact assessment to be performed.

<sup>1</sup> Only projects that meet the scope of the Carbon Footprint Exercise, as defined in the EIB Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: 20,000 tonnes CO<sub>2</sub>e/year absolute (gross) or 20,000 tonnes CO<sub>2</sub>e/year relative (net) – both increases and savings.



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For all investments included in the perimeter of the EIB project, the Promoter will be required to ensure compliance with relevant EU Directives e.g. the EIA Directive 2014/52/EU amending Directive 2011/92/EC, the Habitats Directive 92/43/EEC and Birds Directive 2009/147/EC and the Water Framework Directive 2000/60/EC. In case an EIA is required, the competent authority ensures that the EIA reports are made accessible to the public. In turn, the Promoter shall be required to retain appropriate records evidencing the fact that all projects financed with the proceeds of the bond are in line with national and EU environmental and social legislation.

Water treatment investments and wastewater treatment investments will support the AQUALIA to keep compliance with the revised Drinking Water Directive 2020/2184 and the Urban Wastewater Treatment Directive (recast) EU 2024/3019.

AQUALIA's Strategic Line 1 of its Sustainability Plan 2024-2026 is *Climate emergency and planet preservation*, focused on adapting AQUALIA to climate change and promoting the decarbonisation of the economy. The project will contribute to Climate Adaptation and Mitigation by supporting investments that increase resilience to climate related risks (e.g. reduction of water losses, protection of water resources) and reduced GHG emissions (integration of renewable energy in water infrastructure). The project has been assessed for Paris alignment and is considered to be aligned both against low carbon and resilience goals against the policies set out in the Climate Bank Roadmap.

### **Social Assessment, where applicable**

All schemes need to comply with EU and national law and the Bank's requirements, including applicable provisions of the relevant Bank Labour Standard (EIB E&S Standard 8). The promoter has a Code of Ethics and Conduct, aligned with the Strategic Line 5 of its Sustainability Plan 2024-2026 *Ethics and compliance*. These ethical values and compliance are transfer to the entire company and supply chain, therefore, promoting the implementation of a compliance model in non-controlled companies.

It is not expected that expropriations will be required due to the nature of the projects and to the location inside the EU. Nevertheless, compensations shall comply with applicable national legislation.

### **Public Consultation and Stakeholder Engagement**

Public consultations, when necessary, are organised by the competent authority, as part of the permitting process.

### **Other Environmental and Social Aspects**

AQUALIA is the first end-to-end water cycle management company to receive AENOR's Sustainable Strategy and SDG Contribution certification. It also has attained, amongst others, the following certifications: ISO 9001 (Quality Certification) and ISO 14001 (Environmental Management).

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## **Conclusions and Recommendations**

The Bank has reviewed the E&S risks associated with the operation as well as the E&S capacity of the Promoter. The Promoter's E&S policies and management and its capacity to comply with the EIB's Environmental and Social Standards have been assessed and found to be adequate and commensurate with the E&S risk of the underlying projects.



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The operation is considered acceptable for Bank financing from a social and environmental point of view, with the following undertakings:

- Whenever applicable, the Promoter undertakes to fulfil the requirements of the environmental impact studies (EIA studies or/and others) and Environmental Permits.
- For all projects financed with the bonds requiring an EIA, the Promoter will include a link on its web page to the competent authorities' websites where EIA studies are electronically accessible to the public.
- For all projects financed with the bonds that may have an impact on a nature conservation site, the Promoter shall obtain confirmation from the competent nature conservation authority, or an equivalent confirmation, that the scheme does not have a significant negative impact on any such site. The Promoter shall not use the proceeds of the bond to finance projects with significant negative impacts on a nature conservation site.
- All the projects financed with the bonds will comply with the substantial contribution criteria of EU Taxonomy.