European Investment Bank

Luxembourg, 26th May 2025

Public

Environmental and Social Data Sheet[1]

Overview

Project Name:	VITENS - AFFORDABLE DRINKING WATER SUPPLY II
Project Number:	2024 0599
Country:	The Netherlands
Project Description:	The project concerns the 2025-2029 investment programme into the production and distribution facilities of VITENS, Netherlands' largest water supply company. The programme consists mainly of renewal and upgrading of water treatment plants, reservoirs, pumping stations, and distribution networks aimed at providing an even more reliable and climate resilient drinking water supply.

EIA required: yes

This is an investment programme made up of multiple schemes. Some of them may require an EIA under Annex II of the EIA directive 2011/92/EC as amended by Directive 2014/52/EU.

Invest EU sustainability proofing required yes

Project included in Carbon Footprint Exercise[2]: yes

Environmental and Social Assessment

Environmental Assessment

This is the fifth operation with Vitens (or the "Promoter"), headquartered in Zwolle in the Netherlands, the largest drinking water supply company in the Netherlands that provides drinking water to around 6 million inhabitants within its service area. The proposed operation is developed by an experienced Promoter, well known to the Bank who takes into consideration environmental and social aspects as required by European and National requirements.

The proposed operation will co-finance investment schemes that form part of the Promoter's investment programme for 2025-2029. The main categories of the Programme are upgrading and expanding the capacity of groundwater abstraction and treatment facilities (mainly pumping stations for abstraction, water treatment and softening plants and storage reservoirs), the construction of the first (pilot) surface water abstraction and treatment plant at river Ijssel, the rehabilitation and extension of supply lines including transport mains and distribution lines, the

[1] The information contained in the document reflects the requirement related to the environmental, social and climate information to be provided to Investment Committee as required by the Invest EU Regulation and it represents the equivalent of the information required in the template of the InvestEU sustainability proofing summary

[2] 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 CO2e/year absolute (gross) or 20,000 tonnes CO2e/year relative (net) – both increases and savings.

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installation and/or replacement of water meters and finally the installation of solar panels on the roofs of plants and water reservoirs for green energy production.

Strategic Environmental Assessment

Most of the key investments such as the upgrade of treatment facilities and the replacement and/or rehabilitation of supply lines fall within higher level strategic frameworks, such as the National Water Plan, Provincial Water Plans and local Spatial Plans. These plans have all undergone Strategic Environmental Assessments (SEA) as per the Directive 2001/42/EC. Viten's activities are fully compliant with the SEA Directive 2001/42/EC.

Environmental Assessment

According to the types of schemes expected to be implemented under the proposed operation, most schemes are unlikely to require a full Environmental Impact Assessment (EIA). Depending on the scope, the schemes fall either under Annex II (i.e. be subject to screening by the Competent Authority) or outside the scope of the EIA Directive 2011/92/EU as amended by the Directive 2014/52/EU (not subject to EIA process). In case a scheme requires a full EIA, its implementation will not start before receiving first all the necessary approvals from the Competent Authority.

At the time of appraisal, only two schemes under the suggested investment programme are subject to EIA screening by the relevant Competent Authority, as follows:

Fikkersdries III PB NB Versnelling FIK

Vitens is urgently looking for possibilities for additional groundwater extraction to produce drinking water in the province of Gelderland. Currently the abstraction permits in the province of Gelderland are at a critical level and below the required level of reserves for extreme demand and expected growth of drinking water demand. To alleviate this issue, Vitens is investing in an expansion of the production capacity of the Fikkersdries Water Treatment Plant (WTP).

The Fikkersdries WTP currently has a groundwater abstraction permit of 12 Mm^3/y. The expansion of the groundwater abstraction permit by 3 Mm^3/y is subject to EIA screening by the Competent Authority which in this case is the Provincial Council of Gelderland. The screening consists of a pre-assessment to determine whether a significant environmental effect can be ruled out. If this were the case, an EIA would not be required. However, Vitens decided in coordination with the Competent Authority, to undertake an EIA assessment up front and skipped the step of the pre-assessment. In June 2024, the starting note of the Environmental Impact Assessment - Scope and Level of Detail Note - which outlined the main points required to be included in the environmental impact report such as the alternatives, the scope of the environmental impact and the mitigating measures, has been reviewed in an open procedure, assessed by the Netherlands Commission for Environmental Assessment (NCEA) and finally endorsed by the Provincial Council of Gelderland. Currently, the full EIA is underway. The first phase consists of preparing the hydrological model and determining the environmental impact of the alternatives (1st semester 2025) and possible mitigation measures. In the 2nd semester 2025, focus will be on defining and analyzing the preferred alternative include mitigation measures. If the preferred alternative appears feasible, all necessary permits are expected to be issued in 2026.

ASDO Living Lab

This project concerns the first (pilot) surface water abstraction and treatment plant to be constructed by Vitens. In the first phase, a pilot site will be designed with a production capacity of 2-5 Mm^3/year abstracted from surface water (river Ijssel) and/or riparian groundwater.

Together with their partners (the Water Authority (Waterschap) Drents Overijsselse Delta and the municipality of Zwolle) and the Competent Authority (the Province of Overijssel), Vitens currently reviews the permit strategy, and no final decision has been made yet. The preferred route currently being explored is the following:

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1) conducting a project EIA for the location of Sekdoonse Plas for 10 years of river water abstraction, potentially preceded by a project decision by the Province of Overijssel, and simultaneously
2) conducting a location EIA for the establishment of a definitive water extraction system based on a multi-source concept, where several locations are considered. Within the concept of the multi-source system, all available sources in the regional area are utilized throughout the seasons of the year. This includes a combination of surface water from rivers, groundwater, and possibly wastewater treatment effluent and stored water through Aquifer Storage Recovery (ASR). A source can be switched on or off depending on its availability but will always remain operational.

Vitens is currently in discussions with the Competent Authority to determine whether this approach is feasible, therefore there is no 'screening-out decision' yet, and it is still unclear whether the 'Living Lab' project will fall under Annex II. It is expected that it will be decided in Q3 2025 which EIA trajectory is necessary to follow and then proceed accordingly to the required steps.

Likewise, in general the schemes due to their nature/type are not likely to have significant negative impacts on nature conservation areas. At the time of appraisal, the following two schemes under the suggested investment programme were subjected to undergo an Appropriate Assessment for potential negative impacts on nature protected areas and respective mitigation measures:

Reconstruction Havikerwaard

The project concerns the construction, replacement and removal of two main water pipelines "Havikerwaard Trapo REC" in and around the Havikerwaard in the province of Gelderland. Vitens is obliged to relocate the transmission pipelines and associated connections and valves as they are all located in a flood-prone area (at high tide the valves are flooded).

The project area is located within the Natura 2000 area 'Rijntakken'. The Nature Conservation Act (Wnb) is the national legislation for the protection of Natura 2000 areas and the Provincial Executive (GS) of the province of Gelderland is the Competent Authority for granting permission by means of a permit or an exemption. According to the Wnb, an Appropriate Assessment (AA) was required to determine whether there were any significant (negative) effects on the Natura 2000 area.

The assessment concluded in November 2022 that the project to be implemented would not have any significant adverse effects on the site's conservation objectives and that unavoidable disturbances were kept to a minimum, only during construction phase. Therefore, neither follow-up steps nor a permit under the Wnbby the Competent Authority were required.

Regarding the protected species, it appears that (potentially) protected species are present within the project area such as the year-round protected nests (little owl), (common) breeding birds, bats, small mustelids (polecat, ermine, and weasel), amphibians (great crested newt, natterjack toad), reptiles (grass snake), insects (blackthorn hairstreak, evening primrose hawk-month). The main mitigation measures recommended to prevent negative effects on these species during the construction phase were the following: by working outside the breeding season (from February to August), by preventing light disturbance towards groves, rows of trees, waterways and buildings, by sparing waters and their banks and by preserving the host plants of the evening primrose, blackthorn and honeysuckle.

In addition, an Ecological Work Protocol (EWP) for the project was drawn up in March 2025 which focuses on protected species of flora and fauna, (invasive) species and biodiversity and will act as a practical reference to support works during the construction phase. This EWP indicates specific species, work instructions and measures that are appropriate for the project.

Transport Pipeline Fikkersdries – Heukelum

The project concerns the construction of a transport pipeline from the Water Treatment Plant (WTP) of Fikkersdries to the reservoir Hoekelum. The planned water pipeline route crosses the

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Natura 2000 area Rijntakken located south of Wageningen. This area is part of the Natura 2000 sub-area Uiterwaarden Nederrijn, designated as a Birds Directive area. An appropriate assessment (AA) study was conducted in September 2023 and concluded the following points:

- The water pipeline will be completely underground and installed through directional drilling. As a result, there will be no permanent loss of surface area in the Natura 2000 area Rijntakken. A drilling point is planned at one location in the floodplains of the Nederrijn near Wageningen. The temporary use of this drilling point will not lead to fragmentation of species habitats. While bird disturbance cannot be ruled out, significant negative impacts on qualifying Birds Directive species in the Natura 2000 area Rijntakken are excluded.
- The suggested project may have potential negative effects on species protected under the Nature Conservation Act (Wnb), including flora, terrestrial mammals, birds, butterflies, amphibians, and beetles. The assessment concluded the project to be implemented would not have any significant adverse effects on the site's conservation objectives and that unavoidable disturbances were kept to a minimum, only during construction phase.
- During the construction phase, it was recommended to conduct the works outside the general breeding season (March through August), so that the likelihood of disturbing bird nests is minimized. Prior to the work, a qualified ecologist should be consulted to determine whether a nesting bird inspection is required. Negative effects on reptiles, fish, dragonflies, and mollusks are excluded. No measures need to be taken, nor it is necessary to apply for a Wnb exemption for these species.

For the remaining project components, the Promoter confirmed that, neither a full EIA study was required, nor were nature conservation sites impacted.

Environmental Impacts

Due to the nature of the works to be implemented it is anticipated that the negative environmental impacts will mainly be only associated with the period of construction and will be mainly localised and temporary and reversible such as (i) minor disturbance due to pipe replacement techniques and (ii) temporary increase of traffic around the construction sites. These negative impacts will be mitigated with appropriate measures such as working outside the general breeding season within nature protected areas. The main long-term positive environmental impacts of the operation can be summarised as follows:

- The protection of surface and groundwater bodies and a more efficient and sustainable use of water resources.
- The continued maintenance and management of nature protection areas around the abstraction areas will continue fostering biodiversity and ensuring minor disturbance of bird areas and habitats of vulnerable species.
- The reduction of water losses along the transport and distribution network will have a positive impact on the usage of raw water resources.

Climate Assessment

- ***Climate change Mitigation****:*

The Promoter's investment plan contributes to climate mitigation through investments that concern the replacement of aging distribution networks with new ones, and investments that result in methane capture such as the construction of a methane capture installation at WTP in in the north (Province of Friesland) which will remove the methane from the groundwater to produce heat and electricity. Finally, energy savings will be realised by the production of renewable energy through the installation of solar panels on the roofs of WTPs and reservoirs.

- ***Climate change adaptation****:*

The demand for drinking water in the Netherlands is expected to be much higher in 2030 than in 2020. This is partly because the economy has grown, as has the number of inhabitants. In particular, within the Promoter's service area, due to climate change (hotter and longer summers), more drinking water is needed but less is seasonally available. The Promoter's

investment plan includes many adaptation measures geared towards addressing the above challenges. In addition to replacement of aging distribution pipelines and thus reduction of water losses, Vitens will invest in expanding production capacity (drinking water reserves), diversifying the water sources by including the first pilot of surface water abstraction and treatment and supplementing transmission capacity.

Taking into consideration all these investments and the Promoter's approach towards climate change, the project physical risk of failing to adapt to climate change is considered low by the Bank.

- ***Paris Alignment***

The Project has been assessed for Paris Alignment, and it is considered to be aligned both against low carbon and resilience goals against the policies set out in the Climate Bank Roadmap (CBR).

EIB Paris Alignment for Counterparties (PATH) Framework

The counterparty, Vitens, is in scope and screened out of the PATH framework, because it is not considered high emitting nor high vulnerability.

EIB Carbon Footprint Exercise

The estimated annual emissions of the project in a standard year of operation are about 33 kt of CO_2 equivalent per year. These emissions concern the production of drinking water. The adopted baseline considers a scenario with the planned expansion and upgrade of the water treatment plants. The project results in an increase of about 1 kt of CO_2 equivalent per year due to more stringent water quality requirements and a shift from chemical driven processes towards membrane technologies at the water treatment plants.

For the annual accounting purposes of the EIB Carbon Footprint, the project emissions will be prorated according to the EIB lending amount signed in that year, as a proportion of project cost.

Social Assessment

The proposed investments will yield lasting positive social benefits, including improving the living conditions of the inhabitants within Vitens service area and thus be beneficial for the public health. The works will also contribute to local employment creation during the construction period. The negative social impacts of the Project are only temporary such as the possible disruption of water services and traffic, and noise and temporary occupation of public and private space. They are common for this type of projects and will be addressed as part of the planning permission for the relevant schemes.

Public Consultation and Stakeholder Engagement

The Promoter will be requested to ensure compliance with national and European environmental legislation, notably to facilitate public access to environmental information and guarantee public consultation during the environmental decision-making process, where relevant, in accordance with the Aarhus Convention.

Conclusions and Recommendations

The Bank reviewed the environmental and social aspects of the project. Considering that the permitting processes identified limited residual environmental risk in the relevant documentation - subject to the implementation of the measures envisaged in the permits - it was concluded that no further sustainability proofing is needed.

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The project is fully driven by the requirement to ensure compliance with relevant EU environmental legislation and will contribute towards improved climate resilience and emissions reductions. All schemes under the project will be subject to the Promoter's compliance with the following requirements:

1. The Promoter undertakes not to allocate Bank funds to project schemes that require a full EIA until the EIA and the necessary appropriate assessment, if required, have been finalized and approved by the relevant Competent Authority. Once any EIA is finalized, the Promoter will provide the Bank with an electronic copy of the EIA, for publication on the EIB website.
2. The Promoter shall not commit any EIB funds against any scheme that impacts nature conservation sites, without receiving from the relevant competent authorities the confirmation that there are no significant effects and informing the Bank of such confirmation having been obtained.
3. The Promoter undertakes to provide to the Bank, if requested, any decision that screens out project schemes from the requirement of a full EIA as well as the decisions issued by the competent authorities regarding impact on Natura 2000 sites.

Under these conditions, the operation is acceptable for EIB financing in environmental and social terms.