

Luxembourg, 21 August 2025

**Public**

## Environmental and Social Data Sheet<sup>1</sup>

### Overview

Project Name:	MM WATER INFRASTRUCTURE UPGRADE II
Project Number:	2024-0825
Country:	Italy
Project Description:	The Project concerns MM's 2025-2029 investment plan in water and energy efficiency, circular economy and flood resilience.
EIA required:	yes
Invest EU sustainability proofing required	yes
Project included in Carbon Footprint Exercise <sup>2</sup> :	no

### Environmental and Social Assessment

#### Environmental Assessment

The project concerns the 2025-2029 water and wastewater investment plan of MM S.p.A. (MM or the Promoter). MM manages the integrated water service for the city of Milan, serving a resident population of about 1.4 million inhabitants, equivalent to a total demand of about 2.0 million people (including residents, commuters, and visitors). The investment plan comprises schemes that are included in the area plan, Piano d'Ambito, as regularly updated with the local authority, ATO (Ambito Territoriale Ottimale) - Ufficio d'Ambito della Città Metropolitana di Milano, and the national economic regulator, ARERA (Autorità di Regolazione per Energia Reti e Ambiente).

The operation will contribute to the continuous alignment with the requirements of the applicable EU Directives in the water sector, notably the Drinking Water Directive (2020/2184/EU), the applicable Urban Wastewater Treatment Directive (91/271/EEC or 2024/3019/EU, as applicable) and the Water Framework Directive (WFD) (2000/60/EC). Where and if applicable, the requirements of the Environmental Impact Assessment (EIA) Directive 2011/92/EU as amended by Directive 2014/52/EU, the Strategic Environmental Assessment (SEA) Directive 2001/42/EC, the Birds Directive 2009/147/EC and the Habitats Directive 92/43/EEC will be respected.

Italy has harmonized its environmental legislation in line with the relevant EU Directives. The majority of Italian environmental legislation is contained in the Consolidated Environmental Law

<sup>1</sup> 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

<sup>2</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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(Testo Unico Ambiente or TUA) approved by Legislative Decree No. 152 of 3 April 2006 (as amended). Part Two of the TUA outlines the procedures for Strategic Environmental Assessment (SEA), Environmental Impact Assessment (EIA) and environmental permits.

Large parts of the underlying investment programme consist of the upgrade and expansion of networks and facilities in urban areas, with the main environmental impacts being those during construction (noise, dust, traffic etc) and not normally requiring a full EIA. Among the investments included in MM's investment plan for 2025-2029, the only component subject to an EIA under Annex II of the EIA Directive is the construction of an anaerobic digester at the Nosedo wastewater treatment plant. In this case, the EIA procedure is included by law within the PAUR ("*Provvedimento Autorizzatorio Unico Regionale*" – "Unified Regional Authorization") which will be released by Regione Lombardia. Nosedo anaerobic digestion plant has already received a positive PAUR for the definitive design phase (*Progetto definitivo*), but another PAUR will be released with reference to the detailed design phase (*Progetto esecutivo*). There is no Natura 2000 site directly impacted by the investments included in the project.

Investments are designed to meet the requirements of the water protection and use programme or PTUA ("*Programma di Tutela ed Uso delle Acque della Regione Lombardia*"), which is part of the national implementation of the WFD, hence subject to a Strategic Environmental Assessment (SEA). In December 2021, the Po River District Basin Authority adopted the third Management Plan of the Po River Basin District. As a result, the Lombardy Region started the process of updating its water protection plan or PTA ("*Piano di Tutela delle Acque*"), consisting of the Guidelines Act and the PTUA. As a part of the update of the PTUA a new SEA was also deemed necessary. This process is currently under implementation.

Overall, the project is expected to bring substantial environmental quality improvements, notably in terms of higher ecological quality of surface and groundwater resources, as well as a more rational use of water resources and reinforcement of adaptation to extreme weather events, thereby increasing the resilience to potential effects of climate change.

### **Climate Assessment**

The Project will contribute substantially to the Bank's objectives of Climate Action and Environmental Sustainability by supporting investments that increase resilience to climate related risks (especially extreme weather events through substantial investment in storm water management), reduce GHG emissions, and enhance the sustainable use and protection of water resources.

The project has been assessed for Paris alignment and is considered to be aligned with both low carbon and resilience goals set out in the Climate Bank Roadmap.

#### **Climate change mitigation**

Components such as the construction of the anaerobic digester at the Nosedo wastewater treatment plant and other efficiency interventions contribute to climate change mitigation through the reduction of GHG emissions.

#### **Climate change adaptation**

Components of the project address the two main vulnerabilities to climate change identified in the "Strategia Regionale di Adattamento ai Cambiamenti Climatici (SRACC)" of Lombardy, i.e. increase in intensity and in frequency of extreme weather events and reduction or lack of availability of water resources due to changes in rainfall patterns.

The investments geared towards adapting to intense rain events consist of the construction of Sustainable Urban Drainage Systems (SUDS) as well as other interventions such as network rehabilitation, adaptation of overflows, construction of tanks etc. that aim to reduce the incidents and impacts of flooding. The investments geared towards adapting to water scarcity relate to the reduction of losses, improvements in measurement and awareness on water consumption as well as the development of alternative water resources for purposes such as water reuse for agricultural purposes.



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### ***Paris Alignment of projects***

The Project has been assessed for Paris alignment and is considered to be aligned with both low carbon and resilience goals set out in the Climate Bank Roadmap.

### **EIB Paris Alignment for Counterparties (PATH) Framework**

The counterparty is in scope and screened out of the PATH framework, because it is not considered high emitting and/or high vulnerability.

### **Social Assessment**

The Project is expected to bring important lasting benefits to the population, by improving the quality and reliability of water and wastewater services as well as increasing the water service's resilience to the impacts of climate change. Potential social impacts include the possible disruption of services and traffic, noise and temporary occupation of public and private space, and safety hazards during construction only, common for this type of projects in urban environments, and will be addressed as part of the planning for each sub-operation.

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

The Promoter will have to ensure compliance with national and European environmental regulations and facilitate the access by the public to environmentally relevant information in accordance with the Bank's Transparency Policy.

## **Conclusions and Recommendations**

The Project is expected to have predominantly net positive environmental and social effects and contribute towards climate change adaptation and mitigation. As a result, a detailed sustainability proofing as per the Invest EU Regulation (recital 13 and Article 8(5)) was not required.

All components covered by the Project will be subject to the Promoter complying with the following requirements:

- If applicable, the Promoter will be required to act according to the provisions of the relevant EU Directives, including the EIA Directive (2014/52/EC) amending Directive 2011/92/EC, the Habitats Directive (92/43/EEC) and the Birds Directive (2009/147/EC).
- The Promoter will be required not to allocate Bank funds to Project components that require a full EIA until the EIA and/or the necessary appropriate assessments have been finalised and approved by the competent authority. Once any EIA is available, the Promoter will provide the Bank with an electronic copy of the EIA, for publication on the EIB website.
- The Promoter will be required to provide to the Bank, any decisions issued by the competent authority that screen out Project components and the main reasons for not requiring an EIA with the reference to the relevant criteria listed in Annex III of the EIA Directive (if relevant).
- The Promoter will be required to include measures to mitigate impacts, associated with the construction phase, through appropriate environmental management plans of the work contracts to be implemented by the contractors during construction.

Under these conditions the project is acceptable for EIB financing in Environmental and Social terms.