



Luxembourg, 1st October 2025

Environmental and Social Data Sheet

Overview

Project Name:	CAP WATER INFRASTRUCTURE UPGRADE GREEN LOAN
Project Number:	2025-0222
Country:	Italy
Project Description:	Investment plan for the modernization and upgrade of water and wastewater infrastructure in the Metropolitan City of Milan and several provinces of Lombardy Region, in Northern Italy (the "Project"). The Project will be implemented over the 2025-2030 period.
EIA required:	no
Project included in Carbon Footprint Exercise ¹ :	no

Environmental and Social Assessment

Environmental Assessment

The Project concerns the 2025-2030 water and wastewater investment plan of CAP Holding S.p.A. ("CAP" or the "Promoter"). CAP manages the integrated water service in all municipalities within the Metropolitan City of Milan water authority area ("Ambito Territoriale Ottimale della Città Metropolitana di Milano" or "ATO CMM"), with the exception of the Municipality of Milan. CAP also provides inter-area services including wastewater treatment and wholesale supply of drinking water for various municipalities in the Province of Monza and Brianza ("ATO MB"), wastewater treatment for 3 municipalities in the Province of Lodi ("ATO LO"), and for 2 municipalities in the Province of Como ("ATO CO"). Lastly, through the inter-municipal treatment plant of Peschiera Borromeo, the company also ensures the wastewater treatment service for the eastern districts of the city of Milan.

The investment plan comprises schemes that have been approved by the Board of Directors of the ATO CMM on 30 September 2024, and subsequently by the national economic regulator, ARERA ("Autorità di Regolazione per Energia Reti e Ambiente") through Resolution no. 496/2024/R/Idr on 19 November 2024.

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

¹ 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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Law" ("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.

The investment programme consists of the upgrade and expansion of water supply, wastewater collection and treatment, and stormwater management facilities in urban areas, with the main environmental impacts being those during construction (noise, dust, traffic etc) and not normally requiring a full EIA. The Promoter has indeed confirmed that none of the investments is subject to Environmental Impact Assessment (EIA) or affect Natura 2000 sites. It should be noted, however, that all the components have been, or will be prior to commencement, approved by the relevant authorities, where required and as applicable. This includes the preparation of specific reports assessing the environmental impact of each individual intervention.

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.

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, where applicable

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.

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).



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- 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.