



06/01/2026

Environmental and Social Data Sheet

Overview

Project Name: *FLUVIUS GREEN BOND FRAMEWORK (GBPP)*
 Project Number: *2024-0828*
 Country: *Belgium*
 Project Description: *Purchase of Green Bond instruments, the proceeds of which will finance new eligible projects in the Flemish Region, in Belgium, compliant with the Bank's Climate Action and Environmental Sustainability (CAES) framework and eligibility criteria. The EIB eligible projects will only include investments in the electricity distribution network infrastructure and/or equipment, as well as LED roll-out in existing public lighting.*

E&S Risk categorisation: *Medium as per paragraph 4.18 of E&S Policy*

Project included in Carbon Footprint Exercise¹: *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 bonds issued by Fluvius under its Green Financing Framework ², which sets out the applicable eligibility criteria, selection of use of proceeds, and reporting processes.

Fluvius is the gas and electricity Distribution System Operator ("DSO") in Flanders (Belgium). Additionally, the company provides services related to district heating and cooling networks, public lighting, and sustainable water and wastewater management across the Flemish Region.

The proceeds of the green bonds will be used to finance new eligible projects in the Flemish Region, compliant with the Bank's Climate Action and Environmental Sustainability (CAES) framework and eligibility criteria.

The EIB eligible projects financed by the issuance proceeds will only include electricity distribution network infrastructure (reinforcement and extension of the low and medium voltage distribution grid up to 36 kV, enabling the connection and integration of renewable power capacity, and electric vehicle charging stations) and/or equipment (controlling systems, smart meters), as well as LED roll-out in existing public lighting.

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.

² The [Green Financing Framework](#) approved by the Board of Directors of Fluvius System Operator cv on October 23rd 2024 includes investments in green infrastructure (construction and operation of electricity distribution infrastructure enabling the integration of renewable energy generation, as well as retrofitting gas networks for the transmission and distribution of renewable or low-carbon gases), energy efficiency, and sustainable water and wastewater management. However, the projects financed by the issuance proceeds are expected to focus mainly on the electricity sector (electricity distribution network infrastructure, as well as LED installation in existing public lighting).



The EIB environmental and social due diligence 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.

All projects under this operation 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 are expected to fall under Annex II of EIA Directive 2011/92/EU as amended by Directive 2014/52/EU, requiring screening by the national competent authority on the basis of Annex III of the same Directive, to determine the need for any EIA an environmental impact assessment to be performed.

In Belgium, the transposition of the EIA (Environmental Impact Assessment), SEA and Bird and Habitats Directive is primarily managed at the regional level, including Flanders. The Flemish Region has its own set of regulations and procedures for environmental permitting, which align with the EU directives.

In Flanders, the EIA procedure is governed by the Flemish EIA Decree. This decree outlines the requirements for conducting an EIA for projects that may have significant environmental impacts. The EIA report has to be approved by the Environmental Department of the Flemish government before an environmental permit for the proposed project can be issued.

The Flemish environmental legislation (*MER besluit*) establishes the obligation for electricity transmission and distribution infrastructure projects to undergo an EIA based on specified voltage (≥ 150 kV) and line length thresholds. Specifically for the activities of Fluvius related to the distribution of electricity, an EIA is generally not required since the distribution network only include medium and low voltage lines (operated at a voltage lower than the minimum 150 kV threshold). However, an EIA screening is required (annex 3 of the *MER besluit*) for overhead lines operated at a voltage < 150 kV and not included in annex 1 or 2. The final decision on the EIA-screening is made by the permitting authority when the request for an environmental permit is made.

The activities of Fluvius, including electricity distribution, do however regularly require drainage of the subsurface in order to work on or construct necessary additional infrastructure. Drainage activities are subject to EIA-screening depending on the amount and quality of the water as well as the duration of the drainage.

The transposition of the Birds and Habitats Directives in Flanders is achieved through the Flemish Nature Decree. This decree aims to protect and manage natural habitats and species of European importance. It includes provisions for the designation and management of Special Protection Areas (SPAs) and Special Areas of Conservation (SACs). Moreover, it details the requirements for the studies that need to be undertaken in order to ensure that a planned project will not cause significant harm to the natural habitats and fauna in these protected areas. The resulting report is assessed by the government agency responsible for nature and biodiversity and needs to be included in the environmental permit process.

Specifically for Fluvius, all environmental studies to compile the above-mentioned reports are generally outsourced to specialised consultancies and here too, the advice and guidance of the relevant government departments are sought to ensure that the reports are of high quality and the permit application process runs as smoothly as possible. Any mitigating measures that are put forward in the eventual permit are followed precisely to ensure that the impact is reduced to the absolute minimum.

For all projects financed with the proceeds of the bonds, the Issuer/Promoter will be required to ensure compliance with relevant EU Directives. The Issuer/Promoter shall also 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.



EIB Paris Alignment for Counterparties (PATH) Framework

As a corporate entity, Fluvius falls in the scope of the PATH framework. It does not have more than 20% of its annual turnover in high emitting sectors and is therefore not screened into the PATH framework for being high emitting. Fluvius does not engage in incompatible activities. Fluvius also does not operate in a context of high vulnerability. Being neither high emitting nor exposed to high physical risk, Fluvius is screened out of the PATH framework.

Social Assessment, where applicable

Certain projects may require expropriation of the right-of-way for overhead or underground power distribution lines, or the substations sites. Landowners are compensated in accordance with national and regional legislation. In Flanders, the Flemish Land Agency (Vlaamse Landmaatschappij) is responsible for managing land acquisition and expropriation processes. These processes are governed by the Flemish Expropriation Decree, which outlines the procedures for acquiring land for public purposes, including infrastructure projects and environmental conservation. The decree ensures that land acquisition and expropriation are carried out in a fair and transparent manner, with appropriate compensation for affected landowners.

In order to ensure compliance with EIB E&S Standard 6, the Promoter will undertake not to allocate EIB funds to projects that entail physical or economic displacement of informal occupants.

The programme is expected to generate positive environmental impacts by enabling the integration of renewable energy generation in the distribution system of the region, thus supporting national and EU decarbonisation goals. The improvement in reliability and quality of supply associated with the project is another example of additional benefits. Also, the employment impact of these investments is significant, at least during implementation.

Public Consultation and Stakeholder Engagement

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

Other Environmental and Social Aspects

The Green Financing Framework presented by Fluvius in 2024 has received a second party opinion indicating that the use of proceeds categories described in the Framework are aligned with:

- the ICMA Green Bond Principles³, with the LMA, LSTA and APLMA Green Loan Principles⁴, and demonstrate clear environmental benefits.
- the relevant substantial contribution criteria (SCC) outlined in the EU taxonomy.

In 2024, Fluvius developed a strategy to integrate circularity into the company's use of materials, according to the inflow reduction, maximising service life, and material conservation principles over the entire life cycle of materials. In this regard, as part of the public lighting LED conversion roll-out plan⁵, many old fixtures are dismantled in order to recycle them as efficiently as possible.

³ International Capital Market Association (ICMA) Green Bond Principles (June 2021 with June 2022 Appendix).

⁴ Green Loan Principles (version February 2023) developed by the Loan Market Association, the Loan Syndication & Trading Association and the Asia Pacific Loan Market Association.

⁵ Fluvius manages public lighting for all Flemish cities and municipalities. The LED installation roll-out plan started some years ago (as of 31 December 2024, the degree of conversion was already 60.87%) and Fluvius aims to completely convert Flanders to LED lighting by the end of 2028.



Conclusions and Recommendations

The Bank has reviewed the E&S risks associated with the operation as well as the E&S capacity of the Issuer/Promoter. The Issuer/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.

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

- None of the projects allocated to EIB financing will entail physical or economic displacement of informal occupants of the project site or right-of-way.
- Whenever applicable, the Issuer/Promoter undertakes to fulfil the requirements of the environmental impact studies ("EIA" studies or/and others) and environmental permits.
- For all projects financed by the Bond that require an EIA, the Issuer/Promoter will make sure the EIA studies are publicly available.
- For all projects financed by the Bond that may have an impact on a nature conservation site, the Issuer/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 Issuer/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 by the Bond will be in line with EU Taxonomy Substantial Contribution and with selected "Do No Significant Harm" (Climate Adaptation, Biodiversity) criteria, as well as with the [EIB Climate Action and Environmental Sustainability eligibility criteria](#).
- All the projects financed with the bonds will comply with Water Framework Directive (2000/60/EC), Urban Waste Water Treatment Directive (91/271/EEC) and Waste Framework Directive (2008/98) as and where applicable.
- All the projects financed by the Bond will materially comply with national and EU environmental and social legislation as applicable and with the EIB Environmental and Social Sustainability Framework (consisting of the Bank's [Environmental and social policy](#) and [Environmental and social standards](#)).