Sustainable Fitch
a FitchSolutions Company

Corporates
Water/Wastewater Utility
Latvia

SIA Rīgas Ūdens

Post-Issuance Review – European Green Bond Assessment

Key Debt Details

Instrument:	Green 4% EUR20 million due June 2030 (ISIN: LV0000104487)
Issuer Legal Name:	SIA Rīgas Ūdens
LEI:	6488Z9Y7BN122Y40LD08
Date of Publication of European Green Bond Factsheet	6 May 2025
Date of Publication of European Green Bond Annual Allocation Report	7 May 2026

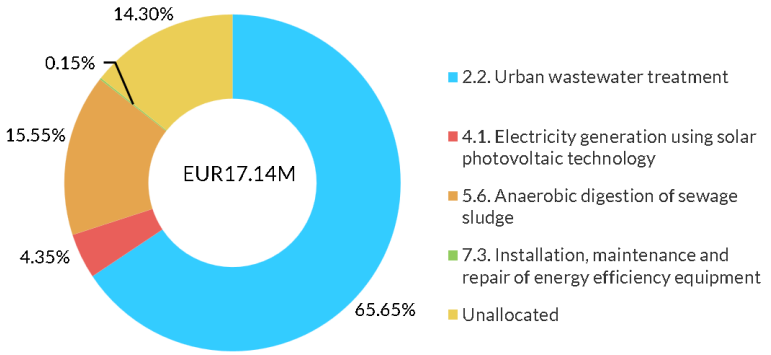
Summary Components

Allocations		Disclosure and Assessment

Intended allocation approach:	Gradual approach
Use of proceeds (UoP) intended for activities that are environmentally sustainable[a]	100% of the bond proceeds

[a] Under Article 3 of Regulation (EU) 2020/852.

Proceeds Allocation



Source: Rīgas Ūdens allocation report 2025
Note: The proceeds allocation is broken down by EU taxonomy economic activity rather than UoP category.

Introductory and Alignment Statements

Sustainable Fitch has assessed the completed European Green Bond (EuGB) allocation report, as laid down in Annex II to Regulation (EU) 2023/2631 of the European Parliament and of the Council.

This review represents an independent opinion of the external reviewer, and is to be relied upon only to a limited degree.

Sustainable Fitch considers transaction under this sustainable finance instrument to be aligned with Regulation (EU) 2023/2631 and the UoP to be aligned with Regulation (EU) 2020/852.

European Green Bond Assessment

Date assigned	7 May 2026
Framework Type	European Green Bond
European Green Bond Assessment	✓ **Regulation (EU) 2023/2631** on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds ✓ **Regulation (EU) 2020/852** on the establishment of a framework to facilitate sustainable investment

European Green Bond Methodology

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European Green Bond Assessment Summary

Factsheet Sections	Alignment	Key Drivers
General Information		• SIA Rīgas Ūdens issued an EuGB on 6 May 2025, in line with Regulation (EU) 2023/2631. It financed fully taxonomy-aligned projects within four categories: – wastewater collection and treatment; – electricity generation from renewable energy sources; – production of biogas for the generation of electricity and heat; and – implementation of energy-efficiency recommendations and improvements. • We conducted a post-issuance external review of Rīgas Ūdens' EuGB allocation report, with a focus on assessing the alignment of the factsheet with Regulation (EU) 2023/2631 and the included economic activities with Regulation (EU) 2020/852 (the EU taxonomy). • No conflicts of interest related to Sustainable Fitch providing the external review have been identified. No solicited ratings product has been provided by us to Rīgas Ūdens.
Introductory Statement		• We have assessed Rīgas Ūdens' EuGB allocation report, in line with Annex II to Regulation (EU) 2023/2631 of the European Parliament and of the Council. • This review represents an independent opinion from us as an external reviewer, and is to be relied upon only to a limited degree.
Statement on the Alignment of UoP with Reg. (EU) 2020/852		• We consider the UoP categories under this transaction to be aligned with Regulation (EU) 2020/852.
Sources, Assessment Methodologies and Key Assumptions		• Rīgas Ūdens European Green Bond allocation report 2025 • Rīgas Ūdens European Green Bond factsheet (6 May 2025) • EU Taxonomy Compass • Sustainable Fitch European Green Bond Assessment and EU Taxonomy – Methodology (13 December 2024)
Assessment and Opinion		• The quality of information provided by Rīgas Ūdens is sufficient to perform the post-issuance review. • The issuer demonstrates alignment with Article 4 of Regulation (EU) 2023/2631, as the allocation report confirms that bond proceeds have been fully allocated to the group's taxonomy-aligned capex, falling under category (b) of the gradual approach set out in this Article. • The flexibility to allow partial non-alignment with the technical screening criteria (TSC), as provided for in Article 5 of Regulation (EU) 2023/2631, has not been exercised, as confirmed by the allocation report. • The provisions of Article 6 of Regulation (EU) 2023/2631 (regarding the allocation of proceeds to financial assets) are not applicable, as bond proceeds were allocated directly to capex. • The requirement to publish a capex plan, as referred to in Article 7 of Regulation (EU) 2023/2631, does not apply as the proceeds were allocated to capex that is already taxonomy aligned. • The issuer demonstrates alignment with Article 8 of Regulation (EU) 2023/2631, as the allocation report confirms that the bond proceeds were allocated to capex aligned with the TSC applicable at the time of issuance.
Any Other Information		• Rīgas Ūdens' wastewater treatment infrastructure currently complies with the Urban Wastewater Treatment Directive (UWWTD) 91/271/EEC and, as of the analysis, remains aligned with the do no significant harm (DNSH) requirements for pollution prevention and control under activity 2.2 "urban wastewater treatment". • Directive (EU) 2024/3019 represents a recast and significant strengthening of the original UWWTD, and is expected to enter into force by 31 July 2027 in Latvia. • Rīgas Ūdens, together with the Latvian Water Supply and Sewerage Association, has participated in events and working groups organised by the Latvian state, where the requirements and implementation of the recast UWWTD have been discussed. • Rīgas Ūdens has assessed and incorporated the most important requirements of the recast UWWTD into both the Rīgas Ūdens Sustainability Strategy 2040 and the medium-term operational strategy for 2025–2030, ensuring that the company can implement these new requirements ahead of the directive's schedule.

Allocations - Disclosure and Assessment of UoP Allocations

UoP – Disclosure

The following table shows the allocation of the net proceeds, equal to EUR17.14 million, across the various UoP categories as of 31 December 2025, following the issuance of the bond with ISIN LV0000104487.

Where feasible, we show the amount allocated to each project financed within each UoP.

UoP category	Environmental objective	EU taxonomy economic activity	Allocation type	Share of allocation in total (aggregated)	Share of project financed by the bond
Wastewater collection and treatment	EO3	2.2. Urban wastewater treatment	Capex	65.65%	61%
Reduction of water leakages in the water supply system	EO3	4.1. Provision of IT/OT data-driven solutions for leakage reduction	Capex	0%	0%
Electricity generation from renewable energy sources	EO1	4.1. Electricity generation using solar photovoltaic technology	Capex	4.35%	55%
Production of biogas for the generation of electricity and heat	EO1	5.6. Anaerobic digestion of sewage sludge	Capex	15.55%	79%
Implementation of energy efficiency recommendations and improvements	EO1	7.3. Installation, maintenance and repair of energy efficiency equipment	Capex	0.15%	99%
Unallocated				14.3%	Not applicable

Source: Rīgas Ūdens allocation report 2025

Rīgas Ūdens had allocated 85.7% of the gross proceeds to eligible projects by end-2025, and it had used 100% of allocated proceeds for financing rather than refinancing. The largest share (EUR13.13 million) was allocated to wastewater collection and treatment projects in Riga, covering the construction, expansion and upgrade of wastewater treatment plants, sewer networks and pumping stations, including equipment replacement and infrastructure rehabilitation aimed at improving efficiency, resilience and service reliability.

It allocated EUR3.11 million to biogas production infrastructure, to construct two new sludge digestion tanks to increase on-site generation of renewable electricity and heat at its wastewater treatment plant. It allocated EUR0.87 million of proceeds to renewable electricity generation projects, primarily to finance installation of 0.50MW of solar PV systems at the Daugavgrīva wastewater treatment facility and 0.96MW at the Daugava drinking water treatment facility, supporting emissions reduction and progress toward energy neutrality.

It made a smaller allocation to energy-efficiency improvements, of EUR30,000; these financed the modernisation and design of interior lighting for wastewater treatment plant buildings. The design stage of the works started in 2024, and continued in 2025.

EUR2.86 million of the proceeds remained unallocated as of end-2025.

UoP	Amount Allocated in the Reporting Period				Amount Allocated in Total (Aggregated)			
	CCY	Amount in millions	Share	Share of financing versus refinancing	CCY	Amount in millions	Share	Share of financing versus refinancing
Wastewater collection and treatment	EUR	13.13	65.65%	100%	EUR	13.13	65.65%	100%
Electricity generation from renewable energy sources	EUR	0.87	4.35%	100%	EUR	0.87	4.35%	100%
Production of biogas for the generation of electricity and heat	EUR	3.11	15.55%	100%	EUR	3.11	15.55%	100%
Implementation of energy efficiency recommendations and improvements	EUR	0.03	0.15%	100%	EUR	0.03	0.15%	100%
Unallocated	EUR	2.87	14.3%		EUR	2.87	14.30%	
	EUR	**20**	100%		EUR	**20**	100%	

Source: Rīgas Ūdens allocation report 2025

UoP – Assessment of Alignment with European Green Bond Factsheet

The following table shows our assessment of the alignment of the projects financed within each UoP with the EuGB factsheet published on 6 May 2025.

UoP	Category	Eligibility criteria from EuGB factsheet	Versus EuGB factsheet	Comments	NACE codes
Wastewater collection and treatment	Capex	Construction, extension, upgrade, operation and renewal of urban wastewater treatment plant, sewer networks and pumping stations.	√	The financed projects related to Rīgas Ūdens' urban wastewater treatment activities meet the relevant TSC. The primary objective of these projects is to enhance the efficiency, safety, climate resilience and long-term sustainability of Rīgas Ūdens' wastewater services.	E37.00 and F42.9
Electricity generation from renewable energy sources	Capex	Construction of electricity generation facilities.	√	The installation of solar PV panels at the Daugavgrīva and Daugava facilities meet the relevant TSC.	D35.11
Production of biogas for the generation of electricity and heat	Capex	Construction of facilities for the treatment of sewage sludge by anaerobic digestion.	√	The financed project consists of the construction of two new sludge digestion tanks, with a capacity of 6,000m^3 each, as well as a modern pumping station equipped with advanced technological maintenance facilities. These meet the relevant TSC.	E37.00 and F42.99
Implementation of energy efficiency recommendations and improvements	Capex	Installation and replacement of energy-efficient light sources and ventilation systems.	√	The financed modernisation and design project for interior lighting at wastewater treatment plant buildings meets the relevant TSC, as we expect it to increase energy efficiency.	F43.22

We consider, based on the information provided by Rīgas Ūdens, the financed projects to comply with the eligibility criteria of the factsheet. The wastewater collection and treatment infrastructure, the construction of solar power plants at the Daugavgrīva and Daugava facilities, the construction of new sludge digestion tanks and the modernisation and design project for interior lighting for wastewater treatment plant buildings are all eligible under the economic activities disclosed in the factsheet from May 2025.

UoP – Assessment Versus EU Taxonomy

The following table shows our assessment of the alignment of the projects financed within each UoP with the EU taxonomy.

Alignment with EU Taxonomy

UoP	Allocation (%)	E/T	Technical Screening Criteria												MS	Full Alignment
			SCC						DNSH							
			EO1	EO2	EO3	EO4	EO5	EO6	EO1	EO2	EO3	EO4	EO5	EO6		
Wastewater collection and treatment	65.65		—	—	√	—	—	—	√	√	—	—	√	√	√	√
Electricity generation from renewable energy sources	4.35		√	—	—	—	—	—	—	√	—	√	—	√	√	√
Production of biogas for the generation of electricity and heat	15.55		√	—	—	—	—	—	—	√	√	—	√	√	√	√
Implementation of energy efficiency recommendations and improvements	0.15	E	√	—	—	—	—	—	—	√	—	—	√	—	√	√
Unallocated	14.30															

Overall Instrument Alignment	√
EU Taxonomy Aligned %	100
EU Taxonomy Aligned Amount	EUR17.14 million

Key

√ Fully aligned with the requirements
X Not aligned with the requirements
P Partially aligned with requirements
— No applicable requirements

UoP Use of proceeds
E Enabling, as per EU Taxonomy Compass
T Transitional, as per EU Taxonomy Compass
SCC Substantial contribution criteria
DNSH Do no significant harm criteria
MS Minimum safeguards

Source: Sustainable Fitch

EU Taxonomy Assessment

EU Environmental Objectives: climate change mitigation (EO1); climate change adaptation (EO2); sustainable use and protection of water and marine resources (EO3); transition to a circular economy, waste prevention and recycling (EO4); pollution prevention and control (EO5); protection of healthy ecosystems (EO6)

Use of Proceeds		Wastewater collection and treatment
Contribution to EU Environmental Objectives (EO)		**EO3**
Applicable Economic Activity		• 2.2. "urban wastewater treatment"
Substantial Contribution Criteria (SCC)		Yes. We consider the projects under this UoP to meet the SCC for EO3. Rīgas Ūdens ensures the urban wastewater system at the financed Daugavgrīva wastewater treatment plant does not degrade the good status and ecological potential of affected water bodies. The plant contributes to achieving good water status and potential by employing advanced treatment technologies and rigorous monitoring practices. These minimise pollutants and support ecological restoration, playing a role in preserving and enhancing the health of aquatic ecosystems. The river basin management plan includes information related to the status of water bodies, to the activities' potentially impacting the status, and to the measures taken to avoid or minimise such impacts. Daugavgrīva fulfils the discharge requirements set up by the competent local authorities by implementing advanced treatment technologies and by adhering to the specific discharge standards required by local authorities. This includes regular monitoring and reporting to ensure that all effluents meet the required quality levels, to effectively manage pollutants and protect water resources in line with established guidelines. Daugavgrīva helps reduce the volume of pollutants entering marine environments through effective wastewater treatment processes, aligning with the EU action in the field of marine environmental policy's (Directive 2008/56/EC) goals for sustainable marine water quality and ecosystem health. Rīgas Ūdens confirmed that its wastewater treatment system complies with the size-specific requirements for discharges from urban wastewater treatment plants in Directive 91/271/EEC, in particular, Articles 3 to 8, Article 13 and Annex I of it. The EU taxonomy requires wastewater treatment plants to use sludge treatment, such as anaerobic digestion, or a technology with the same or a lower net energy demand (considering both energy generation and consumption) to stabilise the sludge where the plant has a capacity of 100,000 population equivalent or more, or of a daily inflow of a five-day biochemical oxygen demand load of more than 6,000kg. Rīgas Ūdens fulfils this criterion, as Daugavgrīva's sludge treatment system is based on three anaerobic digesters in mesophilic mode.
Do No Significant Harm (DNSH)	**EO1**	Yes. We consider projects under this UoP to be aligned with the DNSH criteria for EO1. The company performed an assessment of the direct GHG emissions from the centralised wastewater system, including collection (sewer network) and treatment. The assessment and accompanying calculations were shared with us and are available to investors and clients upon request. Rīgas Ūdens complies with the DNSH of EO1 via its "Monitoring and Contingency Plan for Methane Leakages of Sludge Digestion Tanks at the Daugavgrīva Biological Treatment Plant". The plan was developed in 2025 and its application in the sewage sludge treatment and biogas production process has started.
	EO2	Yes. We consider projects under this UoP to meet the DNSH criteria for EO2. Rīgas Ūdens conducted a robust climate risk and vulnerability assessment that aligns with the DNSH criteria. The company identified physical climate risks that could affect its operations and assets, following a structured process and using best available science and methodologies. The assessment specifically identified a high-level risk related to the insufficient capacity of the wastewater system to handle increased rainwater inflow in case of extreme or prolonged precipitation in the city. It used climate projections by the Latvian Environmental, Geological and Meteorological Service, which are based on Intergovernmental Panel on Climate Change (IPCC) global projections for 2050 and 2100, and use up-to-date data. The company is

EU Taxonomy Assessment

EU Environmental Objectives: climate change mitigation (EO1); climate change adaptation (EO2); sustainable use and protection of water and marine resources (EO3); transition to a circular economy, waste prevention and recycling (EO4); pollution prevention and control (EO5); protection of healthy ecosystems (EO6)

	renewing its wastewater system by improving rainwater collection, storage and pre-treatment to minimise combined sewer overflows of untreated wastewater into the river basin.
EO3	n.a.
EO4	n.a.
EO5	Yes. We consider projects under this UoP to meet the DNSH criteria for EO5. Rīgas Ūdens confirmed that wastewater treatment at Daugavgrīva adheres to the treatment requirements in the UWWTD and Cabinet Regulation No. 34 Regulations on the Emission of Pollutants into Water, as required by the DNSH criteria. We reviewed water quality indicators for discharges to receiving waters for 2025 and confirm that recorded releases of total suspended solids, biochemical oxygen demand, chemical oxygen demand, total phosphorus and total nitrogen were all below the applicable regulatory thresholds. Investments under this UoP category currently comply with the UWWTD. Directive (EU) 2024/3019 represents a recast and significant strengthening of the original UWWTD, and is expected to enter into force in Latvia by 31 July 2027; continued DNSH alignment will require meeting the recast UWWTD. Rīgas Ūdens has prepared for the revised requirements, in cooperation with the Latvian Water Supply and Sewerage Association, through active participation in events and working groups convened to discuss implementation of the recast UWWTD. Rīgas Ūdens has assessed and incorporated the most material requirements of the revised directive into both the Rīgas Ūdens Sustainability Strategy 2040 and the medium-term operational strategy for 2025–2030. In the context of national environmental regulations, oversight by the State Environmental Service, and the requirements of the recast UWWTD, Rīgas Ūdens' risk register identifies the following key risks: • insufficient hydraulic capacity of sewer networks and pumping stations during periods of heavy rainfall; • failure to meet sustainability targets related to the pollution load arising from wastewater overflows; and • insufficient hydraulic capacity at Daugavgrīva during heavy rainfall events. It has identified urban wastewater retention tanks and mechanical treatment facilities for emergency discharges as critical infrastructure measures to mitigate these risks. The expansion and modernisation of the Daugavgrīva wastewater treatment plant is also critical for mitigation of these risks; though this issuance did not finance the expansion and modernisation. The revised UWWTD does not require operators to implement the measures included in the action plan agreed between Rīgas Ūdens and the State Environmental Service prior to 2030. Instead, such measures (covering urban wastewater retention tanks and mechanical treatment of emergency discharges) are to be implemented within the framework of an integrated urban wastewater management plan, in accordance with Article 5 and Annex V of the recast directive. For agglomerations of 100,000 population equivalent and above, this plan must be: developed by 31 December 2033 (Article 5(1)), and fully implemented by 31 December 2039 (Annex V, point 2(a)(i)). The works required to deliver the planned urban wastewater retention tanks and mechanical treatment facilities are scheduled for completion in 2030, representing implementation nine years in advance of the revised UWWTD's 2039 compliance deadline. The Riga Water Investment Plan for 2026–2028, in line with the medium-term operational strategy 2025–2030, includes projects that will significantly reduce the risk of hazardous overflows of stormwater from the wastewater collection system during periods of heavy or extended rainfall. Rīgas Ūdens produces biogas from the excess sewage sludge produced by Daugavgrīva and then transfers most of the stabilised sludge to individual farmers. The biogas fermented in sludge digestion tanks provides energy, while farmers use the minerals in the sludge as fertilisers, mainly phosphorus and nitrogen. This sludge management is compliant with current legislation in Latvia and with Council Directive 86/278/EEC, thus meeting the DNSH requirements.
EO6	Yes. We consider projects under this UoP to meet the DNSH criteria for EO6.

EU Taxonomy Assessment

EU Environmental Objectives: climate change mitigation (EO1); climate change adaptation (EO2); sustainable use and protection of water and marine resources (EO3); transition to a circular economy, waste prevention and recycling (EO4); pollution prevention and control (EO5); protection of healthy ecosystems (EO6)

	The sites are not situated within protected nature territories. The applicable information is verified through the Nature Conservation Agency's "Ozols" system and the Rīgas Ūdens geographical information system (GIS); it also complies with binding nature management plans. The State Environmental Service conducted an initial environmental impact assessment on 11 February 2019 (No.RI19SI0010) and issued technical regulations (No.RI19TN0069), which have been implemented as part of the project, thereby ensuring compliance with environmental protection requirements.
Minimum Safeguard (MS)	Yes. We consider the issuer to be aligned with the minimum safeguards. Rīgas Ūdens has procedures in place to ensure alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental International Labour Organization conventions and the International Bill of Human Rights. The company demonstrates this through its internal policies and governance frameworks, including the code of ethics, sustainability and responsible business policy, human resources policy, and whistleblowing and compliance procedures. Its 2025 annual report, prepared in accordance with the European Sustainability Reporting Standards and subject to limited assurance, confirms that it complies with the minimum social safeguards for the reporting period.
Full Alignment	

Use of Proceeds		**UoP 2: Electricity generation from renewable sources**
Contribution to EU Environmental Objectives (EO)		**EO1**
Applicable Economic Activity		• 4.1 "electricity generation using solar photovoltaic technology"
Substantial Contribution Criteria (SCC)		Yes. We consider the financed projects under this UoP to be aligned with the SCC for EO1. Construction is underway for 0.5MW of solar PV installations of 0.499MW at the Daugavgrīva wastewater treatment facility and a further 0.96MW at the Daugava drinking water treatment facility, which substantially contribute to climate change mitigation without additional thresholds.
Do No Significant Harm (DNSH)	**EO1**	n.a.
	EO2	Yes. We consider the financed projects under this UoP, namely the solar PV panel installations at the Daugava drinking water treatment plant and the Daugavgrīva biological wastewater treatment plant, to be aligned with the DNSH criteria for EO2. Rīgas Ūdens conducted a robust climate risk and vulnerability assessment that aligns with the DNSH criteria. The company identified physical climate risks that could affect its operations and assets, following a structured process and using best available science and methodologies. The assessment specifically identified a high-level risk of physical damage to the solar panels installed at the Daugava and Daugavgrīva facilities, including both roof-mounted and ground-mounted systems, due to extreme weather events such as heavy wind, storms and hail. It used climate projections by the Latvian Environmental, Geological and Meteorological Service, which are based on IPCC global projections for 2050 and 2100, and use up-to-date data. In parallel, Rīgas Ūdens has implemented adaptation measures across its infrastructure, including modernising wastewater and rainwater systems and upgrading treatment plants, which support climate change adaptation for the sites where the financed solar PV projects are implemented. Contracts for the solar PV panel installations at the Daugava and Daugavgrīva plants stipulate detailed vulnerability assessments and require certified engineer approvals to ensure resilience against snow and storm loads, supported by geotechnical research and the development of appropriate drainage solutions.

EU Taxonomy Assessment

EU Environmental Objectives: climate change mitigation (EO1); climate change adaptation (EO2); sustainable use and protection of water and marine resources (EO3); transition to a circular economy, waste prevention and recycling (EO4); pollution prevention and control (EO5); protection of healthy ecosystems (EO6)

EO3	n.a.
EO4	Yes. We consider the financed projects under this UoP to meet the DNSH criteria for EO4. The company's disclosure indicates the construction contracts for solar PV panels include provisions for evaluating the use of sustainable materials, such as durable, recyclable, easily dismantlable and reusable ones. The technical specifications emphasise material durability and protection, ensuring the panels meet high standards for impact resistance, protection against environmental factors and structural integrity. Additionally, the designer actively considers circular economy principles, in line with the DNSH criteria.
EO5	n.a.
EO6	Yes. We consider the financed projects under this UoP to meet the DNSH criteria for EO6. The sites are not situated within protected nature territories. The applicable information is verified through the Nature Conservation Agency's "Ozols" system and the Rīgas Ūdens GIS; it also complies with binding nature management plans. The State Environmental Service conducted an initial environmental impact assessment on 11 February 2019 (No.RI19SI0010) and issued technical regulations (No.RI19TN0069), which have been implemented as part of the project, thereby ensuring compliance to environmental protection requirements.
Minimum Safeguard (MS)	Yes. We consider the issuer to be aligned with the minimum safeguards. Rīgas Ūdens has procedures in place to ensure alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental International Labour Organization conventions and the International Bill of Human Rights. The company demonstrates this through its internal policies and governance frameworks, including the code of ethics, sustainability and responsible business policy, human resources policy, and whistleblowing and compliance procedures. Its 2025 annual report, prepared in accordance with the European Sustainability Reporting Standards and subject to limited assurance, confirms that it complies with the minimum social safeguards for the reporting period.
Full Alignment	

Use of Proceeds		**Production of biogas for the generation of electricity and heat**
Contribution to EU Environmental Objectives (EO)		**EO1**
Applicable Economic Activity		• 5.6 "anaerobic digestion of sewage sludge"
Substantial Contribution Criteria (SCC)		Yes. We consider projects under this UoP to meet the SCC for EO1. Rīgas Ūdens developed a "Monitoring and Contingency Plan for Methane Leakages of Sludge Digestion Tanks at the Daugavgrīva Biological Treatment Plant" in 2025. Furthermore, the biogas produced is directly used for electricity and heat generation in a cogeneration process, thus fulfilling the SCC.
Do No Significant Harm (DNSH)	**EO1**	n.a.
	EO2	Yes. We consider projects under this UoP to meet the DNSH criteria for EO2. Rīgas Ūdens conducted a robust climate risk and vulnerability assessment that aligns with the DNSH criteria. The company identified physical climate risks that could affect its operations and assets, following a structured process using best available science and

EU Taxonomy Assessment

EU Environmental Objectives: climate change mitigation (EO1); climate change adaptation (EO2); sustainable use and protection of water and marine resources (EO3); transition to a circular economy, waste prevention and recycling (EO4); pollution prevention and control (EO5); protection of healthy ecosystems (EO6)

	methodologies. The assessment specifically identified a high-level risk of physical damage to infrastructure involved in the anaerobic digestion of sewage sludge at Rīgas Ūdens, including potential impacts from extreme weather events such as heavy wind, storms and hail, affecting facility structures and equipment. It used climate projections by the Latvian Environmental, Geological and Meteorological Service, which are based on IPCC global projections for 2050 and 2100, and use up-to-date data. The company enhances wastewater capacity, modernises rainwater systems, expands treatment plants, upgrades controls and ensures water quality with monitoring and independent generators; these contribute to climate change adaptation. Additionally, standard construction work procedures and existing maintenance protocols effectively mitigate climate-related risks for new sludge digestion tanks, while reducing odour spread in the vicinity of sludge fields.
EO3	Yes. We consider projects under this UoP to meet the DNSH criteria for EO3. Rīgas Ūdens operates Daugavgrīva in line with the Daugava river basin district management plan and the flood risk management plan 2022–2027. Since its reconstruction in 2013 and 2014, the facility has consistently complied with applicable water management and wastewater treatment standards. Operational performance monitoring indicates that treated wastewater discharges from Daugavgrīva have met the following water quality parameters: • total suspended solids at or below 35mg/l; • biochemical oxygen demand at or below 25mg/l; • chemical oxygen demand at or below 125mg/l; • total phosphorus at or below 1 mg/l; and • total nitrogen at or below 10mg/l. These measures effectively mitigate negative impacts on water bodies in our view, ensuring that the system does not hinder the achievement of good environmental status of marine waters.
EO4	n.a.
EO5	Yes. We consider projects under this UoP to meet the DNSH criteria for EO5. The best-available techniques (BAT) reference document for waste treatment for industrial emissions, based on Directive 2010/75/EU, indicates that the principal gaseous emission (methane) is a desired product of the anaerobic digestion (AD) process, which, used as a renewable energy source, maximises profits and reduces GHG emissions. Daugavgrīva's AD process itself is enclosed but emissions to air, including odour emissions, can occur, for example, from receiving pumping stations, anaerobic digesters, biogas filters, combined heat and power generation, gasholders, flares and buffer tanks. Rīgas Ūdens demonstrates alignment with the applicable criteria for emissions control and digestate management for the anaerobic treatment of sewage sludge. Emissions arising from the anaerobic digestion process at Daugavgrīva are within, or below, the levels associated with BAT for the anaerobic treatment of sewage sludge. Emissions to air from the anaerobic digestion process are consistent with the BAT-associated emission levels set out in the BAT reference document (Table 4.20) for the anaerobic treatment of sewage sludge. Indicative operating and emission parameters include: • biogas flow rate of around 500Nm^3/h; • methane: 62.55%; • CO_2: 36.85%; • oxygen: 0.5%; • hydrogen sulphide: 0.01%; and • other gases: 0.09%. This compliance ensures no significant cross-media effects occur.

EU Taxonomy Assessment

EU Environmental Objectives: climate change mitigation (EO1); climate change adaptation (EO2); sustainable use and protection of water and marine resources (EO3); transition to a circular economy, waste prevention and recycling (EO4); pollution prevention and control (EO5); protection of healthy ecosystems (EO6)

		For the resulting digestate, which is used as a fertiliser or soil improver, Rīgas Ūdens communicates the nitrogen content with a tolerance level of plus or minus 25% to buyers or entities managing the digestate.
	EO6	Yes. We consider projects under this UoP to meet the DNSH criteria for EO6. The sites are not situated within protected nature territories. The applicable information is verified through the Nature Conservation Agency's "Ozols" system and the Rīgas Ūdens GIS; it also complies with binding nature management plans. The State Environmental Service conducted an initial environmental impact assessment on 11 February 2019 (No.RI19SI0010) and issued technical regulations (No.RI19TN0069), which have been implemented as part of the project, thereby ensuring compliance to environmental protection requirements.
Minimum Safeguard (MS)		Yes. We consider the issuer to be aligned with the minimum safeguards. Rīgas Ūdens has procedures in place to ensure alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental International Labour Organization conventions and the International Bill of Human Rights. The company demonstrates this through its internal policies and governance frameworks, including the code of ethics, sustainability and responsible business policy, human resources policy, and whistleblowing and compliance procedures. Its 2025 annual report, prepared in accordance with the European Sustainability Reporting Standards and subject to limited assurance, confirms that it complies with the minimum social safeguards for the reporting period.
Full Alignment		

Use of Proceeds		**UoP 4: Implementation of energy efficiency recommendations and improvements**
Contribution to EU Environmental Objectives (EO)		**EO1**
Applicable Economic Activity		• 7.3 "installation, maintenance and repair of energy efficiency equipment"
Substantial Contribution Criteria (SCC)		Yes. We consider the financed project under this UoP to be aligned with the SCC for EO1. The allocation report indicates that the investment relates to the installation and replacement of energy-efficient light sources. The company confirmed that the procurement specifications imposed by the company require light sources to be selected from the two highest populated energy-efficiency classes, in line with Regulation (EU) 2017/1369 and its delegated acts. The allocation report further states that the modernisation and design project for interior lighting for wastewater treatment plant buildings started in 2024 and continued in 2025.
Do No Significant Harm (DNSH)	**EO1**	n.a.
	EO2	Yes. We consider the financed projects under this UoP, namely the interior lighting modernisation project at Rīgas Ūdens' wastewater treatment plant buildings, to meet the DNSH criteria for EO2. Rīgas Ūdens conducted a robust climate risk and vulnerability assessment that aligns with the DNSH criteria. The company identified physical climate risks that could affect its operations and assets, following a structured process and using best available science and methodologies. The assessment identified risks of physical damage to building-level infrastructure and equipment, including energy-efficiency installations, arising from extreme weather events such as strong winds, storms and hail, which could disrupt operations and affect equipment performance.

EU Taxonomy Assessment

EU Environmental Objectives: climate change mitigation (EO1); climate change adaptation (EO2); sustainable use and protection of water and marine resources (EO3); transition to a circular economy, waste prevention and recycling (EO4); pollution prevention and control (EO5); protection of healthy ecosystems (EO6)

		It used climate projections by the Latvian Environmental, Geological and Meteorological Service, which were based on IPCC global projections for 2050 and 2100, and using up-to-date data. In parallel, Rīgas Ūdens implements climate change adaptation measures across its wastewater infrastructure, including capacity enhancements, modernisation of rainwater systems, upgrades to treatment facilities and operational controls, which support resilience at the sites where energy-efficiency measures are implemented. The company discloses that the design phase of the interior-lighting modernisation project for wastewater treatment plant buildings started in 2024 and continued in 2025. It embedded climate resilience considerations and vulnerability assessment requirements at the design and specification stage, ensuring that the energy-efficiency equipment is suitable for the identified climate risks and does not increase physical climate vulnerability.
	EO3	n.a.
	EO4	n.a.
	EO5	Yes. We consider the financed project under this UoP to meet the DNSH criteria for EO5. Rīgas Ūdens aligns with these criteria through its approach to the design project for interior-lighting modernisation for wastewater treatment plant buildings, which started in 2024 and continued in 2025. Its supplier code of conduct forms an integral part of the contractual framework; it requires all goods, materials and works specified at the design stage to conform to Latvian national standards, European standards and applicable EU legislation. The use of dangerous substances prohibited in Europe and Latvia is excluded, including under the registration, evaluation, authorisation and restriction of chemicals regulation and regulations on persistent organic pollutants and mercury. Rīgas Ūdens environmental specialists verify there is compliance with the applicable requirements during the design and project approval stages. It also requires certified personnel to carry out the safe handling of materials such as asbestos during building works, further supporting alignment with the DNSH criteria. The project design documentation requires that equipment and building materials do not result in increased pollution of air, water or soil, nor contribute to the circulation of harmful substances. Rīgas Ūdens demonstrates compliance through declarations of conformity or equivalent regulatory documentation. It does not plan to make any significant structural interventions, so the risk of asbestos presence is theoretical; nevertheless, it has procedures in place to ensure appropriate handling and disposal should asbestos-containing materials be identified, thereby preventing adverse effects on human health and the environment, which we view positively.
	EO6	n.a.
Minimum Safeguard (MS)		Yes. We consider the issuer to be aligned with the minimum safeguards. Rīgas Ūdens has procedures in place to ensure alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental International Labour Organization conventions and the International Bill of Human Rights. The company demonstrates this through its internal policies and governance frameworks, including the code of ethics, sustainability and responsible business policy, human resources policy, and whistleblowing and compliance procedures. Its 2025 annual report, prepared in accordance with the European Sustainability Reporting Standards and subject to limited assurance, confirms that it complies with the minimum social safeguards for the reporting period.
Full Alignment		

Source: Sustainable Fitch

Appendix A: Other Services Sustainable Fitch has Provided to the Assessed Entity

European Green Bond Assessment

With this report, Sustainable Fitch is providing a European Green Bond Assessment to the assessed entity, as identified on page 1.

Sustainable Fitch has also provided the following services or products to the same entity:

- Primary Market Review. Unsolicited. Published on 10 April 2026.
- European Green Bond Assessment (Pre-Issuance Review). Solicited. Published on 6 May 2025.

Sustainable Fitch has not provided any other service or product.

SOLICITATION STATUS

The Post-Issuance Review was solicited and assigned or maintained by Sustainable Fitch at the request of the entity.