Sustainable Fitch
a FitchSolutions Company

Corporates
Water/Wastewater Utility
Latvia

SIA Rīgas Ūdens

Pre-Issuance Review – European Green Bond Assessment

Key Debt Details

Programme:	Bond	**Type[a]:**	European green bond
Issuer Legal Name:	SIA Rīgas Ūdens		
LEI:	6488Z9Y7BN122Y40LD08		
Date of Publication of European Green Bond Factsheet	6 May 2025		

[a]As defined by issuer.

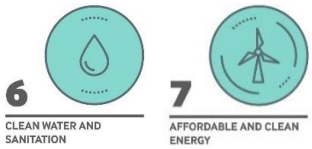
Introductory and Alignment Statements – Summary

Sustainable Fitch has assessed the completed European green bond (EuGB) factsheet laid down in Annex I 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.

We consider transactions issued under this EU GB factsheet to be aligned with Regulation (EU) 2023/2631 and the uses of proceeds are aligned with Regulation (EU) 2020/852.

Relevant UN Sustainable Development Goals



European Green Bond Assessment

Date assigned	6 May 2025
Framework Type	Green
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
Methodology	European Green Bond Methodology

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European Green Bond Assessment Summary

Factsheet sections	Alignment	Key Drivers
General Information		• SIA Rīgas Ūdens intends to issue a programme of EuGBs from 6 May 2025, aligned with Regulation (EU) 2023/2631, with the intention to finance fully taxonomy-aligned projects within five categories, including: – wastewater collection and treatment; – reduction of water leakages in the water supply system; – 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 pre-issuance external review of Rīgas Ūdens's EuGB factsheet, 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's EuGB factsheet, in line with Annex I 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 use of proceeds (UoP) categories under this programme of transactions to be aligned with Regulation (EU) 2020/852.
Sources, Assessment Methodologies and Key Assumptions		• Rīgas Ūdens European Green Bond factsheet • Rīgas Ūdens sustainability and annual report 2024 • 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 review. • The issuer demonstrates alignment with Article 4 of Regulation (EU) 2023/2631, as it discloses that the bond proceeds are intended to finance the group's taxonomy-aligned capex, which falls under category (b) of the gradual approach in this article. • The option to use flexibility permitting partial non-alignment with the technical screening criteria, as set forth in Article 5 of Regulation (EU) 2023/2631, has not been exercised in this programme of issuance. • The provisions of Article 6 of Regulation (EU) 2023/2631 regarding the allocation of proceeds of financial assets are not applicable. • The requirement to publish a capex plan, as referred to in Article 7 of Regulation (EU) 2023/2631, is not applicable. • The issuer demonstrates alignment with Article 8 of Regulation (EU) 2023/2631, as it discloses that the bond proceeds are expected to finance capex, which is aligned with the technical screening criteria applicable at the time of issuance.
Any Other Information		• Not applicable.

ICMA Green Bond Principles

Alignment with ICMA Green Bond Principles		• We confirm that this programme of EuGB transactions also complies with the four pillars of the ICMA Green Bond Principles (2021 version with the June 2022 appendix), namely UoP, process for project evaluation and selection, management of proceeds, and reporting. • The taxonomy-aligned project categories to be funded by Rīgas Ūdens are also eligible UoP categories as defined by the ICMA Green Bond Principles. Rīgas Ūdens has robust systems for project evaluation and selection. A multidisciplinary team that includes the company's project managers, department directors and strategic planning department evaluates the eligibility of projects for financing. Projects to be financed are then ultimately approved by the company's board. • Proceeds raised from issuances will be managed in a separate account to ensure they are ringfenced. Rīgas Ūdens's adherence to the EuGB transparancy and public reporting requirements means it also demonstrates alignment with the reporting pillar of the ICMA Green Bond Principles.

Use of Proceeds Summary

Green	Description	ICMA category	EU Taxonomy economic activity	NACE code
UoP 1	Wastewater collection and treatment	Sustainable water and wastewater management	2.2. Urban wastewater treatment	E37.00
UoP 2	Reduction of water leakages in the water supply system	Sustainable water and wastewater management	4.1. Provision of IT/OT data-driven solutions for leakage reduction	J62.01
UoP 3	Electricity generation from renewable energy sources	Renewable energy	4.1. Electricity generation using solar photovoltaic technology	D35.11
UoP 4	Production of biogas for the generation of electricity and heat	Renewable energy	5.6. Anaerobic digestion of sewage sludge	E37.00
UoP 5	Implementation of energy efficiency recommendations and improvements	Energy efficiency	7.3. Installation, maintenance and repair of energy efficiency equipment	F43.22

Source: Sustainable Fitch, EU Taxonomy Compass, Eurostat

Programme Highlights

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

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

UoP category	Environmental objective	EU taxonomy economic activity	Allocation type	Expected allocation
Wastewater collection and treatment	EO3	2.2. Urban wastewater treatment	Capex	To be determined
Reduction of water leakages in the water supply system	EO3	4.1. Provision of IT/OT data-driven solutions for leakage reduction	Capex	To be determined
Electricity generation from renewable energy sources	EO1	4.1. Electricity generation using solar photovoltaic technology	Capex	To be determined
Production of biogas for the generation of electricity and heat	EO1	5.6. Anaerobic digestion of sewage sludge	Capex	To be determined
Implementation of energy efficiency recommendations and improvements	EO1	7.3. Installation, maintenance and repair of energy efficiency equipment	Capex	To be determined

Source: Rīgas Ūdens EuGB factsheet

Rīgas Ūdens's sustainable finance strategy will be supported by its plans to issue its first green bond with a EuGB designation to finance investments aligned with its 2040 sustainable development strategy. This demonstrates Rīgas Ūdens's commitment to aligning its funding policy with its sustainability goals.

Rīgas Ūdens has an entity-level transition plan that involves reducing Scopes 1 and 2 emissions by 50% by 2040 and achieving climate neutrality across Scopes 1 and 2 by 2050. The proceeds from the EuGB will support this plan, particularly through upgrading water and wastewater infrastructure, expanding renewable energy capacity and improving energy efficiency.

The EuGB factsheet includes five UoP categories mapped to EU taxonomy objectives and eligible economic activities, particularly climate change mitigation and sustainable use of water resources. The largest UoP to be financed is wastewater collection and treatment under category 2.2 “urban wastewater treatment”. The next largest UoP is reduction of water leakages in the water supply system under category 4.1. “provision of IT/OT data-driven solutions for leakage reduction”. Rīgas Ūdens expects these UoP categories to represent the vast majority of proceeds across the programme of EuGB transactions.

Rīgas Ūdens intends to allocate 100% of the proceeds to new projects. Rīgas Ūdens has committed to fully allocate an amount equal to the net proceeds within five years following the issuance. The issuer also disclosed that it will allocate the gross proceeds without deduction of issuance costs.

We assessed the UoP categories disclosed in Rīgas Ūdens's EuGB factsheet against the EU taxonomy requirements. This included verifying alignment with the SCC, do no significant harm (DNSH) criteria and minimum safeguards.

Company-provided information and relevant external information (such as from authorities) was used to assess alignment with the SCC across the categories. The DNSH assessment considered availability of clear metrics on performance, processes and proposed measures to limit harm to environmental objectives, compliance with key international standards and relevant legislation, and absence of controversies related to the activities. Compliance with the

minimum safeguards was verified by reviewing company-wide labour rights and governance policies and practices, and its adoption of relevant international guidelines and principles.

The assessment did not rely on assumptions, but on company disclosures and other public information to confirm alignment with the SCC, DNSH criteria and minimum safeguards.

Source: Sustainable Fitch, Rīgas Ūdens EuGB factsheet, sustainability and annual report 2024

Entity Highlights

Rīgas Ūdens is a water utility company in Latvia, providing water and wastewater services to the city of Riga and its metropolitan area. The company's operations include water extraction, treatment and distribution through 1,518km of water supply lines; it also conducts wastewater collection and treatment through 1,260km of sewer lines. In 2023, the company delivered 35.51 million m^3 of water through its water supply network and treated 50.48 million m^3 of wastewater. Rīgas Ūdens manages water resources and treats wastewater in accordance with regulatory requirements.

In 2023, Rīgas Ūdens developed a sustainable development strategy for the period up to 2040. This addresses areas such as climate resilience, climate change mitigation and resource use efficiency. Rīgas Ūdens has targets to reduce its environmental impact, including plans to install solar power plants with a total capacity of about 1.12MW by 2030. This initiative is projected to generate up to 1,120MWh of electricity annually, potentially reducing Scope 2 GHG emissions by up to 122tCO_2e a year.

The company implemented emissions reduction measures, focusing on both direct and indirect sources. Rīgas Ūdens reported a Scopes 1 and 2 GHG emissions reduction of 30.48tCO_2e since 2020 through energy-efficiency measures. The company is also transitioning its vehicle fleet, having introduced seven new electric vehicles in 2023.

Rīgas Ūdens states that it aligns its activities with the UN Sustainable Development Goals, particularly goals 6 (clean water and sanitation) and 7 (affordable and clean energy). The company's environmental management system has been certified as compliant with ISO 14001:2015 standards, covering the treatment and supply of drinking water, as well as the discharge and treatment of municipal wastewater.

The company reports that it maintains a risk management system, identifying and assessing environmental risks associated with its operations. This includes production process risks, changes in environmental regulations, and energy efficiency and environmental communication risks.

Rīgas Ūdens publishes information on its ESG performance. The company's 2024 sustainability report is prepared in accordance with the Global Reporting Initiative standards and provides information on its sustainability initiatives and performance metrics.

Source: Sustainable Fitch, Rīgas Ūdens annual and sustainability report 2024, medium-term operational strategy 2025–2030

Relevant UN Sustainable Development Goals

- 6.1: By 2030, achieve universal and equitable access to safe and affordable drinking water for all.
- 6.3: By 2030, improve water quality by reducing pollution, eliminating dumping and minimising release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.

- 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix.
- 7.3: By 2030, double the global rate of improvement in energy efficiency.

Source: Sustainable Fitch, UN

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

Alignment Statement

Sustainable Fitch considers transactions under this programme of sustainable finance instruments to be aligned with Regulation (EU) 2023/2631 and the uses of proceeds are aligned with Regulation (EU) 2020/852.

Alignment with EU Taxonomy - Summary of criteria applied within the EU

UoP	Alloc %	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	To be determined		—	—	√	—	—	—	√	√	—	—	√	√	√	√
Reduction of water leakages in the water supply system	To be determined	E	—	—	√	—	—	—	—	√	—	√	√	—	√	√
Electricity generation from renewable energy sources	To be determined		√	—	—	—	—	—	—	√	—	√	—	√	√	√
Production of biogas for the generation of electricity and heat	To be determined		√	—	—	—	—	—	—	√	√	—	√	√	√	√
Implementation of energy efficiency recommendations and improvements	To be determined	E	√	—	—	—	—	—	—	√	—	—	√	—	√	√

Overall Programme alignment	√
EU Taxonomy Aligned Amount (EUR m)	To be determined
EU Taxonomy Aligned Amount (%)	100

Key

√ Fully aligned with the requirements
X Not aligned with the requirements
— Not applicable

UoP	Use of Proceeds
Alloc	Allocation
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, Rīgas Ūdens EuGB factsheet, assessment of investment projects for 2025–2027 on compliance with the EU taxonomy (April 2025), sustainability and annual report 2024

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 (EOs)		**EO3**
Applicable Economic Activity		• 2.2. "urban wastewater treatment"
Substantial Contribution Criteria (SCC)		Yes. We consider projects under this UoP to be aligned with the SCC for EO3. The SCC require that the wastewater treatment system does not result in a deterioration of the good status and good ecological potential of any of the affected water bodies and it contributes significantly to the achievement of good status and potential of the affected water bodies, in accordance with Directive 2000/60/EC. The criteria also require that information related to the status of water bodies, the activities potentially affecting the status and the measures taken to avoid or minimise such impacts are included in a river basin management plan. Rīgas Ūdens fulfilled this criterion through the BAS Daugavgrīva Wastewater Treatment Plant (BAS Daugavgrīva), ensuring the system does not degrade the good status and ecological potential of affected water bodies. The plant contributes to achieving good 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 SCC also stipulate that the wastewater treatment system must fulfil the discharge requirements set up by the competent local authorities. BAS Daugavgrīva complies with local regulations by implementing advanced treatment technologies and adhering to specific discharge standards mandated by local authorities. This includes regular monitoring and reporting to ensure that all effluents meet the required quality levels, effectively managing pollutants and protecting water resources in accordance with established guidelines. The wastewater treatment system must also contribute to achieving or maintaining the good environmental status of marine waters in accordance with Directive 2008/56/EC, where applicable. BAS Daugavgrīva supports the reduction of pollutants entering marine environments through effective wastewater treatment processes, aligning with the directive's 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 thereto. The EU taxonomy requires wastewater treatment plants to use a 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 BAS 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 will be made available to investors. Rīgas Ūdens deploys the anaerobic digestion of sewage sludge and so 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 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 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. Climate projections by the Latvian Environmental, Geological and Meteorological Service were used, based on Intergovernmental Panel on Climate Change (IPCC) global projections for mid-century and end of the century, utilising up-to-date data. The company is renewing its wastewater system by improving rainwater collection, storage and pre-treatment to minimise combined sewer overflows of untreated wastewater into the river basin for climate change adaptation.
EO3	n.a.
EO4	n.a.
EO5	Yes. We consider projects under this UoP to be aligned with the DNSH criteria for EO5. Rīgas Ūdens confirmed that wastewater treatment at BAS Daugavgrīva adheres to the treatment requirements in Directive 91/271/EEC and Cabinet Regulation No. 34 Regulations on the Emission of Pollutants into Water. The EU taxonomy requires that measures have been implemented to avoid and mitigate harmful storm water overflows from the wastewater collection system, which may include nature-based solutions, separate storm water collection systems, retention tanks and treatment of the first flush. We consider Rīgas Ūdens as compliant with this criterion. The investment portfolio to be funded by Rīgas Ūdens's EuGB issuance includes investment projects that will significantly reduce the risk of dangerous overflows of rainwater from wastewater collection systems during intense or prolonged rainfall. The EU taxonomy requires that sewage sludge is used in accordance with Council Directive 86/278/EEC or as required by national law relating to the spreading of sludge on the soil or any other application of sludge on and in the soil. Rīgas Ūdens produces biogas from the excess sewage sludge produced by BAS 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.
EO6	Yes. We consider projects under this UoP to be aligned with the DNSH criteria for EO6. The DNSH criteria require conducting an environmental impact assessment (EIA) or screening, implementing necessary mitigation and compensation measures, and carrying out appropriate assessments with mitigation measures for sites near biodiversity-sensitive areas. The sites are not situated within protected nature territories according to Section 3.2 and Annex 2 of the Latvian Law on EIA, eliminating the need for an initial EIA. Information regarding protected areas is accessible through the Nature Conservation Agency's "Ozols" system and the Rīgas Ūdens geographical information system. Nature management plans specify necessary protection measures and permissible activities; they are binding for spatial planning and available on the agency's website.
Minimum Safeguard (MS)	Yes. We consider the issuer to be aligned with the minimum safeguards. Rīgas Ūdens has procedures to ensure compliance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. This includes adherence to the principles and rights outlined in the eight fundamental conventions in the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights. The company demonstrates this through internal regulations such as the code of ethics and personnel policy, and addresses ESG priorities. Furthermore, the issuer engages in fair labour practices, stakeholder participation and responsible business conduct, as described in its 2024 sustainability report.
Full Alignment	Aligned

Use of Proceeds	**Reduction of water leakages in the water supply system**
Contribution to EU Environmental Objectives (EOs)	**EO3**

Applicable Economic Activity		• 4.1 "provision of IT/OT data-driven solutions for leakage reduction"
Substantial Contribution Criteria (SCC)		Yes. We consider projects under this UoP to be aligned with the SCC for EO3. Rīgas Ūdens plans to invest in various initiatives, including monitoring systems such as comprehensive IT/OT suites or extensions that enable the identification, tracking and tracing of water leakage. Additionally, the investments include IT/OT solutions or extensions aimed at controlling, managing and mitigating water leakage. For example, Rīgas Ūdens plans to establish water supply zoning that will ensure that the existing hydraulic and noise monitoring system will be complemented by OT solutions, expanding the number of metered water metering stations (water supply zones). This will help control, detect and mitigate water leakages in wider areas. The EU taxonomy requires that environmental degradation risks related to preserving water quality and avoiding water stress are identified and addressed to achieve good water status and ecological potential. This must be done in accordance with a water use and protection management plan, developed for the potentially affected water body or bodies, in consultation with relevant stakeholders. Rīgas Ūdens complies with these requirements, as its operations are covered by the Daugava River Basin District Management Plan and Flood Risk Management Plan 2022–2027, developed by the Latvian Environment, Geology and Meteorology Centre, which addresses these criteria.
Do No Significant Harm (DNSH)	**EO1**	n.a.
	EO2	Yes. We consider projects under this UoP 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 using best-available science and methodologies. Climate projections by the Latvian Environmental, Geological, and Meteorological Service were used, based on IPCC global projections for mid-century and end of the century, utilising up-to-date data. The assessment identified high-level climate risks to the infrastructure Rīgas Ūdens operates and comprehensively discloses appropriate risk mitigations. The company is addressing identified risks by migrating servers to third-tier standard data centres by 2025 and maintaining a locally equipped backup data centre, enhancing resilience to overheating and power disruptions.
	EO3	n.a.
	EO4	Yes. We consider projects under this UoP to be aligned with the DNSH criteria for EO4. The EU taxonomy requires measures to manage and recycle waste at the end-of-life stage, including through decommissioning agreements with recycling service providers and inclusion in financial projections or official project documentation. It also mandates preparation for reuse, recovery or recycling operations, and proper treatment, including selective treatment, in accordance with relevant European directives. Rīgas Ūdens manages waste in compliance with local regulations, such as the Waste Management Law and Cabinet Regulations concerning waste classification, hazardous properties and electrical equipment disposal. Rīgas Ūdens does not have a separate agreement for electrical goods disposal, although these items, including computer goods, are handed over to companies with the necessary permits, free of charge, as per Cabinet Regulation No. 703. Battery collection containers were installed in Rīgas Ūdens's structural units in 2025. Hazardous waste disposal is planned during budget preparation and executed through a procurement process, with waste transferred to companies with appropriate permits. Waste utilisation data are available in Rīgas Ūdens's environmental data utilisation system, the national automated processing of utilisation system and the national report "3-Atkritumi". Ozone-depleting substances and fluorinated GHGs must have equipment maintenance, dismantling and repairs be conducted by licensed companies and certified individuals according to Cabinet Regulation No. 704. Compliance is verified via the State Environmental Service's website, which lists permits, certified specialists and certification bodies in Latvia.
	EO5	Yes. We consider projects under this UoP to be aligned with the DNSH criteria for EO5.

		Rīgas Ūdens confirmed that the equipment used complies with the requirements for servers and data storage products in Directive 2009/125/EC of the European Parliament and of the Council. The server hardware components are designed to reduce electricity consumption in line with capacity and load demands. The Conformité Européenne marking on equipment serves as a certification mark indicating conformity with health, safety and environmental standards, including compliance with Directive 2011/65/EU of the European Parliament and of the Council. Requirements for Conformité Européenne marking and the EU declaration of conformity are included in the technical specifications of Rīgas Ūdens's procurements to ensure compliance.
	EO6	n.a.
Minimum Safeguard (MS)		Yes. We consider the issuer to be aligned with the minimum safeguards. Rīgas Ūdens has procedures to ensure compliance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. This includes adherence to the principles and rights outlined in the eight fundamental conventions in the ILO Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights. The company demonstrates this through internal regulations such as the code of ethics and personnel policy and addresses ESG priorities. Furthermore, the issuer engages in fair labour practices, stakeholder participation and responsible business conduct, as described in its 2024 sustainability report.
Full Alignment		Aligned

Use of Proceeds		**Electricity generation from renewable energy sources**
Contribution to EU Environmental Objectives (EOs)		**EO1**
Applicable Economic Activity		• 4.1. "electricity generation using solar photovoltaic technology"
Substantial Contribution Criteria (SCC)		Yes. We consider projects under this UoP to be aligned with the SCC for EO1. Solar PV projects at the Zaķumuiža underground deposit, the drinking water treatment plant Daugava and the BAS Daugavgrīva plant substantially contribute to climate change mitigation without additional thresholds.
Do No Significant Harm (DNSH)	**EO1**	n.a.
	EO2	Yes. We consider projects under this UoP 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 using best-available science and methodologies. The assessment specifically identified a high-level risk of physical damage to solar panels installed by Rīgas Ūdens, both on roofs and ground-mounted, due to extreme weather events such as heavy wind, storms and hail. Climate projections by the Latvian Environmental, Geological and Meteorological Service were used, based on IPCC global projections for mid-century and end of the century, utilising 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. Contracts for solar PV panel installations also stipulate detailed vulnerability assessments and certified engineer approvals to ensure resilience against snow and storm loads, backed by geotechnical research and drainage system development.
	EO3	n.a.
	EO4	Yes. We consider projects under this UoP to be aligned with the DNSH criteria for EO4.

		The DNSH criteria require activities to assess availability and, where feasible, use equipment and components of high durability and recyclability that are easy to dismantle and refurbish. According to the issuer's disclosure, 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 is actively considering circular economy principles, aligning with the DNSH criteria.
	EO5	n.a.
	EO6	Yes. We consider projects under this UoP to be aligned with the DNSH criteria for EO6. The DNSH criteria require conducting an EIA or screening, implementing necessary mitigation and compensation measures, and carrying out appropriate assessments with mitigation measures for sites near biodiversity-sensitive areas. The sites are not situated within protected nature territories according to Section 3.2 and Annex 2 of the Latvian Law on EIA, eliminating the need for an initial EIA. Information regarding protected areas is accessible through the Nature Conservation Agency's "Ozols" system and the Rīgas Ūdens geographical information system. Nature management plans specify necessary protection measures and permissible activities; they are binding for spatial planning and available on the agency's website.
Minimum Safeguard (MS)		Yes. We consider the issuer to be aligned with the minimum safeguards. Rīgas Ūdens has procedures to ensure compliance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. This includes adherence to the principles and rights outlined in the eight fundamental conventions in the ILO Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights. The company demonstrates this through internal regulations such as the code of ethics and personnel policy and addresses ESG priorities. Furthermore, the issuer engages in fair labour practices, stakeholder participation and responsible business conduct, as described in its 2024 sustainability report.
Full Alignment		Aligned

Use of Proceeds		**Production of biogas for the generation of electricity and heat**
Contribution to EU Environmental Objectives (EOs)		**EO1**
Applicable Economic Activity		• 5.6. "anaerobic digestion of sewage sludge"
Substantial Contribution Criteria (SCC)		Yes. We consider projects under this UoP to be aligned with the SCC for EO1. The SCC require a monitoring and contingency plan to minimise methane leakage and the use of produced biogas for electricity, heat, bio-methane injection, vehicle fuel or chemical industry feedstock. The issuer demonstrates alignment with both criteria. It developed a plan for "Monitoring and Contingency Plan for Methane Leakages of Sludge Digestion Tanks at the Daugavgrīva Biological Treatment Plant" in 2025. For the second criterion, the biogas produced is directly used for electricity and heat generation in a cogeneration process.
Do No Significant Harm (DNSH)	**EO1**	n.a.
	EO2	Yes. We consider projects under this UoP 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 using best-available science and 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. Climate projections by the Latvian Environmental, Geological and Meteorological Service were used, based on IPCC global projections for mid-century and end of the century, utilising 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 be aligned with the DNSH criteria for EO3. The DNSH criteria for sustainable use and protection of water and marine resources require identifying and addressing risks to water quality and stress, aiming for good water status and ecological potential. Rīgas Ūdens adheres to the Daugava River Basin District Management Plan and Flood Risk Management Plan 2022–2027 through BAS Daugavgrīva. The plant has consistently met water management and wastewater treatment standards since its reconstruction in 2013 and 2014. 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 be aligned with the DNSH criteria for EO5. The DNSH criteria for pollution prevention require specific information regarding emissions from anaerobic treatment processes, cross-media effects and communication of nitrogen content in digestate. Rīgas Ūdens demonstrates alignment with the specified criteria for emissions and digestate management. Emissions from the anaerobic digestion process at BAS Daugavgrīva are within or lower than the levels associated with the best-available techniques ranges set for anaerobic treatment of waste. This compliance ensures no significant cross-media effects occur. For the resulting digestate, 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. The 2024 quality certificate indicates that the total nitrogen content in dry matter is 35g/kg, confirming adherence to established regulatory requirements and supporting sustainable agricultural practices.
	EO6	Yes. We consider projects under this UoP to be aligned with the DNSH criteria for EO6. The DNSH criteria for biodiversity protection require conducting an EIA or screening, implementing necessary mitigation and compensation measures, and carrying out appropriate assessments with mitigation measures for sites near biodiversity-sensitive areas. An initial EIA was conducted in accordance with relevant laws and guidelines, concluding that a full EIA was unnecessary as the project, which includes anaerobic digestion, aims to minimise existing impacts. The assessment found no significant effects on protected areas, with the nearest sensitive area unaffected by planned activities. An additional air quality and odour emissions assessment was also performed, particularly relevant for the anaerobic digestion process.
Minimum Safeguard (MS)		Yes. We consider the issuer to be aligned with the minimum safeguards. Rīgas Ūdens has procedures to ensure compliance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. This includes adherence to the principles and rights outlined in the eight fundamental conventions in the ILO Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights. The company demonstrates this through internal regulations such as the code of ethics and personnel policy and addresses ESG priorities. Furthermore, the issuer engages in fair labour practices, stakeholder participation and responsible business conduct, as described in its 2024 sustainability report.
Full Alignment		Aligned

Use of Proceeds	**Implementation of energy efficiency recommendations and improvements**
Contribution to EU Environmental Objectives (EOs)	**EO1**
Applicable Economic Activity	• 7.3 “installation, maintenance and repair of energy efficiency equipment”
Substantial Contribution Criteria (SCC)	Yes.

		We consider projects under this UoP to be aligned with the SCC for EO1. The issuer's disclosure indicates that the investment projects focus on two specific action lines: installation and replacement of energy-efficient light sources; and installation, replacement, maintenance and repair of heating, ventilation and air conditioning and water heating systems with highly efficient technologies. The procurement specifications require contractors to select light sources; and heating, ventilation and air conditioning system components from the two highest-populated energy-efficiency classes, in accordance with Regulation (EU) 2017/1369 and its delegated acts. This ensures compliance with the SCC.
Do No Significant Harm (DNSH)	**EO1**	n.a.
	EO2	Yes. We consider projects under this UoP 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 using best-available science and methodologies. The assessment specifically identified a high-level risk of physical damage to infrastructure associated with the installation, maintenance and repair of energy-efficiency equipment at Rīgas Ūdens. Extreme weather events such as heavy wind, storms and hail pose a threat to the facilities and operations, potentially disrupting the energy-efficiency initiatives and affecting the equipment's performance. Climate projections by the Latvian Environmental, Geological and Meteorological Service were used, based on IPCC global projections for mid-century and end of the century, utilising 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, detailed vulnerability assessments and climate resilience measures are incorporated into project specifications to mitigate risks from heat waves, wildfires and strong winds, ensuring maximum energy efficiency and safety.
	EO3	n.a.
	EO4	n.a.
	EO5	Yes. We consider projects under this UoP to be aligned with the DNSH criteria for EO5. The DNSH criteria require that activities do not lead to the manufacture, market placement or use of restricted substances, as outlined in several EU regulations and directives. This includes ensuring building components and materials do not contain substances listed in Annexes I or II to Regulation (EU) 2019/1021 on persistent organic pollutants, mercury compounds as defined in Regulation (EU) 2017/852, new European Parliament and Council Regulation (EU) 2024/590 concerning ozone-depleting substances, and substances restricted under Directive 2011/65/EU and Regulation (EC) 1907/2006. Rīgas Ūdens aligns with these criteria due to its commitment to ensuring that all goods, materials and works conform to Latvian National Standards, European Committee for Standardization, European Committee for Electrotechnical Standardization, and European Norms in their latest versions. Its supplier code of conduct requires the exclusion of dangerous substances prohibited in Europe and Latvia, adhering to regulations such as the EU REACH regulation and those concerning persistent organic pollutants and mercury. Compliance is verified through environmental engineers during project approval stages. The building projects also ensure safe handling of materials such as asbestos by trained personnel, further supporting alignment with the DNSH criteria.
	EO6	n.a.
Minimum Safeguard (MS)		Yes. We consider the issuer to be aligned with the minimum safeguards. Rīgas Ūdens has procedures to ensure compliance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. This includes adherence to the principles and rights outlined in the eight fundamental conventions in the ILO Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights. The company demonstrates this through internal regulations such as the code of ethics and personnel policy and addresses ESG priorities. Furthermore, the issuer engages in fair labour practices, stakeholder participation and responsible business conduct, as described in its 2024 sustainability report.
Full Alignment		Aligned

Source: Sustainable Fitch, Rīgas Ūdens EuGB factsheet, assessment of investment projects for 2025–2027 on compliance with the EU taxonomy (April 2025), sustainability and annual report 2024

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 not provided any other service or product.

SOLICITATION STATUS

The European Green Bond Assessment was solicited and assigned or maintained by Sustainable Fitch at the request of the entity.