Luxembourg, 22 July 2021

Public

Environmental and Social Data Sheet

Overview

Project Name:	INWIT DIGITAL INFRASTRUCTURE DEVELOPMENT
Project Number:	2020-0946
Country:	Italy
Project Description:	The project relates to the modernisation and expansion of one of the biggest mobile tower networks in Italy owned by a recently created tower company. The network is composed of steel towers and rooftop sites and it hosts the radio and transmission equipment of several MNOs as well as Fixed Wireless Access operators. While the network expansion through new sites will enable a wider coverage particularly for 5G services, the installation of specialised active equipment will increase the indoor mobile network's coverage in challenging locations such as department stores, historic towns, public places as well as in high streets, hospitals and industrial premises. The tower network will also host increasingly Fixed Wireless Access equipment to enable the fixed line broadband coverage in less densely populated areas.

EIA required:	No
Project included in Carbon Footprint Exercise[1]:	No

(details for projects included are provided in section: "EIB Carbon Footprint Exercise")

Environmental and Social Assessment

Environmental Assessment

The project concerns a passive tower network on which mobile and fixed wireless operators install their active network equipment. Beside the passive structures, the tower network also includes power supply, air conditioning and further auxiliary services such as physical security in order to allow for a reliable operation of the active equipment.

Based on an already large tower network, covering nearly the entire territory of Italy, the planned investments include the erection of a limited number of new towers, the reinforcement of existing towers and the installation of micro coverage network solutions such as small cells and Distributed Antenna Systems (DAS).

[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.

Luxembourg, 22 July 2021

Such installations extend the network coverage and capacity in an operator neutral manner in difficult indoor and outdoor locations such as shopping malls, hospitals, industrial premises, old towns and high streets.

The project investments have a limited environmental impact as only a small number of new sites will be developed. The majority of the investments relate to measures at already existing sites and new micro coverage solutions. Therefore activities of this type, construction of new telecommunication towers or the installation of active equipment, do not fall under Annex I nor II of the EIA Directive 2014/52/EU amending Directive 2011/92/EU.

Mobile telecommunication networks may cause radiation emissions with potentially harmful effects to the environment and human health. Therefore the promoter is required to obtain for new sites and for changes on existing sites, construction and operational permits from the local competent authorities. Such permits verify structural aspects as well as the compliance with Italian exposure limits.

In Europe, the radiation emissions are regulated by the EU recommendation (1999/519/EC) on radiation exposure limits (based on the ICNIRP[2] principles). Italy transposed the regulatory guidance in 2003 and further reduced the emission threshold to a level 10 times lower than is specified in the above EU recommendation. Therefore, Italy has, beside Belgium and Switzerland, some of the lowest allowable emission levels in Europe.

Potential health risks from electromagnetic radiation issued by traditional mobile networks and cell phones have been studied extensively. The results suggest that the ICNIRP thresholds are sufficient. The new 5G bands and such modulation schemes and the specific antenna technologies are relatively new for the sector and will require additional scientific analysis to better understand the specific impact of the emerging 5G technology. Still the general assumption is that the ICNIRP thresholds are also sufficient for 5G mobile networks.

The visual impact represents another residual effect of the project, which is limited, as this project does only include the deployment of a limited number of additional towers.

Other Environmental and Social Aspects

Even though the company exists in its current form only since 2020, it has a much longer history that dates back to the start of the 2000s, when the two major shareholder's TIM and Vodafone started their mobile businesses. The creation of the promoter's new structure started in 2019 by merging the tower businesses of the two original shareholder companies.

Today the promoter is a stock listed company at Borsa Italiana and it is jointly owned by the leading telecommunication companies Vodafone Group PLC and TIM S.p.A. complemented by a share of free floats. The company's corporate governance system is organized along the traditional Italian model, according to articles 2380 of the Civil Code and in compliance with the national and international best practices.

[2] International Commission on Non-Ionising Radiation

Luxembourg, 22 July 2021

In 2020 the promoter defined a sustainability plan 2021 – 2023 with a focus on 5 key areas: Governance, People, Environment, Innovation and Community. In line with this strategy, the company will also adhere to the principles of the UN's Global Compact and has signed up at the same time to the Women's Empowerment Principles. Also included in this plan is the target to become carbon neutral by 2025 through the complete sourcing of their power needs from renewable sources.

At the end of 2020, the gender split on board level was 46% women and 54% men. Overall in the company, the split is reported as 35% women and 65% men.

Conclusions and Recommendations

Considering the above, the project is acceptable for the Bank's financing in environmental and social terms.