



Presentation of the Annual Report 2024

The Terna Group's 2024 Annual Report contains the Report on Operations, which by virtue of recent regulatory obligations in the area of reporting information of an ESG nature includes the Consolidated Sustainability Statement in a separate section, as well as the Consolidated Financial Statements, the Parent Company's separate financial statements, and aims to provide all stakeholders with a clear, complete and balanced account of the Group's business and its value creation process.

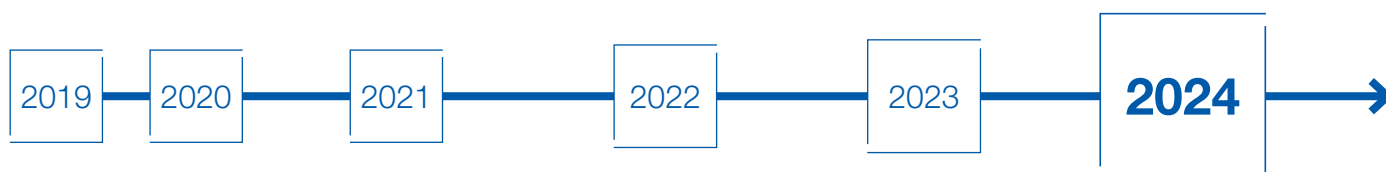
The Terna Group's value creation process represents the phases of wealth creation and financial and sustainable benefits generated by the Company over time, through a sustainable business model based on the interaction between tangible and intangible capital available to the organisation. It is for this reason that the Terna Group has chosen to describe its value creation model by capital, in line with the International Integrated Reporting Council (IIRC) framework, which represent the essential resources that the Terna Group has at its disposal to create and preserve value over time through their continuous combinations and interactions, in order to also provide the outputs and related outcomes generated, highlighting the benefits that its stakeholders obtain both from a financial point of view and from the point of view of the social-relational and environmental impacts produced.

Starting from 2024 reporting year, the Terna Group is required to prepare the Consolidated Sustainability Statement 2024 pursuant to Legislative Decree no. 125 of 6 September 2024 (the "Decree"), which transposes the provisions of Directive (EU) 2022/2464 Corporate Sustainability Statement Directive ("CSRD") into national law, replacing the previous non-financial statement requirements (pursuant to Legislative Decree no. 254/2016). In 2023, the Terna Group prepared the Integrated Report, which coincided with the Report on Operations, the Sustainability Statement and the Consolidated Non-financial Statement.

As required by the CSRD, the Consolidated Sustainability Statement was prepared in accordance with the European Sustainability Reporting Standards (ESRS)¹ developed by EFRAG (European Financial Reporting Advisory Group), the main purpose of which is to provide stakeholders with a complete, transparent view of the Group's ESG performance, allowing for easy comparability with other companies on the European scene. These reporting standards are well identified within Report on Operations.

In order to ensure the comparability of the mandatory sustainability disclosure and full compliance with the regulations, the Terna Group has included the Consolidated Sustainability Statement in a specific section of the Report on Operations and defined a structure for it in line with the example in Appendix F (ESRS 1) and with the external recommendations (ESMA), providing for a few specific references – within the Report on Operations – with particular reference to Terna's business and to the Group's strategic description in order to ensure greater fluidity in reading these aspects and make it easier to find information. For more details on the structure of the Consolidated Sustainability Statement, see the section "Methodological note and reporting boundaries" in the "General disclosures" section.

¹ These standards apply for the first time with reference to 2024 and, therefore, a comparison with reference to 2023 is not envisaged.



Accordingly, any additional information in the ESG area that the Terna Group wishes to disclose will be included in complementary documents published on a voluntary basis or on the company website.

The contents of the 2024 Consolidated Sustainability Statement are based on the findings of the Double Materiality Assessment conducted in accordance with the requirements of the CSRD, ESRS and related Implementation Guidelines. This assessment identified the most relevant sustainability topics for the Terna Group, adopting an integrated approach that considered both impact materiality and financial materiality. Through the impact materiality, the Terna Group assessed the significant effects that its activities have generated at environmental, social and governance levels, considering both current and potential impacts, both positive and negative, and their repercussions on the entire value chain. Through financial materiality, on the other hand, the Group analysed how environmental, social and governance (ESG) issues have affected and could affect its financial performance in the future and assessed the risks and opportunities arising from them.

Moreover, the ESRS Standards incorporate and integrate the main characteristics of the TCFD (Task Force on Climate-Related Financial Disclosures) and TNFD (Taskforce on Nature-related Financial Disclosures) frameworks, which the Terna Group had also aligned with in its previous years' reports, and for which the relevant information can be found in the "Environmental information" section of the 2024 Consolidated Sustainability Statement.

The Report on Operations is an interactive document, including a number of hyperlinks providing additional information on certain topics and taking the reader directly to specific pages on Terna's website at www.terna.it.



In addition, the Annual Report contains information in line with the ESMA Priorities and the mandatory requirements under Article 8 of the EU Taxonomy and related delegated acts included in the "Environmental information" section.

This 2024 Annual Report was approved by Terna S.p.A.'s Board of Directors on 25 March 2025.