

The background is a landscape photograph showing a field of dry, yellowish-brown grass in the foreground. In the distance, there are rolling hills and mountains under a blue sky with scattered white clouds. Several power lines stretch across the upper portion of the image. A large, solid blue geometric shape, resembling a wide triangle or a trapezoid, is overlaid on the lower half of the image, pointing upwards towards the center. The text 'OTHER DOCUMENTS' is written in white, bold, sans-serif capital letters within this blue area.

OTHER DOCUMENTS



Green Bond Report 2024

As at 31 December 2024, Terna had issued six senior Green Bonds under its Euro Medium Term Note (EMTN) programme and two perpetual, subordinated, hybrid, green bonds, based on a stand-alone prospectus, for a combined total of over €5 billion¹ (hereinafter, alternatively referred to as, the “**Green Bonds**” or “**Bonds**”). Details of the individual green issues are provided below:

- on 16 July 2018, Terna launched its first green bond issue, worth €750 million and having a 5-year term (this bond matured on 23 July 2023);
- on 10 January 2019, the Company launched a green bond issue in the form of a private placement, amounting to €250 million, having reopened the bond issue announced to the market on 16 July 2018 (also maturing on 23 July 2023);
- on 3 April 2019, the Company launched an issue of euro-denominated green bonds with a total nominal value of €500 million and a 7-year term;
- on 17 July 2020, the Company placed a green bond amounting to €500 million and having a 12-year term;
- on 16 June 2021, the Company launched a green bond issue amounting to €600 million and having an 8-year term;
- on 2 February 2022, Terna launched its first non-convertible, perpetual subordinated hybrid green bond amounting to €1 billion;
- on 17 July 2023, the Company issued a new green bond amounting to €650 million and having a 10-year term;
- on April 4, 2024, Terna launched an additional issue of a perpetual, subordinated, hybrid, non-convertible, green bond in the amount of €850 million.

The net proceeds from the issues are being used to fund the Company's **Eligible Green Projects**, selected on the basis of the **Green Bond Principles** issued in 2018 and subsequent amendments published by the International Capital Market Association (“ICMA”).

At 31 December 2024, Terna had drawn up and published five “**Green Bond Frameworks**” to enhance the transparency and the quality of the green bonds issued.

The first was adopted on 16 July 2018, the second on 15 July 2020, the third on 15 June 2021 and the fourth on 12 January 2022, with the fifth published on 20 October 2023. These Frameworks and the second party opinions provided by the independent advisor, Vigeo Eiris (subsequently taken over by Moody's), are available to the public on the Company's website (www.terna.it).

In this regard, it should be noted that the first three bond issues are covered by the Green Bond Framework drawn up in 2018, the fourth bond issue is covered by the Green Bond Framework of July 2020, the fifth bond issue by the Green Bond Framework of June 2021, the perpetual, hybrid issue dated 2 February 2022 and the bond issued on 17 July 2023 by the Green Bond Framework of January 2022, while the perpetual, hybrid issue dated 4 April 2024 was issued in compliance with the updated Green Bond Framework of October 2023.

¹ It should be noted that a new €750 million green bond issue (the ninth) was launched on 10 February 2025, but is not the subject of this report.

Vigeo Eiris (subsequently taken over by Moody's) has provided Second Party Opinions² for all of Terna's green issues, having assessed the contribution of all these bond issues to sustainability and assigned them the best possible rating. Similarly, the assessments of the green bond frameworks show that they are fully aligned with the requirements in ICMA's Green Bond Principles and – as regards the latest versions of the framework – the recommendations in the EU Taxonomy. This alignment was confirmed, with regard to 2024, via the mapping of the activities carried out by the Group to identify those that are eligible and in alignment with the Taxonomy. The analysis revealed that all the investment carried out to deliver the Eligible Green Projects, described in this report, are aligned with the object of mitigating climate change. Finally, Vigeo Eiris/Moody's considered the Eligible Green Projects to be in line with the following UN SDGs:

UN SDGs

			
<p>Ensure universal access to affordable, reliable, sustainable and modern energy services.</p>	<p>Build resilient infrastructure, promote fair, inclusive and sustainable industrialization and foster innovation.</p>	<p>Take urgent action to combat climate change and its impacts.</p>	<p>Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.</p>

With this report, Terna is delivering on its commitment, made at the time of the bond issues, to report annually on its use of the proceeds and the environmental benefits resulting from the projects financed with those proceeds.

In addition to updating the report on the issues of July 2020, June 2021, February 2022, and July 2023, this edition of the Green Bond Report provides information for the first time on the issue carried out in April 2024.

The indicators shown in the following tables have been determined in accordance with the "Green Bond Framework", showing the relevant amounts, how the proceeds have been allocated and the main environmental benefits for each environmental category within which the projects must fall in order to qualify as "eligible".

² All Second Party Opinions given with reference to the green bonds issued by Terna are available at the following link:
<https://www.terna.it/en/investors/debt-rating/sustainable-finance/green-bonds>

The various categories of environmental benefit indicated in the five Green Bond Frameworks published as of 31 December 2024 are shown below:

Environmental benefits

CATEGORY OF ENVIRONMENTAL BENEFIT	DESCRIPTION
Renewable energy	Projects designed to boost renewable energy production (primarily wind and photovoltaic): <ul style="list-style-type: none">• Connecting renewable energy plants (grid infrastructure designed to directly connect renewable energy plants to the transmission grid).• Integrating renewable energy production, improving the stability of the grid (grid infrastructure that enables a greater volume of renewable energy to be injected into the transmission grid, by, for example, relieving congestion in a certain part of the grid).
Energy efficiency	Projects designed to reduce the CO ₂ emissions produced by the electricity system by reducing grid losses: <ul style="list-style-type: none">• Grid infrastructure that enhances transmission efficiency (reducing the difference between power produced and energy consumed, all other conditions being equal).
Soil use & Biodiversity	Projects that aim to reduce soil use and the impact on terrestrial biodiversity: <ul style="list-style-type: none">• Optimisation of the grid, involving the demolition of kilometres of existing overhead line. Demolition of the lines reduces the permanent occupation of land by overhead lines and the need to cut back the surrounding vegetation. The greatest impact occurs when overhead lines cross areas of environmental interest, such as nature reserves, wetlands and other protected areas. In addition, the demolitions also eliminate the albeit low risk of birds colliding with power lines. Finally, it should be noted that the projects in this category – such as putting cables underground – also reduce the visual impact of electricity infrastructure, an aspect considered one of the most significant impacts by local stakeholders.
Quality, security and resilience of electricity transmission Infrastructure	Projects that aim to ensure the quality, security and resilience of electricity transmission infrastructure: <ul style="list-style-type: none">• Projects included in the Development Plan for the national Transmission Grid, focusing on the quality and security of the service by resolving operational issues that are in part linked with the energy transition, involving the decommissioning of thermoelectric plants and the integration of renewable sources.• Investment in the construction of new power lines and/or substations with the aim of boosting the resilience of the national transmission grid (“NTG”) in the areas of Italy most exposed to severe weather events (e.g., high winds, snow and ice).

As indicated in Terna's Green Bond Frameworks, the benefit resulting from completion of the green eligible projects included in the categories “Renewable Energy”, “Energy efficiency” and “Quality, security and resiliency of electricity transportation Infrastructure” may be measured both in MWh and in terms of greenhouse gas emission savings.

With reference to the green bonds covered by this report, **the associated benefits can be quantified at approximately 10.8 million tonnes of CO₂e per year³.**

³ The total value is given by the sum of the contributions of the individual bonds as follows: about 2.7 million tonnes of CO₂ for the issue of 17 July 2020, about 1.5 million tonnes of CO₂ for the issue of 16 June 2021, about 2.2 million tonnes of CO₂ for the issue of 02 February 2022, about 3.6 million tonnes of CO₂ for the issue of 17 July 2023 and about 0.8 million tonnes of CO₂ for the issue of 04 April 2024. The calculation was made taking into account the weight of thermoelectric production on the total Italian electricity production for 2024. The reference for the breakdown of the production mix is the December 2024 issue of the ‘Monthly Report on the Electricity System’, available on the website www.terna.it.

FOCUS

How we manage our eligible green projects

In planning and delivering investment, Terna adopts a wide range of mitigation controls and measures designed to limit any negative impacts on stakeholders and the environment, guaranteeing:

- **the protection of nature and biodiversity:** Terna's approach is inspired by the mitigation hierarchy and is oriented, from the planning phase - applying the ERPA criteria for the Strategic Environmental Assessment (SEA) of the Development Plan - to the habitat restoration phase, to minimise any negative impacts, also implementing voluntary initiatives aimed at enhancing the interactions of its assets with nature to achieve net positive impacts, developing its own tools, methodologies and measurement techniques (e.g. Ecological Incremental Index)⁴;
- **efforts to tackle climate change:** in devising its development strategy and planning its investment, which includes the eligible green projects, Terna focuses on achieving the decarbonisation targets set at Italian and EU level (the development scenarios developed in this regard are based on the trajectories provided for in the EU's Fit For 55 package and the National Integrated Energy and Climate Plan - PNIEC 2024). At the same time, climate change and rising temperatures may impact grid infrastructure, giving rise to the need to ensure the Italian electricity system's ability to withstand increasingly frequent extreme weather events. In this regard, each year Terna prepares a Resilience Plan setting out all the initiatives designed to prevent and/or reduce damage to the power grid caused by weather events⁵;
- **respect for social requirements and the needs of local communities:** Terna takes care to respect workers' rights and the needs of the communities affected by its business activities, and has adopted a series of prescriptive operational measures, including policies and guidelines, procedures and management and control systems to ensure respect throughout the supply chain. Stakeholder engagement is a key element; Terna, is continuously committed to devising and implementing the most suitable forms of engagement and participatory design, with particular attention to the needs of the local communities affected by grid development⁶.

Allocation reporting

Information on how the proceeds from the bond issues of July 2020, June 2021, February 2022, July 2023 and April 2024 have been used is provided below, showing aggregate amounts and data for each Eligible Green Project at 31 December 2024.

The following tables also show, for the five bonds, the percentage of the proceeds allocated to finance parts of projects yet to be completed and to refinance projects already completed at the date of the bond issue (% refinanced out of the total) and the balance of unallocated funds and/or funds still held by the issuer at 31 December 2024.

In accordance with Terna's green bond frameworks, the report for 2024 takes into account certain changes with respect to the reports for previous years. These are primarily due to the reshaping of a number of interventions included in the original baskets due to updated completion times. Thus, in order to meet the requirements of the green bond frameworks, the following tables show the effects of this change and summarise that which has been allocated to the different projects so far.

Finally, with regard to the issues of July 2018 and January and April 2019, the related proceeds had been fully allocated by the time of the previous reports. As a result, the issues are not covered in this report. Further details are provided on page 7 of the Green Bond Report 2023, on page 5 of the Green Bond Report 2020 and on page 4 of the Green Bond Report 2019, available on the Company website.

⁴ See the 'Protecting Biodiversity' section of the Consolidated Sustainability Statement 2024 for more details.

⁵ See the 'Climate Change' section of the Consolidated Sustainability Statement 2024 for more details.

⁶ See the 'Local Communities' section of the Consolidated Sustainability Statement 2024 for more details.



Issue of 17 July 2020

DESCRIPTION OF INDICATOR	AMOUNT (€000)
Total amount of the basket at the time of the Green Bond's issuance	505,609
- % of basket refinanced	43
Net Green Bond proceeds	496,865
Green Bond proceeds allocated at 31 December 2024	At 31 December 2024, the bond has been fully allocated
Funds/equivalent funds held by the issuer at 31 December 2024	

CATEGORY OF ELIGIBLE GREEN PROJECT	ELIGIBLE GREEN PROJECT	PROCEEDS ALLOCATED AT 31 DECEMBER 2024 (€000)
Renewable energy	380 kV VOLTAPAGO SUBSTATION	3,281
	WORK ON THE HV GRID FOR RENEWABLE ENERGY COLLECTION IN BASILICATA	4,663
	WORK ON THE HV GRID FOR RENEWABLE ENERGY COLLECTION IN PUGLIA	1,122
	OPPIMITTI CONNECTION	9,126
	ROTELLO SUBSTATION	24,183
	ASCOLI SATRIANO SUBSTATION	4,152
	WORK ON THE HV GRID FOR RENEWABLE ENERGY COLLECTION IN BETWEEN CAMPANIA AND MOLISE	893
	220 kV GLORENZA SUBSTATION	14,074
	ARVIER HYDROELECTRIC CONNECTION	615
	AW2 WIND FARM CONNECTION	308
	150 kV CASTELNUOVO DI CONZA INTERCONNECTOR SUBSTATION	261
	BELEOLICO TORRE TRIOLO CONNECTION	6,407
	LIGURIA-TUSCANY WIND FARM CONNECTION	2,113
	SYNCHRONOUS COMPENSATORS FOR MAIDA SUBSTATION	32,376
	SYNCHRONOUS COMPENSATORS FOR MATERA SUBSTATION	29,338
	SYNCHRONOUS COMPENSATORS FOR FOGGIA SUBSTATION	20,345
	SYNCHRONOUS COMPENSATORS FOR CANDIA SUBSTATION	17,039
	SYNCHRONOUS COMPENSATORS FOR FANO SUBSTATION	16,165
	SYNCHRONOUS COMPENSATORS FOR GARIGLIANO SUBSTATION	18,762
	380 kV FOGGIA – VILLANOVA POWER LINE	103,406
	RATIONALISATION 220/132 kV IN VALLE SABBIA	315
	SYNCHRONOUS COMPENSATORS FOR BRINDISI PIGNICELLE SUBSTATION	26,716
TOTAL Renewable energy		335,659
Energy efficiency	RATIONALISATION IN THE CITY OF MILAN	5,818
	RATIONALISATION OF NORTH-WEST TURIN AREA	2,226
	REORGANISATION OF ROME METROPOLITAN AREA	4,769
	REORGANISATION OF PALERMO METROPOLITAN AREA	38,850
	380 kV MAGENTA SUBSTATION	40,678
TOTAL Energy efficiency		92,341
Soil use & Biodiversity	RATIONALISATION IN THE CITY OF TURIN	6,671
	380 kV SORGENTE – RIZZICONI POWER LINE	5,973
	REORGANISATION OF 220 kV GRID IN THE CITY OF NAPLES	38,300
	REORGANISATION OF FLORENCE METROPOLITAN AREA	16,448
	150 kV CASTROCUCCO – MARATEA POWER LINE	1,954
TOTAL Soil use & Biodiversity		69,346
GRAND TOTAL		497,345

The sums of the individual items and the sub-totals shown in the table may differ due to the process of rounding the data presented.

Issue of 16 June 2021

DESCRIPTION OF INDICATOR	AMOUNT (€000)
Total amount of the basket at the time of the Green Bond's issuance	615,050
- % of basket refinanced ⁷	11
Net Green Bond proceeds	597,594
Green Bond proceeds allocated at 31 December 2024	584,898
Funds/equivalent funds held by the issuer at 31 December 2024	12,696

CATEGORY OF ELIGIBLE GREEN PROJECT	ELIGIBLE GREEN PROJECT	PROCEEDS ALLOCATED AT 31 DECEMBER 2024 (€000)
Renewable energy	SYNCHRONOUS COMPENSATOR VILLANOVA	36,510
	SYNCHRONOUS COMPENSATOR CODRONGIANOS	35,138
	SYNCHRONOUS COMPENSATOR SUVERETO	35,287
	SYNCHRONOUS COMPENSATOR ROSARA	39,506
	132 kV PRATI DI VIZZE-STEINACH POWER LINE	14,703
	132 kV APECCHIO SUBSTATION	2,515
	ENERMAC CONNECTION	30,627
TOTAL Renewable energy		194,286
Energy efficiency	REORGANISATION OF HV TERAMO VILLANOVA GRID	11,345
TOTAL Energy efficiency		11,345
Quality, security and resiliency of electricity transportation Infrastructure	UPGRADE 132 kV GENOA METROPOLITAN AREA	26,508
	380-150 kV PALO DEL COLLE SUBSTATION	9,262
	UPGRADE OF NORD SCHIO GRID	7,608
	REORGANISATION UPPER BELLUNESE AREA	43,653
	380 kV UDINE WEST-REDIPUGLIA POWER LINE	16,331
	ITALY-FRANCE INTERCONNECTOR	167,597
	132 kV ELBA-MAINLAND POWER LINE	99,083
TOTAL Quality, security and resiliency of electricity transportation Infrastructure		379,267
GRAND TOTAL		584,897

The sums of the individual items and the sub-totals shown in the table may differ due to the process of rounding the data presented.

⁷ The refinanced projects, consistent with the commitment made in the Green Bond Framework of June 2021, were completed no later than 36 months from the last Annual Financial Statements prior to the date of issue of the Green Bond in question (16/06/2021).



Issue of 2 February 2022

DESCRIPTION OF INDICATOR	AMOUNT (€000)
Total amount of the basket at the time of the Green Bond's issuance	1,033,817
- % of basket refinanced ⁸	75
Net Green Bond proceeds	991,360
Green Bond proceeds allocated at 31 December 2024	929,778
Funds/equivalent funds held by the issuer at 31 December 2024	61,584

CATEGORY OF ELIGIBLE GREEN PROJECT	ELIGIBLE GREEN PROJECT	PROCEEDS ALLOCATED AT 31 DECEMBER 2024 (€000)
Renewable Energy	BELCASTRO SUBSTATION	40,379
	SCANDALE-MAGISANO CONNECTIONS	4,071
	ITALY-MONTENEGRO INTERCONNECTOR	632,948
	MORCONE SUBSTATION	10,044
	PONTELANDOLFO SUBSTATION	13,840
	PONTELANDOLFO-CASTELPAGANO POWER LINE	9,677
	RUMIANCA SUBSTATION	1,141
	ENLARGEMENT MATERA SUBSTATION	8,021
	ENLARGEMENT CATANZARO SUBSTATION	455
	AERO TANNA CONNECTION – PARTANNA SUBSTATION	614
	AM CONNECTION FOR RENEWABLE ENERGY	10,150
	METORA CONNECTION	9,379
	PRATI DI VIZZE-STEINACH POWER LINE	2,070
	GRID'S RATIONALISATION IN THE CITY OF AREZZO	13,396
	REMOVAL OF CONSTRAINTS IN THE SOUTH-CENTRAL – NORTH CENTRAL AREAS	28,194
	TOTALE Renewable energy	784,379
Energy efficiency	PATERNÒ - PANTANO – PRIOLO POWER LINE	27,553
TOTAL Energy efficiency		27,553
Quality, security and resiliency of electricity transportation Infrastructure	CELANO SUBSTATION	20,901
	RATIONALISATION IN THE CITY OF MILAN	9,709
	CAMIN-DOLO LINE	7,220
	BARI NORTH SUBSTATION	1,106
	RATIONALISATION IN THE CITY OF NAPLES	17,301
	SCHIO SUBSTATION	19,078
	RATIONALISATION OF ROME WEST-ROME SOUTH-WEST GRID	7,029
	COSTALUNGA PRIMARY SUBSTATION	956
	BORGONOVO - BARDI – BORGOTARO POWER LINE	4,115
	UPGRADE OF GRID BETWEEN NOVARA AND BIELLA	2,702
	S. TERESA-BUDDUSÒ SUBSTATION	7,929
	UPGRADE OF TERNI ROME HV GRID	11,633
	WORK ON RAGUSA GRID	3,717
	COLLECTION OF RENEWABLES ABRUZZO/LAZIO	1,892
	ROME SOUTH-CIAMPINO	2,558
	TOTAL Quality, security and resiliency of electricity transportation Infrastructure	117,846
GRAND TOTAL		929,778

The sums of the individual items and the sub-totals shown in the table may differ due to the process of rounding the data presented.

⁸ The refinanced projects, consistent with the commitment made in the Green Bond Framework of January 2022, were completed no later than 36 months from the last Annual Financial Statements prior to the date of issue of the Green Bond in question (02/02/2022).

Issue of 17 July 2023

DESCRIPTION OF INDICATOR	AMOUNT (€000)
Total amount of the basket at the time of the Green Bond's issuance	657,599
- % of basket refinanced ⁹	47
Net Green Bond proceeds	642,571
Green Bond proceeds allocated at 31 December 2024	586,215
Funds/equivalent funds held by the issuer at 31 December 2024	56,355

CATEGORY OF ELIGIBLE GREEN PROJECT	ELIGIBLE GREEN PROJECT	PROCEEDS ALLOCATED AT 31 DECEMBER 2024 (€000)
Renewable Energy	NEW 380/150 kV VIZZINI SUBSTATION	7,302
	MICROPOWER S.R.L. CONNECTION	7,766
	ASJA AMBIENTE ITALIA S.P.A. CONNECTION	396
	SARVE S.R.L. CONNECTION	8,305
	SYNCHRONOUS COMPENSATORS SOUTH SARDINIA	32,454
	380 kV BRINDISI-BRINDISI ENI POWER LINE	36,220
	STATCOM	91,156
	REORGANISATION NORTH CALABRIA GRID	10,766
	UPGRADE OF 150 kV FOR BASILICATA WIND ENERGY COLLECTION	7,198
	REORGANISATION OF FLORENCE METROPOLITAN AREA	5,859
	REORGANISATION TRENTO GRID	16,253
	INERGIA SPA WIND FARM (STORNARA SUBSTATION)	3,369
	220 kV GLORENZA SUBSTATION	11,459
	FOSTER WHEELER STATION - CONNECT. RES	4,913
	380/150 kV SUBSTATION MELFI CONNECTIONS	15,807
	FOIANO-GINESTRA-ARIANO 150 kV POWER LINE	839
	SOLARWIND 2 CONNECTION	5,387
	NEW MONTEMATTINA SUBSTATION FOR CONNECTIONS	4,143
	VGE 01 CONNECTION	7,456
	SANDALIA SOLAR FARM S.R.L. CONNECTION	5,874
	E-SOLAR 2 SRL CONNECTION	11,022
	DAUNIA WORK1 CONNECTION	34,361
	SYNCHRONOUS COMPENSATORS LAZIO NORTH	29,955
	REACTORS	69,894
	UPGRADE OF 150 kV FOR CALABRIA WIND ENERGY COLLECTION	6,130
	REMOVAL OF CONSTRAINTS IN THE SOUTH-CENTRAL – NORTH CENTRAL AREAS	14,143
	FOIANO 150 kV SUBSTATION FOR CONNECTIONS	5,637
	ECOENERGIA FRANZESE CONNECTION	9,189
	TRINO BESS 2 CONNECTION	2,278
TOTAL Renewable energy		465,532
Energy efficiency		220 kV GLORENZA-TIRANO-PREMADIO LINE
TOTAL Energy efficiency		18,293
Quality, security and resiliency of electricity transportation Infrastructure	220 kV LIVORNO M. SUBSTATION	29,639
	UPGRADE MODENA AREA GRID	4,042
	REORGANISATION OF SORRENTINE PENINSULA HV GRID	4,330
	REORGANISATION ROME SOUTH-LATINA GRID	5,534
	CUNEO/SAVONA GRID	6,360
	RATIONALISATION TRENTO SOUTH	21,327
	REORGANISATION OF ROME METROPOLITAN AREA	6,921
	WORK ON HV GRID IN CATANIA	9,752
	WORK ON HV GRID FOR ABRUZZO/LAZIO RENEWABLE ENERGY COLLECTION	10,988
	220/150 kV CATANIA NORTH SUBSTATION	3,498
TOTAL Quality, security and resiliency of electricity transportation Infrastructure		102,390
GRAND TOTAL		586,215

The sums of the individual items and the sub-totals shown in the table may differ due to the process of rounding the data presented.

⁹ The refinanced projects, consistent with the commitment made in the Green Bond Framework of January 2022, were completed no later than 36 months from the last Annual Financial Statements prior to the date of issue of the Green Bond in question (17/07/2023).

Issue of 4 April 2024

DESCRIPTION OF INDICATOR	AMOUNT (€000)
Total amount of the basket at the time of the Green Bond's issuance	863,426
- % of basket refinanced ¹⁰	24
Net Green Bond proceeds	843,158
Green Bond proceeds allocated at 31 December 2024	291,334
Funds/equivalent funds held by the issuer at 31 December 2024	551,823

CATEGORY OF ELIGIBLE GREEN PROJECT	ELIGIBLE GREEN PROJECT	PROCEEDS ALLOCATED AT 31 DECEMBER 2024 (€000)
Renewable Energy	CHIARAMONTE GULFI - CIMINNA	34,378
	PATERNÒ - PANTANO - PRIOLO	18,451
	380 150 kV ARIANO IRPINO STATION	4,352
	INERGIA SPA WIND FARM (STORNARA SUBSTATION)	8,573
	FOIANO-GINESTRA-ARIANO 150 kV POWER LINE	16,418
	RESOLUTION OF GALTELLI' ANTENNAE	15,991
TOTAL Renewable energy		98,163
Quality, security and resiliency of electricity transportation Infrastructure	NEW LINE 380 kV COLUNGA-CALENZANO	107,899
	RATIONALISATION OF THE 380-132 kV GRID IN BRESCIA	16,347
	220/150 kV CATANIA NORTH SUBSTATION	1,243
	WORK ON RAGUSA HV GRID	38,885
	REORGANISATION OF SORRENTINE PENINSULA HV GRID	28,798
TOTAL Quality, security and resiliency of electricity transportation Infrastructure		193,172
GRAND TOTAL		291,334

The sums of the individual items and the sub-totals shown in the table may differ due to the process of rounding the data presented.

The above tables show the names of eligible projects, coinciding with wide-ranging, complex interventions made up of numerous individual projects and minor works. Each bond (July 2020, June 2021, February 2022, July 2023 and April 2024) may have been used to finance different parts of the same intervention; for this reason, a number of eligible projects, represented by different amounts, have been financed by more than one bond.

Given the nature of the projects financed, each intervention may contribute to achieving a number of environmental benefits. In the above table, the inclusion of an individual project in a category of benefit was based on economic criteria.

¹⁰ The refinanced projects, consistent with the commitment made in the Green Bond Framework of October 2023, were completed within a maximum of 24 months from the last Annual Financial Statements prior to the date of issue of the Green Bond in question (04/04/2024).

Impact reporting

Below are details of the impacts and the benefits associated with the four categories of Eligible Green Project - described at the beginning of the document - for each of the five Green Bonds issued by Terna and reported on in this Report. The percentages indicate the proportion of the benefits that can be associated with the stage of completion of the projects (works that have entered service) at 31 December 2024.

For a better understanding of the data relating environmental impacts, the following should be taken into account:

- the impact of the projects in columns A, B, C and F in the following tables that involve “Connections to renewable energy plants”, “Increased production from renewable sources”, “Reduction in grid losses” and “Reduction in energy not supplied” are measured in MW and MWh. The above data does not derive from ex-post measurement of the impact of the projects carried out, but are the result of grid simulations, conducted using models that permit a comparison of the ex-ante operation of the electricity system and the related environmental impacts with and without the individual projects. The results of the grid simulations are then used in the cost-benefit analysis applied to the main projects included in the Grid Development Plan. Given that there may be several years between the planning of a project and the start-up of work, the cost-benefit analysis for a project may be repeated to take into account new scenarios and the environmental impacts may change over time. Where projects are not subject to cost-benefit analysis, the value of the related benefits is measured using an approach in line with this method. If there are significant changes to the environmental benefits connected with the projects financed by the Green Bonds, these will be noted in future Green Bond Reports;
- the environmental benefits underpinning the selection of eligible projects – estimated using the methodological approach described above - are calculated, based on the most conservative scenario, at the level of each project, which, however, generally consists of a series of works that may require many years to complete. The proceeds from the Green Bonds may be used to finance or refinance a part of the previously planned works that have a part to play in completion of the selected projects in the baskets and, in this sense, in obtaining the environmental benefits associated with the projects.

A more detailed description of the benefits outlined in Terna's Green Bond Framework is provided in the ‘Environmental Benefits’ table of this document (page 622).

None of the selected projects is the subject of significant proceedings (administrative or final court judgements) resulting in Terna being ordered to pay fines or to act or not act (e.g., prohibitions), or in its employees being found guilty of a criminal offence (full compliance in environmental and socio-economic matters).



Issue of 17 July 2020

CATEGORY OF ELIGIBLE GREEN PROJECT	OUTPUT & IMPACT INDICATORS									
	A		B		C		D		E	
	CONNECTIONS TO RENEWABLE ENERGY PLANTS (MW)	% REACHED AT 31/12	INCREASED PRODUCTION FROM RENEWABLE SOURCES (MWh)	% REACHED AT 31/12	REDUCTION IN GRID LOSSES (MWh)	% REACHED AT 31/12	LAYING OF UNDERGROUND CABLE (KM)	% REACHED AT 31/12	DEMOLITION OF LINES (KM)	% REACHED AT 31/12
Renewable energy	2,641	100	6,937,112	87						
Energy efficiency					265,094	91				
Soil use & biodiversity							39	72	255	94

Issue of 16 June 2021

CATEGORY OF ELIGIBLE GREEN PROJECT	OUTPUT & IMPACT INDICATORS							
	A		B		C		F	
	CONNECTIONS TO RENEWABLE ENERGY PLANTS (MW)	REACHED % AT 31/12	INCREASED PRODUCTION FROM RENEWABLE SOURCES (MWh)	REACHED % AT 31/12	REDUCTION IN GRID LOSSES (MWh)	REACHED % AT 31/12	REDUCTION IN ENERGY NOT SUPPLIED (MWh/per year)	REACHED % AT 31/12
Renewable energy	1,620	100	3,796,827	97				
Energy efficiency					12,028	-		
Quality, security and resiliency of electricity transportation Infrastructure							3,469	51

Issue of 2 February 2022

CATEGORY OF ELIGIBLE GREEN PROJECT	OUTPUT & IMPACT INDICATORS							
	A		B		C		F	
	CONNECTIONS TO RENEWABLE ENERGY PLANTS (MW)	REACHED % AT 31/12	INCREASED PRODUCTION FROM RENEWABLE SOURCES (MWh)	REACHED % AT 31/12	REDUCTION IN GRID LOSSES (MWh)	REACHED % AT 31/12	REDUCTION IN ENERGY NOT SUPPLIED (MWh/per year)	REACHED % AT 31/12
Renewable energy	2,479	100	5,728,453	99				
Energy efficiency					13,200	-		
Quality, security and resiliency of electricity transportation Infrastructure							3,019	4

Issue of 17 July 2023

CATEGORY OF ELIGIBLE GREEN PROJECT	OUTPUT & IMPACT INDICATORS							
	A		B		C		F	
	CONNECTIONS TO RENEWABLE ENERGY PLANTS (MW)	REACHED % AT 31/12	INCREASED PRODUCTION FROM RENEWABLE SOURCES (MWh)	REACHED % AT 31/12	REDUCTION IN GRID LOSSES (MWh)	REACHED % AT 31/12	REDUCTION IN ENERGY NOT SUPPLIED (MWh/per year)	REACHED % AT 31/12
Renewable energy	3,550	57	9,429,960	56				
Energy efficiency					3,364	-		
Quality, security and resiliency of electricity transportation Infrastructure							1,060	7

Issue of 4 April 2024

CATEGORY OF ELIGIBLE GREEN PROJECT	OUTPUT & IMPACT INDICATORS							
	A		B		C		F	
	CONNECTIONS TO RENEWABLE ENERGY PLANTS (MW)	REACHED % AT 31/12	INCREASED PRODUCTION FROM RENEWABLE SOURCES (MWh)	REACHED % AT 31/12	REDUCTION IN GRID LOSSES (MWh)	REACHED % AT 31/12	REDUCTION IN ENERGY NOT SUPPLIED (MWh/per year)	REACHED % AT 31/12
Renewable energy	959	0	2,193,083	0				
Quality, security and resiliency of electricity transportation Infrastructure							11,221	2

In addition to the benefits achievable through each category provided for in the Green Bond frameworks, the above tables also show percentages indicating the share of the benefits linked to the stage of progress on projects at 31 December.

It should be noted that, in line with Terna's green bond frameworks and the information provided in the allocation reporting section, the figures for the impacts presented may differ from those reported in previous years. This primarily reflects the reshaping of certain projects due to changes in the project timings and related cost-benefit analyses.

Examples of Eligible Green Projects

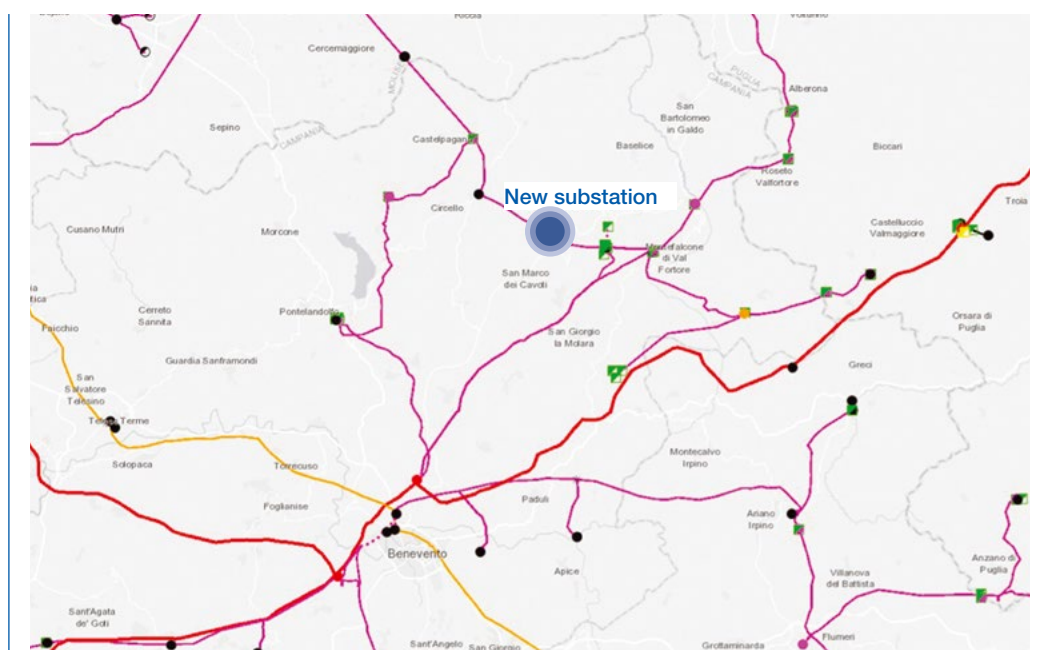
The following pages show key technical and financial data and details of the environmental benefits for four representative projects in the four categories of benefit taken into account.

Category: Renewable Energy - New electricity substation in San Marco dei Cavoti

The new 150 kV San Marco dei Cavoti substation has been built to connect renewable energy plants in the Campania region to the HV Foiano-Colle line.

Applications for the connection of renewable energy plants to the NTG have been received from 5 plants, making a total of 143 MW, of which 37.8 MW has already been connected to the substation. The expected increase in renewable energy integrated into the NTG, linked to plants already connected to the San Marco dei Cavoti substation and future substations, is 325,128 MWh per year.

DESCRIPTION OF INDICATOR	AMOUNT
Total value of the project included in the Bond at 17 July 2023 (planned amount)	5,723,308 €
Proceeds from the green bond allocated to the project at 31 December 2024 (final amount)	9,189,239 €
Connections of renewable energy plants	143 MW
Increase in renewable energy production	325,128 MWh



New station in San Marco dei Cavoti - Category: 'Renewable energy'

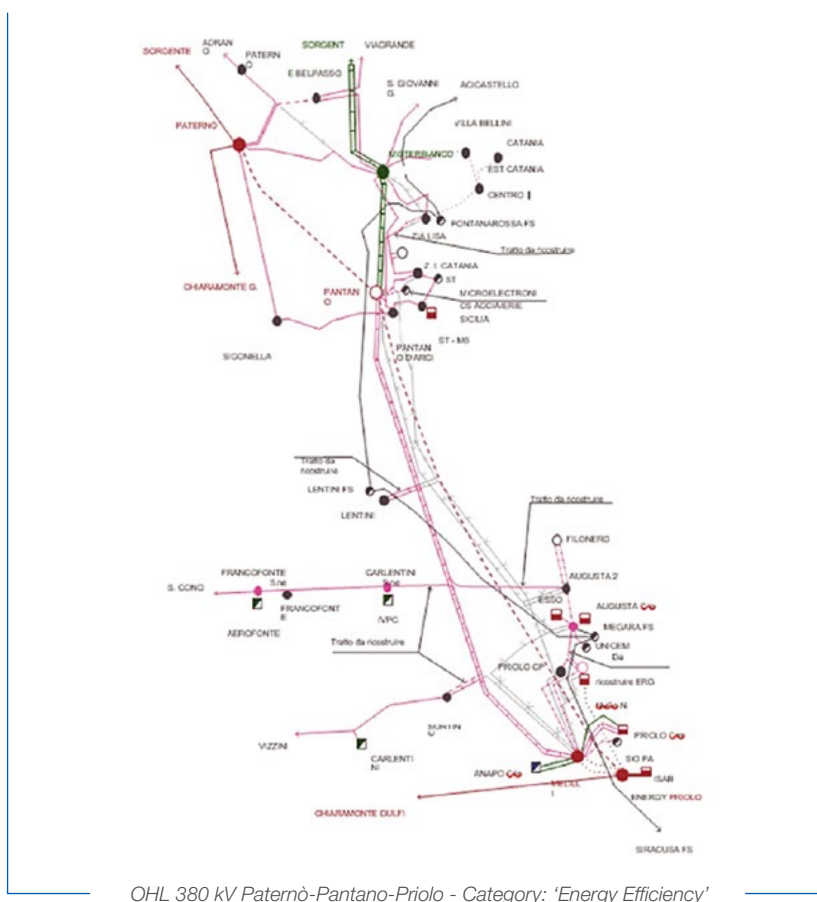
Category: Energy Efficiency - 380 kV Paternò - Pantano - Priolo Power Line (Sicily)

Construction of the 380 kV Paternò-Pantano-Priolo power line will result in interconnection of the 380 kV grid with the 150 kV grid in south-eastern Sicily. This will help to drive not only production at renewable energy plants in the area, but also an increase in service continuity and voltage stability in eastern Sicily.

The upgrade and enlargement of the Melilli, Priolo and Pantano D'Arce electricity substations is also significant as this will strengthen the grid and improve meshing, resulting in further benefits in terms of grid reliability.

Thanks to the above works, we expect to be able to reduce grid losses by at least 13,200 MWh a year, as shown in the following table.

DESCRIPTION OF INDICATOR	AMOUNT
Total value of the project included in the Bond at 2 February 2022 (planned amount)	81,273,362 €
Proceeds from the green bond allocated to the project at 31 December 2024 (final amount)	27,553,127 €
Reduction in grid losses	13,200 MWh

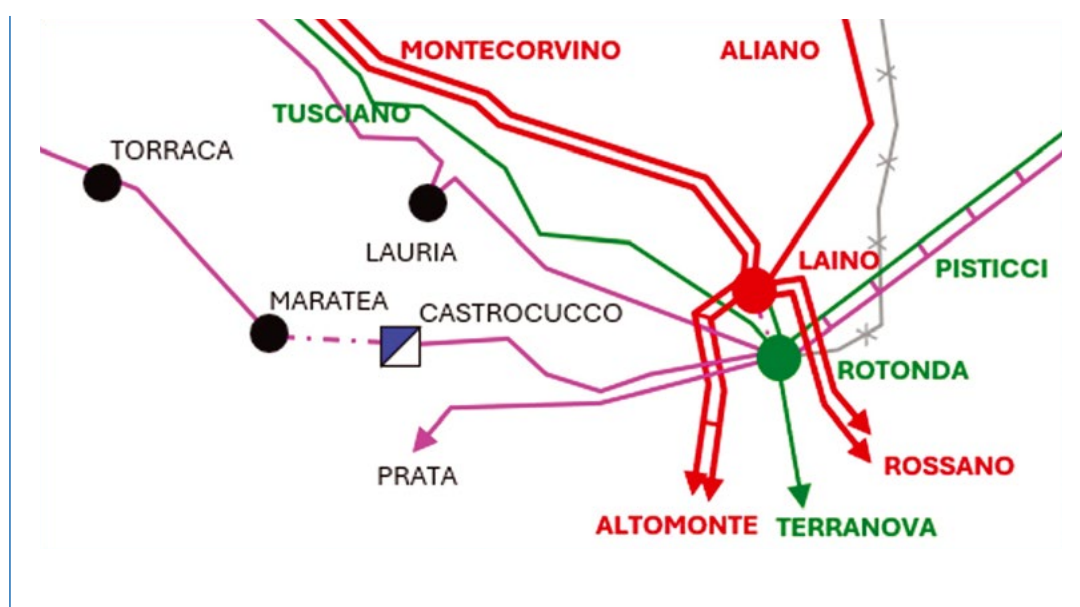


Category: Environmentally sustainable management of land use - New 150 kV Castrocucco - Maratea underground power line

In order to increase the efficiency and reliability of the electricity system and ensure the continuity of the area's electricity service even when some power lines are out of service due to maintenance or failure, a new underground power line was planned between the Castrocucco power station and the primary substation in Maratea, in the province of Potenza.

The cable runs for 13 km along a predominantly mountainous terrain with a height difference of about 500 metres and, in some sections, within areas subject to landslides. For this reason, in addition to the geological monitoring of the area during the design phase, three 'inclinometers' were installed in addition to the usual underground cable monitoring instruments, in order to constantly monitor the stability of the new connection. The new underground cable went into operation in 2021.

DESCRIPTION OF INDICATOR	AMOUNT
Total value of the project included in the Bond at 17 July 2020 (planned amount)	941,790 €
Proceeds from the green bond allocated to the project at 31 December 2024 (final amount)	1,953,743 €
Construction of underground cable	13 km



New 150 kV Castrocucco - Maratea underground power line -
Category: 'Environmentally sustainable land use management'

Category: Quality, security and resiliency of electricity transportation infrastructure - Redevelopment of Sorrento Peninsula

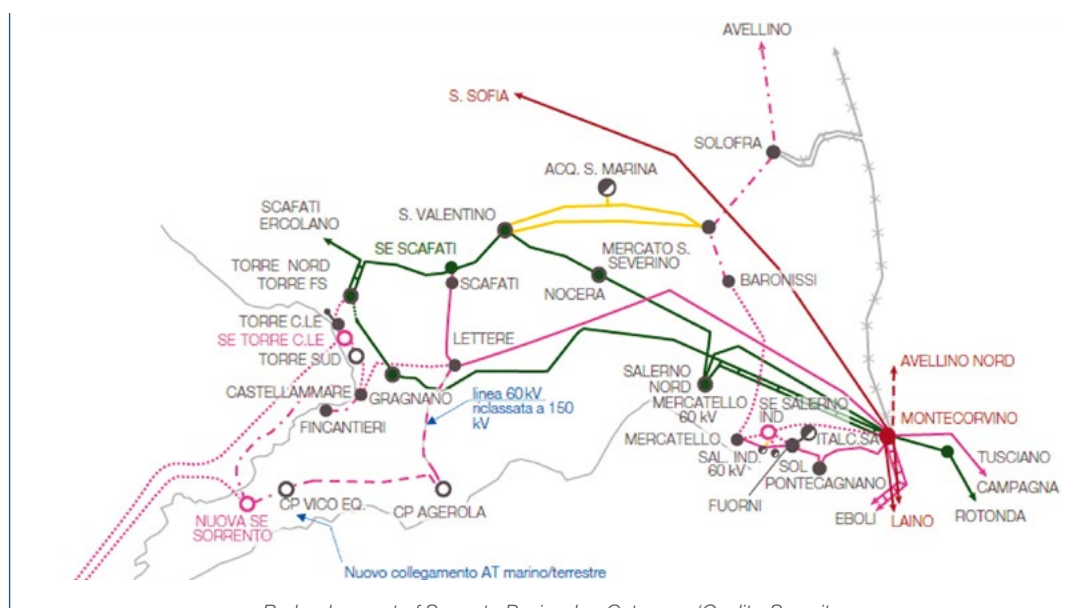
Following the commissioning of the first connection between Capri and Torre Annunziata in 2017 and of the second submarine cable connecting the island with Sorrento (September 2020), the efficiency and adaptation activities for the Campania grid include the 150 kV Sorrento - Vico Equense - Agerola - Lettere interconnection.

The project consists in the construction of the connections between the new electricity substation in Sorrento and the already existing primary substations in Vico Equense, Agerola and Lettere, which will be adapted to allow connection to the National Transmission Grid with the new voltage levels. The new interconnection will increase the reliability of the electricity system on the Sorrento Peninsula and surpass the 60 kV voltage level, which is no longer adequate to ensure the security, resilience and quality of the area's electricity transmission service.

This intervention will also reduce the risk of outages due to severe weather events by increasing the meshing of the local grid and the resilience of the electricity system.

The overall project is expected to reduce the quantity of energy not supplied by at least 10,890 MWh per year, as the following table shows.

DESCRIPTION OF INDICATOR	AMOUNT
Total value of the project included in the Bonds of 16 June 2021, 17 July 2023 and 4 April 2024 (planned amount)	57,234,596 €
Proceeds from the green bonds allocated to the project at 31 December 2024 (final amount)	42,353,189 €
Reduction in energy not supplied	10,890 MWh



INDEPENDENT AUDITOR'S REPORT ON THE SECTIONS "ALLOCATION REPORTING" AND "IMPACT REPORTING" OF THE GREEN BOND REPORT

**To the Management of
Terna S.p.A.**

We have been engaged to perform a limited assurance engagement on the sections "*Allocation reporting*" and "*Impact Reporting*" included in the Green Bond Report 2024 (the "Report") as of December 31, 2024. The Report has been prepared by Terna S.p.A. (the "Company") on the basis of the following frameworks: the Framework issued in July 2020 for the Green Bond issued on July 17, 2020 ("GB 4"), the Framework issued in June 2021 for the Green Bond issued on June 16, 2021 ("GB5"), the Framework issued in January 2022 for Green Bonds issued on February 2, 2022 ("GB 6") and July 17, 2023 ("GB 7"), the Framework issued in October 2023 for the Green Bond issued on April 4, 2024 ("GB 8") (hereinafter collectively referred to as the "Frameworks"). These Frameworks were defined by the Company in accordance with, respectively: the Green Bond Principles issued by the *International Capital Market Association* ("ICMA") "2018 edition" for the Framework issued in July 2020 and the Green Bond Principles issued by ICMA "2021 edition" for the Frameworks issued in June 2021, in January 2022 and in October 2023.

Management's Responsibility for the Report

The Management is responsible for the preparation of the Report in accordance with the Frameworks, developed by the Company in accordance with the Green Bond Principles. The Management is also responsible for such internal control is necessary to enable the preparation of the Report that is free from material misstatement, whether due to fraud or error.

Auditor's Independence and quality management

We have complied with the independence and other ethical requirements of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) issued by the *International Ethics Standards Board for Accountants*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management 1 which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibility

Our responsibility is to express a conclusion on sections "*Allocation Reporting*" and "*Impact Reporting*" included in the Report based on the procedures performed. We conducted our work in accordance with the criteria established in the "*International Standards on Assurance Engagements - Assurance Engagements other than Audits or Reviews of Historical Financial Information*" (hereinafter "*ISAE 3000 Revised*"), issued by the *International Auditing and Assurance Standards Board* for limited assurance engagements. The standard requires that we plan and perform the engagement to obtain limited assurance whether the sections "*Allocation Reporting*" and "*Impact Reporting*" included in the Report are free from material misstatement.

The procedures performed on the sections "*Allocation Reporting*" and "*Impact Reporting*" included in the Report are based on our professional judgement and included inquiries, primarily with company personnel responsible for the preparation of information included in those sections, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically, we carried out the following procedures:

- analysis of the Green Bond Frameworks adopted by Terna S.p.A. and the Second Party Opinion, which includes the assessment of the conformity of the Frameworks to the Green Bond Principles defined by ICMA and the applicability of the categories of "*Eligible Green Projects*" for the allocation of proceeds and the definition of environmental impacts;
- interviews with the Management and relevant corporate functions of Terna S.p.A. aimed at understanding the criteria and underlying processes for identifying Eligible Green Projects, as well as the generation, identification, and management of significant qualitative and quantitative information included in the "*Allocation Reporting*" and "*Impact reporting*" sections of the Report;
- analysis of the structure and implementation of reporting processes and controls related to the data on the use of proceeds and environmental benefits of the Green Bonds;
- verification of quantitative data included in the "*Allocation Reporting*" and "*Impact Reporting*" sections of the Report through a sample-based review, conducted through the collection and examination of documentation of Terna S.p.A., with the objective of assessing the consistency of the information included in the "*Allocation reporting*" and "*Impact Reporting*" sections of the Report with the Green Bond Principles;
- obtaining the representation letter regarding the accuracy and the completeness of the information included in the Report and of those provided to us.

The procedures performed in a limited assurance engagement are less in extent than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the “Allocation Reporting” and “Impact reporting” sections included in the Green Bond Report of Terna S.p.A as of December 31, 2024 are not prepared, in all material respects, in accordance with the criteria established by the Frameworks.

DELOITTE & TOUCHE S.p.A.

Signed by
Maria Ginevra De Romanis
Partner

Rome, Italy
April 23, 2025

This independent auditor’s report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.





All pictures are the property of Terna.

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