

GREEN BOND REPORT 2025

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Green Bond Report 2025

Introduction

As at 31 December 2025, Terna had issued eight senior Green Bonds (of which one qualified as a European Green Bond pursuant to Regulation (EU) 2023/2631 on European Green Bonds) under its Euro Medium Term Note (EMTN) programmes,¹ as well as two subordinated hybrid perpetual green bonds issued on the basis of standalone prospectuses, for a total amount exceeding €6.5 billion² (hereinafter, the “**Green Bonds**” or “**Bonds**”). Details of the outstanding individual green issues are provided below:

- on 3 April 2019 a green bond was issued for a total nominal amount of €500 million with a maturity of 7 years;
- on 17 July 2020 a green bond was issued for a total nominal amount of €500 million with a maturity of 12 years;
- on 16 June 2021 a green bond was issued for a total nominal amount of €600 million with a maturity of 8 years;
- on 2 February 2022 Terna launched its first subordinated hybrid perpetual non-convertible green bond of €1 billion;
- on 17 July 2023 a new green bond was issued for €650 million with a maturity of 10 years;
- on April 4, 2024, Terna launched an additional issue of a perpetual, subordinated, hybrid, non-convertible, green bond in the amount of €850 million;
- on 10 February 2025 a green bond was issued for a total nominal amount of €750 million with a maturity of 7 years;
- on 15 July 2025 Terna launched its first European Green Bond for €750 million with a maturity of 6 years.

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The net proceeds from the issuances are allocated to the financing of the Company’s “**Eligible Green Projects**”, identified in accordance with the **Green Bond Principles** issued in 2018 and subsequent updates published by the International Capital Market Association (“ICMA”).

At 31 December 2025, Terna had drawn up and published six “**Green Bond Frameworks**” to facilitate the transparency and the quality of the green bonds issued.

The first was adopted in July 2018, the second in July 2020, the third in June 2021, the fourth in January 2022, the fifth in October 2023, while the sixth was published in July 2025. The Frameworks and the “Second Party Opinions”, prepared by independent advisors, are available to the public on the Company’s website (www.terna.it).

In this regard, it should be noted that the first bond refers to the Green Bond Framework prepared in 2018, the second bond to the July 2020 Green Bond Framework, the third bond to the June 2021 Green Bond Framework, the subordinated hybrid perpetual issuance of 2 February 2022 and the bond of 17 July 2023 to the January 2022 Green Bond Framework, the subordinated hybrid perpetual issuance of 4 April 2024 and the bond of 10 February 2025 to the October 2023 Green Bond Framework, while the European Green Bond of 15 July 2025 was issued in accordance with the Green Bond Framework updated in July 2025 and with the European Green Bond Factsheet relating to that instrument.

¹ Specifically: (i) the EMTN Programme, authorised by the Commission de Surveillance du Secteur Financier (CSSF) and listed on the Luxembourg Stock Exchange, for a total amount of €12 billion, and (ii) the EMTN Programme listed on the Mercato Telematico delle Obbligazioni (MOT) of Borsa Italiana and approved by CONSOB, for a total amount of €4 billion.

² Note that on 26 January 2026 a perpetual, subordinated, hybrid, non-convertible European Green Bond of €850 million was launched, which is not, however, covered by this reporting.

The agency engaged to supply Second Party Opinions³ for all of Terna's green issues assessed the contribution of all these bond issues to sustainability and assigned them the best possible rating. Similarly, the assessment of the Green Bond Frameworks confirmed full alignment with the requirements of the ICMA Green Bond Principles and – for the more recent versions of the framework – also with the recommendations of the EU Taxonomy⁴. With reference to the 2025 financial year, this alignment was confirmed through the mapping of the Group's operations to identify those eligible and aligned under the Taxonomy. The analysis showed that all investments made to implement the Eligible Green Projects described in this report are aligned with the climate change mitigation objective. Finally, the independent advisors considered the Eligible Green Projects of the various issuances to be aligned with the following UN SDGs:



With this reporting document, Terna fulfils the commitment undertaken at the time of issuance of the Bonds to report annually on the use of proceeds and the environmental benefits deriving from the projects financed with those proceeds. In addition to updating the report on the issues of June 2021, February 2022, July 2023 and April 2024, this edition of the Green Bond Report provides information for the first time on the issue carried out in February 2025. In the relevant section set out at the end of this document, information relating to the allocation and impacts of the European Green Bond of 15 July 2025 is also presented for the first time, subject to specific disclosure in line with the provisions set out in Regulation (EU) 2023/2631.

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”.

³ 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>.

⁴ As at the date of this report, the most recent version of Terna's Green Bond Framework, published in July 2025, was prepared in accordance with the latest versions of the ICMA Green Bond Principles, the requirements introduced by Regulation (EU) 2023/2631 (European Green Bond Standard), as well as the criteria set out in the European Union Taxonomy.



The description of the categories of environmental benefits considered in the Green Bond Frameworks reported herein is set out below:

Environmental Benefits

CATEGORY OF ENVIRONMENTAL BENEFIT	DESCRIPTION
Renewable energy	Projects aimed at increasing the integration of energy generated from renewable energy plants (mainly wind and solar): - Connection of renewable energy plants (grid infrastructure intended to directly connect renewable generation plants to the transmission grid). - Integration of renewable energy generation in order to improve grid stability (grid infrastructure enabling increased input of renewable generation into the transmission grid, for example by resolving congestion in a specific section of the grid).
Energy efficiency	Projects aimed at reducing CO₂ emissions of the electricity system through the reduction of grid losses: - Grid infrastructure enabling greater transmission efficiency (reduction of the difference between energy generation and consumption, all else being equal).
Quality, security and resilience of electricity transmission infrastructure	Projects aimed at ensuring the quality, security and resilience of electricity transmission infrastructure: - Investments included in the Development Plan of the National Transmission Grid aimed at ensuring service quality and security, in order to address operational issues also linked to the energy transition characterised by the phase-out 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 benefits arising from the completion of Eligible Green Projects included in the categories "Renewable energy", "Energy efficiency" and "Quality, security and resilience of electricity transmission infrastructure" can be measured both in MWh and in terms of avoided greenhouse gas emissions. With reference to the green bonds covered by this report, **these benefits are estimated at approximately 13.8 million tonnes of CO₂e per year.**⁵

⁵ The total value is given by the sum of the contributions of the individual bonds as follows: approximately 2 million tonnes of CO₂ for the issue of 16 June 2021, approximately 2.3 million tonnes of CO₂ for the issue of 02 February 2022, approximately 3.1 million tonnes of CO₂ for the issue of 17 July 2023, approximately 1.1 million tonnes of CO₂ for the issue of 04 April 2024, approximately 5.2 million tonnes of CO₂ for the issue of 10 February 2025, and approximately 41 thousand tonnes of CO₂ for the issue of 15 July 2025. The calculation was made taking into account the share of thermoelectric generation in total Italian electricity production for 2025. The reference for the breakdown of the production mix is the December 2025 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 implementing its investments, Terna adopts a wide range of safeguards and mitigation measures aimed at limiting any potential negative impacts on stakeholders and the environment, ensuring:

- **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)⁶;
- **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 - NECP 2024). At the same time, climate change and rising temperatures may affect grid infrastructure. Hence the need to ensure the resilience of the Italian electricity system to the threats posed by increasingly frequent extreme weather events. To this end, each year Terna prepares a Resilience Plan defining all the initiatives aimed at preventing and/or reducing damage to the electricity grid caused by such weather events⁷;
- **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. Listening to stakeholders is also key. In fact, Terna is constantly committed to establishing and implementing the most efficient forms of engagement and participatory planning, with particular focus on local communities affected by grid development projects.⁸

⁶ See the "Protecting Biodiversity" section of the 2025 Consolidated Sustainability Statement for more details.

⁷ See the "Climate Change" section of the 2025 Consolidated Sustainability Statement for more details.

⁸ See the "Local Communities" section of the 2025 Consolidated Sustainability Statement for more details.



Green bond allocation and impact reporting

Allocation reporting

Information on how the proceeds from the bond issues of June 2021, February 2022, July 2023, April 2024 and February 2025 have been used is provided below, showing aggregate amounts and data for each Eligible Green Project at 31 December 2025.

Moreover, for the five Bonds, the allocation split between the financing of projects yet to be completed and the refinancing of projects already completed at the bond issuance date (% refinancing out of total) is provided, together with the balance of unallocated proceeds and/or proceeds still held by the issuer as at 31 December 2025. In accordance with Terna's green bond framework, the report for 2025 takes into account certain changes with respect to the reports for previous years. These are primarily due to the reshaping of a number of projects included in the original baskets due to updated completion times. Thus, in order to meet the requirements of the green bond framework, 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 April 2019 and July 2020, 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 2024 and on page 7 of the Green Bond Report 2023.

Issue of 16 June 2021

INDICATOR DESCRIPTION	AMOUNT (€000)
Total amount of the basket at the time of the Green Bond's issuance	615,050
- % of basket refinanced ⁹	11
Net proceeds of the Green Bond	597,594
Green Bond proceeds allocated as at 31/12/2025	As at 31/12/2025 the bond is fully allocated
Cash/cash equivalents held by the issuer as at 31/12/2025	

CATEGORY OF ELIGIBLE GREEN PROJECT	ELIGIBLE GREEN PROJECT	PROCEEDS ALLOCATED AT 31 DECEMBER 2025 (€000)
Renewable energy	SYNCHRONOUS COMPENSATOR VILLANOVA	36,557
	SYNCHRONOUS COMPENSATOR CODRONGIANOS	35,138
	SYNCHRONOUS COMPENSATOR SUVERETO	37,082
	SYNCHRONOUS COMPENSATOR ROSARA	40,155
	132 KV PRATI DI VIZZE-STEINACH POWER LINE	16,244
	132 KV APECCHIO SUBSTATION	2,515
	ENERMAC CONNECTION	30,975
TOTAL Renewable energy		198,665
Energy efficiency	TERAMO VILLANOVA HV GRID RECONFIGURATION	24,987
TOTAL Energy efficiency		24,987
Quality, security and resiliency of electricity transportation Infrastructure	132 KV REINFORCEMENTS GENOA METROPOLITAN AREA	26,508
	380-150 KV PALO DEL COLLE SUBSTATION	9,262
	UPGRADE OF NORTH SCHIO GRID	7,608
	ALTO BELLUNESE GRID RECONFIGURATION	45,130
	380 KV UDINE WEST-REDIPUGLIA POWER LINE	16,386
	ITALY – FRANCE INTERCONNECTION	169,234
	132 KV ELBA-MAINLAND POWER LINE	99,173
	REORGANISATION OF SORRENTINE PENINSULA HV GRID	9,225
TOTAL Quality, security and resiliency of electricity transportation Infrastructure		382,527
GRAND TOTAL		606,178

The sum of the individual items and the subtotals and totals shown in the table may differ by a few units due to rounding applied in the presentation of the data.

⁹ 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

INDICATOR DESCRIPTION	AMOUNT (€000)
Total amount of the basket at the time of the Green Bond's issuance	1,033,817
- % of basket refinanced ¹⁰	75
Net proceeds of the Green Bond	991,360
Green Bond proceeds allocated as at 31/12/2025	As at 31/12/2025 the bond is fully allocated
Cash/cash equivalents held by the issuer as at 31/12/2025	

CATEGORY OF ELIGIBLE GREEN PROJECT	ELIGIBLE GREEN PROJECTS	PROCEEDS ALLOCATED AT 31 DECEMBER 2025 (€000)
Renewable energy	BELCASTRO SUBSTATION	40,379
	SCANDALE-MAGISANO CONNECTIONS	4,071
	ITALY - MONTENEGRO INTERCONNECTION	634,091
	MORCONE SUBSTATION	10,044
	PONTELANDOLFO SUBSTATION	13,840
	PONTELANDOLFO-CASTELPAGANO POWER LINE	9,677
	RUMIANCA SUBSTATION	1,141
	MATERA SUBSTATION EXPANSION	8,036
	CATANZARO SUBSTATION EXPANSION	455
	AERO TANNA - PARTANNA SUBSTATION CONNECTION	614
	AM RENEWABLE ENERGY CONNECTION	10,150
	METORA CONNECTION	9,379
	PRATI DI VIZZE-STEINACH POWER LINE	2,070
	RATIONALISATION IN THE CITY OF AREZZO	13,396
	REMOVAL OF CONSTRAINTS IN THE SOUTH-CENTRAL - NORTH CENTRAL AREAS	29,079
TOTAL Renewable energy		786,423
Energy efficiency	PATERNÒ - PANTANO - PRIOLO POWER LINE	92,450
TOTAL Energy efficiency		92,450
Quality, security and resiliency of electricity transportation Infrastructure	CELANO SUBSTATION	20,902
	RATIONALISATION IN THE CITY OF MILAN	9,844
	CAMIN-DOLO LINE	7,220
	BARI NORD SUBSTATION	1,106
	RATIONALISATION IN THE CITY OF NAPLES	17,301
	SCHIO SUBSTATION	20,821
	WEST ROME-SOUTH WEST ROME GRID STREAMLINING	7,747
	COSTALUNGA PRIMARY SUBSTATION	956
	BORGONOVO - BARDI - BORGOTARO POWER LINE	4,119
	GRID REINFORCEMENT BETWEEN NOVARA AND BIELLA	2,702
	S. TERESA-BUDDUSÒ SUBSTATION	7,929
	UPGRADE OF TERNI ROME HV GRID	11,787
	WORKS ON THE RAGUSA GRID	3,717
	RENEWABLES COLLECTION ABRUZZO/LAZIO	1,892
	ROME SOUTH-CIAMPINO	2,558
TOTAL Quality, security and resiliency of electricity transportation Infrastructure		120,600
GRAND TOTAL		999,473

The sum of the individual items and the subtotals and totals shown in the table may differ by a few units due to rounding applied in the presentation of the data.

¹⁰ 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

INDICATOR DESCRIPTION	AMOUNT (€000)
Total amount of the basket at the time of the Green Bond's issuance	657,599
- % of basket refinanced ¹¹	47
Net proceeds of the Green Bond	642,571
Green Bond proceeds allocated as at 31/12/2025	As at 31/12/2025 the bond is fully allocated
Cash/cash equivalents held by the issuer as at 31/12/2025	

CATEGORY OF ELIGIBLE GREEN PROJECT	ELIGIBLE GREEN PROJECT	PROCEEDS ALLOCATED AT 31 DECEMBER 2025 (€000)
Renewable energy	MICROPOWER S.R.L. CONNECTION	7,766
	ASJA AMBIENTE ITALIA S.P.A. CONNECTION	396
	SARVE S.R.L. CONNECTION	8,305
	SOUTH SARDINIA SYNCHRONOUS COMPENSATORS	32,454
	EL. 380 KV BRINDISI-BRINDISI ENIPOWER POWER LINE	36,221
	STATCOM	91,180
	REORGANISATION OF NORTH CALABRIA GRID	10,772
	REINF. 150KV WIND GENERATION COLLECTION BASILICATA	13,390
	FLORENCE METROPOLITAN AREA GRID RECONFIGURATION	5,023
	TRENTO GRID RECONFIGURATION	17,245
	INERGIA SPA WIND PLANT (STORNARA SUBSTATION)	13,405
	220 KV GLORENZA SUBSTATION	17,571
	FOSTER WHEELER SUBSTATION - CONNECTION RES	4,914
	380/150 KV MELFI SUBSTATION CONNECTIONS	15,974
	EL. FOIANO-GINESTRA-ARIANO 150KV POWER LINE	839
	SOLARWIND 2 CONNECTION	5,387
	VGE 01 CONNECTION	7,456
	SANDALIA SOLAR FARM S.R.L CONNECTION	11,486
	DAUNIA WORK1 CONNECTION	35,747
	SYNCHRONOUS COMPENSATORS NORTH LAZIO	40,792
	REACTORS	72,708
	REINF. 150KV COLLECTION PR. WIND CALABRIA	6,173
	REMOVAL OF CONSTRAINTS IN THE SOUTH-CENTRAL – NORTH CENTRAL AREAS	14,143
	150 KV FOIANO SUBSTATION FOR CONNECTIONS	8,697
	ECOENERGIA FRANZESE CONNECTION	9,389
	TRINO BESS 2 CONNECTION	3,301
	WIND ENERGY RACALMUTO CONNECTION	10,053
	PORTELLA PERO SUBSTATION CONNECTION	907
TOTAL Renewable energy		501,693
Energy efficiency		
220KV GLORENZA-TIRANO-PREMADIO LINE		22,865
TOTAL Energy efficiency		22,865
Quality, security and resiliency of electricity transportation Infrastructure	220 KV LIVORNO M. SUBSTATION	33,787
	UPGRADE OF MODENA AREA HV GRID	4,042
	REORGANISATION OF SORRENTINE PENINSULA HV GRID	4,330
	REORGANISATION OF ROME SOUTH-LATINA HV GRID	5,544
	CUNEO/SAVONA GRID	6,360
	SOUTH TRENTO STREAMLINING	28,480
	ROME METROPOLITAN AREA GRID RECONFIGURATION	8,124
	WORKS ON THE CATANIA HV GRID	10,438
	INTER. HV RENEWABLES COLLECTION ABRUZZO/LAZIO	11,023
	220/150 KV CATANIA NORD SUBSTATION	4,857
PORTOCANNONE-S. SALVO Z.I. AND NEW SWITCHING STATION		2,111
TOTAL Quality, security and resiliency of electricity transportation Infrastructure		119,094
GRAND TOTAL		643,653

The sum of the individual items and the subtotals and totals shown in the table may differ by a few units due to rounding applied in the presentation of the data.

¹¹ 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

INDICATOR DESCRIPTION	AMOUNT (€000)
Total amount of the basket at the time of the Green Bond's issuance	863,426
- % of basket refinanced ¹²	24
Net proceeds of the Green Bond	843,158
Green Bond proceeds allocated as at 31/12/2025	448,124
Cash/cash equivalents held by the issuer as at 31/12/2025	395,033

CATEGORY OF ELIGIBLE GREEN PROJECT	ELIGIBLE GREEN PROJECT	PROCEEDS ALLOCATED AT 31 DECEMBER 2025 (€000)
Renewable energy	CHIARAMONTE GULFI - CIMINNA	116,105
	PATERNÒ - PANTANO - PRIOLO	18,564
	380 150 KV ARIANO IRPINO SUBSTATION	12,924
	NEW 380/150 KV VIZZINI SUBSTATION	7,743
	EL. FOIANO-GINESTRA-ARIANO 150KV POWER LINE	16,140
	RESOL. GALTELLI' ANTENNA	24,459
TOTAL Renewable energy		195,934
Energy efficiency	220/150 KV CATANIA NORD SUBSTATION	2,581
	WORKS ON THE RAGUSA HV GRID	44,534
TOTAL Energy efficiency		47,115
Quality, security and resiliency of electricity transportation Infrastructure	NEW LINE 380 KV COLUNGA-CALENZANO	142,284
	RATIONALISATION OF THE 380-132 KV GRID IN BRESCIA	19,562
	REORGANISATION OF SORRENTINE PENINSULA HV GRID	43,228
TOTAL Quality, security and resiliency of electricity transportation Infrastructure		205,074
GRAND TOTAL		448,124

The sum of the individual items and the subtotals and totals shown in the table may differ by a few units due to rounding applied in the presentation of the data.

¹² 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).

Issue of 10 February 2025

INDICATOR DESCRIPTION		AMOUNT (€000)
Total amount of the basket at the time of the Green Bond's issuance		767,051
- % of basket refinanced ¹³		29
Net proceeds of the Green Bond		747,938
Green Bond proceeds allocated as at 31/12/2025		512,477
Cash/cash equivalents held by the issuer as at 31/12/2025		235,461

CATEGORY OF ELIGIBLE GREEN PROJECT	ELIGIBLE GREEN PROJECT	PROCEEDS ALLOCATED AT 31 DECEMBER 2025 (€000)
Renewable energy	HVDC MAINLAND-SICILY-SARDINIA	326,147
	NEW MONTEMATTINA SUBSTATION FOR CONNECTIONS	14,833
	380 KV SAN ROCCO AL PORTO REACTOR	5,203
	150 KV CARLENTINI SUBSTATION FOR CONNECTIONS	628
	STREAM. 220/132 KV IN VALLE SABBIA	16,870
	380/150 KV TORREMAGGIORE SUBSTATION CONNECTIONS	15,656
	WIND POWER S.R.L. CONNECTION	152
	STROMBOLI SOLAR SRL CONNECTION	59
	EDP RENEWABLES ITALIA CONNECTION	438
	CAMPOSCALA 2 PRIMARY SUBSTATION CONNECTION	16,665
	EDELWEISS S. MARCO CAVOTI CONNECTION	213
	GALLO DUE S.R.L. CONNECTION	578
	VRG WIND 153 S.R.L. CONNECTION	516
	RWE RENEWABLES CONNECTION	348
	FW TURNA SRL (PATERNO) CONNECTION	224
	SOLAR ITALY III S.R.L. CONNECTION	477
	ALZO SRL CONNECTION	297
	BESS PORTO TOLLE SUBSTATION CONNECTION	224
	SANDALIA SOLAR FARM S.R.L. CONNECTION	1,418
	EDPR SICILIA WIND S.R.L. CONNECTION	508
	TUSCANIA SUBSTATION CONNECTION	18,105
	AUGUSTA BLU SOLAR SUBSTATION CONNECTION	161
	MONTALTO VULCI SRL CONNECTION	3,414
	ADRIA MARCO POLO SOLAR SUBSTATION CONNECTION	70
	ERCHIE BESS CONNECTION	558
	LICODIA EUBEIA ACEA SOLAR CONNECTION	430
	MONTECORVINO SUBSTATION CONNECTION	151
	POPULONIA SUBSTATION CONNECTIONS	658
	VILLA S. MARIA ROCCAVIVARA REINFORCEMENT	1,512
	LATINA NUCLEARE SUBSTATION CONNECTION	1,147
	CANINO SUBSTATION CONNECTION	175
	TAVAZZANO SUBSTATION CONNECTION	86
	UDINE SUD SUBSTATION CONNECTION	1,331
	220 KV SCHIO SUBSTATION	-
	TERME DI BRENNERO BOLZANO FS	641
	FLORENCE METROPOLITAN AREA GRID RECONFIGURATION	9,595
	REORGANISATION OF NORTH CALABRIA GRID	335
	S. SOFIA	8,980
	150 KV VITTORIA-GELA-D POWER LINE	1,579
	EISACKWERK RIO PUSTERIA	824
	CASTEGNERO PRIMARY SUBSTATION CONNECTION	214
	MAROSTICA PRIMARY SUBSTATION	162
	STABILISING RESISTORS	13,209
	RESILIENCE 2.0 GORLA PRIMARY SUBSTATION	6,314
TOTAL Renewable energy		471,106
Quality, security and resiliency of electricity transportation Infrastructure	Energy efficiency	
	ARIANO PRIMARY SUBSTATION	12,047
	TOTAL Energy efficiency	12,047
	132 KV PONTE RESIA REACTOR	3,158
	S. BELLINO SUBSTATION CONNECTION	901
	SOUTH TRENTO STREAMLINING	455
	VERONA HV GRID STREAMLINING	761
	132KV PIOMBINO AREA STREAMLINING	1,093
	S. MARTINO IN XX - RICCIONE - RIMINI	1,395
	ROME METROPOLITAN AREA GRID RECONFIGURATION	5,623
	CALABRIA TRANSVERSAL	22
	REORGANISATION OF 220KV GRID IN THE CITY OF NAPLES	8,887
	REINF. 150 KV COLLECTION PROD. WIND PUGLIA	6,461
	NEW 380/150 KV VIZZINI SUBSTATION	567
	TOTAL Quality, security and resiliency of electricity transportation Infrastructure	29,324
	GRAND TOTAL	512,477

¹³ The refinanced projects, consistent with the commitment made in the Green Bond Framework of January 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 (10/02/2025).



The sum of the individual items and the subtotals and totals shown in the table may differ by a few units due to rounding applied in the presentation of the data.

The names of eligible projects are indicated in the tables above, corresponding to very broad and complex initiatives encompassing numerous projects and smaller works. Each bond (June 2021, February 2022, July 2023, April 2024 and February 2025) may have been used to finance different parts of the same project; for this reason, a number of eligible projects, represented by different amounts, have been financed by more than one bond.

Given the inherently complex nature of the projects financed, each initiative may contribute to different environmental benefits. In the tables above, the allocation of a single project to a benefit category was made based on economic criteria.

Impact reporting

Below are details of the impacts and the benefits associated with the 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 share of benefits attributable to the progress status of the projects (works commissioned) as at 31/12/2025.

For a better understanding of the data relating to environmental impacts, the following should be considered:

- The impacts of the initiatives presented in columns A, B, C and F in the following tables, relating to “Connection of renewable energy plants”, “Increase in generation from renewable energy sources”, “Reduction of grid losses” and “Reduction of energy not supplied”, are measured in MW and MWh. The above data do not derive from subsequent measurements of the effects of the completed initiatives, but from grid simulations carried out using models that enable a prior comparison of the operation of the electricity system and the related environmental impacts with and without the individual initiatives. The results of the grid simulations feed into the cost-benefit analysis that characterises the main investments included in the grid Development Plan. As several years may elapse between planning and the start of construction, the Cost-Benefit Analysis (CBA) of an initiative may be repeated to take account of new scenarios, and the environmental impacts may therefore change over time. Where initiatives are not subject to Cost-Benefit Analysis, the valuation of the related benefits is determined using an approach consistent and aligned with the same methodology. Should significant changes occur in the environmental benefits associated with interventions financed by the European Green Bond, these will be highlighted in future reports.
- The environmental benefits – estimated using the methodological approaches described above – guide the selection of Eligible Projects and are valued under the most conservative scenario at the level of each individual initiative (project), which generally consists of a set of works that may require many years to be completed. Green Bonds enable the financing or refinancing of part of the works required to complete the initiatives selected in the portfolios and are therefore also instrumental in achieving the environmental benefits associated with those initiatives.

A more detailed description of the benefits set out in Terna’s Green Bond Frameworks is provided in the Environmental benefits table in this document.

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 16 June 2021

CATEGORIES OF ELIGIBLE GREEN PROJECTS	OUTPUT & IMPACT INDICATORS							
	A		B		C		F	
	CONNECTION OF RENEWABLE ENERGY PLANTS (MW)	% REACHED AT 31/12	INCREASE IN GENERATION FROM RENEWABLE ENERGY SOURCES (MWH)	% REACHED AT 31/12	REDUCTION OF GRID LOSSES (MWH)	% REACHED AT 31/12	REDUCTION OF ENERGY NOT SUPPLIED (MWH/YEAR)	% REACHED AT 31/12
Renewable energy	2,328	100	5,410,358	98	12,028	-		
Energy efficiency								
Quality, security and resiliency of electricity transportation Infrastructure							3,469	68

Issue of 2 February 2022

CATEGORIE DI ELIGIBILE GREEN PROJECT	OUTPUT & IMPACT INDICATORS							
	A		B		C		F	
	CONNECTION OF RENEWABLE ENERGY PLANTS (MW)	% REACHED AT 31/12	INCREASE IN GENERATION FROM RENEWABLE ENERGY SOURCES (MWH)	% REACHED AT 31/12	REDUCTION OF GRID LOSSES (MWH)	% REACHED AT 31/12	REDUCTION OF ENERGY NOT SUPPLIED (MWH/ YEAR)	% REACHED AT 31/12
Renewable energy	2,636	100	6,037,400	99,7	13,200	100		
Energy efficiency								
Quality, security and resiliency of electricity transportation Infrastructure							3,019	4

Issue of 17 July 2023

CATEGORIE DI ELIGIBILE GREEN PROJECT	OUTPUT & IMPACT INDICATORS							
	A		B		C		F	
	CONNECTION OF RENEWABLE ENERGY PLANTS (MW)	% REACHED AT 31/12	INCREASE IN GENERATION FROM RENEWABLE ENERGY SOURCES (MWH)	% REACHED AT 31/12	REDUCTION OF GRID LOSSES (MWH)	% REACHED AT 31/12	REDUCTION OF ENERGY NOT SUPPLIED (MWH/ YEAR)	% REACHED AT 31/12
Renewable energy	3,062	99	8,313,265	94	3,364	100		
Energy efficiency								
Quality, security and resiliency of electricity transportation Infrastructure							1,203	18

Issue of 4 April 2024

CATEGORIE DI ELIGIBILE GREEN PROJECT	OUTPUT & IMPACT INDICATORS							
	A		B		C		F	
	CONNECTION OF RENEWABLE ENERGY PLANTS (MW)	% REACHED AT 31/12	INCREASE IN GENERATION FROM RENEWABLE ENERGY SOURCES (MWH)	% REACHED AT 31/12	REDUCTION OF GRID LOSSES (MWH)	% REACHED AT 31/12	REDUCTION OF ENERGY NOT SUPPLIED (MWH/ YEAR)	% REACHED AT 31/12
Renewable energy			1,251	95	2,871,195	95		
Quality, security and resiliency of electricity transportation Infrastructure							11,221	-

Issue of 10 February 2025

CATEGORIE DI ELIGIBILE GREEN PROJECT	OUTPUT & IMPACT INDICATORS							
	A		B		C		F	
	CONNECTION OF RENEWABLE ENERGY PLANTS (MW)	% REACHED AT 31/12	INCREASE IN GENERATION FROM RENEWABLE ENERGY SOURCES (MWH)	% REACHED AT 31/12	REDUCTION OF GRID LOSSES (MWH)	% REACHED AT 31/12	REDUCTION OF ENERGY NOT SUPPLIED (MWH/ YEAR)	% REACHED AT 31/12
Renewable energy	6,002	92	13,757,597	92	24,700	-		
Energy efficiency								
Quality, security and resiliency of electricity transportation Infrastructure							1,165	-



In the tables above, in addition to the benefits achievable through each category as envisaged in the Green Bond Frameworks, the percentages indicating the share of benefits attributable to the progress status of the projects as at 31/12 are also reported.

Note that, in line with Terna's Green Bond Frameworks and as already indicated in the allocation section, the impact data presented may differ from previous years' reporting, mainly due to the rescheduling of certain initiatives following updates to timing plans and cost-benefit analyses.



Examples of Eligible Green Projects

The following pages present the main technical, economic and environmental benefit data for three projects representative of the three benefit categories considered.

Category: Renewable Energy - New Electricity Substation in Cerignola

The new 380/150 kV Cerignola substation was built to connect renewable generation plants from the Puglia region to the high-voltage Foggia - Palo del Colle line.

Applications for the connection of renewable energy plants to the NTG have been received from 32 plants, making a total of 2.3 GW, of which 163.35 MW has already been connected to the substation. The expected increase in generation from renewable energy sources integrated into the NTG, linked to plants already connected to the Cerignola substation and future substations, is 5,215,817 MWh per year.

INDICATOR DESCRIPTION	AMOUNT
Green Bond proceeds allocated to the initiative as at 31/12/2025 (actual value)	30,974,687 €
Connection of renewable energy plants	2,3 GW
Increase in generation from renewable energy sources	5,215,817 MWh



New Cerignola substation – Category: "Renewable energy"



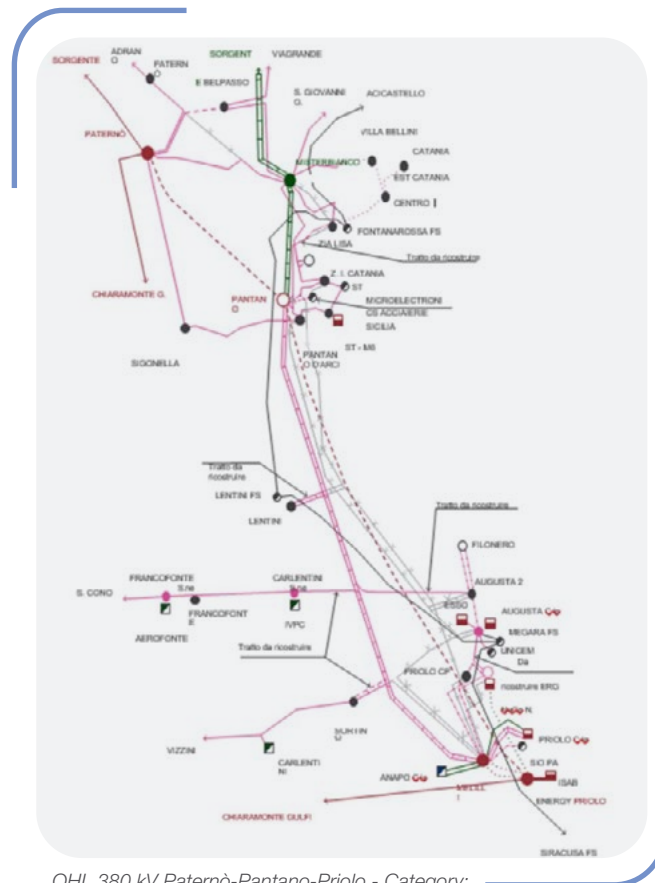
Category: Energy Efficiency - 380kv Paternò - Pantano - Priolo Power Line (Sicily)

With the construction of the 380 kV Paternò-Pantano-Priolo power line, the 380 kV grid will be interconnected with the 150 kV grid of south-eastern Sicily, supporting not only the production of renewable energy plants located in the area but also improving service continuity and voltage stability in eastern Sicily.

The upgrading and expansion of the Melilli, Priolo and Pantano D'Arce substations are also significant, strengthening and meshing the grid and generating additional benefits in terms of grid reliability.

Thanks to the implementation of these initiatives, a reduction in grid losses of at least 13,200 MWh/year is expected, as shown in the table below.

INDICATOR DESCRIPTION	AMOUNT
Green Bond proceeds allocated to the initiative as at 31/12/2025 (actual value)	92,450,319 €
Reduction of grid losses	13,200 MWh



OHL 380 kV Paternò-Pantano-Priolo - Category:
"Energy efficiency"

Category: Quality, Security and Resiliency of Electricity Transportation Infrastructure - Redevelopment of Sorrento Peninsula

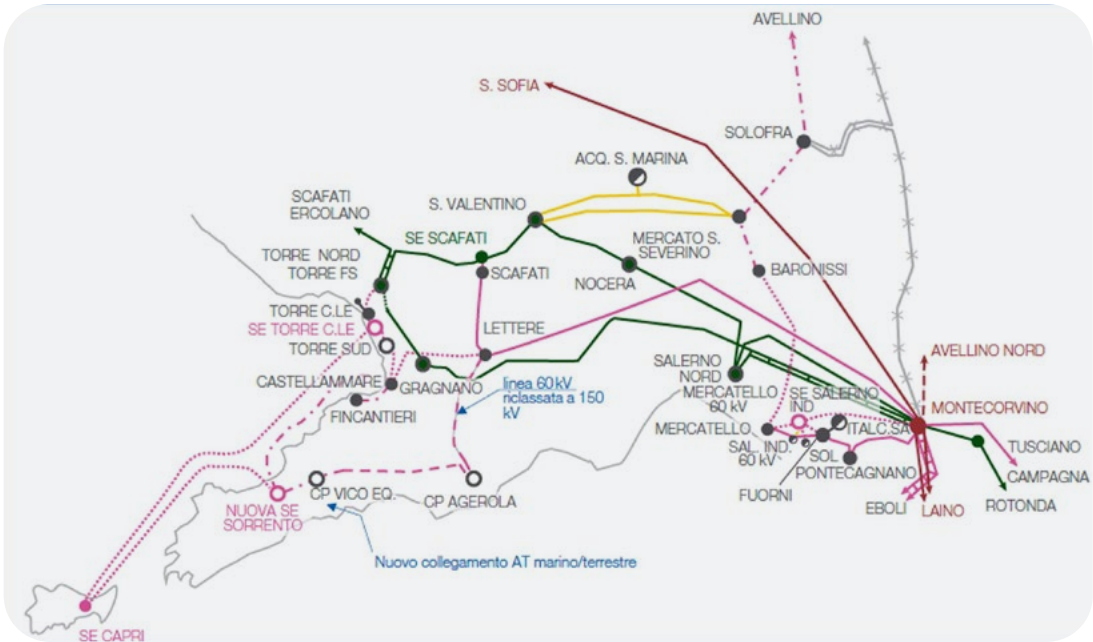
Following the commissioning of the first connection between Capri and Torre Annunziata in 2017 and of the second submarine cable connecting the island with Sorrento (September 2020), the efficiency and adaptation activities for the Campania grid include the 150 kV Sorrento - Vico Equense - Agerola -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

The project consists in the construction of the connections between the new 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 resilience of the electricity system.

Thanks to the implementation of the overall initiative, a reduction in energy not supplied of at least 10,890 MWh/year is expected, as shown in the table below.

INDICATOR DESCRIPTION	AMOUNT
Green Bond proceeds allocated to the initiative as at 31/12/2025 (actual value)	56,783,053 €
Reduction of energy not supplied	10,890 MWh



Redevelopment of Sorrento Peninsula - Category: "Quality, Security and Resiliency of Electricity Transportation Infrastructure"

INDEPENDENT AUDITOR'S REPORT ON THE SECTIONS "ALLOCATION REPORTING" AND "IMPACT REPORTING" OF THE CHAPTER "GREEN BOND ALLOCATION 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 chapter "Green bond allocation and impact Reporting" of the Green Bond Report (the "Report") as of December 31, 2025. The Report has been prepared by Terna S.p.A. (the "Company") on the basis of the following frameworks: 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 Bonds issued on April 4, 2024 ("GB 8") and February 10, 2025 ("GB 9") (hereinafter collectively referred to as the "Frameworks"). These Frameworks were defined by the Company in accordance with the Green Bond Principles issued by the International Capital Markets Association ("ICMA") "2021 edition".

Management's Responsibility for the Report

The Management of Terna S.p.A. 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 as it determines 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 chapter "Green bond allocation and impact reporting" of 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 chapter "Green bond allocation and impact reporting" of the Report are free from material misstatement.

The procedures performed on the sections "Allocation Reporting" and "Impact Reporting" included in the chapter "Green bond allocation and impact reporting" of 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 in the chapter "Green bond allocation and impact reporting" 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 in the chapter "Green bond allocation and impact reporting" 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 in the chapter "Green bond allocation and impact reporting" 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 chapter “Green bond allocation and impact reporting” of the Green Bond Report of Terna S.p.A as of December 31, 2025 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 20, 2026

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.





European Green Bond: allocation and impact report

1. General information

- Date of issuance of the bond: 22/07/2025
- Date of publication of the allocation report: 20/04/2026
- The first and last date of the period to which the annual allocation report refers: 22/07/2025 – 31/12/2025
- Legal name of the issuer: TERNA – Rete Elettrica Nazionale S.p.A. (Terna S.p.A. or Terna)
- LEI of the issuer: 8156009E94ED54DE7C31
- Investor Relations contacts: <https://www.terna.it/en/investors/contacts-ir>
- Name of the bond assigned by the issuer: € 750,000,000 3.000% European Green Bond due 22 July 2031
- ISIN of the bond: XS3128477521
- Identity and contact details of the external reviewer:
 - o S&P Global Ratings Europe
 - o Part 4th Floor, Styne House
 - o Upper Hatch Street, Dublin 2 Ireland
 - o Website: <https://www.spglobal.com/ratings/en/index>
- Competent authority that has approved the bond prospectus(es): Commissione Nazionale per le Società e la Borsa (CONSOB) as competent authority under Regulation (EU) 2017/1129.

2. Important information

This bond uses the designation “European Green Bond” or “EuGB” in accordance with Regulation (EU) 2023/2631 of the European Parliament and of the Council. In addition, the bond is fully aligned with the International Capital Market Association’s (ICMA) Green Bond Principles 2025, Terna’s July 2025 Green Bond Framework and the recommendations of the EU Taxonomy Regulation.

3. Environmental strategy and rationale

Overview

The eligible green projects pursue the EU environmental objectives of Climate Change Mitigation as referred to in Article 9 of Regulation (EU) 2020/852, they are all related to Climate Delegated Act “4.9 Electricity transmission and distribution activities”, they meet the technical screening criteria set forth in the Climate Delegated Act, and they are in line with the minimum safeguards criteria, pursuant to Article 18 of the aforementioned Regulation.

Link with the assets, turnover, CapEx, and OpEx key performance indicators

The proceeds of the bond will be entirely allocated to taxonomy-aligned capital expenditures. They have contributed to the following taxonomy-aligned CapEx (as a percentage of total CapEx) as reported below:

KPI	SHARE OF ELIGIBLE ACTIVITIES	SHARE OF ALIGNED ACTIVITIES
CapEx 2025	100%	100%

For more information about Terna Group’s assets, turnover, CapEx and OpEx key performance indicators please see the section referring to taxonomy eligible and taxonomy non-eligible activities found in the “EU Taxonomy” section of Terna’s 2025 Annual Report.

Link to Terna’s 2025-2034 Development Plan

The proceeds supported the implementation of Terna’s 2025-2034 Development Plan, focusing on the quality, efficiency and safety of an increasingly sustainable national transmission grid for Italy, in step with the new challenges of energy transition. Terna’s 2025-2034 Development Plan calls for an investment programme of over Euro 23 billion over the 2025-2034 ten-year horizon, with a total value of up to Euro 40 billion beyond the ten-year time horizon. The projects planned by the Transmission System Operator are intended to ensure grid efficiency and resilience, service sustainability, security and quality, as well as the integration of production from renewable sources.

Securitisation

This bond is not a securitization bond.



4. Allocation of bond proceeds

Allocation to taxonomy-aligned economic activities

N.A.

Allocation to specific taxonomy-aligned economic activities

The proportion of Bond proceeds that was allocated to activities that are environmentally sustainable under Article 3 of Regulation (EU) 2020/852, according to the methodology set out in Annex II to Regulation (EU) 2023/2631: 82% of the Bond proceeds.

The allocation includes the following enabling economic activity:

- “Transmission and distribution of electricity” (100% of the allocated amount) and in particular on the category “Renewable energy” of the Terna’s Green Bond Framework

The proceeds are not allocated to activities related to nuclear energy or fossil gas.

Allocation to economic activities not aligned with the technical screening criteria

The proceeds are not allocated, in accordance with Article 5 of Regulation (EU) 2023/2631, to activities which are not fully EU taxonomy aligned.

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5. Environmental impact of bond proceeds

The description of the benefits associated with the eligible green projects outlined in Terna’s Green Bond Framework is provided in the “Environmental Benefits” table of Terna’s Green Bond Report.

Below are the details of the impacts and benefits associated with the Eligible Green Project categories - described at the beginning of the document - for the European Green Bond covered in this Report.

Specifically, the bond in question highlights the benefit category “Increase in production from renewable sources,” measured in MWh. Please note that this data is not derived from ex-post measurements of the effects of the interventions implemented, but rather from network simulations, conducted using models that allow for an ex-ante comparison of the electricity system’s operation and associated environmental impacts with and without the individual interventions. The results of the network simulations are incorporated into the cost-benefit analysis that characterizes the main investments included in the Network Development Plan. Since several years may elapse between planning and the start of construction, the Cost-Benefit Analysis (CBA) of the intervention may need to be repeated to account for new scenarios, and the environmental impacts may vary over time. Where interventions are not subject to a Cost-Benefit Analysis, the valuation of the related benefits is determined using a consistent approach aligned with the same methodology. Should significant changes occur in the environmental benefits associated with interventions financed by the European Green Bond, these will be highlighted in future reports.

The environmental benefits—estimated using the methodological approaches described in the previous section—guide the selection of Eligible Projects and are valued, relative to the most conservative scenario, at the level of the individual project. However, this project generally comprises a series of works that can take many years to complete. Green Bonds allow for the financing or refinancing of part of the works required to complete the projects selected in the baskets and are therefore also useful for achieving the environmental benefits associated with the projects themselves.

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).

The table below shows, in addition to the benefits achievable through each category as envisaged in the Green Bond Framework, the percentages indicating the share of benefits associated with the progress of the projects as of December 31.

CATEGORIE DI ELIGIBLE GREEN PROJECT	OUTPUT & IMPACT INDICATORS			
	A		B	
	CONNECTIONS TO RENEWABLE ENERGY PLANTS (MW)	% REACHED AT 31/12	INCREASED PRODUCTION FROM RENEWABLE SOURCES (MWH)	% REACHED AT 31/12
Renewable energy	-	-	107,870	0

With regard to potential adverse impacts, it should be noted that, for the Terna Group, in relation to transmission and dispatching activities, the following actual negative impacts have been identified through the Double Materiality assessment process in accordance with the European Sustainability Reporting Standards (ESRS):

- Service continuity disruptions due to ordinary weather events;
- CO₂ emissions generated by operations;
- Energy consumption.

As is evident, these impacts materialize once the project becomes operational and are therefore not quantifiable at this stage. It is also noted that, with reference to the first two impacts mentioned above, it is considered plausible that the project covered by this report may contribute to their reduction at the Terna Group level. For further information, please refer to the “Double Materiality” section of Terna’s 2025 Annual Report.

6. Information on reporting

Link to the issuer’s website: <https://www.terna.it/en>

Link to the issuer’s relevant reports: <https://www.terna.it/en/general-archive#Results/2026>

7. CapEx plan

In accordance with Article 7 of Regulation (EU) 2023/2631, no CapEx plan is needed as Terna has allocated the proceeds only to activities that are already fully aligned with the EU taxonomy at the time of issuance.

8. Other relevant information

Further information on this European Green Bond can be found in the introduction of Terna’s 2025 Green Bond Report.



Table A: Taxonomy alignment of proceeds information for bonds making use of the gradual approach to the allocation of bond proceeds

PROJECT (OR GROUP OF PROJECTS OR ECONOMIC ACTIVITY) NAME, LOCATION AND DESCRIPTION	AMOUNT OF PROCEEDS ALLOCATED FROM THE BOND(S)			TYPE AND SECTOR OF ECONOMIC ACTIVITIES FUNDED BY THE BOND(S) ¹⁴		AMOUNT OF PROCEEDS ALLOCATED FROM THE BOND(S) THAT ARE TAXONOMY-ALIGNED		
	2.1 Bond proceeds allocated to this project since the issuance date	2.2 Bond proceeds allocated to this project in the reporting period	2.3 Share of project that is funded by the bond(s)	3.1 The share of the amount in row 2.1 used for financing and refinancing	3.2 The share of the amount in row 2.2 used for financing and refinancing in the reporting period	4.1 Types/	4.2 NACE codes	
1 Name Location Basic description								
HVDC MAINLAND-SICILY-SARDINIA	746,917,500 EUR	610,828,877 EUR	74%	53% refinancing 47% financing	67% refinancing 33% financing	Transmission and distribution of electricity	35.12	

¹⁴ It should be noted that the refinanced projects, consistent with the commitment made in the Green Bond Framework of July 2025, 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.

AMOUNT OF PROCEEDS ALLOCATED FROM THE BOND(S) THAT ARE TAXONOMY-ALIGNED				ENVIRONMENTAL OBJECTIVES AND TECHNICAL SCREENING CRITERIA			NATURE OF ENVIRONMENTALLY SUSTAINABLE ASSETS AND EXPENDITURE		OTHER RELEVANT INFORMATION	
5.1	5.2	5.3	5.4	6.1	6.2	6.3	7.1	7.2	8	
Of the total bond proceeds allocated to the project, the amount that is allocated to an activity which is taxonomy aligned since the issuance date	Percentage share of amount given in row 2.1	Of the bond proceeds allocated to the project in the reporting period, the amount that is allocated to an activity which is taxonomy aligned in the reporting period	Percentage share of amount given in row 2.2	The targeted environmental objective(s), as referred to in Article 9 of Regulation (EU) 2020/852	An indication of the applicable delegated acts used to Determine the technical screening criteria, and their application dates	Information on the methodology and Assumptions used for the calculation of key impact metrics in accordance with the applicable delegated acts	Of the amount allocated in the reporting period in row 5.3, capital expenditure amount	Of the amount allocated in the reporting period in row 5.3, operating expenditure amount	EU Taxonomy activity	
746,917,500 EUR	100%	610,828,877 EUR	100%	Climate Change Mitigation (CCM)	Climate Delegated Act, Complementary Climate Delegated Act and Delegated Regulation (EU) 2023/2485 of 27 June 2023 amending the Climate Delegated Act, application date: reporting year 2022	Please refer to the appendix	610,828,877 EUR	0	4.9	

Appendix

Methodology and assumptions used for the calculation of key impact metrics in accordance with the applicable delegated acts.

The evaluation and selection process adopted by the Company ensures full alignment with the technical screening criteria set out in Annex I to Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 (the Taxonomy Climate Delegated Act) for activity “4.9 Transmission and distribution of electricity”, as described in detail in the section “The EU Taxonomy” of the 2025 Annual Report, to which reference is made (below is an extract)

Substantial contribution

The Group’s core business, carried out primarily by Terna S.p.A., Terna Rete Italia S.p.A., Rete S.r.l., Rete 2 S.r.l. and Terna Crna Gora d.o.o., relates to the design, construction, management, development, operation and maintenance of the National Transmission Grid (NTG) at high and extra-high voltage. For the purposes of the EU Taxonomy, the National Transmission Grid meets the substantial contribution criterion established for Activity 4.9 CCM, as it constitutes an integral part of the interconnected European electricity system, which includes the interconnected control areas of the Member States of the European Union, as well as those of Norway, Switzerland and the United Kingdom, together with their associated subordinate systems. Within the scope of the same activity, Operation and Maintenance (O&M) services performed by the Tamini Group in support of the operation of the transmission grid are also included, as well as a portion of the non-regulated activities carried out by Terna Rete Italia S.p.A. and Terna Energy Solutions S.r.l. Furthermore, following the transfer of a business unit, as from April 2025 Activity 4.9 CCM was transferred from Terna Energy Solutions S.r.l. to the Altenia Group.



DNSH¹⁵

The Terna Group carried out an assessment of climate risks potentially affecting transmission assets, as described in the Climate Change Disclosure, with the objective of identifying and analysing the main climate-related risks associated with the Group's infrastructure and operational activities. These assessments constitute the basis for the definition of Terna's Resilience Plan, a cross-functional corporate instrument encompassing the set of initiatives aimed at strengthening the grid resilience to extreme weather events, which are characterised by increasing frequency and intensity.

With reference to the environmental objective of the transition to a circular economy, during 2025 the Terna Group continued monitoring the implementation of the roadmap of actions to 2030 associated with its Circular Economy strategy, focusing on material sourcing, their proper use, the sustainable utilisation of resources, including the use of secondary raw materials, and waste management. Further details are provided in the dedicated section within the "Environmental Information" chapter.

In relation to the objective of pollution prevention and control, the Terna Group adopts the general guidelines of the International Finance Corporation (IFC) on Environment, Health and Safety, as well as the applicable standards and regulations aimed at limiting the impact of electromagnetic radiation on human health. Furthermore, based on periodic internal checks carried out on environmental data, no presence of polychlorinated biphenyls (PCBs) was identified in transformers used or installed by Group companies during 2025.

With regard to transmission activities, the Group carried out, where required, specific Environmental Impact Assessments (EIA) for individual projects. Where such assessments were performed, appropriate mitigation and compensation measures were implemented to safeguard the environment. Upon completion of the planning process, the Electricity Grid Development Plan was also supported by a Strategic Environmental Assessment (SEA), which strengthened and validated the Group's planning decisions.

With reference to sites and operations located within or in proximity to biodiversity-sensitive areas, including, by way of example, Natura 2000 network areas, UNESCO sites, key biodiversity areas and other protected areas, an appropriate environmental risk assessment was carried out, where applicable. Where feasible, the Group also implemented mitigation, compensation and restoration measures aimed at restoring the original environmental conditions of the areas affected by its activities.

Minimum safeguards

In order to verify the alignment of the Terna Group's activities, an assessment was carried out of the adequacy of the controls in place at Group level with respect to the minimum safeguards referred to in Article 18 of the Regulation. The analysis was based on the main applicable international standards, including the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights, including the principles and rights enshrined in the eight fundamental conventions identified in the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work and in the International Bill of Human Rights. As required by the Commission Communication of June 2023, the methodological framework also took into account the guidance developed at European level with reference to the so-called "principal adverse impact indicators" relating to the management of Board diversity and the Gender Pay Gap.

¹⁵ With reference to the Do No Significant Harm principle, it should be noted that the Commission's Delegated Regulation (EU) 2021/2139 of 4 June 2021 defines the "Sustainable use and protection of water and marine resources" objective as not relevant for electricity transmission and distribution activities.

Taking into consideration the cultural, social and economic diversity of the countries in which the Terna Group operates, the Parent Company requires its subsidiaries to adopt and integrate its Code of Ethics, as well as the applicable policy documents, with standards of conduct consistent with the specific characteristics of their respective activities and operating environments. This approach ensures consistent alignment across the Group with the highest standards in environmental protection, safety, and the safeguarding of human and labour rights.

Oversight of the matters underlying the minimum safeguards is ensured through a structured system of prescriptive instruments, such as Group policies and guidelines, as well as organisational and operational instruments, including dedicated governance arrangements, procedures and management, control and monitoring systems. Within this framework, the Terna Group considers that it has adequate controls and governance mechanisms in place to support compliance with Article 18 of the Regulation, also supported, inter alia, by the following instruments:

- A Code of Ethics, whose principles must be respected in all Group procedures;
- Guidelines on respecting human rights in the Terna Group;
- A due diligence procedure on respecting human rights, followed by any necessary corrective actions;
- Regulations on the qualification of companies, which entails compliance with the principles of the Code of Ethics;
- Effective, public communication on human rights issues;
- A whistleblowing procedure;
- Complaint mechanisms accessible to stakeholders via the Group's website;
- Anticorruption guidelines.

For further details regarding the governance arrangements supporting compliance with the minimum safeguards, reference is made to the section "Commentary on results and other information — Key risk and uncertainty factors" of the Report on Operations and to the sections "Social information" and "Governance information" of the Consolidated Sustainability Statement. These sections describe, inter alia, the legal and integrity safeguards in place, anti-corruption measures, the Integrated Management System and the instruments adopted to safeguard human rights.

In parallel, the Terna Group promotes awareness initiatives across all organisational levels aimed at overcoming stereotypes and unconscious biases, as well as policies and welfare measures designed to support work-life balance, protect parenthood, promote the sharing of family and caregiving responsibilities, and remove potential barriers to pay equality.

To further strengthen this commitment, the Terna Group has decided to obtain and maintain Gender Equality Certification in accordance with UNI/PdR 125:2022, establishing the "Gender Equality Steering Committee", responsible for ensuring the adoption and continuous implementation of the gender equality policy and for defining the Gender Equality Strategic Plan. In line with these objectives, the Terna Group adopts recruitment processes based on fairness and competence, development programmes and remuneration policies oriented towards equity and performance, with periodic monitoring of related outcomes. The application of equal opportunity principles is also reflected in remuneration policies, with particular attention to the gender pay gap.



Project information

HVDC MAINLAND-SICILY-SARDINIA – WEST SECTION

The HVDC MAINLAND-SICILY-SARDINIA (Tyrrhenian Link) is being developed in a context where the two largest islands require a strengthened interconnection with the mainland, also in light of the current evolution of the thermoelectric fleet in Sicily and Sardinia and the sharp increase in requests for connection of new renewable energy plants to the grid. It is a strategic infrastructure for the Italian electricity system within the framework of the energy transition objectives set out in the National Integrated Energy and Climate Plan (NECP). The Tyrrhenian Link will improve energy exchange capacity, enabling better use of renewable sources and at the same time supporting their development. With a length of approximately 970 km and a capacity of 1,000 MW, the Tyrrhenian Link is a state-of-the-art infrastructure of international importance, representing a further step towards a more sustainable energy future. The overall project



HVDC Mainland-Sicily-Sardinia – West section

comprises two sections: the EAST section from Sicily to Campania and the WEST section from Sicily to Sardinia. The WEST section (part of the European Green Bond issued in July 2025), between the Caracoli (Termini Imerese) and Selargius converter substations, is approximately 480 km long and connects the Fiumetorto landing point to Terra Mala in Sardinia. For the first time, a high-voltage direct current cable has been laid at a depth of 2,150 metres, setting new market standards.

INDICATOR DESCRIPTION	AMOUNT
Green Bond proceeds allocated to the initiative as at 31/12/2025 (actual value)	610,828,877€
Increase in generation from renewable energy sources	107,870 MWh

Post-Issuance Review

The post-issuance review prepared by S&P Global is publicly available on the website of Terna S.p.A. at the following link:
<https://www.terna.it/en/investors/debt-rating/sustainable-finance/green-bonds>.

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