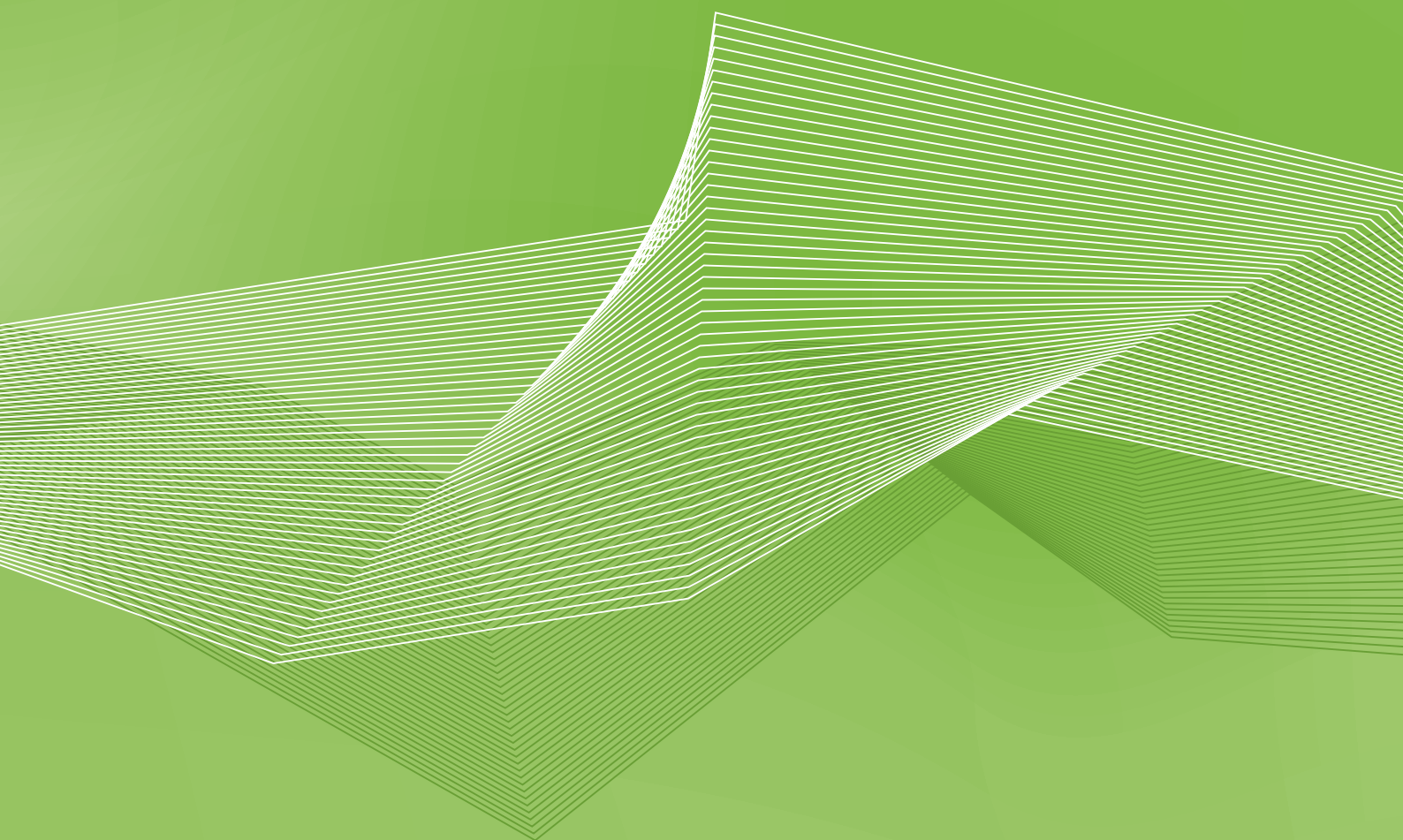


2024

Terna's Climate Change-related Disclosures





This disclosure concisely describes how the Group deals with climate change issues. This was also in order to respond to and align corporate reporting with the disclosure requirements formulated in the TCFD (Task Force on Climate-related Financial Disclosures) framework.



“ Terna is investing in Italy's development

We guarantee energy security and balance electricity supply and demand 24 hours a day, ensuring that the system is reliable, efficient and accessible to all.

We invest and innovate every day in the development of an electricity grid capable of integrating the energy produced from renewable sources, improving links between the different areas of the country and strengthening cross-border interconnections, applying a sustainable approach that takes into account the needs of the communities and people we work with. ”

MISSION

“ We are behind the energy you use every day

We are responsible for guaranteeing the continuity of power supply, essential in making sure that electricity reaches Italian homes and businesses at all times.

We provide everyone with equal access to electricity and are working to provide clean energy for future generations. ”

PURPOSE

“ We care about the future of energy

We are committed to building a future powered by clean energy, enabling new forms of consumption and production increasingly based on renewable sources. This will allow us to achieve the goal of delivering an energy transition that is fair and inclusive, whilst also lowering costs.

Thanks to our overall vision of the electricity system and new digital technologies, we are leading the country's drive to get to net zero by 2050, in line with European climate goals.

VISION



Summary

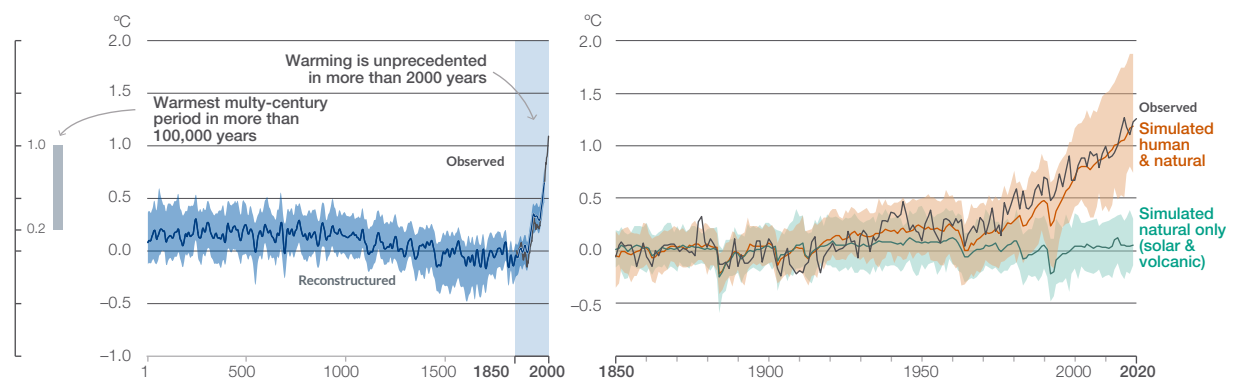
Context: the energy sector and the challenges of climate change	4
Terna's role in the just transition	8
The governance of climate change issues	10
Terna's scenarios	12
Terna's risk framework	15
Climate change: opportunities and risks	20
Opportunities	20
Transition risks	22
Physical risks	23
Terna's strategy	24
2023 Development Plan	25
Security and Resilience Plan	27
Metrics and targets	28
Climate advocacy	33
Reconciliation statement with TCFD recommendations	36



Context: the energy sector and the challenges of climate change

Climate change is an urgent and inescapable challenge for society and the planet. Today, warming caused by human activities has already reached a level of about $+1^{\circ}\text{C}$ compared to the pre-industrial period. In fact, each of the last four decades has been warmer than the previous one: the earth's average surface temperature has been 1.1°C warmer than in the period 1850-1900.

IPCC - global temperature changes ($^{\circ}\text{C}$)



The energy model based on production from fossil fuels that has for many years driven the world's economic and demographic growth is no longer sustainable.

Energy production from fossil fuels is one of the main causes of anthropogenic greenhouse gas emissions (including CO_2), whose impacts on the environment and climate, such as the rise in the average global temperature and the intensification of natural disasters, are scientifically recognised and increasingly frequent¹.

Decarbonisation of the energy sector is therefore the key to avoiding the possible effects of climate change. According to the net-zero path developed by IEA², the global economy in 2030 will have grown by 40 per cent but will have to use 7 per cent less energy than today. Therefore, energy efficiency and the electrification of final consumption (as electric carriers boast a high inherent efficiency) will be the main tools for decarbonisation.

The unavoidable obligation to find an effective, universally shared solution has led to the drafting of international agreements aimed at defining policies and targets to curb the global warming caused by the increase in greenhouse

¹ For more information, please refer to the "AR6 Synthesis Report: Climate Change 2023" by the Intergovernmental Panel on Climate Change (IPCC) (March 2023).

² IEA: International Energy Agency. 'Net Zero by 2050' report.

TERNA'S CLIMATE CHANGE-RELATED DISCLOSURES



gases in the atmosphere. The first such agreement, reached in Paris in December 2015 within the framework of COP21³, was signed by 185 countries who committed to keeping the global temperature rise below 2°C – and, if possible, below 1.5° – compared with pre-industrial levels. The COP28 held in Dubai from 30 November to 12 December 2023 strongly relaunched this international commitment to decarbonisation and sustainable development.

In line with this commitment, the European Green Deal was published at the end of 2019, enshrining the EU's goal of achieving climate neutrality by 2050 and the intermediate target of reducing greenhouse gas (GHG) emissions by at least 55% by 2030 compared to 1990 levels. A central element of the Green Deal is the European Climate Act (EU Regulation 2021/1119), which was formally adopted by the Council of the European Union on 28 June 2021 and entered into force on 29 July 2021.

Also in July 2021, the European Commission presented a package of legislative proposals called Fit-for-55 (FF55), aimed at defining how the EU decarbonisation targets of -55% greenhouse gas (GHG) emission reductions to 2030 compared to 1990 values, and climate neutrality to 2050, are to be achieved.

Furthermore, on 18 May 2022, the European Commission launched RepowerUE, a contingency plan that aims to strengthen the strategic autonomy of the European Union by diversifying energy supply and enhancing the Union's independence and security. The main objectives of the REPower-EU include increasing the resilience, security and sustainability of the European energy system through the appropriate reduction of dependence on fossil fuels and diversification of supply by increasing the deployment of renewable energy, energy efficiency and energy storage capacity.

As said, it is by now widely accepted among the scientific community that there is a direct link between the growing concentration of greenhouse gases in the atmosphere and progressive changes in the planet's climate balance. This is resulting in significant rises in temperature, prolonged periods of drought and increasingly frequent and extreme climatic events.

The "State of the Global Climate 2023" report by the UN-run World Meteorological Organisation (WMO) shows that once again records have been broken, and in some cases by a large margin, for greenhouse gas levels, surface temperatures, ocean warming and acidification, sea level rise, Antarctic sea ice cover and glacier retreat. Heat waves, floods, droughts, fires and rapidly intensifying tropical cyclones have caused misery and chaos, disrupting the daily lives of millions of people and causing multi-billion dollar economic losses. The report confirmed that 2023 was the warmest year ever recorded, with a global mean near-surface temperature of 1.45 °Celsius (with a margin of uncertainty of ± 0.12 °C) above the pre-industrial reference value. It was the hottest ten-year period ever recorded.

The "Global Climate Highlights 2023" report by the European Copernicus programme comes to the same conclusion: 2023 is confirmed as the hottest calendar year in global temperature data recorded since 1850, and every month from June to December 2023 was warmer than the corresponding month of any previous year. At the European level, 2023 was the second warmest year for the continent, with 1.02°C above the 1991-2020 average, 0.17°C less than 2020, the warmest year on record; temperatures were above average for 11 months in 2023 and September was the warmest month on record.

In Italy, on the basis of preliminary data compiled by the Istituto Superiore per la Protezione e la Ricerca Ambientale (ISPRA), 2023 turned out to be the second warmest year in the series since 1961, after last 2022, with an average temperature anomaly of +1.07°C compared to the 1991-2020 climatological average. Moreover, 2023 was the tenth consecutive year with a positive anomaly compared to the norm⁴.

The data collected by Legambiente's "Climate City Observatory"⁵ concerning extreme climate events in Italy, tell us how, in our country, these events rose to 378 in 2023, up +22% compared to 2022, with billions in damage to the territories and the death of 31 people. Northern Italy, with 210 extreme weather events, is confirmed as the most affected area of the Peninsula, followed by Central Italy (98) and Southern Italy (70). Floods and river overflows (+170%

³ 21st Conference of the Parties to the Climate Change Convention.

⁴ Source: "The climate in Italy in 2023: preliminary estimates" by ISPRA, available at this link: https://scia.isprambiente.it/wp-content/uploads/2024/03/Bollettino_clima_2023.pdf

⁵ Source: "Climate City Observatory 2023" by Legambiente, available at this link: <https://www.legambiente.it/wp-content/uploads/2021/11/Bilancio-CittaClima-2023.pdf>



TERNA'S CLIMATE CHANGE-RELATED DISCLOSURES

compared to 2022), record high temperatures in urban areas (+150% compared to 2022), landslides from heavy rainfall (+64%); and then storm surges (+44%), hailstorm damage (+34.5%), and flooding (+12.4%). Events that marked a 2023 that also saw high altitudes suffer greatly with the zero temperature reaching 5,328 metres in the Alps and with glaciers in retreat. Specifically in the Peninsula, there were 118 cases of flooding caused by heavy rain, 82 cases of damage caused by whirlwinds and gusts of wind, 39 cases of damage caused by hailstorms, 35 cases of river floods causing damage, 26 cases of damage caused by storm surges, 21 cases of damage caused by prolonged drought, 20 cases of extreme temperatures in cities, 18 cases of landslides caused by heavy rain, 16 events with damage to infrastructure and 3 events with impacts on the historical heritage.

Global climate change is therefore reflected regionally in terms of increased risks and impacts on society, the ecosystem and infrastructure.

In the infrastructure sector, risks due to climate change have already shown their impact on assets and services. In recent years, the National Transmission Grid (NTG) has also recorded severe events with negative impacts on the continuity of the electricity service.

Main climatic events with impacts on the NTG in the last 15 years



TERNA'S CLIMATE CHANGE-RELATED DISCLOSURES



Analyses of historical events in recent years that have affected the NTG show that, in addition to the formation of sleeves of wet snow, which weigh down the lines and cause short circuits or structural failures, strong winds are also one of the main causes of network disruption, in particular as a result of falling trees. Further but no less critical factors that cause the network to go out of service are:

- floods, mudslides and landslides resulting in the collapse of supports, structural failure or damage to station equipment;
- increase in pollutant deposits related to long dry periods (e.g. saline pollution or fine dust) that cause an increase in the probability of surface discharge of insulators in the lines or in the station;
- forest fires, which on the one hand can directly affect assets by damaging them and causing failures, and on the other hand require out-of-service to ensure safety during firefighting by the fire brigade and during civil protection activities.

In this context, and even more so in future scenarios, energy is a key element in driving the energy transition and tackling the climate crisis.

Having a sustainable electricity infrastructure, capable of integrating and utilising “clean” energy sources, and resilient to climate and the possible damage caused by the increasing intensity and severity of extreme weather events, becomes one of the enabling factors for responding to climate change.

In addition to developing a robust and resilient grid, it is also crucial to be able to exploit the potential offered by the digitisation of infrastructures in order to best meet this challenge and to be able to ensure the safe and efficient operation of the electricity system following severe weather events.

As part of the climate assessment, starting in 2020 Terna has equipped itself with a tool, the Resilience Methodology, whose forward-looking nature to intercept the evolution and impact of the climate in the coming decades, as well as the probabilistic nature necessary to assess multiple failures and contingencies and the consequent risk of energy not being supplied on the grid following the occurrence of severe weather events, allow for the implementation of effective and efficient planning of interventions to increase grid resilience.

Over the course of these years, the Resilience Methodology has undergone continuous evolution and refinement to consolidate the analyses on climatic snow and high wind events, with the start also of analyses on climatic phenomena related to hydrogeological instability.



Terna's role in the just transition

The electricity system is made up of several segments: production, transmission, distribution and the sale of electricity. Tasked with transmission and dispatching, Terna is responsible for the key transmission segment.

This is a complex task, requiring an independent central coordinator capable of having an overall view of a high number of actors involved in both production and consumption.

In this scenario, Terna is driving the complex transition towards a new carbon-free model, aware of the fact that the task of meeting ambitious national and international targets over the coming years must be addressed by taking into account not only the environmental aspects, but also the social dimension, in order to deliver a just transition that is as fair and inclusive as possible.

In this sense, it is of fundamental importance to involve all the players affected by the transition (including, for example, trade bodies, civil society and the authorities), through partnerships, public debate and engagement initiatives.

To be truly just, this transformation process must embrace not only energy-related and digital aspects, but also social considerations. This means achieving energy equality, under an approach that has the human dimension at its heart with a view to reducing inequalities and avoiding new forms of energy poverty. In managing the transmission grid and the system, new technologies and digitalisation thus play, and will continue to play, an ever more important role in enabling the energy transition. This will benefit the electricity system as a whole and further boost the security, resilience and flexibility of Italy's transmission infrastructure, supporting progressive decarbonisation and the growing integration of renewables.

The transition to a distributed production system based on green sources is, therefore, rapidly altering the electricity system, resulting in exponential growth in active resources connected to the grid. Managing requests for connection to the HV grid, coming from entities proposing renewable initiatives, enables Terna to have a systematic view of the current situation and future scenarios. As Transmission System Operator (TSO), Terna can monitor the system's ability to meet demand for electricity whilst satisfying security and quality of service requirements: in a word, ensuring the system's adequacy.

The initiatives included in Terna's 2023 Development Plan for the national transmission grid will make a significant contribution to achieving the targets set at European level in the Fit for 55 package of measures, which aims to cut greenhouse gas emissions by at least 55% by 2030 compared with 1990 levels. In Italy, the energy produced from renewable sources will have to account for at least 65% of final electricity consumption by 2030, compared with the 55% target previously set in the National Integrated Energy and Climate Plan ("PNIEC"), requiring a total of 70 GW of additional capacity. These greenhouse gas emission reduction targets have recently been joined by the need to become independent of fossil fuels from Russia, as described in the RepowerEU plan.

Terna has, and will increasingly have, a key role to play in enabling the electricity system's transition towards renewable sources and in centrally coordinating this major energy and digital transformation. The electricity grid is in fact the main enabling factor in achieving the global goal of decarbonisation.

In fact, achieving the ambitious European and international goals will obviously require the participation of all members of society, but the energy sector must take the lead, given that it is by a long way the biggest producer of emissions at global level.

Under the European Green Deal, the net zero emissions target is to be achieved in two main ways: by increasing use of renewables and through growing electrification of consumption. In this sense, an essential role in all the various scenarios designed to arrive at carbon neutrality is played by the key tool of energy efficiency.

Introducing the "energy efficiency first" principle, the European Commission invited member states to take energy efficiency into account in all their policy, planning and investment decisions. In this way, in keeping with the EU's long-term strategy, final energy consumption in Europe is expected to fall by (at least) 35% by 2050 compared with 2019 levels.

The key consideration, in this sense, is represented by the fact that electricity will be the main energy carrier and the electricity grid will operate as the backbone for decarbonisation for all the other energy sectors. This reflects the carrier's intrinsic efficiency and the technological maturity of renewable energy sources (RES).

Climate targets also play a key role in the United Nations 2030 Agenda for Sustainable Development, not only because SDG 13 - Climate Action focuses explicitly on the climate, but above all because dealing with the climate crisis and guaranteeing, therefore, a healthier planet for the future, is key to enabling the world to achieve all the other goals contained in the Agenda. This means delivering truly prosperous, long-lasting development as part of a just transition.

The main tools with which the Group contributes to the objectives described above are shown below.



The governance of climate change issues

As seen from Terna's mission and vision – firmly focused on the goal of decarbonisation and achieving zero greenhouse gas emissions by 2050, in line with European climate targets – the issue of combatting climate change runs through all the Group's main activities.

Top management and the Board of Directors are, in fact, periodically involved during the year in the main plans that are also related to climate change, such as the National Transmission Grid Development Plan, the main operating guidelines for a full realisation of the ecological transition in Italy; the National Electricity System Security Protection Plan (hereinafter the Security Plan), with the Resilience Plan attached, fundamental for strengthening the resilience and adaptability of the national transmission grid to severe climatic events; the Industrial Plan, which reaffirms Terna's role in the decarbonisation of the country – in line with national and European guidelines – and illustrates the investments for energy transition implemented with the plans mentioned above. It should also be noted that during 2023 specific induction activities were organised for the members of the Board of Directors and the Board of Statutory Auditors, covering sustainability topics, including combatting climate change and the integration of ESG aspects into corporate governance.

A further reference point for climate-related issues is represented by the Group's Sustainability Policy, approved by the Board of Directors, which reiterates the Group's commitment to cutting greenhouse gas emissions.

The identification and management of sustainability issues and projects and the consequent definition of appropriate Policies, Guidelines and Operating Instructions are the responsibility of a corporate structure called "Investor Relations, Corporate Development and Sustainability" – part of the "Industrial Programme Management Office" (IPMO) – which periodically reports to the "Control and Risk and Sustainability Committee" within the Board of Directors. The Committee has been assigned, amongst others, responsibilities in the area of Sustainability, with particular reference to:

- assessment and evaluation of sustainability policies aimed at ensuring the generation of value in the long term benefiting shareholders, and taking into account the interests of other key stakeholders for Terna, also for the purposes of evaluation and approval of the Company and Group industrial plans
- definition of guidelines and sustainability plans, and the materiality matrix, which identifies the most significant topics for the Group and for stakeholders in the light of strategies of the Company and the Group itself, and sustainability reporting submitted annually to the Board of Directors
- periodic monitoring of methods for implementation of the sustainability plans and achievement of the corresponding goals, in addition to inclusion of the Company in sustainability indices.

As mentioned above, the IPMO Department has, among its prerogatives, that of coordinating and developing issues relating to social and environmental sustainability, including through communication activities, by supporting Group companies in planning the actions necessary to achieve their objectives and by reporting annually on their effects through the Sustainability Report. A significant portion of these activities aims at combating climate change. For example, in 2023, the IPMO Department coordinated activities to update the Sustainability Plan in order to enhance all ESG objectives in line with the goals of the Industrial Plan. One pillar of the Sustainability Plan relates precisely to the realisation of a transition to a new, more sustainable energy paradigm, based on the use of energy from

TERNA'S CLIMATE CHANGE-RELATED DISCLOSURES



renewable sources. In addition to the objective of a progressive reduction of the carbon footprint and the consequent CO₂ emissions into the atmosphere, there are also considerations on the security of the National Electricity System and, therefore, of the country's production and social ecosystem. The Department, through the Sustainability team, was also responsible, among other things, for managing the relationship with the Science-based Target Initiative, i.e. the most advanced international initiative in terms of promoting a low-carbon business model by setting a voluntary GHG emission reduction target, also collected monitored and reported on the Group's carbon footprint data, and coordinated efforts to implement the company's circular economy roadmap aimed at integrating circularity into the business model, contributing to reducing the environmental impact of the Group and its value chain, including in terms of reducing CO₂ emissions.

In carrying out its activities, the IPMO Department interacts transversally with all company entities. An example of this operating method is the constant interaction with the Management Systems - headed by the Quality and Risk Management Function - which, through the Integrated Management System, optimises the coordination of all parties involved in monitoring quality, environmental performance and safety at work in the logic of a large unitary project of Group sustainability. To this end, it should be remembered that the Company's Integrated Management System includes the ISO 14001 certified Environmental Management System and the ISO 50001 certified Energy Management System, which oversee the impacts linked to the Group's energy consumption and greenhouse gas emissions.

On an operational level, finally, the issue of climate change involves, in addition to the functions already mentioned, all the functions variously involved in the elaboration of energy/climate scenarios and plans.

The centrality of the climate issue for Terna is also reflected in the variable remuneration of the company's management, which includes short- and long-term incentives that can also be linked to actions against climate change.

Objectives that have an impact on the climate have long been present in the company's remuneration policy; in the past, for example, MBOs have been provided for projects such as 'IoT for the grid' (creation of a data collection infrastructure through the installation of sensors on National Transmission Grid assets for the monitoring of resilience and the management of climate risk) or 'Smart Islands' (creation, on some Italian islands, of hybrid systems that integrate traditional generation plants with plants powered by renewable sources).

A new objective was recently introduced that is directly linked to the implementation of the energy transition, which rewards the reduction of over-generation in order to optimise the scheduling of production from renewable sources and promote their integration into the national electricity system. Other objectives were also confirmed for the Chief Executive Officer/General Manager and for managers with strategic responsibility relating, for example, to the quality of service and investments and to operating revenues related to the regulated sector.

Incentive mechanisms related to combating climate change have also long been envisaged not only for the first line, but also for the rest of management, with remuneration targets that, in addition to replicating the above for top management, have also concerned e.g. the development of electric mobility, the use of the climate-changing gas SF₆, and the monitoring of climate change adaptation actions (resilience), the development of a methodology for analysing grid resilience with respect to climate events, and its application within Terna's planning.

For more information, please refer to the Terna Group Report on the 2024 Remuneration Policy and the 2023 Compensation Policy.



Terna's scenarios

In order to ensure reliable, secure and resilient development of the National Transmission Grid, Terna defines reference energy scenarios over a medium- and long-term horizon, consistent with national and European policies and drivers oriented towards decarbonisation, to assess the benefit of related infrastructure interventions in terms of reducing grid operating risks. Short-term energy scenarios, on the other hand, can be evaluated to identify operational and/or capital-light solutions that have mitigating benefits also related to climate change.

When outlining its grid development strategy, and thus when drafting its Development Plan, Terna carries out, therefore, multiple scenario analyses: provisional energy forecast scenarios for Italy are created by Terna. The aim is to evaluate the benefits of transmission grid development projects in the long term. The elaboration of these scenarios therefore constitutes a fundamental part of Terna's business strategy since the development guidelines for the national electricity grid are defined and the relevant investments are directed based on them.

Since the electricity transmission grid is, by nature, an intermediary infrastructure between energy producers and energy distributors to end customers, the scenarios used to plan its development obviously take into account the future developments expected for the entire value chain as well; hence the scope of Terna's assessments include, besides its own operations, related upstream activities (power generation) and downstream activities (power distribution) as well.

Considering that a coordinated effort by the key players in the Italian energy sector is necessary in order to achieve national policy objectives and drive the evolution of the Italian energy system, Terna and gas operator Snam have jointly drafted a Scenario Description Document (SDD, available only in Italian), a prerequisite for the preparation of development plans for the Italian electricity and gas transmission networks. This document was published for the first time in 2019 and is subject to a revision process that takes place at least every two years. The latest update, carried out by Terna's responsible function, i.e. System Strategy, took place during the second half of 2022⁶. The scenarios elaborated and described in the updated SDD are:

- a policy scenario at 2030 (so-called Fit-For-55);
- two policy scenarios at 2040 (so-called Distributed Energy and Global Ambition) the starting point of which is Fit-For-55;
- a scenario contrasting with that of the policies (so-called Late Transition) at both 2030 and 2040

The historical reference year adopted in the SDD for numerical comparisons is 2019; the year 2020 was in fact characterised by an abrupt temporary reduction in requirements as a result of the Covid emergency (and thus has limited representativeness).

The Fit-For-55 (FF55) single policy scenario by 2030 targets a 55% reduction in EU emissions through a push towards electrification and a substantial increase in renewables. In particular, both electrical renewables are developed which, in this scenario, come to cover more than 65 % of national demand, as well as green gases which, thanks to biomethane production and the contribution of green hydrogen, come to cover about 11 % of the scenario's gas demand. The use of Carbon Capture, Utilisation & Storage (CCUS) technologies is also envisaged as early as 2030 to begin the path of progressive decarbonisation of the hard-to-abate sectors with the capture of process and combustion emissions when necessary.

⁶ This document is available at web <https://www.terna.it/it/sistema-elettrico/programmazione-territoriale-efficiente/piano-sviluppo-rete/scenari>

TERNA'S CLIMATE CHANGE-RELATED DISCLOSURES



In addition, the electricity scenario is developed in line with some recent regulatory constraints that require Terna to plan urgent grid works on the basis of the expected growth of RES production and the authorisation processes underway (Legislative Decree no. 199/2021, Art. 35) and to define the need for new storage capacity in consideration of the expected evolution of non-programmable RES (Legislative Decree no. 210/2021, Art. 18).

The Distributed Energy Italy (DE-IT) and Global Ambition Italy (GA-IT) development scenarios by 2040 are contrasting scenarios that are aligned with the storylines of the similar scenarios developed at European level by the ENTSOs (the European networks of electricity and gas transmission system operators). Both scenarios, starting with the FF55 scenario, define non-binding and intermediate targets by 2040 towards Net Zero by 2050 (no CO₂ emissions).

In the GA-IT scenario, policy objectives are achieved through the joint action of reducing consumption, developing renewable energy and using CCU/S for capturing industrial process and combustion emissions. In this scenario, the quota of programmable thermoelectric power remains higher and the need to reduce emissions in the sector is met by the use of green fuels, such as biomethane, and the use of CCS. In the DE-IT scenario, a higher penetration of the electric carrier is assumed, resulting in the need for a higher amount of non-programmable renewables, electric storage and electrolyzers, which will help to contain overgeneration. In this scenario, too, CCS technology is used to achieve decarbonisation targets, although with a more marginal role and especially for capturing emissions from industrial and thermoelectric combustion. No further increases in transit capacity were foreseen for the development scenarios by 2040 described in the document compared to the optimised FF55 result.

These three scenarios are, therefore, aligned with the trajectory of international scenarios that consider a net-zero target for 2050 (e.g. the 'IEA NZE 2050' scenario drawn up by the International Energy Agency, or the 'Advanced Energy Revolution scenario' drawn up by Greenpeace) and are, therefore, consistent with the '1.5°C' scenario, i.e. the most ambitious temperature target set by the Paris Agreement, which recommends a limitation of global warming to below 1.5 degrees Celsius.

Finally, the Late Transition (LT) scenario, drawn up for both 2030 and 2040, reaches the European emission reduction targets with a delay of several years (5-10 years). This scenario is aligned with the old National Trend Italia scenario (published in February 2021 and described in the previous version of this report) in terms of end-use consumption, green gas development and installed RES capacity, but considers an allocation of the latter consistent with the connection requests received by Terna. More recently, the National Integrated Energy and Climate Plan ("PNIEC") published in July 2024 predicts that, by 2030, solar and wind renewable capacity will need to be tripled to around 107 GW by 2030, compared to 43 GW installed as of 31/12/2023. This target capacity is fully consistent with the FF55 scenario of the DDS.

Energy scenarios are typically based on a climate year identified as average. In addition to the energy scenarios, Terna also publishes the Italian National Resource Adequacy Assessment (NRRRA)⁷, in order to analyse the impact of climate variability and climate change on the Italian electricity system. Extreme weather events could, for example, occur, such as during 2022, a year characterised by a significantly lower than average level of hydroelectricity production. The element on which the NRRRA focuses is the ability of the Italian electricity system, over the next ten years, to ensure that the available resources, understood as power generation plants, imports and storage, are sufficient to meet the hourly electricity demand in each electricity market area of the country, while considering the impact of the first effects of climate change on the electricity system, while considering the impact of the first effects of climate change on the electricity system. The weather variables adopted in the adequacy assessments are in fact obtained on the basis of historical data and opportunely updated to consider the phenomena of climate change. According to the economic sustainability analyses carried out in the last NRRRA 2023, in the medium (2028) and long (2033) term it will be necessary to ensure the availability of 50.2 GW and 41 GW of thermal capacity, respectively.

⁷ The document is available at https://download.terna.it/terna/Terna_National_Resource_Adequacy_Assessment_Italy_2023_8dc7665cef6b16e.pdf



TERNA'S CLIMATE CHANGE-RELATED DISCLOSURES

In addition to these energy scenarios, in order to draw up its climate resilience assessments, Terna also uses climate scenarios, which are essential for identifying the areas of the electricity grid most exposed to severe weather events and assessing actions to increase the resilience of the electricity system, with benefits in terms of electricity service continuity.

As anticipated, the extreme meteorological events of recent years and, in particular, the variable and extensive nature of such events, makes it necessary to plan for a grid that is capable of coping with these changes. In order to intercept the evolution and impact of climate in the coming decades, Terna, in cooperation with RSE⁸, has defined the Resilience Methodology (Annex A76 of the Grid Code), which is characterised by 3 key elements:

- development of forecast climate scenarios to identify the areas of the territory most exposed to the effects of severe weather events of various kinds, associating with them their relative probability of occurrence;
- estimating the vulnerability of the power lines components to direct and indirect stresses caused by severe weather events, through the determination of specific vulnerability curves defined using real technical-ographic parameters;
- "n-k" probabilistic approach for the analysis of multiple and simultaneous outages produced by weather events, in order to be able to quantify the probability of occurrence of such multiple contingencies and assess their impact on the portion of the electricity system exposed to the severe weather event.

In defining its methodological approach, Terna took into consideration a RCP 8.5 climate scenario (the Representative Concentration Pathways, RCP, are climate scenarios expressed in terms of greenhouse gas concentrations rather than in terms of emission levels). In particular, the RCP 8.5 scenario assumes that no significant measures are taken in favour of climate protection and that, therefore, greenhouse gas emissions will increase continuously throughout the 21st century. The use of this climate scenario meets a twofold need: on the one hand, with respect to 2030 (the time horizon considered in Terna's planning), this scenario is certainly the most probable one, since it replicates, in the near future, the current situation (it should also be considered that, at 2030, the various CPR scenarios do not show significant deviations from each other); on the other hand, this choice reflects Terna's prudential approach in defining the tools and actions needed to ensure the resilience of the national transmission grid, setting the worst-case scenario in order to be able to cope with any level of threat deriving from extreme climatic events.

Other climate models and datasets used to map future climate hazards on Terna's assets are as follows: CESM-LENS (climate model that includes 40 climate simulations for the period 2018-2100); Euro-CORDEX (set of 12 climate models used to produce advanced regional climate change projections up to 2100); ERA 5 (meteorological reanalysis dataset with a depth of more than 30 years on different weather variables); the MERIDA dataset (Meteorological Reanalysis Italian Dataset, developed by RSE S.p.A.).

It should be noted that the climate scenarios and models considered so far can be fine tuned and updated by the responsible function, Resilience and Grid Security Planning, when the Resilience Plan is drawn up.

⁸ Ricerca sul Sistema Energetico - RSE S.p.A. (Research on the Energy System in English) is an Italian company controlled by the Italian managing institution of energy services GSE, for the development of research activities in the electro-energy sector, with particular reference to national strategic projects.

Terna's risk framework

As recommended in Borsa Italiana's Corporate Governance Code and by national and international best practices, the Group has adopted a specific Internal Audit and Risk Management System (IARMS). This consists of the culture, capabilities, rules, procedures and internal practices and organisational structures with the objective of defining an accountability system for identifying, measuring, managing, mitigating and controlling the main risk exposures at Group level. The aim of the System is to contribute to the Group's sustainable success, retaining a high degree of stakeholder trust in the Group's governance and controls.

The System provides a management tool designed to ensure that the way the business is run is consistent with the Company's business objectives. It puts risk management at the heart of the value chain, starting from key considerations such as the mission, vision, values and operating environment. These are embedded in the process of defining and developing strategy and performance to support decision-making processes by making explicit reference to risks and uncertainties and through informed responses. The System involves implementation of a Risk Management System, which is also aligned with the recommendations in the Corporate Governance Code for Listed Companies and international best practices.

To support the Board of Directors' analysis and decision-making regarding the Internal Audit and Risk Management System, risk management relies on the contribution from a specific Board Committee, consisting of independent Directors – the Audit and Risk and Sustainability Committee – that engages periodically with the departments within the Company most directly involved in these processes.

The Committee also has a direct relationship with the Chief Risk Officer ("CRO"), whose appointment is approved by the Board of Directors on the recommendation of the Chief Executive Officer, subject to a prior opinion from the Committee. The CRO is tasked with supporting senior management in the effective implementation and management of the risk management process at Group level, and ensuring effective coordination of the actors involved in control activities. The CRO reports to the Chief Executive Officer and the Committee on the outcomes of risk management activities. The CRO receives operational support from the "Enterprise Risk Management" unit, which reports directly to the CRO and has the role of coordinating all aspects of the Risk Governance framework described below.

Finally, within the Internal Control and Risk Management System, the Audit Department is responsible for verifying the functioning and adequacy of the System. The audit activity is extended to all corporate processes (including the Risk Management process), with particular attention to the processes that are most relevant due to their impact on the value of the Company and the degree of risk they have on the company's objectives or their influence on aspects of cross-company interest.

In operational terms, risk management takes place throughout the Company, based on a structured, systemic approach. It involves a Risk Governance Framework ("Framework") setting out the roles and responsibilities of the various actors involved in the Risk Management System, embedding the three levels of control provided for in the Corporate Governance Code within the Company's organisational structures. Each level has different objectives and specific associated responsibilities:

- First level of control: with primary responsibility for identifying, assessing and managing the risks appertaining to the specific areas of responsibility;
- Second level of control: assigned to organisational structures (e.g., Health & Safety, Compliance, 262 Oversight, Environmental Protection, Fraud Management, Privacy, Cybersecurity, etc.) acting as autonomous, independent units that are separate from operational units. They monitor external regulatory changes and the evolution of best practices and contribute to the definition of governance policies and the management process for the categories of risks under their responsibility. At the same time, they provide support to the First Level Control for their implementation, including through the design and delivery of awareness and training activities;



TERNA'S CLIMATE CHANGE-RELATED DISCLOSURES

- Third level of control: conducted by the Audit department, providing an independent assessment of the design and functionality of the internal control and risk management system (assurance). The entity that has this role has a high degree of organisational, hierarchical, and functional independence.

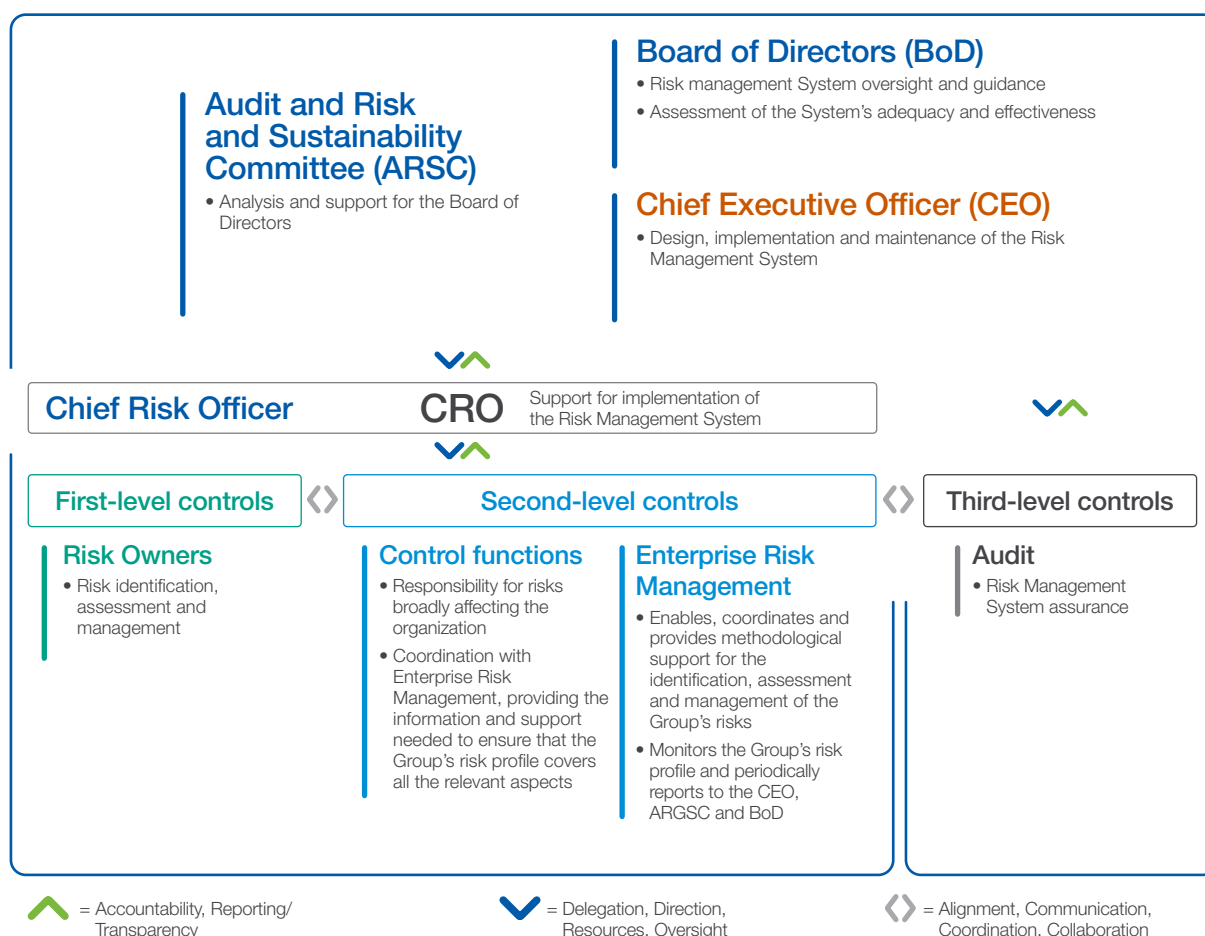
Good risk governance must ensure a holistic and coordinated view of all the actors involved, so that they may work together, identify and assess risks, identify their possible impacts and, consequently, have the right information available to make the most appropriate decisions.

The diverse elements of the Risk Management System give an idea of the complexity of the Framework and how the entities and departments involved, which each have their own specific nature, contribute to the above holistic vision, working in synergy and in accordance with a structured and organised approach.

To this end, Terna puts in place procedures and processes to coordinate the relations and activities of the entities that exercise control at various levels. In this regard, coordination between the activities of the second-level control departments is particularly important, in order to minimise duplication of activities and maximise the efficiency of the risk management system, while respecting their respective roles and responsibilities, and the necessary independence requirements.

The Framework is thus based on a widespread approach to risk management within the organisation, involving a range of bodies and departments across every level of the organisation, as shown below:

Risk Governance model



TERNA'S CLIMATE CHANGE-RELATED DISCLOSURES



The Risk Management System has the ultimate purpose of supporting decision-making processes and developing awareness across the organisation of the level of risk assumed and its compatibility with the Company's objectives. The System also aims to spread and reinforce the risk culture at all levels of the organisation.

With regard to coordinated risk management, carried out by management in the various areas, for some time the Group's Risk Management Framework has provided for adoption of a common reference framework that sets out objectives to enable the creation and maintenance of Group value. The objectives framework was updated in 2023, in order to bring it into line with changes in the context and/or objectives of the Industrial Plan, and also to clarify ESG issues, especially: human rights, governance (& organisational framework), the environment.

The framework of corporate objectives, divided into Strategic (linked to the Industrial Plan) and Recurring (continuous risks linked to the activities carried out under concession, the corporate mission and the codes of conduct adopted), is used annually by management as the main reference for the identification of risk events, including emerging ones.



On the basis of the objectives framework, each identified risk event is assessed in terms of the combination between Impact (divided into four types: financial, reputational, operational and HSE-Sustainability) and Probability of occurrence over the life of the Industrial Plan. The assessment also takes into account the Level of Maturity of existing risk management systems. Based on the outcomes, risk treatment priorities and appropriate responses are chosen through the selection of mitigation or corrective actions.

A business's risk profile is not static, but dynamic and may alter due to changes in the external environment and/or as a result of internal organisational and business decisions. Therefore, developments in the Group's risk profile are monitored, as is the state of progress in implementing chosen mitigation initiatives.

In this scenario, considering the relevance attributed to certain risk events, which are considered a priority for the Group, quarterly monitoring is carried out to assess the evolution of the Group's exposure to these risks.

The above phases of the risk management process are regularly repeated (at least once a year).



TERNA'S CLIMATE CHANGE-RELATED DISCLOSURES

Risk events are generally classified in the following categories:

External / market risk

Risk events connected with the competitive and regulatory environment, economic cycles, the economic and financial conditions and performance of the markets in which the Group operates, which could influence the Company's ability to achieve its strategic objectives

Compliance risk

Risk events connected with breaches of the law, statutory requirements, regulations and other requirements (internal and external), with a potential impact in terms of fines, financial loss and/or reputational damage

Operational risk

Risk events connected with malfunctioning processes, procedures, information systems or human resources, resulting in losses / damage to the Company

Counterparty risk

Risk events generated by counterparties (financial, commercial, industrial, government) with which the Group operates or engages, including the inability to meet the obligations assumed or the possibility that the conduct of such parties may damage Terna's reputation and/or result in losses or other damages

Legal / contractual risk

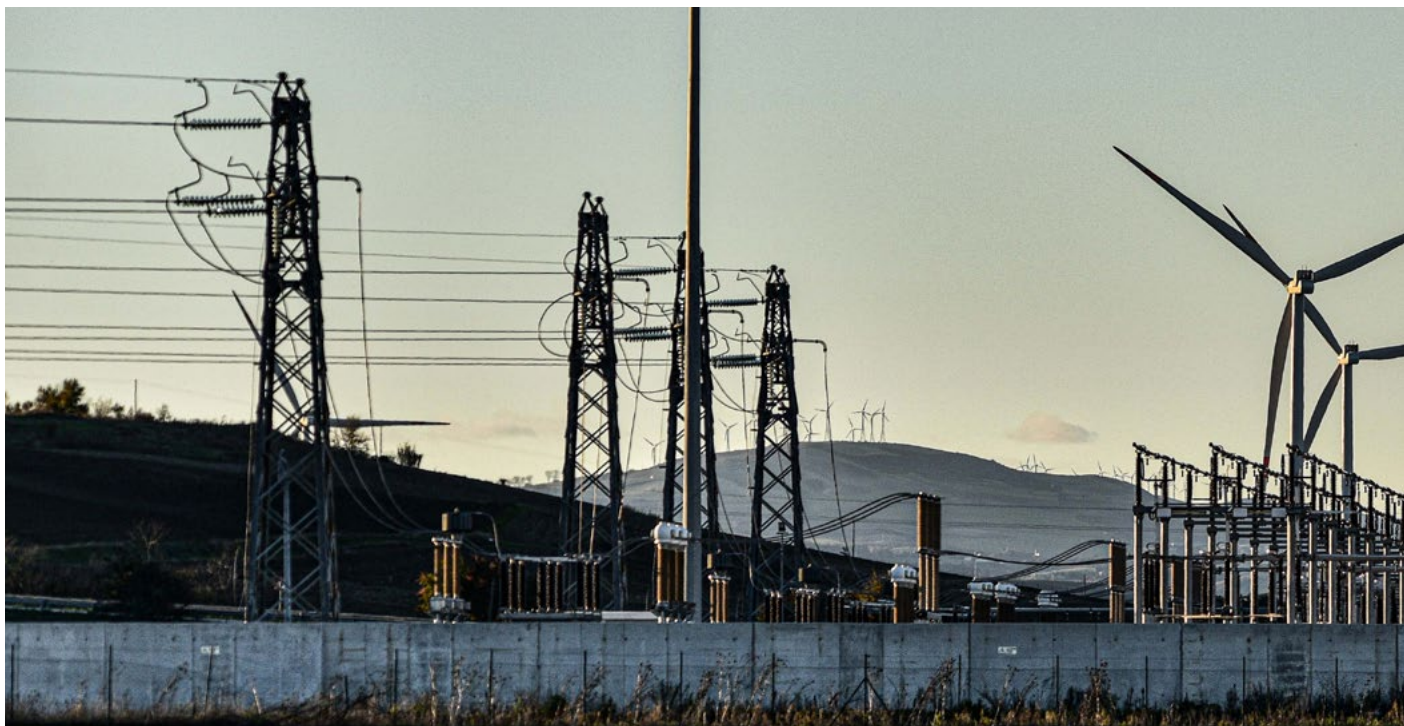
Risk events connected with inadequate legal documents / contracts or other situations that may expose the Company to litigation, financial loss and/or reputational damage

Natural / human-induced events

Risk events resulting from natural phenomena (e.g. earthquakes, floods, bad weather, fires, epidemics / pandemics, etc.) and human-induced events (e.g., theft, sabotage, terrorist attacks, etc.)

The updated risk assessment, carried out in 2024 in accordance with the above framework, saw progressive integration of risk analysis and ESG issues.

The growing attention paid by businesses and the markets, with ever greater interest in adopting sustainable finance solutions, to issues and goals relating to sustainability is leading to a closer focus on ESG aspects and the related risks. This above all applies to risks of an environmental nature (climate change) and those relating to social issues (the erosion of social cohesion), both with potential negative effects in terms of reputational capital.



TERNA'S CLIMATE CHANGE-RELATED DISCLOSURES



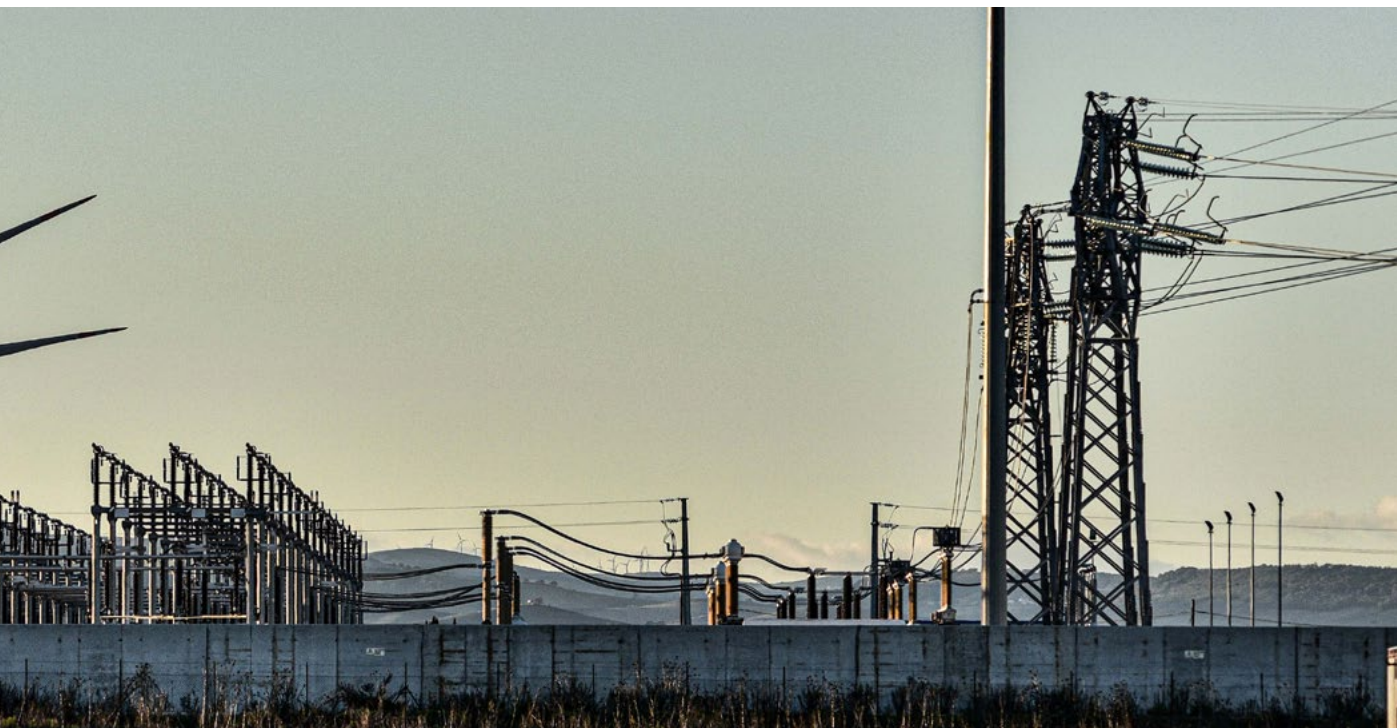
The inclusion of ESG factors among the risks to be overseen, managed and monitored is a significant element of good governance, as has also been highlighted, since 2020, in the Corporate Governance Code drawn up by Borsa Italiana, which invites directors and management to adopt sustainability-oriented strategies in order to achieve sustainable success for their organisations.

At Terna, the process of integrating risk analysis and ESG issues has been implemented through various initiatives, along these three lines of action:

- methodological review: in addition to the above new approach for the objectives framework, the impact scales used for risk assessment have been reworked to include descriptions that are more akin to those regarding ESG issues, in order to facilitate the assessment of “inside-out” risks, with the main focus on reputational impact and the HSE & Sustainability impacts;
- strengthened information flows: in order to further consolidate collaboration between the Enterprise Risk Management unit and the units dealing with ESG issues, by identifying opportunities for discussion during the conduct of the respective analyses (risk assessment and materiality analysis), and sharing the outcomes, so as to ensure consistency and greater synergy between risk analysis and materiality analysis in relation to ESG issues;
- review of reporting, to enhance synergies between the two analyses and minimise the repetition of information.

This confirms the extent to which ESG issues are an integral part of the Group's strategy and business model and the increasing attention paid to them.

In this context, risks related to climate change represent risks that are closely related to the Terna Group operational and strategic scope, so the process that leads to the identification, assessment and management of these risks is integrated into the company's general risk management process and into the day-to-day management of company activities. For example, risks related to extreme weather events are surveyed and form the basis of the assessment from which the Resilience Plan is derived. Or, also, the risk of leaking climate-altering SF₆ gas used as insulation within some electrical equipment is assessed and managed within the company's ISO 14001-certified environmental management system. Finally, it should be noted that the “Investor Relations, Corporate Development and Sustainability” function, part of the “Industrial Program Management Office” Department, which is responsible for the identification, management and monitoring of sustainability issues (including climate change), is included in the Group's Enterprise Risk Management (ERM) framework as a second level of control.





Climate change: opportunities and risks

Climate change brings a series of opportunities and risks for the Company that must be properly evaluated to ensure that they are effectively managed. To identify them, Terna applies the framework used by the Task Force on Climate-related Financial Disclosures (TCFD), which divides climate-related risks into two main categories:

- **Transition risks:** transitioning to a lower-carbon economy may entail policy and legal risks, due to different regulatory requirements across different geographies, or to new impacts and/or uncertainties resulting from the policies adopted. The transition may also result in technology risk, due to uncertainties surrounding the role of emerging technologies, and market risk, linked to new dynamics, shifts in supply and demand and an increasingly complex market environment, which could expose businesses to reputational risks;
- **Physical risks:** these risks can be event driven (acute) or longer-term shifts (chronic) in climate patterns. Physical risks may have financial implications for businesses, such as direct damage to assets and indirect impacts from supply chain disruption.

The following is a description of the climate-related opportunities and risks identified by Terna.

Opportunities

The opportunities linked to climate change constitute a cornerstone of Terna's strategy, regarding both Regulated and Non-regulated Activities in Italy and International Activities.

Electrification of consumption and investments

In addition to the need to integrate large numbers of RES plants, another key element in the energy transition is the electrification of final consumption. Electricity as an energy carrier is an enabler of this transformation, as final consumption powered by this carrier is by its nature far more efficient than any fuelled by combustion.

The energy transition will thus be based on a series of indispensable actions. It will immediately be necessary to develop additional renewable generation capacity that will have to be connected to the electricity grid. At the same time, it will be necessary to invest in the development of the grid infrastructure needed to transport and distribute the electricity and in storage systems. Finally, we will also need to deploy mature technologies, such as electric mobility, heat pumps for heating and cooling and induction cooking. Terna plays a leading role within this context, as confirmed by the main actions included in the 2023 Development Plan: (a) stepping up the energy exchange capacity between market areas through the development of enabling and innovative infrastructure; (b) exploitation of infrastructure synergies with previously planned national strategic projects, such as the Tyrrhenian Link and the Adriatic Link, and the use of existing infrastructure and disused sites to expand the grid, while reducing the environmental impact; (c) integration of expected renewable capacity via the planning and identification of urgent grid works to achieve the European 2030 targets; and (d) increasing grid resilience via a forward-looking approach aimed at measuring risk to the grid when extreme weather events occur.

This approach is also consistent with a form of regulation that is increasingly focused on output-based solutions that will make it possible to raise Terna's returns in step with the ability to create benefits for the system.

As an enabler of the energy transition, Terna has opted to further step up major investments in the electricity system via the ambitious Transmission Grid Development Plan. In 2023, having set aside more than €21 billion (up 17% on 2021) for investment over the ten-year period 2023-2032, the Company aims to significantly accelerate this transformation. The strategic linchpins of this plan are based on the Fit-for-55 scenario, which is included in the 2022 Scenario Description Document. This scenario is in line with the latest national decarbonisation targets, and also with the new National Integrated Energy and Climate Plan (“PNIEC”), published in July 2024.

Macroeconomic
impacts

The energy transition is also a major opportunity to boost Italy's competitiveness: the country's lack of energy resources has historically meant that energy costs were higher than the European average and that the country was highly dependent on imported energy. The share of net imports compared to available gross energy, which is an indicator of how much Italy depends on energy imported from other countries, rose from 73.5% in 2021 to 79.7% in 2022. As a result of the energy transition, Italy will see a sharp reduction in its energy dependence and could enjoy far more competitive energy costs thanks to the availability of sun and wind. The actions taken in the coming years will determine the country's strategic position in the global economic system of the future.

The energy transition and trends that encourage the development of new opportunities in Italy are of global significance, opening up new opportunities overseas. Within the scope of the non-regulated business, this situation will therefore also bring new potential linked above all to the identification and development of new energy solutions.

Energy
dependency



Transition risks

Political and legal

Terna is not currently subject to legal obligations regarding cuts in emissions and, there are therefore no specific risks with regard to the introduction of a carbon tax or rising carbon prices. An increase in reporting obligations would also not pose any problems for Terna, which has been providing full disclosure on its emissions for some time.

In terms of the regulation of quality of service, the Company is already subject to a series of rewards and penalties linked to continuity, which may be affected by extreme climate events. Terna's response to this risk is the Resilience Plan, which describes all the initiatives and measures taken to be able to respond with growing speed and effectiveness to any adverse events.

Technological

The growing use of renewable sources and the progressive electrification expected over coming years mean that investment in the transmission grid is of primary importance, given the role that the grid will play in helping to achieve decarbonisation targets. There are no specific risks linked to the replacement of technology.

Given the new complexities to be dealt with, the drive for constant innovation remains a priority, with continued attention to the most promising technology streams on which to focus both investment and R&D efforts. Terna identifies these technological streams in its Innovation Plan.

Market

The Italian energy context for the first months of 2024 shows a gradual recovery of gas prices compared to the same period of the previous year, although values are still above pre-crisis levels. In detail, the average price of the TTF – Title Transfer Facility – in the first six months of 2024 was about €30/MWh, about €46/MWh below the average value recorded in the first six months of 2023, but still higher than the average value of €20/MWh recorded in the three-year period 2019-2021.

However, the use of natural gas as an energy carrier exposes Italy to geopolitical and economic supply risks, making the country significantly vulnerable to commodity price volatility linked to tensions in international markets. Energy price fluctuations could persist over the coming years due to several factors, leading to a risk of inflationary pressures in Italy that would impact consumption. Energy security and independence is also an issue, given that most of the gas consumed in Italy in the first six months of 2024, imported through pipeline, comes mainly from Algeria and Azerbaijan.

The cost of CO₂ during the first six months of 2024 averaged around € 64 per tonne, compared to € 86 per tonne during the same period in 2023.

The Single National Price (PUN), settled at an annual average of €94/MWh in the first six months of 2024, compared to the €136/MWh recorded in the same period of 2023, but higher than the average value of around €70/MWh recorded in the pre-crisis three-year period 2019-2021.

TERNA'S CLIMATE CHANGE-RELATED DISCLOSURES



Energy price trends are not among the risks concretely faced by Terna, but they could certainly weigh on the country system. The main solution to rising prices and energy dependence, with significant benefits for the country's economy, is to accelerate the energy transition. To achieve the policy objectives set for 2030, as described in the EU's Fit For 55 package, it will be necessary to install approximately 70 GW of new non-programmable renewable energy capacity, compared to the figures recorded in 2021.

These new non-programmable renewable energy plants will be able to produce around 120- 126 TWh of electricity, which will replace an equivalent quantity of energy produced by gas- fuelled thermoelectric plants. To ensure that these plants are built, it is essential to speed up consents processes and devise auction mechanisms with ambitious quotas, that will effectively enable achievement of the European targets. Terna will play its part as operator of the transmission grid, in order to integrate renewable resources into the grid and to promote a proper location and technology mix. In this landscape, it is vital to implement an appropriate market plan, which in addition to spot price signals can also provide the long-term price signals that enable investment in storage and renewables. Forward contracts are also essential to keep existing generation capacity up and running, preventing it from being taken out of service and thereby ensuring the system's medium- to long-term adequacy.

The growing complexity of the electricity system and the increased frequency and seriousness of adverse climatic events requires constant monitoring of the system's adequacy and resilience. The occurrence of malfunctions, potentially of a widespread nature, could increase Terna's reputational exposure to public authorities and stakeholders in general.

Reputational

Physical risks

In addition to quality of service, the occurrence of extreme climatic events poses a considerable risk to grid infrastructure.

Acute

Just think, for example, of the phenomenon of snow, which, under certain weather conditions, causes wet snow sleeves to form on the conductors, causing the lines to be out of service due to their limited torsional rigidity.

Terna details its climate strategy in the Resilience Plan, attached to the Security Plan.

Rising temperatures directly interfere with grid operation, as higher temperatures limit the possible amounts of electricity transmission. Other systemic phenomena, such as rising sea levels, do not have a direct impact.

Chronic



Terna's strategy

The scenarios outlined above are the foundation on which Terna has prepared the National Transmission Grid (NTG) Development Plan, which defines the grid development initiatives planned over the next ten years, as well as the progress of the development works planned in previous years.

By analysing electricity flows through the grid and developing supply and demand projections – including the growing production from renewable sources – Terna is able to identify grid upgrade requirements and, consequently, to plan the new works needed to ensure the adequacy of the system.

In addition to the Development Plan, Terna makes use of other planning tools that are fundamental to the decarbonisation process of the country and the Group, such as the Safety Plan and the Renewal Plan.

The investments scheduled for the above plans are briefly illustrated in the latest 2024-2028 Industrial Plan, presented in March 2024, which sets out a total of € 16.5 billion of investment. This will enable Terna to accelerate its commitment to the country for the energy transition, energy independence and decarbonisation, in line with the challenging goals of the National Integrated Energy and Climate Plan and the Green Deal targets set at international level.

The key driver in the 2024-2028 Industrial Plan is sustainable investment, a concept embedded in the Company's value creation process and in the benefits for the system and the environment. Terna's capital expenditure, 99% of which is classified as sustainable based on the EU Taxonomy, targets the development of renewable sources. The transmission backbones that transport energy from points of production, which are increasingly located in Italy's southern regions, to where demand is highest in the north of the country, will be boosted by resolving existing issues caused by grid congestion and further development of cross-border interconnections. Thanks to its strategic geographical location, Italy will be able to reinforce its role as a European and Mediterranean electricity transmission hub, becoming a leading player at international level.

The Terna Group development activities will be focused along three strategic lines: Regulated Activities in Italy and Non-Regulated Activities; for this latter, please refer to the description in the 2023 Integrated Report, pages 42-44.

In terms of Regulated Activities in Italy, which continue to represent the Group's core business, Terna plans to invest €15.5 billion in developing, modernising and strengthening the national transmission grid, enabling the country to fulfil the series of key steps in its energy transition pathway and helping to address the energy trilemma:

- **Affordability:** increasing interzonal capacity by over 30% to 20 GW, thanks among other things to construction of the Tyrrhenian Link.
- **Sustainability:** investment will also enable the connection of over 20 GW of renewable energy sources to the high-voltage grid, contributing to the drive to cut the emissions produced by Italy's electricity generators.
- **Security:** almost doubling the system's reactive capacity to provide greater stability and resilience on the Italian national grid.

The main elements of the Development Plan, the Safety Plan (and the annexed Resilience Plan) and the Renewal Plan are outlined below. For a more comprehensive presentation of these plans, please refer to the description in the 2023 Integrated Report.

2023 Development Plan

As mentioned above, Terna prepares the Development Plan that aims to ensure sustainable development of the National Transmission Grid on a two-yearly basis, enabling the implementation of RES (Renewable Energy Sources) and supporting the Energy Transition and the phase-out of coal. It contains all the investments that Terna will have to make to ensure the efficiency of the grid, the security of supply and service, and the integration of production from renewable sources, consistent with the objectives identified and envisaged by the Fit-for-55 package included in the 2022 Scenarios Document (-55% of CO₂ emissions by 2030 with respect to 1990 values, energy produced from renewable energy sources in Italy covering at least 65% of final consumption).

To achieve these challenging objectives, in addition to the projects previously included in the 2021 Development Plan, the 2023 Development Plan envisages the launch of innovative initiatives as part of the Hypergrid project, amounting to approximately €11 billion, to meet future targets. This marks an increase and acceleration in investment for the benefit of the country, with total capital expenditure over the ten-year life of the Plan from 2023 to 2032 up at an all-time high of over €21 billion.

Hypergrid projects, marking the principal addition to the Plan, are innovative projects that will exploit HVDC technologies to achieve energy transition and security objectives: in brief, Terna aims to carry out a major programme of modernisation of existing power lines forming the country's eastern and western backbones, extending them to include the southern regions and the islands, accompanied by new 500kV submarine connections. This will boost the lines' performance, reducing their environmental impact to a minimum and transferring a growing amount of renewable energy generated in southern Italy to areas where demand is highest in the north.

Given the challenges faced by the electricity system as a result of the trends identified in the projected energy scenarios and ongoing climate change, planning the development of the transmission grid must meet the following electricity system objectives:



INTEGRATION OF RES

new development works to enable and prepare for the integration of new renewable capacity, starting from the Hypergrid project.



INCREASE IN TRANSPORT CAPACITY

doubling of current exchange capacity between market areas (over 30 GW), reduction and resolution of future congestions affecting the national transmission grid.



DEVELOP CROSS-BORDER INTERCONNECTORS

in line with earlier plans, the aim is to continue guarantee greater security through the availability of mutual assistance between the interconnected systems.



IMPROVE LEVELS OF ELECTRICITY SYSTEM SECURITY, QUALITY AND RESILIENCE AND SERVICE CONTINUITY

work on upgrading the grid, including the deployment of new power supply lines



ENSURE THAT THE GRID IS ROBUST AND CUSHION LOW-FREQUENCY INTERSYSTEM OSCILLATIONS

Work on making the electricity system increasingly stable and able to withstand or control the formation of voltage wave following a fault or disturbance



TERNA'S CLIMATE CHANGE-RELATED DISCLOSURES

The key benefits expected as a result of achieving these objectives are as follows:



INVESTMENT

over €21 bn

Investment over life of 2023 – 2032 Plan

~€30 bn

Total investment 2023 – Beyond 2032

~€11 bn

Hypergrid share 2023 – beyond 2032



ENERGY TRANSITION

+70 GW

New RES capacity by 2030

-4,100 kt/year

Reduction in CO₂ by 2030*
(equal to CO₂ consumption of 4.5m motor vehicles)**



NEW GRID DEVELOPMENTS - HYPERGRID

+16 GW

New exchange capacity
between market areas

~2,600 km

~1,000 km overhead
~1,600 km in cable } Length of
backbones

~13 GW

New AC/DC converter stations

* Reduction in CO₂ by 2040: -12,000 kt per year.

** Based on average consumption of 90 g/km for a utility vehicle covering 10,000 km per year.

For more information on Terna's Development Plan, please refer to the 2023 Integrated Report, pages 38 - 41.

Security and Resilience Plan

As seen before, increasing the resilience of the Italian electricity system is one of the main challenges posed by the energy transition. Reaching this objective entails targeted investments in the infrastructure that aim to prevent and lessen impacts on service continuity along with tools and procedures to handle the emergency and quickly return to normal operational conditions.

In this regard, Terna annually prepares the Plan for the Improvement of Defence Systems for the Safety of the National Electricity System (Safety Plan). The 2024 Safety Plan represents the 21th edition and updates the initiatives to protect the safety of the electricity system planned for the four-year period 2024-2027 with investments of more than €1.3 billion.

In the 2024 Security Plan, Terna strengthens its investments and initiatives to best interpret its role as an enabler of the energy transition, based on three strategic directions:

- the adoption of fundamental technological solutions to address the voltage regulation and stability requirements of the electrical system, such as synchronous compensators, reactors and stabilising resistors;
- the digital evolution of the electricity system, which transversally involves several areas of grid management, from supervision, control and defence of the system to infrastructure security to protect against physical and cybersecurity risks;
- increasing the resilience of the grid in the face of intensifying extreme weather events, as well as preventive, restoration and monitoring initiatives aimed at ensuring increasingly high standards of continuity of the electricity service, also thanks to the support offered by digitalisation.

Attached to the Security Plan is the Resilience Plan, a transversal corporate plan that defines all initiatives aimed at preventing and/or reducing damage on the electricity grid caused by increasingly severe weather events in terms of intensity and frequency, and that includes infrastructural type interventions, assessed with the Resilience Methodology, for mitigation, restoration and monitoring.

In particular, the Resilience Plan includes preventive infrastructural works to increase resilience for snow and wind, identified with the Resilience Methodology, but also works present in the Development Plan and/or in the Connections Annex that, assessed with the new methodology, are able to reduce the risks of snow and wind disruption.

Preventive interventions, again in terms of increased resilience, also include interventions related to the "Renewal Plan", such as reinforcing power lines and cutting down trees, to prevent disruptions related to tree interference on power lines following, for example, high wind events.

The Resilience Plan also includes all initiatives related to the Security Plan aimed at mitigating the effects on the network caused in particular by snow events, such as anti-rotation and interphase spacers and the adoption of technological solutions and tools to monitor the network and prevent the occurrence of severe events and speed up service resumption.

Finally, the Resilience Plan also includes initiatives to increase resilience for other types of events such as salt pollution, air pollution and fire risk, also included in the Security Plan.

The 2024 Resilience Plan also expands the portfolio of initiatives to increase the resilience of the NTG through the support of digitisation, envisaging the use of IoT techniques aimed at the capillary collection of information on Terna's assets and which, together with complex calculation algorithms, guarantee the optimal and resilient operation of the electricity system.

Additional support to the investments for the safety and resilience of the National Transmission Grid comes from public funding under the National Recovery and Resilience Plan (PNRR) and the related revision with the RepowerEU chapter, with respect to which Terna was awarded €150 million for the PNRR and €140 million for RepowerEU, with the goal, on the one hand, of increasing the resilience of 1,500 km of National Transmission Grid lines for severe weather events and, on the other hand, to start digitising the National Transmission Grid, ensuring safe and resilient operation.



Metrics and targets

On the front of the reduction of CO₂ emissions into the atmosphere by the electricity system as a whole – in line with the objective of reducing greenhouse gas emissions by at least 55% by 2030 with respect to 1990 levels with a view to achieving climate neutrality by 2050 – Terna's main contribution is provided by the implementation of the investments envisaged in the Grid Development Plan. In this section, however, the focus is also on emissions related to Terna's operational activities.

In line with EU guidelines, Terna has established further objectives for the three emission scopes (scopes 1, 2 and 3), setting out the actions necessary to achieve them and the indicators to monitor their state of progress.

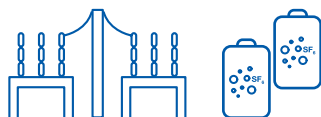


TERNA'S CLIMATE CHANGE-RELATED DISCLOSURES



Scope1

Direct emissions



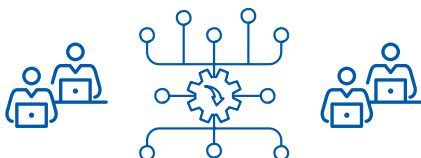
Leakages of SF₆ and
refrigerant gases



Fuel
consumption

Scope2

Indirect emissions



Electricity consumption for
substations and offices



Grid
losses

Scope3

Indirect emissions



Purchased goods
and services



Capital
goods



Activities related to
energy and fuels



Upstream transport
and distribution



Use of sold
products



Waste generated
in operations



Business
travel



Commuting
employees



Downstream transport
and distribution



End of life treatment of
the products sold



TERNA'S CLIMATE CHANGE-RELATED DISCLOSURES

Action to combat climate change

SCOPE	ACTION	KPIs	OBJECTIVE	
TERNA's ACTIVITY				
Scope 1 emissions	Reduction of SF ₆ gas emissions by cutting losses	SF ₆ leaks as a percentage of total installed SF ₆ amount SF ₆ emissions	- 46% (2030 vs 2019 – Terna's SBT)	
	Greater energy efficiency and reduction of consumption related to offices, substations and plants.	Building and substation consumption Number of buildings and substations monitored through sensors		
	Reduction of vehicle fleet consumption thanks to green vehicles	% Electric and hybrid vehicles Fleet consumption		
Scope 2 emissions	Reduction of emissions associated with grid losses thanks to Development Plan projects	Grid losses in GWh losses as a percentage of energy transported Emissions associated with grid losses		
	Scope 3 emissions	Reduction of scope 3 emissions thanks to circular economy projects and green transformers		% of recycled waste Number of green transformers sold Energy and fuel consumption
		DECARBONISATION OF THE COUNTRY		
Italian emissions	Development Plan projects for the country's decarbonisation	New RES connections Improving the energy mix	- 55% (2030 vs 1990 – EU Green Deal)	

Alongside the initiatives undertaken some time ago to curb the CO₂ emissions associated with its activities such as, for example, energy efficiency programmes for offices and electricity substations (for which, Terna set the objective of reducing energy consumption by a further 142 TOE by 2028), Terna had already adopted an initial SBT target in 2021 in keeping with SDG 13 ("Acting for the climate"), in line with the well below 2 °C scenario of the Paris Agreement. In 2022, it carried out a review of the emissions inventory for the entire Group, also incorporating the emissions of the subsidiary Brugg, acquired in 2020.

Revision of the inventory resulted in an opportunity to realign the Group's SBT with the scenario of 1.5°C, namely the most ambitious objective set by the Paris Agreement.

This additional contribution from Terna to combating climate change, took full shape in February 2023 with the approval by the SBT Initiative of Terna's new SBT, with which Terna has committed to cutting its carbon dioxide equivalent emissions by 46.2% compared with 2019 levels (scope 1 and 2) by 2030.

The new SBT also involves intervention on scope 3 emissions, which will be cut by 11.1% by 2030 compared to 2021, also thanks to the actions set out in the Group's Circular Economy Roadmap (in this regard, see 2023 Integrated Report, pages 290-292, for more information).

The actions that Terna has decided to implement in its 'science-based' plan concern, specifically, the acceleration of investments for the development of the electricity grid to favour the full integration of renewable energy sources and reduce grid losses, activities for the efficiency of electricity and energy consumption, the containment of leaks of climate-changing gases (SF₆) used in some plants, the reduction of emissions related to the company fleet and, in general, to employee mobility, as well as the launch of the Group's Circular Economy Roadmap mentioned above.

Alongside the SBT, Terna has also long since defined a further specific corporate objective related to combating climate change. In particular, the company sets an annual target for SF₆ gas leaks. SF₆ (sulphur hexafluoride) gas is used as insulation inside some electrical equipment (circuit breakers, current transformers and armoured systems).

TERNA'S CLIMATE CHANGE-RELATED DISCLOSURES



Some of the gas in the equipment can escape into the atmosphere due to leakage, during faults and sometimes even during pressure restoration operations. SF₆ gas has a very powerful greenhouse effect, 23,500 times that of CO₂: the dispersion of 1 kg of SF₆ into the atmosphere is equivalent to 23.5 tonnes of CO₂. In the period 2012-2017, the target for the percentage incidence of losses was 0.60; therefore, in light of the actual performance until 2017, in early 2018 the target was reformulated to 0.47 for the two-year period 2018-2019 and to 0.45 for 2020-2025. At the beginning of 2024, coinciding with the finalisation of the new 2024-2028 Sustainability Plan, the target was further revised, as shown in the table below, with an expected improvement at the end of the Plan of 20% below the 2023 target.

2024-2028 Sustainability Plan – “Energy transition” pillar



KEY ACTIVITIES	KPI	2024	2025	2026	2027	2028
Renew/improve the efficiency of infrastructure and plants to reduce SF₆ leakages .	SF ₆ leakage rate on total installed as a percentage.	≤ 0.44	≤ 0.42	≤ 0.40	≤ 0.38	≤ 0.36

Lastly, it should be noted that, as indicated in the Development Plan presented in March 2023, the investments and interventions planned over the Plan period will bring significant benefits in terms of reducing climate-changing emissions into the atmosphere, with the forecast of almost 12 million tonnes of CO₂ less per year by 2040.

Regarding the main climate-related metrics of Terna, please refer to following public documents:

- CO₂ emissions (scopes 1,2 and 3): 2023 Integrated Report, pages 278-286;
- Energy consumption: 2023 Integrated Report, pages 286-289;
- SF₆ consistency and losses: 2023 Integrated Report, page 282;
- Grid losses: 2023 Integrated Report, page 284;
- Activities aligned to European Taxonomy: 2023 Integrated Report, pages 176-186.

Regarding this last point, as known, European institutions have introduced, through the EU Regulation 2020/852 (“EU Taxonomy Regulation”), a taxonomy of economic activities that can be considered as “sustainable”. In this regard, with reference to the financial year 2023 and in line with what was carried out for the previous year, a mapping of the activities carried out by the Group was carried out, considering both Regulated and Non-Regulated Activities, in order to identify the activities eligible under the Taxonomy, i.e. potentially able to contribute to climate change mitigation and adaptation objectives.

Following these analyses, the Group's activities were associated with the following economic activities:

- 4.9 Electricity transmission and distribution: including activities in the Regulated Activities segment, primarily regarding the development, operation and maintenance of the National Transmission Grid, which is part of the European interconnected system, as well as dispatching and metering activities. Point 4.9 also includes Non-regulated Activities, related to work on systems dependent on the European interconnected system and the installation of transmission and distribution transformers that comply with the requirements laid down by EU Regulation 2014/548 and the EN 50588-1 standard, and International Activities, related to transmission and distribution activities carried out by the Group's overseas subsidiaries in Brazil and Peru. International Activities have been reclassified in accordance with IFRS 5 as discontinued operations and net assets held for sale.
- 7.6 Installation, maintenance and repair of renewable energy technologies: including maintenance, plant monitoring and other services for third parties operating in renewable energy production. In particular, Group activities relating to the construction and maintenance of photovoltaic solar energy plants and ancillary technical equipment belonging to third parties are included.
- 9.3 Professional services related to the energy performance of buildings: including activities related to consultancy services, feasibility studies, energy performance contracts, energy efficiency certificates (EECs or white certificates) and services performed by the Group as an energy service provider (ESCO, Energy Service Company).



TERNA'S CLIMATE CHANGE-RELATED DISCLOSURES

For the purpose of assessing alignment, analyses were then carried out for each identified eligible activity in order to verify compliance with the substantial contribution criteria and the established “Do No Significant Harm” criteria. Finally, an analysis was conducted on the adequacy of the measures in place at Group level with respect to the principles referred to in Article 18 of the Regulation, namely the OECD Guidelines for Multinational Enterprises, the United Nations Guiding Principles on Business and Human Rights, including the principles and rights established by the eight fundamental conventions identified in the International Labour Organisation’s Declaration on Fundamental Principles and Rights at Work and the International Charter of Human Rights. For the purposes of the analysis, the Group also took into account the guidance provided by the Platform on Sustainable Finance (PSF) in its Final Report on Minimum Safeguards published in October 2022 and the European Commission’s Recommendation of June 2023 on “indicators of negative impacts on sustainability”.

The table below shows the results for the year 2023 of the analyses above (for more details, see the 2023 Integrated Report, pages 176-186).

KPI	2023	
	SHARE OF ELIGIBLE ACTIVITIES	Share of aligned activities
Turnover	89%	85%
CapEx	99%	99%
OpEx	95%	95%

Finally, further specific metrics of the projects included in the Green Bonds issued by the Company are available in the 2023 Green Bond Report, published both within the 2023 Integrated Report and on the website www.terna.it.

Climate advocacy

Terna's commitment to leading the energy transition is substantiated – from an internal point of view – in the objectives to reduce its own CO₂ emissions in line with the Paris Agreement and – considering the Group's external action – it is reflected in the promotion of the cause in order to mitigate climate change through an increasingly strong strategic sharing with institutions, companies, associations and civil society aimed at raising public awareness and regulatory activities with respect to the main risks of an uncontrolled rise in the Earth's temperature and the benefits of an increasingly electrified grid.

The External Relations and Institutional Affairs Department has the task of guaranteeing, in line with the Group's strategic guidelines, the representation of the Terna Group positions in its dealings with institutions and other local, national, European and international bodies, coordinating the Company's requests in order to promote and protect the Group's interests and to grasp the signs of evolution of the reference scenario and the related potential impacts on business⁹.

In order to better build and manage relations with European institutions and organisations, Terna is present in Brussels with an office located close to the European Parliament. The objective is to establish an ongoing dialogue with the European Parliament, the Commission, the Italian Permanent Representation in the UE and European associations/organisations in order to enhance Terna's experience and expertise.

In the context of the advocacy actions pursued by the Group in support of the EU Green Deal strategy in line with the Paris Agreement, Terna's commitment to fighting climate change also includes representing and promoting its position at European level through its participation in various associations – especially ENTSO-E – making an essential contribution to the development and the implementation of the Green Deal and, in particular, of the “Fit for 55” climate package. In cooperation with other European TSOs, Terna is committed to using its unique experience and system-wide vision to support institutions in formulating a roadmap towards a climate-neutral Europe.

The main issues that Terna has followed over the past few years are dealt with in the European Green Deal, and in particular in the Fit for 55 package, the subsequent REPowerEU plan, and more recently in the EU Grid Action Plan launched by the European Commission at the end of November 2024, as well as in the European funding programmes under the 2021-2027 financial framework.

Some of the most important legislative files include, among others: the Electricity Market Design reform, the revision of the F-Gas Regulation, the Net Zero Industry Act, the formulation of the PCI/SME list, the amendments to the Renewable Energy and Energy Efficiency Directives, the definition of the Gas & Hydrogen Package and new targets in the field of Sustainable Finance, the monitoring of emergency measures to cope with the energy crisis and the risks of energy source scarcity, Sector Coupling, and the revision of the Environment and Energy State Aid Guidelines. Funding programmes of interest include Connecting Europe Facility, Next Generation EU, Innovation Fund, Horizon Europe and Digital Europe, as well as the European Regional Development Fund and the Cohesion Fund.

A key function in the dissemination of positions in favour of the Paris Agreement is played by associations. Terna is in fact a member of numerous associations and initiatives that pursue the goal of promoting a Europe that increasingly relies on renewable energy.

⁹ As also reflected in the internal organisation of the External Relations and Institutional Affairs department (divided into areas dedicated to the management of regional, national, European and international aspects), the activities mentioned above cover both Italy (where the parent company and most of the Terna Group's subsidiaries and business operations are based) and the foreign scope of interest.



TERNA'S CLIMATE CHANGE-RELATED DISCLOSURES

- **ENTSO-E** (European Network of Transmission System Operators for Electricity) is the most important industry body at European level, representing the continent's network of electricity transmission system operators. The network, created in 2008 as a voluntary association, was later formalised by EU Regulation 714/2009. A total of 40 electricity network operators from 36 European countries are represented in ENTSO-E; in addition to the 27 EU countries, the TSOs of Iceland, Macedonia, Montenegro, Norway, Serbia, Switzerland, Ukraine, Turkey and Moldova (the latter two as observer members) are also members.
- **The Renewables Grid Initiative** represents a unique collaboration between environmental NGOs and transmission system operators from across Europe. The association promotes the development of an environmentally aware network and dialogue with stakeholders at all levels to enable the future steady growth of renewable energy and the energy transition.
- **CIGRE** (Conseil International des Grands Réseaux Electriques) is the international non-profit association working in the field of high-voltage grid research. More than 90 countries are members of the association, represented by 60 National Committees. Terna currently holds the Presidency and Vice Presidency of the Italian Committee.
- **GO15** (Reliable and Sustainable Power Grids) is the international association that brings together the world's 14 largest grid operators in order to share good practices on the management of electricity transmission grids. In 2022, Terna held the presidency of the Association in the person of its CEO. Terna is also present in the Association's Steering Board and Governing Board, as well as co-chairing Strategic Working Groups.
- **RES4Africa Foundation** (Renewable Energy Solutions for Africa) is a non-profit foundation set up on 7 June 2019 by transforming the association of the same name. The aim is to promote the use of renewable energy sources and the dissemination of energy efficiency measures, as well as to support the creation of favourable framework conditions for investments in renewable energy in Southern and Eastern Mediterranean countries and sub-Saharan Africa.
- **Med-TSO** (Mediterranean Transmission System Operators) is the association of the TSOs of 20 Mediterranean countries, created with the aim of promoting the harmonisation of Development Plans and the coordinated management of electricity transmission networks, and to foster the creation of a legal and regulatory framework that facilitates the development of interconnection projects and strengthens electricity exchanges between the Mediterranean electricity systems. Terna hosts the headquarters of the Association in Rome and is its Secretary General.
- **GEO - The Green Economy Observatory** is an observatory of IEFE - Bocconi University that aims to develop, through research and in-depth study activities, the main topics of debate on the green economy through dialogue, discussion and collaboration with institutions and businesses.
- **Global Compact**, in which Terna participates through both an international and local presence. Terna has been a member of the Steering Committee of the Italian network since 2011 and is a founding member of the Global Compact Network Italy Foundation, established in 2013.
- **Kyoto Club**, a non-profit organisation made up of companies, organisations, associations and local administrations, committed to achieving the greenhouse gas emission reduction targets set out in the Kyoto Protocol and to promoting awareness-raising, information and training initiatives in the fields of energy efficiency, the use of renewables and sustainable mobility.

TERNA'S CLIMATE CHANGE-RELATED DISCLOSURES



Terna oversees relations with national and international stakeholders, also through interdirectorial groups, constantly monitoring their positioning and orientations and disseminating periodic update reports within the Organisation (e.g. Regulatory Activities Report; Associative Activities Report).

The monitoring of stakeholders' expectations is also carried out through the engagement envisaged for the updating of the materiality analysis that deals with Terna's main sustainability issues, including the topics "Reduction of the Group's CO₂ emissions"; "Grid resilience"; "Promotion of the circular economy" related to climate change. Awareness-raising activities aimed at external audiences also include:

- **Terna4Green**, the first public digital dashboard dedicated to the relationship between electricity production data and CO₂ emissions which makes it possible to monitor progress towards international decarbonisation goals.
- **"Lightbox"**, a multimedia blog that features all of Terna's content starting from data and internal expertise on electricity with the aim of combining attention to context with attention to the great challenges of decarbonisation and the integration of energy from renewable sources, in Italy and Europe. The blog, also available in English, is divided into four sections. Specifically, the 'transition' section is entirely dedicated to climate change and international decarbonisation targets.
- The **Terna APP**, multilingual and available on all devices, makes available Terna's data on the operation of the National Electricity System relating to: electricity demand, generation and transmission, as well as trade flows with foreign countries that can be consulted in real time, constantly and continuously updated. The application also includes a section on electricity production from renewable energy sources and CO₂ savings.
- **"Let's think about the future of Energy"**, the institutional communication campaign aimed at citizens to share the value of energy, a fundamental commodity to be used correctly and responsibly, and its importance in safeguarding the planet and its resources. Coinciding with the launch of the new Industrial Plan, the corporate communication campaign **"We have made a commitment to the future of energy"** was launched with the aim of bringing to the public's attention the strengths of the Plan, including Sustainability and Solidarity, for a fairer transition for all, communicating the Group's commitment to a future that confronts everyone with unavoidable deadlines, and to effective and decisive action to achieve the energy transition goals.



TERNA'S CLIMATE CHANGE-RELATED DISCLOSURES

Reconciliation statement with TCFD recommendations

Below is a table indicating the references to the pages within this document and the 2023 Integrated Report that respond to the recommendations, made by the Task Force on Climate-related Financial Disclosures.

TOPIC AREAS	RECOMMENDATIONS	REFERENCES
Governance	a) Describe the Board of Directors' oversight of climate-related risks and opportunities.	"The governance of climate change issues" (p.10) "Disclosure on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)" (2023 Integrated Report)
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	"Sustainability governance" (2023 Integrated Report)
Strategy		"Terna's scenarios" (p.12) "Climate change: opportunities and risks" (p.20) "Terna's strategy" (p.24) "Opportunities and risks for Terna connected with climate change" (2023 Integrated Report) "Business objectives and risk management" (2023 Integrated Report)
	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term. b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning. c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2C or lower scenario.	"2023 Development Plan" (2023 Integrated Report) "2024-2028 Industrial Plan" (2023 Integrated Report) "Innovation strategy" (2023 Integrated Report) "Security and Resilience Plan" (2023 Integrated Report) "Focus: Grid Resilience and Resilience Methodology" (2023 Integrated Report) "Renewal Plan" (2023 Integrated Report) "Reference scenarios" (2023 Integrated Report) "Terna's scenarios" (2023 Integrated Report)
Risk management	a) Describe the organisation's processes for identifying and assessing climate-related risks.	
	b) Describe the organisation's processes for managing climate-related risks. c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.	"Terna's risk framework" (p.15) "Risk management" (2023 Integrated Report)
Metrics and targets	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	"Metrics and targets" (p.28)
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks. c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	"Atmospheric emissions" (2023 Integrated Report) "The EU taxonomy" (2023 Integrated Report)

All pictures are the property of Terna.

www.terna.it

Mercurio GP
Milan

Strategic advisory
Creative concept
Graphic design
Layout
Editing

www.mercuriogp.eu

Password Language Services S.r.l.
Rome

Translation

