

Methodological note

The Sustainability Report as at 31 December 2015 (of the Terna Group) was prepared according to the GRI-G4 guidelines and the G4 "Sector Disclosure-Electric Utilities" update issued in 2013 by GRI - Global Reporting Initiative. As in the last few years, the Report was approved by Terna S.p.A.'s Board of Directors and subjected to specific auditing procedures. The GRI-G4 guidelines were applied according to the "CORE" option.

The process of preparing the document involved identifying the significant aspects to report and presenting the performance achieved by the Group in relation to such aspects and the sustainability targets.

The period of observation is the year 2015; all data refer to the financial year ending on 31 December 2015. At the descriptive level, the significant changes occurring up to 15 March 2016 have also been indicated.

In compliance with the principles outlined by the International Integrated Reporting Council (IIRC), Terna has published, with reference to 2015, the Integrated Report coinciding with the Report on Operations in the Annual Financial Report. This Report also contains numerous topics dealt with in this Sustainability Report. The discussion of the aforementioned topics is the same in both Reports, except where further detail is required pursuant, for example, to specific requirements in the GRI guidelines. The sustainability issues included in the Integrated Report were chosen based on materiality considerations.

Boundary

The data and information in the 2015 Sustainability Report refer to the Terna Group, that is to say the scope which includes Terna S.p.A. and the companies that were consolidated in the Consolidated Financial Statements for the year ending 31 December 2015, except – except where explicitly mentioned – the Tamini Group, acquired by the subsidiary Terna Plus on the 20 May 2014. This involves a coverage presented in the Sustainability Report equal to 94% of Group revenues.

However, this year certain environmental and social indicators are available for the Tamini Group, which are shown in the key indicator tables.

In accordance with the principle of materiality, the data included in the Sustainability Report include all the companies with a significant impact on sustainability (i.e. by size or rather the number of employees; or by potential impact on the environment and society or rather the number of operations/activities which took place during the year), over which Terna S.p.A. exercises control, directly or indirectly, that is to say for which it has the power to determine the financial and operational policies. There are no relations with joint-ventures, subsidiaries or leased businesses that could significantly influence the boundary or the comparability of the environmental and social data. The Group's work abroad – including that of the Montenegrin Terna Crna Gora d.o.o. – did not involve operating activities for the whole of 2015 with significant external impacts (e.g. activities involving construction infrastructure). For this reason, foreign activities have not been included in the calculation of the indicators published in this Report.