European Investment Bank

Luxembourg, 19/06/2025

Environmental and Social Data Sheet

Overview

Project Name:	*TERNA ADRIATIC LINK*
Project Number:	*2025-0051*
Country:	*ITALY*
Project Description:	*Financing of a submarine direct current high-voltage cable connecting the Marche and Abruzzo regions.*

EIA required: no

Project included in Carbon Footprint Exercise[1]: yes

(details for projects included are provided in section: “EIB Carbon Footprint Exercise”)

Environmental and Social Assessment

The Adriatic Link is submarine HVDC (High Voltage Direct Current) connection between Marche and Abruzzo regions 251 km long, with 210 km offshore with a maximum depth of about 100 m. The converter stations will be linked to the 400 kV AC system in Fano (PU) and Villanova di Cepagatti (PE). All the cables portions will be underground or undersea.

Environmental Assessment

Given its technical characteristics, the Project does not fall under either Annex I or Annex II of the EIA Directive 2011/92/EU amended by directive 2014/52/EU and, according to Italian law, has not been subject to EIA. The Project is part of the Promoter’s “Grid Development Plan” that underwent “Strategic Environmental Assessment” (“SEA”) in line with the requirements of the SEA Directive.

All the contracts for the works of the Project are signed and all the main permits are granted, as per Decree EL-538, dated 31/01/2024.

The land section of the project is crossing the Metauro River within the Municipality of Fano (PU), which is a Natura 2000 site “Fiume Metauro da Piano di Zucca alla foce” (IT5310022), protected under the Birds Directive and the Habitats Directive and includes the river's estuary. An assessment within the sense of art 6.3 of the Habitats Directive carried out in the context of the SEA ruled out significant effects on the habitats of community interest in view of the conservation objectives of the site, as confirmed by the competent authority via Determination 1337 dated 07/12/2022.

The underground cable crossing will be carried out beneath the riverbed using the Horizontal Directional Drilling (HDD) technique, which allows for pipeline installation without the need for open-cut excavation. The entry and exit pits for the underground cables, along with the associated construction areas, will be located outside the boundaries of the protected area.
Potential impacts on the site are primarily related to noise emissions and dust dispersion during construction activities. This impact is entirely temporary, as all noise emissions in the area will

[1] Only projects that meet the scope of the Carbon Footprint Exercise, as defined in the EIB Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: 20,000 tonnes CO2e/year absolute (gross) or 20,000 tonnes CO2e/year relative (net) – both increases and savings.

cease upon completion of the HDD operations. During the construction phase, dust generation may occur in areas near the work sites due to excavation and the handling of fine-grained materials. The impact will be confined to the immediate surroundings of the construction areas and will be temporary and reversible.
No temporary land occupation, vegetation removal, or deforestation is planned, as the site will be crossed underground. To mitigate or eliminate the potential environmental impacts described above, a series of mitigation measures will be implemented. For noise emission mobile noise barriers will be installed, it will be performed a careful selection of machinery and equipment, implementing appropriate maintenance procedures, and avoiding sensitive seasons for the fauna in the area (e.g. nesting period for birds). To control dust emissions, it will be minimized the number of heavy vehicle transports and stockpiles of fine materials, covering loose material loads to prevent dispersion during transport, and, if necessary, watering the ground to reduce dust propagation.

On Hystorical Heritage preservation an archaeological report was conducted for the entire project in compliance with of Legislative Decree 50/2016 and in specific cases the Superintendency requested a Planning Archaeology Assessment (VPIA). During the archaeological excavations in Fano, a multi-layered site was unearthed, spanning from the pre-protohistoric period to the Roman era. In close collaboration with the Superintendency, the archaeological contexts were thoroughly investigated, documented and removed, with the exception of a segment of a Roman road infrastructure that was preserved in situ. This preservation was deemed compatible with the planned construction activities. Following the completion of these investigations, the Superintendency issued a favorable opinion for the project's realization.

In the marine side, 65% of the cable is laid within the 12 nautical miles and the remaining 35% outside them but still within the exclusive economic zone (EEZ).

A Preliminary Marine Survey and Desktop Study have been conducted for the marine section. No Natura 2000 areas are affected and the study provide information about bathymetry, morphology, marine environment and surface geology of the seabed, identifying obstacles that may be encountered.
A study of the seabed was carried out at the beginning of 2023 for supporting the application for the permit to move the marine sediments for the laying of the cables and the ancillary works (Ministerial Decree 24/01/1996). The study covered a corridor including the electrode, the electrode cable and the pole cable. It allowed the characterization of the sediments, and the macro benthic communities present in the study area through a sediment sampling campaign and video inspections carried out via ROV (Remotely Operated Vehicle) near the landing place up to 50 m depth of the cables. No sensitive habitats have been identified, the best available techniques for both the laying and the burying phases will be identified to minimise the re-suspension of sediments during the construction phase and the size of the area impacted (both directly and indirectly) by the trench construction.
The competent authority (MASE) granted the permit to move the marine sediments for the laying of the cables and the ancillary works of the Project with decision dated 03/05/2023 requiring conditions to be fulfilled during the final design and implementation phase.
The Promoter will perform a Detailed Marine Survey, required to define the final cable route in line with the requirements from the conditional granted permits obtained for the project. The survey will allow to define cable protecting methods, in relation to the technologies applicable to the morphology of the seabed and its geological and geotechnical characteristics (Burial Assessment Survey). Seabed areas will be consequently identified with particular attention to protected marine flora (for example Posidonia Oceanica and Cymodocea Nodosa), unexploded objects (as war devices), archaeological findings and pre-existing submarine linear infrastructures (such as telecommunication lines and oil/gas pipelines).

The vessels used will comply with IMO Guidelines for the Reduction of Underwater Noise from Commercial Shipping to Address Adverse Impacts on Marine Life. To reduce the risk of collision

with marine turtles and marine mammals, a specialized observer will be present on board the primary vessels.

Finally, the project will be subject to marine environmental monitoring before, during, and after its implementation.

The disturbance will be limited in magnitude and temporary, solely related to the construction phase. Upon completion of the construction activities, site cleanup and full restoration of the affected areas will be carried out, returning them to their original use.

The Project qualifies as “Climate Action” in accordance with the criteria adopted for electricity transmission networks in the EU. Furthermore, the investments are expected to increase the RES (“Renewable Energy Sources”) hosting capacity of the grid thereby contributing to CO2 emissions reductions in the Project’s carbon footprint.

EIB Carbon Footprint Exercise

The sources of CO2 equivalent (CO2 e) emissions for the Project are the ohmic losses in the converters and in the cables of the Project and the indirect emissions resulting from the losses in the rest of the network. These emissions are however offset by the indirect emissions savings resulting from the avoided curtailment of intermittent RES enabled by the Project.

The corresponding average absolute emissions are estimated at 15 kt CO2 equivalent per year while the relative emissions savings are estimated at 157 ktCO2 equivalent per year.

For the annual accounting purposes of the EIB Carbon Footprint, the Project emissions will be prorated according to the EIB lending amount signed in that year, as a proportion of Project cost.

EIB Paris Alignment for Counterparties (PATH) Framework

The counterparty is in scope being a corporate entity. The counterparty is not active in high emitting sectors or incompatible activities (being focused only on electricity transmission) and it is not considered highly vulnerable with respect to adaptation to physical climate change risks.

Social Assessment, where applicable

The Project is expected to provide short-term positive socio-economic impacts in the form of temporary employment opportunities.

In case of expropriation of private/public goods for public utility project the compensation process is defined from the Italian legislative structure, mainly D.P.R. n° 327/2001 and relevant jurisprudence. However, the Promoter, where necessary, is negotiating the direct acquisition from landowners in order to avoid expropriation. The law describes that compensation is necessary in accordance to the type of land, the agricultural production and includes compensation for damages during construction.

No displacement of people is expected due to the infrastructure. The compensation required from local administrations, mainly due to landscape impacts and negative effects during implementation, has been allocated for the construction of public works benefitting local population. Determination of compensation amount followed the Promoter internal guidelines, with a view to a balanced distribution across the territory and within the limits imposed by the national authority.

The Promoter is “Health & Safety” ISO 45001 certified regarding occupational health and safety (“OH&S”) to proactively improve its OH&S performance in preventing injury and ill-health.

Public Consultation and Stakeholder Engagement

The public consultation for the Adriatic Link took place mainly in digital mode, due to the spread of Covid-19 and the restrictions imposed in that period. The Consultation involved the organization of 6 official meetings with the territory, from 6 to 14 September 2021. Institutions, associations and citizens from the municipalities of Cepagatti, Spoltore, Cappelle sul Tavo, Montesilvano, Città Sant'Angelo in Abruzzo and Fano in the Marche participated, for a total of around 80 participants overall.

Luxembourg, 19/06/2025

Additional meetings (virtual or in person) have been organized in 2022:

- 31 march 2022 with a focus on Cartoceto and Fano (Pesaro and Urbino province);
- 1 april 2022 with a focus on Cappelle sul Tavo, Cepagatti, Città Sant'Angelo, Montesilvano and Spoltore (Pescara province) and Silvi (Teramo province).
- 27 april 2022 physical meeting with people in Carrara di Fano.

The consultation results were taken into consideration and project elements were modified when necessary. For example, in the Municipality of Fano, the road selected for the access to the site has been changed, in order to reduce the impacts on vehicular traffic during the construction of the works.

Other Environmental and Social Aspects

Terna has a wide range of policies related to environmental and social aspects and performances. The main document is Terna's "Codes of Ethics", which establishes the guiding principles and values of the company's action. Environmental, safety and security topics are regulated by the Integrated Policy which describes Terna's "Integrated Management System". Regarding Social aspects these are regulated by the "Respect of Human Rights Policy" and the "Diversity & Inclusion Policy".

Terna is included in the Bloomberg Gender Equality Index (GEI). The GEI is an international index that measures companies' performance regarding gender equality issues and the quality and transparency of their public reporting. Furthermore, Terna is also included in the Standard & Poor's "Gender Equality & Inclusion Equal Weight Index" which assesses the companies on specific areas such as Board Diversity Policy, Board Gender Diversity, Workforce Gender Breakdown, Gender Pay Indicators, Health and Well-being.

Terna has also subscribed the "Marine Grid Declaration" promoted by RGI Renewables Grid Initiative with the aim of engaging in the management and development of innovative solutions for the overcoming and mitigation of the environmental effects associated with subsea cables.

Conclusions and Recommendations

The Bank reviewed the screening procedure and surveys, the public consultation documents and the permits of the Project.

Based on this review the Project is acceptable to the Bank in environmental and social terms.