



GE VERNOVA

EU TAXONOMY REGULATION, SUSTAINABLE ENERGIES AND THE ESG TARGETS

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Commission for Energy System

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WE ARE  GE VERNOVA

PURPOSE- BUILT

Launched as an
independent company on
April 2, 2024

SCALE, BREADTH & TECHNOLOGICAL DEPTH

to be a leader: Power, Wind, Electrification & Digital
businesses supported by Advanced Research, Consulting
Services & Financial Services

NEARLY 25%

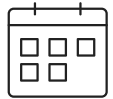
of world's electricity today
generated by our
technology

PURPOSE BUILT FOR THE ENERGY TRANSITION

OUR LEGACY AND PRESENCE IN ITALY



7 Major sites



100+ Years of local experience



~27 GW of GE Vernova power generating capacity in Italy



~24% of Italy's electricity is generated by our equipment

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SITES

Power & Electrification
Milan

Electrification
Venice

Electrification
Genoa

Power & Electrification
Florence

Power (Aero JV)
Florence

Wind
Foggia

OFS Tooling Center
Livorno

● Manufacturing site

● Service site

● Engineering and project office

● Installed base





EU Taxonomy Regulation is a legal framework defining which economic activities are “environmentally sustainable”

WHAT

Taxonomy-aligned criteria:

- Substantially contribute to at least one environmental objective
- Do Not Significant Harm (DNSH) to the other objectives
- Comply with minimum social safeguards

EU TAXONOMY IN THE ENERGY SECTOR IS RESHAPING INVESTMENTS AT SCALE INTO THE ENERGY TRANSITION ... ***NEED FOR AN INDUSTRIAL APPROACH, NOT IDEOLOGICAL***



HOW

EU Taxonomy Regulation can drive the energy transition successfully harmonizing the ambitious DECARBONIZATION GOALS with the creation of ECONOMIC VALUE

- Pragmatism
- Realism
- Competitiveness

ENERGY TRANSITION AND CLIMATE PLEDGE AS ETHICAL DUTY AND BUSINESS OPPORTUNITIES

WHY

Technology Mix: addressing energy security & decarbonization	Innovation: acceleration of emerging technologies	Social acceptability & employment impact
<p>Energy related activities aligned with EU climate goals:</p> <ul style="list-style-type: none">• Renewable energy generation• Energy storage• Hydrogen• Grid modernization <p>Transitional activities:</p> <ul style="list-style-type: none">• Natural Gas• Nuclear	<p>Decarbonization</p> <ul style="list-style-type: none">• Pre-combustion: use a near zero or carbon neutral fuel ... hydrogen, biofuel• Post-combustion: remove carbon from the plant exhaust ... liquid solvents (state of the art), solid sorbents/membranes (emerging) ... Net-Zero Teesside Power Plant - UK <p>Nuclear: SMR (Gen III+) and AMR (Gen IV) ... Darlington SMR Project - Canada</p> <p>Software solutions for the Planning and Operation of the grid</p>	<p>Community acceptance of the energy mix sustaining the energy transition</p> <p>Workforce transition and reskilling</p> <p>Role of managers as change agents within the enterprise and the community</p>

EU Taxonomy Regulation needs to improve alignment between policy and industrial needs and ensure that sustainability criteria remain science-based and pragmatic

The milestones for achieving **2050** net zero goal in Italy ...

202



European Green Deal: introduced as a set of policy initiatives to reach climate neutrality in the EU by 2050.

203



“Fit for 55” package set a 55% GHG reduction target (vs 1990)

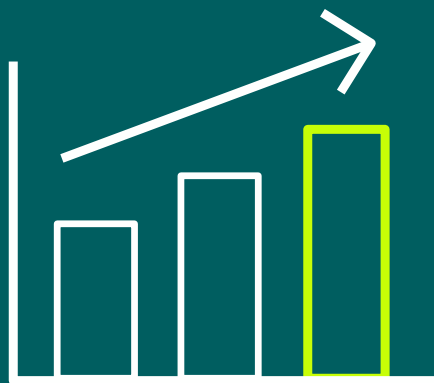
Italy National Energy Climate Plan (NECP) set out planned measures to reduce CO₂ emissions in the power sector by 58-66% (vs 2005).

204



90% GHG reduction target (vs 1990): European Commission (EC) proposed an amendment to the EU Climate Law, setting a new EU climate target of a 90% reduction in net GHG emissions by 2040.

... and the challenges



AN INCREASE OF

60%

Demand growth
by 2050

MORE THAN

200 GW

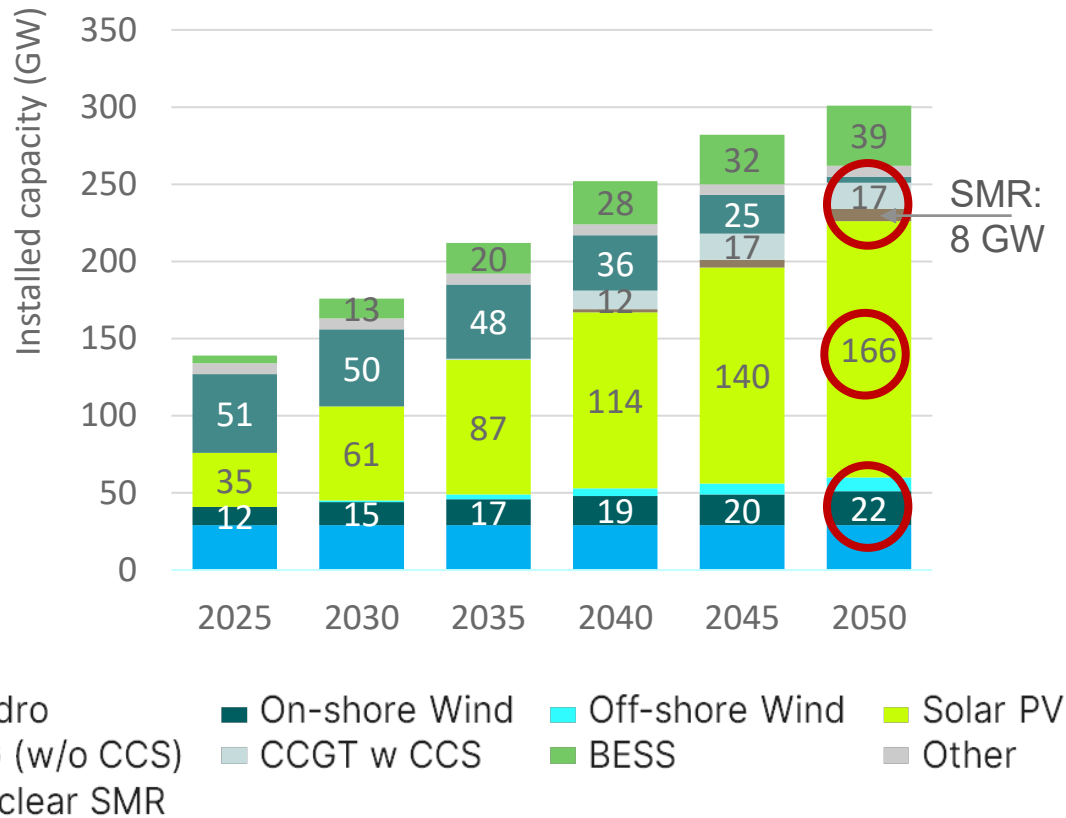
Of new capacity will
be required by 2050

~4X

The currently installed
wind and solar in Italy

BUSINESS AS USUAL

Assuming renewable additions can proceed at historically observed pace (observed up to 2024)



Ensuring required deployment of renewable energy

- Accelerate deployment of **solar PV and wind power** to achieve around 90 GW of total by 2030, over 2X the 2024 wind and solar capacity
- Keep existing 29 GW **hydropower** capacity (and explore add'l potential)
- An accelerated growth in onshore wind and solar PV will require **streamlining administrative processes** and incentivizing investment

Flexible technologies as key enabler for Net Zero

- Approx 10% of installed capacity base will be **SMR and CCGT w CCS** by 2050, meeting 25% of demand
- Mix of CCGTs with **carbon capture and sequestration CCS** (16-18 GW) and **nuclear SMR** (8 GW) are key for providing system flexibility and part of the increased electricity demand
- **40 GW of battery energy storage** (BESS) capacity needed for daily peak shaving and reduction of energy curtailment

Electrification transmission upgrades

- Accelerating **transmission infrastructure upgrades** and reinforcements in the south of Italy to avoid curtailment of 70 TWh, approx 15% of electricity demand by 2050
- **Terna's Hypergrid projects** are a key investment, however most of them will be realized post 2035, not addressing the curtailment issues in earlier years

With current rate of solar and wind additions, Italy can still achieve net zero 2050 target, contingent on high utilization on CCGT with CCS, nuclear SMR and potentially higher power imports



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