

Activities

Eni is a global energy company with a high technological content, engaged in the entire value chain: from the exploration, development and extraction of oil and natural gas, to the generation of electricity from cogeneration and renewable sources, traditional and bio refining and chemical, and the development of circular economy processes. Eni extends its reach to end markets, marketing gas, power and products to local markets and to retail and business customers also offering services of energy efficiency and sustainable mobility. Both CO₂ capture and storage and Natural Climate Solutions initiatives will be implemented to absorb residual emissions.

Consolidated expertise, technologies and geographical distribution of assets are Eni levers to strengthen its presence along the value chain.

Along this path, Eni is committed to become a leading company in the production and sale of decarbonized energy products, increasingly customer-oriented. Decarbonization will be achieved through the implementation and strengthening existing technologies and activities such as:

- ▶ **Efficiency and digitalization** in operations and customer services;
- ▶ **Renewables** through increased capacity and integration with the retail business;
- ▶ **Biorefineries** with an increasing input of raw material from **waste** and from an integrated agribio-feedstock production chain not in competition with food production;
- ▶ **Circular economy** with increased production of biomethane, use of waste products and recycling of end products;
- ▶ **Blue and green hydrogen** to power highly energy-intensive industrial activities and sustainable mobility;
- ▶ Natural or artificial **carbon capture** to absorb residual emissions through Natural Climate Solutions, including **REDD+** forest conservation **initiatives** and **CCS** projects.

Gas will be an important support to intermittent sources in the energy transition.



beyond
32,000
our employees



operating in
69
Countries

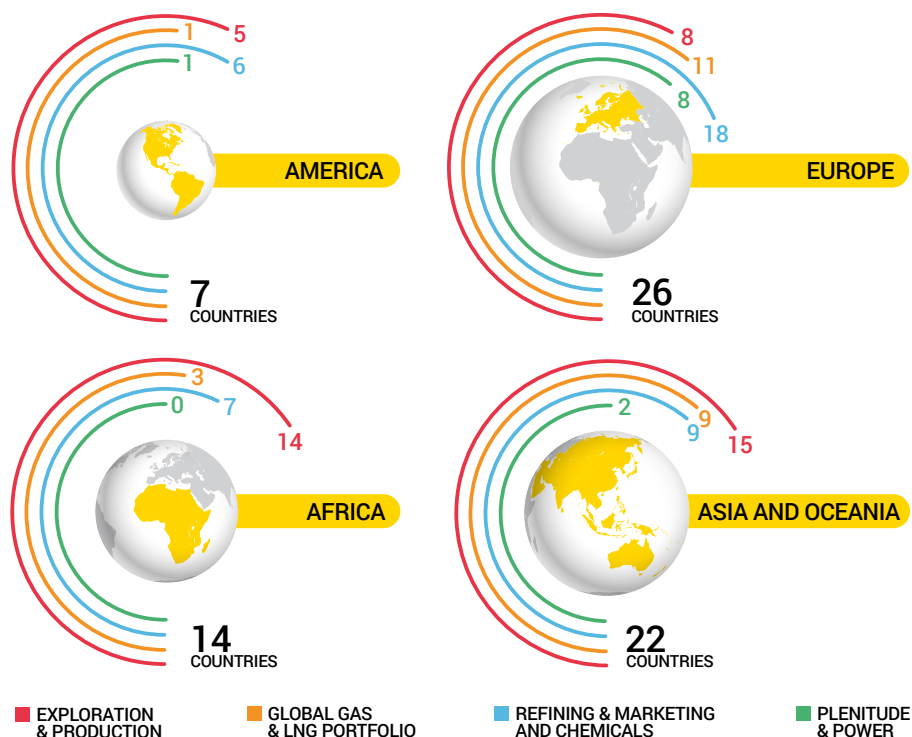
ENI'S ACTIVITIES IN THE WORLD

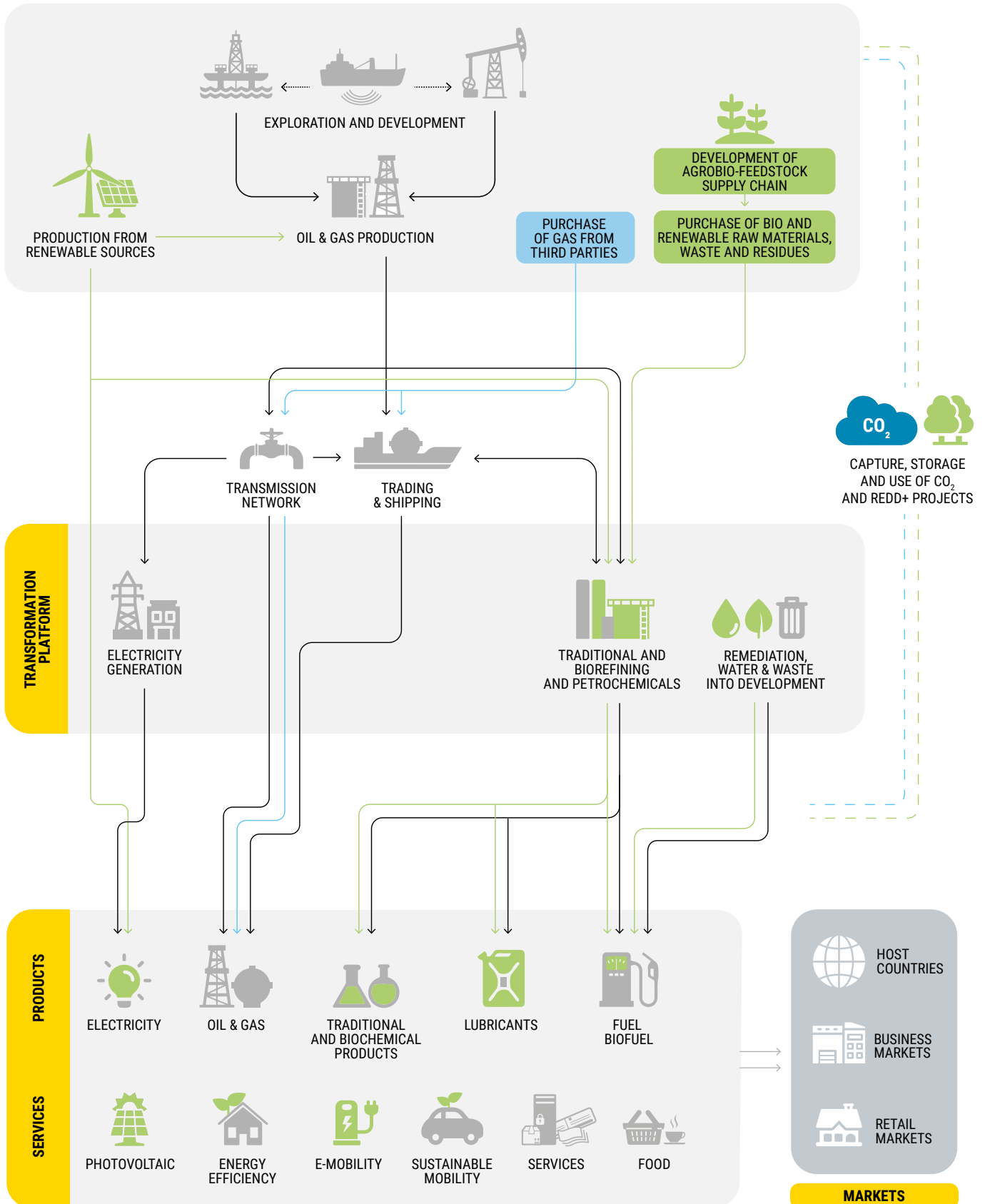
42
exploration
& production

24
global gas
& lng portfolio

40
refining & marketing
and chemicals

11
plenitude
& power





Business Model

Value creation
for stakeholders



OPERATIONAL
EXCELLENCE



CARBON
NEUTRALITY
BY 2050



ALLIANCES FOR
DEVELOPMENT

Competences,
technological innovation
and digitalization

Eni business model is aimed at the **creation of value for all stakeholders** through a strong **presence along the entire value chain** of energy. Eni aims to contribute, directly or indirectly, to the achievement of the **Sustainable Development Goals (SDGs)** of the United Nations 2030 Agenda, supporting a just energy transition, which responds with concrete and economically sustainable solutions to the challenges of combating climate change and giving access to energy in an efficient and sustainable way, for all.

Eni organically combines its business plan with the principles of environmental and social sustainability, extending its range of action along three pillars:

- ▶ **1.** Eni business is constantly focused on **operational excellence**. This translates into an ongoing commitment to valuing people, safeguarding both the health and safety of people and asset integrity, protecting the environment, integrity and respect for human rights, resilience and diversification of activities and ensuring sound financial discipline. These elements allow the company to seize the opportunities related to the possible evolutions of the energy market and to continue on the path of transformation.
- ▶ **2.** Eni's business model envisages a decarbonization path towards **carbon neutrality by 2050** based on an approach oriented to emissions generated throughout the life cycle of energy products and on a set of actions that will lead to the total decarbonization of processes and products by 2050. This path, achieved through existing technologies, will allow Eni to totally reduce its carbon footprint, both in terms of net emissions and in terms of net carbon intensity.
- ▶ **3.** The third guideline refers to **Alliances for the promotion of development** through the enhancement of the resources of the Countries where it operates, promoting access to electricity and promoting Local Development Programmes (LDPs) with a broad portfolio of initiatives in favour of communities. This distinctive approach, referred to as Dual Flag, is based on collaborations with other internationally recognized players in order to identify the needs of communities in line with the National Development Plans and the United Nations 2030 Agenda. Eni is also committed to creating job opportunities and transferring its know-how and expertise to its local partners.

Eni's business model is developed along these three pillars by leveraging internal expertise, the development and application of innovative technologies and the digitalization process.

A fundamental element of the business model is the Corporate Governance system, inspired by the principles of transparency and integrity, outlined further in the "Governance" section.



Responsible and Sustainable Approach

COMMITMENTS



CARBON NEUTRALITY BY 2050



COMBAT CLIMATE CHANGE

Eni has defined a medium-long term plan to take full advantage of the opportunities offered by the energy transition and progressively reduce the carbon footprint of its activities, committing to achieve total decarbonization of all its products and processes by 2050.
SDGs: **7 9 12 13 15 17**



OPERATIONAL EXCELLENCE



PEOPLE

Eni is committed to supporting the “Just Transition” process by consolidating and developing skills, enhancing every (professional and non-professional) dimension of its people and recognising the values of diversity and inclusion of all diversities.
SDGs: **3 4 5 8 10**



HEALTH

Eni considers the protection of the health of its people, families and communities in the Countries where it operates to be a fundamental requirement and promotes their physical, psychological and social well-being.
SDGs: **2 3 6 8 17**



SAFETY

Eni considers workplace safety an essential value to be shared among employees, contractors and local stakeholders and it is committed to reduce incidents down to zero and to preserve assets integrity.
SDGs: **3 8**



RESPECT FOR THE ENVIRONMENT

Eni promotes the efficient management of natural resources and the safeguard of protected and relevant to biodiversity areas through actions aimed at improving energy efficiency and the transition to a circular economy and identifying potential impacts and mitigation actions.
SDG: **3 6 9 11 12 14 15**



HUMAN RIGHTS

Eni is committed to respecting Human Rights (HRs) in its activities and to promoting their respect with partners and stakeholders. This commitment is based on the dignity of every human being and the responsibility of businesses to contribute to the well-being of individuals and local communities.
SDGs: **1 2 3 4 6 8 10 16 17**



SUPPLIERS

Develop a sustainable supply chain, generating and transferring value to all stakeholders through the Sustainable Procurement Programme.
SDGs: **3 5 7 8 9 10 12 13 17**



TRANSPARENCY, ANTI-CORRUPTION AND TAX STRATEGY

Eni carries out its business activities with loyalty, fairness, transparency, honesty, integrity and in compliance with the laws.
SDGs: **16 17**



ALLIANCES FOR DEVELOPMENT



COOPERATION MODEL

The cooperation model integrated into the business model is a distinctive feature of Eni, which aims to support Countries in achieving their development goals.
SDGs: **1 2 3 4 5 6 7 8 9 10 13 15 17**

CROSS-CUTTING THEMES



TECHNOLOGICAL INNOVATION

For Eni, research, development and rapid implementation of new technologies are an important strategic lever to drive business transformation.
SDGs: **7 9 12 13 17**

(a) Total Recordable Injury Rate and Lost Time Injury Frequency Rate.
(b) Extractive Industries Transparency Initiative, supported by Eni since 2005.

Eni's Mission clearly expresses the commitment of Eni to play a decisive role in the "Just Transition" process to achieve the goal of net-zero emissions by 2050, with a view to sharing social and economic benefits with workers, the supply chain, communities and customers in an inclusive, transparent and socially equitable manner, contributing to the achievement of the Sustainable Development Goals (SDGs).

MAIN RESULTS 2021

MAIN TARGETS

- ▶ -25% GHG emission intensity index UPS vs. 2014
- ▶ -31% volumes of hydrocarbons sent for routine flaring vs. 2014
- ▶ -92% UPS fugitive methane emissions vs. 2014 (target achieved)
- ▶ -26% UPS Net Carbon Footprint vs. 2018
- ▶ -10% Net GHG Lifecycle Emissions vs. 2018
- ▶ -2% Net Carbon Intensity vs. 2018

- ▶ -43% GHG emission intensity index upstream in 2025 vs. 2014
- ▶ Zero routine flaring in 2025
- ▶ -80% UPS fugitive methane emissions in 2025 vs. 2014
- ▶ Net Zero Carbon Footprint UPS in 2030 and Eni in 2035
- ▶ Net Zero GHG Lifecycle Emissions and Carbon Intensity in 2050

- ▶ 31,888 employees in service at 31 December (reported +3.6% vs. 2020)
- ▶ +1.6 percentage point increase in women hired (26.2% in 2021)
- ▶ ~1.04 mln hours of training (-0,3% compared to 2020)
- ▶ 1,500 professional profiles mapped

- ▶ Increase by 3 percentage points vs. 2020 of women employees by 2030
- ▶ Increase in the replacement rate with target >1 to 2025
- ▶ age diversity: +5 p.p. vs. 2021 of the population under 30 by 2025
- ▶ +20% hours of training in 2025 vs. 2021

- ▶ 379,481 health services provided
- ▶ 158,784 registrations to health promotion initiatives
- ▶ 11 agreements signed with local communities, 8 of which for health crisis management

- ▶ Digital initiatives for monitoring and improving the healthiness of indoor working environments
- ▶ Improving access to community well-being and health
- ▶ Development of initiatives to promote correct lifestyles for employees

- ▶ TRIR= 0.34; LTIF^(a) = 0.23; FATALITY INDEX = 0
- ▶ 114 real emergency drills carried out with the involvement of personnel and operational vehicles
- ▶ Over 60 courses on behavioural safety delivered (> 15,000 hours)
- ▶ Process Safety: awareness raised for over 14,000 employees and 10,000 contractors

- ▶ TRIR < 0.40; 0 fatal accidents
- ▶ Extension of digital initiatives in the field of safety to contracting companies and digitalization of HSE processes
- ▶ Focus on behavioural safety and the human factor

- ▶ 91% reuse of fresh water
- ▶ +10% fresh water withdrawn vs. 2020
- ▶ +19% waste generated from production activities vs. 2020
- ▶ -35% barrels spilled from operational oil spills vs. 2020
- ▶ Extension of biodiversity mapping to renewable energy plants

- ▶ Commitment to minimise fresh water withdrawals in areas under water stress
- ▶ Reuse of fresh water in line with the trend of the last 5 years
- ▶ Re-injected production water in line with the trend of the last 5 years net of the operating structure
- ▶ Development of new technologies for waste recovery and implementation on an industrial scale

- ▶ 23,893 hours of training provided in the year on HRs
- ▶ 100% of the professional procurement family trained on HRs
- ▶ Reinforced clauses on HRs included since May 2021 in all contracts with suppliers in the tender documentation and in all contractual standards
- ▶ Processing and roll out of the work-related HRs Due Diligence Model
- ▶ 98% of security contracts with HRs clauses

- ▶ Completion of the three-year business and HRs training programme
- ▶ Continue in the process of developing specific analysis on 100% of new projects with HRs risks, including agro-business projects
- ▶ Keep 100% of new suppliers assessed according to social criteria

- ▶ Subscription of 2,500 qualified Eni suppliers to Open-es, in a path of growth
- ▶ ~1,000 suppliers invited to cyber-security training and self assessment
- ▶ Application of sustainability safeguards in procurement procedures from April
- ▶ Launch of the Sustainable Energy Basket Bond
- ▶ Sustainability requirements in procurement procedures for ~ €2.5 bln

- ▶ Assessment of the sustainable development path for all Eni strategic suppliers by 2025

- ▶ 9 Countries where Eni supports EITI^(b) Multi stakeholder Groups at local level
- ▶ 20 internal audits conducted with anti-corruption checks
- ▶ ISO 37001:2016 surveillance audit passed
- ▶ Anti-Corruption and Anti-Money Laundering module introduced to the new e-learning course "Code of Ethics, Anti-Corruption and Corporate Responsibility"
- ▶ Update of the Anti-Corruption MSG

- ▶ Provision to all employees of the new course "Code of Ethics, Anti-Corruption and Corporate Social Responsibility"
- ▶ ISO 37001:2016 certification maintained
- ▶ Continuous improvement of the Anti-Corruption Compliance Program

- ▶ €105.3 mln invested in local development
- ▶ Cooperation agreements signed including UNDP (United Nations Development Programme), AICS (Italian Agency for Cooperation and Development) and civil society organizations

- ▶ By 2025 ensure access: to energy for ~290K people; to education for ~72K students; to water services for ~95K people; to economic diversification initiatives for ~17K^(c) people; to health services for ~296K people

- ▶ €177 million invested in research and development
- ▶ 30 new applications for first patent filings, of which 11 related to renewable sources

- ▶ Guarantee that 70% of investment in research and development is spent on decarbonization issues

(c) The 17,000 beneficiaries include only people trained and/or supported for the start-up or strengthening of specific economic activities, not beneficiaries for infrastructure construction (roads, civil buildings, etc.) or for new agro-business activities underway. In some cases beneficiaries are not trained but receive inputs, funds or other to start economic activities.

Letter to shareholders



Lucia Calvosa
Presidente



Claudio Descalzi
Chief Executive Officer
and General Manager

Dear Shareholders,

Eni is following with great attention and deep condolences the dramatic events of the conflict in Ukraine and participates in the pain of people involved. Since 2014, when the international sanctions regime against Russia was applied, we have implemented a policy of progressive disengagement from upstream activities in the Country. Our current activities in Russia are immaterial, limited to the interest in the Blue Stream pipeline for the export of Russian gas to Turkey, of which we announced the divestment. In a context characterized by such magnitude geopolitical crisis and potential huge “disruptions” in the raw material markets, we are making great efforts with institutions and our partners to ensure the security of energy supplies to Italy and our customers around the world in order to guarantee the normal course of civil life and the economy.

In recent months, international gas supplies were regularly, thanks also to our diversified portfolio; in any case, our company is preparing to manage possible extreme scenarios, leveraging on the flexibility of gas supplies in our portfolio, on the availability of infrastructures and important volumes of LNG, on the long-term relations with producing Countries overlooking the Mediterranean area.

Looking at our results and what happened in 2021, our Company reacted quickly and decisively to the deep social and economic crisis caused by COVID-19 pandemic, accelerating the transformation of its business model for the leadership in the energy transition and pursue the carbon neutrality strategy by 2050.

Strong attention has been paid to safeguarding capital and financial solidity through discipline and redefinition of priorities in capital allocation.

With the mitigation of the health emergency followed by COVID-19 pandemic, the strong macroeconomic restart of 2021, progressively extended from Asia to Western countries, has driven the recovery of global oil & gas demand, rebounded synchronously in all the geographies.

This generated tensions on unresponsive supply due to lower investments in the upstream sector in the latest years, repropounding in all the critical issue of energy security.

In this framework, hydrocarbon prices reported a wide shoot with natural gas prices at an all-time high and at four-fold increases compared to 2020, while Brent prices increased by 70%. Leveraging on selective capex spending, cost reduction and portfolio optimizations, Eni has been able to seize the strengthening of the scenario, reporting excellent operational and financial results.

Eni reported an adjusted operating profit of €9.7 billion and an adjusted net profit of €4.3 billion. The robust adjusted cash generation of €12.7 billion easily funded organic capex (€5.8 billion) to maintain the production plateau and to boost renewable business growth, generating an organic free cash flow of €7.6 billion. Generated cash flows funded capex focused on business’ transition (€2.1 billion), dividends payment and buyback program (overall €2.8 billion) which returned to pre-pandemic levels and reduced net borrowings to €9 billion and leverage to 0.20 compared to 0.31 as of December 31, 2020.

Eni will continue to focus on financial discipline to limit cash neutrality currently at a Brent of 40 \$/bbl to cover organic capex and dividends, leveraging on technology to accelerate decarbonisation and exploit value from the portfolio restructuring, considering the imminent IPO of Plenitude’s retail & renewable business.

The upstream portfolio is confirmed to be an important lever of value creation for the energy

transition, as demonstrated, on the one hand, by the success of Vår Energi listing on the Norwegian stock exchange, the largest IPO of an O&G company in over a decade, and, on the other hand, the set up together with BP of a strategic vehicle in Angola, combining the operations of the two partners.

The public offering of Plenitude shares, of which we will retain control, is one of the strategic steps towards zero Scope 3 emissions associated to our retail customers. Plenitude will be structured as a financially autonomous entity to ensure a more efficient capital structure and will leverage a unique business model, resulting from the synergic combination of the retail customer portfolio, renewables and charging points for electric vehicles to accelerate the growth of green capacity by reducing its risk profile and increasing the market share. The new entity laid the foundation on a solid base of 10 million customers and over 2 GW of renewable capacity, installed and under construction.

In 2021, we significantly progressed in our path to decarbonization thanks to our pragmatic approach in addressing emissions reduction by enhancing existing technologies, assets and skills to offer immediately applicable industrial and economic solutions, while investing in "break-through" technologies able to change the energy paradigm in the long-term.

Together with the Commonwealth Fusion System, a spin-out company of MIT of which we are the main partner, we achieved a breakthrough result in testing superconductors for the confinement of the plasma from fusion, a technology that could represent a game changer in the decarbonization path, being potentially able to produce huge amounts of energy, safely, virtually inexhaustible and zero emissions. This achievement paves the way for the collection of net energy in a demonstration plant that we aim to build by 2025.

In the United Kingdom, the Eni-led HyNet integrated project for the transport, capture and storage of CO₂, operated by a consortium of companies, has been granted access to priority public funding by the British authorities, as part of the Country's decarbonization plans. The start of activities is expected by 2025, allowing the access to a tariff-regulated business model.

The development of biofuels is one of the drivers of Eni's energy transition path based on the circular economy. This target leverages on our two distinctive biorefineries in Gela and Venice, characterized by cutting-edge proprietary technologies and steady product and process improvements.

In 2021, started the production of sustainable aviation fuels "SAF" (sustainable aviation fuels) from "UCO" raw materials (waste oils and other waste) not in competition with the food chain, by applying the proprietary technologies of traditional refining.

The production of SAF is expected to ramp-up with about 10 thousand tons/year through co-feeding of the oil-loaded plants with UCO, until the start-up in 2024 of the Eni Biojet project at the Gela biorefinery. This latter will allow to sale additional 150 thousand tons/year of SAF, being entirely produced from organic raw materials, able to meet the potential obligation of the Italian market for 2025.

We confirm our commitment for palm-free biofuels by 2023, thanks to our continuous process innovations and the entry into operation of the BTU unit at Gela which will be able to significantly expand the flexibility of feedstock processing chain. In 2021 we reduced by a third the incidence of palm oil.

In partnership with several African countries we operate in Angola, Benin, Congo, Ivory Coast, Mozambique, Kenya and Ruanda, we are progressing projects based on biofuels to decarbonize the local energy mix, through the set-up of integrated agro-biofeedstock supply chains to supply renewable feedstock to Eni biorefineries, without impacting the local food chain and promoting circular economy through the recovery and valorization of non strategic area. Furthermore these agreements will allow to create new jobs and to

foster local development. In addition, these projects will be supported by Eni research, also by leveraging on the agreement with the Bonifiche Ferraresi Group, aimed at establishing an equal joint venture for the development of agricultural research and experimentation projects of oil plant seeds to be used as feedstock in Eni's biorefineries.

The sustainability of industrial operations is combined with financial sustainability.

In 2021 we adopted a set of guidelines on sustainable funding on the capital market (Sustainability-Linked Financing Framework), the first in the world in the energy sector, providing for future financing contracts and derivative instruments a reward mechanism, where possible, according to the achievement of one or more decarbonization targets.

In application of this framework, in May 2021 we issued the first sustainability-linked bond in our sector, worth €1 billion at a very competitive cost, linked to the achievement of Net Carbon Footprint Upstream objectives (Scope 1 and 2) and the renewable installed capacity. The success of this operation reflects the credibility of our emission targets and our ability to create value through the energy transition.

The progress of our decarbonisation strategy and the excellence of Eni's sustainable performance are recognised and appreciated by financial markets and ESG investors.

Eni has been included among the top ten companies in Euronext's new MIB ESG index and has been confirmed as a leader in the main ESG ratings and specialist indices (MSCI, Sustainalytics, V.E, FTSE4Good Developed Index, World Benchmark Alliance), obtaining the Prime Status from the ISS ESG rating. Excellent results were also achieved in climate-focused indices (Climate Action 100+ Net Zero Benchmark, Carbon Tracker, Transition Pathway Initiative). Eni has been included for the first time in the Bloomberg's Gender-Equality Index (GEI), a market capitalization-weighted index monitoring the performance of listed companies committed to transparency in the reporting of gender data. The index, which includes 418 companies in 45 countries and regions, measures gender equality based on five pillars: female leadership and talent development, equal pay and gender pay, inclusive culture, anti-sexual harassment policies, and pro-women brands.

Eni's excellent 2021 results were driven by the robust performance of E&P segment, which reported an EBIT of €9.3 billion, six times that of 2020, with a production of 1.68 million boe/d, in line with our plans.

Exploration activity is a driver of growth and value creation for Eni. In 2021, we discovered 700 million boe of new resources at a competitive cost of 1.3 \$/boe. The main success of the year was the discovery of the giant Baleine in the deep offshore of the Ivory Coast, with a mineral potential of over 2 billion barrels of oil in place and about 2.4 trillion cubic feet (TCF) of associated gas.

It is set to be developed with a phased fast-track approach and will be the first development in Africa at net zero emissions (Scope 1 and 2). The importance of this discovery underpins any opportunities for early monetization through the application of the dual-exploration model. Exploration in areas close to producing assets (ILX – Infrastructure Led Exploration) continued to generate excellent returns in particular in Angola in Block 15/06 with a sequence of satellite discoveries, in 2021 those of Cabaca N and Cuica, able to maintain the plateau of the FPSO N'Goma operating the area, extending the useful life and cash flows. Other important proximity discoveries were those of Sayulita in Mexico's offshore Block 10, which boosts the area's commercial prospects, Eban, located offshore Ghana, CTP 4 block near the Sankofa production hub, and Maha's appraisal offshore Indonesia.

Our development phase creates value thanks to the integration with the exploration phase to maximize synergies with existing assets, the parallelization of activities and the fast-track approach including the start-up in early production and the subsequent ramp-up to reduce financial exposure. Leveraging this model, we will develop through the "fast track" approach, the Baleine field expected to start-up in 2023, while in 2021 the Cabaca N/Cuica discoveries in Angola, Merakes in Indonesia, Berkine in Algeria and Mahani in UAE were started up.

Eni's significant progress in reducing the time-to-market of reserves is underpinned by our Coral South flagship project, approved in 2017 just thirty-six months after the finalization of the exploratory campaign

and now close to completion with the launch of the FLNG (Floating Liquefied Natural Gas) unit, the first floating LNG plant, whose construction started in 2018 is aligned to the time schedules and budgets, despite the pandemic. The FLNG has reached the Rovuma Basin, off the coast of Mozambique, where it will be connected to underwater production wells by the second half of 2022 for first gas. The project will generate significant revenues for the country, and will create more than 800 new jobs during the operational period.

We intend to exploit value from our upstream portfolio through the set up with selected partners of autonomous corporate vehicles, with strategic value able to grow and generate returns for shareholders. Vår Energi, the JV established in 2018 by Eni and HitecVision, the largest independent company in the E&P sector in Norway records the validity and robustness of our model.

The JV has grown by about 30% since 2018, currently producing 245,000 boe and distributing a stable flow of dividends to shareholders.

The IPO on the Oslo Stock Exchange in February 2022 allowed us to monetize part of that unexpressed value. On the basis of the Vår Energi model we are progressing terms for establishing a JV with BP in Angola, which will combine the two partners' assets and will become the top player in the Country.

The Global Gas/LNG portfolio "GGP" segment also recorded a record year with an EBIT of almost €600 million, against the backdrop of a very complex scenario characterized by a tight supply of gas at a global level triggering unprecedented increases in spot prices at continental hubs, but with adverse trends as highlighted by the reversal of the spreads between the price of Italian gas compared to European prices. In this extreme volatile environment, the sector leveraged portfolio flexibilities and contractual renegotiations that underpinned the excellent 2021 performance.

The set-up of a JV with a strategic partner such as Snam for the management of supply backbones from Algeria is part of our strategy to exploit value from our asset portfolio by freeing up resources for the energy transition.

The R&M business faced one of the most challenging refining scenarios in history with negative margins throughout the year due to the delay in post-COVID recovery at key segments such as jet fuel and the significant increase in CO₂ costs. The good performance of the marketing activity and plants optimization allowed us to achieve a substantial breakeven. Thanks to the acquisition of the Italian operator FRI-EL, Eni entered the bioenergy sector and leveraging on the upgrading of the acquired assets, we expect to produce biomethane.

The Chemical business, through Versalis, reported a solid performance with an EBIT of about €200 million compared to a loss of the same amount in 2020, due to the increase in plant utilization rate granting greater availability of product in a phase of strong recovery of the petrochemical cycle with periods of tension on the supply side and very strong commodity margins.

We continued our strategy of repositioning the production mix reducing oil-linked petrochemicals by increasing exposure to the specialty and green chemical segments. In this context, we acquired the control of Finproject, consolidating our position in the field of applications of high-performance formulated polymers and compounding, less subject to commodity fluctuations, and acquired technologies and plants of Ecoplastic, a specialized company in the recovery chain of used plastics, with the aim of accelerating the growth of advanced mechanical recycling and expanding the range of polymers for recycling Versalis Revive®.

In 2022 we will launch the restructuring of the Porto Marghera site with the conversion into a hub for the production of plastics entirely obtained from recycled raw material. Proprietary technologies will play a key role in accelerating the "green" conversion of Versalis by reducing dependence on oil feedstock; among these, we focus on the chemical recycling of non-reusable plastics (HOOP technology), on the enhancement of forest biomass for the production of bioethanol and biogas (PROESA technology) in collaboration with qualified partners such as Saipem and BTS Biogas.

The Retail & Renewable segment managed by Plenitude achieved robust results with an Ebitda of €0.6

billion (+25% vs. 2020), a customer base of more than 10 million POD (+4% vs. December 31, 2020) and a renewable capacity installed/under construction of over 2 GW, well above the initial guidance for 2021, thanks to a number of targeted acquisitions of wind/PV plants in operation/under construction in Spain, France and Italy, also exploiting synergies deriving from our retail business in these Countries, the expansion in the USA and from organic growth. The acquired projects portfolio and the participation in all three A/B/C phases of the Dogger Bank offshore wind project in the North Sea allow us to revise upwards our installed capacity targets by 2025. Plenitude's products and services offer has been enriched with the entry into the segment of charging points for electric vehicles through the acquisition of BeCharge aiming at developing a network of around 30 thousand charging points by 2025. The partnership between Eni, BeCharge and Enel X for the interoperability of their respective charging networks will make our sustainable mobility strategy even more solid, giving all customers the opportunity to access the service in a simple and economical way, also including customers of the "eni Live Stations". In our service stations we intend to install by 2050 about 1,000 fast/ultra-fast charging points to make them more and more "mobility" point".

Strategy and 2022-2025 industrial plan

Over the next four years, we expect Brent prices to be supported by current market dynamics, with demand recovering to pre-pandemic levels by 2022 and supply limited by production issues and financial discipline of international oil and gas companies. Eni forecasts 80 \$/bbl in 2022, 75 \$/bbl in 2023 and over on a stable price at 70 \$/bbl.

In the long-term, crude oil price is expected to grow in line with inflation until 2035, and then decline due to the progression of the energy transition. This scenario is subject to continuous monitoring in light of the unpredictable evolution of the crisis between Russia and Ukraine.

For the next four years we expect a capex plan of €28 billion (on average about €7 billion/year) that will be implemented according to our parameters of financial and operational discipline, in compliance with minimum profitability thresholds, ensuring the consistency of emission profiles with long-term decarbonization objectives and full funding through the operating cash flow. Organic free cash flow and proceeds from the divestment plan, mainly the IPO of Plenitude and Vår Energi, will allow us to maintain a robust capital structure and ensure competitive returns for our shareholders.

Our capital allocation processes take a further step towards the Paris objectives with a 25% share of the capex plan, compared to 20% of the previous plan, to strengthen renewable generation capacity, grow the circular economy of biofuels and green chemistry, "scale-up" of new energy solutions and services, as well as energy efficiency and decarbonize legacy assets.

We confirm the role of our two business groups in implementing distinct but synergic paths of execution of Eni's net zero emission strategy by 2050: Natural Resources business groups is committed to maximize value and decarbonize O&G assets; Energy Evolution business groups is engaged in the development of renewables and circular economy businesses and in the industrial transformation of legacy assets.

We expect to further improve our emission reduction targets. We are committing to go even further by reaching -35% by 2030 and -80% by 2040 in our net Absolute GHG Emissions (Scope 1+2+3) target, compared to -25% and -65% reduction set respectively in 2030 and 2040 in our previous strategic plan. Eni's Net Zero emission (Scope 1+2) has been set at 2035, anticipated of 5 years (compared to the previous 2040) expecting a new intermediate target of -40% vs. 2018 by 2025.

In line with these guidelines, the E&P segment will be managed to maximize operating cash flow while respecting financial discipline, to generate resources needed to fund the growth of the transition businesses and to remunerate shareholders, while developing solutions for capture and storage of CO₂ and Natural Climate Solutions initiatives to accelerate the achievement of the net zero target (Scope 1+2) of the business.

Exploration is a strategic pillar of Eni's decarbonization path. It plays a dual role: replacing produced

reserves and granting energy supplies that Eni will need in the transition phase and aligning our portfolio of resources to the production mix target and to medium/long-term emission profiles consistent with our net zero target by 2050.

The initiatives will be very selective to comply with the constraints of capital discipline with an average annual spending of about €0.4 billion of which 90% related to near-field initiatives with fast economic reward, while the remaining 10% allocated to selected high risk/high reward themes with a high share of operatorship to be monetized in case of significant successes through our dual exploration model.

Approximately €4 billion/year will be allocated to development activities. Hydrocarbon production is expected to increase by 3% per year over the plan period, up to 1.89 million boe/d by 2025 thanks to the contribution of the start-ups and ramp-ups planned in the four-year period. These increases added to the contribution of exploration of proximity will ensure about 800 kboe/d of new production, leveraging also on the optimizations to extend the useful life of fields and offset natural declines. In 2022, we plan the relevant start-up of Coral South LNG in Mozambique, while in 2023 we expect the start-up of Baleine in Ivory Coast and of the LNG project in Congo.

Our upstream decarbonization plan is going on: by 2025 it will reach 65% of net zero emissions (Scope 1 and 2) calculated on equity productions, set for 2030; confirmed the target of reducing emission intensity from operated production by 43% from 2014 thanks to planned energy efficiency actions, the zeroing of routine gas flaring by 2025 and operations optimizations. Furthermore, emissions offset will be reached through initiatives in the field of Natural Climate Solutions, whose carbon credits are certified from leading audit firms. On the basis of the contractual provisions of initiatives in progress, we estimate a progressive growth in emission credits to about 11 million tons by 2025.

Referring to CO₂ capture projects, in 2025 is expected the start-up of the HyNet cluster located in Liverpool Bay in the UK, the completion of the testing phase at Ravenna hub in 2023 and the evaluation/feasibility study of other storage hubs.

Leveraging on the synergies with our biorefining, we will develop on an industrial scale the agribusiness in certain partners countries in Africa, to produce crops to be applied as feedstock for HVO in compliance with the highest sustainability standards. Kenya and Congo are the countries in the start-up phase, where pilot projects have been started up at the beginning of 2022 and where are expected subsequent extensions of crops up to the production of over 170 thousand tons in 2025.

GGP, whose asset base will be simplified thanks to the partial divestment of entities managing the supply backbones from Algeria. Thus, leveraging a de-risky portfolio by mitigating exposure to the TTF vs. PSV spread (Northern European markets vs. Italy) due to the 2021 renegotiations and trading skills, generating stable and sustained EBIT and a robust cash flow. The other driver of value creation will be the growth in the LNG market following the increased equity availability (in Indonesia with the Merakes project and in Nigeria with the launch of new capacity at Bonny plant) and the maximization of the utilization rate of the Damietta equity plant, and targeting contracted volumes of over 15 MTPA of LNG.

Plenitude, leveraging on its financial and operational autonomy, will be one of the drivers of the Group's decarbonization path, reaching the net zero target emissions for its customers by 2040 thanks to the supply of gas and power from 100% renewable sources, bio or carbon neutral (hydrogen) and offsetting residual emissions with green certificates. The four-year plan foresees by 2025 over 11 million delivery points compared to the current 10 million, a three-fold increase in installed capacity to over 6 GW compared to 2022 and the expansion of the EV re-charging network up to around 30 thousand units by 2025. The driver of this development will be the integration between the production of renewable power and retail customers, in particular in the countries of co-presence, which will allow to maximize synergies with an always competitive and progressively greener offer.

The R&M business has defined a plan for the development of biorefining and the efficiency/optimization

of traditional assets and the evolution of the network toward a sustainable mobility. Biorefining capacity is expected to reach 2 million tonnes by 2025 thanks to the conversion of an extra-European traditional refinery in joint with other partners and the upgrading of the Venice plant. Another driver of value will be the conversion plan of acquired plants for the production of electricity from bioenergy into biomethane with the aim of injecting 200 mcm into the grid by 2025.

The sustainable mobility project will redesign our service stations transforming them into mobility hubs, combining traditional fuels with the offer for zero-emission vehicles: charging stations, innovative hydrogen fuels, bio lng, 100% HVO and battery replacement services for electric city cars. The service station will become a multi-service hub to respond to customer needs by leveraging partnerships with qualified operators (e-commerce, food & beverage, parking, rent-a-car, merchandise, cards).

Versalis will continue its transformation strategy to become a leading, diversified and sustainable chemical company, applying proprietary technologies for reconversion and growth. The traditional plant set up will be optimized and more efficient; the Porto Marghera hub will be converted into a production hub for mechanical recycling plastics thanks to the integration of Ecoplastic, as well as in an incubator of new businesses with the construction of the hydrogen IPA plant.

The specialization of Versalis portfolio will allow us to benefit from the strong growth expected in important segments for the energy transition (premium elastomers for EV, polyethylene grades for photovoltaics) and will be enhanced by the solid positioning in compounding, thanks to the integration of Finproject that we fully acquired last year.

Eni technologies will play a key role in supporting the decarbonisation process and business growth, contributing to create new attackable markets. One of the main action plan, will be the development of magnetic confinement fusion technology after the excellent results of 2021, with the aim of entering into operation SPARC by 2025, the first fusion plant in the world that will demonstrate net energy production, able to pave the way for the next commercial phase scheduled for the early 30s.

Other actions concern circular economy, with the launch of the HOOP plant for the chemical recycling of otherwise non-reusable plastics, the conversion of the wet fraction of waste into energy products (waste-to-fuels/chemicals/hydrogen), the application of the proprietary PROESA technology for the enhancement of forest biomass through conversion into bioethanol or biogas and new renewable technologies, such as wave-energy exploitation (ISWEC), CO₂ capture through biofixation by algae (mineralisation) and potential developments in the thermoelectric energy production with intrinsic capture of CO₂. The R&D expenditure plan is about €1 billion over the four-year period.

Overall, the 2022-2025 action plan foresees a Group with robust fundamentals and growing profitability, thanks to the transformation strategy adopted to face the downturn which, on the one hand, increased the resilience of traditional businesses and their cash generation, and, on the other hand, laid the foundations for a phase of strong development of the transition business hinging on the integration of technologies, on new business models and on the close collaboration with our stakeholders.

The audience of our stakeholders will benefit from the Company's increasingly sustainable industrial action thanks to the progressive reduction of emissions, attention to local content, respect for human rights in the supply chain, the quality of our products/services and the continuous development programs of our people based on the enhancement of everyone's contribution and engagement.

Results expected in the next four years will make our carbon neutrality strategy to 2050 even more robust thanks to the growing visibility of intermediate targets and milestones. Financial discipline and selective spending, cost control and margin expansion initiatives will allow us to further contain cash neutrality and gain significant operating surplus of cash under our conservative Brent assumptions, which will fund the acceleration of green businesses growth, maintain strong balance sheet ratios and ensure competitive shareholder returns.

In view of the scale and complexity of the events surrounding the crisis between Russia and Ukraine, the immediate issue of energy security and supply stability is a crucial factor in the definition of strategies and operational plans in the near future.

At the end of a two-year period characterized, first, by a global crisis, then by a strong macroeconomic recovery, in an always challenging and uncertain context, the Company is stronger and more resilient, able to play a leading role in the economy transition process, and for all this, we give credit to the women and men of Eni who, never as in this period, have shown team culture, flexibility, toughness and ability to better implement our mission.

To all of them our heartfelt thanks.

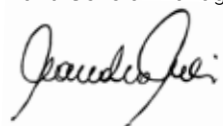
Rome, March 17, 2022

On behalf of the Board of Directors

Lucia Calvosa
Chairman



Claudio Descalzi
Chief Executive Officer
and General Manager



Eni at a glance

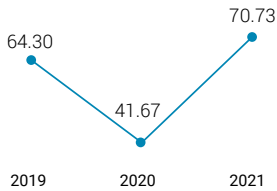
"During 2021, we delivered excellent results and accelerated the pace of our transformation strategy, which leverages the integration of technologies, new business models and valuable relationships with our stakeholders. The strict financial discipline and cost efficiencies we implemented to withstand the downturn have allowed us to best capture the strong economic recovery of 2021. On the one hand, our upstream segment has kept generating the financial resources needed to fund our decarbonization strategy while, on the other, the new energy transition businesses, like those combined under our new entity Plenitude, have performed strongly. In this way, we have reached a Group EBIT of €9.7 bln and adjusted net profit of €4.3 bln. Robust cash generation, underpinned by a selective approach to making investment decisions, has freed €7.6 bln of organic free cash flow, which we used to: boost the growth of green businesses; fund dividends and a share buy-back at pre-pandemic levels; and deleverage the balance sheet - achieving an indebtedness ratio of 20% vs. 31% a year ago. Our portfolio restructuring has moved on to unlock value from our businesses, optimize our cost of capital and maximize growth [...]"

Claudio Descalzi CEO Eni

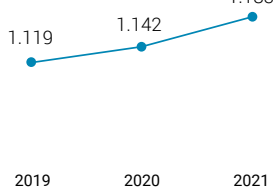
In 2021 Eni achieved one of the best economic and financial performance of the last ten years and accelerated the transformation strategy towards an offer of decarbonized products and services. In 2021, once the emergency overcome, the macroeconomic recovery, progressively expanded from Asia to Western countries, has driven global oil & gas demand which after the decline of the pandemic peak is bounced synchronously across all the geographies, creating supply-side tensions due to investment cuts in the upstream sector, re-proposing the issue of energy security.

- ▶ **Outstanding results:** Thanks to the spending selectivity, cost reduction and portfolio optimizations, Eni was able to capture the strengthening of the scenario, reporting an excellent set of operating and financial results with an adjusted operating profit of €9.7 bln (an increase of €7.8 bln vs. 2020, up by 400%). Cash flow from operations of €12.7 bln financed net capex of €5.8 bln. Organic free cash flow of €7.6 bln funded the payment of dividends and the buy-back (overall €2.8 bln) and the portfolio operations to support the transition business (€2.1 bln). The capital structure remains solid and robust, reaching pre-crisis levels with a reduction in net debt to €9 bln and the leverage ratio at 0.20 vs. 0.31 reported at the end of 2020.
- ▶ **Portfolio valorization:** Eni implemented initiatives targeted to extract value from the portfolio restructuring, through the creation of independent and focused vehicles able to attract capital, create value and accelerate growth. As part of this strategy, launched the listing process of Plenitude, Eni's subsidiary which integrates gas & power retail activities, renewables and electric mobility with the target of decarbonizing Eni's customers portfolio. On February 16, 2022, was listed at the Norwegian stock market a share of about 11.2% of Vår Energi (including the share of the greenshoe option), representing the largest IPO in the European O&G sector for over a decade, enabling Eni to enhance the investments made so far and ensuring the growth of the company thanks to new possible capital contribution. On March 11, 2022, signed the agreement with BP in Angola for the establishment of Azule Energy, a new controlled business combination aimed at accelerate the development of assets in the country.
- ▶ **Business transformation:** the transformation of our business model was accelerated in 2021. The target of "Net Zero Scope 1+2+3 to 2050" will allow Eni's customers to move towards an offer of decarbonised products. Achieved a level of Group's installed capacity from renewables of approximately 1.2 GW, more than tripled in 2021, exceeding the target of more than 2 GW of installed capacity including assets under construction. In biorefining and production of related bio-feedstocks have been achieved important results, reducing the incidence of palm oil in the production of biodiesel. In Africa in collaboration with the governments of Kenya, Angola, Congo, Benin, Ivory Coast, Mozambique and Rwanda made progress in biofuel projects through the creation of an integrated agro-biofeedstock supply chains not in competition with the food chain to supply Eni's biorefineries and decarbonize the local energy mix. The expertise gained over the years have enabled Eni to achieve solid results and to implement the transformation, ensuring excellent HSE performance in health, safety and asset integrity.

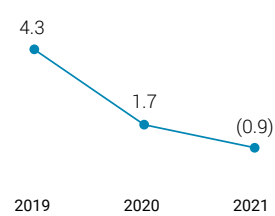
Average Brent dated price (\$/BBL)



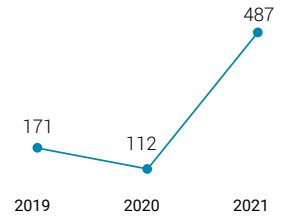
Average EUR/USD exchange rate



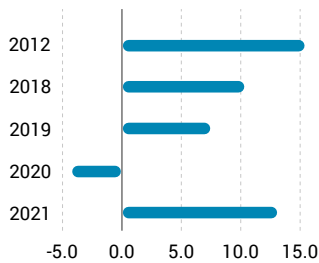
SERM (\$/BBL)



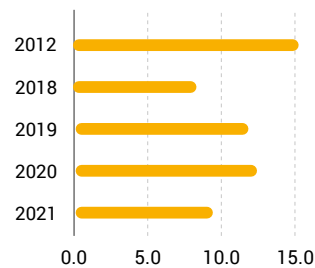
PSV (€/kcm)



Reported operating profit (€bn)



Net borrowings (€bn)

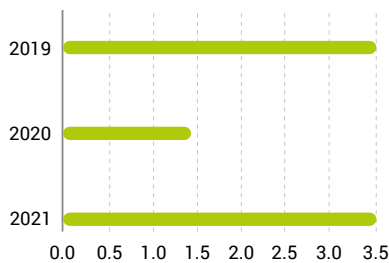


0.20
leverage

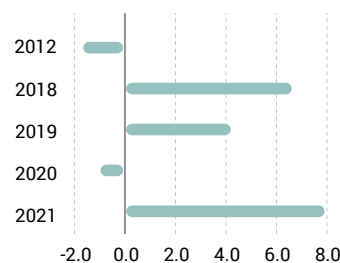
-2% vs. 2020

Net Carbon Intensity of energy products sold

Shareholders remuneration (€bn)



Organic free cash flow (€bn)



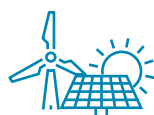
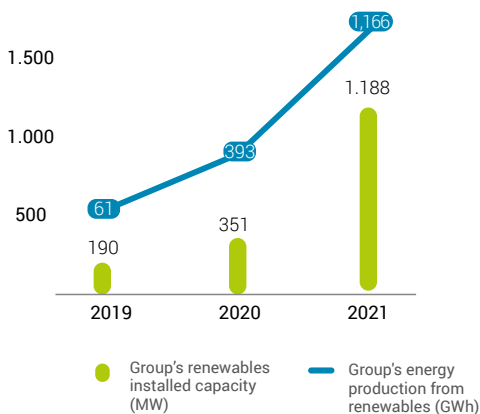
0.34

TRIR
(Total Recordable Injury Rate)

11 bln tons CO₂ eq.

Net Carbon Footprint upstream

Development in renewables business

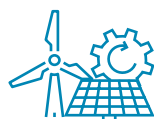


1,166 GWh

Energy production from renewables

585 ktons

production of biofuels



>2 GW

Renewables installed capacity included asset under construction

1.1 mln ton

Group's renewables installed capacity (MW)

FINANCIAL HIGHLIGHTS

		2021	2020	2019
Sales from operations	(€ million)	76,575	43,987	69,881
Operating profit (loss)		12,341	(3,275)	6,432
Adjusted operating profit (loss) ^(a)		9,664	1,898	8,597
<i>Exploration & Production</i>		9,293	1,547	8,640
<i>Global Gas & LNG Portfolio</i>		580	326	193
<i>Refining & Marketing and Chemicals</i>		152	6	21
<i>Plenitude & Power</i>		476	465	370
Adjusted net profit (loss) ^{(a) (b)}		4,330	(758)	2,876
Net profit (loss) ^(b)		5,821	(8,635)	148
Net cash provided by operating activities		12,861	4,822	12,392
Capital expenditure ^(c)		5,313	4,644	8,376
of which: exploration		391	283	586
<i>development of hydrocarbon reserves</i>		3,443	3,077	5,931
Dividend to Eni's shareholders pertaining to the year ^(d)		3,022	1,286	3,078
Cash dividend to Eni's shareholders		2,358	1,965	3,018
Total assets at year end		137,765	109,648	123,440
Shareholders' equity including non-controlling interests at year end		44,519	37,493	47,900
Net borrowings at year end before IFRS 16		8,987	11,568	11,477
Net borrowings at year end after IFRS 16		14,324	16,586	17,125
Net capital employed at year end		58,843	54,079	65,025
of which: Exploration & Production		48,014	45,252	53,358
<i>Global Gas & LNG Portfolio</i>		(823)	796	1,327
<i>Refining & Marketing and Chemicals</i>		9,815	8,786	10,215
<i>Plenitude & Power</i>		5,474	2,284	1,787
Share price at year end	(€)	12.2	8.6	13.9
Weighted average number of shares outstanding	(million)	3,566.0	3,572.5	3,592.2
Market capitalization ^(e)	(€ billion)	44	31	50



- (a) Non-GAAP measures.
(b) Attributable to Eni's shareholders.
(c) Includes reverse factoring operations in 2021.
(d) The amount of dividend for the year 2021 is based on the Board's proposal.
(e) Number of outstanding shares by reference price at year end.

SUMMARY FINANCIAL DATA

		2021	2020	2019
Net profit (loss)				
- per share ^(a)	(€)	1.60	(2.42)	0.04
- per ADR ^{(a) (b)}	(\$)	3.78	(5.53)	0.09
Adjusted net profit (loss)				
- per share ^(a)	(€)	1.19	(0.21)	0.80
- per ADR ^{(a) (b)}	(\$)	2.81	(0.48)	1.79
Cash flow				
- per share ^(a)	(€)	3.61	1.35	3.45
- per ADR ^{(a) (b)}	(\$)	8.54	3.08	7.72
Adjusted Return on average capital employed (ROACE)	(%)	8.4	(0.6)	5.3
Leverage before IFRS 16		20	31	24
Leverage after IFRS 16		32	44	36
Gearing		24	31	26
Coverage		15.7	(3.1)	7.3
Current ratio		1.3	1.4	1.2
Debt coverage		89.8	29.1	72.4
Net Debt/EBITDA adjusted		83.7	174.1	100.7
Dividend pertaining to the year	(€ per share)	0.86	0.36	0.86
Total Share Return (TSR)	(%)	52.4	(34.1)	6.7
Dividend yield ^(c)		7.1	4.2	6.3



- (a) Fully diluted. Ratio of net profit/cash flow and average number of shares outstanding in the period. Dollar amounts are converted on the basis of the average EUR/USD exchange rate quoted by Reuters (WMR) for the period presented.
(b) One American Depositary Receipt (ADR) is equal to two Eni ordinary shares.
(c) Ratio of dividend for the period and the average price of Eni shares as recorded in December.

EMPLOYEES

		2021	2020	2019
Exploration & Production	(number)	9,409	9,815	10,272
Global Gas & LNG Portfolio		847	700	711
Refining & Marketing and Chemicals		13,072	11,471	11,626
Plenitude & Power		2,464	2,092	2,056
Corporate and other activities		6,897	7,417	7,388
Group		32,689	31,495	32,053





INNOVATION		2021	2020	2019
R&D expenditure	(€ million)	177	157	194
First patent filing application	(number)	30	25	34



HEALTH, SAFETY AND ENVIRONMENT ^(a)		2021	2020	2019
TRIR (Total Recordable Injury Rate)	(total recordable injuries/ worked hours) x 1,000,000	0.34	0.36	0.34
employees		0.40	0.37	0.21
contractors		0.32	0.35	0.39
Direct GHG emissions (Scope 1)	(mmtonnes CO ₂ eq.)	40.1	37.8	41.2
Indirect GHG emissions (Scope 2)		0.81	0.73	0.69
Indirect GHG emissions (Scope 3) from use of sold products ^(b)		176	185	204
Net GHG Lifecycle Emissions (Scope 1+2+3) ^(c)		456	439	501
Net Carbon Intensity (Scope 1+2+3) ^(c)	(gCO ₂ eq./MJ)	67	68	68
Net carbon footprint upstream (Scope 1+2) ^(c)	(mmtonnes CO ₂ eq.)	11.0	11.4	14.8
Net carbon footprint Eni (Scope 1+2) ^(c)		33.6	33.0	37.6
Direct GHG emissions (Scope 1)/operated hydrocarbon gross production (upstream)	(tonnes CO ₂ eq./kboe)	20.2	20.0	19.6
Carbon efficiency index Group		32.0	31.6	31.4
Methane fugitive emissions (upstream)	(ktonnes CH ₄)	9.2	11.2	21.9
Volumes of hydrocarbon sent to routine flaring	(billion Sm ³)	1.2	1.0	1.2
Total volume of oil spills (> 1 barrel)	(barrels)	4,406	6,824	7,265
of which: due to sabotage		3,051	5,866	6,232
operational		1,355	958	1,033
Freshwater withdrawals	(mmcm)	125	113	128
Re-injected production water	(%)	58	53	58

(a) KPIs refer to 100% of the operated assets, where not indicated.

(b) GHG Protocol Category 11 - Corporate Value Chain (Scope 3) Standard.

Estimated on the basis of the upstream production (Eni's share) in line with IPIECA methodologies.

(c) KPIs are calculated on an equity bases.



OPERATING DATA		2021	2020	2019
EXPLORATION & PRODUCTION				
Hydrocarbon production	(kboe/d)	1,682	1,733	1,871
Net proved reserves of hydrocarbons	(mmboe)	6,628	6,905	7,268
Reserve life index	(years)	10.8	10.9	10.6
Organic reserve replacement ratio	(%)	55	43	92
Profit per boe ^{(a) (c)}	(\$/boe)	4.8	3.8	7.7
Opex per boe ^(b)		7.5	6.5	6.4
Finding & Development cost per boe ^(c)		20.4	17.6	15.5
GLOBAL GAS & LNG PORTFOLIO				
Natural gas sales	(bcm)	70.45	64.99	72.85
of which: Italy		36.88	37.30	37.98
outside Italy		33.57	27.69	34.87
LNG sales		10.9	9.5	10.1
REFINING & MARKETING AND CHEMICALS				
Capacity of biorefineries	(mmtonnes/year)	1.1	1.1	1.1
Sold production of biofuels certified	(ktonnes)	585	622	256
Average bio refineries utilization rate	(%)	65	63	44
Retail market share in Italy		22.3	23.2	23.6
Retail sales of petroleum products in Europe	(mmtonnes)	7.23	6.61	8.25
Service stations in Europe at year end	(number)	5,314	5,369	5,411
Average throughput of service stations in Europe	(kliters)	1,521	1,390	1,766
Average oil refineries utilization rate	(%)	76	69	88
Production of petrochemical products	(ktonnes)	8,476	8,073	8,068
Average petrochemical plant utilization rate	(%)	66	65	67
PLENITUDE & POWER				
Renewable installed capacity at period end	(MW)	1,137	335	174
Energy production from renewable sources	(GWh)	986	340	61
Retail and business gas sales	(bcm)	7.85	7.68	8.62
Retail and business power sales to end customers	(TWh)	16.49	12.49	10.92
Thermoelectric production		22.36	20.95	21.66
Power sales in the open market		28.54	25.33	28.28

(a) Related to consolidated subsidiaries.

(b) Includes Eni's share in joint ventures and equity-accounted entities.

(c) Three-year average.

Stakeholder engagement activities

Operating in 69 countries with different socio-economic contexts, the understanding of stakeholders' points of view and expectations as well as the inclusion and sharing of choices are for Eni fundamental elements for the creation of long-term value by building relationships based on mutual trust, transparency and integrity. Since 2018, the understanding of local contexts and the management of stakeholder expectations on sustainability issues have been supported by the use of the company's IT platform called "Stakeholder Management System" (SMS) that "maps" stakeholders according to their relevance and their disposition towards the company's activities, in the countries and territories where it operates. In addition, SMS tracks relationships with stakeholders including requests, grievances and response actions undertaken, and supports the traceability required by internal anti-corruption regulatory tools on relationships with relevant parties. In this way, the system allows to understand the main issues relevant to stakeholders and the potential impacts on Human Rights, also identifying the possible presence of vulnerable groups and areas listed cultural and/or natural interest sites by UNESCO (World Heritage Sites, WHS). The system is used for activities and new projects in all Eni business lines, monitoring relations with about 4.800 stakeholders (+20% compared to 2020).

STAKEHOLDER CATEGORIES	MAIN STAKEHOLDER ENGAGEMENT ACTIVITIES DURING THE YEAR
PEOPLE AND NATIONAL AND INTERNATIONAL UNIONS	<ul style="list-style-type: none"> ▶ Professional and training paths on emerging skills related to business strategies and expansion of skills mapping. ▶ Training initiatives to support inclusion and recognition of the value of all kinds of diversity and international initiatives supporting team building and innovation.
FINANCIAL COMMUNITY	<ul style="list-style-type: none"> ▶ Capital Markets Day (strategic plan 2021-24 and long term plan to 2050) and virtual Road-Show in major financial centers and Capital Markets Day for Plenitude presentation. ▶ Road-Shows with investors and proxy advisors on executive compensation 2021.
LOCAL COMMUNITIES AND COMMUNITY BASED ORGANIZATIONS	<ul style="list-style-type: none"> ▶ Mapping of over 770 local communities (including indigenous ones) in the host countries and definition of local engagement initiatives. ▶ Consultations of local authorities and communities for new exploratory activities and/or for the development of new projects, as well as for the planning and management of local development projects.
CONTRACTORS, SUPPLIERS AND COMMERCIAL PARTNERS	<ul style="list-style-type: none"> ▶ Involvement of suppliers in the energy transition path through 15 thematic workshops and participation in conferences and events. ▶ Development and launch of Open-es, the platform open to all for the sustainable development of companies through training and engagement initiatives (measurement of CO2 and drafting of the sustainability report).
CUSTOMERS AND CONSUMERS	<ul style="list-style-type: none"> ▶ Meetings and workshops with Presidents, General Secretaries and Energy Managers of national and local Consumer Associations (AdC) on topics such as sustainability, circular economy, remediation, environmental restoration, energy transition, energy saving, customer service and new business initiatives.
DOMESTIC, EUROPEAN AND INTERNATIONAL INSTITUTIONS	<ul style="list-style-type: none"> ▶ Meetings and working tables with political and institutional representatives and local, national, European and international organizations on energy, climate, energy transition, environment, sustainable development, research and innovation, digitalization and the circular economy. ▶ Participation in discussions on energy and environmental issues promoted by the Italian Government and Parliament, the European institutions, international bodies and foreign national institutions.
UNIVERSITIES AND RESEARCH CENTRES	<ul style="list-style-type: none"> ▶ Meetings with universities, Research centres and public bodies, consortia and third-party companies with which Eni collaborates for the development of innovative technologies. ▶ Agreements and collaborations with the Polytechnic of Milan and Turin, University of Bologna, Naples (Federico II), Pavia, Padua, Milan Bicocca, MIT, CNR, INSTM, ENEA, RSE and INGV^(a). ▶ Collaborations with a) University of Basilicata to support the Master Geoscience for Energy Transitions b) Enna Kore University for business training contributions for academic courses.
VOLUNTARY ADVOCACY AND CATEGORY ORGANIZATIONS AND INDUSTRY ASSOCIATIONS	<ul style="list-style-type: none"> ▶ Membership and participation in OGCI, IPIECA, WBCSD, UN GLOBAL COMPACT, EITI^(b); collaboration with IHRB^(c) and other international human rights institutions. ▶ Conferences, debates, events and training initiatives on sustainability issues (energy, circular economy, remediation, corporate social responsibility); implementation of guidelines and sharing of best practices. ▶ Meetings with associations and participation in working groups on strategic issues, monitoring any legislative developments.
ORGANIZATIONS FOR COOPERATION AND DEVELOPMENT	<ul style="list-style-type: none"> ▶ Consolidation, through collaboration/partnership agreements, of the development activities carried out together with international organizations. Agreements developed with United Nations Development Programme – UNDP, United Nations Industrial Development Organization – UNIDO, World Bank.

(a) Massachusetts Institute of Technology; National Research Council; National Inter-University Consortium for Material Science and Technology; National Agency for New Technologies, Energy and Sustainable Economic Development; Research on the Energy System; National Institute of Geophysics and Volcanology.

Strategy

The war in Ukraine is forcing us to reconsider the world as we know it. It is a humanitarian tragedy and has created new threats to energy security which we must meet without abandoning our ambitions for a just transition. Our strategy has made us well prepared to address these challenges. Our immediate response to the current crisis has been to leverage our established alliances with producing countries to find replacement energy sources for Europe's energy needs. We can make available to the market more than 14 TCF of additional gas resources for the short to medium term. This complements our work to develop new decarbonised products and services which can help deliver both energy security and carbon reduction by providing to our customers a full set of decarbonized energy products and services. The result of this strategic approach underpins our decision to accelerate our pathway to net zero with a 35% cut to Scope 1+2+3 emissions by 2030, and 80% by 2040 compared to 2018. [...]

Claudio Descalzi, Eni CEO



Accelerated emissions reduction

- Net zero emissions by 2050, added new net absolute emission (Scope 1, 2 and 3) reduction targets vs. 2018:
-35% by 2030 ---> **80% by 2040**
- Net Carbon Footprint by 2035 (Scope 1 and 2):
40% by 2025 ---> **Net zero by 2035**
- Scope 1 and 2 GHG emissions Upstream:
-65% by 2025 (vs. 2018) ---> **Net zero emission by 2030**



New Energy Solutions

- ▲ **Plenitude**: green electricity for over **15 million customers** with more than **15 GW** of renewable capacity by 2030
- ▲ **Biorefining**: capacity growth up to 6 MTPA in the next decade
- ▲ **Hydrogen**: contribution in our plan for around 4 MTPA by 2050
- ▲ **Magnetic fusion**: the first commercial plant is expected in the next 10 years
- ▲ Increased the **share of investments** directed at new energy solutions to almost **30% by 2025, 60% by 2030**, and up to **80% by 2040**.



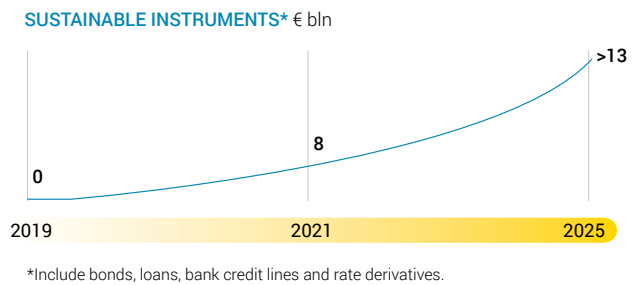
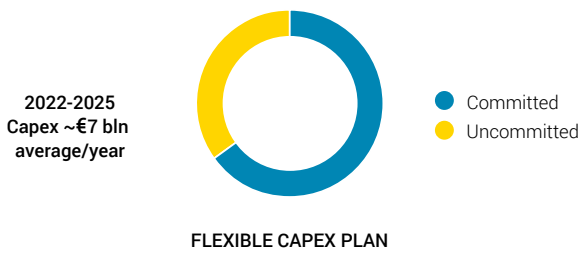
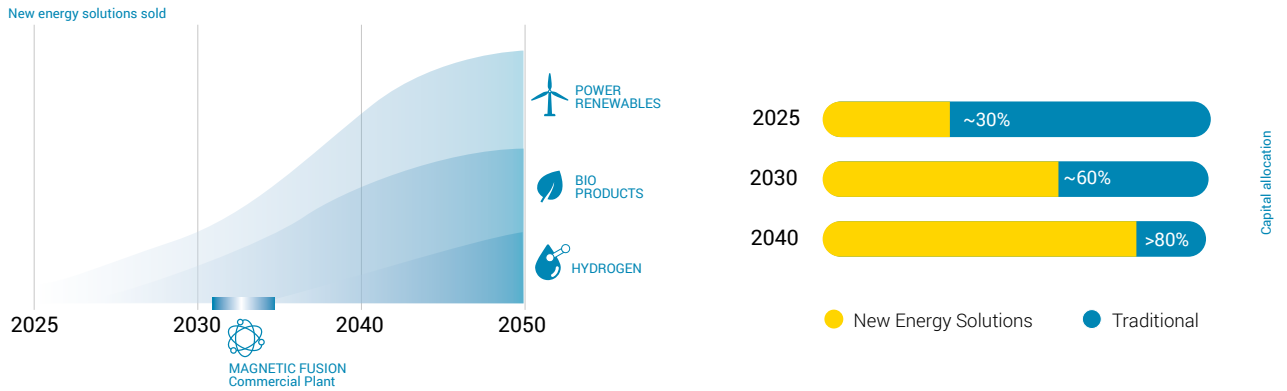
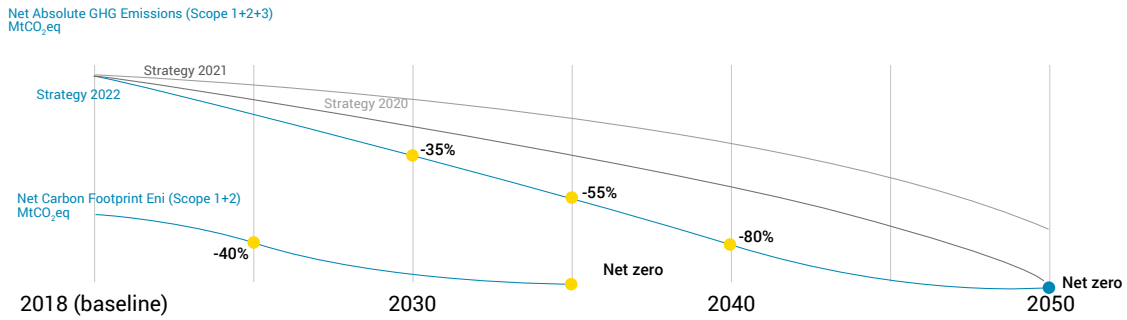
Disciplined financial plan

- Average yearly **capex**: around **€7 bln**; **2022 capex at around €7.7 bln**
- IRR of Upstream projects in execution: **21% @Eni Scenario**
- IRR of new renewable projects: **+200 bps** vs. **Plenitude WACC**
- Cash Flow From Operations: **€55 bln** along the 4-year plan period @ Eni scenario
- Sustainable Finance instruments: more than **€13 bln in 2025**



Value creation for shareholders

- Annual total dividend: **€0.88** per share, based on the Brent reference between **80-90 \$/bbl**
- Dividend payment: **four equal quarterly instalments** in September and November 2022, March and May 2023
- Share **buyback** program equal to **€1.1 bln** in 2022 at the Brent reference price
- In July and October 2022, for scenarios above **90 \$/bbl further buy-backs** equivalent to **30%** of the associated incremental free cash flow



VALUE CREATION FOR SHAREHOLDERS

2022 DISTRIBUTION

€0.88 dividend per share
 €1.1 bln buyback
 Brent reference price @ 80 \$/bbl

UPSIDE

Additional buyback 30%
 of incremental FCF for Brent above > 90 \$/bbl
 (New price assessment in July and October)

RESILIENCE

Simplified, enhanced dividend
 per share sliding scale
 vs. previous policy

DIVIDEND PAID ON A QUARTERLY BASIS STARTING 3Q 2022

Strategic Plan 2022-2025

Eni's strategy is defined in a scenario for the next four years characterized by a Brent price supported by current market dynamics, with a demand growth expected to recover pre-pandemic levels by 2022 and a limited supply from the production issues and financial discipline of the international oil companies.

In the long-term, the price of crude oil is expected to grow in line with inflation until 2035, then decline following the progression of the energy transition. This scenario is subject to continuous monitoring due to the unpredictable evolution of the crisis between Russia and Ukraine. Financial discipline and spending selectivity, cost control and margins expansion will allow Eni to further contain cash neutrality and generate significant operating cash surplus at Eni's conservative scenario Brent assumptions, which will be used to accelerate the growth of green businesses and keep solid asset ratios.

In the four-year period, Eni's management foresees an investment plan of €28 billion (on average about €7 billion/year) which will be implemented according to the parameters of financial and operational discipline of the Group, in compliance with minimum profitability thresholds, ensuring the consistency of emission profiles with long-term decarbonisation objectives and full coverage through flow of operating cash. The organic free cash flow and gains from the disposals, in particular Plenitude and Vår Energi IPOs on the stock exchange will allow to maintain a solid capital structure and to ensure competitive returns to shareholders.

Capital allocation processes provide a further step forward, coherently with the Paris targets with a 25% share of the capex plan, compared to a 20% share of the previous plan, aimed at strengthening the renewable generation capacity, growing circular economy of biofuels and green chemistry, to the "scaling up" of new energy solutions and services (CCS) and energy efficiency and decarbonization of legacy assets. These objectives will be achievable thanks to the two Business Groups able to implement distinct paths in synergy, aimed at the execution of Eni's net zero emission strategy by 2050: the Natural Resources Business Group committed to maximize value and decarbonize the O&G assets; the Energy Evolution Business Group aimed at developing new businesses in renewables and circular economy and implementing the industrial transformation of legacy assets.

Overall, the 2022-2025 plan projects a Group with robust fundamentals and growing profitability, thanks to the transformation strategy implemented in response to downturn that, on the one hand, increased the resilience of traditional businesses and their ability to generate cash, and, on the other hand, created the conditions for a phase of strong development of the transition business, based on the integration of technologies, on new business models and on the closer collaboration with stakeholders. The expected results in the next four years will make Eni's carbon neutrality strategy by 2050 more solid, thanks to the growing visibility of the intermediate targets and the steps closer.

EXPLORATION & PRODUCTION

Eni's upstream strategy, in compliance with the target of footprint carbon reduction, aims at the maximization of returns and cash generation, leveraging on the enhancement of an optimized asset portfolio, exclusively based on conventional assets, characterized by project modularity, accelerated time-to-market and limited exposure over the medium-term. The evolution of the production mix foresees the gas component at 60% in 2030 and over 90% after the 2040. Net Scope 1 and 2 emissions of upstream assets calculated on the basis of equity output are expected to zeroing in 2030, leveraging, in addition to energy efficiency, on Natural Climate Solutions that will ensure the compensation of residual emissions. Other driver for the achievement of the Group's decarbonization objectives are the projects for CO₂ capture and storage geological with a target of about 10 mmtons per year by 2030 (Eni's share).

The 2022-25 Plan provides for the growth of cash generation and the progressive reduction of the cash neutrality up to Brent levels of around \$25/bbl through:

- ▶ growth of production in the 2021-2025 period at a 3% average annual rate, thanks to the contribution of projects already started or starting in the four-year period;
- ▶ capital discipline with an average expenditure of about €4.5 billion per year over the 2022-2025 period characterized by high flexibility (>45% capex uncommitted in the 2024-2025 period);
- ▶ further development of integrated initiatives with the Global Gas & LNG Portfolio segment for the gas equity enhancement;
- ▶ maximizing efficiency and business continuity;
- ▶ enhancement and rationalization of the exploration portfolio, with the aim of discovering 2.2 bln boe of resources at a unit cost of lower than \$1.5 per barrel; exploration will be focused (about 90%) in areas adjacent to near-field production fields and existing or soon to enter into operation infrastructures and will be a strategic driver in the decarbonization path, aligning the portfolio of resources with the objectives of production mix and the medium/long-term emission profiles.

Cash generation will also be supported by portfolio transformation with the exit from marginal and/or high break even assets and the focus on high cash generating assets and the creation of the business combination in Angola and the listing of Vår Energi, in order to reduce financial exposure and enable more accelerated asset growth. The overall contribution of the abovementioned actions will allow to achieve a 2022-2025 cumulative organic free cash flow equal to approximately €29 billion.

GLOBAL GAS & LNG PORTFOLIO

In the plan period, GGP will continue the strategy of maximizing returns, leveraging on the flexibility of gas portfolio through optimization and renegotiation initiatives. In the current situation, GGP will also leverage on portfolio, capabilities and business relationships to strengthen and diversify the national supply. The other driver of growth and value creation is the expansion in the LNG business through development in new premium and growing markets in the Middle East/Far East and the increasing integration with the upstream business for the enhancement of gas equity in Congo, Angola, Indonesia, Nigeria, Mozambique and Egypt thanks to the strategic terminal of Damietta. The portfolio of contracted LNG volumes is expected to exceed 15 mmtons/y by 2025. The valorization of gas pipeline interests will also contribute to value creation. The abovementioned actions will allow to achieve a 2022-2025 cumulative free cash flow equal to approximately €2.7 billion.

REFINING & MARKETING

The strategy of the Refining & Marketing business is focused on the development of the biorefining capacity, expected to almost double to 2 mmtons/y in 2025 and grow further until reaching the capacity of 6 mmtons/y in the next decade; biorefineries will be supplied exclusively with second and third generation palm oil free charges by 2023. In the retail marketing is foresees the gradual mix evolution of products sold, reaching 100% of the sale of decarbonized products by 2050.

The 2022-25 Plan provides:

- ▶ the diversification of the green offer through (i) the strengthening of biorefining with an increase of processing capacity up to 2 mmtons by 2025, palm oil free from 2023, leveraging on second generation oils not in competition with the food chain and other innovative feedstocks (waste/residues) that will cover approximately 90% of the feedstock by 2025; (ii) the development of the biomethane business; (iii) the extension of the SAF (Sustainable Aviation Fuel) production capacity;
- ▶ the growth of marketing in Europe leveraging on the high margin segments, the strengthening of the offer of alternative fuels, the further development of non-oil services in retail and, more generally, the promotion of sustainable mobility through a dedicated entity.

CHEMICAL

Eni's long-term strategy aims to significantly reduce exposure of the chemical business to the cycle volatility and the cost of the oil feedstock through the specialization of the product portfolio and the development and integration of the chemical business from renewable sources and chemical/mechanical recycling.

The 2022-25 Plan provides:

- ▶ the progressive specialization of the polymer portfolio towards higher value added products and extension of the downstream supply chain towards "compounding" to reduce volatility margins;
- ▶ the development of chemistry from renewables and the expansion of circular economy initiatives, in particular mechanical and chemical recycling also through partnerships;
- ▶ the progressive reduction of GHG emissions, increasing energy efficiency.

PLENITUDE

The main medium/long-term strategic lines aim to the development in synergy of the renewable installed capacity with targets of 15 GW by 2030 and 45 GW by 2050 and the retail customers portfolio up to exceed 20 million contracts by 2050 through the selection

of areas of renewables expansion linked to the presence of our customers as well as the development of activities in areas where Eni already operates. In 2040, decarbonized products from Eni's portfolio (energy from renewables and biomethane) and new energy services will be offered to retail customers.

The 2022-25 plan provides:

- ▶ Plenitude's IPO and the creation of a unique business model which combines production from renewables, energy sales and energy services to retail customers and a widespread network recharging points for electric vehicles; the operation is one of the strategic steps towards zero Scope 3 GHG emissions associated with our retail customers;
- ▶ the installation of more than 6 GW of installed capacity by 2025;
- ▶ growth of the customer portfolio with the aim of exceeding 11 million of delivery points by 2025, leveraging on the international development and growth of the power customer portfolio;
- ▶ the focus on business related to energy efficiency and distributed photovoltaic generation and the development of the E-Mobility market with the aim of reaching around 30,000 recharging points by 2025.

POWER

The 2022-25 Plan provides:

- ▶ the maximization of results, thanks to the flexibility and efficiency of the plants and targeted investments;
- ▶ the identification and development of new technological solutions with low carbon impact.

CAPEX PLAN

The four-year capex plan is focused on high-value projects with rapid return and includes an overall investments of approximately €28 billion. The plan is characterized by high flexibility with more than 55% of investments in the 2024-25 period not yet contracted. In line with medium and long-term targets and to feed the process of decarbonization of the company, Eni plans investments in renewable sources, efficiency energy, circular economy and flaring reduction of over €7 billion.

Strategy execution combined with a strict financial discipline and the asset portfolio optimizations will further strengthen the financial structure to support the acceleration of green businesses growth and the remuneration of our shareholders on a top level in the industry.

REMUNERATION POLICY

Eni's management is committed to guarantee competitive shareholders' return by executing a progressive shareholder remuneration policy, that is reflective of the volatility of crude oil prices. It has been established a floor dividend of €0.36 per share that is paid with a Brent price of at least 43 \$/bbl. The floor dividend is complemented by a variable dividend which size progresses alongside the rise in crude oil prices till 80 \$/bbl, according to a preset scale of amounts at various Brent prices ranges.

For 2022, having assessed the progress of the Company in executing its strategy, a solid financial position and an improved outlook for crude oil prices, the management expects to increase the annual total dividend to €0.88 per share, based on the assumption of a Brent reference price of \$80/bbl for the year and to activate share buy-back for €1.1 billion.

Furthermore, in case of crude oil prices above 90 \$/bbl, management is expected to reassess by July and again in October, the oil scenario. In case of an upward revision to the Brent reference price assumption for the year, it will activate incremental buy-backs amounting to 30% of the excess cash from operations deriving from the updated Brent price.

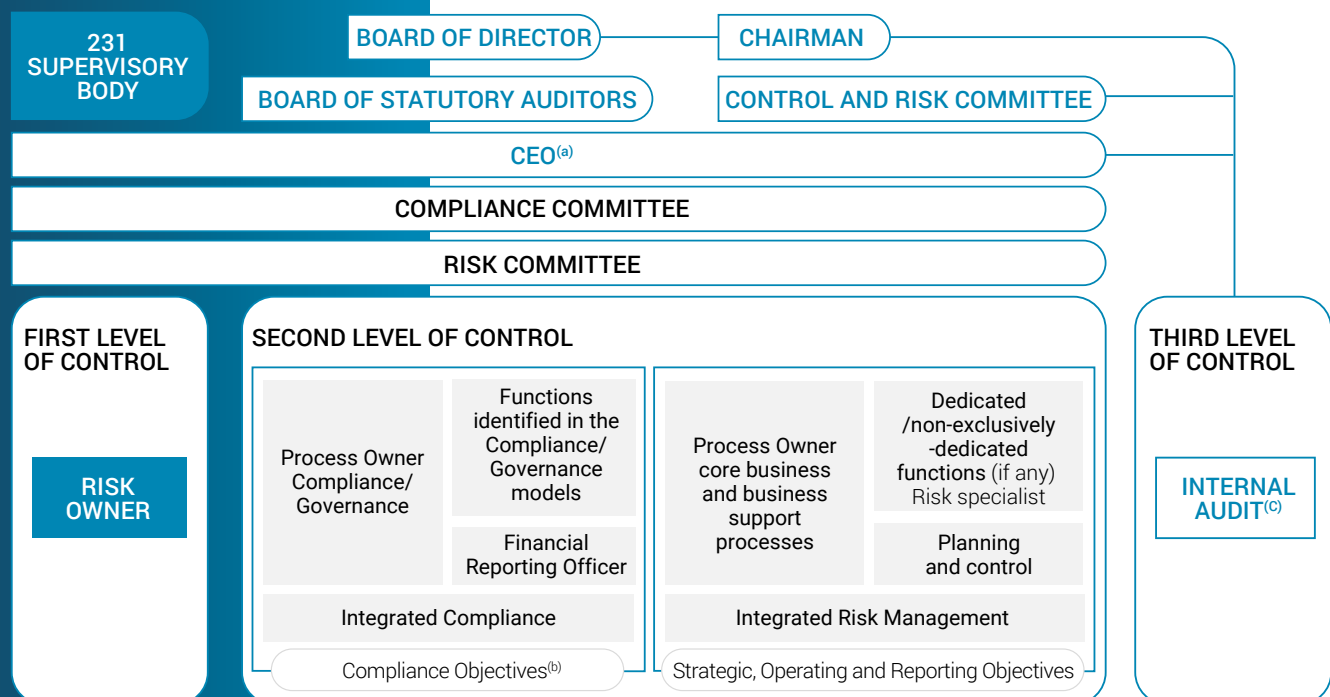
Integrated Risk Management

The Integrated Risk Management (IRM) process is aimed at ensuring that management takes risk-informed decisions, with adequate consideration of actual and prospective risks, including short, medium and long-term ones, within the framework of an organic and comprehensive vision. The IRM Model is based on a system of methodologies and skills that leverages on principle of the third parties assessments (data quality, objectivity of the detection and quantification of the mitigation actions) in order to improve the effectiveness of the analyses, ensure an adequate support for the main decision making processes (definition of the Strategic Plan and medium and long-term objectives) and guarantee the disclosure to the administration and control structures.

Integrated Risk Management Model

The IRM Model is characterized by a structured approach, based on international best practices and considering the guidelines of the Internal Control and Risk Management System (see page 42), that is structured on three control levels. Risk Governance attributes a central role to the Board of Directors (BoD) which defines the nature and level of risk in line with strategic targets, including in evaluation process all the elements that can be relevant in a view of the Company's sustainable success.

The BoD, with the support of the Control and Risk Committee, outlines the guidelines for risk management, so as to ensure that the main corporate risks are properly identified and adequately assessed, managed and monitored, determining the degree of compatibility with company management consistent with the strategic targets. For this purpose, Eni's CEO, through the IRM process, presents every three months a review of the Eni's main risks to the Board of Directors. The analysis is based on the scope of the work and risks specific of each business area and processes aiming at defining an integrated risk management policy; the CEO also ensures the evolution of the IRM process consistently with business dynamics and the regulatory environment. Furthermore, the Risk Committee, chaired by the CEO, holds the role of consulting body for the latter with regards to major risks. For this purpose, the Risk Committee evaluates and expresses opinions, at the instance of CEO, related to the main results of the IRM process.



(a) Director in charge of the Internal Control and Risk Management System.

(b) Including objectives on the reliability of financial reporting.

(c) Internal Audit Director reports hierarchically to the Board of Directors, and on its behalf, to the Chairman, without prejudice to the provisions relating to its appointment, termination, remuneration and resources and his functional reporting to the Control and Risk Committee and to the CEO, as director in charge of the Internal Control and Risk Management System.

Integrated Risk Management Process

The IRM process ensures the detection, consolidation and analysis of all Eni's risks and supports the BoD to verify the compatibility of the risk profile with the strategic targets, also in a medium-long term approach. The IRM supports management in the decision-making process by strengthening awareness of the risk profile and the associated mitigations. The process, regulated by the "Management System Guideline (MSG) Integrated Risk Management" is continuous, dynamic and includes the following sub-processes: (i) risk governance, methodologies and tools (ii) risk strategy, (iii) integrated risk management, (iv) risk knowledge, training and communication.

The IRM process starts from the contribution to the definition of medium and long-term plans and Eni's Strategic Plan (risk strategy) through the definition of proposals for de-risking targets and strategic treatment actions, the analysis of the risk profile underlying the proposed Plan and the identification of the main actions with effective de-risking of the company's top risks. The results of the activities were presented to the Administrative and Control structures in January 2021.

The "**Integrated Risk Management**" sub-process includes: periodic risk assessment and monitoring cycles ([Integrated Risk Assessment](#)) in order to understand the risks taken on the basis of the strategic and medium-long term targets and the initiatives defined to achieve them; [contract risk management](#) and analysis aimed at the best allocation of the contractual responsibilities with the supplier and their adequate management in the operational phase; integrated analysis of existing risks in the Countries of presence or potential interest (ICR) which represents a reference for risk strategy, risk assessment and project risk analysis activities; support to the decision-making process for the authorization of investment projects and main transactions ([Integrated Project Risk Management and M&A](#)).

The risks are assessed with quantitative and qualitative tools considering both the likelihood of occurrence and the impacts that would occur in a defined time horizon when the risk occurs.

The assessment is expressed following an inherent and a residual level (taking into account the effectiveness of the mitigation actions) and allows to measure the impact with respect to the achievement of the objectives of the Strategic Plan and for the whole life as regards the business. The risks are represented on the basis of the likelihood of occurrence and the impact on matrices that allow their comparison and classification by relevance.

Risks with economic/financial impact are also analyzed in an integrated perspective on the basis of quantitative models that allow to define on a statistical basis the distribution of risk flows or to simulate the aggregate impact of risks in the face of hypothetical future scenarios (what if analysis or stress test).

In 2021, two assessment sessions were performed: the Annual Risk Profile Assessment performed in the first half of the year, involving 125 subsidiaries in 43 Countries and the Interim Top Risk Assessment performed in the second half of the year, relating to the update of the evaluation and treatment of Eni's top risks and the main business risks.

The two assessment results were submitted to Eni's management and control bodies in July and December 2021. In addition, three monitoring processes were performed on Eni's top risks.

The monitoring of such risks and the relevant treatment plans allow to analyze the risks evolution (through update of appropriate indicators) and the progress in the implementation of specific treatment measures decided by management. The top risks monitoring results were submitted to the management and control bodies in March, July and October 2021.

▶ Risk Governance, methodologies and tools

▶ Risk Strategy

▶ Integrated Risk Management

► **Risk Knowledge, training and communication**

The **risk knowledge, training and communication** sub-process is aimed at increasing the diffusion of the culture of risk, at strengthening a common language among the resources that operate in the risk management area across the different Eni businesses as well as sharing information and experiences, also through the development of a community of practice.

Eni's top risks portfolio consists of 20 risks classified in: (i) external risks, (ii) strategic risks and, finally, (iii) operational risks (see Targets, risks and treatment measures on the following pages).

Targets, risks and treatment measures

STRATEGIC RISK

SCENARIO



MAIN RISK EVENTS

Price Scenario, risk of unfavourable fluctuations in Brent and other commodities prices compared to planning assumptions.

TREATMENT MEASURES

- Actions aimed at improving the resilience (reduction of cash neutrality), flexibility (in terms of investment decisions) and efficiency (capital discipline and action on structural costs) of the company;
- increase in value through the growth of production, M&A actions and business combinations;
- integration of gas portfolio with LNG activities also through the development of integrated initiatives for the enhancement of gas equity (pipes and LNG) leveraging commercial skills, access to the end and trading markets;
- targeted strategies for hedging the price of gas equity and hedging of commercial exposures with Value At Risk Limits, approved by top management;
- maximize the optimization/ABT activities of the portfolio by fully capturing the value linked to the increased volatility of the gas markets and the flexibility of physical withdrawals;
- maximization of synergies between the renewable capacity under development and power customer portfolio (integrated energy management and hedging with customer portfolio);
- optimization of traditional production structures and green, organic and recycling business development.

CLIMATE CHANGE



MAIN RISK EVENTS

Climate change referred to the possibility of change in scenario/climatic conditions which may generate physical risks and connected to energy transition (legislative, market, technological and reputational risks) on Eni's businesses in the short, medium and long-term.

TREATMENT MEASURES

- Structured governance with the central role of the Board in managing main issues connected with climate change, presence of specific committees;
- medium and long-term plan to 2050, which combines business development guidelines for progressive industrial transformation with ambitious targets for reducing GHG emissions associated with energy products sold by Eni as well as offsetting emissions; four-year plan with provision for each business of operational actions to support and implement the industrial transformation indicated in the medium and long-term plan;
- assessment of the resilience of the portfolio through stress tests based on low carbon scenarios;
- flexibility of strategy and investments;
- diversification with the development of new business/products;
- short-term and long-term management incentive plans that include objectives related to the "climate strategy" consistent with the guidelines defined in the Strategic Plan;
- leadership in disclosure and adherence to international initiatives;
- key role of low carbon research and technological development.

EXPOSURE TO LONG-TERM CONTRACTS

(LONG-TERM SUPPLY GAS CONTRACTS)



MAIN RISK EVENTS

Referred to the possible mismatch of the cost of supply and the minimum take constraints envisaged by supply contracts with respect to current market conditions.

TREATMENT MEASURES

- Diversified supply portfolio and prices-volumes renegotiation;
- portfolio balancing with sales to hubs (in Italy and in Northern Europe) of volumes not for mainstream distribution channels;
- legal defense, continuous control of arbitration management and negotiations by dedicated organisational structures.

STRATEGIC RISK

DECREASING DEMAND/COMPETITIVE ENVIRONMENT



MAIN RISK EVENTS

Contraction in demand/Competitive environment relating to the market demand and supply imbalance or an increase in competitiveness leading to: i) reduction of sale volumes, ii) increase difficulties in defending customer base/develop growth initiatives, iii) generate adverse dynamics in the prices of finished products, iv) reduction of demand.

TREATMENT MEASURES

- ▶ Optimization of portfolio management of equity volumes, also in relation to the different dynamics of the end markets;
- ▶ alignment of the supply portfolio with market prices;
- ▶ maximization of the export volumes of the LNG plants in the portfolio;
- ▶ differentiated strategy of exposure coverage by commodity market and daily monitored;
- ▶ integration of midstream and upstream activities and portfolio management of gas equity volumes, to facilitate the maximization of their value; identification of projects with low break even and fast time-to-market;
- ▶ consolidation of the Italian network market share with requalification of the Italian network of properties on premium levels;
- ▶ evolution towards the Mobility Services station with an integrated offer of carriers and services;
- ▶ specialization in the chemical portfolio towards products with greater added value and extension of the downstream supply chain towards compounding;
- ▶ development of chemical platforms from renewables and recycling;
- ▶ organic growth in the customer portfolio abroad and gas/power customer base rebalancing in Italy with Anti-Churn actions;
- ▶ loyalty of the retail customer base, also through the maximization of the contribution of businesses related to the provision of services for energy efficiency and distributed generation and E-mobility;
- ▶ consolidation of the market position in the renewable energy sector, in particular in the countries of retail presence through the development of the pipeline of acquired projects;
- ▶ increase in the flexibility of power plants through targeted investments, specialization in the capacity market and development of new services, ensuring the best integration with other business lines.

EXTERNAL RISK

BIOLOGICAL



MAIN RISK EVENTS

Risk related to **the spread of pandemics and epidemics** and the deterioration of health infrastructure and health response capacity.

TREATMENT MEASURES

- ▶ Eni Crisis Unit's constant management and monitoring to align, coordinate and identify reactions;
- ▶ preparation and implementation of a plan to react to health emergencies (Medical Emergency Response Plan - MERP) to be adopted by all Eni subsidiaries and employers. The plan is also aimed at defining a business continuity plan;
- ▶ restrictive and preventive measures (also through alternative working methods) in offices and operating sites;
- ▶ coordination and centralization of protection and medical devices procurement;
- ▶ centralized management of international health emergency services.

GEOPOLITICAL



MAIN RISK EVENTS

Impact of geopolitical issues on **strategic actions and business operations**.

TREATMENT MEASURES

- ▶ Institutional activities with national and international players in order to overcome crisis situations;
- ▶ continuous monitoring of the environment, mainly focused on the critical political/institutional developments and regulatory aspects which can potentially affect the business;
- ▶ enhancement of Eni's presence leveraging on economic and social issues of Countries where Eni operates.

EXTERNAL RISK

COUNTRY



MAIN RISK EVENTS

Political and social instability related to both political and social instability (in the countries where the Group operates) and criminal/bunkering events against Eni and its subsidiaries, with potential repercussions in terms of lower production, project delays, potential damage to people and assets. **Global security risk** relates to actions or fraudulent events which may negatively affect people and material and immaterial assets. **Credit and Financing risk** related to the credit proceeds delay and the financial stress of the partners.

TREATMENT MEASURES

- ▶ Geographical diversification of the portfolio with exit from marginal assets as well as targeted and synergic acquisitions of new assets;
- ▶ institutional relations and negotiations with Ministries/Local Authorities;
- ▶ presence of a security risk management system supported by specific sites and Countries analysis of the preventive measures; implementation of emergency plans aimed at maximum safety of people and the management of activities and assets;
- ▶ signing of specific repayment plans for some countries, using already tested contractual or financial instruments;
- ▶ request for sovereign guarantees and letters of credit to protect credit positions.

ENERGY SECTOR REGULATION



MAIN RISK EVENTS

Impacts on the operations and competitiveness of the businesses associated with the evolution of the **energy sector regulation**.

TREATMENT MEASURES

- ▶ Control of legislative and regulatory evolution; dialogue with institutions to represent Eni's position;
- ▶ definition of strategic and operational actions in line with regulatory changes: increase in the capacity of biorefineries and diversification of feedstock and products (phase out of palm oil, agro biofeedstock, Biojet production in Livorno and Gela, biomethane development); chemical development from renewable sources and development of products from advanced mechanical recycling; supply to retail customers of energy efficiency services, distributed generation development and synergies with the renewable business.

STAKEHOLDER



MAIN RISK EVENTS

Relationships with local stakeholders on Oil & Gas industry activities.

TREATMENT MEASURES

- ▶ Integration of targets and sustainability projects (i.e. Community Investment) within the four-year strategic Plan and incentive program;
- ▶ stakeholder management through a sustainable approach to activities and social and territorial development projects;
- ▶ enhancement of local content, collaboration agreements with international organizations (FAO, UNDP, UNESCO, UNIDO...);
- ▶ continuous dialogue with local institutions and the territory;
- ▶ respect for and promotion of Human Rights through the operation of the Human Rights Management Model, analysis of the impact on human rights in business processes.

PERMITTING



MAIN RISK EVENTS

Permitting, relating to the occurrence of possible delays or failure to issue authorizations, renewals or permits by the Public Administration with impacts on project times and costs as well as repercussions in social, environmental and image and reputation terms.

TREATMENT MEASURES

- ▶ Constant dialogue with the institutions also with the aim of proposing legislation;
- ▶ hearings in parliamentary committees;
- ▶ continuous involvement from the early stages of the authorities and stakeholders on project objectives and progress;
- ▶ transfer and sharing of know-how with the bodies involved, also through greater involvement of technical bodies;
- ▶ supervision and monitoring of sectoral authorization procedures with the competent Local Authorities;
- ▶ visits/inspections of representatives of the institutions to the sites concerned;
- ▶ acquisitions of renewable energy plants through strategic partnerships and M&A operations of already authorized projects;
- ▶ start-up of Eni's central platform functional to the management of the Permitting and Environmental Compliance process of the operating sites.

OPERATIONAL RISK

ACCIDENTS



MAIN RISK EVENTS

Blowout risks and other accidents **affecting the upstream assets, refineries and petrochemical plants**, as well as the **transportation of hydrocarbons and derivatives by sea and land** (i.e. fires, explosions, etc.) with damages on people and assets and impact on company profitability and reputation.

TREATMENT MEASURES

- ▶ Insurance coverage;
- ▶ real time monitoring for wells;
- ▶ proactive monitoring of incidental events with identification of weak signals in the Process Safety field and completion of the actions resulting from Audit and Risk Assessment related to Process Safety issues;
- ▶ technological and operational improvements and continuous implementation of the Asset Integrity Management system to prevent accidents together with the increase in plant reliability;
- ▶ standard contractual specifications (EniVoy for spot trips and EniTime for charter trips), sub-charters of Time Charter Ships to eligible counterparties and on the basis of international contractual standards;
- ▶ vetting: management and coordination of activities relevant for the assessment, inspection, technical selection of ships and operator ratings and assignment of a rating to operators;
- ▶ contract risk Management (Pre/Post award);
- ▶ continuing education.

CYBER SECURITY



MAIN RISK EVENTS

Cyber Security & Industrial espionage refers to cyber attacks aimed at compromising information (ICT) and industrial (ICS) systems, as well as the subtraction of Eni's sensitive data.

TREATMENT MEASURES

- ▶ Centralized governance model of Cyber Security, with units dedicated to cyber intelligence and prevention, monitoring and management of cyber attacks;
- ▶ strengthening of Cyber Security Operation infrastructures and services with a new management model, the extension of services to the cloud and the strengthening of technologies dedicated to the detection & reaction of attacks;
- ▶ cyber threat intelligence: analysis and investigations aimed at proactively identifying anomalies, threats and cyber breaches concerning accounts, assets or corporate information;
- ▶ constant updating and alignment of the rules dedicated to the information security management and data protection;
- ▶ strengthening of critical infrastructures in Italy through the execution of specific Cyber Protection Programs and Technological Enforcement and monitoring for foreign subsidiaries aimed at directing and implementing technological measures and solutions in the Field of Cyber Security;
- ▶ strengthening of the corporate culture in the Cyber Security with particular focus to the behaviors to be adopted (e.g. safe smart working).

INVESTIGATIONS AND PROCEEDINGS



MAIN RISK EVENTS

Environmental, health and safety proceedings may trigger impacts on company profitability (costs for remediation activities and/or plant implementation), operating activities and corporate reputation. **Involvement in anti-corruption investigations and proceedings.**

TREATMENT MEASURES

- ▶ Specialist assistance for Eni SpA and the Italian and foreign unlisted subsidiaries;
- ▶ continuous monitoring of regulatory developments and constant evaluation of the adequacy of existing presidium and control models;
- ▶ enhancement of the process of assigning and managing assignments to external professionals through new methods aimed at ensuring transparency and traceability;
- ▶ internal training activities at all levels on the topics of interest;
- ▶ monitoring of relations with the Public Administration and definition of routes for the management of relevant problems and for the development of the territory;
- ▶ constant discussion with the Ministry of the Environment on the authorization procedures as a part of remediation activities;
- ▶ continuous monitoring of the efficacy and efficiency of reclamation activities;
- ▶ focused communications;
- ▶ audit activities on compliance with anti-corruption regulations and 231 Legislative Decree;
- ▶ collaboration with stakeholders and the Public Administration (e.g. Ministries, Higher Institute of Health, Universities).

Governance

Integrity and transparency are the principles that have inspired Eni in designing its corporate governance system¹, a key pillar of the Company's business model. The governance system, flanking our business strategy, is intended to support the relationship of trust between Eni and its stakeholders and to help achieve business goals, creating sustainable value for the long-term. Eni is committed to building a corporate governance system founded on excellence in our open dialogue with the market and all stakeholders.

Starting from January 1st, 2021, Eni applies the recommendations of the 2020 Corporate Governance Code, which Eni's Board of Directors adopted on December 23, 2020.

The Corporate Governance Code identifies "sustainable success" as the objective that must guide the action of the management body and which takes the form of creating long-term value for shareholders, taking into account the interests of other relevant stakeholders.

Eni, however, has been considering the interest of stakeholders other than shareholders as one of the necessary elements Directors must evaluate in making informed decisions since 2006.

With this in mind, we consider ongoing, transparent communication with stakeholders an essential tool for better understanding their needs. It is part of our efforts to ensure the effective exercise of shareholders' rights. In 2021 Eni continued to pursue a dialogue with the market on matters of governance and to seize the opportunities deriving from studies and experience at the international level, in spite of the complications associated with the health emergency which prevented more immediate contacts, in particular with reference to the shareholders' meeting. In any case, shareholders were granted all legal rights and additional information tools in order to allow the greatest possible involvement.

Furthermore, in line with the principles defined by the Board of Directors, Eni is committed to creating a Corporate Governance system inspired by criteria of excellence, also participating in initiatives to improve it. Initiatives in 2021 in particular include the participation in working groups for in-depth study of issues related to the application of the new Code, including the Observatory on engagement policies, set up by Assonime (the Association of Italian joint stock companies) to offer a permanent forum for discussion between listed companies called upon to define a policy of dialogue with shareholders, as required by the Corporate Governance Code. The in-depth study of the issue, also through the analysis of engagement policies adopted by institutional investors and asset managers as well as by representative trade associations, led to the development of an engagement policy approved on March 8, 2022 by Eni's Board of Directors, upon proposal of the Chairman, in agreement with the Chief Executive Officer.

The Eni Corporate Governance

Eni Corporate Governance model

Eni's Corporate Governance structure is based on the traditional Italian model, which – without prejudice to the role of the Shareholders' Meeting – assigns the management of the Company to the Board of Directors, supervisory functions to the Board of Statutory Auditors and statutory auditing to the Audit Firm.

Appointment and composition of corporate bodies

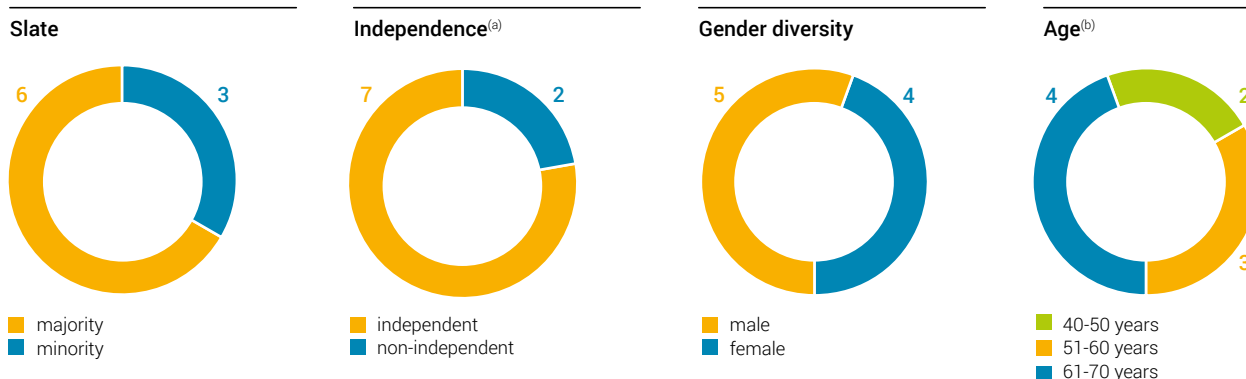
Eni's Board of Directors and Board of Statutory Auditors, and their respective Chairmen, are elected by the Shareholders' Meeting. To ensure the presence of Directors and Statutory Auditors selected by non-controlling shareholders a slate voting mechanism is used. Eni's Board of Directors and Board of Statutory Auditors², whose term runs from May 2020 until the Shareholders' Meeting called to approve the 2022 financial statements, are made up of 9 and 5 members, respectively. Three directors and two standing statutory auditors, including the Chairman of the Board of Statutory Auditors, are elected

(1) For more detailed information on the Eni Corporate Governance system, please see the Corporate Governance and Shareholding Structure Report drafted in accordance with Article 123-bis of Legislative Decree no. 58/1998 and published on the Company's website in the Governance section.

(2) Following the resignation of a standing Statutory Auditor on September 1, 2020, replaced by an alternate Auditor, the Shareholders' Meeting of May 12, 2021 appointed a Statutory Auditor and an alternate Auditor for the duration of the term of the Board of Statutory Auditors in office, to restore full membership of the Board of Statutory Auditors.

by non-controlling shareholders, thereby giving minority shareholders a larger number of representatives than that provided for under law. In deciding the composition of the Board of Directors, the Shareholders' Meeting was able to take account of the guidance provided to investors by the previous Board with regard to diversity, professionalism, experience and competence, also with reference to corporate strategies, the Company's transformation and energy transition. The outcome was a balanced and diversified Board of Directors. The Board of Statutory Auditors also prepared new shareholders' advice providing indications on the composition of the body in relation to the tasks it is called upon to perform. The composition of the Board of Directors and of the Board of Statutory Auditors is also more diversified in gender terms, in accordance with the provisions of applicable law and the By-laws. The latter was promptly amended to be compliant with the law in February 2020 in view of the renewal of the corporate bodies. In particular, for 6 consecutive terms the management and control bodies shall be composed of at least 2/5 of the less represented gender. Furthermore, based on the assessments most recently carried out on February 17, 2022, the number of independent directors on the Board of Directors (7³ of the 9 serving, of whom 8 are non-executive directors including the Chairwoman) remains greater than the number provided for in the Bylaws and by corporate governance best practices.

COMPOSITION OF THE BOARD OF DIRECTORS



(a) Independence as defined by applicable law and Corporate Governance Code.
 (b) Figures at December 31, 2021.

The structure of the Board of Directors

The Board of Directors appointed a Chief Executive Officer on May 14, 2020 and established four internal committees with advisory and recommendation functions: the Control and Risk Committee⁴, the Remuneration Committee⁵, the Nomination Committee and the Sustainability and Scenarios Committee. The Committees report, through their Chairmen, on the main issues they address at each meeting of the Board of Directors.

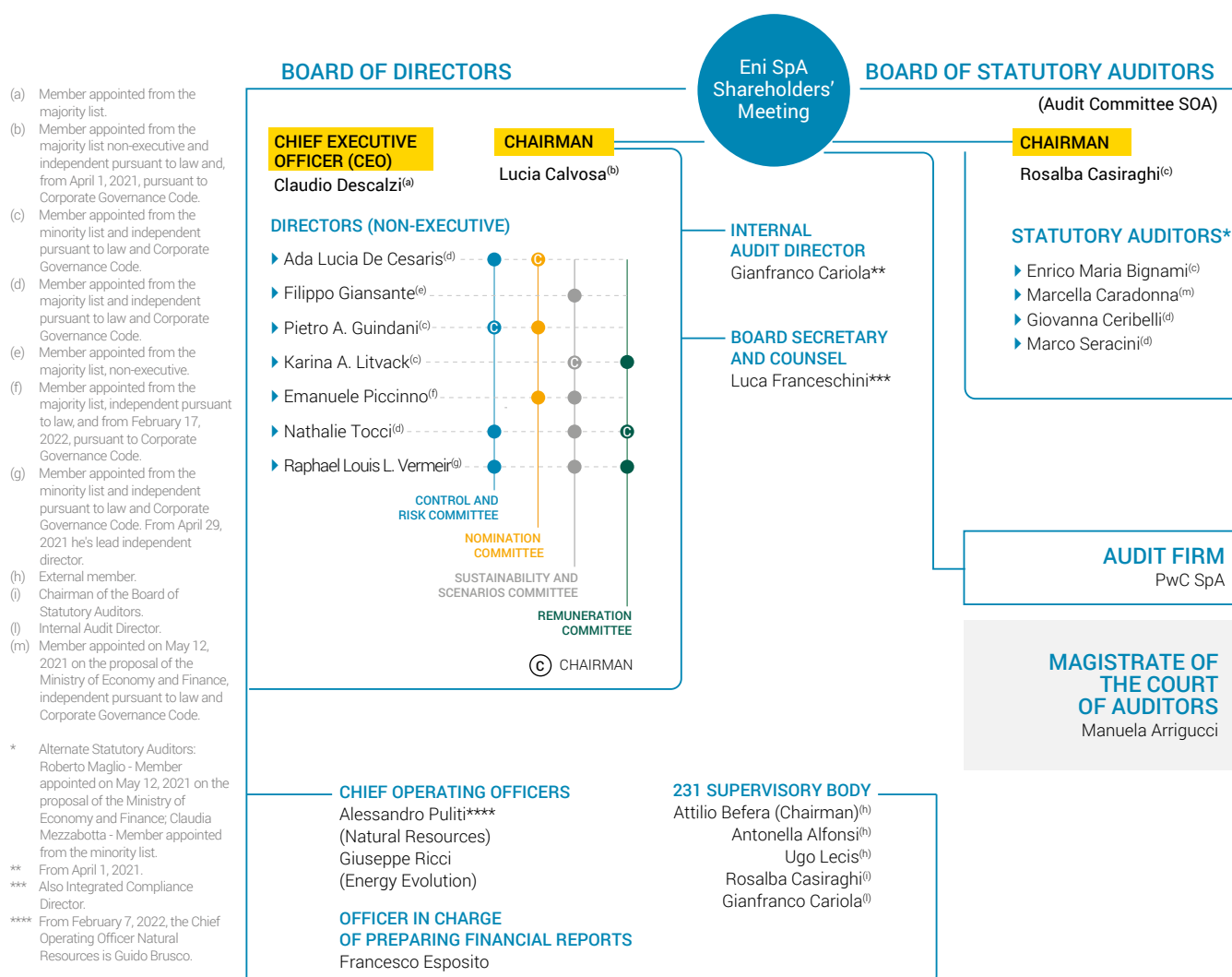
The Board of Directors also retained the Chairman's major role in internal controls, with specific regard to the Internal Audit unit. In agreement with the Chief Executive Officer, the Chairman proposes the

(3) Independence as defined by applicable law, to which the Eni By-laws refer, and by the Corporate Governance Code.
 (4) As regards the composition of the Control and Risk Committee, Eni requires that at least two members shall have appropriate experience with accounting, financial or risk management issues, exceeding the provision of the 2018 Corporate Governance Code, in force at the time of the appointment, confirmed by the new Corporate Governance Code, which recommends only one such member. In this regard, on May 14, 2020 the Eni Board of Directors determined that 2 of the 4 members of the Committee, including the Chairman, have the appropriate experience.
 (5) In line with the Recommendation of the 2018 Corporate Governance Code, in force at the time of the appointment, confirmed by the new Corporate Governance Code, the Rules of the Remuneration Committee require that at least one member shall have adequate expertise and experience in finance or compensation policies. These qualifications are assessed by the Board of Directors at the time of appointment. In this regard, on May 14, 2020 the Eni Board of Directors determined that all three members of the Committee have the appropriate expertise and experience. The level of expertise and experience of the Committee members therefore exceeds that provided for in the Committee Rules and Corporate Governance Code.

appointment, revocation and remuneration of its Head and the resources available to it, without prejudice to the support to the Board of the Control and Risks Committee and the Nomination Committee, to the extent of their competences, and having heard the Board of Statutory Auditors, and also directly manages relations with the unit on behalf of the Board of Directors (without prejudice to the unit's functional reporting to the Control and Risk Committee and the Chief Executive Officer, as the director in charge of the internal control and risk management system). The Chairman is also involved in the appointment of the primary Eni officers responsible for internal controls and risk management, including the officer in charge of preparing financial reports, the members of the Watch Structure, the Head of Integrated Risk Management and the Head of Integrated Compliance.

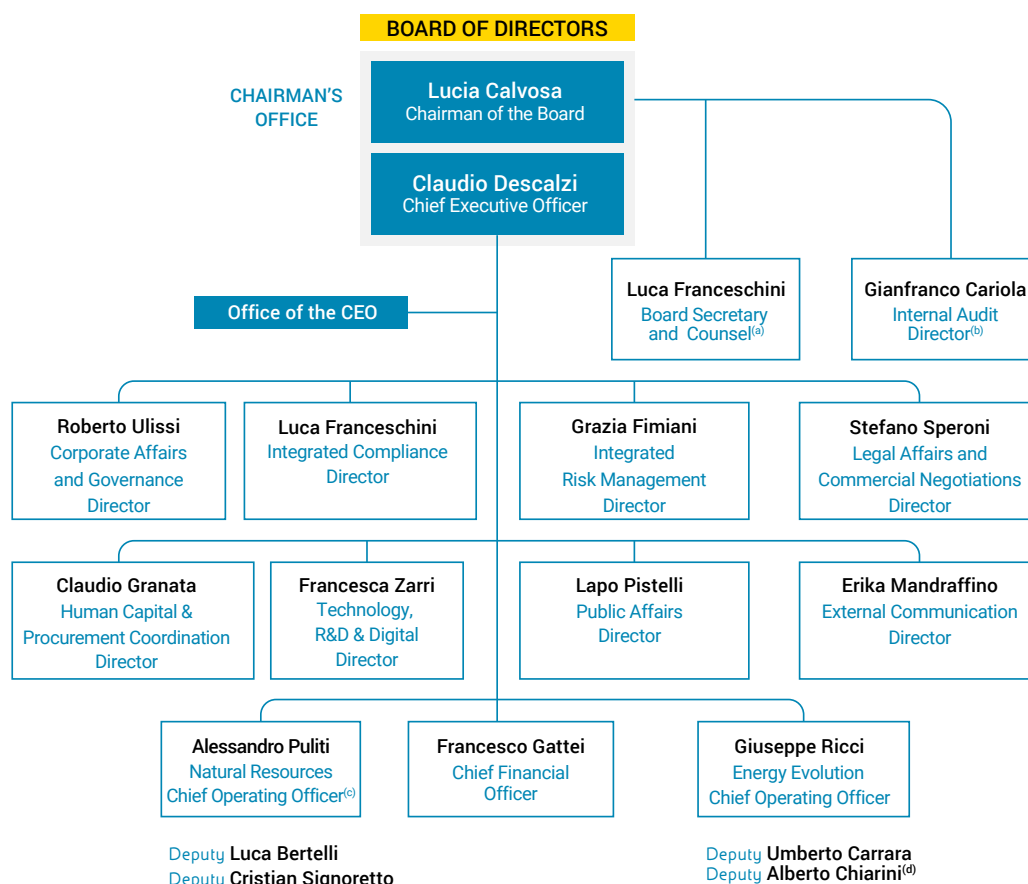
Finally, the Board of Directors, acting on a recommendation of the Chairman, appoints the Secretary, charged with providing assistance and advice to the Chairman, the Board of Directors and the individual directors⁶. In view of this role, the Secretary, who reports to the Board of Directors and, on its behalf, to the Chairman, must also meet professional requirements, as provided for in the Corporate Governance Code, while the Chairman oversees his independence.

The following chart summarises the Company's Corporate Governance structure as at December 31, 2021:



(6) The Charter of the Board Secretary and Board Counsel, attached to the Rules of the Board of Directors, is available on the Eni website, in the Governance section.

The following is a chart setting out the current macro-organizational structure of Eni SpA as at December 31, 2021:



- (a) The Board Secretary and Counsel reports hierarchically and functionally to the Board of Directors and, on its behalf, to the Chairman.
- (b) The Internal Audit Director reports hierarchically to the Board and, on its behalf, to the Chairman, without prejudice to its functional reporting to the Control and Risk Committee and to the CEO, in his capacity as director in charge of establishing and maintaining the Internal Control and Risk Management System. From April 1, 2021 the Internal Audit Director is Gianfranco Cariola; until March 31, 2021 the Internal Audit Director was Marco Petracchini.
- (c) From February 7, 2022 the Natural Resources Chief Operating Officer is Guido Brusco.
- (d) Until March 4, 2022.

Decision making

The Board of Directors entrusts the management of the Company to the Chief Executive Officer, while retaining key strategic, operational and organizational powers for itself, especially as regards governance, sustainability⁷, internal control and risk management.

Organizational arrangements

In recent years, the Board of Directors has devoted special attention to the Company's organizational arrangements, including a number of important measures being taken with regard to the internal control and risk management system and compliance.

More specifically, the Board decided that the Integrated Risk Management function reports directly to the Chief Executive Officer and created an Integrated Compliance function, also reporting to the Chief Executive Officer, separate from the Legal unit. Furthermore, in June 2020, the Board redefined the organizational structure of the Company with the establishment of two General Departments (Energy Evolution and Natural Resources), launching a new structure consistent with the corporate mission and functional to the achievement of strategic objectives.

Among the Board of Directors' most important duties is the appointment of people to key management and control positions in the Company, such as the officer in charge of preparing financial reports, the Head of Internal Audit, the members of the Watch Structure. In performing these duties, the Board of Directors is supported by the Nomination Committee.

(7) For more information concerning non-financial disclosures, please see the section of the Report on the Consolidated Disclosure of Non-Financial Information (NFI), pursuant to Legislative Decree No. 254/2016.

Reporting flows

In order for the Board of Directors to perform its duties as effectively as possible, the Directors must be in a position to assess the decisions they are called upon to make, possessing appropriate expertise and information. The current members of the Board of Directors, who have a diversified range of skills and experience, including on the international stage, are well qualified to conduct comprehensive assessments of the variety of issues they face from multiple perspectives. The directors also receive timely complete briefings on the issues on the agenda of the meetings of the Board of Directors. To ensure this operates smoothly, Board meetings are governed by specific procedures that establish deadlines for providing members with documentation and the Chairman ensures that each Director can contribute effectively to Board discussions. The same documentation is provided to the Statutory Auditors. In addition to meeting to perform the duties assigned to the Board of Statutory Auditors by Italian law, including in its capacity as the "Internal Control and Audit Committee", and by US law in its capacity as the "Audit Committee", the Statutory Auditors also participate in the meetings of the Board of Directors and, also through individual members, at meetings of the Control and Risk Committee thus ensuring the timely exchange of key information for the performance of their respective duties.

The adequacy and timeliness of reporting flows towards the Board of Directors is subject to periodic review by the same Board as part of the annual self-assessment process (see next section).

Ongoing training and self-assessment

On an annual basis, the Board of Directors conducts a self-assessment (the Board Review)⁸, for which benchmarking against national and international best practices and an examination of Board dynamics are essential elements, also with a view to provide shareholders with guidance on the most appropriate professional profiles for members of the Board. Following the Board Review, the Board of Directors develops an action plan, if necessary, to improve the functioning of the Board and its Committees.

In 2020, the self-assessment exercise – as reported in last year's Report – was concluded at the meeting of May 27, 2021, with the presentation of the results of the self-assessment process, as illustrated by the consultant, identifying, through the use of questionnaires and individual interviews, role characteristics, responsibility, size, composition and functioning of the Board and its Committees. In this meeting, based on the results of the self-assessment, an action plan was approved with some evaluations and proposals for improving the Board activities.

In 2021, the self-assessment was carried out in continuity with the previous financial year, taking inspiration from the results of the 2020 board review, as well as from the evaluations and proposals for improvement of the Board activity included in the action plan. In the year 2021 it was decided not to carry out the peer review.

The self-assessment process was carried out through questionnaires and interviews which concerned in particular: (i) the size, functioning and composition of the Board and the Committees, also taking into account elements such as professional characteristics, experience, including in management, and diversity, including gender, of its members, as well as their seniority in office; (ii) the strategic and Plan monitoring role, including ESG issues and the internal control and risk management system. The self-assessment activity carried out for 2021 ended in the meeting of February 17, 2022, with the presentation of the results of the process, as illustrated by the consultant, confirming both the positive elements, already emerged from the previous 2020 board review, and the realization of the improvement initiatives expressed in the action plan, and a further, very positive evolution of all the issues subject to analysis and evaluation.

In addition, in determining the procedures for the performance of the Board Review, the Eni Board also assesses whether to perform a Peer Review of the Directors, in which each director expresses

(8) For more information on the Board Review process, see the section devoted to that process in the 2021 Corporate Governance and Shareholding Structure Report.

his or her view of the contribution made by the other Directors to the work of the Board. The Peer Review, which has been completed five times in the last nine years and was completed, most recently, in conjunction with the Board Review 2020, is best practice among Italian listed companies. Eni was among the first Italian companies to perform one, starting in 2012. The peer review carried out in 2020 highlighted the main dynamics that influence the functioning of the team, also identifying several strengths as well as areas needing improvement. The Board of Statutory Auditors also conducted its own self-assessment in 2021.

For a number of years now, Eni has supported the Board of Directors and the Board of Statutory Auditors with an induction programme, which involves the presentation of the activities and organization of Eni by top management. Following the appointment of the Board of Directors and the Board of Statutory Auditors, numerous induction sessions were held open to Directors and Statutory Auditors, in the context of meetings of both the Board and the Board of Statutory Auditors and the Board Committees, on issues under the remit of the Committees themselves. During 2020 and 2021, the training activity continued through ongoing training and induction activities. In particular, the issues addressed include those relating to the corporate structure and its business model, Eni's mission and decarbonization path, sustainability, governance, compliance, the internal control and risk management system, accounting and tax issues, remuneration policy and human capital, as well as internal regulations on transactions with related parties, cybersecurity and business strategies pursued by the Company in the most important sectors.

The governance of sustainability

Eni's governance structure reflects the Company's willingness to integrate sustainability, including in the form of "sustainable success" as outlined in the Corporate Governance Code, into its business model. The Board of Directors has a central role in defining sustainability policies and strategies, acting upon proposal of the CEO, in the identification of annual, four-year and long-term objectives shared between functions and subsidiaries and in verifying the related results, which are also presented to the Shareholders' Meeting. In detail, a central theme in which the Board of Directors plays a key role is challenge related to the process of energy transition to a low carbon future⁹.

In this regard, it should be noted that the self-assessment process relating to 2021, carried out with the support of an independent external consultant and completed in February 2022¹⁰, provided the Directors with the opportunity to reflect specifically on ESG issues and their implementation in internal policies, the energy transition plan and strategy, climate change, and sustainability in general, issues on which the Board expressed extremely positive opinions. Furthermore, it should be noted that even in the self-assessment process relating to 2020, which ended on May 27, 2021, ESG issues had represented a specific point of attention, and, in particular, there was a positive opinion by the Board on the understanding and attention to these themes, which will be continuously deepened and detailed.

Furthermore, with a view to pursuing sustainable success, Eni's Board of Directors, in line with the 2020 Corporate Governance Code, promotes dialogue with shareholders and other stakeholders relevant to the Company. In particular, as already indicated, the Board, upon proposal of the Chairman in agreement with the Chief Executive Officer, has adopted the policy for managing dialogue with shareholders, also in order to ensure an orderly and consistent communication.

(9) For further information on the role of the Board of Directors in the process of energy transition and the pursuit of sustainable success, see the section of this Report relating to the Consolidated Non-Financial Statement, pursuant to Legislative Decree no. 254/2016.

(10) On the basis of the results of the self-assessment process on the last year of term of the outgoing Board, also in relation to the issue of climate change and the role of the Board in facing this future challenge, the outgoing Board prepared its advice to the Shareholders on the composition of the future Board which highlighted the advisability of including members with, among other things, skills and experience to fully understand the decarbonization process as well as, with specific reference to the issue of the energy transition and its centrality in Eni's strategic plan, the importance of professionalism with experience in contexts of strategic change of similar complexity on a global scale, and "Soft skills" such as the ability to integrate sustainability issues into the business vision.

Another central issue of interest for the Board of Directors is respect for Human Rights: in 2021 Eni continued the path undertaken, that led to the approval of the Eni Declaration on respect for human rights by Eni's Board of Directors in December 2018, also implementing a management model aimed at ensuring the performance of the due diligence process according to the United Nations Guiding Principles on Business and Human Rights (UNGP).

Furthermore, continuing on the path of transformation, in September 2019 Eni's Board of Directors approved a new corporate mission, which takes inspiration from the 17 United Nations Sustainable Development Goals (SDGs) and highlights Eni's values related to climate, the environment, access to energy, cooperation and partnerships for development, respect for people and human rights. The mission highlights the principles that underpin the Company's business model aimed at integrating sustainability into all Company's activities, having regard not only for climate and environment but also for the development, enhancement and training of human resources, considering diversity as an opportunity.

THE MAIN SUSTAINABILITY ISSUES ADDRESSED BY THE BOARD IN 2021

- ▶ 2021 Financial sustainability strategy and sustainability reporting
- ▶ 2020 Sustainability Report: "Eni For"
- ▶ Update of the UK Modern Slavery Act and Australian "Modern Slavery Act" statement
- ▶ 2020 Financial Statements, including the consolidated Non-Financial Statement
- ▶ The Remuneration Report, including sustainability targets in the definition of performance plans
- ▶ 2020 HSE Report
- ▶ Four-year and long-term Plan (including non-financial targets)

Thanks to the growing commitment to transparency and to the business model built by Eni in recent years to create long-term sustainable value, Eni's stock has achieved the top positions in the most popular ESG ratings and confirmed its presence in the main ESG indices¹¹. In particular, in 2021 Eni was included in the MIB® ESG index, the new Borsa Italiana index dedicated to blue chips that excel in ESG performance.

The Sustainability and Scenarios Committee

In performing its duties in the field of sustainability, the Board is supported by the Sustainability and Scenarios Committee, established for the first time in 2014 by the Board itself, which provides advice and recommendations on scenario and sustainability issues. The Committee plays a key role in addressing the sustainability issues integrated into the Company's business model¹².

(11) For timely updates on ESG indices and ratings of relevance to the financial markets, please refer to the Shareholder Relations page of the 2021 Corporate Governance Report and to the Investor Relations page of the site.

(12) For more information on the Committee activities in 2020, please see the relevant section in the 2021 Corporate Governance Report.

Remuneration Policy

Eni's Remuneration Policy for its Directors and top management contributes to the Company's strategy, through incentive plans which is linked to the achievement of results in terms of economic-financial profitability, social and environmental sustainability and energy transition, defined with a long-term view, taking into account the stakeholder's perspectives.

Eni's Remuneration Policy is also consistent with the corporate governance model adopted and with the recommendations of the Corporate Governance Code, providing in particular that the remuneration of Directors, members of the Board of Statutory Auditors, General Managers and Managers with strategic responsibilities is functional to the pursuit of sustainable success of the Company and consider the need to dispose, retain and motivate people with competence and professionalism required from the position held in the company (Principe XV of the Corporate Governance Code).

For this purpose, the remuneration of Eni's top management is established on the basis of the position and the responsibilities assigned, with due consideration given to market benchmarks for similar positions in national and international companies similar to Eni in business features, also in relation to the reference sector and company size, through specific pay comparison carried out with the support of international suppliers.

As part of Eni Remuneration Policy, considerable importance is given to the variable component, also on a per-share basis, which is linked to the achievement of certain results, through incentive plans connected to the fulfilment of preset, measurable and complementary targets which represent the main Company's priorities in line with the Company's Strategic Plan and the expectations of shareholders and stakeholders, in order to promote a strong focus on results and combine the operating, economic and financial soundness with social and environmental sustainability, coherently with the long-term nature of the business and the related risk profiles.

The Policy defined for the next term 2020-2023 provides the confirmation, in the Short-Term Plan of Incentive of Short Term with deferral, of a target related to environmental sustainability and human capital (weight 25%), focused on safety and reduction of GHG emission intensity (Scope 1 + Scope 2), as well as, from 2021, a specific target related to the increase of renewables installed capacity (weight 12.5%).

The 2020-2022 Long-Term Equity Incentive Plan includes a target related to environmental sustainability and energy transition (overall weight 35%), articulated on a series of goals linked to the processes of decarbonization and energy transition and to the circular economy.

The Remuneration Policy is described in the first section of the Remuneration Report, available on the Company's website (www.eni.com) and is presented for a binding vote at the Shareholders' Meeting, with the cadence required by its duration and in any case at least every three years or in the event of changes to it¹³.

(13) In accordance with Art. 123 ter, paragraph 3 bis of the Italian Decree Law No. 58/98.

The internal control and risk management system¹⁴

Eni has adopted an integrated and comprehensive internal control and risk management system at different levels of the organizational and corporate structure, based on a set of rules, procedures and organizational structures aimed at allowing an effective identification, measurement, management and monitoring of the main risks, in order to contribute to the sustainable success of the Company.

The internal control and risk management system is also based on Eni's Code of Ethics, which sets out the rules of conduct for the appropriate management of the Company's business and which must be complied with by all the members of the Board, as well as of the other corporate bodies and all other third parties working with or in name or for the interest of Eni. Eni has adopted rules for the integrated governance of the internal control and risk management system, the guidelines of which were approved by the Board.

Furthermore, on adopting the new Corporate Governance Code, Eni's Board of Directors established various actions and application and improvement methods to comply with the recommendations on the internal control and risk management system (ICRMS), already generally accepted as in line with the best practices of corporate governance¹⁵.

In this respect, in order to strengthen the integration between strategic planning and internal controls and risk management, upon the proposal of the Chief Executive Officer and with the support of the Control and Risks Committee, the Board of Directors has called for the definition of "operational" guidelines for the ICRMS, that exceed the ICRMS model contained in internal regulations, as part of the Strategic plan, in line with the strategies of the company.

It was also envisaged that the implementation of the operational guidelines of the ICRMS is subject to periodic monitoring on the basis of a report by the Chief Executive Officer.

Eni has also equipped itself with a reference model for Integrated Compliance, which together with Model 231 and the Code of Ethics, is aimed at ensuring that all Eni personnel who are contributing to the achievement of business objectives operate in full compliance with the rules of integrity and applicable laws and regulations in an increasingly complex national and international regulatory framework, defining a comprehensive process, developed using a risk-based approach, for managing activities to prevent non-compliance.

With this in mind, risk assessment methodologies were developed aimed at modulating controls, calibrating monitoring activities and planning training and communication activities based on the compliance risk underlying the various cases, to maximize their effectiveness and efficiency. The Integrated Compliance process was designed to stimulate integration between those who work in the business activities and the corporate functions that oversee the various compliance risks, both internal or external to the Integrated Compliance unit.

Furthermore, acting on the proposal of the Chief Executive Officer, having obtained a favourable opinion from the Control and Risk Committee, the Board of Directors of Eni approved the internal rules concerning the Market Information Abuse (Issuers). These, by updating the previous Eni rules for the aspects relating to "issuers", incorporate the amendments introduced by Regulation No. 596/2014/EU of April 16, 2014 and the associated implementing rules, as well as the national regulations, taking account of Italian and foreign institutional guidelines on the matter.

The updated internal rules lay down principles of conduct for the protection of confidentiality of corporate information in general, to promote maximum compliance, as also required by Eni's Code of Ethics and corporate security measures. Eni recognizes that information is a strategic asset to be managed in such a way as to ensure the protection of the interests of the Company, shareholders and the market.

(14) For more information, please see the 2021 Corporate Governance Report.

(15) For more information, please see the 2021 Corporate Governance Report.

In order to ensure the protection of corporate assets, of the interests of shareholders and the market, as well as the transparency and integrity of conduct, Eni has adopted – in compliance with Consob regulatory provisions – internal rules on transactions involving the interests of directors and statutory auditors and transactions with related parties. These rules were most recently updated in 2021 by the Board of Directors, with the unanimous and favourable opinion of the Control and Risks Committee, with the aim of ensuring regulatory compliance, but also taking into account the experience gained, as well as the indications of the Board Committees and supervisory bodies.

An integral part of the Eni internal control system is the internal control system for financial reporting, the objective of which is to provide reasonable certainty of the reliability of financial reporting and the ability of the financial report preparation process to generate such reporting in compliance with generally accepted international accounting standards.

Eni's CEO, Chief Financial Officer (CFO) and Head of Accounting and Financial Statements and budget manager, in his capacity as officer in charge of preparing financial reports, are responsible for planning, establishing and maintaining the internal control system for financial reporting. A central role in the Company's internal control and risk management system is played by the Board of Statutory Auditors, which in addition to the supervisory and control functions provided for in the Consolidated Law on Financial Intermediation, also monitors the financial reporting process and the effectiveness of the internal control and risk management systems, consistent with the provisions of the Corporate Governance Code, including in its capacity as the "Internal Control and Audit Committee" pursuant to Italian law and as the "Audit Committee" under US law.