



Integrated Risk Management

Eni has developed and adopted an Integrated Risk Management Model (IRM Model) supporting Eni's management awareness in taking risk-informed decisions through risk assessment and analysis with an integrated, comprehensive and prospective vision. The IRM Model is based on a system of methodologies and skills that leverages on criteria ensuring consistency of the evaluations to improve the effectiveness of the analyses, adequacy of support for the main decision-making processes (definition of the Strategic Plan) and to guarantee the disclosure to the administration and control bodies. 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, that is structured on three control levels.

Governance attributes a central role to the Board of Directors (BoD) which defines, on the basis of the analyses proposed by the Chief Executive Officer (CEO) and with the support of the Control and Risk Committee (CCR), with reference to the four-year Strategic Plan, the nature and level of risk compatible with the company's strategic objectives, including in its assessments all the elements that may be relevant with a view to the sustainable success of the company.

Eni's Chief Executive Officer (CEO) implements the BoD's guidelines; 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. At least quarterly, the IRM function presents the relevant results to the CEO, to the Control and Risk Committee, as well as, where required, to the other control and supervisory bodies. The CEO submits the results of the analysis on Eni's main risks to the Board of Directors at least quarterly.

IRM 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 Global Procedure "Integrated Risk Management" is continuous, dynamic and includes the following sub-processes:

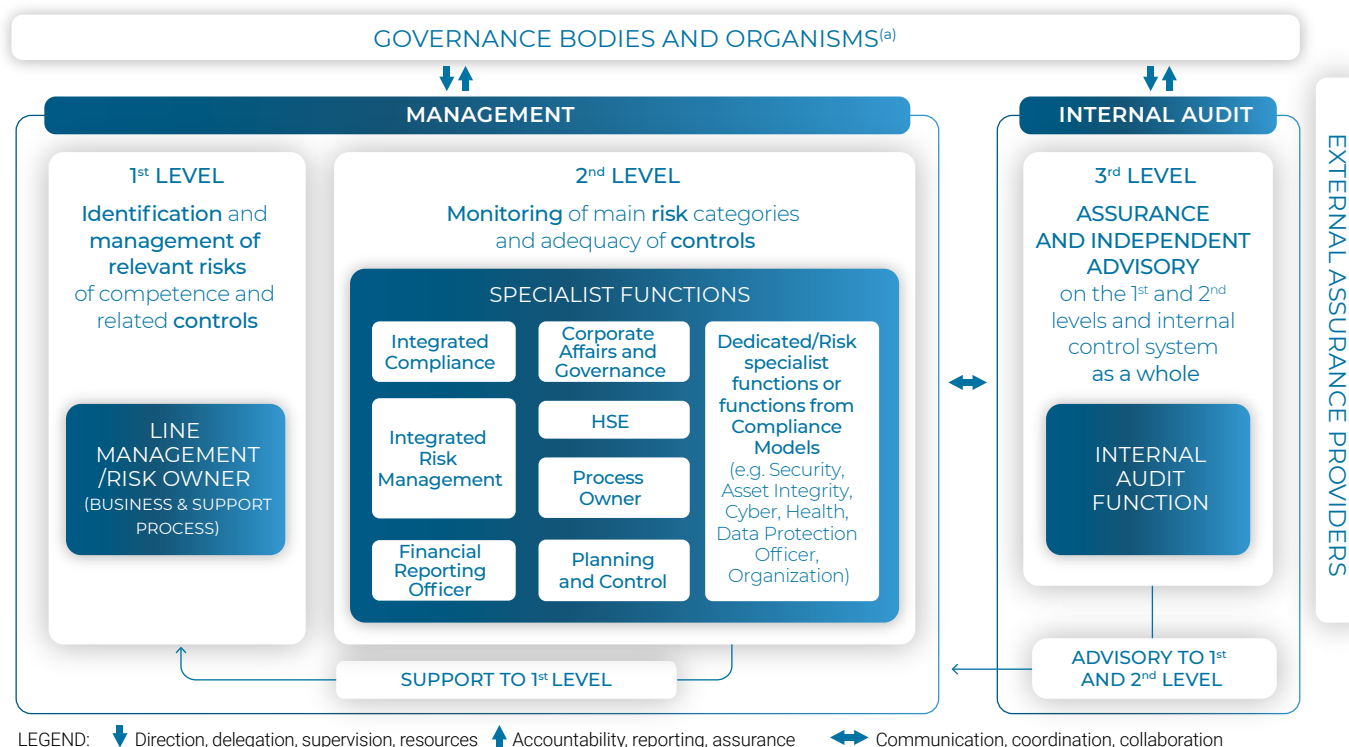
- i) Risk strategy;
- ii) Integrated Risk Assessment;
- iii) Integrated Country Risk;
- iv) Integrated Project & M&A Risk Management.

The IRM process starts from the specialist contribution to the elaboration of the Strategic Plan provided on the basis of the overall risk management activity, with particular reference to the definition of the de-risking areas, the analysis of the risk profile underlying the Plan proposal and the identification of the main

actions with effective de-risking of the strategic company's top risks. The results of the activities are presented to the Administrative and Control bodies in times consistent with the Strategic Planning process.

The "Integrated Risk Assessment" sub-process includes: periodic risk assessment and monitoring cycles in order to understand the risks taken on the basis of the strategic targets of the four year strategic plan also looking at the medium/long-term, through the definition, evaluation and monitoring of the main company's risks and the related treatment measures; assessment activities on industrial assets; other analyses on specific risks. Furthermore, activities regarding the integrated analysis of existing risks in the main Countries of presence or potential interest and activities to support the sub-process "Integrated Country Risk" ICR the decision-making process for the authorization of investment projects and main transactions are performed (sub-process "Integrated Project Risk Management and M&A Risk Management").

The risks are assessed with quantitative and qualitative tools



considering both the likelihood of occurrence and the impacts that may result from the occurrence of the risk in a defined time horizon. The assessment usually is expressed as both 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 can be also analyzed in an integrated perspective on the basis of quantitative models that allow to define on a statistical basis the distribution of cash flows at risk or to simulate the aggregate impact of risks in the face of hypothetical future scenarios (what if analysis or stress test).

Finally, Risk Knowledge, training and risk communication activities are carried out, aimed at increasing the dissemination of the risk culture, identifying, developing and strengthening the resources operating

in the risk management field across Eni's various businesses and developing the risk knowledge management system.

In 2024, two assessment sessions were performed: the Annual Risk Assessment performed in the first half of the year and in the second half of the year the 4Y Plan Risk Assessment, to support the elaboration process of the 4Y Strategic Plan. The assessment involved all business lines in Italy and abroad (over 40 Countries). The two assessment results were submitted to Eni's management and control bodies in July 2024 and December 2024. In addition, three monitoring processes were performed on Eni's top risks. The monitoring of such risks and the relevant treatment plans allows to analyze the risks evolution (through the update of appropriate indicators) and the progress in the implementation of specific treatment measures planned by management. The top risks monitoring results were submitted to the management and control bodies in March, July and October 2024.

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, MAIN RISKS AND TREATMENT MEASURES

STRATEGIC RISK

SCENARIO



MAIN RISK EVENTS

Commodity Price Scenario, overview of risks deriving from unfavourable commodities price fluctuation (Brent, natural gas and other commodities) compared to planning assumptions.

TREATMENT MEASURES

- Focus on portfolio resilience and flexibility by monitoring traditional businesses cash generation, new businesses growth, portfolio and capital budgeting optimization;
- diversification of gas/LNG supply portfolio of contracts leveraging on the development of upstream and GGP integrated initiatives to exploit value from equity gas and portfolio optimization actions;
- active strategy of portfolio hedging in relation to market conditions;
- optimization of traditional business industrial structures;
- development of biorefining capacity, through conversion of traditional refining production circuit and selective partnerships in geographically differentiated markets of interest and product diversification (Sustainable Aviation Fuel - SAF);
- feedstock flexibility also through integration with agribusiness;
- restructuring plan for basic chemicals;
- development of new chemistry platforms (specialized polymers, biochemicals, recycling);
- optimization of assets according to market conditions and initiatives to decarbonize the power sector;
- maximizing synergies between electricity generation from renewables and the power customer portfolio. Securitization of revenues from renewables through the stipulation of Purchase Power Agreements.

FALL IN DEMAND/ COMPETITIVE ENVIRONMENT



MAIN RISK EVENTS

Fall in demand/competitive environment, relating to a market demand and supply imbalance or an increase in competitiveness leading to: (i) sale volumes reduction, (ii) increased difficulties in preserving the customer base/developing growth initiatives, (iii) trigger adverse trends of finished products' prices, (iv) fall in demand.

TREATMENT MEASURES

- Diversification of gas/LNG supply portfolio of contracts leveraging on the development of upstream and GGP integrated initiatives to exploit value from equity gas and portfolio optimization actions;
- active strategy of portfolio hedging in relation to market conditions and geopolitical scenario evolution;
- growth in the sustainable mobility business and selective development of the service stations network;
- restructuring plan for basic chemicals and development of new platforms (specialized polymers, biochemicals, recycling);
- growth in the customer portfolio mainly abroad and increase in the share of power customers;
- maximization of integration synergies with production from renewable sources and with e-mobility;
- push for digitalisation in customer management processes and progressive reduction of the carbon footprint on gas & power sales;
- capacity development on geographically diversified markets with particular attention to those with a Retail presence;
- strengthening of diversified mix of technologies (offshore wind, BESS);
- development on the renewables market with a focus on profitability also through integration with retail.

CLIMATE CHANGE



MAIN RISK EVENTS

Climate change, referred to the possibility of changes in the scenario/weather conditions determining risks related to the energy transition (legislative, market, technological and reputational risks) and physical risk for Eni business in the short, medium and long term.

TREATMENT MEASURES

- Structured governance with a key role of the Board of Directors in managing the main issues related to the climate change, and specific committees supporting the Board;
- Strategic Plan foreseeing operational actions for each business to sustain the industrial transformation and to reach targets in the short, medium and long term;
- remuneration policy with short and medium terms incentive plans including targets related to the "climate strategy" in line with the strategic plan;
- resilience through the flexibility of the Strategy, portfolio diversification by developing lower carbon businesses and products, as well as assessment of the portfolio resilience through stress test based on low carbon scenarios;
- three-year technological development plan, or anticipated in case of material technology gaps, and active collaboration on Domestic and international innovation ecosystems;
- transparency in climate disclosure, proactive dialogue with stakeholders and support to international initiatives and monitoring of legislative and legal trends (see also investigations and hse procedures risks);
- risk management process to identify and analyse assets exposed to potential prospective changes of natural events which could affect the operability and integrity of Eni's assets.





EXTERNAL RISK

GEOPOLITICAL RISK



MAIN RISK EVENTS

Geopolitical, impact of geopolitical issues on strategic actions and business operations.

TREATMENT MEASURES

- Institutional activities with relevant national and international counterparties to overcome crisis situations;
- continuous environmental monitoring, mainly focused on critical political/institutional developments and regulatory issues which can potentially affect the businesses;
- monitoring and enhancement of Eni's presence, economic promotion initiatives in the countries of interest and attention to economic, social, energy and environmental issues.

COUNTRY RISK



MAIN RISK EVENTS

Global security risk, relating to actions or fraudulent events which may negatively affect people and material and intangible assets.

Political and social instability, referring both to political and social instability, and to criminal/bunkering events within the country towards Eni and its subsidiaries, with potential consequences in terms of lower production and delays in projects.

Credit & Financing Risk, related to the financial stress of the partners and delays in credit proceeds and recovery of the incurred costs.

TREATMENT MEASURES

- Portfolio geographical diversification;
- engagement in national and international initiatives for the implementation of collaboration plans and response to potential threats involving companies;
- mitigation treatments for security risks through specific projects and programs referring to some most sensitive areas/sites;
- presence of a security risk management system supported by analysis of country- and site-specific preventive measures and implementation of emergency plans aimed at maximum safety of people and the management of activities and assets;
- signing of country-specific repayment plans leveraging on proven contractual and/or financial instruments;
- request for sovereign guarantees and letters of credit to protect credit positions.

DOWNGRADING RATING



MAIN RISK EVENTS

Downgrading risk, referring to the possible downgrading of Eni's long-term rating.

TREATMENT MEASURES

- Prospective analysis of the level of leverage and monitoring of cash flows;
- capex and opex maintenance/review; improved financial efficiency;
- maintaining strong liquidity buffer;
- continuous dialogue between Eni and the rating agencies.

COMMERCIAL CREDIT RISK



MAIN RISK EVENTS

Commercial credit risk, referring to the possible non-fulfilment of obligations assumed by a counterparty, with impacts on the economic/financial situation and the achievement of the company's targets.

TREATMENT MEASURES

- Centralised credit model and operative coordination in multi-business customer management;
- risk-mitigating management actions: guarantees, factoring, insurance coverage;
- systematic monitoring of entrusted counterparties' risk indicators and timely alerting mechanisms.

ENERGY SECTOR REGULATION



MAIN RISK EVENTS

Energy Sector Regulation, relating to impacts on operations and competitiveness of businesses associated with the evolution of the energy sector regulation.

TREATMENT MEASURES

- Monitoring of legislative and regulatory evolution; advocacy within the institutional processes of definition of new directives or regulations targeted to decarbonisation and energy security;
- definition of strategic and operational actions in line with regulatory developments:
 - geographical diversification of bio capacity, feedstock flexibilization and expansion of product portfolio (agro-biofeedstock development, biojet production);
 - development of chemical from renewable sources, and development of the advanced mechanical recycling and technologies for chemical recycling.



EXTERNAL RISK

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 schedule and costs as well as implications for social, environmental, image and reputation issues.
TREATMENT MEASURES	• Constant dialogue with institutions and participation to parliamentary hearings; • continuous involvement of authorities and stakeholders on project objectives and progress from the early stages; • transfer and sharing of knowhow with the bodies involved, also through greater involvement of technical bodies; • supervision and monitoring of sectoral authorization procedures.

BIOLOGICAL
RISK



MAIN RISK EVENTS	Biological - risk related to the spread of pandemics and epidemics potentially impacting people, health systems and businesses.
TREATMENT MEASURES	• Eni Crisis Unit's constant guidance and monitoring to align, coordinate and identify response actions; • 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 defined in order to identify a business continuity plan; • information for staff and training campaigns; • technical-scientific guidance activities of the staff units to define prevention and treatment measures to be declined and implemented at the business level.

RELATIONSHIPS
WITH LOCAL
STAKEHOLDERS



MAIN RISK EVENTS	Relationships with local stakeholders of the energy industry.
TREATMENT MEASURES	• Integration of targets and sustainability projects (i.e. Community Investment) within the Strategic Plan and the management incentive program; • continuous dialogue with stakeholders to disclose the Eni's sustainable approach, also through social and local development projects and local content valorization; • collaboration agreements with national and international organizations towards Public Private Partnership (FAO, UNDP, UNESCO, UNIDO); • respect and promotion of Human Rights through the implementation of the Human Rights Management Model, impact analysis and the integration of Human Rights perspective in the business processes.



OPERATIONAL RISK

ACCIDENTS



MAIN RISK EVENTS

Risks of blowout and other accidents to industrial assets, as well as in the management of people/product logistics, with potential damage to people, the environment and assets and impacts on profitability and corporate reputation.

TREATMENT MEASURES

- Insurance coverage;
- careful prevention action (application of new technologies) and real time monitoring for wells;
- proactive monitoring of incidents through the weak signals identification in the Process Safety area and completion of the actions resulting from Audits and Risk Assessments relating 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;
- vetting: management and coordination of relevant activities to assess, inspect and select ships, assignment of a rating for operators;
- standard contract specifications in the maritime transport;
- Contract Risk Management (Pre/Post award);
- continuous training activities.

CYBER SECURITY



MAIN RISK EVENTS

Cyber Security & industrial espionage referring 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;
- enhancement of safeguards at subsidiaries outside Italy and industrial sites;
- promotion of the corporate culture in the Cyber Security also through targeted initiatives (phishing simulation);
- stronger monitoring of security events;
- strengthening of the company's Cyber Security Posture through actions aimed at increasing the detection capacity (e.g. implementation of Indicators of Compromise) and response of cyber threats.

INVESTIGATIONS AND HSE PROCEEDINGS



MAIN RISK EVENTS

Investigations and proceedings relating to climate change, environmental, health and safety issues.

TREATMENT MEASURES

- Legal defense in judicial and non-judicial venues;
- organizational structures engaged in the legal assistance and supervision of national and international institutional relations on HSE and climate change issues;
- continuous monitoring of regulatory developments and constant assessment of the adequacy of existing monitoring and control models;
- strengthened process of assigning and managing assignments to external professionals through new methods to ensure transparency and traceability;
- focused communication programs.

