

1 CARBON NEUTRALITY BY 2050

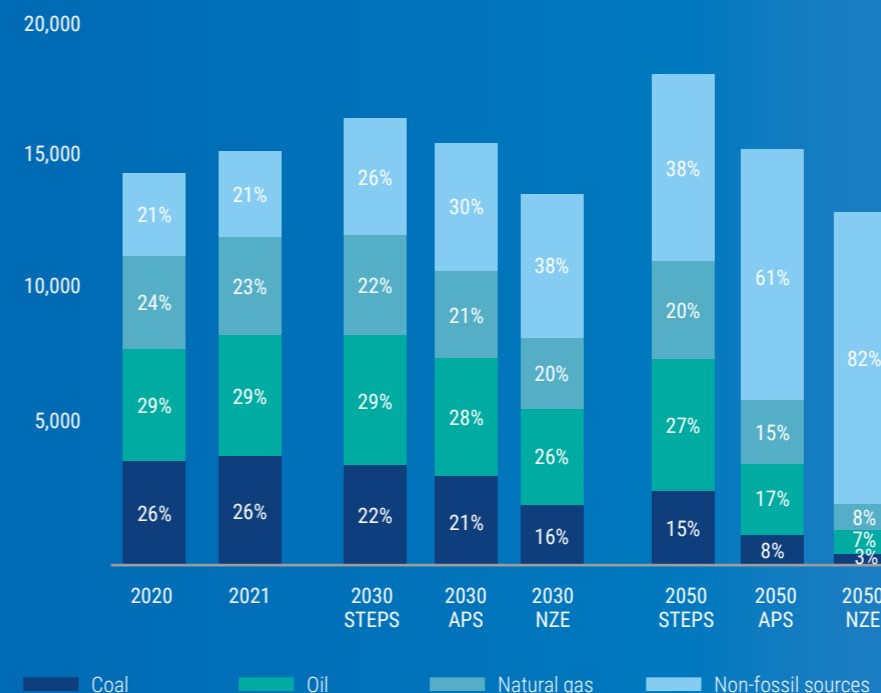
Eni's business model envisages a path towards carbon neutrality based on an approach that considers emissions generated throughout the life cycle of energy products and on a set of actions that will lead to the total decarbonization of processes and products by 2050. Eni's climate strategy is based on an industrial transformation plan that builds on available technology options and focuses on developing breakthrough solutions.

REFERENCE CONTEXT: CHALLENGES AND OPPORTUNITIES

The Net Zero by 2050 Challenge

IPCC underlines the need to immediately and rapidly reduce global GHG emissions and achieve Net Zero for CO₂ emissions around 2050 in order to limit the temperature increase to 1.5°C compared to pre-industrial times. To this end, the IPCC defines several scenarios compatible with the 1.5°C target, involving the decarbonization of the energy system through the combined application of a number of levers, such as the deployment of renewable energy, end-use electrification, the use of low and zero carbon fuels and CCS, consumer behavioral change, reduction of land use change sector emissions, and neutralization of residual emissions through carbon removal actions in the land use change sector (LUC) and use of Carbon Capture and Storage applied to bioenergy (BECCS).

Evolution of the energy mix (EJ)



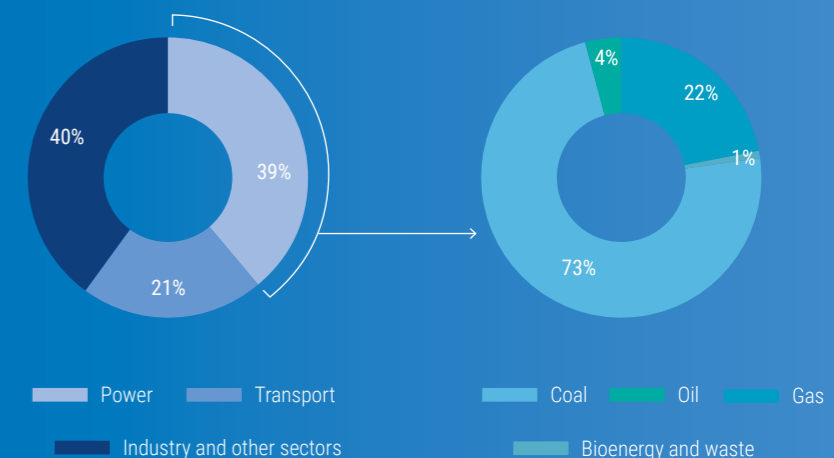
Among the most well-known evolutionary paths in the global energy landscape, the IEA scenarios trace diversified future trajectories based on different assumptions, targets, and different logics of construction. The Net Zero (NZE) scenario, constructed with backcasting logic, traces one of the pathways to achieving the 1.5°C target, identifying electrification, efficiency and a radical change in consumer behavior as the main levers of decarbonization, requiring an immediate shift in the energy paradigm. These elements are expected to enter the production/consumption mixes of individual Countries immediately and to grow exponentially in the near future. To chart such a course, it will already be necessary in the immediate term to adapt/modify existing energy systems, characterized by considerable complexity, or to build new ones requiring major investments. By 2050, global energy demand will be lower than today (-15% vs. 2021), a target that appears highly challenging, given a global economy projected to grow at a rate of about 3% and a population increasing by about 2 billion.

The STEPS scenario, on the other hand, includes all policies implemented and planned by Governments, while the ODA assumes the achievement of all announced Net Zero targets (Towards a Just Transition).

Source: International Energy Agency (2022), World Energy Outlook 2022, IEA, Paris.

Energy-related global CO₂ emissions

Global power sector-related CO₂ emissions in 2022 increased by 0.9% (vs. 2021), reaching a new peak of over 36.8 Gt. Nearly 40% of emissions are attributable to the power sector, where coal is responsible for more than 70% of emissions while generating only 35% of total electricity. Geographically, emerging Countries still account for over 65% of global emissions (~73% of emissions in the global power sector).



Source: International Energy Agency (2022), World Energy Outlook 2022, IEA, Paris.

Towards Net Zero in 2050	39
The evolution of business	40
Advocacy and Transparency	46
GHG Metrics	47

Carbon neutrality by 2050



WHY IS IT IMPORTANT TO ENI

Eni aims to create value and decarbonize the company, having set some of the most challenging emissions reduction targets in the energy sector, both in intensity and absolute terms, across all activities and products value chain. Our transition strategy towards cleaner and low cost fuels, for which we foresee great development opportunities, will enable us to become an increasingly competitive energy supplier. Our technological, research and development expertise, sound governance and strong integration of activities are the driving force behind our transition.

| FRANCESCO GATTEI - CHIEF FINANCIAL OFFICER |

PROGRESS 2022 vs. Eni for 2021 commitments	SHORT-TERM COMMITMENTS	MEDIUM-TERM COMMITMENTS	LONG-TERM COMMITMENTS
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NET CARBON FOOTPRINT (SCOPE 1+2) - BASELINE 2018

Upstream: -33%	Upstream: -50% in 2024	Upstream: Net Zero by 2030
Eni: -19%	Upstream: -65% in 2025	Eni: Net Zero by 2035

NET GHG LIFECYCLE EMISSIONS (SCOPE 1+2+3) - BASELINE 2018

-17%	-35% in 2030	-80% in 2040
	-55% in 2035	Net Zero by 2050

NET CARBON INTENSITY (SCOPE 1+2+3) - BASELINE 2018

-3%	-15% in 2030	-50% in 2040
		Net Zero by 2050

POLICY

2023-2026 Strategic Plan; Eni's responsible engagement on climate change within the business association; Eni's position on biomass; Eni's Code of Ethics.

MANAGEMENT AND ORGANISATION MODELS

The organisational structure functional to the energy transition process with two General Directions: Natural Resources, for the optimisation and progressive decarbonization of the Upstream portfolio and Energy Evolution, for the expansion of bio, renewable and circular economy activities and the offer of new energy solutions and services; a dedicated central function that oversees climate change strategy and positioning; energy management systems coordinated with the ISO 50001 standard, included in the HSE regulatory system, for the improvement of energy performance and already implemented at all major Mid-Downstream sites and being extended to the entire Eni Group; organisation of technological research and development aimed at the creation and application of low carbon footprint technologies, fully integrated with renewable sources, the use of biomass and the valorisation of waste materials, as well as the development of technologies for the exploitation of new forms of energy or energy carriers with low or no carbon footprint.

FOR MORE INFORMATION

- ▶ [Eni for 2022 - Sustainability Performance](#)
- ▶ [eni.com](#)
- ▶ [Eni's Code of Ethics](#)
- ▶ [Assessment of industry associations' climate policy positions](#)
- ▶ [Eni's responsible engagement on climate change within business associations](#)

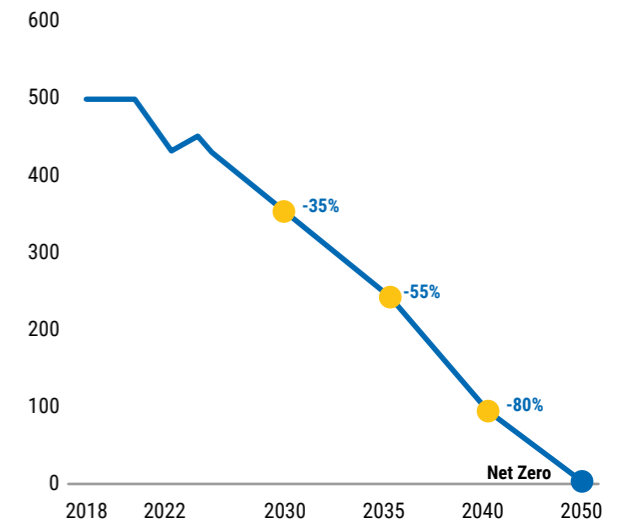
Towards Net Zero in 2050

THE DECARBONIZATION ROADMAP AND ENI'S TARGETS

Eni wants to be an active part of the energy sector's transition with a long-term strategy towards Carbon Neutrality by 2050, in line with scenarios that are compatible with keeping global warming within the 1.5°C threshold by the end of the century. To this end, since 2014 Eni has embarked on a path of industrial transformation that has gradually enabled the company to create value under challenging scenarios, helping to ensure the security of energy supplies and environmen-

tal sustainability. Despite high volatility and uncertainty, in 2023 Eni confirmed its decarbonization strategy and key medium-to-long-term emissions and business targets. The pathway towards Eni's Carbon Neutrality by 2050 includes a series of intermediate objectives that first envisage Net Zero emissions (Scope 1+2) for the upstream business by 2030 and for Eni's group by 2035, then Net Zero emissions by 2050 for all Scope 1, 2 and 3 GHG emissions associated with Eni's entire value chain, both in absolute and intensity terms (GHG Metrics).

NET GHG LIFECYCLE EMISSIONS (MtCO₂eq.)



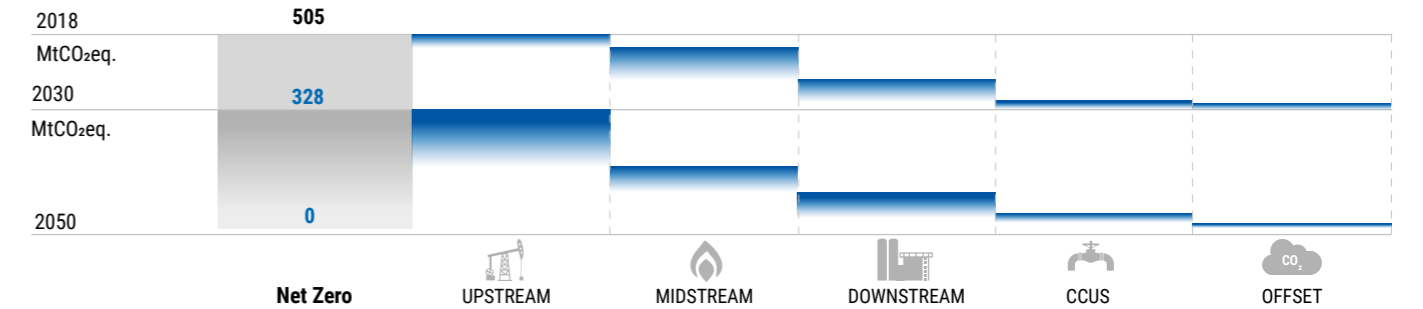
DECARBONIZATION OPERATIONAL LEVELS

Eni's strategy towards Net Zero is supported by an industrial growth and transformation plan that involves the entire value chain, envisaging the optimisation and valorisation of the upstream portfolio through progressive decarbonization, combined with the expansion of the bio, renewable and circular economy businesses and the offer of new energy solutions and ser-

vices. Transforming conventional activities will contribute to 90% of the absolute long-term reduction target. Upstream hydrocarbon production will decline in the medium-to-long-term, with a plateau expected by 2030 and progressive growth of the gas component reaching 60% by 2030 and more than 90% after 2040. Midstream/downstream, activities will contribute to reducing emissions, mainly through utilising gas equity and LNG, and convert-

ing conventional refineries into biorefineries. CO₂ capture, storage and utilisation (CCUS) projects will have a complementary function in reducing residual emissions that are difficult to abate with existing technologies. Approximately 5% of the total absolute reduction in Eni lifecycle emissions by 2050 will be linked to compensation through carbon credits, from Natural Climate Solutions and the application of technological solutions.

NET GHG LIFECYCLE EMISSIONS (SCOPE 1+2+3)



FOCUS ON

The role of Carbon Credits

Eni plans to compensate its residual emissions by leveraging Natural Climate Solutions initiatives and applying technological solutions in various areas, aiming to progressively maximise the carbon removal component. The identified initiatives ensure the compensation of emissions by generating high-quality carbon credits, certified according to the highest international standards both for the climate change mitigation component, such as the Verified Carbon Standard - VCS, and for the contribution to the achievement of the SDG Sustainable Development Goals (such as the Sustainable Development Verified Impact Standard - SD VISTa and Climate, Community and Biodiversity - CCB). In this context, in addition to forest conservation and protection activities according to the REDD+ scheme, which started in 2019 with the Luangwa Community Forest Project (LCFP) in Zambia, in 2022 Eni started technology-based carbon credit generation initiatives with the **Clean Cooking in Côte d'Ivoire** project.

The evolution of business

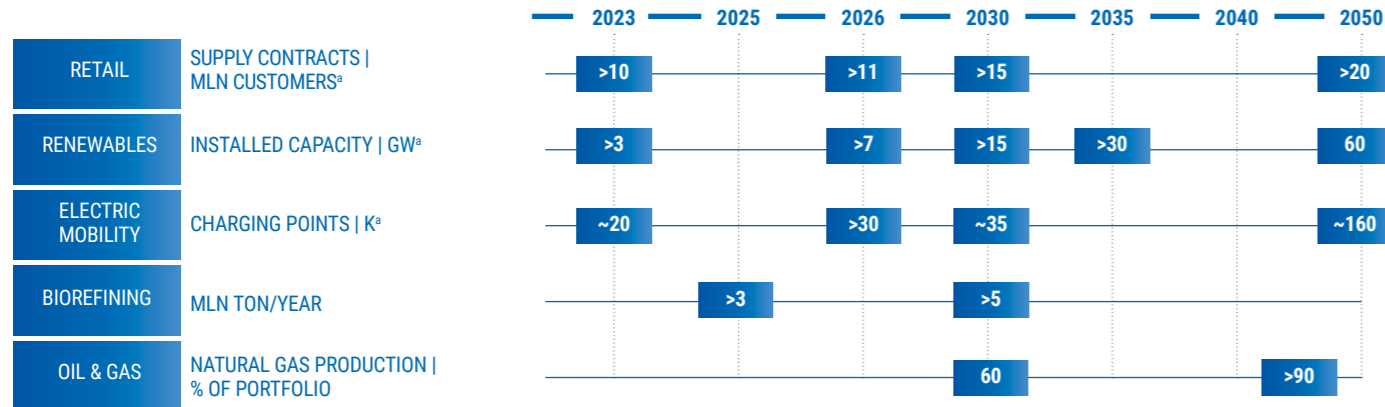
BUSINESS TARGETS TOWARDS NET ZERO BY 2050

Eni's strategy towards Net Zero is underpinned by an industrial transformation plan deployed through the distinct and synergistic paths of the two General Directions: Natural Resources, active in the optimisation and progressive decarbonization of the Upstream

portfolio, the development of both CO₂ storage projects and Natural Climate Solutions projects, and the integration with biorefining by developing an innovative agri-hub network, and Energy Evolution, active in the expansion of bio, renewable and circular economy activities and the offering of new energy solutions and services. In addition, the transformation plan

is supported by cross-cutting activities that aim both to optimise existing solutions and to seek breakthrough innovations that can accelerate decarbonization (Innovation). Eni's decarbonization strategy is based on a plan that considers market dynamics and the Company's evolution, articulated through specific objectives for each business line.

MAIN BUSINESS TARGETS



a) Plenitude 100%.

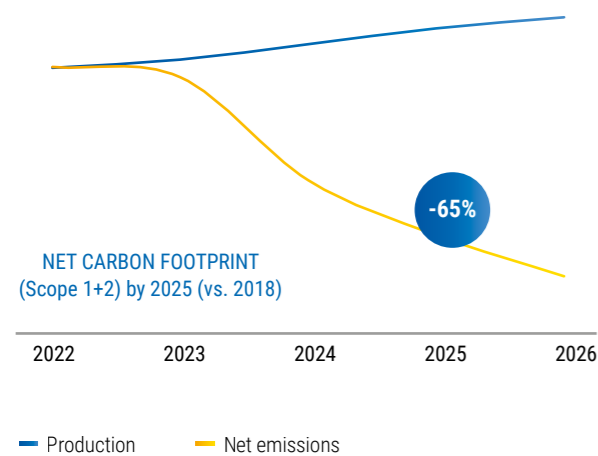
THE DECARBONIZATION OF TRADITIONAL BUSINESS

Eni's strategy aims to fulfill the essential pillars of the energy trilemma, achieving significant reductions in GHG emissions in

parallel with energy security and accessibility. Hydrocarbon production will grow in 2023-2026, with a plateau expected through 2030 and progressive growth of the gas component, reaching 60% by 2030 and more than 90% after 2040. At the same time, Eni confirms its decarbonization targets, which aim to achieve Net Zero emissions (Scope 1+2) for the upstream business by 2030, with intermediate reduction targets of 50% by 2024 and 65% by 2025 compared to 2018, based on the levers of energy efficiency, zero routine flaring and methane emission minimisation. CO₂ capture and storage projects will contribute to reducing Eni's net emissions, while Natural Climate Solutions initiatives will offset residual emissions. By adopting a model that is based on successful exploration at competitive costs, reducing

the time-to-market of bringing reserves into production, a phased approach to project development and continuous control of operating expenditure, Eni has built a resilient Oil & Gas portfolio, with a gas share of around 52% of Eni's total proven reserves in 2022. The remaining share of the O&G portfolio includes many conventional, low-emission intensity projects. Analyses carried out on 2P reserves showed that the average Brent break even price, which guarantees a return on investment equal to the cost of capital, is lower than current crude oil prices, thus supporting fast investment returns, which for new projects are less than five years. This improves the resilience of the O&G portfolio to low carbon scenarios by mitigating the risk of stranded assets (Resilience of the low carbon scenario strategy).

UPSTREAM NET GHG SCOPE 1+2 VS. PRODUCTION Indexed

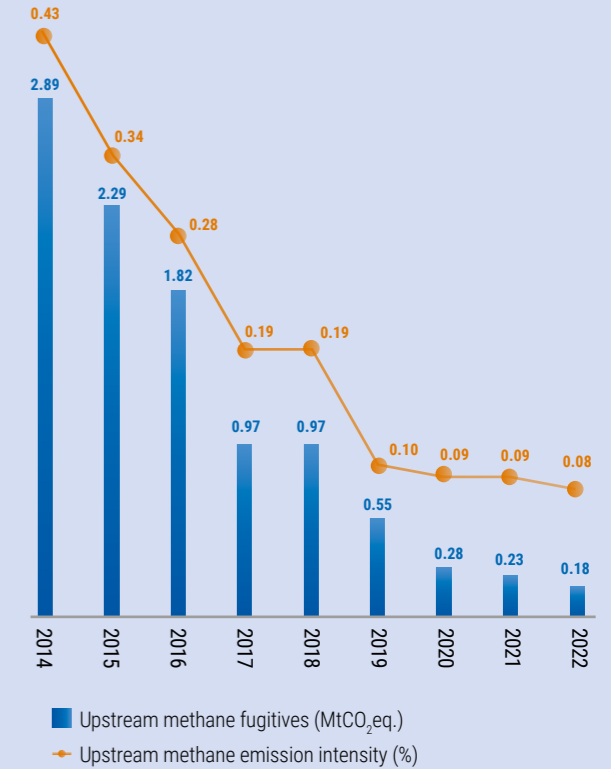


FOCUS ON

Eni's commitment to reducing methane emissions

CONTEXT: Eni is aware of the importance of reducing methane emissions, given its high climate-altering potential and recognised role in global warming mitigation opportunities in short-to-medium-term.

ACTIVITY: Eni is committed to implementing actions to monitor and minimise methane emissions along its Oil & Gas value chain and confirms its goal of keeping upstream emission intensity below 0.2%. To further improve the accuracy and transparency of methane emissions reporting, with the support of a third party, Eni is proceeding with a measurement campaign on key-operated assets, which will be completed during 2023 and will allow a new reduction target to be set once completed. Eni also participates in major international methane partnerships, including OGCI's **Aiming for Zero Methane Emissions Initiative** under which Eni is committed, among other things, to monitoring and testing innovative emissions measurement and mitigation technologies. Eni is also a signatory to the **Methane Guiding Principles (MGP)** initiative and therefore is committed to five fundamental principles in managing methane emissions (reduction, performance improvement, accuracy, policy and disclosure). Among other activities promoted by MGP, Eni collaborated with other companies in the sector and international organisations to the definition of the European methane strategy.



CCS PROJECTS

Projects for CO₂ capture and storage in depleting offshore reservoirs, or reuse in other production cycles, are a vital element in Eni's energy transition strategy. CCS will help reduce net emissions from Eni's operations and provide a solution for other hard-to-abate emitting sectors besides the energy sector. Leveraging its portfolio of CCS projects already under development, utilising

depleted gas reservoirs and existing infrastructure, Eni has set the goal of achieving storage of around 10 MTPA equity by 2030, with a total gross capacity of 30 MTPA. One of the most advanced projects is **HyNet**, located in Liverpool Bay, which is scheduled to start-up in 2025 with a storage capacity in the initial phase of 4.5 million tonnes per year. For the Ravenna Phase 1 project, whose development was

recently launched, the start-up is scheduled for early 2024, and Ravenna Phase 2 plans start-up by the end of 2026. Eni is also pursuing a second project in the UK, using the depleted Hewett field, potentially ready by 2027 and aimed at decarbonization of the Bacton and Thames Estuary areas. Opportunities are also being explored in North Africa and Middle-East, among which the BES project in Libya.

storage capacity
10 MTPA
equity by 2030

FLAGSHIP CCS PROJECTS

UK HyNet

START-UP
2025 Phase 1 (storage capacity 4.5 MTPA)
2030 Phase 2 (storage capacity 10 MTPA)
TOTAL STORAGE CAPACITY
200 MT CO₂

ITALY Ravenna

START-UP
2024 Phase 1 (storage capacity 25 kton/y)
End 2026 Phase 2 (industrial scale capacity 4 MTPA)
TOTAL STORAGE CAPACITY
> 500 MT CO₂

LIBYA BES CO₂ Management

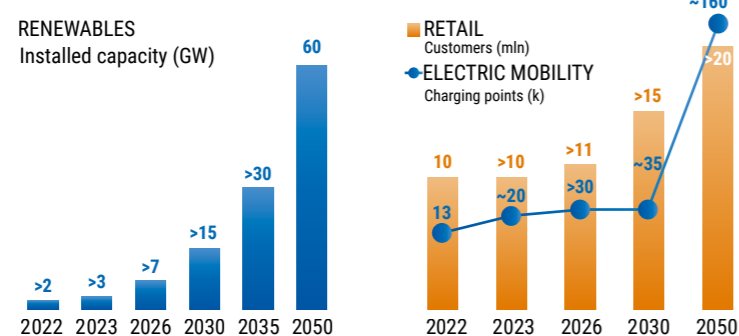
START-UP
2027 storage capacity 2.5 MTPA
TOTAL STORAGE CAPACITY
50 MT CO₂

+13,000
EV charging points

NEW ENERGY SOLUTIONS

Eni is pursuing the transformation of its traditional businesses and the growth of its new activities by generating value and supporting its customers in reducing emissions. Plenitude, Eni's Benefit Corporation (Società Benefit) integrating renewables, customer energy solutions and an extensive electric vehicle (EV) charging network, is developing its renewable projects pipeline and has reached its 2022 target of more than 2 GW of installed capacity. Eni's objectives in this area will be achieved through the organic development of a diversified portfolio, complemented by selective asset and project acquisition transactions and strategic partnerships

EVOLUTION OF PLENITUDE



on the national and international level, which will enable the progressive increase of Plenitude's installed renewable capacity with more than 15 GW by 2030, reaching 60 GW by 2050. In an evolving mobility sector, which envisages a constant increase in the number of electric vehicles in circulation in Italy and Europe, Plenitude has one of the largest and most widespread networks of public electric vehicle charging infrastructures with more than 13,000 charging points distributed throughout the Country, aiming at a total of 30,000 units by the end of 2026, rising to 160,000 by 2050. Finally, integrating retail activities, with a customer base growth to more than 11 million

by 2026 and more than 20 million by 2050, renewable energy and electric mobility, offers significant synergies from an operational perspective, as well as ensuring diversification and financial resilience. Versalis is committed to the achievement of Carbon Neutrality in 2050 through the promotion of chemistry from renewable sources, the identification of sustainable feedstock supply alternatives, and the continuous development of solutions in the area of circularity. Research and technology development are also carried out through partnerships, such as Matrìca – the JV established in 2011 between Versalis and Novamont in Porto Torres – which specializes in the production of bioproducts from renewable sources. In addition, Versalis looks at the continuous strengthening of integration in its technologies: in December 2022 it acquired the technology for the production of enzymes from DSM (a global company focused on the health, nutrition and bioscience sectors), thus integrating it with the proprietary technology Proesa®, applied in the Crescentino plant, for the production of sustainable bioethanol.

ALLIANCES FOR DECARBONIZATION

The most recent IPCC analyses have shown that decarbonization is an ongoing process, but there still needs to be an emissions gap concerning the Paris targets. How do we bridge the gap between where we are and where we should be with the energy transition?

Although the climate challenge is now high on the political agenda of all Governments and the impacts of climate change are already evident, the actions implemented so far still need to be improved. However, much has been achieved, and the development of renewable energy over the last ten years is undoubtedly a success story that, on the one hand, allows us to look to the future with optimism and, on the other hand, obliges us to continue working towards achieving the objectives of the Paris Agreement. As highlighted in IRENA's World Energy Transitions Outlook, the energy transition is underway. It will inevitably lead us to a new energy system dominated by renewables, complemented by hydrogen and the sustainable use of bioenergy. Over the past decade, the cost of electricity generated from renewables has fallen dramatically (-88% for solar PV; -68% for onshore wind; -60% for offshore wind), and at the same time, investment has almost doubled, reaching a record USD 499 billion in 2022. Renewables are a winning economic choice and,

especially in the current energy crisis, play an essential role in addressing the "energy trilemma", i.e. the balance between environmental sustainability, security of supply and competitiveness. However, it remains clear that there is a need to accelerate investment in transition technologies, which must at least quadruple by 2022 to reach the 1.5°C target.

The energy transition requires an unprecedented collective effort, not least because of recent events that have brought the issue of energy security back to the centre of the climate debate. What role does IRENA play in facilitating collaboration between institutions and companies, such as Eni?

The energy transition cannot be achieved without strong collaboration between institutions and companies. In the 2013-2020 period, the private sector was responsible for 75% of global investments in renewable energy. Since 2020, IRENA has signed strategic agreements with some of the most important companies in the energy sector, and we are now working on implementing several important initiatives. With Eni, for example, we have developed a capacity-building programme to integrate the African continent into the biofuel supply chain. Eni and IRENA are also collaborating in the Alliance for Industry Decarbonization. This

alliance aims to accelerate the decarbonization of industrial sectors, which account for over 30% of global emissions and nearly 40% of global energy consumption. This initiative is also particularly relevant because of the difficulties associated with hard-to-abate sectors, where individual companies only sometimes have the solutions to tackle decarbonization independently.

What are the most promising technologies according to IRENA, and how will the Alliance for Industry Decarbonization support the acceleration of their development?

Faced with the urgency of the climate challenge, we must choose the fastest path to emission reduction, prioritising existing solutions and those with the greatest chance of reaching technological maturity within this decade. IRENA's World Energy Transitions Outlook identifies energy efficiency and electrification facilitated by renewables as the primary levers to accelerate the energy transition. Hydrogen, on the other hand, will play a vital role in the transition of "hard-to-abate" sectors, where the great challenge of replacing coal needs to be addressed. To create a hydrogen market, it is necessary to work simultaneously on supply and demand. The Alliance for Industry Decarbonization offers a platform for collaboration between sectors to pursue this goal.

INTERVIEW



Interview with
Francesco La Camera
Chief Operating Officer
of the International
Renewable Energy Agency
(IRENA) since 2019, he
has more than 30 years
of experience in climate
change, sustainability and
international cooperation.

FOCUS ON

Eni Sustainable Mobility and the vertical integration model with agri-businesses



Eni Sustainable Mobility, established at the beginning of 2023, is the vertically integrated group Company that will support Eni's energy transition, combining the offer of increasingly sustainable fuels with advanced services dedicated to motorists in Italy and Europe, leveraging a network of 5,000 service stations, which will be upgraded to support electric as well as hydrogen-based mobility. Eni Sustainable Mobility will manage Eni's biorefineries, biomethane business and continue the development of new projects, including those in Livorno and Pengerang in Malaysia, currently under evaluation and in Louisiana (USA), where a biorefinery in Joint Venture with PBF has been built and is in start-up.

One of the distinctive elements of Eni's biorefining strategy is the progressive vertical integration through the innovative agri-business model, which envisages the production of vegetable oils from raw materials that do not compete with the food chain, significantly contributing to local development and circular economy. The development plan of the identified activities involves agreements with local farmers and cooperatives to whom oilseed production is outsourced, and Eni's construction of oil collection and extraction centres (agri-hubs). The supply chain by-products, will be destined for local markets and possibly for export. In October 2022, the first cargo of vegetable oil for biorefining, produced at Eni's Makueni agri-hub in Kenya, departed toward the Gela biorefinery. In addition to the vegetable oil, Eni has already begun exporting used cooking oil (UCO) collected from hotel chains, restaurants and bars in Nairobi, through a project underway that promotes the culture of recycling, raising awareness on the environmental and health benefits of properly disposing of waste oil, generating income from waste. This model will be replicated in other African Countries, longtime Eni partners. These developments have led Eni to accelerate its strategy and relaunch biorefining capacity targets, aiming to target more than 3 million tons per year by 2025, compared to the 2 million announced in 2022, and more than 5 million tons per year by 2030.



WORLD ENERGY TRANSITIONS OUTLOOK 2022

Rome
9 June 2022

€13.8 bln
low and zero carbon
spending in 2023-2026

CAPITAL ALLOCATION EVOLUTION

Eni is committed to aligning its plans and investment decisions with the decarbonization strategy. The evolution towards a fully decarbonized product portfolio will be supported by progressive growth in the share of investments dedicated to low and zero carbon activities, reaching 30% of total investments by 2026, 70% by 2030 and up to 85% by 2040. After 2035, these activities will generate positive free cash flow and contribute

to about 75% on average over the 2040-2050 period. Spending on zero and low carbon activities will amount to €13.8 billion over the 2023-2026 four-year period¹. In the medium-to-long-term, the share of expenditure dedicated to Oil & Gas activities will be gradually reduced, with the progressive phase-out of investments in activities and products with high carbon intensity and evaluating the main investment projects consistently with emission reduction targets. Furthermore, the decarbonization plan

is integrated with Eni's financing strategy, having issued in 2021 the industry's first sustainability-linked bond in the O&G sector, whose interest rate is linked to the energy transition targets announced by the company. To this end, at the beginning of 2023, Eni issued the first bond intended for the Italian public market linked to its sustainability objectives for an initial value of €1 billion, an amount doubled to meet the high demand that led to the offer being closed in just five days (finance).

LOW AND ZERO CARBON INVESTMENTS 2023-2026 (€ bln)

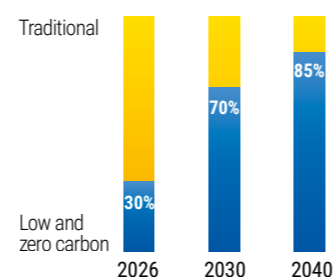
Electricity generation from renewable sources	4.6
Reduction of GHG emissions	3.4
Circular economy	3.5
Research for decarbonization, circular economy and new energy solutions	0.6
Retail portfolio development (including e-mobility)	1
Other initiatives (including Natural Climate Solutions and Venture Capital)	0.7

STRATEGY RESILIENCE TO LOW CARBON SCENARIOS

Decarbonization initiatives announced or initiated by the Governments of many Countries to achieve the goals of the Paris Agreement, the push by civil society, NGOs and the financial system, as well as evolving consumer preferences and growing awareness of climate change and preservation of natural ecosystems, could result in the displacement of hydrocarbon demand by renewables and other zero or low-emission energy carriers in the medium-to-long-term. Transition risk management includes regular review of the portfolio of assets and new investments for the development of Eni's hydrocarbons reserves, in order to identify and assess potential risks associated with changes in emissions regulatory regimes or the physical

conditions under which operations are conducted. Eni's economic and financial exposure to the risk arising from the introduction of new carbon pricing mechanisms is also examined by the Board of Directors both at the preliminary stage of authorization of the individual investment and at the subsequent six-monthly monitoring of the entire project portfolio. In particular, Eni considers the management of the risk of reserve depreciation to be of paramount importance and has adopted a strategy and actions to mitigate such risk. The selection of Oil & Gas development projects is based on strict industrial-financial criteria, and the emission profile of operations is analyzed through sensitivities to potential impacts related to the introduction of carbon taxes. In addition, Eni regularly monitors major projects for com-

CAPITAL ALLOCATION



pliance with profitability thresholds in light of possible changes in the regulatory framework that could, for example, increase the cost of emissions. Given that Upstream assets have very extended useful lives, the assessments of economic resilience depend heavily on management's assumptions about future hydrocarbon prices. To this end, price variables reflect management's best estimate of the fundamentals of the various energy markets that incorporates current and foreseeable decarbonization trends. As an additional monitoring and evaluation tool and as recommended by the TCFD guidelines, Eni verifies through stress testing the recoverability of the book values of Oil & Gas investments, which constitute 70% of Eni's fixed assets, with respect to decarbonization scenarios other than the

one adopted by management and, in particular, with respect to the IEA's Net Zero Emission (NZE). This stress test also comprises a scenario in which prices assumed by management are reduced by 10%. Below are the results of the sensitivity analysis expressed in terms of the percentage reduction in the margin of safety given by

the excess of future cash flows over book values (i.e., headroom). The stress test performed by Eni's management on the value in use of O&G assets based on the price and cost assumptions of the IEA NZE scenario showed impairment and potential write-downs of assets considered non-material according to management's judgment, con-

firms the quality and resilience of Eni's assets. These stress tests were performed by updating the hydrocarbon price and CO₂ cost assumptions in the cash flow projections, not considering possible changes in other factors (e.g., volumes, discount rate).
[▶ Climate Change Risk in 2022 Annual Financial Report](#)

	Headroom value in use of O&G CGUs vs. Book values surplus %		Recruitment at 2050 in real terms USD 2021		
	Deductible CO ₂ costs	Non-deductible CO ₂ costs	Brent price (\$/b)	European gas price (\$/mmbtu)	CO ₂ cost (\$/tonne)
Eni Scenario	>100%	-	43	5.3	EU/ETS CO ₂ cost projections + forestry cost forecast
10% prices haircut prices Eni scenario	80%	-	39	4.8	EU/ETS CO ₂ cost projections + forestry cost forecast
IEA NZE 2050 scenario	55%	49%	24	3.8	250-180 per tonne of CO ₂ ^(a)

(a) Price differentiated according to economy classified as "advanced" or "emerging".

FOCUS ON

Climate risks and opportunities

Risks related to climate change are analysed, assessed and managed by considering the aspects identified in the TCFD recommendations, which refer both to the risks related to energy transition (market scenario, regulatory and technological evolution, reputation issues) and to physical risk (acute and chronic) associated with climate change. The analysis is carried out using an integrated and cross-cutting approach that involves specialist functions and business lines, including the related risks and opportunities assessment. The table below summarises the main climate-related risks and opportunities identified by Eni (▶ Risk and uncertainty factors). To seize the opportunities and minimise the risks associated with climate change, Eni is implementing a long-term strategy aimed at transforming its business model to achieve the 2050 Carbon Neutrality target, in line with the international community's commitments, i.e. achieving Net Zero emissions from all processes and products marketed by the Group over their entire life cycle.

	RISKS	OPPORTUNITIES
TRANSITION RISKS	Normative	<ul style="list-style-type: none"> Development of renewables and low carbon energy Diversification of raw materials for biorefineries and the chemical industry and development of new products Energy efficiency interventions with the adoption of BAT Reassessment of assets from a circular perspective CCS development and decarbonized products R&D, innovation and partnerships for the development of new products and services for decarbonization Distinctive positioning in climate benchmarks and positive impact on stakeholder perception
	Scenario	
	Technological	
	Reputational	
PHYSICAL RISKS	Acute	<p>Eni has developed an assessment process that includes both its assets and those of third parties that may have an impact on Eni's operations. The process, which is constantly evolving based on the results of the first implementations, based on data provided by specialist data providers, assesses the inherent risk of assets against identified acute and chronic risks. The strength and effectiveness of existing mitigation actions are assessed for exposed assets, identifying the residual risk (per individual asset). Assets still exposed at residual risk level are analysed in more detail as part of the Asset Integrity process, identifying downstream, where necessary, further mitigation actions to be implemented.</p> <p>Eni also pays attention to the socio-economic and environmental impacts in the Countries where it operates and has developed guidelines and measures as methodological support for the identification of adaptation actions in the Countries of interest.</p>
	Chronic	

¹) In contrast to the EU Taxonomy Regulation, this expenditure also includes JV interventions, all expenditure that contributes to the reduction of emissions (e.g. energy efficiency and routine flaring abatement interventions), and that which supports the development of the Plenitude customer base.

Advocacy and Transparency

Eni has long collaborated with academia, civil society, institutions and businesses to foster the energy transition by generating new knowledge, sharing best practices and valorising initiatives with stakeholders. Eni engages with policymakers directly and indirectly through trade associations, contributing to the definition of strategies and regulations to accelerate the transition to Net Zero, thanks

to its experience as an international energy Company. Eni clearly and transparently supports and shares its position on climate change and related climate strategy issues in its partnerships and advocacy activities. In 2020, Eni published its [guidelines on responsible climate change engagement](#) within the associations it is a member of, providing for a periodic assessment

of the alignment between Eni's positioning and that of the business associations the company participates in. In the [second report](#), published in 2022, the public position assessment was extended to 40 associations, of which 38 were aligned with Eni's positions and two were partially aligned. In addition, Eni publishes a [list of key climate change-related advocacy initiatives](#).

ENI'S PRINCIPLES IN CLIMATE ADVOCACY

<p>1. PARIS AGREEMENT</p> <p>Eni supports the goals of the Paris Agreement and the achievement of Net Zero by 2050</p>	<p>2. ROLE OF GAS</p> <p>Eni recognises the role of natural gas in the energy transition and supports the implementation of specific regulations to reduce methane emissions</p>	<p>3. CARBON PRICING</p> <p>Eni supports the implementation of credible and cost-efficient carbon pricing mechanisms</p>	<p>4. ENERGY EFFICIENCY AND LOW AND ZERO CARBON TECHNOLOGIES</p> <p>Eni supports actions and policies in favour of technological innovation necessary for decarbonization</p>	<p>5. NATURAL CLIMATE SOLUTIONS</p> <p>Eni promotes the role of Natural Climate Solutions to combat global warming</p>	<p>6. TRANSPARENCY AND DISCLOSURE</p> <p>Eni supports and contributes to the development of best practices for climate disclosure</p>
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Eni supports the definition of best practices for comprehensive and effective climate change disclosure. The company promotes the need to standardise the methods used for GHG emissions reporting to make the Oil & Gas sector performance and decarbonisation

targets comparable. With this in mind, in 2022 [Eni contributed to the consultations](#) held by European (EFRAG) and US (SEC) regulators on future mandatory climate reporting standards and considers the setting of such standards an essential pillar for increasing the

private sector's transparency and effectiveness in climate matters. Transparency in reporting related to climate change, together with the strategy implemented by the company, has allowed Eni to be positively rated by the [major ESG ratings](#) and climate benchmarks.

FOCUS ON

The value of collaboration

CONTEXT: partnerships and collaborations with industry partners are vital tools for the energy transition path. To this end, Eni continues to expand its collaborations network with the academic world, civil society, institutions and companies to join forces, create new synergies and multiply opportunities to offer innovative solutions for low and zero carbon energy.

ENI'S CLIMATE PARTNERSHIPS: among the many international climate initiatives Eni participates in, the ["Oil & Gas Climate Initiative"](#) (OGCI) plays a crucial role in accelerating the Oil & Gas industry's response to climate change challenges. Established in 2014 by five Oil & Gas companies, including Eni, OGCI now includes 12 companies, representing about one-third of global hydrocarbon production. Eni is also a member of the Executive Committee of IPIECA, one of the most important and largest trade associations in the oil and gas industry, active in environmental and social issues that aims to support a path towards a Net Zero future. Recently, IRENA launched the Alliance for Industry Decarbonization to accelerate the decarbonization of industrial supply chains in line with the goals of the Paris Agreement. Eni is a co-founder of the initiative, which held its first official meeting at COP27, which defined priority areas for action, including developing renewables, CCUS and green hydrogen.

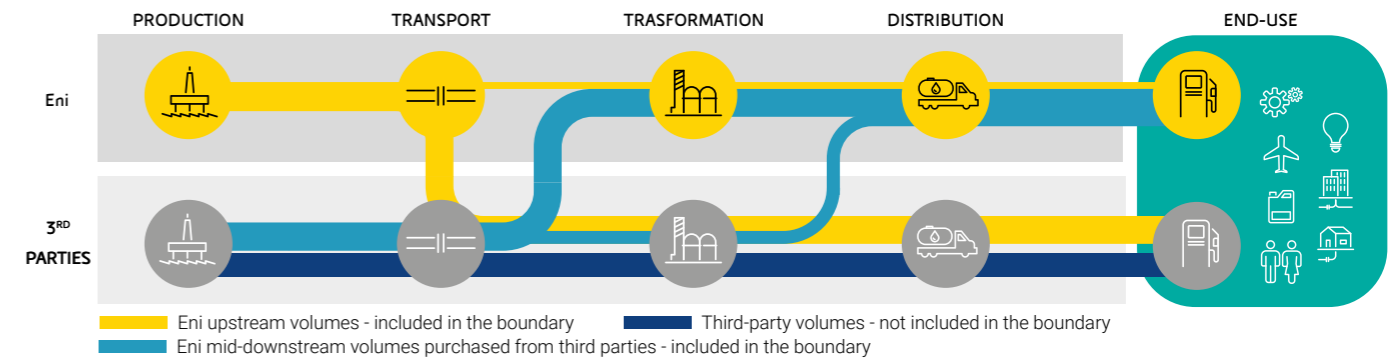
GHG Metrics

Eni has adopted an approach inspired by life cycle analysis as the most suitable and representative tool for tracing progress towards carbon neutrality. Accounting of GHG emissions from Eni's value chains refers to a distinctive proprietary methodology that allows an integrated view of Scope 1+2+3 GHG

emissions related to energy products sold by Eni. Therefore, this approach includes all energy products managed by the various Eni businesses and all the emissions they generate across the entire value chain. The energy product volumes considered are quantified based on an extended boundary, which

includes both own production and volumes purchased from third parties. In this view, production and associated emissions are accounted for as equity including Scope 1 and 2 emissions associated with Eni's activities and Scope 3 emissions related to the relevant well-to-wheel segments.

THE VALUE CHAIN APPROACH



The methodology was developed with the collaboration of independent experts and is being progressively improved to reflect the latest developments in emissions reporting standards. The resulting indicators are published annually and are certified by the auditor ([GHG statement](#)). Since 2014, Scope 1 and 2 GHG emissions have been published according to the operator's approach, which envisages accounting for 100% of emissions from assets over which Eni has operational control. As far as Scope 3 emissions are concerned, they are reported according to the GHG

protocol categories, in accordance with IPIECA guidelines, that provide an analysis by activity and therefore have standard reporting scopes ([GHG statement](#)). In this view, Scope 3 emissions related to the end-use of the products sold ("category 11 end-use") constitute the most relevant contribution. They are calculated based on Eni's prevailing supply chain, i.e. upstream production, in equity share. These emissions represent only a portion of the Scope 3 end-use emissions considered in the Net GHG Lifecycle Emissions and Net Carbon Intensity indicators, which instead include all end-use

emissions related to energy products sold (including Downstream), as well as emissions related to the production, transport, processing and distribution of energy products. Scope 1 and Scope 2 GHG emissions related to Eni's operating activities are subject to reasonable assurance, while Scope 3 emissions and equity-based metrics are subject to limited assurance. The "Statement on GHG accounting and reporting - Year 2022" and related assurance report are attached to the document [Eni for 2022 - Sustainability Performance](#), where all of Eni's main emission KPIs are published.

The development of biofuels is one of the Eni's Just Transition drivers based on the circular economy and which leverages on the Gela biorefinery, a distinctive asset thanks to proprietary technologies and constant product and process improvements. Inside the biorefinery there are plants for the production of the biofuels using only biomass from cooking oils and fats from meat processing produced in Sicily.

