

## Message to our stakeholders



The events in Europe in 2022, correlated to Russia's invasion of Ukraine, have brought energy security and energy costs into focus as essential elements for our communities to be pursued alongside decarbonization. The challenge at the heart of the public debate is to find adequate answers to this trilemma in a context of extreme volatility, uncertainty and growing imbalances.

In this scenario, Eni has worked to contribute to European energy security. The company has pursued its path of transformation towards the decarbonization of products and services, leveraging a distinctive strategy based on geographical and technological diversification of energy sources, working with its stakeholders, and considering gas as a "bridge" energy source in the transition.

A few months after the outbreak of the war, we defined a series of agreements with our historical partners to diversify gas supplies to Italy and Europe, enabling us to replace 100% of the approximately 20 billion cubic metres previously supplied by Russia by 2025. This will be possible thanks to Eni's quick entry into production of its gas discoveries and the solidity of its rela-

tions with producing Countries. In this regard, in the last quarter of 2022, the first delivery of LNG produced by the Coral South field in Mozambique was completed, and we expect the first delivery of LNG from Congo as early as the end of this year.

At the same time, we remained firm in our commitment and our targets towards Carbon Neutrality by 2050, anchored on sound investments. We achieved a 17% reduction in Net GHG Lifecycle Emissions (Scope 1+2+3) compared to 2018. We continued implementing the necessary measures to achieve Scope 1+2 Net Zero emissions Upstream by 2030. We have worked to reduce our upstream emissions by investing in emission-reduction technologies and developing upstream low carbon projects. In particular, in April 2023, we launched the FPSO that will be used, as early as the middle of this year, for production from the Baleine deposit in Côte d'Ivoire, the most important discovery ever made in the Country and also the first Scope 1+2 Net Zero development in Africa.

We continue to invest in reducing methane emissions.

To provide effective answers to the energy trilemma and con-

tribute to providing abundant, affordable and environmentally sustainable energy, Eni has developed an innovative business and financial model that allows us to solve the problem of capital allocation, striking the right balance between investments and returns. The satellite business model envisages the creation of dedicated companies capable of independently accessing capital markets to finance their growth and able to exploit each business fully. These companies can access specialised capital pools, optimising Eni's financial structure while exploiting the technologies, know-how and services that Eni itself offers. In early 2023, Eni Sustainable Mobility became operational, offering progressively decarbonized products and services to reduce Scope 3 emissions in mobility, working alongside Plenitude, focused on increasing renewable capacity and providing decarbonized energy to end customers. With different purposes, the satellite model was applied in some E&P geographic areas, through business combinations that resulted in deconsolidated companies whose significant investments are financed autonomously, freeing up financial re-

sources to benefit energy security and sustainability.

We strongly believe in technological innovation as a driver to achieve our short-, medium- and long-term goals: proprietary technologies matured within traditional businesses and breakthrough technologies play a central role in Eni's decarbonization strategy. Among the former, Ecofining technology allows us to produce biofuels from biological origin waste and raw materials that do not compete with food use. In contrast, reservoir and storage technologies are used in synergy with depleted oil fields to develop effective CO<sub>2</sub> capture and storage solutions. In addition, we connected the first system for generating electricity from wave power, another potentially inexhaustible energy source, to the island of Pantelleria's electricity grid. Finally, we have increased efforts to accelerate the development of breakthrough technologies such as fusion, whose implementation and penetration, in the long run, could reshape energy paradigms globally, providing vast amounts of safe, potentially inexhaustible and zero-emission energy. In March 2023, we signed a new cooperation agreement with Commonwealth Fusion Systems (CFS), a spin-out of the Massachusetts Institute of Technology (MIT), to accelerate the industrialisation of fusion energy. CFS, where Eni is a strategic shareholder, is working to have the first pilot reactor capable of generating energy from fusion operational as early as 2025, with a view to the first grid-connected industrial plant planned for early next decade.

In the transformation path that Eni has undertaken, the UN Sustainable Development Goals are an important reference for conducting activities in the Countries where it operates for integrating principles and values into its gov-

ernance, business activities and financial instruments. Agri-business, for example, embodies the fundamental pillars of Eni sustainability: an energy transition with a strong innovative component combined with a strong focus for the social dimension. With this in mind, Eni is working to ensure that the decarbonization process offers opportunities to convert existing activities and develop new production supply chains with significant opportunities in the Countries where it operates. In 2022, the first cargo of vegetable oil produced in Kenya not competing with the food production chain, from waste and raw materials produced on degraded land, was delivered to Eni's biorefining plants, with substantial positive impacts on employment and local development. The model will be replicated in other Countries and is accompanied by a capacity-building initiative, carried out with IRENA, to train civil servants in the same Countries on the opportunities of developing a biofuel supply chain.

Through alliances for development, we also carry out local development projects in the Countries where we operate to help provide access to energy, education and health and promote economic diversification. Among the initiatives implemented in 2022 to support the Just Transition are those in Côte d'Ivoire, Mozambique and Ghana to facilitate access to clean cooking. In Côte d'Ivoire, more than 20,000 cookstoves were distributed in just six months, reaching more than 100,000 people. Eni has promoted the right to education in Congo, Ghana, Iraq, Mexico, Mozambique, and Egypt, where Eni opened the Zohr Applied Technology School, intending to significantly increase the number of young people with appropriate technical and professional skills in the energy and technology

fields. Furthermore, the year saw the Joint Declaration with UNIDO signed to strengthen collaboration in areas of common interest, such as economic diversification and renewable energy, in line with SDG 9 (Industry, Innovation and Infrastructure).

To protect and respect human rights, we promote a structured and rigorous approach, constantly monitoring activities and projects to assess their impacts and outcomes in line with the highest standards. Among them, the Guiding Principles on Business and Human Rights (UNGPs), the 10 Principles of the Global Compact and the OECD Guidelines for Multinational Enterprises are vital references to guide our business and corporate practices.

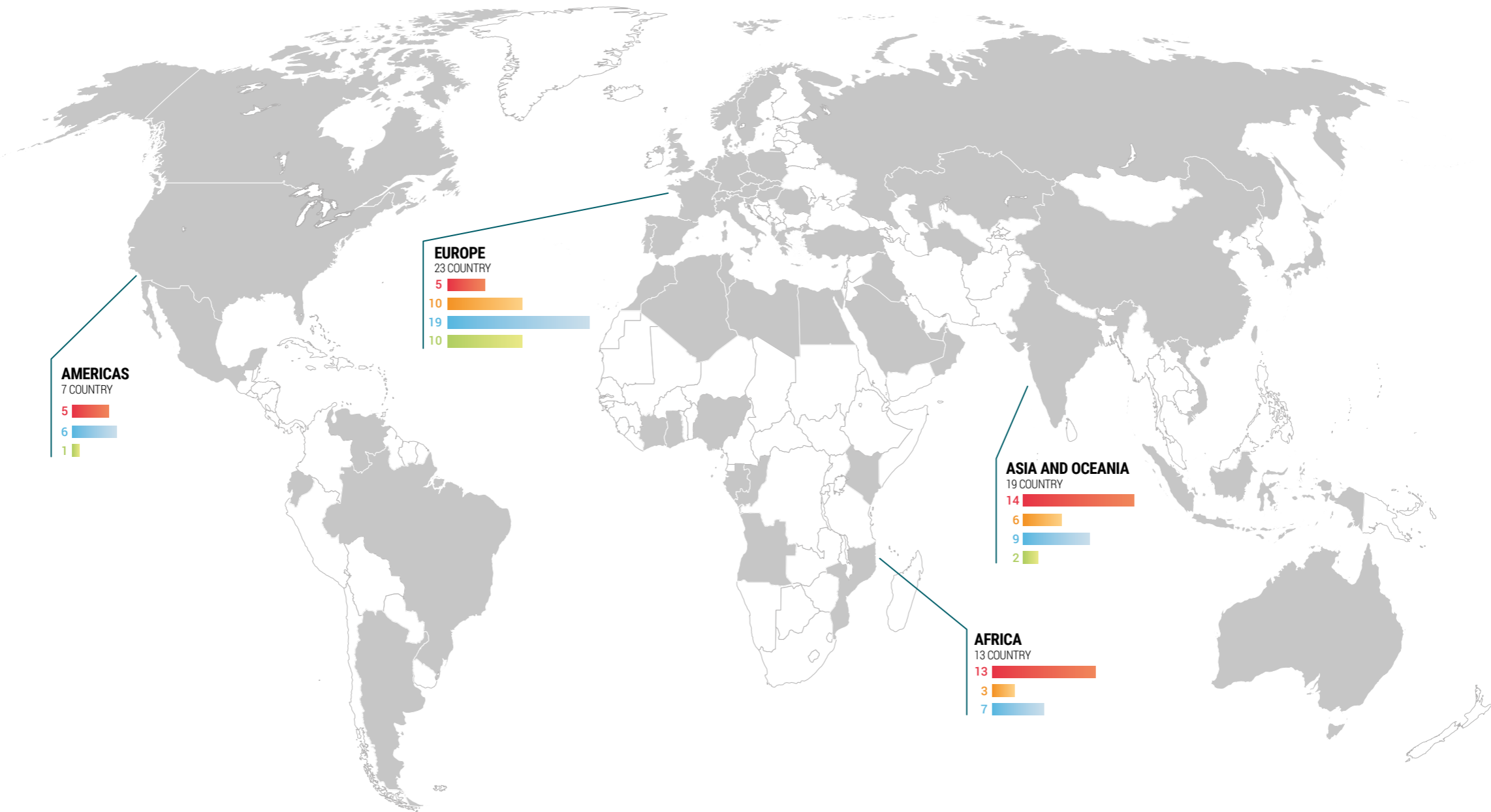
In managing the difficult challenges that Eni faces, we keep our priorities firmly on track with an ongoing commitment to protecting the health and safety of our people, safeguarding the integrity of our assets, and protecting the environment, biodiversity and water resources. We value a culture of diversity and inclusion as a strength for addressing change and are committed to promoting gender equality and women's empowerment in the workplace and communities.

The success of our strategy can only be achieved with the collaboration of our stakeholders, from private, public, international and civil society organisations to research institutes. More than ever, there is a need to pool resources and human capital with a broad view to align on common goals to reduce geographical gaps and promote global human progress.

**Claudio Descalzi**  
Chief Executive Officer

# Eni in the world

Eni is an integrated energy company with a global presence, employing over 32,000 people, that aims to achieve Carbon Neutrality by 2050 satisfying the three fundamental energy goals: environmental sustainability, energy security and accessibility. Beyond environmental sustainability, Eni's commitment to a socially just and equitable energy transition, as stated in the Company's Mission, includes concrete actions to promote access to efficient and sustainable energy for all, reducing emissions related to its activities and to the whole supply chain of energy products sold, focusing on innovative and proprietary technological solutions, diversifying energy sources and creating at the same time long-term shared value. The path towards a Just Transition starts with a strong commitment from top management, but it necessarily requires the involvement of every Eni person in the world through the constant dissemination of strong values related to ethical and a socially Just Transition.



**62**  
Countries of presence

**€164 mln**  
total expenditure on Research and Development

**29.9 mln**  
tonnes of CO<sub>2</sub> eq. Net Carbon Footprint Eni (Scope 1+2)

**1,796**  
persons hired

**90%**  
reuse of freshwater

■ ENI'S ACTIVITIES IN THE WORLD ■ EXPLORATION & PRODUCTION ■ GLOBAL GAS & LNG PORTFOLIO ■ REFINING & MARKETING AND CHEMICALS ■ PLENITUDE & POWER

### AMERICAS

ARGENTINA	■	■	■	■	■
BRAZIL	■	■	■	■	■
CANADA	■	■	■	■	■
ECUADOR	■	■	■	■	■
MEXICO	■	■	■	■	■
THE UNITED STATES	■	■	■	■	■
VENEZUELA	■	■	■	■	■

### EUROPE

ALBANIA	■	■	■	■	■
AUSTRIA	■	■	■	■	■
BELGIUM	■	■	■	■	■
CYPRUS	■	■	■	■	■
CZECH REPUBLIC	■	■	■	■	■
DENMARK	■	■	■	■	■
FRANCE	■	■	■	■	■
GERMANY	■	■	■	■	■
GREECE	■	■	■	■	■
HUNGARY	■	■	■	■	■
ITALY	■	■	■	■	■
NORWAY	■	■	■	■	■
POLAND	■	■	■	■	■
PORTUGAL	■	■	■	■	■
ROMANIA	■	■	■	■	■
SLOVACK REPUBLIC	■	■	■	■	■
SLOVENIA	■	■	■	■	■
SPAIN	■	■	■	■	■
SWEDEN	■	■	■	■	■
SWITZERLAND	■	■	■	■	■
THE NETHERLANDS	■	■	■	■	■
THE UNITED KINGDOM	■	■	■	■	■
TURKEY	■	■	■	■	■

### AFRICA

ALGERIA	■	■	■	■	■
ANGOLA	■	■	■	■	■
CONGO	■	■	■	■	■
EGYPT	■	■	■	■	■
GABON	■	■	■	■	■
GHANA	■	■	■	■	■
IVORY COAST	■	■	■	■	■
KENYA	■	■	■	■	■
LIBYA	■	■	■	■	■
MOROCCO	■	■	■	■	■
MOZAMBIQUE	■	■	■	■	■
NIGERIA	■	■	■	■	■
TUNISIA	■	■	■	■	■

### ASIA AND OCEANIA

AUSTRALIA	■	■	■	■	■
BAHRAIN	■	■	■	■	■
CHINA	■	■	■	■	■
INDONESIA	■	■	■	■	■
IRAQ	■	■	■	■	■
JAPAN	■	■	■	■	■
KAZAKHSTAN	■	■	■	■	■
LEBANON	■	■	■	■	■
OMAN	■	■	■	■	■
QATAR	■	■	■	■	■
RUSSIA	■	■	■	■	■
SAUDI ARABIA	■	■	■	■	■
SINGAPORE	■	■	■	■	■
SOUTH KOREA	■	■	■	■	■
THE UNITED ARAB EMIRATES	■	■	■	■	■
TIMOR LESTE	■	■	■	■	■
TURKMENISTAN	■	■	■	■	■
VIETNAM	■	■	■	■	■

# Eni's activities: the value chain



Eni is a global energy company with a high technological content, engaged along 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 biorefining and chemicals, 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. **Consolidated expertise, geographical and technological diversification of**

**energy sources, alliances for development, as well as new business and financial models** are Eni levers to meet each of the essential pillars of the energy trilemma, achieving environmental sustainability, side-by-side with energy security and affordability, while also maintaining a strong focus on value creation for shareholders. Along this path, Eni is committed to become a leading company in the production and sale of decarbonized energy products and increasingly customer-oriented. Eni's strategy to reach Carbon Neutrality by 2050 leverages on an industrial transformation to be implemented by

strengthening available and economically sustainable technologies such as:

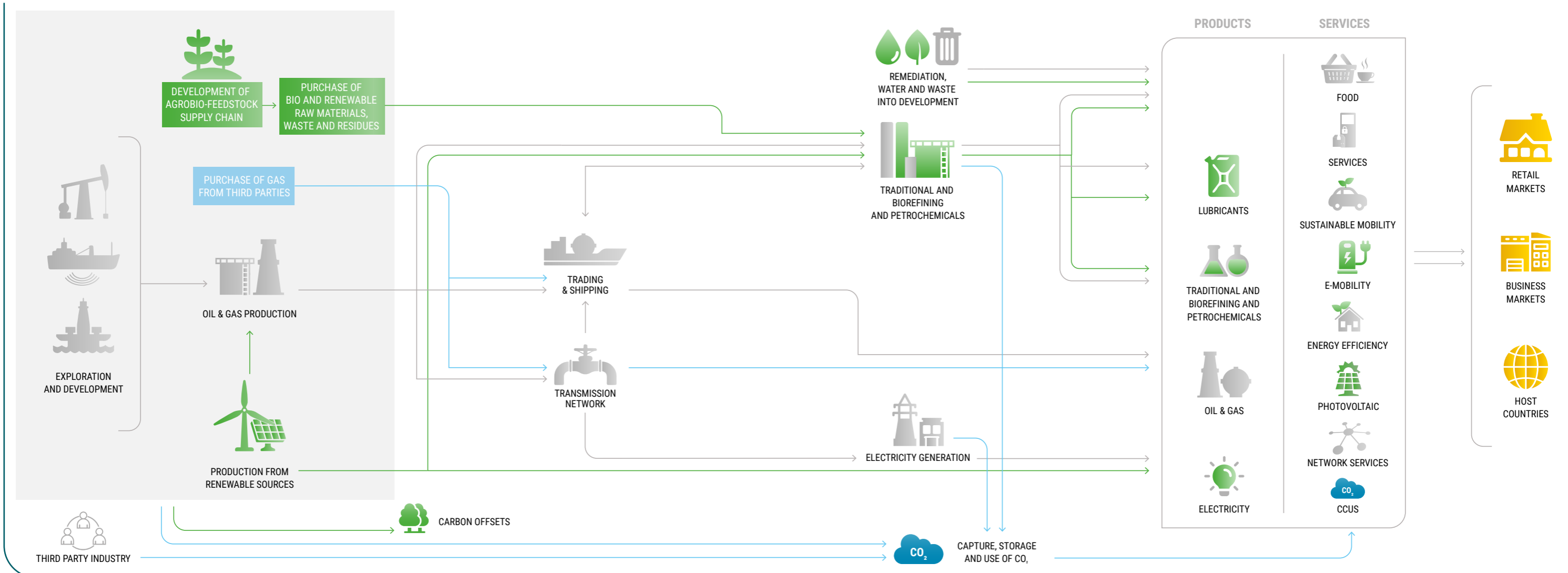
- **Progressive growth of the gas component as a bridge energy source** in the transition, flanked by investments to reduce emissions;
- **Bioenergy** through the development of biomethane and biofuels, by increasing feedstocks of bio and renewable raw materials, waste and residues and of an integrated agri-feedstock production chain not in competition with food production;
- **Renewables** through increased capacity and integration with the retail business;
- **Carbon Capture Storage (CCS)** through

the development of hubs for the storage of the CO<sub>2</sub> from hard-to-abate emissions generated by Eni's and third parties' industrial plants;

- **Progressive increase in the production of new energy carriers**, including hydrogen.

The scale use of these solutions together with research into breakthrough technologies, such as magnetic confinement fusion, can support the revolution of the energy sector. Residual emissions, i.e. those that cannot be reduced due to technical and economic constraints, will be offset through high quality carbon offsets, mainly deriving from Natural Climate Solutions.

## OUR VALUE CHAIN



# Business model

Eni is an integrated energy company supporting a socially fair energy transition that through concrete and economically sustainable solutions, aims to face the crucial challenges of the current time: combating climate change and giving access to energy in an efficient and sustainable way for all

Eni's **business model** is aimed at creating long-term value for all stakeholders through a strong presence along the entire energy value chain. The core is represented by **Eni's mission**, inspired by the United Nations 2030 Agenda, whose foundations are embodied in Eni's **distinctive approach**, which permeates all activities. Eni is committed to fulfilling the essential pillars of the energy system trilemma, pursuing environmental sustainability together with energy security and affordability. These goals leverage the diversified geographical presence and a diversified mix of energy sources, which, together with a portfolio of new technologies and their fast-track development, will create a diversified energy mix for energy transition supporting energy security, progressing in value creation and breakthrough opportunities, while recognising the essential role of **partnerships and alliances with stakeholders**, to ensure their active involvement in the transformation of the energy system.

The agile and innovative business model leverages **proprietary technologies** at the base of traditional businesses for the development of a satellite model of creating dedicated entities capable of independently accessing capital markets to fund their growth and to reveal the real value of each business.

This integrated business model is supported by a **Corporate Governance system** inspired by the principles of transparency and integrity, an **Integrated Risk Management Model** ensuring, through the assessment and analysis of the risks and opportunities of the reference scenario, informed and strategic decisions, as well as **materiality analysis** to examine the most significant impacts generated by Eni on the economy, environment and people, including those on human rights.

The operation of the business model is focused on the best possible use of all the resources (inputs) of the group and on their transformation into outcomes, through the implementation of its **strategy**, while contributing to the achievement of the **Sustainable Development Goals (SDGs)** of the 2030 Agenda.

Eni also organically integrates its business plan with the principles of environmental and social sustainability, deploying its actions along three levers:



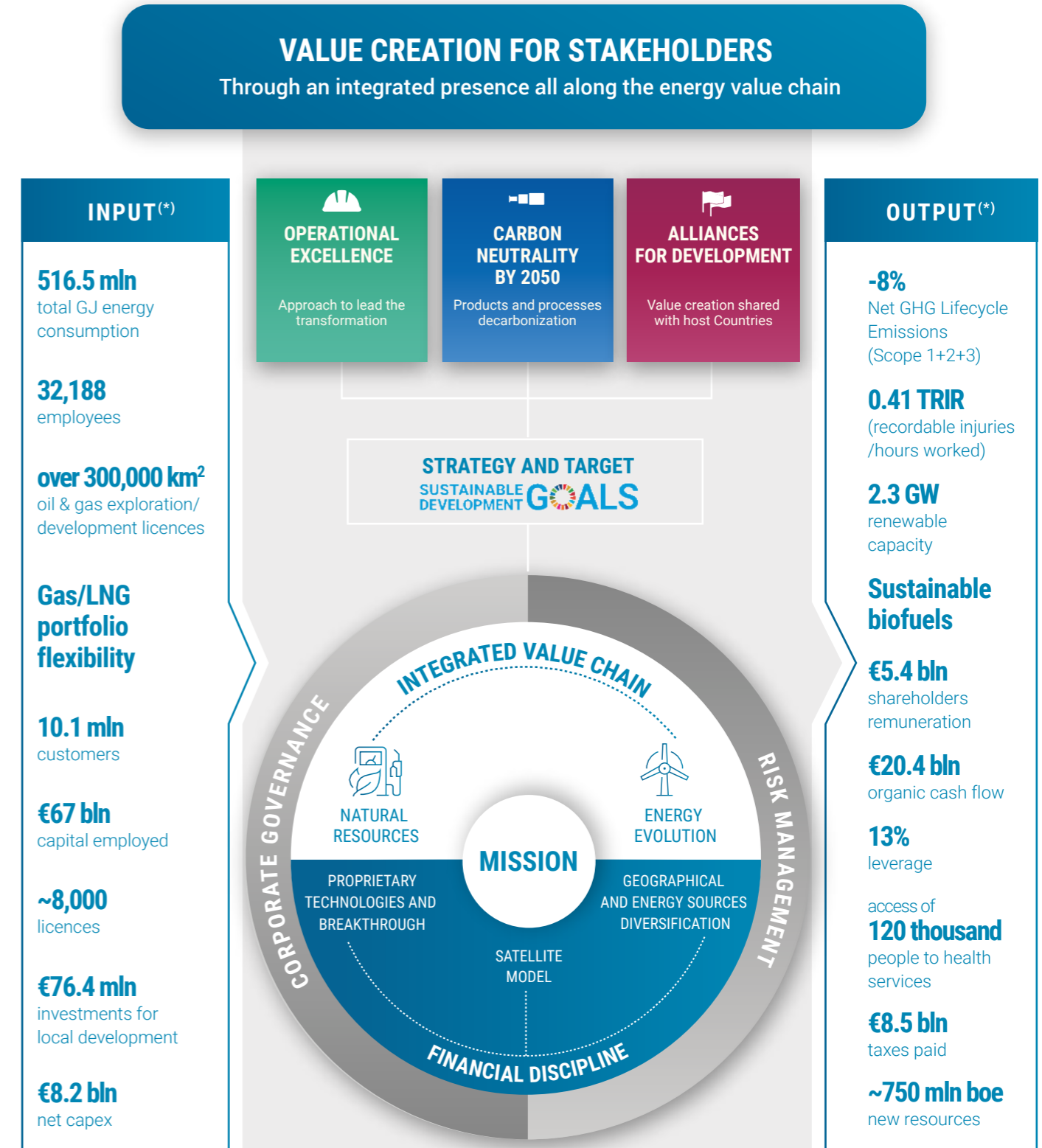
**OPERATIONAL EXCELLENCE:** Eni's business is aimed to operational excellence through the continuous commitment in the enhancement, health and safety of people, assets integrity, environmental protection, respect for human rights, resilience and diversification of activities and financial soundness. These elements allow Eni to seize the opportunities deriving from the possible developments in the energy market and to progress its transformation path.



**CARBON NEUTRALITY BY 2050:** 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. 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. In this context gas figure as a bridge energy source in transition.



**ALLIANCES FOR THE PROMOTION OF DEVELOPMENT:** Eni is committed to reduce energy poverty in the Countries where it operates through the development of infrastructures linked to traditional business but also to the new frontiers of renewables with the aim of generating value in the long-term by transferring its know-how and skills to local partners (so called "Dual Flag" approach). In these Countries, Eni promotes initiatives to support local communities' accessing to energy, to diversify economy, training and health of community, access to water and sanitation, and protection of the territory, in collaboration with international players and in line with the National Development Plans and the United Nations 2030 Agenda.



(\*) In 2022, unless stated otherwise.

# Towards a Just Transition: scenario and global challenges

Eni intends to play a defining role in the path towards a just energy transition

The challenges facing the world energy system, both now and in the coming years, appear increasingly complex and articulated as the goals and targets to be pursued have increased, and the actions to be taken have become increasingly urgent. If, until the outbreak of the war in Ukraine, the key objectives for the coming decades were the fight against climate change and universal access to energy, after the outbreak of the war, the complexity of energy systems grew exponentially, with disruptive dynamics in the oil and gas markets, highlighting a weakness in the current energy system and re-awakening de-

mand for the most polluting fuel, coal. These events led to the urgency to take concrete actions to mitigate the effects of such turbulence immediately and over time for consumers and the global economic system. The sharp contraction/disappearance of oil, gas and coal flows from Russia, on which the European market has historically depended, has brought to everyone's attention the urgency of adding a fundamental pillar to future goals: energy security. Over the next three decades, energy demand will continue to grow, driven by the needs of emerging economies, while industrialised Countries

will see a gradual slowdown in consumption, mainly driven by energy efficiency and energy saving processes. Fossil sources will continue to play an essential role in the energy mix (also thanks to CCUS, which allows for a lower emission profile). However, their share is expected to decrease compared to today. This is mainly due to the lower coal input, to be replaced by sources with a lower environmental impact (gas and renewables). Breakthrough technologies such as nuclear fusion will enter the mix and, together with new sources/vectors, will help reduce the world's energy system footprint.

with forecasting logic that, based on economic and demographic drivers, incorporate the policies implemented and planned by Governments (STEPS - Stated Policies Scenario, to which is associated a temperature increase of about 2.5°C in 2100), and the achievement within the stated timeframe of the Net Zero targets announced by Governments (APS - Announced Pledges Scenario, to which is associated a temperature increase of about 1.7°C in 2100). STEPS draws an energy landscape to 2050 in which energy demand grows at a rate close to 1% per year on average, reflecting population and

economic dynamics, tempered by the push for energy efficiency. Fossil fuels, particularly gas and oil, still play a central role in the mix (47% of the total vs. 52% today) and intermittent renewables (solar and wind) increase their role (12% to 2050 vs. 2% today). In the APS, energy demand in 2050 remains in line with current levels. The mix shifts in favor of low carbon sources, with an increasing share of nuclear (9% to 2050 vs. 5% in 2021) and intermittent sources (24% to 2050 vs. 2% in 2021); fossil sources, while decreasing, still maintain a prominent role in the energy mix (Oil & Gas equal to 31% of the

mix in 2050 vs. 52% in 2021); natural gas, despite its lower emission intensity among fossil fuels, reduces its weight in the overall energy mix (14% in 2050 vs. 23% today), penalized by the energy crisis that is slowing the exit of more polluting sources (e.g. coal), with negative emission impacts in the short-term. In such a scenario, although oil demand is expected to fall (to 57 Mb/d in 2050 vs. about 95 Mb/d in 2021), there remains a need for upstream investments to compensate for declining production from existing fields, also in light of the sector slowing down in recent years.

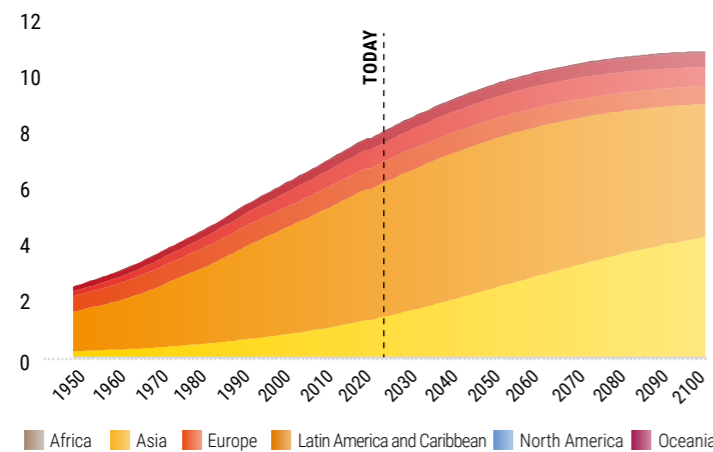
The historical link with Africa inevitably strengthens as we face the challenge of security of supply with our energy transition goals in mind: transition and security are precisely the two dimensions we must continue to work on through our partnerships | CLAUDIO DESCALZI - CHIEF EXECUTIVE OFFICER OF ENI |

9,7 bln people in 2050

+1,6 bln people in 2050 in Africa and Pacific Asia

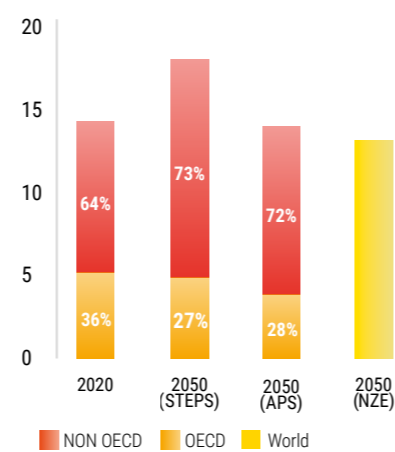
+33% energy demand in 2050 vs. 2021 in emerging Countries

WORLD POPULATION (bln of people)



Source: United Nations, Department of Economic and Social Affairs, Population Division (2022). World Population Prospects 2022, Online Edition.

ENERGY DEMAND (Gtep)



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

## THE DIFFERENT ENERGY SCENARIOS

The need to implement plans and actions to limit the global average temperature increase to within 1.5°C is supported by the Intergovernmental Panel on Climate Change (IPCC), a United Nations organization responsible for providing scientific evidence on climate change. In its recent report (AR6), the IPCC reaffirms the importance of limiting the temperature increase to 1.5°C relative to pre-industrial levels by the end of

the century. In addition, IPCC underlines that achieving this goal requires immediate and rapid reductions in global GHG emissions and achieving Net Zero for CO<sub>2</sub> emissions around 2050. The evolutionary pathways compatible with this goal are many. For example, in the global energy landscape, the International Energy Agency (IEA) targets Net Zero emissions by 2050 (jointly with full access to energy by 2030) in its NZE pathway constructed with a backcasting logic, i.e., identifying in reverse what

is needed for the achievement. To this end, according to the Agency, it is already necessary in the immediate term to adapt/modify existing energy systems or build new ones, requiring major investments. In this path, even with a population increase of about 2 billion and a global economy growing at an average rate of 3% per year, global energy demand in 2050 decreases compared to today (-15% vs. 2021). Within the WEO - World Energy Outlook, the IEA also publishes two scenarios constructed

## FOCUS ON

### Energy security at the centre of global agendas: Eni's contribution

The trilemma facing the energy sector requires balancing the environmental sustainability challenge with the need to ensure energy security and accessibility for everyone within a context of a growing world population. Eni recognises the need to be agile and flexible in addressing this predicament by adopting a model based on the diversification of the energy and geographical mix, the development of new technologies and the central role of gas as support of transition. In an uncertain and volatile context, exacerbated by the consequences of the war in Ukraine, in 2022 Eni moved quickly to define a series of agreements with its historical partners to diversify gas supplies to Italy and Europe, enhancing own gas discoveries. At the same time, Eni has maintained its decarbonisation efforts and objectives, including those relating to Scope 3 emissions. The plan will allow Eni to replace more than 50% of the approximately 20 billion cubic meters of gas historically supplied from Russia, helping to guarantee Italy sufficient volumes to fill gas storages at a record level, exceeding the target of 80%. By 2025 Eni expects to replace 100% of this gas with the increase of production in Africa, that will guarantee additional supply via pipe and LNG. Environmental sustainability, security and energy accessibility are global issues not concerning only Italy and Europe, as they are particularly relevant in developing regions. With this in mind, in 2022 Eni strengthened its own historical link with the Countries in which it operates, particularly in Africa, allocating to domestic market approximately 90% of the gas produced, contributing to the access to safe energy for local communities. At the same time, Eni is working to reduce the emissions associated with its production through investments in efficiency, the construction of photovoltaic plants to power its assets (for example in Egypt and Algeria) and the development of Upstream projects with a low carbon footprint, such as Baleine in the Ivory Coast, which will be the first Net Zero (Scope 1+2) development on the continent.

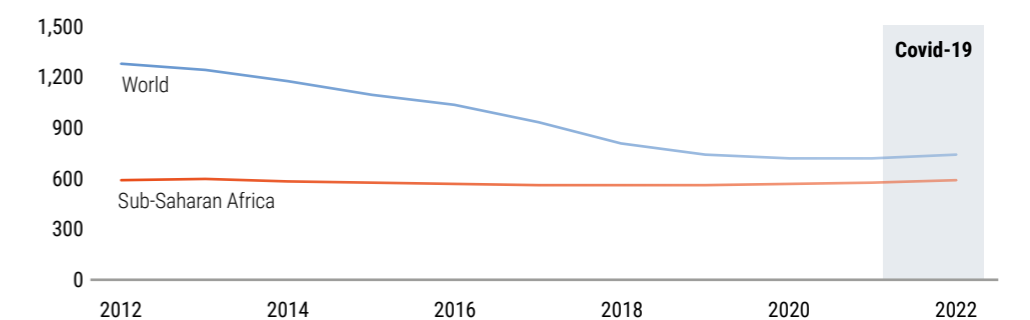
## UNIVERSAL ACCESS TO ENERGY

In 2021, about 750 million people - about 10% of the world's population - had no access to electricity, mainly in Sub-Saharan Africa and South East Asia. While the last 20 years have seen huge improvements, especially in India, the pandemic followed by the energy crisis has reversed several years of progress. Indeed, the global energy crisis is also undermining efforts to ensure universal access to safe and affordable energy, especially in developing Countries where populations without access to electricity are on

the rise after years of decline (~+20 million in 2022 vs. 2021), particularly in Sub-Saharan Africa, where the

number of people without access has almost returned to its 2013 peak.

NUMBER OF PEOPLE WITHOUT ACCESS TO ELECTRICITY IN SUB-SAHARAN AFRICA AND THE WORLD, 2012-2022



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

# The Just Transition for Eni

The energy transition is first and foremost a technological transition and it requires a solid industrial and innovative capacity accompanied by a strong focus on the social dimension. With this in mind, Eni is working to ensure that the decarbonization process offers opportunities to convert existing activities and develop new production supply chains with significant opportunities in the Countries where it operates. At the same time, Eni is committed to managing any potential negative impact on workers, communities, consum-

ers and business partners in both "transition-out" and "transition-in" activities, leveraging a robust approach to respect for human rights, diversity and inclusion and the empowerment of women. Globally, important initiatives have been launched by Governments, the European Commission and international bodies such as the IEA and IRENA (International Renewable Energy Agency). These initiatives are primarily addressed to Governments, but a Just Transition can only be achieved with the specific involvement and commitment of

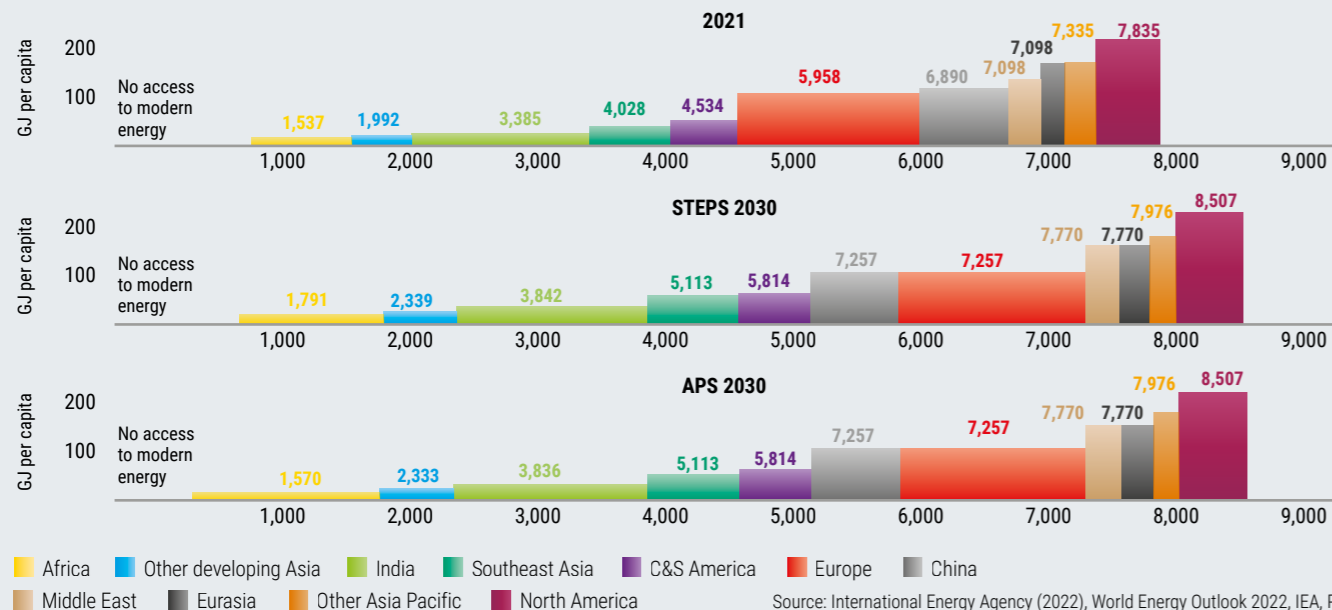
the private sector. Furthermore, various international frameworks, also the result of dialogue between companies, civil society, investors and institutions, have started to outline guidelines to define how companies can contribute positively to the transformation of the current energy and economic system, taking into account the social impact. In this area, Eni was one of the seven companies in the sector that took part in the definition of the [Just Energy Transition Framework](#) outlined by the Council for Inclusive Capitalism.

**FOCUS ON**

## What does a Just Transition mean in concrete terms?

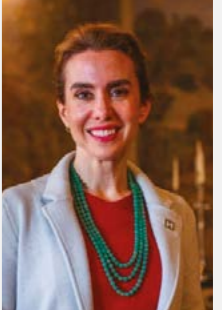
In promoting a Just Transition, it is crucial to take a different approach between Countries with advanced economies and Countries with emerging economies. In Countries with developed economies there are two aspects of the transition to be adequately managed: "Transition-Out", i.e. the need to convert and close specific sites or sectors of activity; and "Transition-In", i.e. the development of new businesses, infrastructures, products. The people potentially negatively impacted by the "Transition-Out" may not be the same as those who benefit from the "Transition-In". Similarly, it is necessary to ensure that the new "low carbon" sectors are characterised by decent jobs and positive impacts on the communities is necessary. In Countries with emerging economies, on the other hand, the need to reconcile the right to development and access to energy with the global need to reduce emissions must remain a priority, taking into account the principle of "common but differentiated responsibilities". The very concept of "Transition-Out" is challenging to apply in Countries that have consistently experienced energy poverty and low per capita emissions levels. The Just Transition in these areas will, therefore, be primarily concerned with overcoming energy poverty, also through solid international coordination, to support these Countries in their industrial and technological evolution towards clean energy infrastructures. Furthermore, the potential retributive effects on a global scale linked to the expansion of new sectors, such as the production of plant-based energy feedstocks or the extraction of minerals used in the low carbon energy chain, need to be evaluated and managed so that they do not translate into a further expansion of existing inequalities.

**ENERGY PER CAPITA PER REGION IN THE IEA STEPS AND APS SCENARIOS, 2021 AND 2030 (mln of persons)**



The conversion of the refinery into a biorefinery supports the process of decarbonization, diversification of productions, and sustains the community of the Gela territory where Eni has been present for over 70 years

**INTERVIEW**



Interview with **Meredith Sumpter**  
Sumpter is the CEO of the Council for Inclusive Capitalism. Formerly, she was Head of Research & Strategy at Eurasia Group, and her nearly 20-year experience in public policy, analysis, and business spans multiple regions and sectors. She previously also led strategic advisory for Fortune 500 firms across Asia, worked in the US Senate, and served as a US diplomat in Beijing.

## HOW ENSURE A JUST TRANSITION IN A CONTEXT CHARACTERIZED BY A POLYCRISIS

### What are the main issues the Council for Inclusive Capitalism focuses on?

The Council for Inclusive Capitalism helps private sector leaders identify, share, and make use of the best ideas for how to profitably operate businesses in ways that meet the needs of people and the planet. Our community of [more than 400 members](#) and platform of 700+ actions cover a range of issues, from racial and gender equity to the Just Energy Transition

### The polycrises we are facing worldwide (Covid-19, the war in Ukraine, raising inflation, interest rates) is causing an increase of inequalities: what role businesses could play on it?

There is market demand for companies to provide goods and services that meet society's most urgent needs. At the Council, we point to businesses that are rising to the challenge. For example, several pharmaceutical companies rapidly developed Covid-19 vaccines, but it was a Council member that sold its vaccine on a not-for-profit basis for broader uptake. [A long list of companies and investors](#), including

Council members such as Eni, took action when Russia invaded Ukraine, recognizing the war's destabilizing impacts on economies and societies globally. Other Council members have walked back from policies that inadvertently penalized the most vulnerable, recognizing that increased economic activity benefits business and the communities in which businesses operate. Businesses bring important ideas, ingenuity, and innovation to create greater value that is more broadly utilized. This approach to capitalism is good for business and reduces inequalities.

### How a Just Transition could be effectively pursued? What challenges do you see and how to overcome them? How an energy company like Eni could face such challenges?

The Just Energy Transition will require engagement from Governments, investors, businesses, and the people most affected. Our [Just Energy Transition Framework for Company Action](#) focuses on the private sector's role, offering the first guide for companies on concrete actions they can take to implement an energy transition that advances both environmental and social goals with a focus on workers, customers, and communities. We are

working with Council members like Eni to [share examples of how they are doing this work in practice](#). Making transitions just will require trade-offs—such as developing responsible strategies to convert, retire, or sell carbon-intensive assets—as well as risk taking to pursue new business strategies and cross-sectoral partnerships. But companies can and already are stepping up, and innovative approaches will lead to more responsible production and consumption, meeting consumers' needs while better allocating resources and creating jobs.



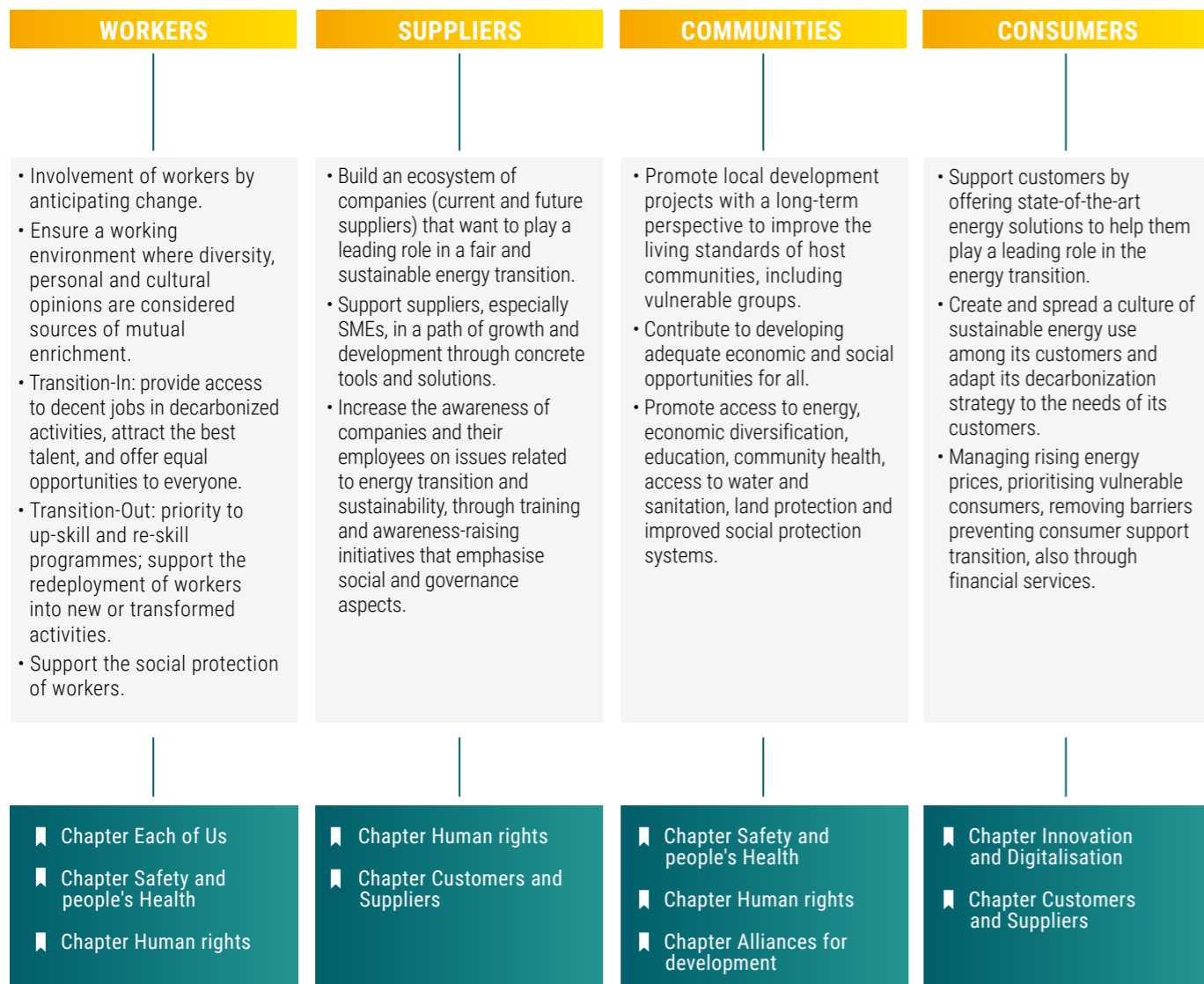
### ENI FRAMEWORK FOR JUST TRANSITION

Based on this scenario and in line with the guidelines of the emerging frameworks, Eni is sharing its transition path with all its stakeholders, particularly with four main categories: workers, suppliers and business partners, com-

munities and consumers. The dialogue will make it possible to systematise the commitments and actions already put in place, defining strategies, targets and indicators to be monitored over time to assess the effectiveness of the path undertaken. The starting point and linking ele-

ment between Eni's strategy and the management of the social repercussions and opportunities brought by this path is the human rights management model, which over the last five years has been successfully developed and consolidated within Eni's main processes.

## "PEOPLE-CENTRED" TRANSITION



■ Approach to Human rights

■ Carbon neutrality by 2050

### THE BENEFITS OF A JUST TRANSITION

In December 2022, Eni published a focus report, [▶ Eni and the people-centred transition](#), which describes the company's commitments to workers, suppliers, com-

munities and consumers. These commitments, and the resulting actions, are aligned with the principles of a Just Transition set out in the Paris Agreement, the 2015 ILO Guidelines for a Just Transition, the "Supporting the Conditions for

A Just Transition Internationally" Declaration signed by 14 Governments and the European Commission, during COP26, and the recommendations of the IEA's "Global Commission on People-Centred Clean Energy Transition".

#### FOCUS ON

#### THE HYNET NORTH WEST PROJECT

**Project:** HyNet North West is an integrated project for the capture of emissions from hard-to-abate energy-intensive industries, the development of low carbon hydrogen, and the creation of the first CO<sub>2</sub> capture and storage infrastructure in the UK.  
**Benefits:** HyNet will create opportunities to attract internal investments, with the potentiality to generate up to £2.8 billion of gross value added in the period 2022-2030, and protect 350,000 existing jobs in hard-to-abate sectors in the North West of the UK. It has been estimated that by 2030 HyNet NW will reduce carbon emissions by up to 10 million tonnes of carbon per year, equivalent to the emissions produced today by around four million cars.

#### THE DEVELOPMENT OF AGRIBUSINESS PROJECTS

**Project:** Eni is developing the biofuel chain to contribute to its own biorefining system in the coming years. These productions are based on new circular economy models: agri-hubs to convert locally produced raw materials into plant oil and proteins used for animal feed and biofertilisers. Eni plans to harvest over one million hectares in Kenya, Congo (where projects have already started), Angola, Mozambique, Ivory Coast, Kazakhstan and Italy.  
**Benefits:** these projects will make a decisive contribution to the development of local communities through the creation of new jobs, the development of agricultural activities (without impacting existing ones and the food chain) and market access for small farmers, promoting economic diversification and the generation of additional sources of income. The benefits will affect over one million families on the African continent.

#### THE TRANSFORMATION OF REFINERIES INTO BIOREFINERIES

**Project:** Eni has reconverted the traditional refineries in Venice and **■ Gela** into biorefineries for the transformation of raw materials of biological origin into high-quality, low-emission biofuels. The biorefineries are already palm oil free, ahead of forecasts and regulations, and are fuelled mainly by "Waste and Residues" (used cooking oil, animal fats, waste from agri-food processes, etc.) and vegetable oils from degraded crops.  
**Benefits:** the sites transformation was conducted by mitigating in every way the reduction in the workforce through retraining of people, job change incentives for professional diversification and early retirement, directly involving trade unions and workers.

#### TRANSFORMATION IN THE CHEMICAL SECTOR

**Project:** in Porto Marghera Eni's transformation plan, aims to convert production with a view to specialisation and circularity, including the creation of **■ a pole dedicated to advanced mechanical recycling** of plastics. In Crescentino, the plant, which is specialised in producing bioethanol from lignocellulosic biomass was reconfigured to produce advanced bioethanol.  
**Benefits:** with the Porto Marghera transformation, more than 600,000 tonnes/year of CO<sub>2</sub> emissions will be cut, about 25% of the annual emissions produced by Versalis, Eni's chemical company which contributes to the energy transition with the circular and sustainable chemistry, in Italy. The project is based on retraining employees' skills through technical training activities that will enhance and enrich their professional know-how. In Crescentino initiatives have also been implemented to support other companies operating in the area, e.g. the procurement of raw material from residual biomass with a certified short supply chain (<70 km).

#### RAVENNA, A MODEL FOR ENERGY TRANSITION

**Project:** Eni has built the main Italian Energy District in Ravenna, central to Eni's and the Country's decarbonization and to CO<sub>2</sub> storage. The production of thermal energy and electricity, chemicals, area remediation and productive redevelopment up to photovoltaics and the circular economy, have been added to the initial methane extraction and upstream development.  
**Benefits:** the Ponticelle enhancement and productive redevelopment plan includes a photovoltaic plant with a storage lab for energy storage, a platform for bioremediation of hydrocarbon-contaminated soil, and a multifunctional platform for pretreatment of waste from industrial and environmental activities. Eni, with Distretto Centro Settentrionale - Upstream has launched a project to build a CO<sub>2</sub> capture and storage (CCS) hub, using existing gas extraction infrastructure, which will be converted to the reverse process of CO<sub>2</sub> injection, in offshore depleted gas fields in the Ravenna area with a potential of 500 million tonnes of storage.



# Eni's approach to the SDGs



Eni supports the UN's 2030 Agenda for Sustainable Development, signed in 2015 by the Governments of the 193 UN member Countries, contributing directly or indirectly through its activities to achieving the Sustainable Development Goals (SDGs) included in the 2030 Agenda. In the transformation path that Eni has embarked on, the SDGs are an important reference in solving today's complex challenges and conducting its activities in the Countries where it operates.

Eni draws inspiration from the 17 Sustainable Development Goals in its principles and values, integrating the SDGs into its governance, business activities and local development projects, financial instruments and training activities to spread and promote awareness of the SDGs. Furthermore, Eni participates in international sustainability initiatives and has entered into partnerships both locally and with international bodies to further the achievement of the SDGs.

## FOCUS ON

### Eni and sustainable finance

**CONTEXT:** consistent with its transition strategy, Eni has issued Sustainability-linked financial instruments that incentivise the achievement of predetermined, challenging and relevant sustainability targets and support the achievement of the SDGs, particularly SDG No. 7 (Affordable and Clean Energy) and SDG No. 13 (Climate action). These instruments have been issued based on Eni's Sustainability-Linked Financing Framework (first published in 2021). This document details the guidelines followed by Eni in issuing new sustainable financial instruments, including bond issues, bank loans and hedging derivatives.

**ACTIVITY:** consistent with the [Sustainability-Linked Financing Framework](#), a €6 billion sustainability-linked credit line was signed in 2022, linked to the achievement of sustainability targets relating to the Net Carbon Footprint Upstream (Scope 1+2) and installed capacity for renewable electricity generation. Twenty-three leading international financial institutions granted the five-year credit line. Furthermore, in early 2023 Eni issued the first bonds for the retail market (in Italy), linked to its sustainability objectives in a sustainability-linked format for €2 billion. Total demand was over €10 billion, with applications received from over 300,000 investors, setting an Italian record for a single-tranche retail corporate bond issue in Italy.

## ENI'S COMMITMENT TO THE SDGs

Eni incorporates the SDGs into its mission, business strategy and in its sustainability governance model

- Eni's mission is inspired by the United Nations 2030 Agenda and represents Eni's path to respond to global challenges, contributing to the achievement of the SDGs.
- The values that inspire Eni's mission are reflected in the [business model](#), based on the three pillars: Carbon Neutrality by 2050, Operational Excellence and Local Alliances for Development.
- Eni's [Corporate Governance system](#) is based on the principles of integrity and transparency and reflects the desire to integrate sustainability into all of Eni's business activities.
- Eni's [Code of Ethics](#) enhances the company's commitments and promotes the behaviour Eni people and all stakeholders must ensure. Each chapter of the Code of Ethics corresponds to a principle in line with the SDG that inspired it.
- Eni intends to involve its supply chain in its journey to support a low carbon and socially just energy transition by sharing the principles expressed in the [Supplier Code of Conduct](#).

## TOOLS FOR INTEGRATING THE SDGs INTO BUSINESS ACTIVITIES

- Integration of the SDGs into the 2023-2026 Strategic Plan
- Integration of the SDGs into industrial projects
- Alignment of Local Development Projects to the SDGs
- Internal and external training activities
- Sustainable finance instruments

- Eni's commitments:** Eni is determined to address the energy challenge in all the Countries where it operates, whatever the business, to ensure access to energy with both industrial and local community development projects, in line with the National Development Plans and the 2030 Agenda. Eni expresses its commitments through the three levers of the business model, according to a "Just Transition" approach, identifying the SDGs to which it contributes for each topic.
- Integration of the SDGs in developing industrial projects: since 2020, Eni has introduced an innovative methodology for assessing projects against the SDGs, which is applied to the entire development phase. The objective is to identify the Goals and Targets of the 2030 Agenda intercepted by the project, to provide a quantification of the contribution in the host Country and to direct project choices where possible.
- Alignment of local development projects with the SDGs: local development initiatives and projects, implemented in cooperation with local Authorities, are designed and implemented in line with the SDGs, contributing to their achievement. In this regard, Eni has defined a set of standard indicators in line with the global SDGs indicator framework to measure the effectiveness and impacts of local development initiatives. [Integrating sustainability into business](#).
- Training activities: since 2019, specific SDGs training content has been available to all Eni employees in Italian and English. In 2022, a training course was launched in Italy to train new qualified SDGs users with an internationally recognised certification. This opportunity is aimed at both Eni employees and its partners through the [Open-es platform](#).
- Sustainable finance: Eni has developed sustainability-linked financial instruments that contribute to promoting a low carbon energy transition and achieving SDG No. 7 (Affordable and Clean Energy) and SDG No. 13 (Climate Action).

## PARTICIPATION IN EXTERNAL SDGs INITIATIVES

Eni participates in many international sustainability initiatives aimed at achieving the objectives of the 2030 Agenda

- Eni participates in many international sustainability initiatives in line with SDG No. 17, including: [UN Global Compact](#); [WBCSD](#); [IPIECA](#)
- Other voluntary initiatives aimed at achieving the SDGs:
- adhesion to the [Women Empowerment Principles](#) and the UN Target Gender Equality programme and the Orange the World campaign promoted by UN Women (SDG No. 5);
  - endorsement of the [CEO Water Mandate](#) (SDG No. 6);
  - the launch of the [Energy Compact](#) (SDG No. 7);
  - voluntary participation in the [Workforce Disclosure Initiative](#) (SDG No. 8) and the [Voluntary Principles on Security and Human Rights](#) (SDG No. 16).

## PARTNERSHIPS FOR THE SDGs

Eni undertakes development actions in collaboration with various players in the territories

Through the [partnerships and collaborations](#) with various cooperation organisations around the world, Eni contributes to the achievement of the SDGs, multiplying the impacts of the initiatives undertaken in the Countries where it is present.

## REPORTING ON THE SDGs

Eni integrates the SDGs into sustainability reporting











- Since 2017, Eni has integrated the SDGs into its sustainability reporting, starting with the correlation of each material topic identified to which it associates the SDGs to which the company contributes through its activities, detailed in each dedicated section. Furthermore, Eni also identifies the reference target for the [key performance indicators](#).



# Eni's commitments

Eni's mission clearly expresses Eni's commitment to achieving zero net emissions by 2050 through a "Just Transition" approach, i.e. sharing social and economic benefits with workers, the supply chain, communi-

ties and customers in an inclusive, transparent and socially equitable manner, contributing to the achievement of the Sustainable Development Goals (SDGs).

	COMMITMENTS	MAIN RESULTS 2022	MAIN COMMITMENTS AND TARGETS
<b>CARBON NEUTRALITY BY 2050</b>	<p><b>COMBATTING CHANGE CHANGE</b></p>  <p>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</p>	<ul style="list-style-type: none"> <li>-33% Net Carbon Footprint UPS e -19% Net Carbon Footprint Eni vs 2018</li> <li>-17% Net GHG Lifecycle Emissions vs 2018</li> <li>-3% Net Carbon Intensity vs. 2018</li> </ul>	<ul style="list-style-type: none"> <li>Net Zero Carbon Footprint UPS in 2030 and Eni in 2035</li> <li>Net Zero GHG Lifecycle Emissions e Carbon Intensity in 2050</li> </ul>
<b>OPERATIONAL EXCELLENCE</b>	<p><b>PEOPLE</b></p>  <p>Eni is committed to supporting the 'Just Transition' process by consolidating and developing skills, enhancing all (professional and non-professional) aspects of its people and recognising the values of diversity and inclusion of all diversities. SDGs: 3 4 5 8 10</p>	<ul style="list-style-type: none"> <li>+0.6 p.p. female population vs. 2021</li> <li>Women's replacement rate higher than men's</li> <li>+1.2 p.p female personnel in positions of responsibility vs 2021</li> <li>+0.7 p.p. population under 30 vs. 2021</li> </ul>	<ul style="list-style-type: none"> <li>+3 p.p. of women employees vs. 2020 by 2030</li> <li>&gt;1 female replacement rate by 2025</li> <li>+5 p.p. population under 30 vs. 2021 to 2026</li> <li>+7 p.p. non-Italian employees in positions of responsibility vs. 2021 by 2030</li> <li>+20% hours of training vs. 2022 in 2026</li> </ul>
	<p><b>HEALTH</b></p>  <p>Eni considers protecting the health of its people, workers, families and communities in the Countries where it operates a fundamental human right and promotes their psycho-physical and social well-being by placing it at the centre of its operating models. SDGs: 2 3 6 8</p>	<ul style="list-style-type: none"> <li>€72 mln for health activities, including expenditure on community health initiatives</li> <li>82,700 health promotion activities registrations</li> <li>68% employees with access to psychological support service</li> </ul>	<ul style="list-style-type: none"> <li>~€267 mln for health activities 2023-2026</li> <li>80% of employees with access to psychological support services by 2026</li> <li>Digital initiatives for monitoring and improving the healthiness of indoor workplaces</li> </ul>
	<p><b>SAFETY</b></p>  <p>Eni believes that safety at work is an essential value shared by employees, contractors and local stakeholders to prevent accidents and protect the integrity of assets. SDGs: 3 8 9 11 14</p>	<ul style="list-style-type: none"> <li>TRIR<sup>(a)</sup> = 0.41; 4 fatal accidents</li> <li>7 applications of THEME methodology on site</li> <li>6,000 employees trained in Operational Safety Management</li> </ul>	<ul style="list-style-type: none"> <li>TRIR Maintenance &lt; 0.40 in the 2023-2026 four-year period; 0 fatal accidents</li> <li>Extension of digital safety initiatives to contracting companies and digitalisation of HSE processes</li> <li>Application of THEME methodology on Eni sites in Italy and abroad</li> </ul>
	<p><b>RESPECT FOR THE ENVIRONMENT</b></p>  <p>Eni promotes the protection of the environment and biodiversity the efficient management of natural resources actions aimed at improving energy efficiency and the transition to a circular economy, identifying potential impacts and mitigation actions. SDGs: 3 6 9 11 12 14 15</p>	<ul style="list-style-type: none"> <li>90% freshwater reuse</li> <li>+29% waste generated from production activities vs. 2021</li> <li>-35% operational oil spills vs. 2021</li> </ul>	<ul style="list-style-type: none"> <li>Commitment to minimising freshwater withdrawals from water-stressed areas</li> <li>Reuse of freshwater in line with the trend of the last 5 years</li> <li>Re-injected produced water in line with the trend of the last 5 years within the same perimeter</li> <li>Development of new technologies for waste recovery and implementation on an industrial scale</li> </ul>
	<p><b>HUMAN RIGHTS</b></p>  <p>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 8 10 16</p>	<ul style="list-style-type: none"> <li>2,622 people trained for the three-year HRs programme</li> <li>100% of the procurement professional area trained on HRs</li> <li>100% new suppliers assessed according to social criteria</li> <li>409 participants at the Security &amp; Human Rights workshop in Nigeria</li> </ul>	<ul style="list-style-type: none"> <li>100% of new projects HR-risk assessed subject to specific analysis</li> <li>Ensure 100% of new suppliers are assessed according to social criteria</li> <li>Completion of the three-year training programme on business and HRs</li> </ul>
	<p><b>SUPPLIERS</b></p>  <p>Eni is committed to sustainably develop its supply chain, involving and supporting companies with concrete tools to facilitate growth and improvement on ESG dimensions. SDGs: 3 5 7 8 9 10 12 13 16 17</p>	<ul style="list-style-type: none"> <li>52% of strategic suppliers assessed on the sustainable development path</li> <li>~€4.5 billion awarded contracts value in Italy related to procurements with ESG assessment</li> <li>Adhesion of 15 partners and &gt;10,000 companies to the Open-es initiative</li> <li>€23 mln mini-bonds financed by the Sustainable Energy - Basket Bond programme</li> </ul>	<ul style="list-style-type: none"> <li>100% of strategic suppliers assessed on the sustainable development path by 2025</li> <li>Procurement processes with ESG assessment for 75% of Italian awarded contracts value by 2023 and 50% of foreign awarded contracts value by 2024</li> <li>1,000 foreign local suppliers involved on Open-es by 2023</li> </ul>
	<p><b>TRANSPARENCY, ANTI-CORRUPTION AND TAX STRATEGY</b></p>  <p>Eni carries out its business activities with loyalty, fairness, transparency, honesty, integrity and in compliance with the laws. SDGs: 16 17</p>	<ul style="list-style-type: none"> <li>Passing ISO 37001:2016 recertification audit</li> <li>Delivery of the new "Code of Ethics, Anti-Corruption and Corporate Administrative Liability" course to about 28,000 employees</li> </ul>	<ul style="list-style-type: none"> <li>Delivery of the new course "Code of Ethics, Anti-Corruption and Corporate Administrative Liability" to all employees</li> <li>Delivery of the new e-learning course on the Anti-Corruption Compliance Programme to medium and high-risk employees</li> <li>Retention of the ISO 37001:2016 certification</li> </ul>
<b>ALLIANCES FOR DEVELOPMENT</b>	<p><b>COOPERATION MODEL</b></p>  <p>The alliances for Development represent Eni's commitment to an equitable transition with a broad portfolio of community-based initiatives. SDGs: 1 2 3 4 5 6 7 8 9 10 13 15 17</p>	<ul style="list-style-type: none"> <li>63,000 new students supported with access to education; 128,000 people supported with access to clean cooking technology; 7,800 people supported with access to vocational training and supported with economic empowerment<sup>(b)</sup>; 71,000 people supported with access to clean water; 120,000 people supported with access to health services</li> </ul>	<ul style="list-style-type: none"> <li>By 2026 ensure access to: 62.900 students to education; 26.100 people to vocational training and economic empowerment support<sup>(b)</sup>; 97.300 people to drinking water; 480,000 people to health services</li> </ul>
<b>TRANSVERSAL THEMES</b>	<p><b>TECHNOLOGICAL INNOVATION</b></p>  <p>For Eni, research, development and rapid implementation of new technologies are an important strategic lever to drive business transformation. SDGs: 7 9 12 13 16</p>	<ul style="list-style-type: none"> <li>70% of R&amp;D expenditure is dedicated to decarbonization activities</li> </ul>	<ul style="list-style-type: none"> <li>Maintaining 70% of R&amp;D expenditure on decarbonization issues each year for the four-year period 2023-2026</li> </ul>

(a) Total Recordable Injury Rate.  
(b) Beneficiaries include only those people trained and/or supported in the startup or strengthening of specific economic activities, not beneficiaries of the construction of infrastructure (roads, civil buildings, etc.) or new agri-business activities being started. In some cases beneficiaries are not trained but receive inputs, funding or other support to start businesses.

# Sustainability governance

Eni applies the Corporate Governance Code introducing the concept of sustainable success

## BOARD OF DIRECTORS AND COMMITTEES

Eni's Corporate Governance system, based on integrity and transparency principles, reflects the desire to integrate sustainability into the business model. This approach is confirmed by its adherence to the 2020 Corporate Governance Code (Code), applied by Eni since 1<sup>st</sup> January 2021, which identifies "sustainable success as the objective that must guide the Board of Directors" actions, which consist of creating long-term value for the benefit of shareholders, taking into account the interests of other stakeholders relevant to

the company. This is implemented in the list of powers that the Board of Directors (BoD) has decided to reserve to its exclusive competence, with the aim of further consolidating its tasks in line with national and international best practices and with the company's and the Group's transformation process resulting from the transition path undertaken. Moreover, since 2006 Eni has considered the interest of stakeholders other than shareholders as one of the necessary references that Directors must assess when making informed decisions. At the same time, in compliance with the Code, the

BoD has also approved, on the proposal of the Chairman and in agreement with the Chief Executive Officer (CEO), a policy for dialogue with shareholders. The BoD has a central role in defining, on the proposal of the Chief Executive Officer (CEO), the strategic guidelines and objectives of the Company and the group, pursuing their sustainable success and monitoring their implementation. In performing its tasks concerning sustainability, the BoD is supported by the Board Committees, each within their competence, under the investigative, propositional and advisory functions assigned to them.

## SUSTAINABILITY TOPICS ADDRESSED BY THE BOARD OF DIRECTORS AND/OR BY THE SUSTAINABILITY AND SCENARIOS COMMITTEE IN 2022

### STRATEGY AND ENERGY TRANSITION

- Energy, climate and technology scenarios and risks related to climate change
- Four-year and long-term plan (including sustainability objectives)
- Performance and prospects of the renewable energy sector
- Sustainable finance instruments
- Just Transition
- Updates on Research and Development activities to support Energy Transition
- Sustainable mobility
- Agri-feedstock activities and sustainability projects for the development of agricultural chains
- Carbon pricing systems
- Analysis of Eni's positioning in relation to peers concerning climate objectives and strategies, climate resolutions and disclosures in the shareholders' meeting
- Energy Cooperation Initiatives
- Updates on Carbon Capture and Storage (CCS), Carbon Offset Nature & Technology Based projects

### HUMAN RIGHTS AND SOCIAL ISSUES

- Update on Eni's activities in the areas of human rights, Diversity and Inclusion (D&I)
- Approval of the Statement per the "Modern Slavery Act"
- Investment plan for local development and Non-Profit budget
- Initiatives in Africa related to forestry, agriculture, circular economy, technological innovation

### REPORTING AND MONITORING

- Approval of Eni for and of the Non-financial Statement, included in the Annual Report, with a focus on European taxonomy
- In-depth analysis of the business strategies pursued by the Company in the most critical sectors
- Insight into HSE results

## ROLES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS ON SUSTAINABILITY TOPICS



### BOARD OF DIRECTORS

#### Defines:

- the Corporate Governance system;
- the fundamental lines of the organisational, administrative and accounting set-up and the guidelines of the internal control and risk management system;
- the strategic lines and the objectives, pursuing their sustainable success and monitoring their implementation, as proposed by the CEO.

#### It reviews or approves:

- the fundamental outlines of the internal Regulatory System and the main corporate regulatory instruments;
- the main risks, including socio-environmental ones;
- the Policy for the Remuneration of Directors and managers with strategic responsibilities;
- financial and non-financial reporting.



### CHIEF EXECUTIVE OFFICER

- The person in charge of managing the Company, without prejudice to the tasks reserved to the Board;
- Implements the resolutions of the BoD, informs and submits proposals to the BoD and to the Committees.



### CHAIRMAN

- Central role in the internal control and risk management system;
- Steers the BoD's activities and ensures that Directors are trained on sustainability matters.



### COMMITTEES

#### SUSTAINABILITY AND SCENARIOS COMMITTEE

It has propositional and advisory functions with respect to the BoD on issues relating to the integration of strategy, development scenarios and business sustainability, particularly in terms of the climate transition and the protection of human rights.

#### CONTROL AND RISK COMMITTEE

It supports the BoD in evaluations and decisions relating to the internal control and risk management system, and in particular in the quarterly review of the main risks, including ESG risks, and the approval of periodic financial and non-financial reports.

#### REMUNERATION COMMITTEE

It informs, makes proposals and provides advice to the Board of Directors on remuneration topics, and in this context proposes annual and long-term incentive systems, defining their objectives, also supporting the guidelines adopted on sustainability issues.

#### NOMINATION COMMITTEE

It supports the BoD in the appointments, in the periodic assessments of the directors' requirements and in the self-assessment process, formulating opinions to the BoD on the composition of the BoD and of its Committees also with respect to required competencies.

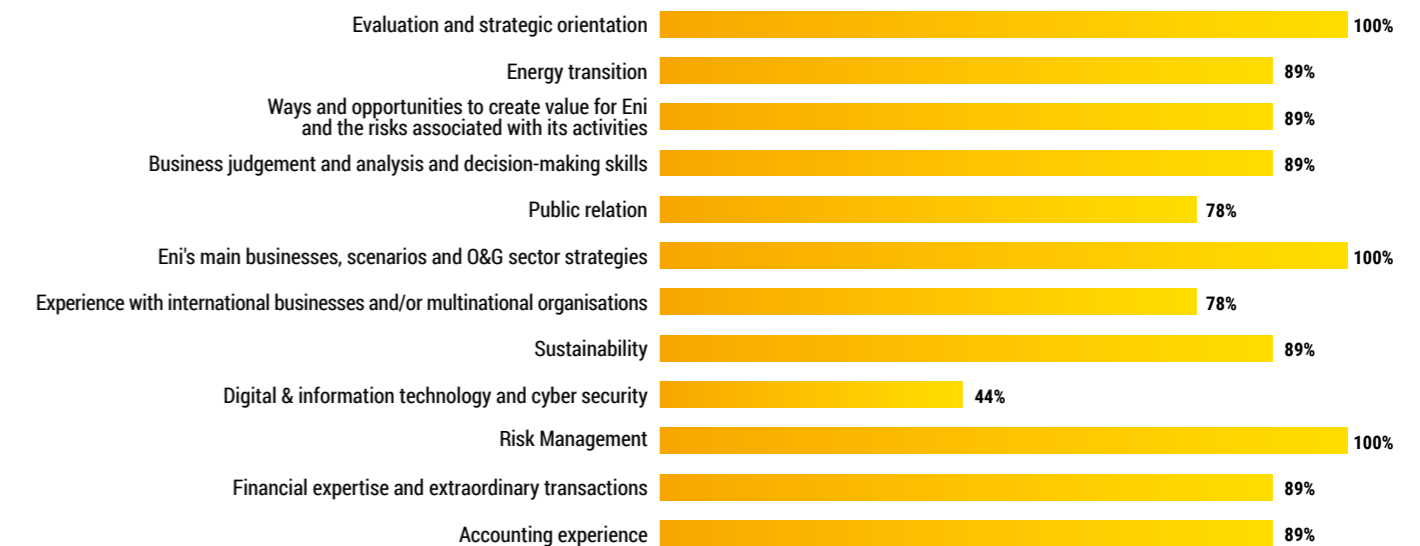
## COMPETENCIES AND KNOWLEDGE OF THE BOARD

Regarding the composition of the BoD, based on the self-assessment conducted, about 90% of the Directors expressed their positive opinion on the professionalism within the Board in terms of knowledge, experience and skills concerning sustainability and energy transition and in terms of participation in governmental and non-governmental, national and international bodies active on these topics, and on the personal contribution that

individual Directors in supporting the Board. The centrality of these skills is also emphasised in the Guidance to Shareholders on the Optimum Composition of the Future BoD, which stresses the importance of ensuring knowledge of issues related to sustainability and the control of climate and environmental risks gained in managerial or entrepreneurial roles and acquired in industrial contexts comparable to those in which the company operates. Immediately after the appointment of the

Board of Directors and the Board of Statutory Auditors, a board induction programme was implemented, which covered, among other topics, issues related to the decarbonization process and the environmental and social sustainability of Eni's activities. Induction and ongoing training activities represent a well-established tool to ensure immediate and full knowledge of Eni's strategic policies and objectives, as well as to delve into specific issues related to the company's mission.

## SELF-ASSESSMENT OF OVERALL SKILLS, KNOWLEDGE AND EXPERIENCE OF THE BOARD OF DIRECTORS



# 2022 Key facts

FOCUS ON

## Climate governance

**ROLES AND RESPONSIBILITIES OF THE BOD:** Eni's decarbonization strategy is an integral part of the company's strategy. It is implemented through a structured Corporate Governance system, where the BoD and the CEO play a central role in managing key climate change issues. In particular, the BoD examines and approves, on the proposal of the CEO, the Strategic Plan, which sets out strategies and targets, including those related to climate change and energy transition and, since 2019, it has also examined and approved Eni's Medium/Long-Term Plan, aimed at outlining and monitoring the evolution of decarbonization objectives and their economic and business sustainability on a time frame up to 2050. In carrying out these activities, the BoD is supported by the Sustainability and Scenarios Committee (SSC), which during 2022 has had the opportunity to analyse in-depth issues relating to climate change.

**SCENARIOS AND EVALUATION OF ECONOMIC AND FINANCIAL EXPOSURE:** Eni's economic and financial exposure to the risks deriving from introducing new carbon pricing mechanisms is examined by the BoD both in the phase leading up to the authorisation of each investment and in the following half-year monitoring of the entire project portfolio. The BoD is also informed annually on the results of the impairment test carried out on the main Cash Generating Units in the E&P sector. Since 2021, the IEA's Net Zero Emissions (NZE) scenario has been included in the scenarios for portfolio evaluations. Finally, the BoD is informed on a quarterly basis on the results of the risk assessment and monitoring activities related to Eni's top risks, including climate change.

### REMUNERATION LINKED TO SUSTAINABILITY OBJECTIVES

**SHORT-TERM INCENTIVE PLAN**

In continuity with previous years, the Plan includes a target related to the incremental installed capacity of renewable sources (weighting 12.5%), as well as environmental sustainability and human capital objectives associated with the reduction of net GHG Upstream emissions Scope 1 and 2 equity (weighting 12.5%) and personnel safety (weighting 12.5%), through the Severity Incident Rate (SIR) index, which focuses on the reduction of the most severe accidents.

**LONG-TERM INCENTIVE PLAN**

The Plan supports the implementation of the strategy through a specific objective concerning sustainability topics, broken down into a series of targets related to the processes of decarbonization, energy transition and circular economy, with an overall weighting of 35%, for both the CEO and all Eni's management recipients of the Plan.

**37.5%**  
sustainability objectives for the CEO's Short-Term Incentive Plan

**35%**  
sustainability objectives of the CEO's Long-Term Incentive Plan

### ROLE OF MANAGEMENT IN SUSTAINABILITY ISSUES

All company structures are involved in the definition or implementation of the carbon neutrality strategy that is reflected in Eni's organisational structure with two business Directions: Natural Resources, active in the optimisation and progressive decarbonization of the Upstream portfolio, in Natural Climate Solutions initiatives and CO<sub>2</sub> storage projects, and Energy Evolution, active in the expansion of bio, renewable and circular economy activities and the offer of new energy solutions

and services. Since 2019, issues relating to climate strategy, an integral part of long-term planning, have been managed by the CFO area through dedicated structures to supervise the process of defining Eni's climate strategy and the related portfolio of initiatives, in line with international climate agreements, in coordination with all businesses and transversal functions, including Sustainability. Since 2006, Eni has established a Sustainability unit that coordinates and supervises activities related to the main sustainability issues (for example, the overall

approach to sustainable development and local development, human rights, related national and international collaborations and partnerships, sustainability disclosure and reporting), in collaboration with the various central and local staff and business functions. The top management of the companies at the local level, responsible, among others, for defining the Countries' development plans according to local needs, is supported both by the sustainability reference contacts present in the area and by the central Sustainability function.



<b>JANUARY</b>	<ul style="list-style-type: none"> <li>Eni included for the first time in the Bloomberg Gender-Equality Index 2022</li> <li>Memorandum of Understanding signed with UNESCO for local development in Mexico</li> </ul>
<b>FEBRUARY</b>	<ul style="list-style-type: none"> <li>Project launched with the European Union and UNICEF to improve water quality for 850,000 people in Basra, Iraq</li> <li>Agreement with the Republic of Mozambique for joint initiatives to produce agri-biofeedstock for biofuels</li> </ul>
<b>MARCH</b>	<ul style="list-style-type: none"> <li>Agreement with the Government of Benin on agri-industrial initiatives for biorefining</li> <li>Second 48 MW wind farm in Kazakhstan inaugurated</li> <li>Versalis and Novamont partnership: strengthening green chemistry</li> <li>11 solar-powered water plants delivered in Nigeria with NNPC and FAO</li> </ul>
<b>APRIL</b>	<ul style="list-style-type: none"> <li>"Prosumer Road" launched: a cycle of meetings with consumer associations, institutions and Confindustria representatives on energy transition and circular economy</li> <li>Agreement with the Government of Rwanda to collaborate on the circular economy and decarbonization</li> <li>GreenIT (JV Plenitude and CDP Equity) and Copenhagen Infrastructure Partner together to build 750 MW offshore wind farms in Italy</li> </ul>
<b>MAY</b>	<ul style="list-style-type: none"> <li>Versalis rated "Platinum" by EcoVadis for sustainability</li> <li>Solenova, Eni-Sonangol Joint Venture, starts work on first photovoltaic power plant in Angola</li> </ul>
<b>JUNE</b>	<ul style="list-style-type: none"> <li>Cooperation with UNIDO strengthened in the areas of energy, youth employment and agriculture</li> <li>Eni enters the world's largest LNG project in Qatar</li> </ul>
<b>JULY</b>	<ul style="list-style-type: none"> <li>New 6 billion Euro sustainability-linked credit line signed</li> <li>First vegetable oil production for biorefining started in Kenya</li> <li>Ivory Coast: Baleine is the first Net Zero (Scope 1+2) development project in Africa</li> </ul>
<b>AUGUST</b>	<ul style="list-style-type: none"> <li>Eni for Human Rights 2021 focus report published</li> <li>Eniverse Ventures launched to exploit proprietary technologies in new businesses</li> </ul>
<b>SEPTEMBER</b>	<ul style="list-style-type: none"> <li>Plenitude's "Be Charge" project selected by the EU to build one of the largest high-speed charging networks in Europe</li> <li>Plenitude starts partnership with Infrastrutture S.p.A. for 1.5 GW solar and wind projects in Italy and Spain</li> <li>Application submitted for a CO<sub>2</sub> storage licence at the Hewett reservoir in the UK</li> </ul>
<b>OCTOBER</b>	<ul style="list-style-type: none"> <li>Procurement of palm oil to produce biofuels in the Venice and Gela biorefineries concluded</li> <li>First vegetable oil production despatched from Kenya to the Gela biorefinery</li> <li>Plenitude inaugurates a new 104.5 MW wind farm in Spain</li> </ul>
<b>NOVEMBER</b>	<ul style="list-style-type: none"> <li>Inauguration of the Solar Lab with Sonatrach and laying of the first stone of a 10 MW photovoltaic plant in Algeria</li> <li>First load of LNG produced by the Coral Sul FLNG plant in Mozambique despatched</li> <li>Activities in Rwanda strengthened to create an innovative transition hub</li> </ul>
<b>DECEMBER</b>	<ul style="list-style-type: none"> <li>JV launched with Snam to develop and manage Italy's first CO<sub>2</sub> capture and storage project</li> <li>Studies started with Euglena and Petronas to assess the possibility of a biorefinery in Malaysia</li> <li>Eni launches a new company: Sustainable Mobility</li> <li>Plenitude: an 81 MW photovoltaic plant in Texas and 100% of PLT have been acquired, strengthening its presence in Italy and Spain</li> </ul>

# Material topics for Eni

Materiality analysis aims to identify the sustainability issues most relevant to Eni and its stakeholders. In 2022, the analysis was updated based on the new GRI Standard that provides for the identification of material topics as a function of the most significant impacts (positive and negative, actual and potential) generated by the organisation on the economy, environment and people, including impacts on human rights (so called "Impact Materiality" perspective). Furthermore, anticipating the entry into force of the new Corporate Sustainability Directive (CSRD), which envisages a Double Materiality approach, the

analysis considered also the Financial Materiality perspective. The latter requires identifying issues that present sustainability risks and opportunities that significantly influence or may influence the company's future cash flows, affecting its development, performance and positioning in the short-, medium- or long-term.

Eni's materiality process included the following steps:

- **identification of relevant issues and their impacts**, combining the results of the 2021 materiality analysis with the most significant ones for the 2022 context and sector of operation, also

based on the GRI's new Sector Standard for Oil & Gas;

- **evaluation of the topics through the Double Materiality approach** that considers the stakeholder view and the risk view for the Company: (i) Impact Materiality perspective - by submitting a questionnaire to internal and external stakeholders to assess the importance of the topics based on the significance of the impacts and their likelihood of occurrence (**Stakeholder engagement activity**); and (ii) Financial Materiality perspective - considering the results of the Integrated Risk Management risk assessment process

■ **Integrated Risk Management Model** and ► **Main ESG Risks**);

- **prioritisation of the topics** by combining the outcomes of the two evaluations. The topics submitted for evaluation, which were all found to be material, were divided into three different significance levels;
- **sharing the results** of the materiality analysis with the Control and Risk Committee, the Sustainability and Scenarios Committee and BoD. The final Eni document for 2022 was submitted to the Sustainability and Scenarios Committee, the Management Committee and subsequently approved by the BoD.

The material topics are instrumental for defining the Strategic Plan, which integrates business and sustainability objectives, and address reporting. The analyses of the socio-economic, environmental and cultural contexts of the Countries where Eni operates help to break down Strategic Plan priorities at the local level and define local development promotion activities. The Strategic Plan subsequently gives rise to the process of defining sustainability Management by Objectives (MbOs) for all executives.

Under the changing context, the analysis results show a certain dy-

namism over time, both in terms of significance and the merge<sup>1</sup> or introduction of new topics. Among the new ones are "Closure and Rehabilitation" emerging from the GRI Sector Standard and "Energy Security and Independence" as an emerging topic from questionnaires and social media listening. The table shows the results of the two materiality analyses; it also shows some current/potential positive and negative impacts, by way of non-limiting examples, and the trend compared to the last financial year as well as the business sector, Upstream or Mid-downstream, in which these could materialise.

TOPIC	TREND compared with 2021	IMPACT MATERIALITY		SECTOR WHERE THE IMPACT OCCURS	Significance	FINANCIAL MATERIALITY Significance
		Positive impacts	Negative impacts			
Combating climate change SDGs: 7 9 12 13 15 17	↑	Reducing climate-altering emissions with decarbonization strategies, technology development and consumer awareness	Climate-changing emissions in the course of their activities or along the value chain	Upstream	High	High
Development of human capital SDGs: 4 5 8 10	↑	Expanding employees' skills and improving career opportunities through continuous training	Inadequate employee training, non-compliance with contractual rules, freedom of association and collective bargaining, job insecurity	Mid-downstream	Medium	Medium
Diversity, inclusion and work-life balance SDGs: 3 4 5 8 10	↓	Increase employee well-being through adequate welfare and equal opportunity plans	Worsening well-being of workers and their families and cases of discrimination	Mid-downstream	Medium	Medium
Health and safety of workers SDGs: 2 3 6 8	↓	Training and awareness-raising activities on health and safety; reduction of accidents and injuries thanks to the use of technology	Injuries, occupational disease and/or damage to health due to non-compliance with regulations; breakdown and/or malfunction of company facilities and assets; exposure to hazardous substances; etc.	Upstream	Medium	Medium
Asset integrity SDGs: 8 9 11 14	↓	Service reliability through proper maintenance and constant monitoring of infrastructure and asset integrity	Business disruptions caused by infrastructure and asset failure	Upstream	Medium	Medium
Reduction of environmental impacts SDGs: 3 6 9 11 12 14 15	↑	Creation of new natural habitats through the use of abandoned structures, land conservation projects, land restoration/land remediation and forest conservation	Environmental damage, loss of biodiversity and increased risk of droughts	Upstream	Medium	Medium
Circular economy SDGs: 6 12 14 15	↑	Reducing the use of natural resources through business practices and processes aimed at recycling and recovery		Mid-downstream	Medium	Medium
Protection of human rights SDGs: 1 2 3 8 10 16	↑	Protection and respect of human rights through due diligence on corporate activities and those of suppliers and business partners	Violation of the human rights of workers, local communities and indigenous peoples	Upstream	Medium	Medium
Responsible supply chain management SDGs: 3 5 7 8 9 10 12 13 16 17	↓	Spreading environmental and social sustainability principles through the involvement of suppliers and supply chain partners	Suppliers' violation of workers' rights and negative environmental impact due to Eni's failure to monitor them	Upstream	Medium	Medium
Customer relations SDGs: 7 12 16	↑	Fostering strong customer relationships through engagement, listening and customer care	Interruption of the service offered (e.g. energy supply) to customers for reasons attributable to Eni	Mid-downstream	Medium	Medium
Transparency, anti-corruption and tax strategy SDGs: 16 17	↓	Countering the spread of illicit practices with headmasters and training in anti-corruption, creation of economic value in the territories of presence with investments, payment of taxes and royalties	Incidents of corruption and illegal conduct with possible economic repercussions on markets and companies caused by tax evasion, monopolistic policies and lobbying practices	Upstream	Medium	Medium
Closure and rehabilitation SDGs: 4 8 11 14 15	New	Re-use of abandoned facilities, materials and plants for the benefit of local communities and the circular economy	Loss of jobs and failure to upgrade employees' skills due to plant or site closures	Upstream	Medium	Medium
Local development SDGs: 1 2 3 4 5 6 7 8 9 10 13 15 17	↓	Development of communities and local entrepreneurship through initiatives in various policy areas, including partnerships and business agreements with local suppliers	Violations of community rights and welfare and involuntary resettlement; unequal compensation and exploitation of natural resources to the detriment of local communities	Upstream	Low	Low
Access to energy SDGs: 7 13	↓	Building infrastructure and improving service quality in remote areas	Dispersion and inefficiency in the distribution network with effects on the community and environment	Upstream	Low	Low
Innovation SDGs: 7 9 12 13	↑	Innovation and transformation initiatives, also involving supply chain companies and partners		Mid-downstream	Low	Low
Digitalisation and Cyber Security SDGs: 9 13 16	-	Improving cybersecurity in Countries of presence through partnerships with institutions and companies	Loss of data and personal information of employees, customers, partners, etc.	Mid-downstream	Low	Low

(1) Compared to the previous analysis, three topics were merged into existing topics in 2022: "Low carbon technologies" with "Combating Climate change", "Biodiversity" with "Reduction of environmental impacts" and "Local content" with "Local development".

# Stakeholder engagement activity

Eni considers stakeholder engagement a key fundamental and strategic lever to pursue a just, responsible and sustainable transition: participation supports maximising the long-term value creation for both the company and its stakeholders while reducing corporate risks. Also in line with the Code of Ethics, Eni maintains relations based on principles such as fairness, legality, transparency, traceability, respect for human rights, inclusion, gender equality and protection of the environment and communities. Participation in and sharing of company choices, objectives and results foster solid relationships and mutual trust and are even a vital component of the materiality process. In 2022, about 3,000 stakeholders were engaged in the materiality analysis that steers corporate strategy and guides the definition of the Strategic Plan. The continuous dialogue, that touches all corporate functions with different roles, levels of involvement and responsibilities, allows to understand the expectations and needs of Eni's stakeholders, present in 62 Countries with very different characteristics and contexts. To support the relationship with local stakeholders, Eni uses the company's "Stakeholder Management System" (SMS) application, which maps some 5,300 stakeholders. This application allows constant and timely management of grievances and requests.

CATEGORIES	RELEVANT THEMES	2022 MAIN ENGAGEMENT ACTIVITIES
<b>ENI'S PEOPLE AND NATIONAL AND INTERNATIONAL UNIONS</b>	<ul style="list-style-type: none"> <li>Combating climate change</li> <li>Health and safety of workers</li> <li>Innovation</li> <li>Development of human capital</li> <li>Diversity, inclusion and work-life balance</li> <li>Reduction of environmental impacts</li> </ul>	<ul style="list-style-type: none"> <li>Professional and training paths on emerging skills related to business strategies and entrepreneurship development.</li> <li>Training initiatives to support inclusion and recognition of the value of all kinds of diversity.</li> <li>Climate analysis to collect employees' opinions about the company.</li> <li>International initiatives to support team building, mobility and training to foster internationality.</li> <li>Finalisation and/or signing of agreements with trade unions, including the one for Smart Working in Italy and gradual extension abroad, for Eni people's well-being initiatives, the 2022-2023 expansion contract and renewal of the sector's collective bargaining agreements.</li> </ul>
<b>FINANCIAL COMMUNITY</b>	<ul style="list-style-type: none"> <li>Economic and financial strategy and performance<sup>(*)</sup></li> <li>Combating climate change</li> <li>Reduction of environmental impacts</li> <li>Protection of human rights</li> <li>Transparency, anti-corruption and tax strategy</li> <li>Circular economy</li> </ul>	<ul style="list-style-type: none"> <li>Capital Markets Day (2022-25 Strategic plan and long-term Plan to 2050) and virtual Roadshow on the main financial exchanges.</li> <li>Roadshows with investors and proxy advisors on executive remuneration.</li> <li>Conference call on the quarterly results.</li> <li>Participation of Top Management in thematic conferences organised by banks.</li> <li>Participation in theme conferences and ongoing engagement with institutional investors and leading ESG rating agencies.</li> </ul>
<b>LOCAL COMMUNITIES AND COMMUNITY BASED ORGANISATIONS</b>	<ul style="list-style-type: none"> <li>Local development</li> <li>Transparency, anti-corruption and tax strategy</li> <li>Reduction of environmental impacts</li> <li>Access to energy</li> <li>Responsible supply chain management</li> <li>Protection of human rights</li> </ul>	<ul style="list-style-type: none"> <li>Consult with local Authorities and communities for new exploration activities and/or the development of new business projects and local development projects.</li> <li>Consult with communities and other stakeholders in Countries where impact studies were conducted, including Social and Human Rights Impact Assessments.</li> <li>Manage requests and grievances from local communities.</li> <li>Regular communication on project progress and workshops on Local Content opportunities.</li> <li>Awareness-raising campaigns in local communities on health issues and the use of improved cookstoves.</li> </ul>
<b>CONTRACTORS, SUPPLIERS AND COMMERCIAL PARTNERS</b>	<ul style="list-style-type: none"> <li>Health and safety of workers</li> <li>Combating climate change</li> <li>Protection of human rights</li> <li>Development of human capital</li> <li>Diversity, inclusion and work-life balance</li> <li>Digitalisation and Cyber security</li> </ul>	<ul style="list-style-type: none"> <li>Awareness-raising initiatives and supplier involvement in thematic webinars, workshops, and educational and informational events to foster widespread sustainability awareness throughout the supply chain.</li> <li>Expansion of the Open-es community, strengthening the initiative with more development tools and services, and providing a training program open to all companies on ESG priority topics.</li> <li>Human Rights Due Diligence: extending the application of the risk-based model to prevent and mitigate risks in the entire supply chain.</li> <li>Basket bond - Sustainable Energy program, an innovative finance instrument addressing Eni's suppliers and the energy chain, to provide access to financial resources for projects aimed at sustainable development.</li> </ul>
<b>CUSTOMERS AND CONSUMERS</b>	<ul style="list-style-type: none"> <li>Customer relations</li> <li>Innovation</li> <li>Reduction of environmental impacts</li> <li>Combating climate change</li> <li>Circular economy</li> <li>Digitalisation and Cyber security</li> </ul>	<ul style="list-style-type: none"> <li>Meetings and workshops with Presidents, General Secretaries and Energy Managers of national and local Consumer Associations (CAs) on energy transition issues and business initiatives.</li> <li>Territorial meetings with regional Consumer Associations of the National Council of Consumers and Users and sponsoring of the CAs initiatives on various sustainability topics.</li> <li>Listening to consumers, customers and involving CAs for product insights, service evaluation and monitoring to improve satisfaction, quality and corporate positioning.</li> <li>Presentation to the CA of results, objectives and future strategies for developing and implementing customer centricity.</li> </ul>
<b>NATIONAL, EUROPEAN AND INTERNATIONAL INSTITUTIONS</b>	<ul style="list-style-type: none"> <li>Combating climate change</li> <li>Reduction of environmental impacts</li> <li>Access to energy</li> <li>Circular economy</li> <li>Innovation</li> <li>Energy Security<sup>(*)</sup></li> </ul>	<ul style="list-style-type: none"> <li>Participation in joint commissions, meetings and round tables with local, national, European and international institutions and organisations on business, geopolitical and energy scenarios, including decarbonization, agribusiness, sustainable development, etc.</li> <li>Representation of Eni's position on energy transition and decarbonization in public events and the main international multilateral fora (e.g. G20, B20, COP27).</li> <li>Institutional engagement and dialogue within the context of partnerships and memberships with national, European and international think tanks and associations and with international bodies and/or European institutions on energy transition, environment and sustainable mobility.</li> <li>Presentation of projects, visits by associations and national institutional and political delegations at industrial plants, operational sites and research centres.</li> </ul>
<b>UNIVERSITIES, RESEARCH CENTRES AND INNOVATION HUBS</b>	<ul style="list-style-type: none"> <li>Combating climate change</li> <li>Innovation</li> <li>Reduction of environmental impacts</li> <li>Local development</li> <li>Circular economy</li> <li>Protection of human rights</li> </ul>	<ul style="list-style-type: none"> <li>Research agreements with the Universities of Milan - Bicocca and Pisa, and ENEA for energy transition and decarbonization.</li> <li>Continuation of cooperation activities with a) Politecnico di Milan and Turin; Universities of Bologna, Naples, Pavia, Padua, and Pisa; MIT, CNR, INSTM Consortium, ENEA and INGV; b) with CNR for four joint research centres for environmental and economic development. Training collaborations with: LUISS University, IULM University, Rome Tre University, and University of Florence.</li> <li>Establishment of a Joint Laboratory with the University of Bologna for new energy transition technologies.</li> <li>Participation as a founding member within the PNRR in four National Research Centres and two Innovation Ecosystems.</li> <li>Present in major national and international innovation hubs, agreements with innovation brokers, start up incubators and accelerators.</li> </ul>
<b>VOLUNTARY ADVOCACY AND CATEGORY ORGANIZATIONS AND INDUSTRY ASSOCIATIONS</b>	<ul style="list-style-type: none"> <li>Development of human capital</li> <li>Circular economy</li> <li>Reduction of environmental impacts</li> <li>Health and safety of workers</li> <li>Innovation</li> <li>Combating climate change</li> </ul>	<ul style="list-style-type: none"> <li>Membership and participation in OGCI, IETA, WEF, IPIECA, IOGP, WBCSD, UN GLOBAL COMPACT, EITI, The Council for Inclusive Capitalism, Energy Compact and collaborations with international human rights institutions.</li> <li>Conferences, debates, events and training initiatives on sustainability topics; development of guidelines and sharing of best practices, capacity building for carbon credit generation and use.</li> <li>Meetings with regional and professional business associations for the sustainable Supply Chain and energy topics, and supporting lines of business by verifying common positions and decarbonization studies.</li> <li>Collaboration agreement with Confindustria for the 4th Circular Economy Best Performer Competition and the 2nd Circular Bootcamp.</li> </ul>
<b>ORGANISATIONS FOR DEVELOPMENT COOPERATION</b>	<ul style="list-style-type: none"> <li>Local development</li> <li>Combating climate change</li> <li>Circular economy</li> <li>Access to energy</li> <li>Innovation</li> <li>Health and safety of workers</li> </ul>	<ul style="list-style-type: none"> <li>Consolidate the development activities conducted in Countries with cooperation organisations through collaboration/partnership agreements. Agreements were signed with UNIDO and UNESCO; national cooperation bodies and agencies such as AICS, EGPC, the Nabeul Governorate (Tunisia) and SETAB; civil society organisations; and private sector organisations such as Centro Cardiologico Monzino IRCCS, CNH Industrial and Iveco Group.</li> <li>Collaborations continued with UNDP; USAID; financial institutions such as World Bank, CDP and Standard Bank; ministries of health of host Countries; and civil society organisations.</li> </ul>

<sup>(\*)</sup> Corporate functions indicated the topics with an asterisk as prominent in the interaction with the stakeholder of reference. The topics reported emerged from the materiality analysis, not necessarily in the order presented. Each function highlighted six out of the sixteen material topics.

## THE YEAR IN NUMBERS

- 79%**  
Eni climate analysis participation rate
- >600**  
investors met
- 360**  
meetings/calls with investors and agencies
- 1,200**  
people involved in Social and Human Rights Impact Assessment
- 751**  
local communities mapped (including indigenous)
- 341**  
requests and grievances handled
- >10,000**  
companies participating at Open-es
- >500**  
Consumer Association representatives met
- ~200**  
university scholarships disbursed
- 55**  
scholarships funded/co-funded for PhDs
- 24**  
joint research projects launched
- >100**  
incubated/accelerated innovative start ups
- 30**  
agreements signed for social-economic development and health initiatives

# Integrated Risk Management Model



Integrated Risk Management (IRM) aims to support the main decision-making processes of the Company's management and bodies, ensuring risk-informed decisions. In particular, in the context of the energy transition path defined by the company, it contributes to the pursuit of a "Just Transition" by promoting an integrated, comprehensive and prospective vision of the risk portfolio, which contemplates simultaneously economic as well as environmental, health and safety, social and reputational impacts, facilitating the identification of the most appropriate de-risking actions from a sustainable perspective.

| GRAZIA FIMIANI - DIRECTOR OF INTEGRATED RISK MANAGEMENT AT ENI |

The Integrated Risk Management Model ensures that management makes informed decisions within an organic and overall vision

Eni has developed and adopted an Integrated Risk Management Model aimed at ensuring that management makes risk-informed decisions, through the assessment and analysis of risks, including short, medium and long-term risks, carried out with an integrated, comprehensive and forward-looking vision. Risk Governance assigns a central role to the BoD, which defines the nature and level of risk compatible with the strategic objectives and assesses all risks that may have relevance for medium-to-long-term business sustainability. Risks are (i) assessed with quantitative and qualitative tools considering both the probability of occurrence and the impacts (economic, operational, HSE, social, reputational) that would take place in a given time frame if the risk occurs; (ii) represented, based on the probability of occurrence and impact, on matrices that allow comparison and classification by relevance.

In 2022, two assessment cycles were undertaken: in the first half of the year, the Annual Risk Profile Assessment was carried out, involving 134 subsidiaries in 45 Countries, while in the second half the Interim Top Risk Assessment was carried out, entailing the revision of assessments and treatment of Eni's top risks and of the main business risks. Three monitoring cycles were then performed on Eni's top risks to analyse their progress and the status of implementation of the respective mitigation actions. The results were presented to the Management and Control bodies in March, July and October 2022. Eni's Top Risk portfolio consists of external, strategic and operational risks. In particular, in terms of portfolio evolution, Biological Risk is confirmed among the Top Risks, with a reduction in impact due to the high level of antibody coverage and the reduction in the severity of variants.

In contrast, in the light of the international context, higher alert levels have been identified on Cyber Security, with constant monitoring to define actions to promptly mitigate ICT risk scenarios. Furthermore, in support of its risk strategy, risk assessment and project risk analysis activities, and for M&A operations, Eni uses Integrated Country Risk, a model that provides an integrated analysis of the risk profile at the Country level, updated every six months. The model is elaborated with external contributions through information gathered from specific providers and internal contributions resulting from enhancing knowledge acquired in a Country. The main ESG risks identified and assessed are summarised in the table. For each risk event, the type of risk – top and non-top risk – and page references for the main mitigation actions covered in the document are given.

FOCUS ON

## Risks linked to climate change

Climate Change risk is confirmed among Eni's "Top Risks": in the evolution of the international scenario, the Company's strategy to ensure the energy system's security and sustainability, maintains a clear focus on a fair energy transition and the creation of value for stakeholders. Risks related to climate change are assessed, managed and monitored through an integrated, cross-functional approach involving business lines and specialist functions and encompassing opportunity considerations. The analysis is conducted in accordance with the recommendations issued by the Task Force on Climate-related Financial Disclosures (TCFD), applicable to both energy transition risks (market scenarios, reputational risks, technological developments, compliance with the legislative framework) and physical risks (acute and chronic) related to climate change.

### ENI'S RISK-BASED PROCESS



AREA	EVENT	TOP RISK	MAIN MITIGATION ACTIONS
<b>CROSS-CUTTING RISKS</b>			
	Risks associated with research and development activities		Page 32
	Cyber Security	■	Page 35
	Relationship with local stakeholders	■	Page 28
	Political and social instability and global security risk	■	Pages 79; 98
	Risks connected with Corporate Governance		Page 22
<b>CARBON NEUTRALITY BY 2050</b>			
CLIMATE CHANGE	Climate change risk: • energy transition risks • physical risks	■	Page 38
<b>OPERATIONAL EXCELLENCE</b>			
PEOPLE	Biological risk, i.e. the spread of pandemics and epidemics with potential impacts on people, health systems and business	■	Page 63
	Risks regarding human health and safety: • injuries involving workers and contractors • process safety and asset integrity incidents	■	Page 58
	Risks related to the portfolio of skills	■	Page 57
RESPECT FOR THE ENVIRONMENT	Blowout	■	Pages 38; 72
	Process safety and asset integrity incidents	■	
	Energy sector regulatory risk	■	
	Permitting	■	
HUMAN RIGHTS	Environmental risks (e.g. water scarcity, oil spills, waste, biodiversity)	■	Pages 74; 84; 97
	Involvement in HSE disputes and investigations	■	
SUPPLIERS	Violation of human rights, well-being and involuntary resettlement; unequal compensation; and exploitation of natural resources to the detriment of local communities		Page 84
TRANSPARENCY AND ANTI-CORRUPTION	Risks associated with procurement activities		Page 80
	Compliance risks (antibribery, privacy, etc)		Page 80
<b>ALLIANCES FOR DEVELOPMENT</b>			
COMMUNITIES	Risks connected with local content		Page 107

# Technological and digital innovation



## WHY IS IT IMPORTANT TO ENI?

Innovation processes are realised thanks to the great wealth of expertise of Eni people and the synergy between internal research, advanced engineering skills, digital instruments using our big data and the great computing power of Eni's supercomputers. Expertise and innovative projects are enhanced by a network of 70 national and international Universities and Research Centres and by opening up to the market and startups in Italy and abroad through Open Innovation activities.

| FRANCESCA ZARRI - DIRECTOR TECHNOLOGY, R&D & DIGITAL |

## 2022 PROGRESS vs. Eni for 2021 commitments | COMMITMENTS BY 2030

### INNOVATION

€164 million spent on research and development, of which 70% on decarbonization (towards a 70% target)

23 new first patent filing applications, of which 13 related to renewable sources

▲ REACHED

Ensure that 70% of R&D expenditure is spent on decarbonization issues each year for the 2023-2026 four-year period and maintain the same level also on the long-term

€900 million planned expenditure in R&D over the 2023-2026 period

### DIGITALISATION - SMART WORKING

Flexible working models promoted with specific interventions and digital instruments

▲ REACHED

Continue to develop digital services and instruments to ensure a usable, safe and homogeneous experience in every workplace

### DIGITAL SUSTAINABILITY

Spreading digital and sustainability culture with Associations and Think Tanks

▲ REACHED

Supporting the company's energy transformation with advanced digital products and sustainable, secure and reliable business applications, exploring Green IT methodologies and consolidating digital culture. Promoting technological development through partnerships and participation in major innovation fora

### OPEN INNOVATION

Eniverse Ventures starts

Launch 5 new ventures by 2025

### POLICY

Eni's Code of Ethics.

### MANAGEMENT AND ORGANISATION MODELS

Centralized Research & Development Function structured to ensure rapid and effective deployment of the technologies developed. Management of Technological Innovation projects in line with best practices (step-by-step planning and control according to the development of the technology). Continuous updating of procedures relating to the protection of intellectual property and the identification of service/professional service providers. Open Innovation functions (Open Innovation & Ecosystems Development; Joule, the Eni school of entrepreneurship; Eniverse; and Eni Next) that work in synergy to study and support the innovation market and experiment with innovative and sustainable solutions that meet business needs.

### FOR MORE INFORMATION

▶ [Eni for 2022 - Sustainability Performance](#) ▶ [eni.com](#) ▶ [Eni's Code of Ethics](#) ▶ [Joule](#) ▶ [Eniverse](#) ▶ [Eni Next](#)

## INNOVATION

Technology is at the heart of Eni's strategy and transformation. It is developed with an integrated approach capable of proposing different solutions to achieve energy transition goals. More than 1,000 researchers are involved

in research activities, with expertise ranging from upstream to downstream, from renewables to the environment. To encourage technological innovation, since 2008 Eni has established ▶ **the Eni Award**, an international award whose prize-giving ceremony

takes place in the presence of the President of the Italian Republic; since last year, it has set up the Eni Joule for Entrepreneurship, an award to encourage the application, enhancement and transfer of technologies for the energy transition.

**8,029**

current patents

**13**

new first patent filing applications on renewable sources

## THE FOUR PLATFORMS OF TECHNOLOGICAL INNOVATION FOR ENI

### DECARBONIZATION OF PROCESSES

Work continued on the development of biorefining and CCUS-related technologies. For CO<sub>2</sub> capture, transport, storage and utilisation technologies, Eni works to enhance the entire technology chain, and to identify (and provide the business with) a portfolio of options that can adapt to different operating and industrial conditions

### CIRCULAR ECONOMY AND BIOPRODUCTS

For biofuels, feedstock pretreatment technologies were further developed and additional bio-feedstocks from by-products of the circular economy, waste and residues, and non-edible vegetable oils were introduced

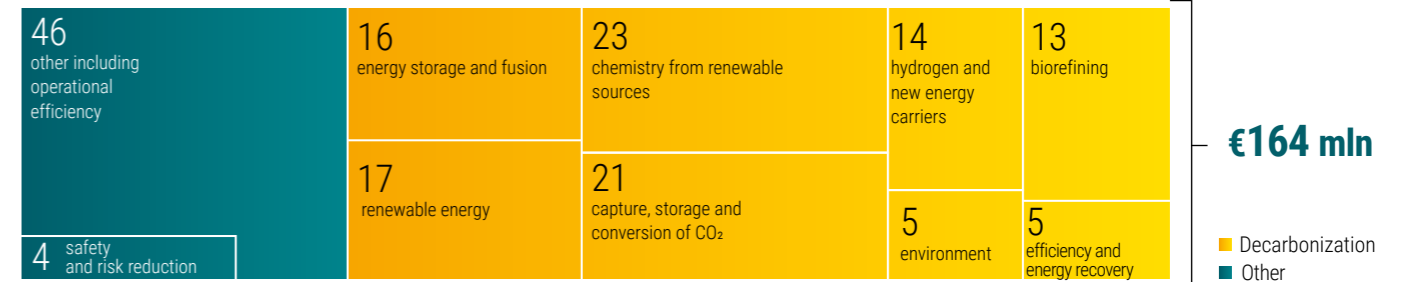
### RENEWABLES AND NEW FORMS OF ENERGY

To support the development of renewable energy, work continued on solar (conventional, advanced and concentrating), wave energy, wind energy and energy storage

### OPERATIONAL EXCELLENCE

In traditional business, the development of technologies to increase understanding of the subsoil, improve exploration de-risking and increase operational and energy efficiency continued

## R&D EXPENDITURE (€ mln)



Energy storage: includes technologies for the accumulation of thermal or electrical energy for its subsequent use.

Environment: includes technologies aimed at monitoring, protecting and maintaining the environment as well as remediation.

## DIGITAL INNOVATION

Digital innovation at Eni pervades the entire company and plays a decisive role: it accelerates the transformation towards carbon neutrality through technology, new skills and increasingly smart and integrated ways of working. The Digital Competence Centres (DCCs) promote the development of digital know-how inside and outside the company, e.g. by collaborating on research and fusion projects to accelerate the validation and prototyping phases through Digital Twin of demonstration facili-

ties and with training projects to deliver educational workshops dedicated to Data Science, Design Thinking and Agile. The Green Data Centre is confirmed as among the best in Europe for efficiency, while supercomputing increasingly supports the research for future energies. Since 2022, Eni participates in the National Centre for High-Performance Computing, Big Data and Quantum Computing and collaborates with ▶ **PASQAL** for the development of quantum computing HPC solutions for the energy sector. Data, computing

power and artificial intelligence enable operational excellence of assets by optimising their performances and energy efficiency. Many innovation initiatives were launched in 2022 such as the use of legged robots and computer vision algorithms for inspections at industrial sites, the use of analytics to search for marginal land and biocultures for biofuel production and for the digitalisation of *Carbon Offset* processes to support decision-making on REDD+ projects and, concerning agri-feedstock, to support the first agri-hub in Kenya.

Eni applies its own Technology Validation methodology to assess benefits and areas for improvement of technologies

**TECHNOLOGY VALIDATION AND ENGINEERING OF INNOVATION**

To encourage the adoption of the best technologies available or emerging on the market, for several years Eni has had its own validation methodology ("Technology Validation"), which assesses benefits and potential areas for improvement before adopting them in its development projects or operational assets. Eni defines any further verification or in-depth analyses to assess mitigating actions if a technological risk is identified. In 2022, innovative technologies were validated in the following areas: renewable energy pro-

duction, electricity storage, CO<sub>2</sub> capture, blue or green hydrogen production, circular economy processes, and asset integrity solutions. Innovation is also a driving force in the activities of **EniProgetti**, Eni's engineering company, engaged in developing projects to enhance natural resources in the downstream area and for decarbonization. In the latter area, EniProgetti's engineering activities in 2022 focused on the CCS Liverpool Bay project in the UK and on the Gela biorefinery for the realisation of a project that will enable the production of "Eni Biojet" and the production of an additional 150,000 tonnes/year of Sustain-

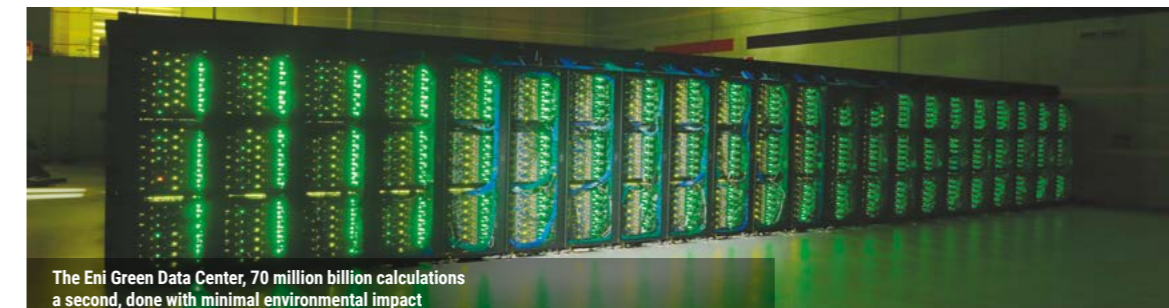
able Aviation Fuels (SAF) from 100% renewable raw materials. Activities in the field of robotics, mechatronics and automation included the development of an innovative nanosensor system developed to detect potentially emissive points in congested areas or areas difficult to reach by personnel or other robotic means, and the optimisation of the Clean Sea submarine robotic system, that can also be used for monitoring offshore fields for CCS. With a longer-term perspective, EniProgetti is ones studying robotic applications for the maintenance of future energy production plants from **► magnetic confinement fusion**.

**CYBER SECURITY**

The cyber security risk is considered high in Eni due to the geopolitical context in which Eni operates and the constantly growing trend of cyber attacks. For this reason, Eni has put in place, in a risk-based approach, defence measures to prevent and contain impacts, such as enhancing the

Cyber Security Defence. In 2022, the Cyber Security Culture programme continued with more than 80 initiatives, to strengthen corporate culture on correct behaviour. Collaborations with Organisations, Universities and Institutions continued to develop guidelines, such as the collaboration with the World Economic Forum

(WEF). Among the initiatives aimed at third parties, workshops on Cyber Risk Management in the Supply Chain for Small and Medium Enterprises were provided. The training offered to teachers and students in primary and secondary schools was expanded with 20 in-person and on-line initiatives.



The Eni Green Data Center, 70 million billion calculations a second, done with minimal environmental impact

**~180 mln** attacks (including automated ones) on applications exposed on the internet

**>2,000** phishing campaigns

**~15 mln** malicious e-mails

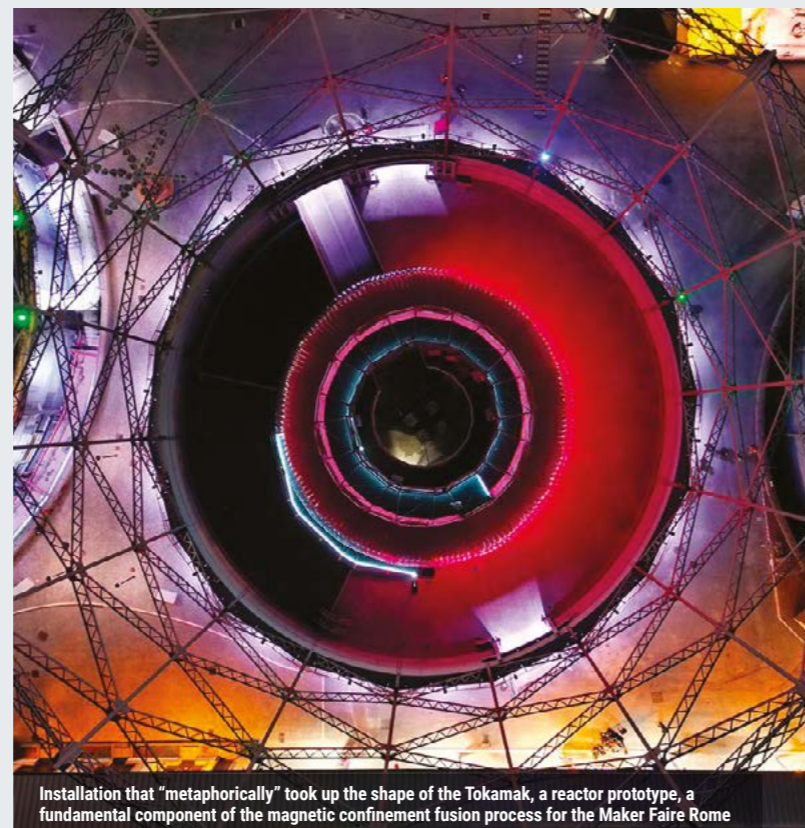
**FOCUS ON**

**Fusion Energy**

**OBJECTIVE:** the development of fusion energy, once brought to an industrial level, will make it possible to generate large amounts of zero-emission energy with a safe and virtually unlimited process. Eni sees this as a strategic challenge and has long since initiated a fusion program that envisages various commitments at the Italian and international level.

**COLLABORATIONS IN ITALY:** (i) participation in the Divertor Tokamak Test facility (DTT) project with ENEA and other academic and research entities to build an experimental machine for the management of excess heat developed in a fusion machine; (ii) with CNR to support the growth of specific expertise on fusion through the Joint Research Centre in Gela; (iii) with Italian research bodies and universities, enabling in 2022 the activation of 16 new PhDs on fusion and also making the supercomputers of its Green Data Centre available to researchers; (iv) with Italian companies, to develop the fusion value chain.

**INTERNATIONAL COLLABORATIONS:** (i) with industry associations; (ii) with the Massachusetts Institute of Technology (MIT) in the Laboratory for Innovation in Fusion Technology (LIFT) science program; and (iii) with **► Commonwealth Fusion Systems (CFS)** to accelerate the industrialisation of magnetic confinement fusion. In the CFS roadmap, the construction of the first power plant, capable of feeding energy into the grid, is planned for the early 2030s, while the completion of the technical demonstration is scheduled for 2025.



Installation that "metaphorically" took up the shape of the Tokamak, a reactor prototype, a fundamental component of the magnetic confinement fusion process for the Maker Faire Rome

**FOCUS ON**

**Eni's approach to Open Innovation**

Eni manages Open Innovation processes in line with its innovation strategy for energy transition, enhancing its technologies and supporting young talents in developing sustainability and circularity projects and high-potential startups to create game-changing technologies. In 2022, Eni was confirmed as one of the 100 TOP Corporate Startup Stars, falling into the category of 50 companies recognised with the "Open Innovation Challengers" award. The Open Innovation approach includes diversified activities with four areas of interest:

**Open Innovation & Ecosystems Development**

Develops ecosystems and technological innovation hubs with which it launches Open Innovation initiatives and identifies solutions in line with Company strategies, with a global and transversal approach.

**Joule**

The Eni school of entrepreneurship supports the growth of innovative and sustainable start ups to create an entrepreneurial ecosystem in the zero-emission energy chain.

**Eni Next**

Eni's owned (100%) Company is the Corporate Venture Capital that invests in start ups with high potential for the creation of game changer technologies.

**Eniverse Ventures**

Eni's owned (100%) Company is the Corporate Venture Builder that enhances innovative technologies starting from those owned by Eni to create new Eni ventures in support of a Just Transition.

**+2,500** innovative solutions identified

**10** call for startups launched every year

**+100** incubated/accelerated startups

**+40** collaborations with startups launched

**4** monitored ecosystems: North America, Israel, Europe and Africa