# Eni

Annual Report
**2022**

# Mission

We are an energy company.
13 15 We concretely support a just energy transition,
with the objective of preserving our planet
7 12 and promoting an efficient and sustainable access to energy for all.
9 Our work is based on passion and innovation,
on our unique strengths and skills,
5 10 on the equal dignity of each person,
recognizing diversity as a key value for human development,
on the responsibility, integrity and transparency of our actions.
17 We believe in the value of long-term partnerships with the Countries
and communities where we operate, bringing long-lasting prosperity for all.

**Global goals for a sustainable development**

The 2030 Agenda for Sustainable Development, presented in September 2015, identifies the 17 Sustainable Development Goals (SDGs) which represent the common targets of sustainable development on the current complex social problems. These goals are an important reference for the international community and Eni in managing activities in those Countries in which it operates.

# Eni

Annual
Report
**2022**

Letter to shareholders



**Consolidated disclosure of Non-Financial Information**
This Annual Report includes the consolidated Disclosure of Non-Financial Information (NFI), prepared in accordance with Legislative Decree No. 254/2016, relating to the following topics: environment; social; people; human rights; anti-corruption. The disclosure on these topics and KPIs included in this report are defined in accordance with the "Sustainability Reporting Standards" published by the Global Reporting Initiative (GRI Standards), for which NFI is subject to limited assurance. In addition, the Task force on Climate-related Financial Disclosures (TCFD) recommendations and World Economic Forum (WEF) Core metrics were taken into account.

**Integrated Annual Report**
Eni's 2022 Annual Report is prepared in accordance with principles included in the International Framework", published by International Integrated Reporting Council (IIRC). It is aimed at representing financial and sustainability performance, underlining the existing connections between competitive environment, group strategy, business model, integrated risk management and a stringent corporate governance system.
The mission represents more explicitly the Eni's path to face the global challenges, contributing to achieve the SDGs determined by the UN in order to clearly address the actions to be implemented by all the involved players. This report has not been prepared in accordance with the EU Delegated Regulation 2019/815 (ESEF Regulation), implementing the Transparency Directive. The Annual Report in ESEF format (only in Italian language) is published in the specific section of the Company's website (www.eni.com, Publications) and is available at the centralized storage mechanism authorized by Consob "1Info" – (www.1info.it).

**Disclaimer**
This Annual Report contains certain forward-looking statements in particular under the section "Outlook" regarding capital expenditures, dividends, buy-back programs, allocation of future cash flow from operations, financial structure evolution, future operating performance, targets of production and sale growth and the progress and timing of projects. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that will or may occur in the future. Actual results may differ from those expressed in such statements, depending on a variety of factors, including the impact of the pandemic disease; the timing of bringing new oil and gas fields on stream; management's ability in carrying out industrial plans and in succeeding in commercial transactions; future levels of industry product supply; demand and oil and natural gas pricing; operational problems; general macroeconomic conditions; political stability and economic growth in relevant areas of the world; changes in laws and governmental regulations; development and use of new technology; changes in public expectations and other changes in business conditions; the actions of competitors. "Eni" means the parent company Eni SpA and its consolidated subsidiaries.

# Letter to shareholders

Dear Shareholders,
2022 has been a challenging year for our company, engaged in delivering fast and tangible solutions to the European energy crisis, at the same time while managing the related risks and progressing the transition to a sustainable development model in line with the climate targets of the EU and the 2030 Agenda of the United Nations. Russia's military invasion of Ukraine has dramatically highlighted the need of our society for secure and affordable energy. The stability and security of energy supplies has altered at least in the short-term the priority of energy agendas of States and operators, balanced on the other hand by reaffirming and indeed relaunching the decarbonization targets in the medium and long-term, in the awareness that the climate emergency needs quick actions.
We are confident that our distinctive strategy, leveraging on available tools and technologies capable of immediately reducing emissions and on the central role of gas in our portfolio, based on its lower carbon footprint, will allow us to address in an effective and practical manner the trilemma of environmental sustainability, energy security and affordability, building upon the geographical and technological diversification of energy sources.
We will work with all our Stakeholders and Partners to fulfil this proposal.
In facing the unprecedented challenges posed by the 2022 operating environment, our Company delivered excellent results thanks to financial discipline and a constant focus on asset integrity and made a significant contribution to the security of energy supplies to Italy and Europe, boosting objectives of continuous development to adapt to a dynamic energy landscape.

At the same time, we achieved a significant reduction in the carbon footprint of our asset portfolio, thanks to an ever-growing pipeline of renewable and biofuel projects.
Few months after the outbreak of the war, in a context of uncertainty and volatility, we signed several agreements with our long-standing partners to diversify gas supplies to Italy and Europe with a view to fully replacing about 20 billion cubic meters of Russian supplies by 2025, accelerating an ongoing program of focusing on equity reserves.

We plan to increase production in Algeria and Egypt, freeing up new export volumes that will be delivered to Europe through the existing infrastructures (the Damietta terminal and Sea Corridor's TTPC/Transmed pipelines). We will invest to revitalize national gas fields. In the medium term, new gas supplies will be fueled by the gas project "A&E Structures" in Libya, recently signed off. LNG equity projects will be the other strategic leg for the security and geographical diversification of supplies. The Congo project is designed to monetize Marine XII block's reserves, with expected to start-up in 2023. We entered the Qatar North Field East project, the largest in the world, with a 3% interest and growing contributions are expected from the likes of Nigeria, Angola, Indonesia. Finally, Mozambique, the new frontier of world scale LNG projects, has entered the stage thanks to the historic milestone of the start of the Coral South field and FLNG vessel, built and commissioned in just 5 years and in line with scheduled times and costs, despite the pandemic disruptions.

In a period of extreme market volatility, without requesting any financial aid from the State, Eni successfully preserved the robustness of its balance sheet by proactively managing the significant financial risks arisen in connection with the war in Ukraine. To accomplish this, we strengthened our liquidity reserves, restructured hedging activities to reduce the risk of outsized margin calls and rescheduled sale commitments to account possible interruptions in Russian gas flows.

2022 marked a year of substantial progress in our transition strategy, founded on the pillars of proprietary technologies, the satellite model and stakeholder alliances.

Proprietary technologies matured within our traditional businesses are one of the drivers of our decarbonization path. The Ecofining refining technology has been successfully applied to upgrade our sites of Gela and Venice, converting them into biorefineries. Gas reservoir and storage technologies are being used to develop, in synergy with depleted fields, effective solutions for $CO_2$ underground storage. A first deployment is planned in UK to build the Hynet storage hub, which will leverage Eni's depleted Liverpool Bay fields, to start storing $CO_2$ in 2025, with a target capacity of 10 million tonnes/year from 2030. In 2024, a CCS pilot project is expected to start-up off Ravenna, Italy, in joint venture with Snam, to evaluate the feasibility of a large high potential CCS hub, that will leverage Eni's depleted fields and infrastructures in the area.
Break-through technologies are key to Eni's long-term success, among them is the magnetic confinement fusion, a potentially inexhaustible, safe, and zero-emission source of energy, expected to change the future energy paradigm. Commonwealth Fusion System, a spin-out of the MIT, of which we are the leading shareholder, is engaged in building, and commissioning a pilot plant to test the net production of energy from magnetic fusion.

Eni's satellite business model allows us to enhance the value of our assets, while freeing up additional resources for investment in the energy transition. In Energy Evolution group of businesses, this model foresees the creation of dedicated entities, engaged in the progressive reduction and zeroing of Scope 3 emissions, capable of unlocking their intrinsic value by means of a sale of minority stakes or listing on the market. These entities will be able to access specialized capital markets, while still benefitting from Eni's technologies, know-how and services, so to allow the Group to optimize its financial structure. While Plenitude has the goal of supplying 100% decarbonized products, at the beginning of 2023 Eni Sustainable Mobility was set up to offer increasingly decarbonized solutions/products to people on the move, leveraging the strong marketing network and biorefineries vertically integrated with our agri-business.
This model has been applied to selected E&P geographies, by pursuing business combinations resulting in equity-accounted entities where investments will be self-financed, allowing Eni to freeing additional resources to pursue secure and sustainable energy. Following the success of the Vår Energi transaction through its listing at the Norway exchange and entry of new investors, in August Azule Energy, the JV combining Eni and bp asset in Angola, started operations as the largest independent Angolan O&G producer to deliver real value to its shareholders through the development of organic projects, such as Agogo and the New Gas Consortium to extract value from non-associated gas, and the maximization of operating synergies. Looking forward, we expect to replicate this model in other E&P geographies.

Our decarbonization strategy relies on the production of advanced biofuels from waste or feedstock not in competition with the food chain, as palm oil has been phased-out as feedstock for Eni's biorefineries from October 2022. This growth will leverage on integration with our agri-business. In July 2022, we started our agricultural business in Kenya, the first one on this field. Africa will increasingly become part of a vertically integrated supply chain of our biorefineries, supplying bio-oil from raw materials grown in unproductive land, with important, positive effects on local employment and income. In 2022, a first cargo of vegetable oil has been shipped to Eni's plants, with higher emission savings compared to the European standards provided for by the Renewable Energy Directive. We intend to apply this model to other African Countries, such as Congo, Mozambique, Angola, the Ivory Coast, Rwanda and then to Kazakhstan, where feasibility studies are underway, as well as to Italy in cooperation with Bonifiche Ferraresi. The Agri-business embodies the fundamental pillars of Eni's sustainability: decarbonisation, circular economy, local content. With the manufacture of SAF, Sustainable Aviation Fuels, Eni is contributing to decarbonize the air transport thanks to the production at the Taranto and Livorno refineries. In 2024, production of Biojet will start in Gela and Venice with an expected capacity of 0.2 million tons by 2026.

Sustainability is an integral part of our financial strategy. With the adoption in 2020 of a Sustainability-Linked Framework, the Company intends to cover 25% of total gross debt with financial instruments indexed to sustainability targets by 2025.
In February 2023, Eni successfully finalized the placement of its first sustainability-linked bond among the retail public in Italy for a total amount of €2 billion, with orders five times higher than the initially offered amount.

Thanks to the growing commitment to transparency and the business model set up by Eni to create sustainable value in the long-term, in 2022, Eni has been confirmed or improved its excellent ranking in the main ESG ratings of the financial markets: MSCI ESG, Sustainalytics ESG Risk Rating, ISS ESG, Bloomberg New Energy Finance Oil & Gas Transition Score, Moody's ESG Communications, CDP Climate Change, Transition Pathway Initiative and confirmed for the sixteenth consecutive year in the FTSE4Good Developed specialized stock market index. Finally, Eni has been included in the MIB® ESG index of Borsa Italiana, a new index dedicated to blue chips excelling in ESG performance. Referring to gender equality, Eni has been included for the second consecutive year in the Bloomberg Gender Equality Index 2023 and in the Top 100 of the Equileap Gender Equality Ranking.

Against the backdrop of a supportive commodity pricing environment, 2022 results were driven by financial discipline and cost control, operational effectiveness and sound risk management of the price volatility and supply shortages. Adjusted operating profit of €20.4 billion, more than double the 2021 result, was fueled by the excellent performance of E&P (+€7 billion), able to capture the upside of the oil scenario, GGP (+€1.5 billion), thanks to the continuous optimization of the gas and LNG diversified portfolio, and R&M (+€2.2 billion) which, in a tight market of refined products, leveraging on plant availability and output optimization as well as efficiency measures to address the rise in plant utility expenses, reported a record performance.
Adjusted net profit was €13.3 billion, approximately tripling the 2021 result, thanks also to better contribution of our equity-accounted entities. Operating performance generated a robust cash flow of €20.4 billion, net of €8.5 billion of taxes paid, including the payment of extraordinary contributions on energy's profits for over €1 billion.
After funding organic investments of €8.2 billion, working capital needs and replenishment of gas storage, we earned a discretionary cash flow of €12.8 billion, that was utilized to finance net acquisitions, to remunerate shareholders with €5.4 billion (€3 billion dividends and an accelerated buy-back program of €2.4 billion) and to reduce net financial debt by €2 billion, bringing leverage to an all-time low of 0.13. Portfolio transactions related mainly to acquisitions intended to accelerate the growth of Plenitude, assets for the diversification of gas supplies, including the FLNG Tango for the Congo project and a 3% interest in the NFE project in Qatar, as well as the capital increase for the relaunch of Saipem, highly appreciated by the market.

Exploration confirmed its streak of excellent performances with the discovery of around 750 million boe of new resources, at a competitive unit cost of less than 2 $/boe, thanks to the contribution of the Baleine appraisal and new discoveries in Cyprus, Algeria, Egypt, Angola, and the United Arab Emirates.
Plenitude delivered against its operating and financial targets with a proforma EBITDA exceeding €0.6 billion and a renewable capacity of over 2 GW.
Versalis affected by competitive pressures in the commodity segments is implementing a transformation of the business towards a more sustainable and competitive portfolio of products, strengthening its partnership with Novamont to develop green chemicals and progressing the conversion of the Porto Marghera hub, thanks to the agreement with Forever Plast for the mechanical recycling of plastic waste.

## Strategy and targets

Eni four-year plan for the period '23-'26 identifies industrial programs and initiatives aimed at consolidating the transition strategy by means of: (a) leveraging the integration of technologies and new business models to offer decarbonised products to customers and to guarantee energy security and affordability through the geographical diversification of sources, and (b) ensuring cash flow and economic returns. At the Brent scenario of 85 $/bbl in 2023 and 80 $/bbl in the long-term, we expect to invest €37 billion in the four-year plan, of which about 25% is allocated to low carbon projects.

Our strategic guidelines in the E&P segment are to maximize cash generation by focusing on highly profitable projects, to deploy our fast-track model of reserves development and to reduce direct emissions. The main planned developments comprise the gas initiatives in Congo, Libya, Egypt, Italy and the Middle East, as well as the giant Baleine oil discovery off the Ivory Coast. As result of those planned projects and of maintaining the plateau at legacy assets, Eni expects a CAGR of 3-4% in production over the 4-year plan period, which will be achieved organically and by gradually increasing the proportion of gas in our portfolio to 60% by 2030.
Eni reaffirms its commitment to exploration as a driver of growth and of support to energy security. We expect to invest around €0.5 billion on average per year, focusing on gas initiatives, and mature/near-field areas such as North Africa, West Africa and the UAE.

The profitability of the GGP business will be underpinned by maximizing the value of the integrated gas and LNG equity projects and by portfolio flexibilities. Contracted LNG volumes are expected to exceed 18 million tonnes/y by 2026 compared to 9 million tonnes/y in 2022.
We expect a significant growth in the biofuel segment, by

accelerating the build-up of new capacity to reach over 3 MTPA by 2025 driven by initiatives in Italy (a biorefinery in Livorno), Malaysia and the US, with a production of biojet up to 0.2 million tonnes by 2026.
The development of vertical integration in the agri-hub supply chain will make available over 700,000 tonnes of bio-oil by 2026, driving margin stability.

Plenitude will continue its growth program with the aim of reaching a renewable installed capacity of more than 7 GW by 2026, a customer base of up to over 11 million and expanding its network of charging points for electric vehicles to over 30,000 units.
We confirm our 2050 carbon neutrality targets for Scope 1, 2 and 3 emissions with a target reduction of 35% by 2030 and 80% by 2040 compared to the 2018 baseline and achieving net-zero emissions by 2035 for Scope 1 and 2 emissions.

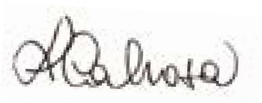
Against the backdrop of an uncertain and volatile scenario, we moved expeditiously and with ingenuity to identify several initiatives to address the need for energy security and for the diversification of supplies, while making strong progress on the decarbonization of our products and industrial processes. The '23-'26 plan will build on those drivers.
The financial discipline in the capital projects selection, a continuous focus on cost control and careful management of the market risk will underpin the planned industrial actions of the '23-'26 period driving strong cash generation to self-finance growth and to deliver industry-leading returns to shareholders through our new dividend and share buy-back program. We will seek to retain a solid financial structure with a leverage of 10-20% and adequate flexibility in the event of sudden shifts in the scenario.

Our stakeholders will benefit from a more sustainable Eni thanks to our strong industrial franchise designated to ensure reliable and affordable access to energy, to reduce emissions, to promote new business models accelerating the transition of our customers, while upholding our core values in terms of respect of human rights along our entire value chain, of local content and of circular economy, as well as the human and professional growth of our people, by enhancing the contribution of each individual, and leveraging on inclusion, motivation and estimation.

Rome, March 16, 2023

On behalf of the Board of Directors

**Lucia Calvosa**
Chairman



**Claudio Descalzi**
Chief Executive Officer and General Manager

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# MANAGEMENT REPORT

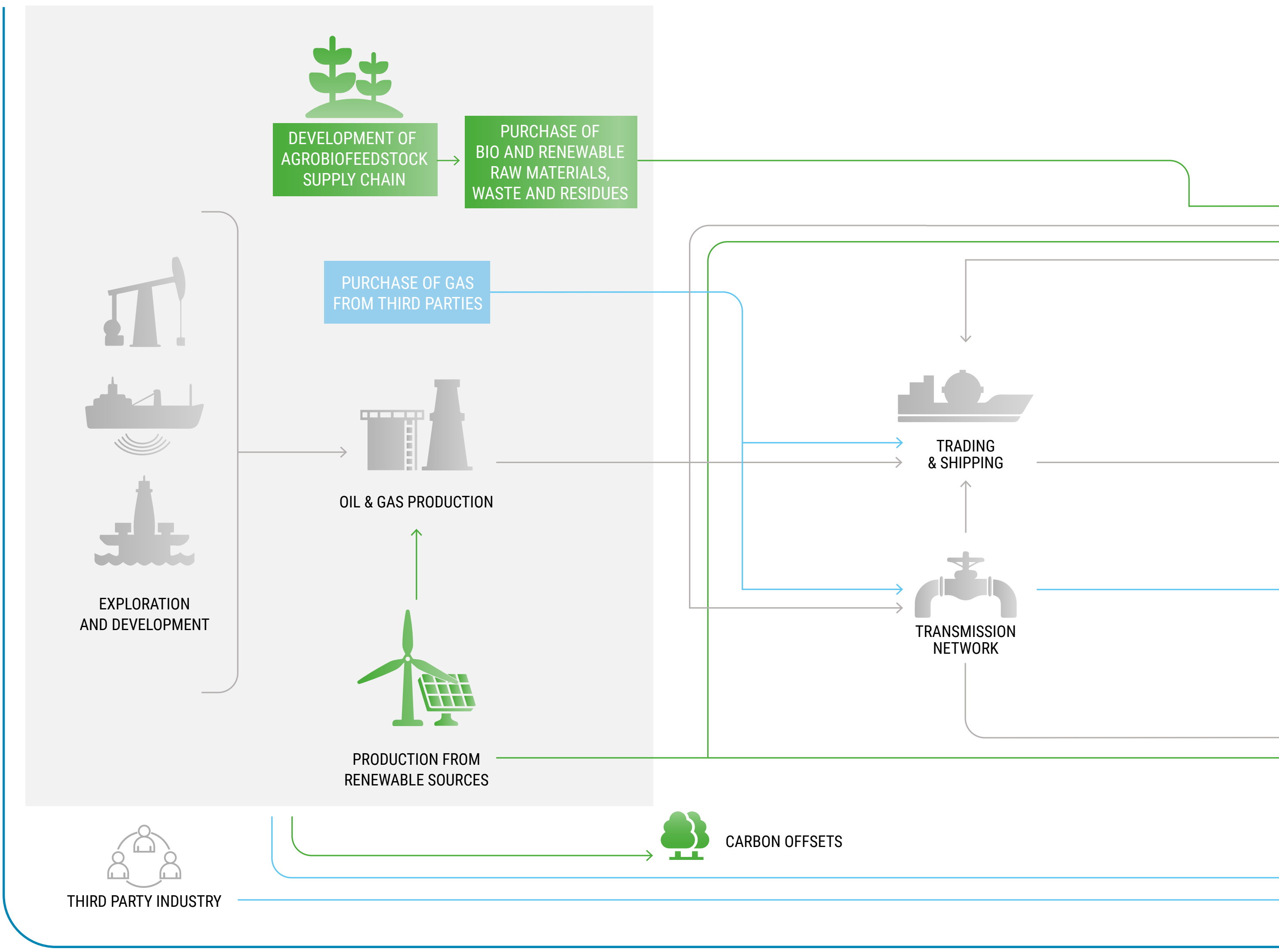
# Activities

**32,188**
our employees

**62**
countries where we operate

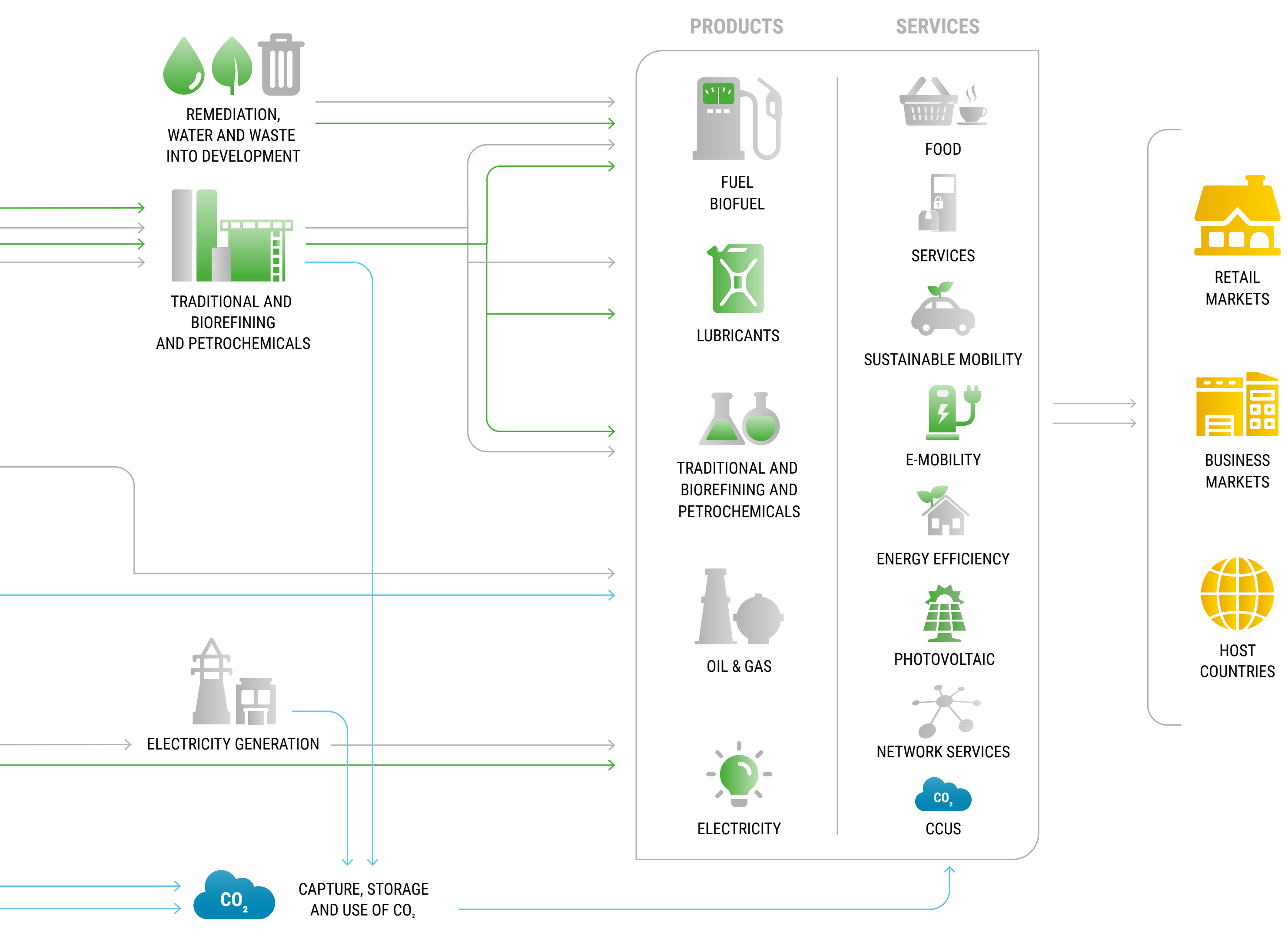
Eni is a global energy company with a high technological content, engaged in the entire value chain: from the exploration, development and extraction of oil and natural gas, to the generation of electricity from cogeneration and renewable sources, traditional and biorefining and chemical, and the development of circular economy processes. Eni extends its reach to end markets, marketing gas, power and products to local markets and to retail and business customers also offering services of energy efficiency and sustainable mobility. **Consolidated expertise, geographical and technological diversification of energy sources, alliances for development, as well as new business and financial model** 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, 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:

## OUR VALUE CHAIN



- **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 agribio-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 $CO_2$ 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.



# Business Model

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

Our **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 **our mission**[1], inspired by the United Nations 2030 Agenda, whose foundations are embodied in our **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 and to support energy security, progressing in the value creation and breakthrough opportunities, while recognising the essential role of **partnerships and alliances with stakeholders** to ensure active involvement in the transformation of energy system.
Our 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**[2] inspired by the principles of transparency and integrity, an **integrated risk management** process[3] ensuring, through the assessment and analysis of the risks and opportunities of the reference scenario, informed and strategic decisions, as well as **materiality analysis**[4] 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.

(1) See the dedicated section of this Report.
(2) See chapter "Governance".
(3) See chapter "Integrated Risk Management"
(4) See the "Consolidated Non-Financial Statement", section "Material topics for Eni".

# VALUE CREATION FOR STAKEHOLDERS

Through an integrated presence all along the energy value chain

## INPUT(*)

**516.5 mln**
total GJ energy consumption

**over 32,000**
employees

**over 300,000 km²**
oil & gas exploration/ development licences

**Gas/LNG portfolio flexibility**

**10.1 mln**
customers (pod)

**€67 bln**
capital employed

**~8,000**
licences

**€76.4 mln**
investments for local development

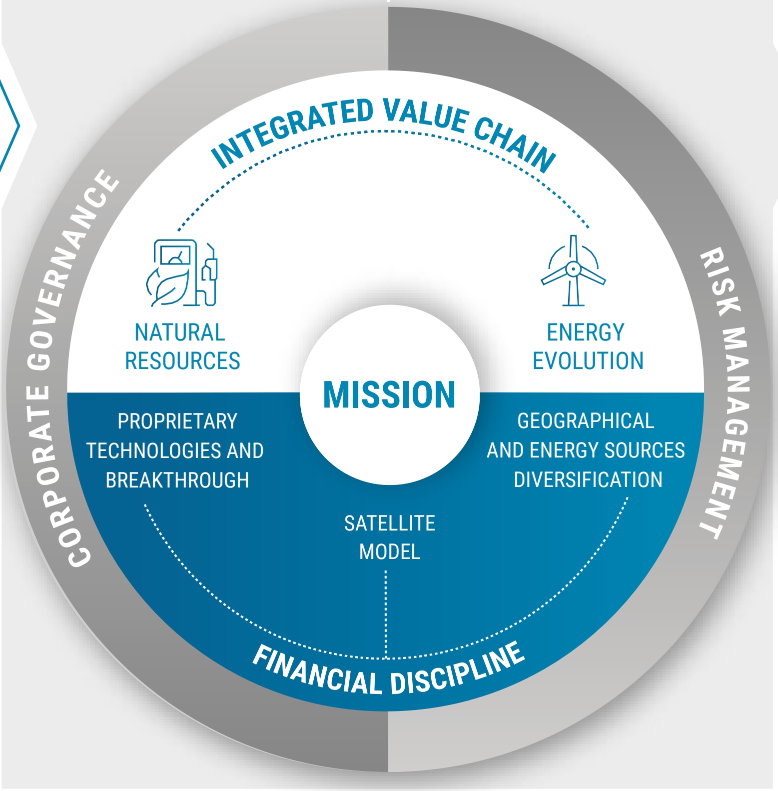
**€8.2 bln**
net capex

## OPERATIONAL EXCELLENCE
Approach to lead the transformation

## CARBON NEUTRALITY BY 2050
Products and processes decarbonization

## ALLIANCES FOR DEVELOPMENT
Value creation shared with host countris

## STRATEGY AND TARGET
SUSTAINABLE DEVELOPMENT GOALS




## OUTPUT(*)

**-8%**
Net GHG Lifecycle Emissions (Scope 1+2+3)

**0.41 TRIR**
(recordable injuries /hours worked)

**2.3 GW**
renewable capacity

**Sustainable biofuels**

**€5.4 bln**
shareholders remuneration

**€20.4 bln**
organic chash flow

**13%**
leverage

access of
**120 thousand**
people to health services

**€8.5 bln**
taxes paid

**~750 mln boe**
new resources

(*) In 2022, unless stated otherwise.

# Eni at a glance

"In 2022, Eni was not only engaged in progressing its sustainable energy transition goals, but also in ensuring the security and stability of energy supplies to Italy and Europe, building up a diversified geographic mix of energy sources. The Company delivered excellent financial and operating results while contributing to the stability of energy supplies to Italy and Europe and progressing its decarbonization plans. During the year, we were able to finalize agreements and activities to fully replace Russian gas by 2025, leveraging our strong relationships with producing states and fast-track development approach to ramp-up volumes from Algeria, Egypt, Mozambique, Congo and Qatar. The recently signed deal with Libya's NOC on the A&E Structures development and exploration successes off Cyprus, Egypt and Norway will further strengthen our integrated supply diversification. This prompt reaction to the gas crisis and the integration with the E&P activities were important driver of the performance of our GGP business, which was able to ensure its supply commitments through different sources."

Claudio Descalzi
CEO Eni

## FINANCIAL HIGHLIGHTS

In a favorable market environment, 2022 results were supported by **financial discipline** and **cost control**, **operational effectiveness** and strict **risk management** arising from price volatility and supply shortages.

**€13.3 bln**
adjusted net profit

**€20.4 bln**
adjusted CFFO

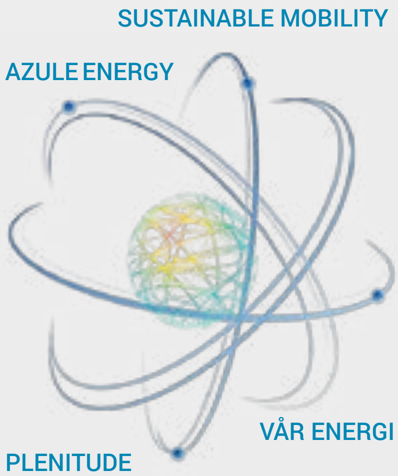
**27% of CFFO**
shareholders remuneration

**€7 bln**
net financial debt

**13%**
leverage

## SATELLITE BUSINESS MODEL

In 2022, significant progress was made in pursuing **our distinctive 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 (**Plenitude, Sustainable Mobility, Vår Energi, Azule Energy**). These entities will continue to benefit from Eni's technologies, know-how and services, at the same time allowing the Group to optimize its financial structure.



## OPERATIONAL EXCELLENCE

Despite the volatility of the energy scenario, we achieved excellent operating performance, thus progressing towards our strategic objectives.

SDGs: 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17

**50%**
Russian gas replacement

**13.1 k**
EV charging points

**750 mln/boe**
new discovered resources

**90%**
reuse of fresh water

**TRIR 0.41%**

## CARBON NEUTRALITY BY 2050

In 2022, Eni continued its commitment to **reduce GHG emissions**.
**Eni Sustainable Mobility** was established to pursue the plan to eliminate customers' emissions, by offering solutions for an increasingly decarbonized mobility to customers in Italy and Europe.

SDGs: 7 9 12 13 15 17

**2.3 GW**
Group renewable installed capacity: doubled vs. 2021

**30 mln ton $CO_2$**
-11% vs. 2021
Net carbon footprint Eni (Scope 1 + 2)

**66 $gCO_2eq./MJ$**
-0,4% Net Carbon Intensity vs. 2021

**1.1 mln tonn/y**
biorefinery capacity

## ALLIANCES FOR DEVELOPMENT

Signed several agreements in the field of **sustainability and innovation**, relying on our strong partnerships with host countries and our accelerated development model, to promote the process of **energy transition and decarbonization** of our activities.

SDGs: 1 2 3 4 5 6 7 8 9 10 13 15 17

**€76.4 mln**
local development investment

**120,000 people**
accessing to health services

## TECHNOLOGICAL INNOVATION

Strengthened collaborations with leading universities and expanded the innovation ecosystem through **Eni Next**, the venture capital focused on high-potential start-ups, and **Eniverse**, aimed at scaling proprietary technologies for new business opportunities. Through **CFS**, MIT spin-off, we are progressing in the development of magnetic confinement fusion, through the construction of **SPARC**, the experimental plant designed to generate net energy, targeted for 2025 start-up. In March 2023, the installation of the world's first **ISWEC** (Inertial Sea Wave Energy Converter) device connected to the electricity grid of an island, locates off the coast of Pantelleria. This plant will produce offshore renewable energy converting power generation from wave energy.

SDGs: 7 9 12 13 17

ACCELERATING OUR R&D INVESTMENTS:

**~8,000** patents

**+400** projects

## Profile of the year

- In 2022 the Group delivered strong results with an adjusted EBIT of €20.4 billion, doubling the amount of the FY 2021, driven by an excellent performance of the E&P, GGP and R&M businesses.
- FY 2022 adjusted net profit attributable to Eni shareholders was €13.3 billion and, compared with FY 2021, was €9 billion higher due to a strong operating performance and higher results of equity-accounted entities.
- FY 2022 net profit attributable to Eni shareholders was €13.9 billion and, compared with FY 2021, was driven by an improved underlying performance benefitting from a favorable trading environment, partly offset by lower net special gains mainly due to inventory evaluation.
- Shareholders remuneration: in September and November, Eni paid the first and the second quarterly instalment of the 2022 dividend of €0.22 per share each, amounting to €1.47 billion. The third instalment of €0.22 per share will be paid to shareholders on March 22, 2023, being the ex-dividend date March 20, 2023.
- In November, Eni completed the announced buy-back program of €2.4 billion, repurchasing 195.55 million shares withdrawn from the market (equal to 5.48% of the share capital), at the average price of €12.27 per share.
- Net borrowings ex-IFRS 16 as of December 31, 2022, were €7 billion, down by €2 billion compared to December 31, 2021, and Group leverage stood at 0.13, versus 0.20 as of December 31, 2021.
- In January 2023, Eni successfully placed the first sustainability-linked bond among the retail public in Italy for a total amount of €2 billion. Orders for over €10 billion were received compared to €1 billion initially offered. The offering was closed in advance in just 5 days.

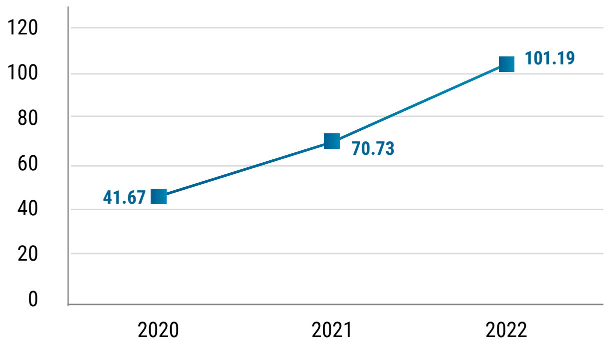
## Advancing satellite model

In 2022 significant progresses were made in the development of our distinctive satellite model, through the set-up of dedicated entities focused on specific scopes, capable of independently accessing capital markets to fund their growth and to reveal the real value of each business. These entities will continue to benefit from Eni's technologies, know-how and services, while allowing the Group to optimize its financial structure: Plenitude and Sustainable Mobility in the Energy Evolution business Group. Azule Energy and Vår Energi in the Natural Resources business Group were established with the aim of developing new hydrocarbon reserves to support energy security, remunerating shareholders with stable dividend flows and tend to grow and independently financing the related investments, allowing the Group to have additional resources for the optimization of investments in the decarbonized energy portfolio.

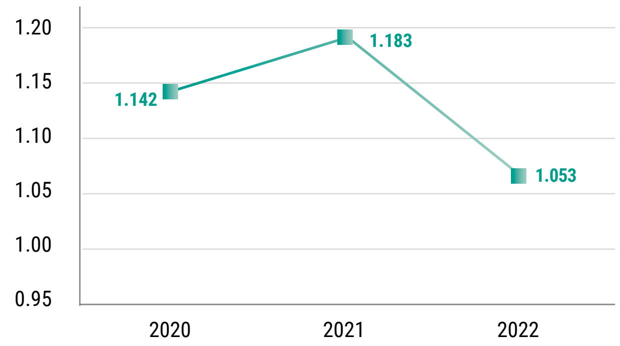
## Operational milestones

- In FY 2022 around 750 million boe of new resources were added to the reserve base continuing the delivery of outstanding exploration performance. Several discoveries were made close to existing assets and facilities as part of our fast-track development model in Algeria, Egypt and Abu Dhabi.
- Eni signed relevant agreements for the development of Carbon Capture and Storage projects: with Snam to jointly develop and manage the Ravenna Carbon Capture and Storage (CCS) Project, with the National Oil Corporation of Libya (NOC) for the development of the large gas reserves of A&E Structures, offshore Tripoli, comprising the construction of an onshore Carbon Capture and Storage (CCS) hub.
- As part of the development of the biorefining business, Eni signed definitive agreements with PBF to partner in a 50-50 joint venture, St. Bernard Renewables LLC (SBR), for the biorefinery currently under construction in Louisiana (US). The biorefinery start-up is expected in the first half of 2023, with a target processing capacity of about 1.1 million tonnes/year of raw materials to produce mainly HVO Diesel.
- Signed significant agreements with strategic partners for the development of joint initiatives in the field of sustainability and innovation, to foster the energy transition process and decarbonisation of its activities, also leveraging joint development innovative initiatives in the fields of agriculture, the protection of forest ecosystems, health and technologies, promoting both agricultural initiatives for the cultivation of oil plants to feed Eni's biorefineries for the production of biofuels and initiatives for the generation of carbon credits and supporting the development of infrastructure and services for health and education of local communities.

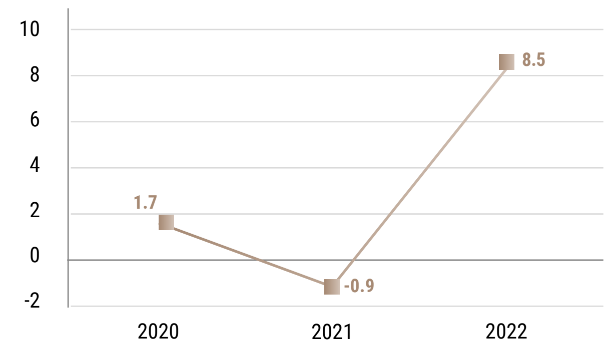
## AVERAGE BRENT DATED PRICE ($/BL)



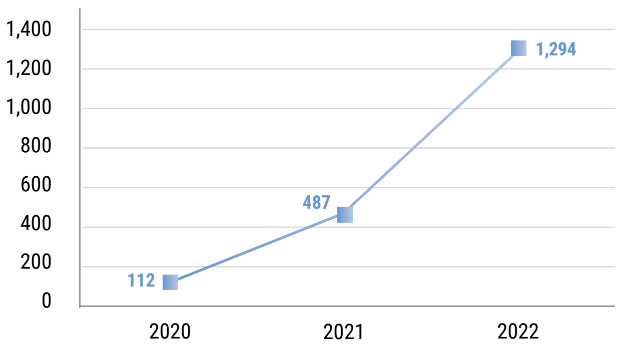

## AVERAGE EUR/USD EXCHANGE RATE



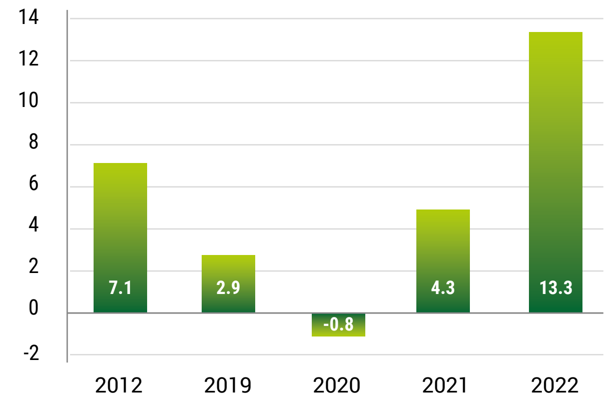

## STANDARD ENI REFINING MARGIN (SERM) ($/BL)



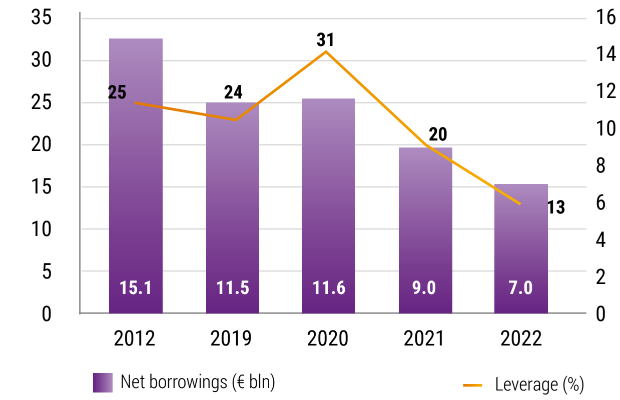

## PSV (€/KMC)



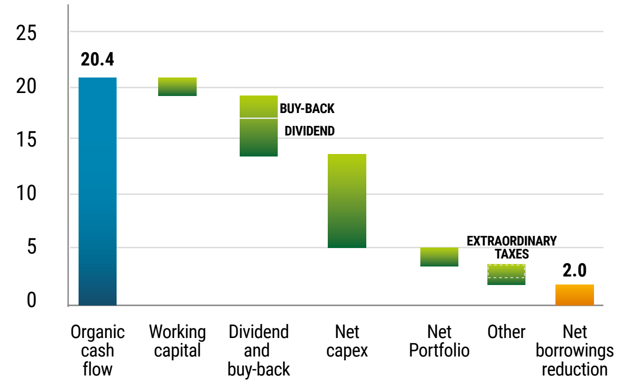

## ADJUSTED NET PROFIT (€ BLN)



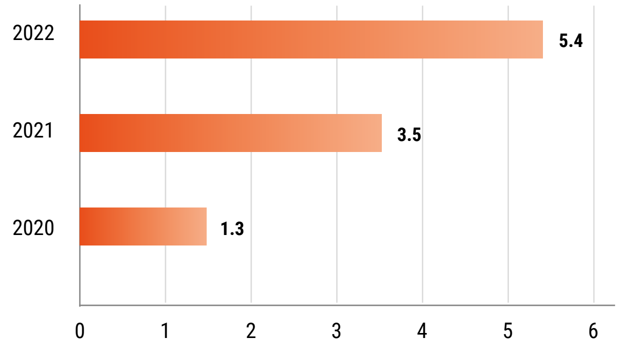

## LEVERAGE AND NET BORROWINGS




## ROBUST CASH GENERATION (€ BLN)




## SHAREHOLDERS REMUNERATION (€ BLN)



## FINANCIAL HIGHLIGHTS

| | | 2022 | 2021 | 2020 |
|---|---|---|---|---|
| Sales from operations | (€ million) | 132,512 | 76,575 | 43,987 |
| Operating profit (loss) | | 17,510 | 12,341 | (3,275) |
| Adjusted operating profit (loss)[a] | | 20,386 | 9,664 | 1,898 |
| *Exploration & Production* | | *16,411* | *9,293* | *1,547* |
| *Global Gas & LNG Portfolio* | | *2,063* | *580* | *326* |
| *Refining & Marketing and Chemicals* | | *1,929* | *152* | *6* |
| *Plenitude & Power* | | *615* | *476* | *465* |
| Adjusted net profit (loss)[a][b] | | 13,301 | 4,330 | (758) |
| Net profit (loss)[b] | | 13,887 | 5,821 | (8,635) |
| Net cash flow from operating activities | | 17,460 | 12,861 | 4,822 |
| Capital expenditure[c] | | 8,056 | 5,234 | 4,644 |
| *of which: exploration* | | *708* | *391* | *283* |
| *development of hydrocarbon reserves* | | *5,238* | *3,364* | *3,077* |
| Dividend to Eni's shareholders pertaining to the year[d] | | 3,077 | 3,055 | 1,286 |
| Cash dividend to Eni's shareholders | | 3,009 | 2,358 | 1,965 |
| Total assets at year end | | 152,130 | 137,765 | 109,648 |
| Shareholders' equity including non-controlling interests at year end | | 55,230 | 44,519 | 37,493 |
| Net borrowings at year end before IFRS 16 | | 7,026 | 8,987 | 11,568 |
| Net borrowings at year end after IFRS 16 | | 11,977 | 14,324 | 16,586 |
| Net capital employed at year end | | 67,207 | 58,843 | 54,079 |
| *of which: Exploration & Production* | | *50,910* | *48,014* | *45,252* |
| *Global Gas & LNG Portfolio (GGP)* | | *672* | *(823)* | *796* |
| *Refining & Marketing and Chemicals* | | *9,302* | *9,815* | *8,786* |
| *Plenitude & Power* | | *7,486* | *5,474* | *2,284* |
| Share price at year end | (€) | 13.3 | 12.2 | 8.6 |
| Weighted average number of shares outstanding | (million) | 3,483.6 | 3,566.0 | 3,572.5 |
| Market capitalization[e] | (€ billion) | 48 | 44 | 31 |

(a) Non-GAAP measures.
(b) Attributable to Eni's shareholders.
(c) Includes reverse factoring operations in 2022.
(d) The amount of dividend for the year 2022 is based on the Board's proposal.
(e) Number of outstanding shares by reference price at year end.

## SUMMARY FINANCIAL DATA

| | | 2022 | 2021 | 2020 |
|---|---|---|---|---|
| Net profit (loss) | | | | |
| *- per share[a]* | (€) | *3.95* | *1.60* | *(2.42)* |
| *- per ADR[a][b]* | ($) | *8.32* | *3.78* | *(5.53)* |
| Adjusted net profit (loss) | | | | |
| *- per share[a]* | (€) | *3.78* | *1.19* | *(0.21)* |
| *- per ADR[a][b]* | ($) | *7.96* | *2.81* | *(0.48)* |
| Cash flow | | | | |
| *- per share[a]* | (€) | *5.01* | *3.61* | *1.35* |
| *- per ADR[a][b]* | ($) | *10.55* | *8.54* | *3.08* |
| Adjusted Return on average capital employed (ROACE) | (%) | 22.0 | 8.4 | (0.6) |
| Leverage before IFRS 16 | | 13 | 20 | 31 |
| Leverage after IFRS 16 | | 22 | 32 | 44 |
| Gearing | | 18 | 24 | 31 |
| Coverage | | 18.9 | 15.7 | (3.1) |
| Current ratio | | 1.3 | 1.3 | 1.4 |
| Debt coverage | | 145.8 | 89.8 | 29.1 |
| Net Debt/EBITDA adjusted | | 43.0 | 83.7 | 174.1 |
| Dividend pertaining to the year | (€ per share) | 0.88 | 0.86 | 0.36 |
| Total Share Return (TSR) | (%) | 16.2 | 52.4 | (34.1) |
| Dividend yield[c] | | 6.5 | 7.1 | 4.2 |

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

## EMPLOYEES

| | | 2022 | 2021 | 2020 |
|---|---|---|---|---|
| Exploration & Production | (number) | 8,689 | 9,409 | 9,815 |
| Global Gas & LNG Portfolio | | 870 | 847 | 700 |
| Refining & Marketing and Chemicals | | 13,132 | 13,072 | 11,471 |
| Plenitude & Power | | 2,794 | 2,464 | 2,092 |
| Corporate and other activities | | 6,703 | 6,897 | 7,417 |
| Group | | 32,188 | 32,689 | 31,495 |

## INNOVATION

| | | 2022 | 2021 | 2020 |
|---|---|---|---|---|
| R&D expenditure | (€ million) | 164 | 177 | 157 |
| First patent filing application | (number) | 23 | 30 | 25 |

## HEALTH, SAFETY AND ENVIRONMENT[a]

| | | 2022 | 2021 | 2020 |
|---|---|---|---|---|
| TRIR (Total Recordable Injury Rate) | (total recordable injuries/worked hours) x 1,000,000 | 0.41 | 0.34 | 0.36 |
| *employees* | | *0.29* | *0.40* | *0.37* |
| *contractors* | | *0.47* | *0.32* | *0.35* |
| Direct GHG emissions (Scope 1) | (mmtonnes $CO_2$eq.) | 39.39 | 40.08 | 37.76 |
| Indirect GHG emissions (Scope 2) | | 0.79 | 0.81 | 0.73 |
| Indirect GHG emissions (Scope 3) other than those due to purchases from other companies[b] | | 164 | 176 | 185 |
| Net GHG Lifecycle Emissions (Scope 1+2+3)[c] | | 419 | 456 | 439 |
| Net Carbon Intensity (Scope 1+2+3)[c] | ($gCO_2$eq./MJ) | 66 | 67 | 68 |
| Net carbon footprint upstream (Scope 1+2)[c] | (mmtonnes $CO_2$eq.) | 9.9 | 11.0 | 11.4 |
| Net carbon footprint Eni (Scope 1+2)[c] | | 29.9 | 33.6 | 33.0 |
| Direct GHG emissions (Scope 1)/operated hydrocarbon gross production (upstream) | (tonnes $CO_2$eq./kboe) | 20.64 | 20.19 | 19.98 |
| Carbon efficiency index Group | | 32.67 | 31.95 | 31.64 |
| Direct methane emissions (Scope 1) | (ktonnes $CH_4$) | 49.6 | 54.5 | 55.9 |
| Volumes of hydrocarbon sent to routine flaring (upstream) | (billion $Sm^3$) | 1.1 | 1.2 | 1.0 |
| Total volume of oil spills (> 1 barrel) | (barrels) | 6.139 | 4,408 | 6,824 |
| *of which: due to sabotage* | | *5,253* | *3,053* | *5,866* |
| *operational* | | *886* | *1,355* | *958* |
| Freshwater withdrawals | (million $m^3$) | 131 | 125 | 113 |
| Re-injected production water | (%) | 59 | 58 | 53 |

(a) KPIs refer to 100% of the operated assets, where not indicated.
(b) GHG Protocol Category 11 – Corporate Value Chain (Scope 3) Standard. Estimated on the basis of the upstream production (Eni's share) in line with IPIECA methodologies.
(c) KPIs are calculated on an equity bases.

## OPERATING DATA

| | | 2022 | 2021 | 2020 |
|---|---|---|---|---|
| **EXPLORATION & PRODUCTION** | | | | |
| Hydrocarbon production | (kboe/d) | 1,610 | 1,682 | 1,733 |
| Net proved reserves of hydrocarbons | (mmboe) | 6,614 | 6,628 | 6,905 |
| Reserve life index | (years) | 11.3 | 10.8 | 10.9 |
| Organic reserve replacement ratio | (%) | 47 | 55 | 43 |
| Profit per boe[a][c] | ($/boe) | 9.8 | 4.8 | 3.8 |
| Opex per boe[b] | | 8.4 | 7.5 | 6.5 |
| Finding & Development cost per boe[c] | | 24.3 | 20.4 | 17.6 |
| **GLOBAL GAS & LNG PORTFOLIO** | | | | |
| Natural gas sales | (bcm) | 60.52 | 70.45 | 64.99 |
| *of which: Italy* | | *30.67* | *36.88* | *37.30* |
| *outside Italy* | | *29.85* | *33.57* | *27.69* |
| LNG sales | | 9.4 | 10.9 | 9.5 |
| **REFINING & MARKETING AND CHEMICALS** | | | | |
| Biorefineries capacity | (mmtonnes/year) | 1.1 | 1.1 | 1.1 |
| Sold production of biofuels | (ktonnes) | 428 | 585 | 622 |
| Average biorefineries utilization rate | (%) | 53 | 65 | 63 |
| Retail market share in Italy | | 21.7 | 22.2 | 23.2 |
| Retail sales of petroleum products in Europe | (mmtonnes) | 7.50 | 7.23 | 6.61 |
| Service stations in Europe at year end | (number) | 5,243 | 5,314 | 5,369 |
| Average throughput of service stations in Europe | (kliters) | 1,587 | 1,521 | 1,390 |
| Average oil refineries utilization rate | (%) | 79 | 76 | 69 |
| Production of petrochemical products | (ktonnes) | 6,775 | 8,476 | 8,073 |
| Average petrochemical plant utilization rate | (%) | 59 | 66 | 65 |
| **PLENITUDE & POWER** | | | | |
| Renewable installed capacity | (MW) | 2.198 | 1.137 | 335 |
| Energy production from renewable sources | (GWh) | 2.553 | 986 | 340 |
| Retail and business gas sales | (bcm) | 6,84 | 7,85 | 7,68 |
| Retail and business power sales | (TWh) | 18,77 | 16,49 | 12,49 |
| EV charging points | (thousand) | 13,1 | 6,2 | 3,4 |
| Thermoelectric production | (TWh) | 21,37 | 22,31 | 20,95 |
| Power sales in the open market | | 22,37 | 28,54 | 25,34 |

(a) Related to consolidated subsidiaries.
(b) Includes Eni's share in joint ventures and equity-accounted entities.
(c) Three-year average.

# Stakeholder engagement activities

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 and which allows constant and timely management of grievances and requests.

| CATEGORIES | RELEVANT THEMES |
|---|---|
| ENI'S PEOPLE AND NATIONAL AND INTERNATIONAL UNIONS | Combating climate change<br>Health and safety of workers<br>Innovation<br>Development of human capital<br>Diversity, inclusion and work-life balance<br>Reduction of environmental impacts |
| FINANCIAL COMMUNITY | Economic and financial strategy and performance(*)<br>Combating climate change<br>Reduction of environmental impacts<br>Protection of human rights<br>Transparency, anti-corruption and tax strategy<br>Circular economy |
| LOCAL COMMUNITIES AND COMMUNITY BASED ORGANISATIONS | Local development<br>Transparency, anti-corruption and tax strategy<br>Reduction of environmental impacts<br>Access to energy<br>Responsible supply chain management<br>Protection of human rights |
| CONTRACTORS, SUPPLIERS AND COMMERCIAL PARTNERS | Health and safety of workers<br>Combating climate change<br>Protection of human rights<br>Development of human capital<br>Diversity, inclusion and work-life balance<br>Digitalisation and Cyber security |
| CUSTOMERS AND CONSUMERS | Customer relations<br>Innovation<br>Reduction of environmental impacts<br>Combating climate change<br>Circular economy<br>Digitalisation and Cyber security |
| NATIONAL, EUROPEAN AND INTERNATIONAL INSTITUTIONS | Combating climate change<br>Reduction of environmental impacts<br>Access to energy<br>Circular economy<br>Innovation<br>Energy Security(*) |
| UNIVERSITIES, RESEARCH CENTRES AND INNOVATION HUBS | Combating climate change<br>Innovation<br>Reduction of environmental impacts<br>Local development<br>Circular economy<br>Protection of human rights |
| VOLUNTARY ADVOCACY AND CATEGORY ORGANIZATIONS AND INDUSTRY ASSOCIATIONS | Development of human capital<br>Circular economy<br>Reduction of environmental impacts<br>Health and safety of workers<br>Innovation<br>Combating climate change |
| ORGANISATIONS FOR DEVELOPMENT COOPERATION | Local development<br>Combating climate change<br>Circular economy<br>Access to energy<br>Innovation<br>Health and safety of workers |

(*) 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.

## 2022 MAIN ENGAGEMENT ACTIVITIES

- Professional and training paths on emerging skills related to business strategies and entrepreneurship development.
- Training initiatives to support inclusion and recognition of the value of all kinds of diversity.
- Climate analysis to collect employees' opinions about the company.
- International initiatives to support team building, mobility and training to foster internationality.
- 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.

- Capital Markets Day (2022-25 strategic plan and long-term plan to 2050) and virtual Roadshow on the main financial exchanges.
- Roadshows with investors and proxy advisors on executive remuneration.
- Conference call on the quarterly results.
- Participation of Top Management in thematic conferences organised by banks.
- Participation in theme conferences and ongoing engagement with institutional investors and leading ESG rating agencies.

- Consult with local authorities and communities for new exploration activities and/or the development of new business projects and local development projects.
- Consult with communities and other stakeholders in countries where impact studies were conducted, including Social and Human Rights Impact Assessments.
- Manage requests and grievances from local communities.
- Regular communication on project progress and workshops on Local Content opportunities.
- Awareness-raising campaigns in local communities on health issues and the use of improved cookstoves.

- Awareness-raising initiatives and supplier involvement in thematic webinars, workshops, and educational and informational events to foster widespread sustainability awareness throughout the supply chain.
- 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.
- Human Rights Due Diligence: extending the application of the risk-based model to prevent and mitigate risks in the entire supply chain.
- 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.

- Meetings and workshops with Presidents, General Secretaries and Energy Managers of national and local Consumer Associations (CAs) on energy transition issues and business initiatives.
- Territorial meetings with regional Consumer Associations of the National Council of Consumers and Users and sponsoring of the CAs initiatives on various sustainability topics.
- Listening to consumers, customers and involving CAs for product insights, service evaluation and monitoring to improve satisfaction, quality and corporate positioning.
- Presentation to the CA of results, objectives and future strategies for developing and implementing customer centricity.

- 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.
- Representation of Eni's position on energy transition and decarbonization in public events and the main international multilateral fora (e.g. G20, B20, COP27).
- 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.
- Presentation of projects, visits by associations and national institutional and political delegations at industrial plants, operational sites and research centres.

- Research agreements with the Universities of Milan - Bicocca and Pisa, and ENEA for energy transition and decarbonization.
- Continuation of cooperation activities with a) Politecnico di Milano and Torino; 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.
- Establishment of a Joint Laboratory with the University of Bologna for new energy transition technologies.
- Participation as a founding member within the PNRR in four National Research Centres and two Innovation Ecosystems.
- Present in major national and international innovation hubs, agreements with innovation brokers, start-up incubators and accelerators.

- 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.
- 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.
- 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.
- Collaboration agreement with Confindustria for the 4th Circular Economy Best Performer Competition and the 2nd Circular Bootcamp.

- 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 (CSO); and private sector organisations such as Centro Cardiologico Monzino IRCCS, CNH Industrial and Iveco Group.
- 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 (CSO).

## 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

# Strategy

"The Plan confirms the strength and effectiveness of our strategy. In 2014 we undertook an industrial and financial transformation path which progressively enabled us to create value even in difficult scenarios, delivering security of supplies and environmental sustainability. We have been focusing our exploration and production strategy mainly on gas, leveraging our own production and diversifying our investments across different countries. This has enabled us to put in place our Plan aimed at replacing 20 billion cubic meters of Russian gas by 2025. We have been transforming our downstream platform and invested in technology to create and grow our transition businesses aiming at net zero Scope 1, 2 and 3 emissions. This enables us today to fully confirm our decarbonization targets despite the current energy security scenario and the need to respond to a strong demand for traditional sources. Today we can clearly outline how the Company will be in 2030: our Upstream operations will no longer produce net emissions; our hydrocarbon production will be composed mainly by gas; our biofuel capacity will exceed 5 million

## CONFIRMING OUR PATH TO REDUCE GHG EMISSIONS

**Net zero GHG lifecycle emissions**
(Scope 1, 2 and 3) by 2050

**Net GHG Lifecycle Emissions**
(Scope 1, 2 and 3) vs. 2018:
**-35%** by **2030**
**-80%** by **2040**

**Eni Net Carbon Footprint**
(Scope 1 and 2)
**Net zero emission** by **2035**

**Net Carbon Footprint Upstream**
(Scope 1 and 2)
**-65%** by **2025** (vs. 2018)
**Net Zero emission** by **2030**

## NEW ENERGY SOLUTION

**Plenitude**
over **15 mln customers** and
**15 GW** of renewable capacity by 2030

**Biorefinery**
capacity at over
**5 mln tonn/y** from 2030

**Magnetic fusion**
expected
**first commercial plant**
by the next ten years

**CAPEX**
foreseen a growing share of capex for new energy solutions:
**30%** by **2026**
**70%** by **2030**
until **85%** by **2040**

tonnes per year; our renewable energy capacity will be more than 15 GW. And our investments in the most revolutionary technology linked to the energy transition – the magnetic confinement fusion – will be about to result in the first industrial plant.
Finally, we have deeply strengthened the Company from a financial point of view through optimization and rationalization of expenditures, and this allows us today to present our strong financial goals: a significant CFFO generated both from our traditional activities and with the contribution of transition-related businesses; a satellite business model which allows us to enhance the value of our businesses while freeing up additional resources for investment in transition; and a very low debt level. Our financial robustness enables us today to create increasing value for our shareholders and to enhance the remuneration policy."

Claudio Descalzi, *Eni CEO*

## FINANCIAL DISCIPLINE

**4Y CAPEX**
**€37 bln**
in 2023 around **€9.5 bln**

**Internal Rate of Return**
of new upstream projects
**~25%** at Eni scenario

**Cash flow from operations ante working capital**
**>€69 bln** in the 4Y plan
at Eni scenario;
in **2023 >€17 bln**

**ROACE**
**13% on average in the 4Y plan**
at 2023 constant scenario

## VALUE CREATION FOR OUR SHAREHOLDERS

Distribution of about
**25-30% of CFFO** ante working capital through a combination of dividends and buy-back

**Annual dividend**
**€0.94 per share** for the **FY 2023**
(+7% vs. 2022)

**Dividend payment**
expected in **four** equal quarterly **tranches**:
September and November 2023,
March and May 2024

**Buy-back program**
of **€2.2 bln in 2023**
(2x vs. 2022 policy @ 85 $/bl);
in conditions exceeding our scenario, distribution of 35% of incremental CFFO to a maximum threshold of buy-back equal to €3.5 bln

## 2023-2026 STRATEGIC PLAN

The 2023-2026 strategic plan builds on Eni's track-record of operating and financial performance and focusses on:

- energy security and affordability through geographical and technological diversification;
- emissions reduction;
- leveraging technology for today and for breakthrough opportunities;
- advancing satellite model, focused on the capability of independently accessing capital markets to fund the growth and to reveal the real value of each businesses;
- delivering value for our shareholders.

## GROUP STRATEGY

Eni's financial strength enables the execution of its business strategy, provides flexibility across the cycle and delivers return to its investors.

The 2023-2026 plan foresees:

- 2023 CFFO before working capital at replacement cost of over €17 billion, and over €69 billion along the plan period. At a constant scenario, 2026 CFFO will be over 25% above 2023, driven by E&P, positive contributions from all the business segments and growth from the main transition businesses of Plenitude and Sustainable Mobility;
- Average ROACE at 13% over 2023-2026 at a constant 2023 scenario, +7 percentage points vs. 2010-2019 average, confirming the profitability of Eni's capital;
- 2023 Capex will be around €9.5 billion and €37 billion over the plan period. This represents +15% in USD terms versus the outlook provided last year adjusted for inflation, reflecting new, high-quality opportunities and acceleration or increase in scale of existing projects in the Upstream. These projects deliver significant value and continue to do so well after the end of the Plan. Low and zero carbon spending will be around 25% of the total capex;
- Over the 4-year plan, based on our scenario, Eni will generate organic FCF before working capital of more than €32 billion;
- Leverage in the range of 10-20% over the plan period, confirming Eni capital and cost discipline, as well as the quality of the Company's portfolio.

## NATURAL RESOURCES

### EXPLORATION & PRODUCTION

Eni's **Upstream** strategy envisages, in line with the target of carbon footprint reduction, the maximization of returns and cash generation by leveraging excellence in exploration, fast track projects and the high quality of our portfolio, confirmed by low technical costs and from high cash flow per barrel, at the top of the industry.

The evolution of the production mix envisages the progressive increase of the gas component up to 60% by 2030.

Scope 1 and 2 net emissions of upstream activities are calculated considering equity production and are expected to zeroing by 2030, leveraging on the energy efficiency and on Natural Climate Solutions projects which will allow to net the residual emissions. Another driver to target Group decarbonization goals is represented by capture and storage of $CO_2$ projects.

The 2023-2026 plan foresees:
- **Upstream free cash flow organic** (pre working capital) per barrel increasing by 20% in 2026 compared to 2023, at constant scenario;
- **production growing** at average of 3-4% over the 4-year plan period leveraging on ramp-ups and start-ups of the period;
- **upstream capex** in the range of €6 and €6.5 billion per year in the 4Y 2023-2026;
- further development of **integrated activities with the Global Gas & LNG Portfolio** segment to extract value from equity gas;
- the valorization and razionalitation of exploration portfolio targeting **2.2 billion boe of new resources** at around $1.50 of exploration cost, of which 60% of discoveries to be gas. Exploration will be focused (about 90%) in areas close to near-field producing assets and existing infrastructures;
- through CCS initiatives, **30 MPTA** of carbon gross volume **stored** by 2030;
- agri-feedstock: over 700,000 tonnes in 2026 supplying Eni's biorefineries.

### GGP

In the plan period, **GGP** will continue the strategy of maximizing returns by leveraging a more diversified and flexible portfolio and on a higher equity component.

The 2023-2026 foresees:
- **the fully replacement of Russian gas volumes** by 2025, leveraging on the strong relationships with producing countries and its fast-track development approach to ramp-up volumes from Algeria, Egypt, Mozambique, Congo LNG, and Qatar;
- **the growth of contractual LNG volumes**, expected to exceed 18 MTPA by 2026 (9 MTPA in 2022);
- the generation of **4-year adjusted Ebit** totalling **over €4 billion**, of which an amount between €1.7-€2.2 billion in 2023.

## ENERGY EVOLUTION

### REFINING & MARKETING

The **Refining & Marketing** strategy is focused on the development of alternative energy carriers and mobility and personal services on the one hand, and on the progress of the transformation of traditional refining assets in the energy transition path.

An important contributor to this better outlook is the growth of **Eni Sustainable Mobility**, incorporated at the beginning of this year, combining biorefining, biomethane and the sale of

mobility products and targeted to evolve into a multi-service, multi-energy company, generating and unlocking new value.
The 2023-2026 plan foresees:
- accelerating targeted biorefining capacity: over 3 MTPA by 2025 versus 2 MTPA previously, and more than 5 MTPA by 2030, supported by recently announced initiatives in Italy, Malaysia and the US;
- vertical integration as a unique element of biorefining strategy;
- a network of over 5,000 sales points in Europe to market and distribute new energy carriers, as electricity and, in perspective, hydrogen. Eni plans to add around 300 new stations over the plan period;
- the transformation of the industrial set-up through the conversion of the production circuit, developing circular economy initiatives leveraging on innovative technologies;
- Sustainable Mobility EBITDA of €1.5 billion by 2026, growing at average of 20% CAGR versus 2023, contributing to the raised expectations for the Downstream.

## VERSALIS

**Versalis** will move into sustainable profitability over the course of the Plan, thanks to the transformation to a structurally more sustainable and competitive business mix.
It will continue its transformation into a fully specialized and sustainable chemical company.

The 2023-2026 plan foresses:
- the **growth in target markets** with investments in its compounding platform and in new technologies;
- developing **circular economy** initiatives and complementary recycling processes.

## PLENITUDE

The main **Plenitude** strategic guidelines for the medium/long-term foresee the synergic development of installed capacity for energy production from renewable sources with a target of over 15 GW by 2030 and of the retail customer portfolio up to exceed 15 million supply contracts by 2030 through the selection of growing areas in the renewable business linked to the presence of our customers.

The 2023-2026 plan foresees:
- the delivery of over 7 GW of installed capacity by 2026, supported by a strong pipeline of over 11 GW of projects and opportunities;
- the growth of customer portfolio targeting over 11 million customers by 2026 leveraging on international development and increasing power customer portfolio;
- the development of the E-Mobility market targeting to more than double its network of EV charging points to over 30,000 by the end of the plan period;
- having delivered its target of over €600 million in pro-forma EBITDA in 2022, the Company expects to triple this figure to €1.8 billion by 2026.

### POWER

The 2023-2026 strategic plan for the **Power** business foresees:

- results maximization thanks to power plant flexibility and efficiency;
- detection and development of new low carbon technological solutions.

## OTHER ESG TARGETS[1]

### Health and safety

Guarantee constant and continuous attention to people, protecting their safety and health.

### Human capital

Manage the impact of the energy transition on employees and communities with a view to Just Transition; develop professional skills for the new businesses; promote the strengthening of gender equality and the enhancement of diversity (+3 percentage points of female presence by 2030 vs. 2020); further develop innovative and agile working solutions by enhancing the welfare solutions and work-life balance.

### Environment

Ensure constant and continuous attention to the efficient use of natural resources, in compliance with the highest technical and management standards.

### Human rights, transparency and integrity

Ensure maximum attention to integrity, transparency, equal dignity of people and respect for human rights. Continue to involve suppliers in the energy transition process.

### Local development

Implement 75 Local Development Projects in the countries where we operate with an overall commitment of €326 million (Eni's share) in the four-year period 2023-2026, improving living conditions for 932 thousand beneficiaries through energy access initiatives, education, water, economic diversification and health.

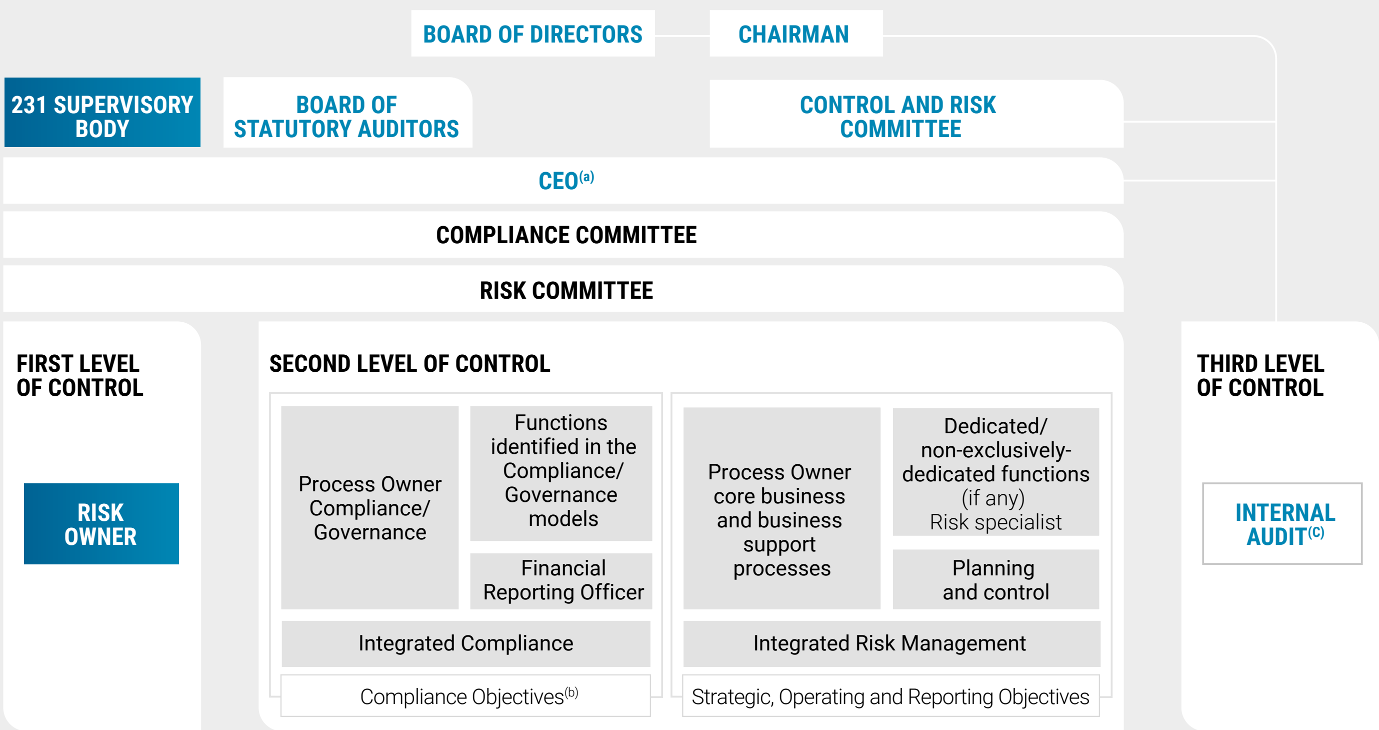
(1) For more details see the section "Responsible and Sustainable Approach" of the Eni's Consolidated Disclosure of Non-Financial Information.

# Integrated Risk Management

The Integrated Risk Management (IRM) process is aimed at ensuring that management takes risk-informed decisions, with adequate consideration of actual and prospective risks, including short, medium and long-term ones, within the framework of an organic and comprehensive vision

## INTEGRATED RISK MANAGEMENT MODEL

The IRM Model is based on a system of methodologies and skills that leverages on criteria that ensure consistency of the evaluations (data quality, objectivity of the detection and quantification of the mitigation actions) in order to improve the effectiveness of the analyses, ensure an adequate support for the main decision making processes (definition of the Strategic Plan) and guarantee the disclosure to the administration and control structures.
The IRM Model is characterized by a structured approach, based on international best practices and considering the guidelines of the Internal Control and Risk Management System (see page 39), that is structured on three control levels.
Risk Governance attributes a central role to the Board of Directors (BoD) which defines the nature and level of risk in line with strategic targets, including in evaluation process all the elements that can be relevant in a view of the Company's sustainable success.
The BoD, with the support of the Control and Risk Committee, outlines the guidelines for risk management, so as to ensure that the main corporate risks are properly identified and adequately assessed, managed and monitored, determining the degree of compatibility with company management consistent with the strategic targets. For this purpose, Eni's CEO, through the IRM process, presents every three months a review of the Eni's main risks to the Board of Directors. The analysis is based on the scope of the work and risks specific of each business area and processes aiming at defining an Integrated Risk Management policy; the CEO also ensures the evolution of the IRM process consistently with business dynamics




(a) In charge of establishing and maintaining of the ICRMS.
(b) Including objectives on the reliability of financial reporting.
(c) The Internal Audit Director reports hierarchically to the Board and, on its behalf, to the Chairman, without prejudice to its functional reporting to the Control and Risk Committee and to the CEO, and without prejudice to the provisions concerning the appointment, revocation, remuneration and allocation of resources.

and the regulatory environment. Furthermore, the Risk Committee, chaired by the CEO, holds the role of consulting body for the latter with regards to major risks. For this purpose, the Risk Committee evaluates and expresses opinions, at the instance of CEO, related to the main results of the IRM process.

## INTEGRATED RISK MANAGEMENT PROCESS

The IRM process ensures the detection, consolidation and analysis of all Eni's risks and supports the BoD to verify the compatibility of the risk profile with the strategic targets, also in a medium/long-term approach. The IRM supports management in the decision-making process by strengthening awareness of the risk profile and the associated mitigations. The process, regulated by the "Management System Guideline (MSG) Integrated Risk Management" is continuous, dynamic and includes the following sub-processes: (i) Risk governance, methodologies and tools (ii) Risk Strategy, (iii) Integrated Rrisk Management, (iv) Risk knowledge, training and communication.
The IRM process starts from the specialist contribution to the elaboration of the Strategic Plan provided on the basis of the overall risk management activity, with particular reference to the definition of the de-risking areas, the analysis of the risk profile underlying the Plan proposal and the identification of the main actions with effective de-risking of the strategic company's top risks. The results of the activities are presented to the Administrative and Control structures in times consistent with the Strategic Planning process.

The "**Integrated Risk Management**" sub-process includes: periodic risk assessment and monitoring cycles (Integrated Risk Assessment) in order to understand the risks taken on the basis of the strategic targets and the initiatives defined to achieve them; contract risk management and analysis aimed at the best allocation of the contractual responsibilities with the supplier and their adequate management in the operational phase; integrated analysis of existing risks in the Countries of presence or potential interest (ICR) which represents a reference for risk strategy, risk assessment and project risk analysis activities; support to the decision-making process for the authorization of investment projects and main transactions (Integrated Project Risk Management and M&A).
The risks are assessed with quantitative and qualitative tools considering both the likelihood of occurrence and the impacts that would occur in a defined time horizon when the risk occurs.
The assessment is expressed following an inherent and a residual level (taking into account the effectiveness of the mitigation actions) and allows to measure the impact with respect to the achievement of the objectives of the Strategic Plan and for the whole life as regards the business. The risks are represented on the basis of the likelihood of occurrence and the impact on matrices that allow their comparison and classification by relevance. Risks with economic/financial impact are also analyzed in an integrated perspective on the basis of quantitative models that allow to define on a statistical basis the distribution of risk flows or to simulate the aggregate impact of risks in the face of hypothetical future scenarios (what if analysis or stress test).
In 2022, two assessment sessions were performed: the Annual Risk Profile Assessment performed in the first half of the year, involving 134 companies in 45 Countries and the Interim Top Risk Assessment performed in the second half of the year, relating to the update of the evaluation and treatment of Eni's top risks and the main business risks.

The two assessment results were submitted to Eni's management and control bodies in July and December 2022. In addition, three monitoring processes were performed on Eni's top risks.
The monitoring of such risks and the relevant treatment plans allow to analyze the risks evolution (through update of appropriate indicators) and the progress in the implementation of specific treatment

measures decided by management. The top risks monitoring results were submitted to the management and control bodies in March, July and October 2022.
The **risk knowledge, training and communication** sub-process is aimed at increasing the diffusion of the culture of risk, at strengthening a common language among the resources that operate in the risk management area across the different Eni businesses as well as sharing information and experiences, also through the development of a community of practice.
Eni's top risks portfolio consists of 19 risks classified in: (i) external risks, (ii) strategic risks and, finally, (iii) operational risks (see Targets, risks and treatment measures on the following pages).

**IRM – Integrated Risk Management** →
Risk-based process

1 RISK GOVERNANCE, METHODOLOGIES AND INSTRUMENTS
2 RISK STRATEGY
3 INTEGRATED RISK MANAGEMENT
4 RISK KNOWLEDGE, TRAINING AND COMMUNICATION

## TARGETS, MAIN RISKS AND TREATMENT MEASURES

### STRATEGIC RISK

#### SCENARIO

**MAIN RISK EVENTS**

**Commodities price scenario**, overview of the risk of unfavorable fluctuations in the prices of Brent, Gas and other commodities compared to planning assumptions.

**TREATMENT MEASURES**

- Focus on portfolio resilience and flexibility through: cash generation of traditional businesses, growth of new businesses, portfolio optimization and investment maneuver;
- optimization of the gas contract portfolio through price revision processes and flexibility of physical withdrawals;
- active strategy of portfolio hedging in relation to the market conditions and the geopolitical context evolution;
- optimization of traditional business industrial structures;
- enhancement of biorefining capacity through conversion of traditional refining productive assets and selective partnerships in projects in differentiated geographical areas;
- specialization of the chemical portfolio towards higher value-added products and markets; chemical development from renewable/bio and recycling feedstocks;
- maximization of value from power services market and initiatives to promote the decarbonisation of power generation;
- maximization of synergies between the renewable capacity under development and power customer portfolio (integrated energy management and hedging with customer portfolio) and further revenues securitization through participation in auctions and signing of PPA.

#### CONTRACTION IN DEMAND/ COMPETITIVE ENVIRONMENT

**MAIN RISK EVENTS**

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

**TREATMENT MEASURES**

- Development of the Gas and LNG portfolio with an increasing equity share from Upstream/GGP integrated initiatives;
- optimization initiatives of Gas and LNG portfolio;
- active strategy of portfolio hedging in relation to the market conditions and the geopolitical context evolution;
- growth in the sustainable mobility business and selective development of Premium stations;
- differentiation of the chemical portfolio towards higher value-added products and extension of the downstream chain towards compounding;
- development of chemical platforms from renewables and recycling;
- organic growth of retail gas and power customers with progressive integration with renewable energy generation capacity and with the development of distributed generation and energy efficiency services;
- consolidation of the market position in the renewables business, in particular in the countries of retail presence through the development of the pipeline of acquired projects, with a particular focus on Spain and Italy.

**Eni's target:** COMPANY PROFITABILITY CORPORATE REPUTATION RELATIONSHIP WITH STAKEHOLDERS, LOCAL DEVELOPMENT

## CLIMATE CHANGE

**MAIN RISK EVENTS**

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

**TREATMENT MEASURES**

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

# EXTERNAL RISK

## COMMERCIAL CREDIT RISK

**MAIN RISK EVENTS**

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

**TREATMENT MEASURES**

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

## BIOLOGICAL

**MAIN RISK EVENTS**

Risk related to the spread of **pandemics and epidemics** with potential impacts on people, health infrastructures and business.

**TREATMENT MEASURES**

- Eni Crisis Unit's constant guidance and monitoring to align, coordinate and identify response actions;
- preparation and implementation of a plan to react to health emergencies (Medical Emergency Response Plan - MERP) to be adopted by all Eni subsidiaries and employers. The plan is also aimed at defining a business continuity plan;
- adherence to the national vaccine campaign, also through the establishment of extraordinary vaccine centers in the Company's sites;
- technical-scientific direction activity carried out by the central functions to define prevention and treatment measures to be declined and implemented at the business level.

## GEOPOLITICAL

**MAIN RISK EVENTS**

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

**TREATMENT MEASURES**

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

## COUNTRY

**MAIN RISK EVENTS**

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

**TREATMENT MEASURES**

- Geographical diversification of portfolio through disposals and targeted and synergic acquisitions aimed at reduce the overall risk profile;
- close cooperation with local authorities;
- mitigation actions for security risks through specific projects and programs for some more sensitive areas/sites
- presence of a security risk management system supported by analysis of country and site specific preventive measures and implementation of emergency plans aimed at maximum safety of people and management of activities and assets;
- signing of country-specific repayment plans using already tested contractual and/or financial instruments;
- request for sovereign guarantees and letters of credit to protect credit positions.

## ENERGY SECTOR REGULATION

**MAIN RISK EVENTS**

**Energy sector regulation,** impacts on the operations and competitiveness of the businesses associated with the evolution of the energy sector regulation.

**TREATMENT MEASURES**

- Monitoring of legislative and regulatory evolution; advocacy within the institutional processes of definition of new directives or regulations targeted to decarbonisation and energy security;
- definition of strategic and operative actions in line with regulatory evolution:
  - increase in the capacity of biorefineries and diversification of feedstock and products (phase out of palm oil, agri-biofeedstock, Biojet production, biomethane development);
  - chemical development from renewable sources and development of the advanced mechanical recycling and technologies for chemical recycling;
  - supply to retail customers of energy efficiency services, distributed generation development and synergies with the renewable business.

## RELATIONSHIPS WITH LOCAL STAKEHOLDERS

**MAIN RISK EVENTS**

**Relationships with local stakeholders** of the energy industry.

**TREATMENT MEASURES**

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

## PERMITTING

**MAIN RISK EVENTS**

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

**TREATMENT MEASURES**

- Constant dialogue with the Institutions also with the aim of legislative proposal;
- hearings in parliamentary committees;
- continuous involvement from the early stages of the authorities and stakeholders on project's targets and progress;
- transfer and sharing of know-how with the bodies involved, also through greater involvement of technical bodies;
- supervision and monitoring of sectoral authorization procedures with the competent Local Authorities;
- visits/inspections of representatives of the institutions to the sites;
- start-up of Eni's central platform functional to the management of the Permitting and Environmental Compliance process of the operating sites.

**Eni's target:** COMPANY PROFITABILITY CORPORATE REPUTATION RELATIONSHIP WITH STAKEHOLDERS, LOCAL DEVELOPMENT

# OPERATIONAL RISK

## ACCIDENTS

**MAIN RISK EVENTS**

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

**TREATMENT MEASURES**

- Insurance coverage;
- careful prevention action (application of new technologies) and real time monitoring for wells;
- proactive monitoring of incidental events with identification of weak signals in the Process Safety field and completion of the actions resulting from Audit and Risk Assessment related to Process Safety issues;
- technological and operational improvements and continuous implementation of the Asset Integrity Management system to prevent accidents together with the increase in plant reliability;
- vetting: management and coordination of activities relevant to assessment, inspection and technical selection of ships, the assignment of a rating to operators;
- standard contractual specifications in maritime transport;
- Contract Risk Management (Pre/Post award);
- continuous training activities.

## CYBER SECURITY

**MAIN RISK EVENTS**

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

**TREATMENT MEASURES**

- Centralized governance model of Cyber Security, with units dedicated to cyber intelligence and prevention, monitoring and management of cyber attacks;
- strengthening of Cyber Security Operation infrastructures and services;
- strengthening of safeguards for foreign subsidiaries and industrial sites;
- increased detection capacity by implementing specific IoC (Compromise Indicators) from institutional sources and Cyber Threat Intelligence providers;
- promotion of the corporate culture in the Cyber Security also through targeted initiatives (phishing simulation);
- raising of the monitoring level of security events.

## INVESTIGATIONS AND HSE PROCEEDINGS

**MAIN RISK EVENTS**

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

**TREATMENT MEASURES**

- Specialist assistance for Eni SpA and the Italian and foreign unlisted subsidiaries;
- continuous monitoring of regulatory developments and constant evaluation of the adequacy of existing presidium and control models;
- enhancement of the process of assigning and managing assignments to external professionals through new methods aimed at ensuring transparency and traceability;
- monitoring of relations with the Public Administration and definition of routes for the management of relevant problems and for the development of the territory;
- continuous monitoring of the efficacy and efficiency of reclamation activities;
- focused communications;
- collaboration with stakeholders and the Public Administration (e.g. Ministries, Higher Institute of Health, Universities).

# Governance

## Integrity and transparency are the principles that have inspired Eni in designing its corporate governance system, a key pillar of the Company's business model

The governance system, flanking our business strategy, is intended to support the relationship of trust between Eni and its stakeholders and to help achieve business goals, creating sustainable value for the long-term.

Eni is committed to building a Corporate Governance system[1] founded on excellence in our open dialogue with the market and all stakeholders.

Starting from January 1st, 2021, Eni applies the recommendations of the 2020 Corporate Governance Code, which Eni's Board of Directors adopted on December 23, 2020.The Corporate Governance Code identifies "sustainable success" as the objective that must guide the action of the management body and which takes the form of creating long-term value for shareholders, taking into account the interests of other relevant stakeholders. Eni, however, has been considering the interest of stakeholders other than shareholders as one of the necessary elements Directors must evaluate in making informed decisions since 2006. This approach is implemented in particular in the list of powers that the Board of Directors has decided to reserve to itself exclusively, recently updated on January 26, 2023 with the aim of further consolidating its duties in line with the Corporate Governance Code, with the best national and international practices and with the Company and Group's transformation resulting from the transition process undertaken.

Eni is committed to building a Corporate Governance system founded on excellence in our open dialogue with the market and all stakeholders. It is part of our efforts to ensure the effective exercise of shareholders' rights. In 2022 Eni continued to pursue a dialogue with the market on matters of governance and to seize the opportunities deriving from studies and experience at the international level, in spite of the complications associated with the health emergency which prevented more immediate contacts, in particular with reference to the shareholders' meeting. Shareholders were granted all legal rights and additional information tools were provided in order to allow the greatest possible involvement. The policy for managing dialogue with investors, approved on March 8, 2022 by Eni's Board of Directors, upon the proposal of the Chairman and in agreement with the Chief Executive Officer, was also adopted.

In line with the principles defined by the Board of Directors, Eni is committed to creating a Corporate Governance system inspired by criteria of excellence, also participating in initiatives to improve it. In particular, the various initiatives in 2022 included participating in working groups for in-depth analysis of topics subject to European legislation such as corporate sustainability reporting and sustainability due diligence, as well as in-depth studies on Say on Climate. In particular, in the occasion of the Shareholders' Meeting on May 11, 2022, in continuity with the previous year, a message was published by the Chairman and the Chief Executive Officer about the climate transition, which asked shareholders to express, through the designated representative, their opinions on the climate strategy outlined in the document.

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

# THE ENI CORPORATE GOVERNANCE

## Eni Corporate Governance model

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

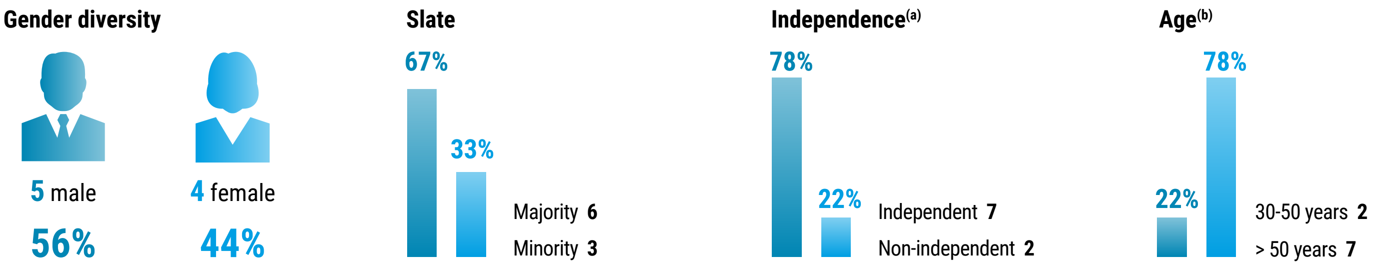
## Appointment and composition of corporate bodies

Eni's Board of Directors and Board of Statutory Auditors, and their respective Chairmen, are elected by the Shareholders' Meeting. To ensure the presence of Directors and Statutory Auditors selected by non-controlling shareholders a slate voting mechanism is used.
Eni's Board of Directors and Board of Statutory Auditors[2], whose term runs from May 2020 until the Shareholders' Meeting called to approve the 2022 financial statements, are made up of 9 and 5 members, respectively. Three directors and two Standing Statutory Auditors, including the Chairman of the Board of Statutory Auditors, were elected by non-controlling shareholders, thereby giving minority shareholders (i.e. shareholders other than the controlling shareholder) a larger number of representatives than that provided for under law. In deciding the composition of the Board of Directors, the Shareholders' Meeting was able to take account of the guidelines provided to investors by the previous Board with regard to diversity, professionalism, experience and competence, also with reference to corporate strategies, the Company's transformation and energy transition. The outcome was a balanced and diversified Board of Directors, as also confirmed by the results of the self-assessments conducted annually by the Board, which showed a positive opinion on the professionalism within the Board in terms of knowledge, experience and skills[3] and on the individual contribution made by Directors to the Board in relation to sustainability, ESG and the energy transition, topics that characterised the Board's work for its entire mandate. There was unanimous recognition of the effort and commitment of the entire Board to the energy transition, climate change, sustainability and ESG, and within its role of strategic guidance and monitoring in relation to the transition process undertaken. Significant support also came from the Board Committees, especially from the Sustainability and Scenarios Committee due to its specific functions, in terms of quality and depth of discussion about ESG topics and sustainability, as well as topics related to the energy transition and climate change.
In 2020 the Board of Statutory Auditors had also prepared a shareholders' advice providing indications on the composition of the body in relation to the tasks it was called upon to perform. The composition of the Board of Directors and of the Board of Statutory Auditors is also more diversified in gender terms, in accordance with the provisions of applicable law and the By-laws. The latter was promptly amended to be compliant with the law in February 2020 in view of the renewal of the corporate bodies. In particular, for 6 consecutive terms the management and control bodies shall be composed of at least 2/5 of the less represented gender. Furthermore, based on the assessments most recently carried out on February 22, 2023, the number of independent directors on the Board of Directors (7[4] of the 9 serving, of whom 8 are non-executive Director including the Chairwoman) remains greater than the number provided for in the By-laws and by Corporate Governance Code. In light of the upcoming renewal in 2023 during approval of the financial statements ended as at December 31, 2022 and, as recommended by the Corporate

(2) Following the resignation of a Standing Statutory Auditor on September 1st, 2020, replaced by an Alternate Statutory Auditor, the Shareholders' Meeting of May 12, 2021 appointed a Statutory Auditor and an alternate Auditor for the duration of the term of the Board of Statutory Auditors in office, to restore full membership of the Board of Statutory Auditors.
(3) In particular, the Chief Executive Officer and Director Vermeir possess solid experience and expertise in the Company's business sector; Director Litvack, the current Chairman of the Sustainability and Scenarios Committee, on ESG topics.
(4) Independence as defined by applicable law, to which the Eni By-laws refer, and by the Corporate Governance Code.

Governance Code, the Board of Directors, supported by the Nomination Committee and taking into account the results of the self-assessment, with the support of the same independent external consultant that assisted the Board in the self-assessment, including in order to take into account the perspective of external stakeholders (filtered by the experience of that consultant), the best practices of reference and the indications of the leading proxy advisors and the organisations of reference (in particular the Italian Corporate Governance Committee), has expressed its guidelines for shareholders on the quantitative and qualitative composition it considers to be optimal. The guidelines highlighted in particular the central role of sustainability, ESG and energy transition expertise, also underlining the importance of ensuring that Eni's directors have knowledge of topics related to sustainability and climate and environment risk control, operated in managerial or business roles and acquired in industrial contexts comparable to those in which the Company operates. Similarly, the Board of Statutory Auditors expressed guidelines for shareholders on its own quantitative and qualitative composition considered to be optimal.

**COMPOSITION OF THE BOARD OF DIRECTORS**




(a) Independence as defined by applicable law and Corporate Governance Code.
(b) Figures at December 31, 2022.

## The structure of the Board of Directors

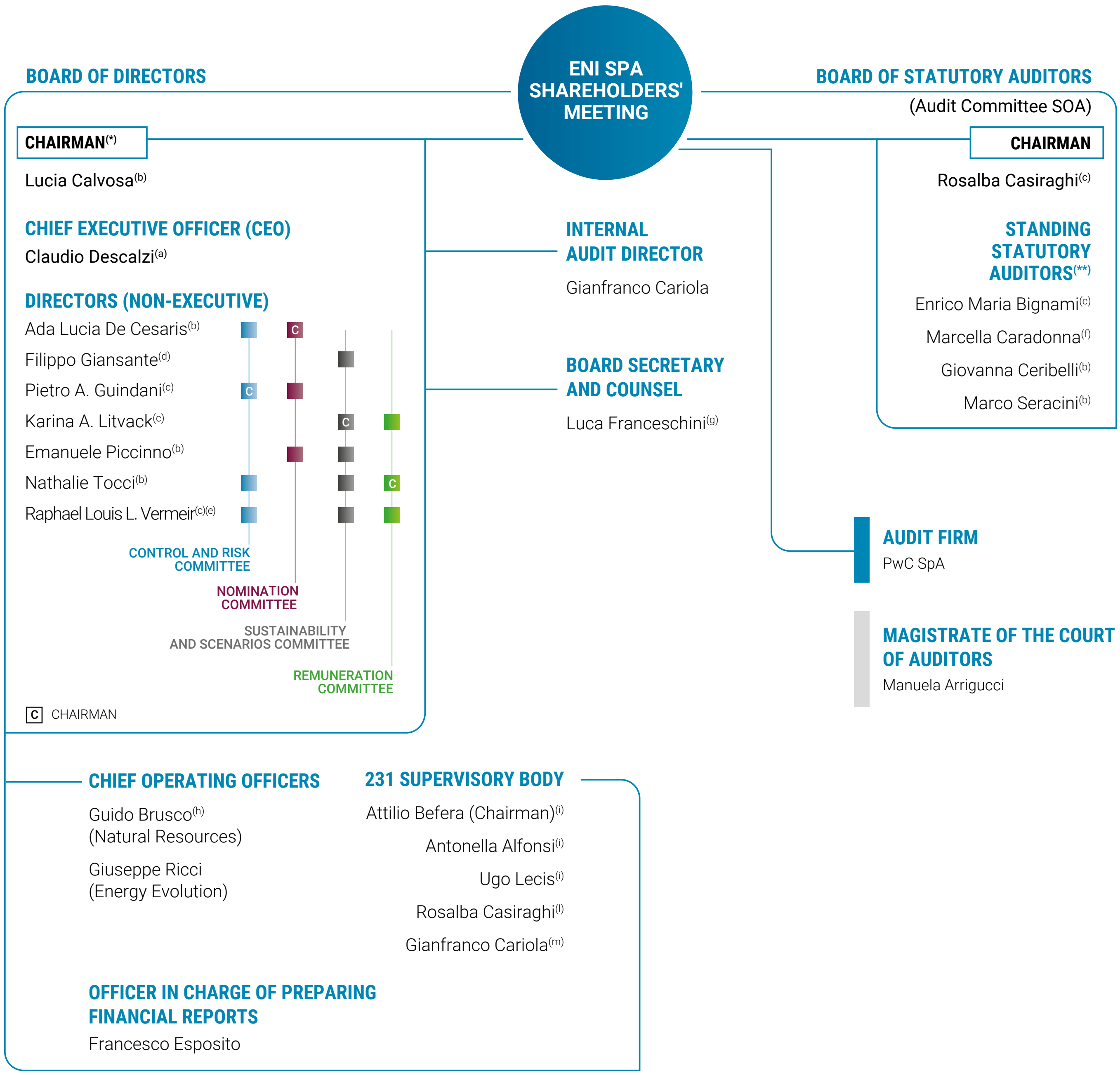
The Board of Directors appointed a Chief Executive Officer on May 14, 2020 and established four internal committees with advisory and recommendation functions: the Control and Risk Committee , the Remuneration Committee , the Nomination Committee and the Sustainability and Scenarios Committee. The Committees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

The Board of Directors also retained the Chairman's major role in internal controls, with specific regard to the Internal Audit unit. In agreement with the Chief Executive Officer, the Chairman proposes the appointment, revocation and remuneration of its Head and the resources available to it, without prejudice to the support to the Board of the Control and Risks Committee and the Nomination Committee, to the extent of their competences, and having heard the Board of Statutory Auditors, and also directly manages relations with the unit on behalf of the Board of Directors (without prejudice to the unit's functional reporting to the Control and Risk Committee and the Chief Executive Officer, in charge of the Internal Control and Risk Management System). The Chairman is also involved in the appointment of the primary Eni officers responsible for internal controls and risk management, including the officer in charge of preparing financial reports, the members of the Watch Structure, the Head of Integrated Risk Management and the Head of Integrated Compliance. Finally, the Board of Directors, acting on a recommendation of the Chairman, appoints the Secretary, charged with providing assistance and advice to the Chairman, the Board of Directors and the individual directors . In view of this role, the Secretary, who reports to the Board

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

of Directors and, on its behalf, to the Chairman, must also meet professional requirements, as provided for in the Corporate Governance Code, while the Chairman oversees his independence.
The following chart summarises the Company's Corporate Governance structure as at December 31, 2022:

## COMPANY'S CORPORATE GOVERNANCE STRUCTURE AS OF DECEMBER 31, 2022

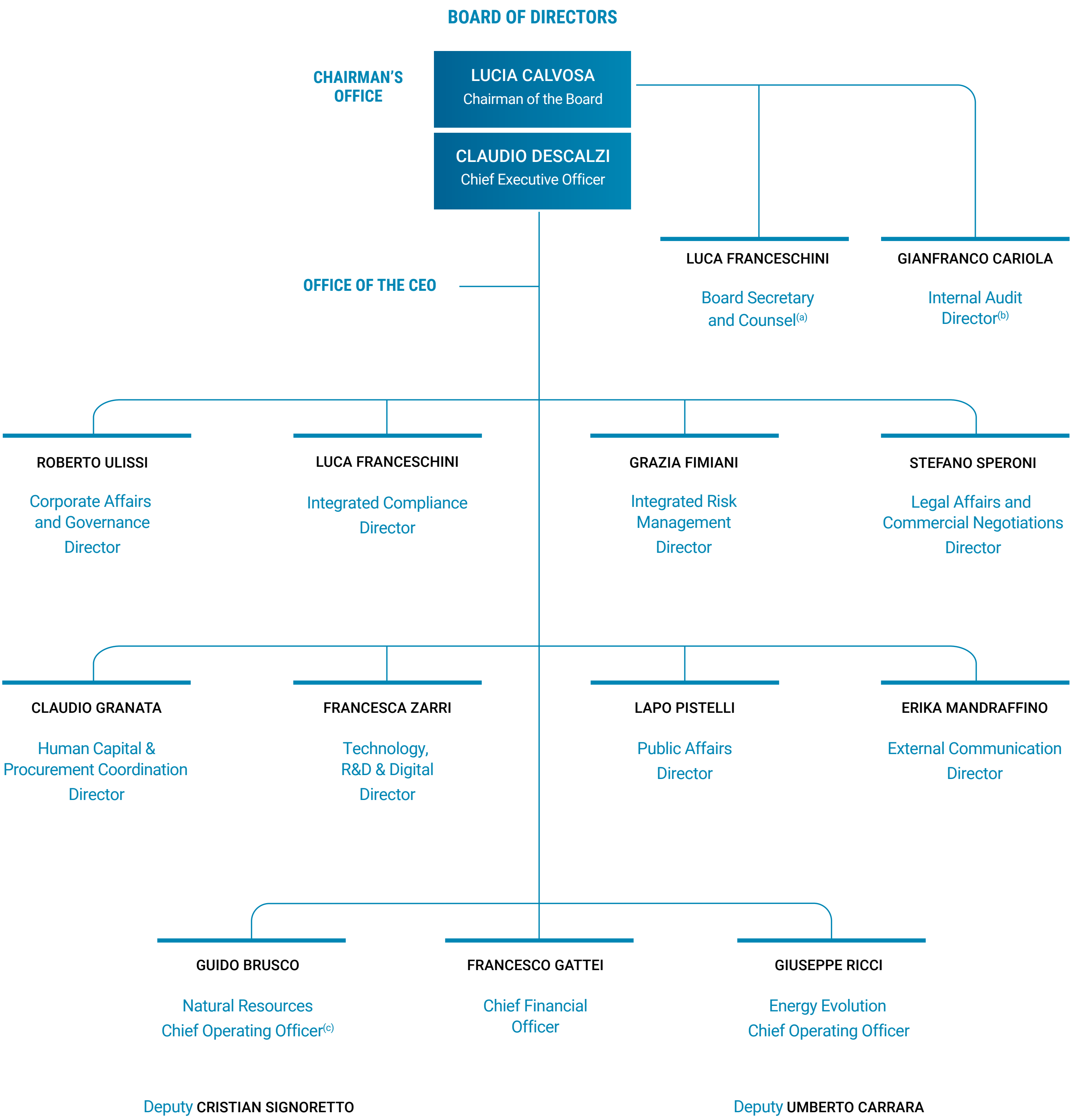



(a) Member appointed from the majority list.
(b) Member appointed from the majority list, independent pursuant to law and Corporate Governance Code.
(c) Member appointed from the minority list, independent pursuant to law and Corporate Governance Code.
(d) Member appointed from the majority list, non-executive.
(e) From April 29, 2021 he's lead independent director.
(f) Member appointed on May 12, 2021 on the proposal of the Ministry of Economy and Finance, independent pursuant to law and Corporate Governance Code.
(g) Also Integrated Compliance Director.
(h) From February 7, 2022. Until February 6, 2022, the Chief Operating Officer Natural Resources was Alessandro Puliti.
(i) External member.
(l) Chairman of the Board of Statutory Auditors.
(m) Internal Audit Director.

(*) Non-executive.
(**) Alternate Statutory Auditors:
- Roberto Maglio, member appointed on May 12, 2021 on the proposal of the Ministry of Economy and Finance;
- Claudia Mezzabotta, member appointed from the minority list.

The following is a chart setting out the current macro-organizational structure of Eni SpA as at December 31, 2022:

## MACRO-ORGANIZATIONAL STRUCTURE OF ENI SPA AS OF DECEMBER 31, 2022




(a) The Board Secretary and Counsel reports hierarchically and functionally to the Board of Directors and, on its behalf, to the Chairman.

(b) The Internal Audit Director reports hierarchically to the Board and, on its behalf, to the Chairman, without prejudice to its functional reporting to the Control and Risk Committee and to the CEO, and without prejudice to the provisions concerning the appointment, revocation, remuneration and allocation of resources.

(c) Since February 7, 2022. Until February 6, 2022 the Chief Operating Officer was Alessandro Puliti.

## Decision making

The Board of Directors entrusts the management of the Company to the Chief Executive Officer, while retaining key strategic, operational and organizational powers for itself, especially as regards governance, sustainability[8], internal control and risk management.

## Organizational arrangements

In recent years, the Board of Directors has devoted special attention to the Company's organizational arrangements, including a number of important measures being taken with regard to the Internal Control and Risk Management System and compliance. More specifically, the Board decided that the Integrated Risk Management function reports directly to the Chief Executive Officer and created an Integrated Compliance function, also reporting to the Chief Executive Officer, separate from the Legal unit. Furthermore, in June 2020, the Board redefined the organizational structure of the Company with the establishment of two General Departments (Energy Evolution and Natural Resources), launching a new structure consistent with the corporate mission and functional to the achievement of strategic objectives.

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

## Reporting flows

In order for the Board of Directors to perform its duties as effectively as possible, the Directors must be in a position to assess the decisions they are called upon to make, possessing appropriate expertise and information. The current members of the Board of Directors, who have a diversified range of skills and experience, including on the international stage, are well qualified to conduct comprehensive assessments of the variety of issues they face from multiple perspectives. The directors also receive timely complete briefings on the issues on the agenda of the meetings of the Board of Directors. To ensure this operates smoothly, Board meetings are governed by specific procedures that establish deadlines for providing members with documentation and the Chairman ensures that each Director can contribute effectively to Board discussions. The same documentation is provided to the Statutory Auditors. In addition to meeting to perform the duties assigned to the Board of Statutory Auditors by Italian law, including in its capacity as the "Internal Control and Audit Committee", and by US law in its capacity as the "Audit Committee", the Statutory Auditors also participate in the meetings of the Board of Directors and, also through individual members, at meetings of the Control and Risk Committee thus ensuring the timely exchange of key information for the performance of their respective duties. The Chairman, in agreement with the Chief Executive Officer supported by the Secretary of the Board, ensures that the executives of the Company and of the Group companies responsible for the relevant corporate functions connected with the items to be discussed attend the Board meetings, also at the request of individual directors, to provide appropriate in-depth information on the items on the agenda. Finally, the adequacy and timeliness of reporting flows towards the Board of Directors is subject to periodic review by the same Board as part of the annual self-assessment process (see next section).

## Board Review and ongoing training

On an annual basis, the Board of Directors conducts a self-assessment (the Board Review)[9], for which benchmarking against national and international best practices and an examination of Board dynamics are essential elements, also with a view to provide shareholders with guidelines on the most appropriate professional profiles for members of the Board. Following the Board Review, the Board of Directors develops an action plan, if necessary, to improve the functioning of the Board and its Committees.

(8) For more information concerning non-financial disclosures, please see the section of the Report on the Consolidated Disclosure of Non-Financial Information (NFI), pursuant to Legislative Decree No. 254/2016.
(9) For more information on the Board Review process, see the section devoted to that process in the 2022 Corporate Governance and Shareholding Structure Report.

With reference to financial year 2022, the Board Review was carried out through questionnaires and interviews that specifically looked at: (i) the size, functioning and composition of the Board and the Committees, also taking into account elements such as professional characteristics, experience, including in management, and diversity, including gender, of its members, as well as their seniority in office; (ii) the strategic and Plan monitoring role, including ESG issues and the Internal Control and Risk Management System. The Board Review for 2022 concluded at the meeting on February 22, 2023 with the presentation of the results of the process by the consultant. Confirming the positive elements already emerged from previous board reviews, the presentation highlighted in particular a positive evolution in: the mix of knowledge, experience and expertise acquired in relation to the businesses, scenarios, the Plan's strategic and monitoring role, the sectors in which the Company operates and associated risks; the effective supporting role of the BoD in the process of energy diversification, transition and security, topics that characterised the Board's work for its entire mandate, in addition to the commitment and time spent on ESG issues, sustainability and the energy transition and on the adequate adoption of ESG principles into the Company's policies; the functioning of the BoD in terms of individual commitment dedicated to the role and in terms of efficacy of the joint proceedings, considered balanced, competent and contributing, also by virtue of the effective consultation and investigation support from the Board Committees; the role performed by the Chairman of the Board in ensuring the correct function of the Board and the organisation of board meetings, in particular for the timeliness, completeness and quality of the documentation made available; the role and actions of the Chief Executive Officer, recognised for his excellent capacity for vision, innovation and entrepreneurship, significant authority in leading the company, and managerial skills, including in light of the important steps taken in the process launched for the overall and transformative energy transition; the role of the Committees, leadership of the Chairmen and contribution made to the Board, also recognised by the time and attention dedicated to them within the Board, as well as induction activities, in terms of both scope and quality of the topics addressed. In the year 2022 it was decided not to carry out the final peer review.
The Board of Statutory Auditors also conducted its own self-assessment in 2022.

For a number of years now, Eni has supported the Board of Directors and the Board of Statutory Auditors with an induction programme, which involves the presentation of the activities and organization of Eni by top management. Following the appointment of the Board of Directors and the Board of Statutory Auditors, multiple induction sessions were held, open to Directors and Statutory Auditors, during meetings of the Board of Directors, Board of Statutory Auditors and Board Committees, on topics within the remit of the committees. In particular, the issues addressed during the mandate include those relating to the corporate structure and its business model, Eni's mission and decarbonisation path, Eni's positioning compared to its peers in terms of decarbonisation objectives and strategies, the inclusion of climate-related risks and climate scenarios in the financial information, the transition in emerging countries, the classification of sustainable economic activities based on the EU Taxonomy, climate change, the environmental and social sustainability of Eni's activities, human rights, governance, compliance, the Internal Control and Risk Management System, accounting and tax issues, the new responsibilities of directors on financial reporting according to the European Single Electronic Format – ESEF – for annual financial reports, remuneration policy, human capital, the succession plan, as well as internal regulations on transactions with related parties, cyber security and business strategies pursued by the Company in the most important sectors.

With particular reference to induction and onboarding activities, also considering the positive assessment emerging from the Board Review, the Board recommends that, in the next mandate, ongoing training activities for the benefit of directors, especially on issues relating to the implementation and updating of the strategic and energy transition plan.

## The governance of sustainability

Eni's governance structure reflects the Company's willingness to integrate sustainability, including in the form of "sustainable success" as outlined in the Corporate Governance Code, into its business model. A central role is reserved for the Board of Directors, upon the proposal of the Chief Executive Officer, in the definition of the strategic guidelines and objectives of the Company and the Group, pursuing their sustainable success and monitoring their implementation. In detail, a central theme in which the Board of Directors plays a key role is the process of energy transition to a low carbon future[10].

In this regard, the Board Review for 2022, carried out with the support of an independent external consultant and completed in February 2023[11], provided extremely positive opinions on the mix of knowledge, experience and expertise acquired and the commitment and time spent on ESG issues, sustainability and the energy transition and on the adequate adoption of ESG principles into the Company's policies, as well as on the effective supporting role of the BoD in the process of energy diversification, transition and security, topics that characterised the Board's work for its entire mandate. Furthermore, with a view to pursuing sustainable success, Eni's Board of Directors, in line with the 2020 Corporate Governance Code, promotes dialogue with shareholders and other stakeholders relevant to the Company. In particular, as already indicated, the Board, upon proposal of the Chairman in agreement with the Chief Executive Officer, has adopted the policy for managing dialogue with shareholders, also in order to ensure an orderly and consistent communication.
Another central issue of interest for the Board of Directors is respect for Human Rights. Eni continued to implement its Declaration on Respect for Human Rights approved by Eni's BoD in December 2018; in particular, the management model was updated in order to ensure the performance of the due diligence process according to the United Nations Guiding Principles on Business and Human Rights (UNGP).
Eni's Board of Directors has a central role in the internal control and risk management system, within which the economic and environmental impacts and the impacts on people of the Company's activities are also important. Particular reference is made to the role of the Board of Directors: when approving business transactions reserved to it which also include the outcomes of the risk analysis and any assessments of the ESG impacts associated with the transaction; when approving the strategic plan which also includes the assessment of the associated risks and ESG impacts; when promoting dialogue with shareholders and stakeholders and the related information flows; in the quarterly review of the main risks, including relevant ESG risks; when defining the guidelines on the management and control of financial risks when establishing the Sustainability and Scenarios Committee with the task of supporting it with sustainability issues; when establishing the Control and Risk Committee with the task of supporting it with issues related to the internal control and risk management system (ICRMS); when approving and reviewing the regulatory instruments used to monitor risks and when receiving information flows (such as regulatory instruments on transactions involving the interests of the directors and statutory auditors and transactions with related parties, anti-corruption and internal audits, as well as the ICRMS guidelines).
In its strategic guidance role, the Board also approves the Company's Management, Supervision and Control Model for Health, Safety and Environment, Security and Public Safety Risks, and its substantial amendments; it conducts an annual evaluation of the HSE Report prepared by the Head of the competent Company function and included in the flows relating to the ICRMS adequacy assessment.

For these issues, the Board also receives support from the Board Committees, within their respective remit, by virtue of their preparatory, advisory and consultative functions.

In particular:
- Eni's Control and Risk Committee assesses the suitability of periodic financial and non-financial information to correctly represent, among other things, the impacts of the Company's activities,

(10) For further information on the role of the Board of Directors in the process of energy transition and the pursuit of sustainable success, see the section of this Report relating to the Consolidated Non-Financial Statement, pursuant to Legislative Decree no. 254/2016.
(11) In the wake of the outcomes of the self-assessment relating to the final year of the Board's mandate, also relating to the topics of climate change and the just transition combined with the requirements for energy security and the continuation of the Board's role in relation to this challenge, the outgoing Board expressed its guidelines for shareholders on the composition of the future Board. The guidelines highlighted the possibility for the presence within the Board to be appointed, among others, of professional figures who hold expertise and experience relating to sustainability issues, operated in managerial or business roles and acquired in industrial contexts comparable to those in which Eni operates, and of international experience and knowledge of the energy markets and the socio-political realities and countries in which the Company operates, and "soft skills" including, in particular, the ability to analyse, define priorities and make decisions.

and examines the content of periodic non-financial information relevant for the purposes of the Internal Control and Risk Management System. To this end, it meets frequently with the competent company management for such issues, analysing, among other things: (i) the main issues with a view to drafting the annual and half-yearly financial reports as well as their essential connotations and the contents of the Consolidated Non-Financial Statement; (ii) the main results achieved by Eni in health, safety and environment, and the initiatives developed for the continuous improvement of the related performance, including through use of new technologies; (iii) security and cyber security issues; (iv) activities to protect asset integrity; (v) climate change risk and specific associated aspects;
- the Sustainability and Scenarios Committee mainly examines the scenarios and topics associated with sustainability, such as human rights (including the review of the HSE Report), health, well-being and safety of people and communities, energy sustainability and climate change; environment and efficiency in the use of resources; integrity and transparency. To this end, it receives information from the managers of the company functions involved in said processes, who may be invited to attend the Committee meetings.

The Sustainability and Scenarios Committee also coordinates with the Control and Risk Committee in assessing the suitability of periodic financial and non-financial information, to correctly represent the business model, Company strategies, the impact of its activity and performance achieved.

## THE MAIN SUSTAINABILITY ISSUES ADDRESSED BY THE BOARD IN 2022

- 2022 Financial sustainability strategy and sustainability reporting
- 2021 Sustainability Report: "Eni For"
- Four-year and long-term Plan (including non-financial targets)
- Update of the UK "Modern Slavery Act" and Australian "Modern Slavery Act" statement
- 2021 Financial Statements, including the consolidated Non-Financial Statement
- The Remuneration Report, including sustainability targets in the definition of performance plans
- 2021 HSE Report

The Chief Executive Officer and the Chief Operating Officers, in exercising their delegated powers, for the implementation of the strategies defined by the Board, are responsible for the management of the aforesaid risks with the support of the specialist company functions responsible, in particular, for sustainable development, health, safety, environment and human resources.

Thanks to the growing commitment to transparency and to the business model built by Eni in recent years to create long-term sustainable value, Eni's stock has achieved the top positions in the most popular ESG ratings and confirmed its presence in the main ESG indices[12].

In particular, in 2022 Eni was confirmed in the MIB® ESG index of Borsa Italiana, the listed index of blue chips for Italy dedicated to ESG best practice launched by Euronext and operated by Moody's ESG Solutions. Furthermore, Eni was included for the second year in a row in Bloomberg's Gender Equality Index (GEI), a market cap-weighted index that monitors the performance of listed companies committed to the continuous improvement of gender equality. The index, which includes 484 companies in 45 countries and regions, measures gender equality based on five pillars: female leadership and

(12) For timely updates on ESG indices and ratings of relevance to the financial markets, please refer to the Shareholder Relations page of the 2022 Corporate Governance and Shareholding Structure Report and to the Investor Relations page of the site.

talent pipeline; equal pay and gender pay parity; inclusive culture; anti-sexual harassment policies, and integration of the perspective of gender in all areas of activity (e.g. support for external initiatives, customers, supply chain, etc.).

## The Sustainability and Scenarios Committee

In performing its duties in the field of sustainability, the Board is supported by the Sustainability and Scenarios Committee, established for the first time in 2014 by the Board itself, which provides advice and recommendations on scenario and sustainability issues. The Committee plays a key role in addressing the sustainability issues integrated into the Company's business model[13].

## Remuneration Policy

Eni's Remuneration Policy is defined in line with the corporate governance model adopted by the Company and with the recommendations of the Corporate Governance Code, providing that remuneration of Directors, members of the Board of Statutory Auditors, General Managers and other Managers with strategic responsibilities is functional to the pursuit of the sustainable success of the Company, taking into account the need to dispose, retain and motivate people with competence and professionalism required by the position held in the Company (Principle XV of the Corporate Governance Code).
For this purpose, the remuneration of Eni's top management is established with due consideration given to market benchmarks for similar positions in national and international companies similar, also in relation to the reference sector and company size.

The Remuneration Policy of Directors and top management also contributes to the company's strategy, through incentive plans connected to the fulfilment of preset, measurable and complementary targets that fully represent the essential priorities of the Company, in line with the Strategic Plan and the expectations of shareholders and other stakeholders, in order to promote a strong focus on results and combine the operating, economic and financial soundness with social and environmental sustainability, coherently with the long-term nature of the business and the related risk profiles. The Policy defined for the next term 2023-2026 provides the confirmation:

- in the Short-Term Plan of Incentive of Short Term with deferral, of a target related to environmental sustainability and human capital (weight 25%), focused on safety and reduction of GHG emission intensity (Scope 1 + Scope 2), as well as, from 2021, a specific target related to the increase of renewables installed apacity (weight 12.5%);
- the 2023-2025 Long-Term Equity Incentive Plan includes a target related to environmental sustainability and energy transition (overall weight 35%), articulated on a series of goals linked to the processes of decarbonization and energy transition and to the circular economy.

The Remuneration Policy described in the first section of the Remuneration Report, available on the Company's website www.eni.com, is prepared taking into account the orientations of shareholders and institutional investors, through the implementation annual engagement plans. is presented for a binding vote at the Shareholders' Meeting, with the adence required by its duration and in any case at least every three years or in the event of changes to it[14]. The results of the hareholders' meeting are reported in the Summary of the mentioned relation.

## Internal Control and Risk Management System[15]

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

(13) For more information on the Committee activities in 2022, please see the relevant section in the 2022 Corporate Governance and Shareholding Structure Report.
(14) In accordance with Art. 123 ter, paragraph 3 bis of the Italian Decree Law No. 58/98.
(15) For more information, please see the 2022 Corporate Governance and Shareholding Structure Report.

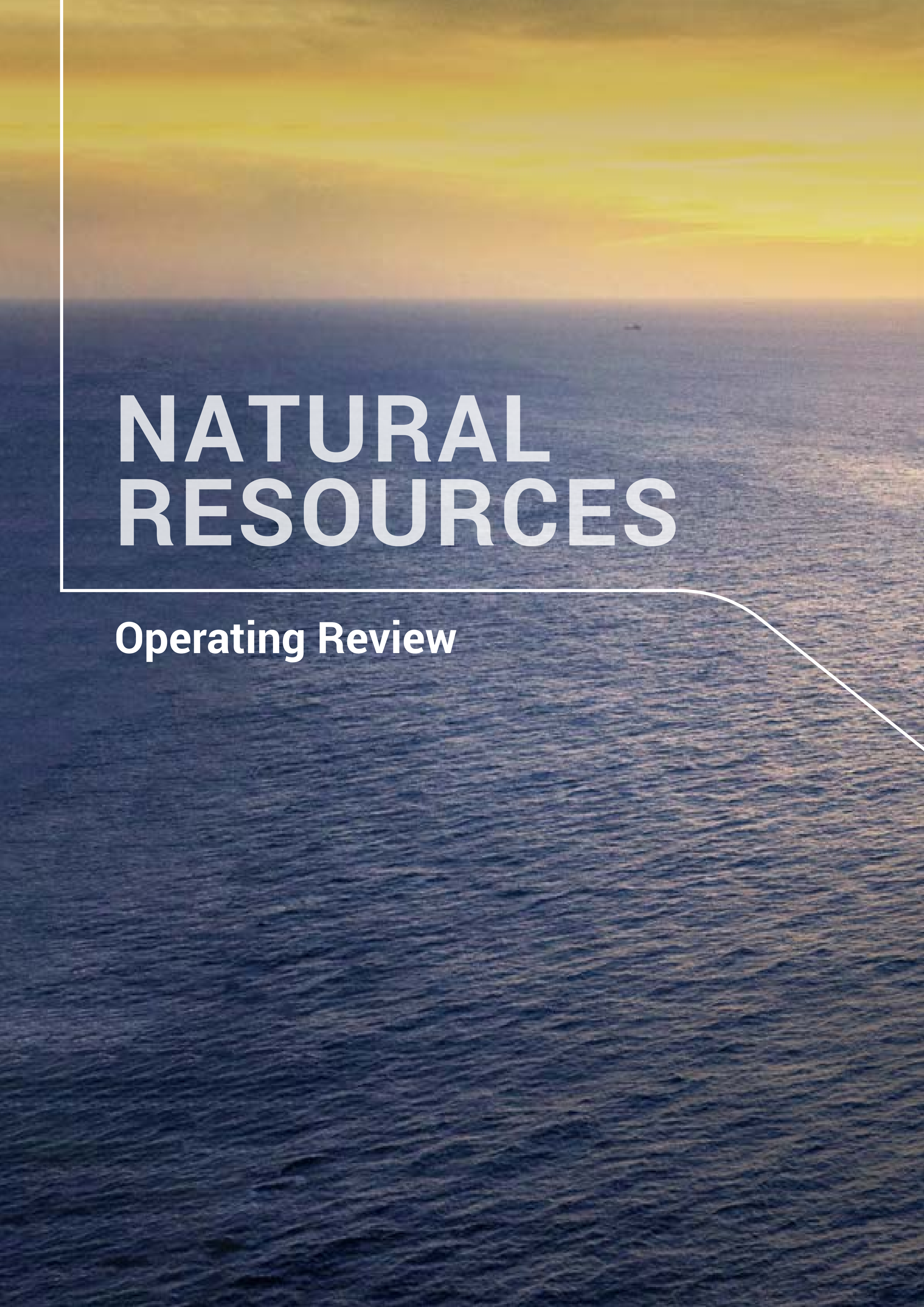
The Internal Control and Risk Management System is also based on Eni's Code of Ethics, which sets out the rules of conduct for the appropriate management of the Company's business and which must be complied with by all the members of the Board, as well as of the other corporate bodies and all other third parties working with or in name or for the interest of Eni.
Furthermore, Eni has adopted rules for the integrated governance of the Internal Control and Risk Management System, the guidelines of which were approved by the Board. Furthermore, on adopting the new Corporate Governance Code, Eni's Board of Directors established various actions and application and improvement methods to comply with the recommendations on the ICRMS, already generally accepted as in line with the best practices of Corporate Governance[16].
In this respect, in order to strengthen the integration between strategic planning and internal controls and risk management, upon the proposal of the Chief Executive Officer and with the support of the Control and Risks Committee, the Board of Directors has called for the definition of specific annual guidelines for the ICRMS, that exceed the ICRMS model contained in internal regulations, as part of the Strategic plan, in line with the strategies of the company. It was also envisaged that the implementation of specific guidelines of the ICRMS is subject to periodic monitoring on the basis of a report by the Chief Executive Officer.

Eni has also equipped itself with a reference model for Integrated Compliance, which together with Model 231 and the Code of Ethics, is aimed at ensuring that all Eni personnel who are contributing to the achievement of business objectives operate in full compliance with the rules of integrity and applicable laws and regulations in an increasingly complex national and international regulatory framework, defining a comprehensive process, developed using a risk-based approach, for managing activities to prevent non-compliance.
With this in mind, risk assessment methodologies were developed aimed at modulating controls, calibrating monitoring activities and planning training and communication activities based on the compliance risk underlying the various cases, to maximize their effectiveness and efficiency. The Integrated Compliance process was designed to stimulate integration between those who work in the business activities and the corporate functions that oversee the various compliance risks, both internal or external to the Integrated Compliance unit.
Furthermore, acting on the proposal of the Chief Executive Officer, having obtained a favourable opinion from the Control and Risk Committee, the Board of Directors of Eni approved the internal rules concerning the Market Information Abuse (Issuers). These, by updating the previous Eni rules for the aspects relating to "issuers", incorporate the amendments introduced by Regulation No. 596/2014/EU of April 16, 2014 and the associated implementing rules, as well as the national regulations, taking account of Italian and foreign institutional guidelines on the matter.
The updated internal rules lay down principles of conduct for the protection of confidentiality of corporate information in general, to promote maximum compliance, as also required by Eni's Code of Ethics and corporate security measures. Eni recognizes that information is a strategic asset to be managed in such a way as to ensure the protection of the interests of the Company, shareholders and the market.
In order to ensure the protection of corporate assets, of the interests of shareholders and the market, as well as the transparency and integrity of conduct, Eni has adopted — in compliance with Consob regulatory provisions — internal rules on transactions involving the interests of directors and statutory auditors and transactions with related parties. These rules were most recently updated in 2021 by the Board of Directors, with the unanimous and favourable opinion of the Control and Risks Committee, with the aim of ensuring regulatory compliance, but also taking into account the experience gained, as well as the indications of the Board Committees and supervisory bodies.
As regards the prevention and reduction of conflicts of interest, in addition to the regulatory instrument for transactions involving the interests of directors and statutory auditors and transactions with related parties, the Company's Code of Ethics also requires Eni employees to promote the company's interests by making objective decisions and avoiding situations in which conflicts of interest could arise, intervening as envisaged by said Code.

(16) For more information, please see the 2022 Corporate Governance Report.

Furthermore, the regulations on the function and organisation of the Board of Directors, most recently approved at the meeting on December 16, 2021, state, in line with the provisions of Art. 2391 of the Italian Civil Code, that before each item on the Board meeting's agenda is discussed, each director and statutory auditor must disclose whether they hold any personal interest or interest on behalf of third-parties in relation to the matters or issues to be discussed, clarifying their nature, terms, origin and extent. The aforesaid regulations also state that, during Board resolutions, directors holding an interest in issues to be deliberated upon do not normally take part in the discussion and resolution, leaving the meeting room.
An integral part of the Eni internal control system is the internal control system over financial reporting, the objective of which is to provide reasonable certainty of the reliability of financial reporting and the ability of the financial report preparation process to generate such reporting in compliance with generally accepted international accounting standards.

Eni's CEO, Chief Financial Officer (CFO) and Head of Accounting and Financial Statements and budget manager, in his capacity as officer in charge of preparing financial reports, are responsible for planning, establishing and maintaining the internal control system over financial reporting. A central role in the Company's Internal Control and Risk Management System is played by the Board of Statutory Auditors, which in addition to the supervisory and control functions provided for in the Consolidated Law on Financial Intermediation, also monitors the financial reporting process and the effectiveness of the internal control and risk management systems, consistent with the provisions of the Corporate Governance Code, including in its capacity as the "Internal Control and Audit Committee" pursuant to Italian law and as the "Audit Committee" under US law. The responsibilities assigned and the regulatory and reporting instruments defined as part of Eni's Internal Control and Risk Management System, in particular for the purposes of assessing its adequacy and efficacy, also make it possible to identify the "critical concerns", understood as any complaints with potential impacts on the company's stakeholders. Of the ICRMS instruments, since 2006, Eni has adopted rules governing receipt, analysis and processing of reports (so-called whistleblowing), including those transmitted in confidential or anonymous form, to Eni SpA and to its subsidiaries in Italy and abroad. The rules allow anyone (employees or third parties) to report facts relating to the ICRMS and concerning behaviours in violation of the Code of Ethics, laws, regulations, provisions of the Authorities, or internal regulations, that may cause damage or prejudice, even if only in terms of image, to Eni. The rules (published on the Company's website) define roles and responsibilities related to the investigations and information flows in relation to the Chairman of the Board of Directors, the Chief Executive Officer and the Audit Firm, among other parties.



# NATURAL RESOURCES

## Operating Review

# Exploration & Production
# Global Gas & LNG Portfolio

# Exploration & Production

**~750 mmboe**
discovered resources
at unit exploration cost **<2 $/boe**

**Advancing satellite model**
completed the IPO of Vår Energi
and started operations at the jv Azule Energy

**First biofeedstock cargoes from agri-hub in Kenya**
start-up is expected in 2023 in Congo,
Mozambique and Ivory Coast

**Ravenna CCS project**
FID for phase 1 sanctioned
by the Eni and Snam jv formed

| KEY PERFORMANCE INDICATORS | | 2022 | 2021 | 2020 |
|---|---|---|---|---|
| Total recordable injury rate (TRIR)[a] | (total recordable injuries/worked hours) X 1,000,000 | 0.35 | 0.25 | 0.28 |
| *of which: employees* | | *0.12* | *0.09* | *0.18* |
| *contractors* | | *0.42* | *0.30* | *0.31* |
| Profit per boe[b][c] | ($/boe) | 9.8 | 4.8 | 3.8 |
| Opex per boe[d] | | 8.4 | 7.5 | 6.5 |
| Cash flow per boe | | 29.6 | 20.6 | 9.8 |
| Finding & Development cost per boe[c][d] | | 24.3 | 20.4 | 17.6 |
| Average hydrocarbon realization | | 73.98 | 51.49 | 28.92 |
| Production of hydrocarbons[d] | (kboe/d) | 1,610 | 1,682 | 1,733 |
| Net proved reserves of hydrocarbons | (mmboe) | 6,614 | 6,628 | 6,905 |
| Reserves life index | (years) | 11.3 | 10.8 | 10.9 |
| Organic reserves replacement ratio | (%) | 47 | 55 | 43 |
| Employees at year end | (number) | 8,689 | 9,409 | 9,815 |
| *of which: outside Italy* | | *5,497* | *6,045* | *6,123* |
| Direct GHG emissions (Scope 1)[e] | (mmtonnes $CO_2$eq.) | 21.5 | 22.3 | 21.1 |
| GHG emissions (Scope 1)/operated hydrocarbon gross production[a][e] | (tonnes $CO_2$eq./kboe) | 20.6 | 20.2 | 20.0 |
| Methane emission intensity[a] ($m^3 CH_4/m^3$ gas sold) | (%) | 0.08 | 0.09 | 0.09 |
| Volumes of hydrocarbon sent to routine flaring[a] | (billion $Sm^3$) | 1.1 | 1.2 | 1.0 |
| Net carbon footprint upstream (Scope 1+2)[f] | (mmtonnes $CO_2$eq.) | 9.9 | 11.0 | 11.4 |
| Operational oil spills (>1 barrel)[f] | (barrels) | 845 | 436 | 882 |
| Re-injected production water[a] | (%) | 59 | 58 | 53 |

(a) Calculated on 100% operated assets.
(b) Related to consolidated subsidiaries.
(c) Three-year average.
(d) Includes Eni's share of equity-accounted entities.
(e) Hydrocarbon gross production from fields fully operated by Eni (Eni's interest 100%) amounting to 980 mmboe, 1,041 mmboe and 1,009 mmboe in 2022, 2021 and 2020, respectively.
(f) Calculated on equity bases and included carbon sink.

## PERFORMANCE OF THE YEAR

- Total recordable injury rate (TRIR) of the workforce amounted to 0.35, an increase compared to 2021 driven by higher injury events occurred to the employees and contractors.
- Direct GHG emissions (Scope 1) of the operated assets reported a decrease of 3% from 2021 mainly due to lower annual production and faring emissions reduction.
- Direct GHG emissions (Scope 1)/operated hydrocarbon gross production was 20.6 tons of $CO_2$eq./kboe, a slight increase compared to 2021.
- Methane emission intensity was substiantially unchanged from 2021. Eni has committed to keeping upstream methane intensity below 0.2%.
- Net carbon footprint upstream (GHG emissions Scope 1 + Scope 2 accounted for on an equity basis net of carbon sink) improved compared to 2021.

- Volumes of hydrocarbon sent to routing flaring reported a reduction of 9% compared to 2021, mainly due to the launch of flaring down projects in Nigeria and a gas valorization initiative in Egypt.
- Operational oil spills increased from 2021 due to a minor event in Egypt, almost half of the product was recovered.
- Re-injected production water was substantially unchanged from 2021.
- Hydrocarbon production was 1.610 million boe/d, down by 4% from 2021 due to unplanned outages and force majeure. These negatives were partially offset by the start-up of the Coral project in Mozambique and the Amoca project in Mexico as well as higher activity in Algeria and the United States.
- Net proved reserves at December 31, 2022 amounted to 6.6 bboe based on a reference Brent price of 101 $/barrel. The all-sources replacement ratio was 98%. The reserves life index was 11.3 years (10.8 years in 2021).

## DECARBONIZATION INITIATIVES

- The projects of the $CO_2$ geological capture and sequestration using depleted offshore fields as well as reusing in other production cycle are a key drivers of Eni transition strategy. In particular:
  - signed an agreement with Snam to jointly develop and manage the Ravenna Carbon Capture and Storage (CCS) Project, which is intended to gather data to support the planned construction of a large CCS hub, which will leverage Eni's depleted offshore fields in the area. The project Phase 1 is ongoing and from 2024 is expected to begin capturing 25 ktons/year of $CO_2$ emitted from Eni's natural gas treatment plant in Casalborsetti (Ravenna), to be subsequently transported and injected into a nearby depleted gas field. By 2026, Phase 2 will start the industrial scale up with a storage injection of up to 4 million tons/year;
  - submitted to the UK authorities an application for carbon storage license for the Hewett depleted field in the UK Southern North Sea, for the development of a CCS project aimed at decarbonising the Bacton and Thames Estuary area. In addition, the set-up of the Bacton Thames Net Zero initiative was announced with the aim to decarbonise energy-intensive and hard-to-abate industrial businesses in the area.
- Progressed Eni's initiatives within the Natural Climate Solutions, such as projects focusing on the forest's protection, conservation and sustainable management, mainly in developing Countries, by means of the REDD+ project scheme which was designed by the United Nations as well as the application of technological solutions in different areas to progressively maximize the carbon removal component:
  - finalized agreements for the future projects development in Ivory Coast, Kenya and Mozambique where feasibility studies are ongoing. In addition, an agreement was signed with the Rwanda Development Board and the non-profit tech start-up Rainforest Connection in Rwanda to testing the application of artificial intelligence technologies in the forest protection and conservation;
  - launched projects to support the distribution of improved cookstoves (ICS) in the energy poverty areas. In particular, in Ivory Coast over 300,000 people will benefit from an ongoing program of ICS distribution.
- Signed agreements with the government of Mozambique, Benin and Rwanda, in addition to the ones already finalized with the government of Kenya, Congo, Angola, Kazakhstan and Ivory Coast for biofuel projects through the set-up of integrated agri-biofeedstock value chains to supply renewable feedstock to Eni's biorefineries, without impacting the local food chain and to decarbonize the local energy mix:
  - Delivered the first cargoes of vegetable oil produced from Kenya to the Eni's biorefinery in Gela. Development program in the County is expected to scale up to 20,000 tons in 2023. Other ongoing initiatives concerned projects in Congo, Mozambique and Ivory Coast, with start-up in 2023;
  - signed agreement with Bonifiche Ferraresi to evaluate the agribusiness development initiatives in Italy, through the cultivation of oilseeds to be used as feedstocks for biofuels production in degraded, abandoned, or polluted areas, without impacting the food chain.

- Construction start-up of a second 10 MW photovoltaic plant in partnership with Sonatrach in the Bir Rebaa North production complex, South-Eastern Algeria, to decarbonize upstream activities. Another photovoltaic plant is planned at the Menzel Ledjmet East Project (MLE) production complex, with construction expected to begin in 2023.
- Start-up of photovoltaic plant in Tataouine, Southern Tunisia, built by a joint venture between Eni and ETAP (Entreprise Tunisienne d'Activités Pétrolières) by means of the linkage to the national grid. The plant, with an installed capacity of 10 MW, is expected to supply over 20 GWh of renewable electricity per year under a 20-year Power Purchase Agreement.

## EXPLORATION

- In 2022 around 750 million boe of new resources were added to the reserve base at competitive cost of lower 2 $/barrel continuing the delivery of outstanding exploration performance:
  - several discoveries were made close to existing assets and facilities as part of our fast-track development model in Algeria, Egypt and Abu Dhabi;
  - important reserve additions were made with the appraisal wells of the offshore Ndungu oilfield in Angola and of the offshore Baleine oilfield in the Ivory Coast, allowing us to significantly raise the estimated hydrocarbons in place in both cases. The XF-002 in the UAE and the Cronos off Cyprus gas discoveries also significantly contributed to the year's results. The later success of Zeus in Cyprus, still in evaluation at the end of the year and of Nargis in Egypt in January 2023, further confirmed the potential of the East Mediterranean area.
- Reloading exploration portfolio with the addition of approximately 18,900 square kilometers with the entry in Qatar as well as new leases in Algeria, Egypt, Norway and Ivory Coast.
- In 2022 exploration expenses were €605 million (€558 million in 2021) and included the write-off of unsuccessful wells amounting to €385 million (€364 million in 2021), which also related to the write-off of unproved exploration rights, if any, associated to projects with negative outcome. In particular, exploration and appraisal activities comprised write-offs of unsuccessful exploration wells costs for €365 million mainly in Libya, Egypt, Ivory Coast, Vietnam and Kenya. Write-offs of €13 million are related to exploration licenses due mainly to exiting from marginal areas. In addition, 103 exploratory drilled wells are in progress at year-end (50.6 net to Eni).

## DEVELOPMENT

- In 2022, significant progress was made in pursuing Eni's distinctive satellite model of creating independent entities focused on defined areas. In upstream business these entities will continue to bring new volumes to the market for energy security, while freeing additional capital and delivering dividends that allow the Group to optimize investments in its decarbonized energy portfolio:
  - Azule Energy, the JV combining Eni and bp asset in Angola, started operations as the largest independent Angolan O&G producer to pursue growth opportunities and deliver real value to its shareholders;
  - Completed with the equity fund HitecVision the listing of Vår Energi on the Oslo stock exchange, the largest O&G IPO in Europe in 15 years, placing an interest of 16.2% of the investee's share capital.
- Achieved production start-up of the following projects:
  - in Algeria, with fast-track development of two gas fields as part of the new Berkine South contract, just six months from the closing, and then, the HDLE/HDLS project, in the Zemlet el Arbi concession in the Berkine North Basin, just six months after the discovery;
  - in Mozambique with the Coral start-up, in the ultra-deep waters of the Rovuma Basin, marking a milestone in the worldwide LNG business thanks to our ability to deliver the project on time and on budget notwithstanding the pandemic disruptions, while launching the Country as a new relevant LNG hub;
  - in Mexico, with the start-up of the Miamte FPSO in the Miztón field and of the Amoca WHP-1 platform, within the full field development of the Area 1 license.

- Within the Congo LNG project to exploit Eni's gas reserves in block Marine XII and support the security of gas supplies to Europe, a turn-key contract was signed to build, install and commission a Floating Liquefied Natural Gas (FLNG) vessel with a capacity of 2.4 million tonnes/year, which will pair the Tango FLNG vessel purchased earlier to speed up Eni's development plans. LNG production is expected to reach a plateau capacity of 3 million tonnes/year in 2025.
- Closed the acquisition of a 3% interest in the giant North Field East LNG project in Qatar. Production start-up is expected by the end of 2025 and development program include the most advanced technologies and processes to minimize overall carbon footprint.
- Signed an agreement with the National Oil Corporation of Libya (NOC) for the development of the large gas reserves of A&E Structures, offshore Tripoli. Production start-up is expected in 2026 with volumes destined both to the domestic market and to Europe via the existing Greenstream offshore pipeline leveraging on synergies with the Mellitah Complex. The project includes construction of an onshore Carbon Capture and Storage (CCS) hub.
- Farmed out to QatarEnergy a 30% interest in offshore exploration Blocks 4 and 9, in Lebanon, operated by TotalEnergies. Eni will retain a 35% interest in the venture.
- Development expenditure amounted to €5.2 billion, in particular in Egypt, Ivory Coast, Congo, the United Arab Emirates, Mexico, Iraq, Italy and Algeria.
- In 2022, overall R&D expenditure amounted to €50 million (€65 million in 2021).

## Reserves

### Overview

The Company has adopted comprehensive classification criteria for the estimate of proved, proved developed and proved undeveloped oil & gas reserves in accordance with applicable U.S. Securities and Exchange Commission (SEC) regulations, as provided for in Regulation S-X, Rule 4-10. Proved oil & gas reserves are those quantities of liquids (including condensates and natural gas liquids) and natural gas which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward, from known reservoirs, under existing economic conditions, operating methods, and government regulations prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain.
Oil and natural gas prices used in the estimate of proved reserves are obtained from the official survey published by Platt's Marketwire, except when their calculation derives from existing contractual conditions. Prices are calculated as the unweighted arithmetic average of the first-day-of- the-month price for each month within the 12-month period prior to the end of the reporting period. Prices include consideration of changes in existing prices provided only by contractual arrangements.
Engineering estimates of the Company's oil & gas reserves are inherently uncertain. Although authoritative guidelines exist regarding engineering criteria that have to be met before estimated oil & gas reserves can be designated as "proved", the accuracy of any reserves estimate is a function of the quality of available data and engineering and geological interpretation and evaluation. Consequently, the estimated proved reserves of oil and natural gas may be subject to future revision and upward and downward revisions may be made to the initial booking of reserves due to analysis of new information.
Proved reserves to which Eni is entitled under concession contracts are determined by applying Eni's equity interest to total proved reserves of the contractual area, until expiration of the relevant mineral right. Eni's proved reserves entitlements at PSAs are calculated so that the sale of production entitlements cover expenses incurred by the Group for field development (Cost Oil) and recognize a share of profit set contractually (Profit Oil). A similar scheme applies to service contracts.

### Reserves governance

Eni retains rigorous control over the process of booking proved reserves, through a centralized model of reserves governance. The Reserves Department of the Exploration & Production segment is in charge of: (i) ensuring the periodic certification process of proved reserves; (ii) updating the

Company's guidelines on reserves evaluation and classification and the internal procedures; and (iii) providing training of staff involved in the process of reserves estimation.
Company guidelines have been reviewed by DeGolyer and MacNaughton (D&M), an independent petroleum engineering company, which stated that those guidelines comply with the SEC rules[1]. D&M has also stated that the Company guidelines provide reasonable interpretation of facts and circumstances in line with generally accepted practices in the industry whenever SEC rules may be less precise. When participating in exploration and production activities operated by other entities, Eni estimates its share of proved reserves on the basis of the above guidelines.
The process for estimating reserves, as described in the internal procedure, involves the following roles and responsibilities: (i) the business unit managers (geographic units) and Local Reserves Evaluators (LRE) are in charge with estimating and classifying gross reserves including assessing production profiles, capital expenditure, operating expenses and costs related to asset retirement obligations; (ii) the petroleum engineering department and the operations unit at the head office verify the production profiles of such properties where significant changes have occurred and operating expenses, respectively; (iii) geographic area managers verify the commercial conditions and the progress of the projects; (iv) the Planning and Control Department provides the economic evaluation of reserves; and (v) the Reserves Department, through the Headquarter Reserves Evaluators (HRE), provides independent reviews of fairness and correctness of classifications carried out by the above-mentioned units and aggregates worldwide reserves data.
The head of the Reserves Department attended the La Sapienza University of Rome and received a degree in Environmental Engineering and received a Master's in petroleum engineering from Imperial College of London. He has 20 years of experience in evaluating reserves.
Staff involved in the reserves evaluation process fulfils the professional qualifications requested by the role and complies with the required level of independence, objectivity and confidentiality in accordance with professional ethics. Reserves Evaluators qualifications comply with international standards defined by the Society of Petroleum Engineers.

## Reserves independent evaluation

Eni has its proved reserves audited on a rotational basis by independent oil engineering companies[2]. The description of qualifications of the persons primarily responsible for the reserves audit is included in the third-party audit report. In the preparation of their reports, independent evaluators rely upon information furnished by Eni, without independent verification, with respect to property interests, production, current costs of operations and development, sales agreements, prices and other factual information and data that were accepted as represented by the independent evaluators. These data, equally used by Eni in its internal process, include logs, directional surveys, core and PVT (Pressure Volume Temperature) analysis, maps, oil/gas/water production/injection data of wells, reservoir studies, technical analysis relevant to field performance, development plans, future capital and operating costs.
In order to calculate the net present value of Eni's equity reserves, actual prices applicable to hydrocarbon sales, price adjustments required by applicable contractual arrangements and other pertinent information are provided by Eni to third-party evaluators. In 2022[3], Ryder Scott Company and Sproule provided an independent evaluation of approximately 27% of Eni's total proved reserves at December 31, 2022[4], confirming, as in previous years, the reasonableness of Eni internal evaluation. In the 2020-2022 three-year period, 90% of Eni total proved reserves were subject to an independent evaluation. As at December 31, 2022, the Nené and Litchendjili fields in Congo were the main Eni assets, which did not undergo an independent evaluation in the last three years.

(1) The reports of independent engineers are available on Eni website eni.com section Publications/Integrated Annual Report 2016.
(2) For the past three years we have availed ourselves of the independent certification service of DeGolyer and MacNaughton, Ryder Scott, Société Générale de Surveillance and Sproule.
(3) The reports of independent engineers are available on Eni website eni.com section Publications/Annual Report 2022.
(4) Includes Eni's share of proved reserves of equity-accounted entities.

## MOVEMENTS IN NET PROVED RESERVES

Eni's net proved reserves were determined taking into account Eni's share of proved reserves of equity accounted entities. Movements in Eni's 2022 proved reserves were as follows:

| | (mmboe) | Consolidated subsidiaries | Equity-accounted entities | Total |
|---|---|---|---|---|
| **Estimated net proved reserves at December 31, 2021** | | **5,571** | **1,057** | **6,628** |
| Extensions, discoveries , revisions of previous estimates and improved recovery, excluding price effect | | 89 | 223 | **312** |
| Price effect | | (28) | (6) | **(34)** |
| Reserve additions, total | | 61 | 217 | **278** |
| Portfolio | | (206) | 502 | **296** |
| Production of the year | | (493) | (95) | **(588)** |
| **Estimated net proved reserves at December 31, 2022** | | **4,933** | **1,681** | **6,614** |
| **Reserves replacement ratio, all sources** | (%) | | | **98** |

Net proved reserves as of December 31, 2022 were 6,614 mmboe, of which 4,493 mmboe of consolidated subsidiaries. Net additions to proved reserves were 278 mmboe and derived from: (i) revisions of previous estimates were positive for 88 mmboe (including the effect of an updating of the gas conversion factor of 30 mmboe) and mainly derived from the Nené field in Congo and the E Structure fields in Libya partly offset by negative changes in some fields in Nigeria. Revisions also included net negative price effects of 34 mmboe due to an increase in oil price environment where the Brent reference price used in the reserve estimation process was 101 $/barrel in 2022, much higher than the 69 $/barrel used in 2021. This price effect was determined to the recovery of volumes reserves which were previously uneconomic in the 2021 scenario more than offset by net lower reserves entitlements under PSA contracts. Revisions of previous estimates were positive in Azule and Vår Energi for 74 mmboe and 66 mmboe, respectively; (ii) extensions and discoveries were up by 179 mmboe, mainly due to the final investment decision made for the Baleine project in Ivory Coast as well as the Bashrush project in Egypt. In Azule new discoveries were 54 mmboe while in Vår Energi were up by 7 mmboe and mainly related to Blåbjørn, Verdande and Halten East fields; and (iii) improved recovery of 11 mmboe mainly related to the Mizton project in Mexico and Azule activities.

Portfolio transactions were positive for 296 mmboe and mainly related to: (i) the purchase of 3% interest in the North Field East LNG project in Qatar; (ii) the purchase of the BHP asset in Algeria and other minor assets in Italy and the United States; (iii) sales of 16.2% stake in our associates Vår Energi following the process of listing the investee at the local stock exchange; (iv) the disposal of our production assets in Pakistan and our interest in the OML 11 block in Nigeria; and (v) the business combination between Eni and bp, leading to the creation of Azule Energy, an equity-accounted joint venture (Eni's interest 50%).

The organic[5] and all sources reserves replacement ratio was 47% and 98%, respectively. The reserves life index was 11.3 years (10.8 years in 2021).

For further information, please see the additional information on Oil & Gas producing activities required by the SEC in the notes to the consolidated financial statements.

(5) Organic ratio of changes in proved reserves for the year resulting from revisions of previously reported reserves, improved recovery, extensions and discoveries, to production for the year. All sources ratio includes sales or purchases of minerals in place. A ratio higher than 100% indicates that more proved reserves were added than produced in a year. The Reserves Replacement Ratio is not an indicator of future production because the ultimate development and production of reserves is subject to a number of risks and uncertainties. These include the risks associated with the successful completion of large-scale projects, including addressing ongoing regulatory issues and completion of infrastructure, as well as changes in oil and gas prices, political risks and geological and environmental risks.

## ESTIMATED NET PROVED HYDROCARBONS RESERVES

| | Liquids (mmbbl) | Natural gas (bcf) | Hydrocarbons (mmboe) | Liquids (mmbbl) | Natural gas (bcf) | Hydrocarbons (mmboe) | Liquids (mmbbl) | Natural gas (bcf) | Hydrocarbons (mmboe) |
|---|---|---|---|---|---|---|---|---|---|
| Consolidated subsidiaries | 2022 | | | 2021 | | | 2020 | | |
| Italy | 188 | 869 | 352 | 197 | 918 | 369 | 178 | 348 | 243 |
| *Developed* | *139* | *695* | *271* | *146* | *729* | *283* | *146* | *280* | *199* |
| *Undeveloped* | *49* | *174* | *81* | *51* | *189* | *86* | *32* | *68* | *44* |
| Rest of Europe | 36 | 223 | 78 | 34 | 247 | 81 | 34 | 208 | 73 |
| *Developed* | *32* | *214* | *73* | *34* | *242* | *80* | *31* | *194* | *68* |
| *Undeveloped* | *4* | *9* | *5* | | *5* | *1* | *3* | *14* | *5* |
| North Africa | 364 | 2,323 | 806 | 393 | 2,272 | 820 | 383 | 2,201 | 798 |
| *Developed* | *201* | *670* | *329* | *225* | *781* | *373* | *243* | *1,014* | *434* |
| *Undeveloped* | *163* | *1,653* | *477* | *168* | *1,491* | *447* | *140* | *1,187* | *364* |
| Egypt | 167 | 3,881 | 904 | 210 | 4,152 | 992 | 227 | 4,692 | 1,110 |
| *Developed* | *135* | *2,732* | *655* | *164* | *3,656* | *852* | *172* | *4,511* | *1022* |
| *Undeveloped* | *32* | *1,149* | *249* | *46* | *496* | *140* | *55* | *181* | *88* |
| Sub-Saharan Africa | 367 | 2,341 | 813 | 589 | 2,953 | 1,145 | 624 | 3,864 | 1,352 |
| *Developed* | *212* | *1,306* | *460* | *435* | *1,759* | *766* | *469* | *1,751* | *799* |
| *Undeveloped* | *155* | *1,035* | *353* | *154* | *1,194* | *379* | *155* | *2,113* | *553* |
| Kazakhstan | 644 | 1,560 | 941 | 710 | 1,705 | 1,032 | 805 | 2,003 | 1,182 |
| *Developed* | *585* | *1,560* | *881* | *641* | *1,705* | *963* | *716* | *2,003* | *1093* |
| *Undeveloped* | *59* | | *60* | *69* | | *69* | *89* | | *89* |
| Rest of Asia | 433 | 1,281 | 675 | 476 | 1,522 | 762 | 579 | 1,589 | 879 |
| *Developed* | *231* | *796* | *383* | *262* | *971* | *445* | *297* | *674* | *424* |
| *Undeveloped* | *202* | *485* | *292* | *214* | *551* | *317* | *282* | *915* | *455* |
| Americas | 234 | 264 | 285 | 237 | 274 | 288 | 224 | 175 | 256 |
| *Developed* | *171* | *195* | *207* | *164* | *210* | *203* | *143* | *109* | *162* |
| *Undeveloped* | *63* | *69* | *78* | *73* | *64* | *85* | *81* | *66* | *94* |
| Australia and Oceania | 1 | 408 | 79 | 1 | 428 | 82 | 1 | 474 | 91 |
| *Developed* | *1* | *223* | *43* | *1* | *266* | *51* | *1* | *315* | *60* |
| *Undeveloped* | | *185* | *36* | | *162* | *31* | | *159* | *31* |
| Total consolidated subsidiaries | 2,434 | 13,150 | 4,933 | 2,847 | 14,471 | 5,571 | 3,055 | 15,554 | 5,984 |
| ***Developed*** | ***1,707*** | ***8,391*** | ***3,302*** | ***2,072*** | ***10,319*** | ***4,016*** | ***2,218*** | ***10,851*** | ***4,261*** |
| ***Undeveloped*** | ***727*** | ***4,759*** | ***1,631*** | ***775*** | ***4,152*** | ***1,555*** | ***837*** | ***4,703*** | ***1,723*** |
| | | | | | | | | | |
| Equity-accounted entities | | | | | | | | | |
| Rest of Europe | 350 | 646 | 473 | 378 | 654 | 502 | 400 | 510 | 496 |
| *Developed* | *173* | *444* | *257* | *175* | *457* | *261* | *176* | *415* | *254* |
| *Undeveloped* | *177* | *202* | *216* | *203* | *197* | *241* | *224* | *95* | *242* |
| North Africa | 8 | 9 | 9 | 9 | 10 | 10 | 12 | 14 | 14 |
| *Developed* | *8* | *9* | *9* | *9* | *10* | *10* | *12* | *14* | *14* |
| *Undeveloped* | | | | | | | | | |
| Sub-Saharan Africa | 235 | 1,562 | 531 | 21 | 1,285 | 263 | 18 | 364 | 87 |
| *Developed* | *135* | *1,070* | *338* | *9* | *165* | *39* | *15* | *170* | *47* |
| *Undeveloped* | *100* | *492* | *193* | *12* | *1,120* | *224* | *3* | *194* | *40* |
| Rest of Asia | 100 | 1,490 | 383 | | | | | | |
| *Developed* | | | | | | | | | |
| *Undeveloped* | *100* | *1,490* | *383* | | | | | | |
| Americas | 27 | 1,355 | 285 | 6 | 1,460 | 282 | 30 | 44.149 | 324 |
| *Developed* | *27* | *1,355* | *285* | *6* | *1,460* | *282* | *30* | *44.149* | *324* |
| *Undeveloped* | | | | | | | | | |
| Total equity-accounted entities | 720 | 5,062 | 1,681 | 414 | 3,409 | 1.057 | 460 | 69.307 | 921 |
| ***Developed*** | ***343*** | ***2,878*** | ***889*** | ***199*** | ***2,092*** | ***592*** | ***233*** | ***61.114*** | ***639*** |
| ***Undeveloped*** | ***377*** | ***2,184*** | ***792*** | ***215*** | ***1,317*** | ***465*** | ***227*** | ***8.193*** | ***282*** |
| | | | | | | | | | |
| Total including equity-accounted entities | 3,154 | 18,212 | 6,614 | 3,261 | 17,880 | 6.628 | 3,515 | 509.741 | 6,905 |
| ***Developed*** | ***2,050*** | ***11,269*** | ***4,191*** | ***2,271*** | ***12,411*** | ***4.608*** | ***2,451*** | ***368.376*** | ***4,900*** |
| ***Undeveloped*** | ***1,104*** | ***6,943*** | ***2,423*** | ***990*** | ***5,469*** | ***2.020*** | ***1,064*** | ***141.365*** | ***2,005*** |

## Proved undeveloped reserves

Proved undeveloped reserves as of December 31, 2022 totaled 2,423 mmboe. At year-end, proved undeveloped reserves of liquids amounted to 1,104 mmbbl and of natural gas amounted to 6,943 bcf, mainly concentrated in Africa and Asia. Proved undeveloped reserves of consolidated subsidiaries amounted to 727 mmbbl of liquids and 4,759 bcf of natural gas. The table below provide a summary of changes in total proved undeveloped reserves for 2022.

| | (mmboe) |
|---|---|
| **Proved undeveloped reserves as of December 31, 2021** | **2,020** |
| Additions | (317) |
| Extensions and discoveries | 152 |
| Revisions of previous estimates | 227 |
| Improved recovery | 4 |
| Portfolio | 337 |
| **Proved undeveloped reserves as of December 31, 2022** | **2,423** |

During 2022, Eni matured 317 mmboe of proved undeveloped reserves to proved developed reserves due to progress in development activities, production start-ups and project revisions. The main reclassifications to proved developed reserves related to the following fields/projects: Coral in Mozambique, Kashagan in Kazakhstan and Amoca in Mexico.
For further information, please see the additional information on Oil & Gas producing activities required by the SEC in the notes to the consolidated financial statements.
In 2022, capital expenditure amounted to approximately €7.1 billion to progress the development of PUDs.
Reserves that remain proved undeveloped for five or more years are a result of several factors that affect the timing of the projects development and execution, such as the complexity of development project in adverse and remote locations, physical limitations of infrastructures or plant capacity and contractual limitations that establish production levels. The Company estimates that 0.6 bboe of proved undeveloped reserves have remained undeveloped for five years or more at the balance sheet date and increased from 2021. The proved undeveloped reserves that have remained undeveloped for five years or more at the balance sheet date mainly related to: (i) certain Libyan gas fields (0.4 bboe) where development completion and production start-ups are planned according to the delivery obligations set forth in a long-term gas supply agreement currently in force; (ii) Johan Castberg project for Vår Energi, the development of which is ongoing and first oil is expected in the last quarter of 2024 (0.1 bboe); and (iii) other fields in Italy and Iraq (0.1 bboe) where development activities are in progress.

## Delivery commitments

Eni, through consolidated subsidiaries and equity-accounted entities, sells crude oil and natural gas from its producing operations under a variety of contractual obligations. Some of these contracts, mostly relating to natural gas, specify the delivery of fixed and determinable quantities.
Eni is contractually committed under existing contracts or agreements to deliver in the next three years mainly natural gas to third parties for a total of approximately 576 mmboe from producing assets located mainly in Algeria, Australia, Egypt, Ghana, Indonesia, Kazakhstan, Libya, Nigeria, Norway and Venezuela.
The sales contracts contain a mix of fixed and variable pricing formulas that are generally indexed to the market price for crude oil, natural gas or other petroleum products. Management believes it can satisfy these contracts from quantities available mainly from production of the Company's proved developed reserves and supplies from third parties based on existing contracts. Production is expected to account for approximately 99% of delivery commitments.
Eni has met all contractual delivery commitments as of December 31, 2022.

## Oil and gas production

In 2022 hydrocarbon production averaged 1.610 million boe/d, down by 4.3% compared to 2021. The decrease was due to planned and unplanned outages in Kazakhstan, local issues in Nigeria, lower production in Norway and Egypt as well as mature fields decline. Production was supported by the start-up of the Coral project in Mozambique and the Amoca project in Mexico, higher activity in Algeria, also following the business acquisition, and in the United States as well as the progressive easing of OPEC+ production quotas (particularly in the United Arab Emirates).

Liquid production was 751 kbbl/d, down 7.6% compared to 2021. The reduction in Kazakhstan, Norway and Nigeria as well as mature fields decline was partly offset by production growth in Algeria, Mexico and in the United States as well as the progressive easing of OPEC+ production quotas.

Natural gas production was 4,523 mmcf/d, down 2.3% compared to 2021. Lower production in Norway, Nigeria and Egypt as well as mature fields decline was partly offset by production growth in Algeria and Mozambique.

Oil and gas production sold amounted to 532 mmboe. The 56 mmboe difference over production (588 mmboe) mainly reflected volumes of natural gas consumed in operations (45 mmboe), changes in inventory levels and other variations. Approximately 63% of liquids production sold (270 mmbbl) was destined to Eni’s Refining & Marketing business. About 16% of natural gas production sold (1,381 bcf) was destined to Eni’s Global Gas & LNG Portfolio segment.

## ANNUAL OIL AND NATURAL GAS PRODUCTION[(a)(b)(c)]

| | 2022 | | | 2021 | | | 2020 | | |
|---|---|---|---|---|---|---|---|---|---|
| Consolidated subsidiaries | Liquids (mmbbl) | Natural gas (bcf) | Hydrocarbons (mmboe) | Liquids (mmbbl) | Natural gas (bcf) | Hydrocarbons (mmboe) | Liquids (mmbbl) | Natural gas (bcf) | Hydrocarbons (mmboe) |
| **Italy** | **13** | **88** | **30** | **13** | **92** | **30** | **17** | **116** | **39** |
| **Rest of Europe** | **7** | **46** | **16** | **7** | **43** | **15** | **8** | **58** | **19** |
| United Kingdom | 7 | 46 | 16 | 7 | 43 | 15 | 8 | 58 | 19 |
| **North Africa** | **45** | **273** | **96** | **45** | **263** | **95** | **41** | **278** | **93** |
| Algeria | 23 | 63 | 35 | 20 | 60 | 31 | 19 | 56 | 30 |
| Libya | 21 | 207 | 60 | 24 | 198 | 62 | 21 | 218 | 61 |
| Tunisia | 1 | 3 | 1 | 1 | 5 | 2 | 1 | 4 | 2 |
| **Egypt** | **28** | **516** | **126** | **30** | **538** | **131** | **24** | **440** | **106** |
| **Sub-Saharan Africa** | **51** | **175** | **84** | **73** | **179** | **106** | **80** | **249** | **127** |
| Angola | 19 | 10 | 21 | 33 | 20 | 37 | 33 | 22 | 37 |
| Congo | 15 | 72 | 28 | 16 | 49 | 25 | 18 | 48 | 27 |
| Ghana | 6 | 31 | 12 | 8 | 31 | 13 | 9 | 32 | 15 |
| Nigeria | 11 | 62 | 23 | 16 | 79 | 31 | 20 | 147 | 48 |
| **Kazakhstan** | **32** | **73** | **46** | **37** | **85** | **53** | **40** | **103** | **60** |
| **Rest of Asia** | **28** | **185** | **64** | **29** | **189** | **65** | **32** | **170** | **64** |
| China | | | | | | | | | |
| Indonesia | | 118 | 23 | | 117 | 23 | | 91 | 17 |
| Iraq | 6 | 30 | 11 | 9 | 26 | 14 | 11 | 28 | 17 |
| Pakistan | | 21 | 4 | | 22 | 4 | | 28 | 5 |
| Timor Leste | | 7 | 2 | 1 | 16 | 3 | 1 | 17 | 4 |
| Turkmenistan | 2 | 2 | 2 | 2 | 2 | 3 | 3 | 2 | 3 |
| United Arab Emirates | 20 | 7 | 22 | 17 | 6 | 18 | 17 | 4 | 18 |
| **Americas** | **22** | **30** | **27** | **19** | **26** | **25** | **21** | **36** | **28** |
| Mexico | 5 | 7 | 6 | 4 | 5 | 6 | 4 | 4 | 5 |
| United States | 17 | 23 | 21 | 15 | 21 | 19 | 17 | 32 | 23 |
| **Australia and Oceania** | | **19** | **4** | | **31** | **6** | | **33** | **6** |
| Australia | | 19 | 4 | | 31 | 6 | | 33 | 6 |
| | **226** | **1,405** | **493** | **253** | **1,446** | **526** | **263** | **1,483** | **542** |
| | | | | | | | | | |
| **Equity-accounted entities** | | | | | | | | | |
| Angola | 13 | 31 | 19 | 1 | 31 | 7 | 1 | 36 | 8 |
| Mozambique | | 12 | 3 | | | | | | |
| Norway | 33 | 108 | 53 | 41 | 118 | 63 | 42 | 134 | 68 |
| Tunisia | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Venezuela | 1 | 94 | 19 | 1 | 88 | 17 | 1 | 77 | 15 |
| | **48** | **246** | **95** | **44** | **238** | **88** | **45** | **248** | **92** |
| | | | | | | | | | |
| **Total** | **274** | **1,651** | **588** | **297** | **1,684** | **614** | **308** | **1,731** | **634** |

(a) Includes Eni's share of equity-accounted equities.
(b) Includes volumes of hydrocarbons consumed in operations (45, 42 and 45 mmboe in 2022, 2021 and 2020, respectively).
(c) Effective January 1st, 2022, the conversion rate of natural gas from cubic feet to boe has been updated to 1 barrel of oil = 5,263 cubic feet of gas (it was 1 barrel of oil = 5,310 cubic feet of gas). The effect of this update on production expressed in boe was approximately 3 mmboe for the full year of 2022. Other per-boe indicators were only marginally affected by the update (e.g. realized prices, costs per boe) and also negligible was the impact on depletion charges. Other oil companies may use different conversion rates.

## DAILY OIL AND NATURAL GAS PRODUCTION[a][b][c]

| | Liquids (mmbbl) | Natural gas (bcf) | Hydrocarbons (mmboe) | Liquids (mmbbl) | Natural gas (bcf) | Hydrocarbons (mmboe) | Liquids (mmbbl) | Natural gas (bcf) | Hydrocarbons (mmboe) |
|---|---|---|---|---|---|---|---|---|---|
| **Consolidated subsidiaries** | | 2022 | | | 2021 | | | 2020 | |
| **Italy** | **36** | **242.0** | **82** | **36** | **251.0** | **83** | **47** | **316.6** | **107** |
| **Rest of Europe** | **20** | **125.0** | **44** | **19** | **119.3** | **41** | **23** | **159.1** | **52** |
| United Kingdom | 20 | 125.0 | 44 | 19 | 119.3 | 41 | 23 | 159.1 | 52 |
| **North Africa** | **122** | **748.6** | **264** | **124** | **720.1** | **259** | **112** | **758.4** | **255** |
| Algeria | 62 | 171.5 | 95 | 54 | 165.1 | 85 | 53 | 152.5 | 81 |
| Libya | 58 | 567.0 | 165 | 67 | 541.7 | 168 | 56 | 594.4 | 168 |
| Tunisia | 2 | 10.1 | 4 | 3 | 13.3 | 6 | 3 | 11.5 | 6 |
| **Egypt** | **77** | **1,413.2** | **346** | **82** | **1,474.8** | **360** | **64** | **1,203.0** | **291** |
| **Sub-Saharan Africa** | **139** | **481.0** | **230** | **198** | **489.5** | **291** | **218** | **679.0** | **345** |
| Angola | 52 | 27.4 | 57 | 91 | 53.9 | 101 | 89 | 58.2 | 100 |
| Congo | 40 | 197.8 | 78 | 44 | 135.5 | 70 | 49 | 131.1 | 73 |
| Ghana | 16 | 85.6 | 32 | 20 | 83.8 | 36 | 24 | 87.6 | 41 |
| Nigeria | 31 | 170.2 | 63 | 43 | 216.3 | 84 | 56 | 402.1 | 131 |
| **Kazakhstan** | **88** | **198.6** | **126** | **102** | **233.0** | **146** | **110** | **282.2** | **163** |
| **Rest of Asia** | **78** | **507.2** | **174** | **80** | **516.5** | **177** | **88** | **465.0** | **176** |
| China | 1 | | 1 | 1 | | 1 | 1 | | 1 |
| Indonesia | 1 | 323.5 | 62 | 1 | 321.2 | 61 | 1 | 248.5 | 48 |
| Iraq | 15 | 82.1 | 31 | 24 | 70.7 | 37 | 31 | 76.3 | 45 |
| Pakistan | | 56.2 | 11 | | 59.8 | 11 | | 76.8 | 15 |
| Timor Leste | 1 | 19.0 | 4 | 1 | 42.5 | 9 | 2 | 46.8 | 10 |
| Turkmenistan | 4 | 6.4 | 5 | 6 | 6.3 | 7 | 7 | 6.2 | 9 |
| United Arab Emirates | 56 | 20.0 | 60 | 47 | 16.0 | 51 | 46 | 10.4 | 48 |
| **Americas** | **59** | **80.7** | **74** | **53** | **73.0** | **67** | **57** | **97.1** | **75** |
| Mexico | 14 | 18.1 | 17 | 11 | 14.8 | 14 | 12 | 10.9 | 14 |
| United States | 45 | 62.6 | 57 | 42 | 58.2 | 53 | 45 | 86.2 | 61 |
| **Australia and Oceania** | | **52.3** | **10** | | **85.0** | **16** | | **91.0** | **17** |
| Australia | | | 10 | | 85.0 | 16 | | 91.0 | 17 |
| | **619** | **3,848.6** | **1,350** | **694** | **3,962.2** | **1,440** | **719** | **4,051.4** | **1,481** |
| | | | | | | | | | |
| **Equity-accounted entities** | | | | | | | | | |
| Angola | 36 | 84.6 | 53 | 3 | 85.8 | 19 | 4 | 98.8 | 23 |
| Mozambique | | 32.4 | 6 | | | | | | |
| Norway | 89 | 295.3 | 145 | 111 | 322.7 | 172 | 116 | 365.0 | 185 |
| Tunisia | 3 | 2.9 | 3 | 3 | 3.2 | 3 | 2 | 2.9 | 2 |
| Venezuela | 4 | 259.2 | 53 | 2 | 239.2 | 48 | 2 | 211.0 | 42 |
| | **132** | **674.4** | **260** | **119** | **650.9** | **242** | **124** | **677.7** | **252** |
| | | | | | | | | | |
| **Total** | **751** | **4,523.0** | **1,610** | **813** | **4,613.1** | **1,682** | **843** | **4,729.1** | **1,733** |

(a) Includes Eni's share of equity-accounted equities.
(b) Includes volumes of hdrocarbons consumed in operations (124, 116 and 124 kboe/d in 2022, 2021 and 2020, respectively).
(c) Effective January 1st, 2022, the conversion rate of natural gas from cubic feet to boe has been updated to 1 barrel of oil = 5,263 cubic feet of gas (it was 1 barrel of oil = 5,310 cubic feet of gas). The effect on production has been 8 kboe/d in the full year 2022.

## Productive wells

In 2022, oil and gas productive wells were 8,200 (2,680.3 of which represented Eni's share). In particular, oil productive wells were 6,792 (2,063.4 of which represented Eni's share); natural gas productive wells amounted to 1,408 (616.9 of which represented Eni's share). The following table shows the number of productive wells in the year indicated by the Group and its equity-accounted entities in accordance with the requirements of FASB Extractive Activities Oil and Gas (Topic 932).

### PRODUCTIVE WELLS[a]

| | 2022 | | | |
|---|---|---|---|---|
| | Oil wells | | Natural gas wells | |
| (number) | Gross | Net | Gross | Net |
| Italy | 156.0 | 130.0 | 331.0 | 292.4 |
| Rest of Europe | 635.0 | 105.0 | 223.0 | 49.1 |
| North Africa | 627.0 | 263.8 | 138.0 | 74.9 |
| Egypt | 1,253.0 | 533.5 | 145.0 | 44.7 |
| Sub-Saharan Africa | 2,639.0 | 480.1 | 175.0 | 26.1 |
| Kazakhstan | 209.0 | 57.2 | 1.0 | 0.3 |
| Rest of Asia | 1,004.0 | 349.4 | 108.0 | 45.6 |
| Americas | 269.0 | 144.4 | 285.0 | 81.8 |
| Australia and Oceania | | | 2.0 | 2.0 |
| | 6,792.0 | 2,063.4 | 1,408.0 | 616.9 |

(a) Includes 1,089 gross (306.4 net to Eni) multiple completion wells (more than one producing into the same well bore). Productive wells are producing wells and wells capable of production. One or more completions in the same bore hole are counted as one well.

## Drilling activities

## Exploration

In 2022, a total of 40 new exploratory wells were drilled (18.9 of which represented Eni's share), as compared to 31exploratory wells drilled in 2021 (17.4 of which represent Eni's share) and 28 exploratory wells drilled in 2020 (13.8 of which represented Eni's share).
The following tables show the number of net productive, dry and in progress exploratory wells in the years indicated by the Group and its equity-accounted entities in accordance with the requirements of FASB Extractive Activities - Oil and Gas (Topic 932). The overall commercial success rate was 45% (44% net to Eni) as compared to 54% (49% net to Eni) in 2021 and 28% (30% net to Eni) in 2020.

### EXPLORATORY WELL ACTIVITY

| | Net wells completed[a] | | | | | | Wells in progress at Dec. 31[b] | |
|---|---|---|---|---|---|---|---|---|
| | 2022 | | 2021 | | 2020 | | 2022 | |
| (number) | productive | dry[c] | productive | dry[c] | productive | dry[c] | gross | net |
| Italy | | | | | | | | |
| Rest of Europe | 0.4 | 1.2 | 0.1 | 0.3 | 0.8 | 0.4 | 26.0 | 6.7 |
| North Africa | 1.0 | 4.0 | | | 0.5 | 1.5 | 9.0 | 6.0 |
| Egypt | 4.4 | 4.3 | 5.0 | 5.0 | 0.7 | 1.5 | 12.0 | 10.3 |
| Sub-Saharan Africa | 3.7 | 2.4 | 1.1 | 0.4 | 0.1 | 0.9 | 39.0 | 19.7 |
| Kazakhstan | | | | | | 1.1 | | |
| Rest of Asia | 0.7 | 1.0 | 0.7 | 1.0 | 0.8 | 0.9 | 13.0 | 5.7 |
| Americas | | | | 0.7 | | 0.6 | 3.0 | 1.9 |
| Australia and Oceania | | | | | | | 1.0 | 0.3 |
| | 10.2 | 12.9 | 7.0 | 7.4 | 2.9 | 6.9 | 103.0 | 50.6 |

(a) Includes number of wells in Eni's share.
(b) Includes temporary suspended wells pending further evaluation.
(c) A dry well is an exploratory, development, or extension well that proves to be incapable of producing either oil or gas sufficient quantities to justify completion as an oil or gas well.

## Development

In 2022, a total of 187 development wells were drilled (71.1 of which represented Eni's share) as compared to 154 development wells drilled in 2021 (47.7 of which represented Eni's share) and 182 development wells drilled in 2020 (57.4 of which represented Eni's share). The drilling of 40 development wells (13.5 of which represented Eni's share) is currently underway.
The following tables show the number of net productive, dry and in progress development wells in the years indicated by the Group and its equity-accounted entities in accordance with the requirements of FASB Extractive Activities - Oil and Gas (Topic 932).

### DEVELOPMENT WELL ACTIVITY

| | Net wells completed[a] | | | | | | Wells in progress at Dec. 31 | |
|---|---|---|---|---|---|---|---|---|
| | 2022 | | 2021 | | 2020 | | 2022 | |
| (units) | productive | dry[b] | productive | dry[b] | productive | dry[b] | gross | net |
| Italy | 1.0 | | | | | | | |
| Rest of Europe | 4.6 | | 4.8 | | 2.8 | | 8.0 | 3.7 |
| North Africa | 5.7 | 0.5 | 2.5 | | 4.3 | | 1.0 | 0.5 |
| Egypt | 19.9 | | 17.0 | 0.8 | 23.2 | | 5.0 | 2.3 |
| Sub-Saharan Africa | 8.5 | | 3.8 | | 1.2 | | 17.0 | 3.0 |
| Kazakhstan | 0.6 | | | | 0.3 | | | |
| Rest of Asia | 22.1 | | 14.9 | | 23.2 | 0.4 | 8.0 | 3.9 |
| Americas | 8.2 | | 3.9 | | 2.0 | | 1.0 | 0.1 |
| Australia and Oceania | | | | | | | | |
| | 70.6 | 0.5 | 46.9 | 0.8 | 57.0 | 0.4 | 40.0 | 13.5 |

(a) Includes number of wells in Eni's share.
(b) A dry well is an exploratory, development, or extension well that proves to be incapable of producing either oil or gas sufficient quantities to justify completion as an oil or gas well.

## Acreage

In 2022, Eni performed its operations in thirty-seven Countries located in five continents. As of December 31, 2022, Eni's mineral right portfolio consisted of 752 exclusive or shared rights of exploration and development activities for a total acreage of 308,550 square kilometers net to Eni (335,501 square kilometers net to Eni as of December 31, 2021), of which 643 square kilometers related to the CCUS activities in Norway and the United Kingdom. Developed acreage was 27,262 square kilometers and undeveloped acreage was 281,288 square kilometers net to Eni.
In 2022, main changes derived from: (i) the entry in Qatar and new leases were purchased or awarded in Algeria, Egypt, Norway, and Ivory Coast as well as the CCUS project in Norway for a total increase in acreage of approximately 18,900 square kilometers; (ii) relinquishment for the year related mainly to South Africa, Myanmar, Bahrain, Greenland, Ireland, Pakistan, Italy, Mozambique and Montenegro covering an acreage of approximately 39,650 square kilometers; (iii) interest increases were reported mainly in Vietnam, Algeria and Congo for a total acreage of approximately 1,450 square kilometers; and (iv) partial relinquishment was reported mainly in Angola, Indonesia and Norway for approximately 7,700 square kilometers.
The gross undeveloped acreages that will expire in the next three years are related to exploration leases, blocks, concessions in: (i) Rest of Europe, in particular in Albania and Cyprus; (ii) Rest of Asia, in particular in Oman, Vietnam, Indonesia, Russia and United Arab Emirates; (iii) North Africa, in particular in Morocco and Libya; (iv) Sub-Saharan Africa, in particular in Kenya, Ivory Coast and Mozambique; and (v) Americas, in particular in Mexico. In most cases extension or renewal options are contractually defined and may or may not be exercised depending on the results of the studies and the planned activities. Management believes that a significant amount of acreage will be maintained following extension or renewal.

## OIL AND NATURAL GAS INTERESTS

| | December 31, 2021 | December 31, 2022 | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Total net acreage[a] | Number of interest | Gross developed acreage[a][b] | Gross undeveloped acreage[a] | Total gross acreage[a] | Net developed acreage[a][b] | Net undeveloped acreage[a] | Total net acreage[a] |
| **EUROPE** | **39,858** | **302** | **14,635** | **54,096** | **68,731** | **8,137** | **25,495** | **33,632** |
| **Italy** | **12,118** | **113** | **7,993** | **4,966** | **12,959** | **6,698** | **4,186** | **10,884** |
| **Rest of Europe** | **27,740** | **189** | **6,642** | **49,130** | **55,772** | **1,439** | **21,309** | **22,748** |
| Albania | 587 | 1 | | 587 | 587 | | 587 | 587 |
| Cyprus | 13,988 | 7 | | 25,474 | 25,474 | | 13,988 | 13,988 |
| Greenland | 1,909 | | | | | | | |
| Montenegro | 614 | | | | | | | |
| Norway | 7,272 | 147 | 5,723 | 21,789 | 27,512 | 815 | 5,871 | 6,686 |
| United Kingdom | 1,487 | 34 | 919 | 1,280 | 2,199 | 624 | 863 | 1,487 |
| Other Countries | 1,883 | | | | | | | |
| **AFRICA** | **128,186** | **293** | **51,139** | **232,739** | **283,878** | **14,207** | **103,189** | **117,396** |
| **North Africa** | **27,775** | **81** | **16,820** | **104,546** | **121,366** | **7,773** | **35,307** | **43,080** |
| Algeria | 4,765 | 54 | 11,561 | 6,915 | 18,476 | 5,332 | 3,388 | 8,720 |
| Libya | 13,294 | 14 | 1,963 | 78,085 | 80,048 | 958 | 23,686 | 24,644 |
| Morocco | 7,529 | 1 | | 16,730 | 16,730 | | 7,529 | 7,529 |
| Tunisia | 2,187 | 12 | 3,296 | 2,816 | 6,112 | 1,483 | 704 | 2,187 |
| **Egypt** | **6,776** | **55** | **5,022** | **15,179** | **20,201** | **1,789** | **5,314** | **7,103** |
| **Sub-Saharan Africa** | **93,635** | **157** | **29,297** | **113,014** | **142,311** | **4,645** | **62,568** | **67,213** |
| Angola | 10,810 | 82 | 10,863 | 30,544 | 41,407 | 907 | 5,609 | 6,516 |
| Congo | 1,306 | 19 | 971 | 1,320 | 2,291 | 586 | 713 | 1,299 |
| Gabon | 2,931 | 3 | | 2,931 | 2,931 | | 2,931 | 2,931 |
| Ghana | 495 | 3 | 226 | 930 | 1,156 | 100 | 395 | 495 |
| Ivory Coast | 3,385 | 6 | | 4,523 | 4,523 | | 4,000 | 4,000 |
| Kenya | 41,892 | 6 | | 50,677 | 50,677 | | 41,892 | 41,892 |
| Mozambique | 4,171 | 8 | 719 | 13,883 | 14,602 | 180 | 3,688 | 3,868 |
| Nigeria | 6,374 | 30 | 16,518 | 8,206 | 24,724 | 2,872 | 3,340 | 6,212 |
| South Africa | 22,271 | | | | | | | |
| **ASIA** | **155,482** | **55** | **10,926** | **256,816** | **267,742** | **3,238** | **142,347** | **145,585** |
| **Kazakhstan** | **1,947** | **7** | **2,391** | **3,853** | **6,244** | **442** | **1,505** | **1,947** |
| **Rest of Asia** | **153,535** | **48** | **8,535** | **252,963** | **261,498** | **2,796** | **140,842** | **143,638** |
| Bahrain | 2,858 | | | | | | | |
| China | 10 | 3 | 62 | | 62 | 10 | | 10 |
| Indonesia | 14,184 | 13 | 3,770 | 14,465 | 18,235 | 1,787 | 10,319 | 12,106 |
| Iraq | 446 | 1 | 1,074 | | 1,074 | 446 | | 446 |
| Lebanon | 1,461 | 2 | | 3,653 | 3,653 | | 1,461 | 1,461 |
| Myanmar | 4,113 | | | | | | | |
| Oman | 58,955 | 3 | | 102,016 | 102,016 | | 58,955 | 58,955 |
| Pakistan | 1,072 | | | | | | | |
| Qatar | | 1 | | 1,206 | 1,206 | | 38 | 38 |
| Russia | 17,975 | 2 | | 53,930 | 53,930 | | 17,975 | 17,975 |
| Timor Leste | 1,928 | 4 | 412 | 2,200 | 2,612 | 122 | 1,806 | 1,928 |
| Turkmenistan | 180 | 1 | 200 | | 200 | 180 | | 180 |
| United Arab Emirates | 18,771 | 12 | 3,017 | 29,603 | 32,620 | 251 | 18,411 | 18,662 |
| Vietnam | 28,338 | 5 | | 31,290 | 31,290 | | 28,633 | 28,633 |
| Other Countries | 3,244 | 1 | | 14,600 | 14,600 | | 3,244 | 3,244 |
| **AMERICAS** | **9,270** | **98** | **2,230** | **14,570** | **16,800** | **1,046** | **8,140** | **9,186** |
| Mexico | 3,106 | 10 | 34 | 5,436 | 5,470 | 34 | 3,073 | 3,107 |
| United States | 751 | 76 | 935 | 280 | 1,215 | 515 | 139 | 654 |
| Venezuela | 1,066 | 6 | 1,261 | 1,543 | 2,804 | 497 | 569 | 1,066 |
| Other Countries | 4,347 | 6 | | 7,311 | 7,311 | | 4,359 | 4,359 |
| **AUSTRALIA AND OCEANIA** | **2,705** | **4** | **728** | **2,608** | **3,336** | **634** | **2,117** | **2,751** |
| Australia | 2,705 | 4 | 728 | 2,608 | 3,336 | 634 | 2,117 | 2,751 |
| **Total** | **335,501** | **752** | **79,658** | **560,829** | **640,487** | **27,262** | **281,288** | **308,550** |

(a) Square kilometers.
(b) Developed acreage refers to those leases in which at least a portion of the area is in production or encompasses proved developed reserves.

## MAIN PRODUCING ASSETS (GROUP SHARE IN %) AND THE YEAR IN WHICH ENI STARTED OPERATIONS

| | | | | | |
|---|---|---|---|---|---|
| Italy | | (1926) | Operated | **Adriatic and Ionian Sea** | Barbara (100%), Annamaria (100%), Clara NW (51%), Hera Lacinia (100%) and Bonaccia (100%) |
| | | | | **Basilicata Region** | Val d'Agri (61%) |
| | | | | **Sicily** | Gela (100%), Tresauro (75%), Giaurone (100%), Fiumetto (100%), Prezioso (100%) and Bronte (100%) |
| Rest of europe | **Norway**[a] | (1965) | Operated | | Goliat (41%), Marulk (12.62%), Balder & Ringhorne (56.77%) and Ringhorne East (44.14%) |
| | | | Non-operated | | Åsgard (15.41% ), Mikkel (30.51%), Great Ekofisk Area (7.81%), Snorre (11.70%), Ormen Lange (4.00%), Statfjord Unit (13.47%), Statfjord Satellites East (9.17%), Statfjord Satellites North (15.77%), Statfjord Satellites Sygna (13.25%) and Grane (17.86%) |
| | **United Kingdom** | (1964) | Operated | | Liverpool Bay (100%) |
| | | | Non-operated | | Elgin/Franklin (21.87%), Glenelg (8%), J Block (33%), Jasmine (33%) and Jade (7%) |
| North africa | **Algeria**[b] | (1981) | Operated | | Sif Fatima II (49%), Zemlet El Arbi (49%), Ourhoud II (49%), Blocks 403a/d (from 65% to 100%), Block ROM North (35%), Blocks 401a/402a (55%), Block 403 (50%), Block 405b (75%) and Berkine South (75%). |
| | | | Non-operated | | Block 404 (12.25%) and Block 208 (12.25%) |
| | **Libya**[b] | (1959) | Non-operated | **Onshore contract areas** | Area A (former concession 82 - 50%), Area B (former concession 100/ Bu-Attifel and Block NC 125 - 50%), Area E (El-Feel - 33.3%) and Area D (Block NC 169 - 50%) |
| | | | | **Offshore contract areas** | Area C (Bouri - 50%) and Area D (Blocco NC 41 - 50%) |
| | **Tunisia** | (1961) | Operated | | Maamoura (49%), Baraka (49%), Adam (25%) and Oued Zar (50%) |
| | | | Non-operated | | MLD (50%) and El Borma (50%) |
| Egypt[b][c] | | (1954) | Operated | | Shorouk (Zohr - 50%), Nile Delta (Abu Madi West/Nidoco - 75%), Sinai (Belayim Land, Belayim Marine and Abu Rudeis - 100%), Meleiha (76%), North Port Said (Port Fouad - 100%), Temsah (Tuna, Temsah and Denise - 50%), Southwest Meleiha (100%) and Baltim (50%). |
| | | | Non-operated | | Ras el Barr (Ha'py and Seth - 50%) and South Ghara (25%) |
| Sub-Saharan Africa | **Angola**[d] | (1980) | Operated | | Block 31 (13.33%), Block 18 (23%) and Block 15/06 (18.42%) |
| | | | Non-operated | | Block 17 (7.9%), Block 15 (21%), Block 0 (4.90%), Block 3 and 3/05-A (6%), Block 14 (10%) and Block 14K/A IMI (5%). |
| | **Congo** | (1968) | Operated | | Néné-Banga Marine and Litchendjili (Block Marine XII, 65%), Ikalou (85%), Djambala (50%), Foukanda (58%), Mwafi (58%), Kitina (52%), Awa Paloukou (90%) and M'Boundi (83%) |
| | | | Non-operated | | Yanga Sendji (29.75%) and Likouala (35%) |
| | **Ghana** | (2009) | Operated | | Offshore Cape Three Points (44.44%) |
| | **Mozambique** | (2006) | Operated | | Area 4 (25%) |
| | **Nigeria** | (1962) | Operated | | OMLs 60, 61, 62 and 63 (20%) and OML 125 (100%) |
| | | | Non-operated[e] | | OML 118 (12.5%) |
| Kazakhstan[b] | | (1992) | Operated[f] | | Karachaganak (29.25%) |
| | | | Non-operated | | Kashagan (16.81%) |
| Rest of Asia | **Indonesia** | (2001) | Operated | | Jangkrik (55%) and Merakes (65%) |
| | **Iraq** | (2009) | Non-operated[g] | | Zubair (41.56%) |
| | **Turkmenistan** | (2008) | Operated | | Burun (90%) |
| | **United Arab Emirates** | (2018) | Non-operated | | Lower Zakum (5%), Umm Shaif and Nasr (10%) and Area B - Sharjah (50%) |
| Americas | **Mexico** | (2019) | Operated | | Area 1 (100%) |
| | **United States** | (1968) | Operated | **Gulf of Mexico** | Allegheny (100%), Appaloosa (100%), Pegasus (100%), Longhorn (75%), Devils Towers (100%) and Triton (100%) |
| | | | | **Alaska** | Nikaitchuq (100%) and Oooguruk (100%) |
| | | | Non-operated | **Gulf of Mexico** | Europa (32%), Medusa (25%), Lucius (14.45%), K2 (13.4%), Frontrunner (37.5%) and Heidelberg (12.5%) |
| | | | | **Texas** | Alliance area (27.5%) |
| | **Venezuela** | (1998) | Non-operated | | Perla (50%), Corocoro (26%) and Junin 5 (40%) |

(a) Assets held by the Vår Energi associate (Eni's interest 63.1%).
(b) In certain extractive initiatives, Eni and the host Country agree to assign the operatorship of a given initiative to an incorporated joint venture, a so called operating company. The operating company in its capacity as the operator is responsible of managing extractive operations. Those operating companies are not controlled by Eni.
(c) Eni's working interests (and not participating interests) are reported. This include Eni's share of costs incurred on behalf of the first party accordingly to the terms of PSAs inforce in the Country.
(d) Assets held through Azule Energy, an equity accounted joint venture (Eni's interest 50%).
(e) As partners of SPDC JV, Eni holds a 5% interest in 16 onshore blocks and in 1 conventional offshore block and with a 12.86% in 2 conventional offshore blocks.
(f) Eni and Shell are co-operators.
(g) Eni is leading a consortium of partners including international companies and the national oil company Missan Oil within a Technical Service Contract as contractor.

## Main exploration and development project

Eni's exploration and production activities are conducted in many Countries and are therefore subject to a broad range of legislation and regulations. These cover virtually all aspects of exploration and production activities, including matters such as license acquisition, production rates, royalties, pricing, environmental protection, export, taxes and foreign exchange. The terms and condition of the leases, licenses and contracts under which these Oil & Gas interests are held vary from Country to Country. These leases, licenses and contracts are generally granted by or entered into with a government entity or state company and are sometimes entered into with private property owners. These contractual arrangements usually take the form of concession agreements or production sharing agreements.

**Concessions contracts.** Eni operates under concession contracts mainly in Western Countries. Concessions contracts regulate relationships between States and oil companies with regards to hydrocarbon exploration and production activity. Contractual clauses governing mineral concessions, licenses and exploration permits regulate the access of Eni to hydrocarbon reserves. The company holding the mining concession has an exclusive right on exploration, development and production activities, sustaining all the operational risks and costs related to the exploration and development activities, and it is entitled to the productions realized. As a compensation for mineral concessions, pays royalties on production (which may be in cash or in-kind) and taxes on oil revenues to the state in accordance with local tax legislation. Both exploration and production licenses are granted generally for a specified period of time (except for production licenses in the United States which remain in effect until production ceases): the term of Eni's licenses and the extent to which these licenses may be renewed vary by area. Proved reserves to which Eni is entitled are determined by applying Eni's share of production to total proved reserves of the contractual area, in respect of the duration of the relevant mineral right.

**Production Sharing Agreement (PSA).** Eni operates under PSA in several of the foreign jurisdictions mainly in African, Middle Eastern, Far Eastern Countries. The mineral right is awarded to the national oil company jointly with the foreign oil company that has an exclusive right to perform exploration, development and production activities and can enter into agreements with other local or international entities. In this type of contract, the national oil company assigns to the international contractor the task of performing exploration and production with the contractor's equipment (technologies) and financial resources. Exploration risks are borne by the contractor and production is divided into two portions: "Cost Oil" is used to recover costs borne by the contractor and "Profit Oil" is divided between the contractor and the national company according to variable schemes and represents the profit deriving from exploration and production. Further terms and conditions of these contracts may vary from Country to Country. Pursuant to these contracts, Eni is entitled to a portion of a field's reserves, the sale of which is intended to cover expenditures incurred by the Company to develop and operate the field. The Company's share of production volumes and reserves representing the Profit Oil includes the share of hydrocarbons which corresponds to the taxes to be paid, according to the contractual agreement, by the national government on behalf of the Company. As a consequence, the Company has to recognize at the same time an increase in the taxable profit, through the increase of the revenues, and a tax expense. Proved reserves to which Eni is entitled under PSAs are calculated so that the sale of production entitlements should cover expenses incurred by the Group to develop a field (Cost Oil) and recognize the Profit Oil set contractually (Profit Oil). A similar scheme applies to some service contracts.

### Italy

In the gas assets of the Adriatic Sea, development activities concerned: (i) maintenance and production optimization intervention at the Bonaccia, Arianna and Basil offshore fields; and (ii) decommissioning plan to plug-in depleted wells and to remove idle platforms progressed in the year in compliance with Italian Ministerial Decree February 15, 2019 "Linee guida nazionali per la dismissione mineraria delle piattaforme per la coltivazione in mare e delle infrastrutture connesse". The decommissioning process is ongoing as required by the Ministerial Decree for the first 10 platforms.

Within Eni's strategy to minimize carbon footprint, a program was launched to build a hub for the capture and storage of $CO_2$ (Carbon Capture and Storage - CCS) in depleted fields off the coast of Ravenna with a potential $CO_2$ store capacity of 500 million tonnes/year. The development program includes a Phase 1 of project to build a CCS plant to storage 25 ktonnes/year of $CO_2$ from 2024. In December 2022 Phase 1 was sanctioned. By 2026, Phase 2 will start the industrial scale up with a storage injection of 4 million tonnes/year.
In 2022 the Energy Valley project activities progressed and concerned certain initiatives with the support of local stakeholders, in the area nearby at the Val d'Agri Oil Center, relating to environmental sustainability, innovation, rehabilitation and enhancement of the area. In particular: (i) the agricultural rehabilitation programs through the "Agricultural Center for Experimentation and Training" project with sustainable agricultural initiatives and experimental crops; and (ii) training activities also by means of the partnership agreement with the CNH industrial company in the farm mechanization; and (iii) biomonitoring programs with innovative techniques.
In June 2022 Eni, Shell and the Basilicata Region, signed a Memorandum of Intent for a sustainable development of the ten-year program at the Val d'Agri concession. The agreement provides for: (i) energy transition and circular economy projects; (ii) development initiatives to enhance the area and socio-economic, cultural and environmental programs; and (iii) partnerships and networks developments with local and national stakeholders as well as local resources.
Within the Memorandum of Understanding for the Gela area, signed with the Ministry of Economic Development in November 2014, the construction activities of the gas treatment plant progressed at the Argo and Cassiopeia development project (Eni's interest 60%). The project will be developed in about 3 years with an investment of over €800 million.
The onshore and offshore project facilities will speed up the development of any additional production resulting from the exploratory programs following the regulatory update to relaunch domestic natural gas production. Natural gas production start-up is expected in the first half of 2024. Project configuration and design will support to achieve the carbon neutrality target (Scope 1 and 2).
Within the local support communities' initiatives, according to the ratification of the framework agreement with the Fondazione Banco Alimentare Onlus, Banco Alimentare della Sicilia Onlus and the Municipality of Gela, activities were launched to create a food storage and distribution center for disadvantaged communities.

## Rest of Europe

**Norway** During 2022, Eni and the private equity fund HitecVision, shareholders of Vår Energi, have finalized the process of listing the investee at the local stock exchange, the largest O&G IPO in Europe in 15 years, placing about a 16.2% interest. Following the closing Eni's interest is 63.1%.
Exploration activity yielded positive results with the Lupa (Eni's interest 31.54%), Snofonn (Eni's interest 18.92%) and Skavl Sto (Eni's interest 18.92%) discoveries in the Barents Sea, and the Calypso discovery (Eni's interest 12.61%) in the Norwegian Sea.
The mineral interest portfolio increased with twelve exploration licenses (five of which are operated) following the "Awards in Predefined Areas 2022" (APA) by the Ministry of Petroleum and Energy of Norway. The licenses are distributed over the three main sections of the Norwegian continental shelf. The new acquired licenses are located in both near-fields already in production or development areas with high exploration mineral potential.
In 2022, Vår Energi acquired: (i) 30% and operatorship of the PL820S and PL820 SB production licenses, north of the Balder field in the North Sea. The transaction is pending government approval; and (ii) the 40% stake and operatorship of the PL 917 and PL 917B production licenses, west of the Balder field, through an equity swap with Aker BP in PL 956 and PL 985 licenses. The transaction has been approved by the authorities. These transactions are part of the long-term growth strategy focused on the North Sea hubs and will be included in the further development of the Balder area.
Development activities mainly concerned: (i) the Johan Castberg (Eni's interest 18.92%) sanctioned project with start-up expected in 2024; (ii) the Balder X sanctioned project in the PL 001 license, located in the North Sea. The Balder project scheme provides for drilling additional productive wells,

to be linked to an upgraded Jotun FPSO unit that will be relocated in the area that will support the development of new discoveries near to the area through upgrading existing infrastructure. The planned activities will allow to extend the Balder hub production until 2045. Production start-up is expected in 2024; and (iii) the Breidablikk sanctioned project with start-up in 2024. The project scheme provides for drilling production wells to be linked to existing treatment facilities in the area. Leveraging on high energy and operational efficiency technologies, the project development will minimize direct GHG emissions.

**United Kingdom** In the year production start-up was achieved at the J-Area with three new development wells as well as at the Jade South recent discovery by means of the linkage to the existing facilities.
Development activities mainly concerned: (i) Talbot development project was sanctioned in 2022. Drilling activities start-up are planned during 2023 with first oil in 2024; (ii) work-over program at the Douglas field; and (iii) decommissioning planned activity of the Hewett Area.
Activities progressed at the HyNet North West integrated project where Eni is engaged with a consortium of local industries for the capture, transportation and storage of $CO_2$ emitted by them and for the realization of a low carbon hydrogen production plant in the future. Eni will develop and operate both the onshore and offshore transportation and storage of $CO_2$ in its Liverpool Bay assets. The project has been selected by the UK authorities between the two priority CCS projects of the Track 1 clusters. The HyNet North West project start-up is expected in 2025 with an initial $CO_2$ storage capacity of 4.5 mmtonnes/year, at a later stage from 2030 will be increased to reach 10 mmtonnes/year. The HyNet North West project will support to achieve the decarbonisation goals define by the UK Government at 2032. In particular the project will contribute to more than 80% of the $CO_2$ capture and storage target by 2030, as well as with a production of 4 GW will support to achieve the 80% production of low carbon hydrogen target by 2030.
In September 2022, Eni applied to the country's authorities for carbon storage license at the Hewett depleted field in the UK Southern North Sea, for the development of a CCS project aimed at decarbonising the Bacton and Thames Estuary area. To support this application, Eni announces the set-up of the Bacton Thames Net Zero initiative, including more tha 10 companies, to decarbonise the energy-intensive and hard-to-abate sectors in the area.

## North Africa

**Algeria** Exploration activities yielded positive results with: (i) the HDLE oil and gas discovery in the Zemlet el Arbi concession; and (ii) the HDLS e RODW oil and associated gas discoveries in the Sif Fatima II. These discoveries will be put into production through fast-track development activities leveraging on the existing production facilities.
In September 2022, signed an agreement to purchase bp's assets in Algeria including the two gas-producing concessions In Amenas and In Salah, located in the southern Sahara Desert. Eni finalized this agreement in February 2023 and acquired a stake of 45.89% and 33.15% in the mentioned concessions, respectively.
During 2022, signed several agreements leveraging Eni's strong relationship with the country to increase and diversified natural gas export flows to Europe as well as other decarbonization initiatives. In particular: (i) in March 2022 awarded a new PSA agreement for the Berkine South Area. The project includes a fast-track development hub for oil and gas production through a synergy with existing assets in block 405b; (ii) in April 2022 signed a Memoradum of Understading to evaluate gas mineral potential and fast-track development of recent discoveries. Additional natural gas production expected from the agreed areas will increase export capacity of the Transmed pipeline. In addition, the agreement launched a study to assess technical and economic feasibility of a green hydrogen pilot project nearby the BRN gas plant; (iii) in July 2022 a new PSA agreement was signed with the partner of the Blocks 404 and 208. The agreement will support additional investments to develop mineral potential in the area and possible initiative for the development of associated gas volumes; and (iv) in November 2022 the Solar Lab research center was launched to identify the most efficient technologies for the exploitation of solar energy in the country; as well as the activities for

the construction of a 10 MW photovoltaic plant in the BRN production area started. The photovoltaic plant will be the second one linked to the BRN facility, to further contribute to decarbonize the facility's hydrocarbon production. In addition, in January 2023, signed a Memorandum of Understanding to study additional opportunities for Algerian gas export capacity increase to Italy and Europe and a second memorandum of Understanding to identify decarbonization opportunities in the country by means of the greenhouse gas and methane gas emissions reductions as well as CCUS projects, renewable energy developments, energy efficiency initiatives also to monetize associated gas. These activities, in line with Eni's net-zero strategy, are part of a wider-ranging decarbonization plan that also includes venting monitoring and zero routine flaring and energy efficiency projects.
During the year production start-up was achieved at: (i) the Berkine North area (Eni's interest 49%) with two gas and two oil fields. Ongoing development activities concerned the drilling and completion of four additional production wells; and (ii) the Berkine South area with two gas and two oil fields just six months from the closing of the contract agreement with a fast-track development. The linkage to treatment plant and the installation of the transport facilities were completed.
Other development activities concerned: (i) production optimization by means of work-over and rig-less activities in the production area of the Blocks 403 a/d and Rom North, Blocks 401a/402a and Blocks 403 and 404; and (ii) development program of the CAFC project in the Block 405b.

**Libya** In January 2023, Eni signed an agreement with the National Oil Corporation of Libya (NOC) for the development of the large gas reserves of A&E Structures, offshore Tripoli. Production is expected to start in 2026 with volumes destined both to the domestic market and to Europe. The project comprises construction of an onshore Carbon Capture and Storage (CCS) hub, in line with Eni's decarbonization strategy.
In November 2022 farm-out agreement with bp was ratified by relevant authority. The agreement provides for the acquisition of a 42.5% interest and operatorship by Eni in the Ghadames North, Ghadames South and Sirte offshore exploration permits.
During the year activities concerned: (i) initiatives related to reduction GHG emissions progressed, in particular, with the BGUP project to monetize associated gas of the Bouri field. Start-up is expected in 2025; and (ii) maintenance activities at the wastewater treatment plant for the Nalut General Hospital as well as the health personnel training program following the agreements defined with the country.

## Egypt

Exploration activities yielded positive results with near-field discoveries in: (i) the Sinai production concession with the Semiramis 1X oil exploration well; (ii) the Nile Delta concession with the El Qara South-1X gas well; and (iii) in the Meleiha concessions through three oil and natural gas discovery wells. New discoveries were started up by means of the linkage to the existing facilities and already in production confirming the positive track-record of Eni's exploration in the Country leveraging on the continuous technology progress in exploration activities that allows to re-evaluate the residual mineral potential in mature production areas.
In January 2023, exploration activities yielded positive results with the Nargis-1 gas discovery in the non-operated Nargis Offshore Area in the Eastern Mediterranean Sea. The discovery will be developed by leveraging Eni's existing facilities.
In 2022, the portfolio of mineral interest was reloaded with: (i) following the successful participation in the Egypt International Bid Round for Petroleum Exploration and Exploitation 2021, Eni was awarded five exploration licenses, out of which four as operator, for a total acreage of about 8,400 square kilometers. The licenses are distributed in the mining area of greatest interest to Eni, which will allow rapid developments through nearby existing plants. The operation is subjected to be ratified by the relevant authorities; (ii) the award of the operatorship of three concessions in the eastern Mediterranean Sea following the agreement with Ministry of Petroleum and the Egyptian state-owned company EGAS; (iii) the farm-in agreement was finalized in the Nargis Offshore Area with the acquisition of a 45% stake in the license; and (iv) the disposal of interests in the Ras Qattara (Eni's interest 75%), West Abu Gharadig (Eni's interest 45%), East Kanays (Eni's interest 100%) and West Razzak (Eni's interest 100%) production assets.

In April 2022 Eni signed a framework agreement with the Egyptian state-owned company EGAS to enhance gas production and LNG exports to Europe, and in particular to Italy, through the Damietta liquefaction plant. In addition, in January 2023 Eni signed a Memorandum of Intent (MoI) with EGAS to launch joint studies on identifying opportunities for the reduction greenhouse gas emissions in the country's upstream sector, through initiatives that will lead to further valorization of natural gas. In addition, during the year unitization agreement was finalized for the Sand-1 field with the North El Hammad (NEHO) concession.
Development activities concerned: (i) production optimization program in the Sinai concession; (ii) development drilling activities in the Baltim and NEHO concessions; (iii) the FID of the Meleiha Phase 2 project was sanctioned. The project was already started up in early production and the completion of the development program is expected in 2024; (iv) upgrading of the facilities in the Emry Deep and Arcadia fields as well as of the water injection facilities in the Western Desert; and (v) desalination programs in production areas to reduce freshwater withdrawals in line with the principles of the United Nations "CEO Water Mandate" initiative.
Development activities of the Zohr project concerned: (i) EPCI activities for the construction of new submarine facilities and two additional treatment unit with a capacity of 6,000 barrels/d to manage and recover production water. The construction of further three units with a capacity of 9,000 barrels/d is being studied; and (ii) development drilling activities with the completion of three additional production wells with start-up in 2022.
As of December 31, 2022, the aggregate development costs incurred by Eni for developing the Zohr project and capitalized in the financial statements amounted to $6 billion (€5.6 billion at the EUR/USD exchange rate of December 31, 2022). Development expenditure incurred in the year were €349 million. As of December 31, 2022, Eni's proved reserves booked at the Zohr field amounted to 650 mmboe.
Eni holds interest in the Damietta liquefaction plant with a capacity of 5.2 mmtonnes/y of LNG associated to approximately 283 bcf/y of feed gas.
Eni progressed its activities to support a just energy transition, in line with Eni's strategy and the country's national development plan. The Zohr development activities includes also several local development initiatives. The defined programs with an overall expense expected in $20 million until 2024, include three main areas: (i) technical education. In particular the Zohr Applied Technology School (ATS) launched training programs for 528 students. In addition, in October 2022 activities started at the Centre of Excellence for access to employment supporting access to work; (ii) economic diversification. The Youth Empowerment Program implemented training programs for about 400 people and about 4,000 people benefitted of the Youth Center services; (iii) local community's health. In particular, several initiatives implemented to support local healthcare system with equipment for the Port Said hospital, healthcare staff training and about 16,000 people benefitted from health awareness campaigns.

## Sub-Saharan Africa

**Angola** In August 2022, started operations at Azule Energy, the equally owned joint venture by bp and Eni, with the derecognition of the Group's Angolan operating companies transferred to the JV Azule Energy combines both companies' Angolan upstream, LNG and solar businesses and is Angola's largest independent oil and gas producer. Azule is a further example of Eni's distinctive satellite model designed to unlock value.
Exploration activities yielded positive results with the Ndungu-2 delineation well, increasing the resources estimated of the homonymous production field and enhancing its full development.
In 2022 production start-up was achieved at: (i) the Ndungu Early Production by hooking it up to the Ngoma FPSO. The Ngoma FPSO is designed with treatment capacity of approximately 100 kbbl/d and with zero-water discharge and zero-process flaring to minimize emissions; (ii) the Agogo Early Production Phase 2 in the Block 15/06 with the completion of the development activities and the installation of the required submarine facilities; and (iii) one well started up from Cuica field in the Eastern area of Block 15/06.

In July 2022, reached the final investment decision (FID) by partners of the New Gas Consortium for the development of the Quiluma and Maboqueiro fields. The project, the first non-associated gas development in the country, is planned to start-up in 2026 with an expected production plateau at 330 mmcf/d.
Development activities concerned: (i) the definition phases of the Agogo Integrated West Hub for the full development of the western Block 15/06 area by means of the Ngoma and Agogo FPSOs; (ii) the Sanha Lean Gas Connection and Booster Gas Compressor project in Block 0 increasing associated gas production to feed the A-LNG liquefaction plant; and (iii) the FEED activity of the South Ndola e Sanha-Mafumeira connector projects for the construction of transportation facilities to put in production the residual reserves in the area; (iv) programs in the health services in the Luanda area also by means of the electrification of health centers as well as several initiatives in the Namibe, Huila and Cabinda areas in access to water, education, primary health services and in the agricultural sector also supporting youth employment; and (v) food safety programs in the Cunene area as well as child protection initiatives in the Zaire area.

**Congo** In April 2022 Eni signed a letter of intent with the Republic of Congo to strength joint operations in the upstream sector targeting to increase natural gas export flows to Europe.
Development plans provide for an increase in natural gas production through fast-track projects to monetize the associated and non-associated volumes in the Marine XII block both for the domestic power generation and LNG export, also targeting to support zero routine flaring. The export project consists of modular and phased LNG liquefaction plants with reduced time-to-market. Start-up is expected in 2023 with capacity of approximately 35 BCF/year and approximately 160 BCF/y in 2025.
During 2022 additional development phase of the Néné-Banga field on the Marine XII block was completed with the installation of a new platform resulting production start-up.
During the year activities progressed with: (i) the construction of the Centre of Excellence for Renewable Energy and Energy Efficiency in Oyo; (ii) the Project Integrated Hinda (PIH) to support the socio-economic development of the local communities with education, sanitary service an access to water initiatives; (iii) in the agricultural sector with the CATREP program.
In addition, the Agri-feedstock project progressed in the agricultural sector to integrate producers into the biofuels supply chain (see below).

**Ivory Coast** Exploration activities yielded positive results with the Baleine East 1X well in the CI-802 operated block (Eni's interest 90%), second discovery on the Baleine structure in the offshore Ivory Coast and allowed an increase in estimated hydrocarbons in place to 2.5 billion barrels of oil and 3.3 Tcf of associated gas.
Development activities focused on the development project of the Baleine discovery. During 2022 FID of both Phase 1 and 2 development projects was sanctioned. The development of Baleine field is phased and fast-tracked with start-up of Phase 1 in 2023 and Phase 2 at the end of 2024. The phased development approach is defined and agreed with the authorities. The project will be a Scope 1 and 2 net-zero development, the first of this kind in Africa. Carbon neutrality will leverage on certain emission reduction drivers by means of forest conservation (REDD+) and improved cookstoves initiatives. In particular, improved cookstoves project for vulnerable households was launched in June 2022 (see below).
In addition a program to support primary education was launched in the Abidjan area.
Baleine confirms Eni's commitment to generate value while reducing the carbon footprint and focus to improve the time-to-market of exploration discoveries.

**Mozambique** In December 2022, Eni was awarded a 60% interest and operatorship of the A6-C exploration block following the participation in the 6th Bid Round. The completion of the relevant oil contract is expected in early 2023.
In the second half of 2022 the Coral South project started up in the Area 4 block, first production start-up in the country to develop gas discovery in the Rovuma offshore area. Start-up was achieved with the Coral Sul Floating Liquefied Natural Gas (FLNG) vessel for the treatment, liquefaction, storage and export, with a capacity of approximately 3.4 mmtonnes/y of LNG, feed by six subsea wells.

The Coral-Sul FLNG was designed to high standards in terms of safety and sustainability. The vessel was implemented with an energy efficiency approach and $CO_2$ emissions reduction. In particular the Coral Sul FLNG achieves zero flaring during normal operations and uses gas efficient turbines also to power generation.
In November 2022, the first loading of liquefied natural gas was shipped from the Coral Sul Floating Liquefied Natural Gas (FLNG) vessel. The Coral South development plan is expected to produce total about 500 bcm of natural gas.
Additional development phases to put into production the Area 4 reserves, are being evaluated by the delegated operators of Area 4 (Eni and ExxonMobil), which are expected to include offshore development options, based on the expertise achieved with the Coral South FLNG project, and onshore activities also through synergies with Area 1.
In 2022, Eni's programs to support the local communities of the Country progressed with: (i) programs to support primary and infant education, public healthcare as well as youth employment in the Pemba area; (ii) programs in access to energy also by means of production and distribution of improved cookstoves; and (iii) initiatives in access to fresh water, health and social care programs, biodiversity projects in the Mecufi area.

**Nigeria** In August 2022 Eni finalized a twenty-year extension of the PSC agreement for the operated OML 125 block. In addition, Eni signed an agreement with the State company NNPC to recover past receivables related to the OML 125 development and production activities, starting in 2023.
Development activities at the operated OMLs 60, 61, 62 and 63 blocks concerned workover and rigless activities to mitigate mature fields decline as well as asset integrity program of the facilities and the installation of new compressor units to monetize additional natural gas volumes and to improve environmental performance by reducing $CO_2$ emissions related to flaring. During the year, additional production well was started up by means of the completion of drilling activity.
In 2022 the collaboration with the Food and Agriculture Organization (FAO) progressed to foster access to safe and clean water in Nigeria for local communities affected by humanitarian crisis in the north-east areas of Nigeria: (i) in March 2022, Eni and FAO, in partnership with NNPC, completed and delivered 11 water plants powered by photovoltaic systems in Borno and Yobo states in northeastern Nigeria; and (ii) certain maintenance activities have been performed to provide infrastructures reliability and sustainability. Since 2018, start year of program, realized 22 wells powered with photovoltaic systems, both for domestic use and irrigation purposes, to benefit approximately 67,000 people.
During the year the activities in support of the Niger Delta populations, in addition to the Green River Project, concerned several extraordinary intervention programs, such as distribution of essential goods in about 260 communities, following the worst floods in recent years decades that have affected the area. In addition, Eni continues to support reconstruction interventions also by means of the restoration of main access and transport routes to reconnect all the different areas remained isolated.
Development activities of the SPDC joint venture (Eni's interest 5%) operated production areas concerned: (i) restore the Trans Niger Pipeline (TNP) integrity that had been compromised by external interference from third parties. The TNP is the main trunk oil line to the Bonny export terminal. The TNP line was shut down for almost 2022 to address illegal tapping resulting from bunkering activities and the operation of illegal refineries; (ii) five new production gas wells in the Kolo Creek and Gbaran production areas have been linked, and five oil wells have been drilled in the Forcados area to increase oil production; (iii) workover and rigless programs to mitigate mature natural fields decline; and (iv) asset integrity activities.
In the participated OML 118 block development activities focused on the drilling of five development wells, of which three wells were completed. Start-up was achieved with one production and one injection wells.
Eni holds a 10.4% interest in the Nigeria LNG Ltd joint venture, which runs the Bonny liquefaction plant located in the Eastern Niger Delta. The plant has a production capacity of 22 mmtonnes/y of LNG associated with approximately 1,270 bcf/y of feed gas. Natural gas supplies to the plant are currently provided under a gas supply agreement from the SPDC JV, TEPNG JV and the NAOC JV

(Eni's interest 20%). In 2022, the Bonny liquefaction plant processed approximately 830 bcf. LNG production is sold under long-term contracts and exported mainly to the United States, Asian and European markets by the Bonny Gas Transport fleet, wholly owned by Nigeria LNG, as well as is sold FOB by means of the fleet owned by third parties.

## Kazakhstan

**Kashagan** Current development plans of the Kashagan field envisage a phased increase in the production capacity up to 450 kbbl/d by upgrading the existing associated gas compression facilities. The ongoing activities, sanctioned in 2020, mainly concerned: (i) increasing gas reinjection capacity by means of upgrading the existing facilities. Activities were completed during 2022; and (ii) delivering a part of gas volumes to a new onshore treatment unit operated by a third party, currently under construction.
As of December 31, 2022, the aggregate costs incurred by Eni for the Kashagan project capitalized in the financial statements amounted to $10.1 billion (€9.5 billion at the EUR/USD exchange rate of December 31, 2022). This capitalized amount included: (i) $7.5 billion relating to expenditures incurred by Eni for the development of the oil field; and (ii) $2.6 billion relating primarily to accrued finance charges and expenditures for the acquisition of interests in the Consortium from exiting partners upon exercise of pre-emption rights in previous years. Cost incurred in the year were €82.6 million.
As of December 31, 2022, Eni's proved reserves booked for the Kashagan field amounted to 587 mmboe, lower than 2021, due to price effects.

**Karachaganak** During 2022 within the development plan of the Karachaganak field to increase gas re-injection treatment expansion in several phases, the installation and start-up of a fourth gas compression unit was completed. Ongoing development phases, sanctioned in 2020, include: (i) the drilling of three additional injection wells; (ii) a new injection line; and (iii) the installation of a fifth compression gas unit. Start-up is expected in 2024. In addition, in 2022 the last phase for the installation of a sixth compression unit was sanctioned. Start-up is expected in 2026.
Eni continues its commitment to support local communities in the nearby area of the Karachaganak field. In particular, initiatives progressed with: (i) professional training; and (ii) realization of kindergartens and schools, roads maintenance, construction of sport centers; and (iii) medical-health support also by means of the medicines distribution.
As of December 31, 2022, the aggregate costs incurred by Eni for the Karachaganak project capitalized in the financial statements amounted to $4.7 billion (€4.4 billion at the EUR/USD exchange rate of December 31, 2022). Cost incurred in the year were €188.7 million.
As of December 31, 2022, Eni's proved reserves booked for the Karachaganak field amounted to 354 mmboe, lower than 2021, due to price effects.

## Rest of Asia

**Indonesia** Development activities concerned: (i) the Merakes East project in the operated East Sepinggan block, in the deep offshore eastern Kalimantan. The project was approved with the completion of the plan program definition; (ii) the Maha project in the operated West Ganal offshore block (Eni's interest 40%). Plan program definition is ongoing; (iii) upgrading activities of the gas compression facilities in the operated Muara Bakau block (Eni's interest 55%); and (iv) the activities and initiatives in the fields of access to water and renewable energy to support the local development areas of Samoja, Kutai Kartanegara and East Kalimantan.

**Iraq** Development activities comprised the execution of an additional development phase of the ERP (Enhanced Redevelopment Plan) at the Zubair field, which will allow to achieve a production contractual plateau of 700 kbbl/d. The production capacity and main facilities to treat the

production plateau target have already been installed. Activities to increase treatment capacity are ongoing. The field reserves will be progressively put into production by drilling additional productive wells over the next few years by means of the collection facilities expansion and the completion of the water reinjection wells. In particular, projects ensuring water availability to maintain reservoir pressurization are being implemented.
In February 2022, consistently with the sustainable development goals, Eni in collaboration with the European Union and UNICEF, has launched a project in partnership with the Governorate of Basra, aimed at improving quality of water for 850,000 people in the city of Basra, including over 160,000 children as direct beneficiaries.
Eni's commitment continues with projects in the fields of education, health, environment and access to water.
In particular: (i) construction activities of a new school in the Zubair area with completion expected in 2024, as well as renovation and material supply initiatives; (ii) construction of a nuclear medicine department and a new pediatric oncology department, nearing completion, at the Basra Cancer Children Hospital; (iii) in 2022 start-up of the Al-Bardjazia drinking water supply plant in the Zubair area while the construction of the new Al-Buradeiah plant in Basra is ongoing.

**United Arab Emirates** Exploration activities yielded positive results in the operated Block 2 (Eni's interest 70%) with the XF-002 well and DM-002 appraisal well, in offshore Abu Dhabi, with estimated resources in 170 million barrels of oil and between 2.5 and 3.5 TCF of natural gas in place.
In 2022 development activities concerned: (i) the Dalma Gas Development sanctioned project in the offshore Ghasha concession (Eni's interest 25%) and the Umm Shaif Long-Term Development Phase 1 sanctioned project in the Umm Shaif concession; and (ii) ramp-up production program of the Mahani field in the onshore Area B concession.
In March 2023 Eni signed a strategic agreement with ADNOC to explore potential opportunities in the areas of renewable energy, blue and green hydrogen, carbon dioxide capture and storage (CCS), in the reduction of GHG and methane gas emissions, energy efficiency, routine gas flaring reduction and the Global Methane Pledge, to support global energy security and a sustainable energy transition.

## Americas

**Mexico** In March 2023 exploration activities yielded positive results with the Yatzil discovery in the Block 7 (Eni operator with a 45% interest).
In January 2022, was signed a four-year Memorandum of Understanding with the United Nations Educational, Scientific, and Cultural Organization (UNESCO) to identify potential jointly initiatives supporting local economy sustainable development by means of economic diversification, environmental and cultural heritage protection, access to primary services, human rights respect and inclusion.
The development activities mainly concerned the full field development program of the operated license Area 1 (Eni's interest 100%), already in production, with the completion of the first development phase. In particular: (i) in February 2022 start-up of the Miamte FPSO in the Miztón field with production ramp-up in the area. During the year drilling production wells and water injection wells were completed; and (ii) in March 2022 start-up of the Amoca WHP-1 platform. Drilling activities are ongoing.
The development plan includes a second phase with the construction and installation of additional two platform in the Amoca and Tecoalli fields.
Within the cooperation agreement with the local Authorities relating to health, education and environment, as well as economic diversification initiatives to support the improvement of living conditions and local development, during the year the activities concerned: (i) restructuring of school buildings; (ii) training and inclusion school programs; (iii) initiatives to improve socio-economic conditions of communities with development programs in particular in fishing activity; (iv) launched a youth development program; and (v) awareness campaigns in the field of access to energy, environmental protection and social issues.

## Carbon offset initiatives

Eni recognizes and supports economy transition towards a low carbon model and on this basis, Eni developed a decarbonization strategy of the Group's products and industrial processes to target net zero Scope 1+2+3 emissions by 2050. Eni plans to offset its residual emissions by leveraging on the Natural Climate Solutions initiatives and the technological applications in different areas to progressively maximize the carbon removal. These initiatives are expected to achieve a carbon credits portfolio on yearly basis to offset less than 25 million tons of $CO_2$ in 2050.

## Natural Climate Solutions

Within the Natural Climate Solutions (NCS) area, starting from 2019 Eni launched the forest protection, conservation and sustainable management projects, in particular in developing Countries. The forest projects are considered the most significant at internationally level within climate change mitigation strategies.

These projects are framed in the REDD+ (Reducing Emissions from Deforestation and forest Degradation) scheme. The REDD+ scheme was designed by the United Nations (in particular within the UNFCCC – United Nations Framework Convention on Climate Change) and involves conservation forest activities to reduce emissions and improve the natural storage capacity of $CO_2$, as well as supporting, with a different development model, the local communities through socio-economic projects, in line with sustainable management, forest protection and biodiversity conservation. In this scheme, Eni's protection forest activities support national governments, local communities and UN agencies in the REDD+ strategies, in line with the NDCs (Nationally Determined Contributions) and National Development Plans and, mainly, the Sustainable Development Goals (SDGs) of UN.

Eni built solid partnerships over time with recognized international developers of REDD+ projects that allows to oversee every phase of the projects, from the design to the implementation up to verify the reduction emissions, with an active role in the governance of the project. The Eni's role is essential to allow the alignment with the REDD+ scheme and also with highest standards for certification of the carbon emissions reduction (Verified Carbon Standard – VCS) and social and environmental effects (Climate Community & Biodiversity Standards - CCB), internationally recognized.

Main initiatives supported by Eni are Luangwa Community Forest Project (LCFP) and Lower Zambezi REDD+ Project (LZRP) in Zambia, Kulera in Malawi, Ntakata Mountains in Tanzania and Amigos de Calakmul, in Mexico. In 2022 Eni achieved allowance of carbon credits by the projects to offset GHG emissions equivalent to about 3.5 million tons of $CO_2$.

During 202 Eni finalized agreements to support the future development projects in Ivory Coast, Kenya and Mozambique where feasibility studies are underway.

In November 2022 Eni signed an agreement with the Rwanda Development Board and the non-profit tech start-up Rainforest Connection in Rwanda to testing the application of artificial intelligence technologies in the forest protection and conservation.

Eni continues to evaluate further NCS initiatives in restoration and sustainable management ecosystems in Africa, Latin America, and Asia.

## Technological projects

The technological application in different areas area is one of the levers in the residual emission reduction. In particular, Eni launched projects to promote the Improved Cookstoves (ICS) distribution for cooking food in energy poverty areas and continued to assess initiatives in renewable energy, waste management, agricultural practices improvement that ensuring in addition to climate change mitigation also significant social and environmental benefits for local stakeholders.

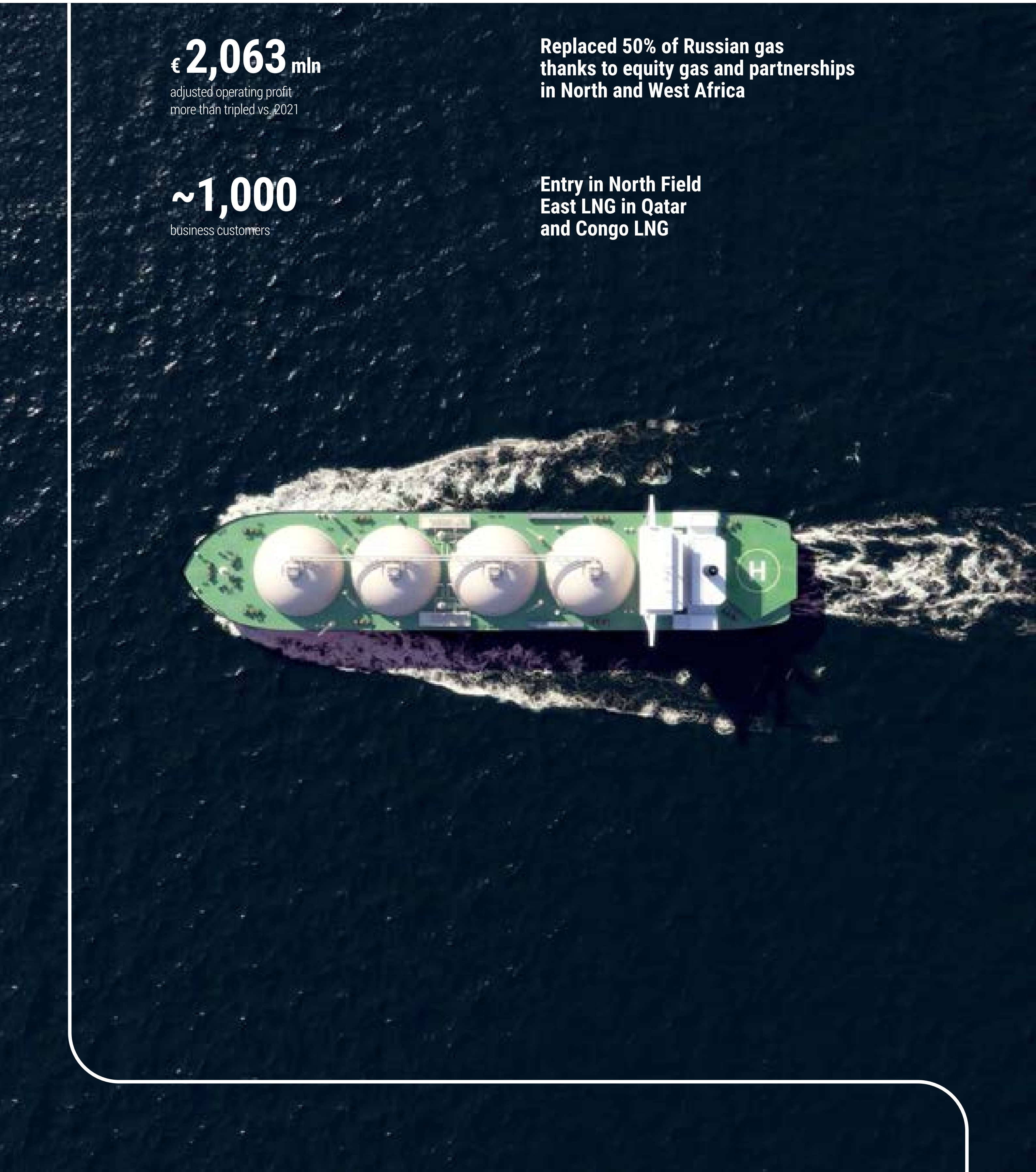
These initiatives ensure to offset emissions by generating high credits quality, certified according to the highest international environmental standards (Verified Carbon Standard - VCS) and support the achievement of the SDGs (Sustainable Development Verified Impact Standard - SD VISta).
In June 2022 Eni launched the distribution of ICS to vulnerable households in Ivory Coast. It is expected that more than 300,000 people form the Region of Gbêkê Project will benefit from the projects which targeting to deliver 100,000 ICS over a period of 6 years, starting already this year. All the stoves are produced by a local manufacturer, contributing to the development of local content and in-country value creation.
This activity will enhance Eni's decarbonization strategy in the Baleine discovery development. The project is expected to generate high-quality carbon credits certified by the international standard VERRA amounting to approximately 1 million of VCU (Verified Carbon Units) over the next 10 years. Similar initiatives are planned in several countries, including Mozambique, Congo, Kenya and Rwanda.

## Agri-feedstock projects

During the year Eni finalized agreement with the authorities of Mozambique, Benin and Rwanda as well as in 2021 in Kenya, Congo, Angola, Kazakhstan and Ivory Coast aiming to promote agricultural initiatives for the cultivation of oil plants to be used as feedstock (Low ILUC feedstock – Indirect Land Use Change) for Eni's biorefineries, enhancing marginal areas not destined to the food chain. The development activities plan is focused on vertical integration and includes agreements to produce oilseeds by local farmers and cooperatives and the construction of oil collection and extraction centers by Eni (Agri Hubs). The supply chain byproducts will be aimed for domestic market and also for export. These initiatives will also support rural development, land restoration through sustainable and regenerative agriculture, with positive impacts on socio-economic development and employment, access to market opportunities as well as human rights protection, health and food security. Further programs are being evaluated in other countries with a model in analogy to the ones applied.
In particular, in October 2022, a first cargo of vegetable oil, produced at Eni's Makueni agri-hub in Kenya, was shipped to the Eni's biorefinery of Gela. Makueni agri-hub started operations in July 2022. Production of such sustainable oil is expected to scale up rapidly to 20,000 tons by 2023 from current production of 2,500 tones at the end of 2022. The supply chain in Kenya is certified according to the ISCC-EU (International Sustainability and Carbon Certification) sustainability scheme, one of the main voluntary standards recognised by the European Commission for the certification of biofuels (EU RED II). In addition, the agreement reached with Kenya also provides for the engineering activities to conversion the Mombasa traditional refinery to biorefinery for HVO and Biojet production; as well as the collection of UCO (Used Cooking Oil) to be used as feedstock.
Other ongoing activities concerned: (i) in Congo, started the cultivation with the first 2 thousand hectares sown. Launched the engineering and construction phases of the first Agri Hub with a capacity of 30 thousand tons/year and start-up in 2023. Full capacity is expected to produce 250 thousand tons starting from 2027; (ii) in Mozambique, in November 2022, started the cultivation of pilot fields and engineering activities of the first Agri Hub with a capacity of 30 thousand tons/year and start-up in 2023. Full capacity is expected to produce 200 thousand tons in 2027; (iii) in Angola, in December 2022, started the cultivation of pilot fields in the Luanda area. The construction area of the Agri-Hub plant has been identified. Production capacity is expected to 30 thousand tons/year; (iv) in Ivory Coast, are ongoing preliminary activities for the production chain definition and the area selection to build the Agri-Hub plant with start-up in 2023; and (v) in Italy, launched a project in partnership with the Bonifiche Ferraresi company, to evaluate the crops development for energy use, recovering degraded or polluted land not destinated to the food chain.
Agricultural productions projects started or under development will respond to the ISCC-EU sustainability certification scheme.
Overall target production is expected to subsequently reach an agri-feedstock volume of over 700 thousand tonnes by 2026 leveraging on planned initiatives.

In November 2022, in Rwanda, Eni signed an agreement with the National Industrial Research and Development Agency to maximize techniques and know-how of the seeds production for agri-feedstock initiatives launched by Eni in other African countries.
Within these development model, Eni finalized strategic partnership agreement with the Bonifiche Ferraresi Group aimed at establishing in 2021 the Agri-Energy equal joint venture. In 2022 the Agri-Energy JV launched research projects of sustainable energy crops, in particular with a pilot project in Sardinia. In addition, Agri-Energy will support in the countries where Eni will develop agri-feedstock projects by means of know-how transfer and agriculture seeds and products supplies. Finally, in addition to the seeds cultivation in degraded or marginal land, Eni has diversified its types of feedstock with agricultural waste and residues.

# Global Gas & LNG Portfolio



**€ 2,063 mln**
adjusted operating profit
more than tripled vs. 2021

**~1,000**
business customers

**Replaced 50% of Russian gas thanks to equity gas and partnerships in North and West Africa**

**Entry in North Field East LNG in Qatar and Congo LNG**

| KEY PERFORMANCE INDICATORS | | 2022 | 2021 | 2020 |
|---|---|---|---|---|
| TRIR (Total Recordable Injury Rate)[a] | (total recordable injuries/worked hours) x 1,000,000 | **0,00** | 0,00 | 1.15 |
| *of which: employees* | | ***0,00*** | *0,00* | *0.99* |
| *contractors* | | ***0,00*** | *0,00* | *1.37* |
| Natural gas sales[b] | (bcm) | **60.52** | 70.45 | 64.99 |
| Italy | | **30.67** | 36.88 | 37.30 |
| Rest of Europe | | **27.41** | 28.01 | 23.00 |
| *of which: Importers in Italy* | | ***2.43*** | *2.89* | *3.67* |
| *European markets* | | ***24.98*** | *25.12* | *19.33* |
| Rest of world | | **2.44** | 5.56 | 4.69 |
| LNG sales[c] | | **9.4** | 10.9 | 9.5 |
| Employees at year end | (number) | **870** | 847 | 700 |
| *of which: outside Italy* | | ***588*** | *571* | *410* |
| Direct GHG emissions (Scope 1)[a] | (mmtonnes $CO_2$eq.) | **2.09** | 1.01 | 0.36 |

(a) Calculated on 100% operated assets.
(b) Data include intercomapny sales.
(c) Refers to LNG sales of the GGP segment (included in worldwide gas sales).

## PERFORMANCE OF THE YEAR

- Achieved in 2022 for the second consecutive year, the target of zero-injury for employees and contractors.
- Direct GHG emissions (Scope 1) equal to 2.09 mmtonnes $CO_2$eq. increased as a result of growing gas volumes transported by TTPC and TMPC pipelines and the consolidation of Damietta liquefaction plant.
- Eni worldwide gas sales amounted to 60.52 bcm, decreased by 14.1% compared to 2021 (down by 9.93 bcm), following lower sales in Italy, in particular hub and industrial segment and in the extra European markets.
- LNG sales amounted to 9.4 bcm, representing a decrease of 13.8% compared to 2021.

## INITIATIVES TO SUPPORT ENERGY SECURITY

In line with the strategic guideline to increase gas production and import in Italy, Eni signed agreements with a number of governments in the countries where it operates. In particular a letter of intent signed with the petroleum authorities of the Republic of Congo with the aim of developing a liquefied natural gas project with start-up expected in 2023 and capacity of over 4.5 billion cubic meters/year; in Algeria, Eni plans to gradually increase volumes of gas imported in Italy through the Transmed pipeline as part of the existing long-term supply contracts with Sonatrach, with additional gas deliveries starting from next heating season and a progressive ramp-up to 9 billion cubic meters/year in 2024; in Egypt, Eni has agreed with the state-owned company "EGAS" to valorize local gas reserves by increasing activities in jointly managed concessions and through near-field exploration, with the target to increase in the next years the production and the exports of gas towards Italy, through the Damietta liquefaction plant, up to approximately 3 billion cubic meters.

Finally, as evidence of Eni's commitment to ensuring security of supply while at the same time pursuing our decarbonisation targets, in January 2023 the partnership between Italy and Algeria has been further strengthened. Eni and Sonatrach signed strategic agreements to accelerate emissions reduction and strengthen energy security. In particular, opportunities for the reduction of greenhouse gas and methane gas emissions will be identified and will be defined energy efficiency initiatives, renewable energy developments, green hydrogen projects and carbon dioxide capture and storage projects, to support energy security and a sustainable energy transition. In addition, studies will be conducted to identify possible measures to improve Algerian energy export capacity to Europe.

## DEVELOPMENT OF LNG BUSINESS

In June 2022, in the LNG business, Eni entered in the North Field East LNG project in Qatar, the world's largest, expanding its presence in the Middle East and gaining access to a leading country in the LNG production. In August, Eni acquired the Tango FLNG floating liquefaction plant, that will be used in the Republic of Congo, as part of the activities of the natural gas development project Marine Block XII. The plant has an LNG production capacity of approximately 0.6 million tons/year (about 1 billion standard cubic meters/year). Furthermore, in December among the same project, a turnkey contract for construction, installation and commissioning activities of a FLNG floating unit with a capacity of 2.4 million tons/year was signed. This plant, together with the Tango FLNG ship, acquired earlier, will accelerate the Eni development plan in the area. LNG production is expected to reach plateau capacity of 3 million tons/year in 2025.

## PORTFOLIO DEVELOPMENTS

In January 2023, as part of Eni's portfolio optimization, Eni finalized the sale to Snam of the 49.9% interest (directly and indirectly held) in the companies operating two groups of international gas pipelines connecting Algeria to Italy, in particular the onshore pipelines that extend from the border between Algeria and Tunisia to the Tunisian coast (TTPC) and the offshore pipelines connecting the Tunisian coast to Italy (TMPC). These interests were transferred by Eni to SeaCorridor Srl held by Snam (49.9% interest) and Eni (50.1% interest). Eni and Snam exercise joint control over SeaCorridor, based on the principles of equal governance.

## Natural gas

### Supply of natural gas

Eni's consolidated subsidiaries supplied 60.59 bcm of natural gas, decreased by 10.39 bcm or by 14.6% from the full year 2021.

Gas volumes supplied outside Italy from consolidated subsidiaries (57.19 bcm), imported in Italy or sold outside Italy, represented approximately 94% of total supplies, decreased by 10.20 bcm or by 15.1% from the full year 2021. This mainly reflected lower volumes purchased in Russia (down by 13.01 bcm), in Norway (down by 0.77 bcm), in the UK (down by 0.74 bcm), in Libya (down by 0.56 bcm) and in Indonesia (down by 0.45 bcm) partly offset by higher purchases in Algeria (up by 1.74 bcm), in the other European markets, in particular France, Germany and Spain (overall increase of 5.72 bcm). Supplies in Italy (3.40 bcm) reported a decrease of 5.3% from the full year 2021.

In 2022, main gas volumes from equity production derived from: (i) certain Eni fields located in the British and Norwegian sections of the North Sea (2.5 bcm); (ii) Italian gas fields (2.1 bcm); (iii) Indonesia (0.8 bcm); (iv) Libyan fields (0.6 bcm).

Supplied gas volumes from equity production were about 6 bcm representing around 10% of total volumes available for sale.

### SUPPLY OF NATURAL GAS

| (bcm) | 2022 | 2021 | 2020 | Change | % Ch. |
|---|---|---|---|---|---|
| ITALY | 3.40 | 3.59 | 7.47 | (0.19) | (5.3) |
| Russia | 17.20 | 30.21 | 22.49 | (13.01) | (43.1) |
| Algeria (including LNG) | 11.86 | 10.12 | 5.22 | 1.74 | 17.2 |
| Libya | 2.62 | 3.18 | 4.44 | (0.56) | (17.6) |
| Netherlands | 1.39 | 1.41 | 1.11 | (0.02) | (1.4) |
| Norway | 6.75 | 7.52 | 7.19 | (0.77) | (10.2) |
| United Kingdom | 1.91 | 2.65 | 1.62 | (0.74) | (27.9) |
| Indonesia (LNG) | 1.36 | 1.81 | 1.15 | (0.45) | (24.9) |
| Qatar (LNG) | 2.56 | 2.30 | 2.47 | 0.26 | 11.3 |
| Other supplies of natural gas | 8.11 | 2.39 | 5.24 | 5.72 | 239.3 |
| Other supplies of LNG | 3.43 | 5.80 | 3.76 | (2.37) | (40.9) |
| OUTSIDE ITALY | 57.19 | 67.39 | 54.69 | (10.20) | (15.1) |
| TOTAL SUPPLIES OF ENI'S CONSOLIDATED SUBSIDIARIES | 60.59 | 70.98 | 62.16 | (10.39) | (14.6) |
| Offtake from (input to) storage | 0.00 | (0.86) | 0.52 | 0.86 | 100.0 |
| Network losses, measurement differences and other changes | (0.07) | (0.04) | (0.03) | (0.03) | (75.0) |
| AVAILABLE FOR SALE BY ENI'S CONSOLIDATED SUBSIDIARIES | 60.52 | 70.08 | 62.65 | (9.56) | (13.6) |
| Available for sale by Eni's affiliates | 0.00 | 0.37 | 2.34 | (0.37) | (100.0) |
| TOTAL AVAILABLE FOR SALE | 60.52 | 70.45 | 64.99 | (9.93) | (14.1) |

## Sales

European gas market was characterized by consumption reduction due to mild weather conditions as well as to lower demand in price sensitive sector such as the industrial due to higher prices. In this scenario, demand decreased by approximately 10% and 13% in Italy and in the European Union, respectively, compared to 2021. Natural gas sales amounted to 60.52 bcm (including Eni's own consumption, Eni's share of sales made by equity-accounted entities) and decreased by 9.93 bcm or 14.1% from the previous year due to lower sales in Italy and outside Europe.

### GAS SALES BY ENTITY

| (bcm) | 2022 | 2021 | 2020 | Change | % Ch. |
|---|---|---|---|---|---|
| Total sales of subsidiaries | 60.52 | 69.99 | 62.58 | (9.47) | (13.5) |
| Italy (including own consumption) | 30.67 | 36.88 | 37.30 | (6.21) | (16.8) |
| Rest of Europe | 27.41 | 27.69 | 21.54 | (0.28) | (1.0) |
| Outside Europe | 2.44 | 5.42 | 3.74 | (2.98) | (55.0) |
| Total sales of Eni's affiliates (net to Eni) | 0.00 | 0.46 | 2.41 | (0.46) | (100.0) |
| Rest of Europe | 0.00 | 0.32 | 1.46 | (0.32) | (100.0) |
| Outside Europe | 0.00 | 0.14 | 0.95 | (0.14) | (100.0) |
| WORLDWIDE GAS SALES | 60.52 | 70.45 | 64.99 | (9.93) | (14.1) |

Sales in Italy (30.67 bcm) decreased by 16.8% from 2021 mainly due to lower sales to hub, to industrial and wholesalers segments. Sales to importers in Italy (2.43 bcm) decreased by 15.9% from 2021 due to the lower availability of Libyan gas.

Sales in the European markets amounted to 24.98 bcm, substantially in line compared to 2021. Sales in the extra European markets of 2.44 bcm decreased by 3.12 bcm or 56.1% from the previous year, due to lower LNG volumes marketed in the Asian markets.

### GAS SALES BY MARKET

| (bcm) | 2022 | 2021 | 2020 | Change | % Ch. |
|---|---|---|---|---|---|
| **ITALY** | **30.67** | **36.88** | **37.30** | **(6.21)** | **(16.8)** |
| Wholesalers | 12.22 | 13.37 | 12.89 | (1.15) | (8.6) |
| Italian gas exchange and spot markets | 9.31 | 12.13 | 12.73 | (2.82) | (23.2) |
| Industries | 2.89 | 4.07 | 4.21 | (1.18) | (29.0) |
| Power generation | 0.83 | 0.94 | 1.34 | (0.11) | (11.7) |
| Own consumption | 5.42 | 6.37 | 6.13 | (0.95) | (14.9) |
| **INTERNATIONAL SALES** | **29.85** | **33.57** | **27.69** | **(3.72)** | **(11.1)** |
| **Rest of Europe** | **27.41** | **28.01** | **23.00** | **(0.60)** | **(2.1)** |
| Importers in Italy | 2.43 | 2.89 | 3.67 | (0.46) | (15.9) |
| European markets: | 24.98 | 25.12 | 19.33 | (0.14) | (0.6) |
| *Iberian Peninsula* | *3.93* | *3.75* | *3.94* | *0.18* | *4.8* |
| *Germany/Austria* | *3.58* | *0.69* | *0.35* | *2.89* | *418.8* |
| *Benelux* | *4.24* | *3.47* | *3.58* | *0.77* | *22.2* |
| *United Kingdom* | *1.92* | *2.65* | *1.62* | *(0.73)* | *(27.5)* |
| *Turkey* | *7.62* | *8.50* | *4.59* | *(0.88)* | *(10.4)* |
| *France* | *3.62* | *5.80* | *5.01* | *(2.18)* | *(37.6)* |
| *Other* | *0.07* | *0.26* | *0.24* | *(0.19)* | *(73.1)* |
| **Extra European markets** | **2.44** | **5.56** | **4.69** | **(3.12)** | **(56.1)** |
| **WORLDWIDE GAS SALES** | **60.52** | **70.45** | **64.99** | **(9.93)** | **(14.1)** |

## LNG

### LNG SALES

| (bcm) | 2022 | 2021 | 2020 | Change | % Ch. |
|---|---|---|---|---|---|
| Europe | 7.0 | 5.4 | 4.8 | 1.6 | 29.6 |
| Outside Europe | 2.4 | 5.5 | 4.7 | (3.1) | (56.4) |
| **TOTAL LNG SALES** | **9.4** | **10.9** | **9.5** | **(1.5)** | **(13.8)** |

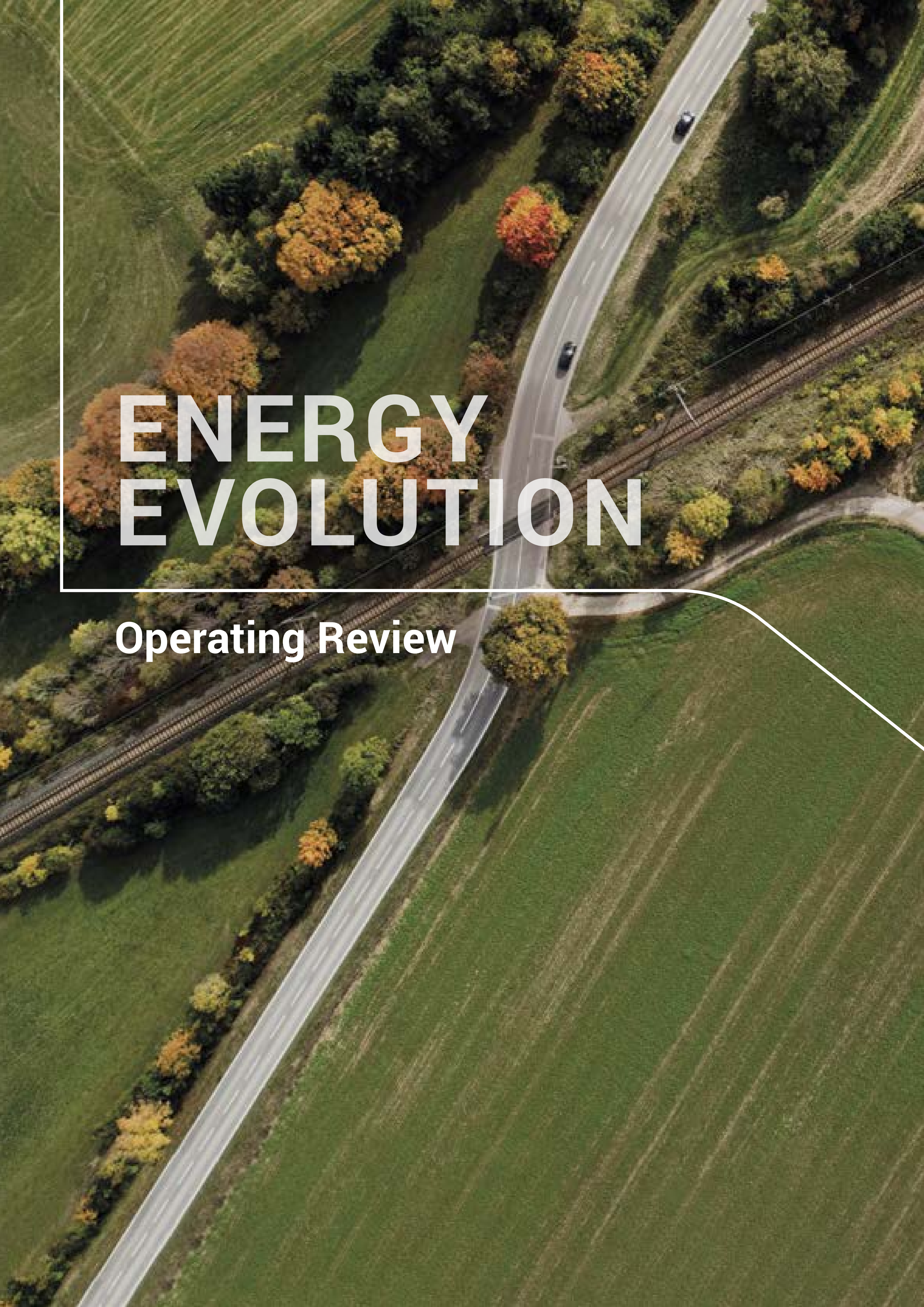
In 2022, LNG sales (9.4 bcm, included in the worldwide gas sales) decreased by 13.8% from 2021. In 2022 the main sources of LNG supply were Qatar, Egypt, Nigeria and Indonesia.

## International transport activity

Eni has transport rights on a large European and North African networks for transporting natural gas in Italy and Europe, which link key consumption basins with the main producing areas (Russia, Algeria, the North Sea, including the Netherlands, Norway, and Libya).
The main pipelines are: (i) the TTPC pipeline, 740-kilometer long which transports natural gas from Algeria; (ii) the TMPC pipeline for the import of Algerian gas is 775-kilometer long; (iii) the GreenStream pipeline for the import of Libyan gas (516-kilometer long); and (iv) the Blue Stream underwater pipeline linking the Russian coast to the Turkish coast of the Black Sea.

# ENERGY EVOLUTION

## Operating Review



Refining & Marketing and Chemicals
Plenitude & Power
Environmental activities

# Refining & Marketing and Chemicals

**1.1 mln ton/y**
biorefinery capacity

**7.50 mln tons**
retail sales of petroleum products in Europe

**€1,929 mln**
adjusted operating profit

**Agreement with PBF for the construction of the St. Bernard biorefinery in Louisiana (USA)**

| KEY PERFORMANCE INDICATORS | | 2022 | 2021 | 2020 |
|---|---|---|---|---|
| TRIR (Total Recordable Injury Rate)[(a)] | (total recordable injuries/worked hours) x 1,000,000 | **0.81** | 0.80 | 0.80 |
| *of which: employees* | | ***0.95*** | *1.13* | *1.17* |
| *contractors* | | ***0.69*** | *0.49* | *0.48* |
| Bio throughputs | (ktonnes) | **543** | 665 | 710 |
| Biorefinery capacity | (mmtonnes/year) | **1.1** | 1.1 | 1.1 |
| Average biorefineries utilization rate | (%) | **53** | 65 | 63 |
| Conversion index of oil refineries | | **42** | 49 | 54 |
| Average oil refineries utilization rate | | **79** | 76 | 69 |
| Retail sales of petroleum products in Europe | (mmtonnes) | **7.50** | 7.23 | 6.61 |
| Service stations in Europe at year end | (number) | **5,243** | 5,314 | 5,369 |
| Average throughput per service station in Europe | (kliters) | **1,587** | 1,521 | 1,390 |
| Retail efficiency index | (%) | **1.20** | 1.19 | 1.22 |
| Production of petrochemical products | (ktonnes) | **6,775** | 8,476 | 8,073 |
| Sale of petrochemical products | | **3,676** | 4,451 | 4,339 |
| Average petrochemical plant utilization rate | (%) | **59** | 66 | 65 |
| Employees at year end | (number) | **13,132** | 13,072 | 11,471 |
| *of which: outside Italy* | | ***4,146*** | *4,044* | *2,556* |
| Direct GHG emissions (Scope 1)[(a)] | (mmtonnes $CO_2$eq.) | **6.00** | 6.72 | 6.65 |
| Direc GHG emissions (Scope 1)/Refinery throughputs (raw and semi-finished materials) | (tonnes $CO_2$eq./ktonnes) | **233** | 228 | 248 |

(a) Calculated on 100% operated assets.

## PERFORMANCE OF THE YEAR

- Total recordable injury rate (TRIR) of the workforce amounted to 0.81, a slight increase compared to the previous year, mainly due to the growth of accidents among contract workers.
- Direct GHG emissions (Scope 1) decreased by 11% compared to 2021, thanks to the chemical sector following the new structure of Porto Marghera.
- Direct GHG emissions (Scope 1)/refining throughputs (raw and semi-finished materials) were up by 2% compared to the previous year.
- In 2022 Eni's refining throughputs on own account amounted to 18.84 mmtonnes (excluding the ADNOC Refining) substantially unchanged compared to the previous period.
- Bio throughputs from vegetable oil amounted to 543 mmtonnes, down by 18% from 2021, affected by a particularly depressed scenario.
- Retail sales in Italy were 5.38 mmtonnes, increased by 5.1% from 2021 as a result of the progressive economy reopening and greater mobility of people. Market share was 21.7% (22.2% in 2021).
- Sales of petrochemical products were 3.68 mmtonnes, down by 17.4%, due to the lower volumes sold in olefins, elastomers and polyethylene segments.

## BUSINESS DEVELOPMENTS AND PORTFOLIO TRANSACTION

In January 2023, as a part of the Group's satellite strategy to set-up new dedicated entities to accelerate the decarbonization of its customer portfolio (Scope 3 emission), Eni established the new entity Eni Sustainable Mobility. The company is vertically integrated and will support Eni's energy transition by combining the offer of increasingly sustainable fuel with advanced services for drivers in Italy and Europe, leveraging on a network of 5,000 service stations, that will be also enhanced to support electric and hydrogen-based mobility. Eni Sustainable Mobility will manage Eni's biorefining and biomethane assets and will continue the development of new projects, including those at Livorno and Pengerang in Malaysia, which are currently under evaluation.

In line with the energy transition path, in 2022 the development of green chemistry business progressed through the strengthening of the partnership with Novamont. The commitment to Matrìca – the joint venture set up between Versalis and Novamont at Porto Torres specializing in manufacturing bioproducts from renewable sources – has been reaffirmed aiming at enhancing technologies and productive assets in order to fully develop its products, also within supply chains integrated with the two partners, by focusing on growth in the previously referenced markets. In this context, shareholder agreements have also been redefined: Versalis has increased its interest in Novamont from 25% to 35%.

## BIOREFINING AND BIOFEEDSTOCK BUSINESS DEVELOPMENTS

In October 2022, a first cargo of vegetable oil for biorefining, produced at Eni's Makueni agri-hub in Kenya, has been shipped to Gela's biorefinery. Vegetable oil is obtained processing castor, croton, and cotton seeds. The initial production of 2,500 tons in 2022, is planned to scale up rapidly to 20,000 tons in 2023. This project marks the start of Eni's innovative model of agri-business vertically integrated with its biorefineries, supplying sustainable feedstock not competing with the food chain and capable of significantly contribute to local development and to the circular economy. This model will be replicated in other African countries, long-term partners of Eni. In addition, in October, the phase-out of palm oil as feedstock supply for Eni's biorefineries was completed, fully replacing by sustainable raw materials.

As a part of Eni's decarbonisation strategy and with the aim to increase the availability of decarbonized and sustainable products to our customers and to achieve the Scope 1+2+3 emission reduction targets, in October an economic feasibility study of the construction and management of a biorefinery in Livorno was launched. The project involves three new plants for the production of hydrogenated biofuels: a biogenic feedstock pre-treatment unit, a 500,000 ton/year Ecofining™ plant and a plant for the production of hydrogen from methane gas. The transformation plan for the Livorno refinery will be discussed with local institutions and trade unions, within the framework of a participatory and inclusive industrial relations model.

In December, Eni, Euglena and Petronas started a collaboration in order to estimate the economic feasibility for the construction and management of a biorefinery in Malaysia in the Pengerang Integrated Complex (PIC). The three parties are currently carrying out technical and economic feasibility assessments for the proposed project. The investment decision is expected to be reached by 2023 and the plant is targeted to be operational by 2025. The expected capacity of the biorefinery is about 650,000 tonnes/y with an expected production capacity up to 12,500 barrels/d of biofuel (SAF, HVO and bionaphtha). The raw materials will not compete with those in the food chain. The biorefinery will use the Honeywell UOP's Ecofining™ process which was developed by Eni in cooperation with Honeywell UOP.

In February 2023, a collaboration agreement was announced with the refining company PBF relating to the St. Bernard Renewables LLC (SBR) biorefining project, under construction in Louisiana (USA) through a joint venture. The transaction, subject to the usual closing conditions, involves a capital injection of $835 million by the subsidiary Eni Sustainable Mobility and the contribution of the biorefining technologies. The start-up of the plant is expected in the first half of 2023 with the target of a processing capacity of about 1.1 million tons/year, mainly for the production of HVO Diesel.

## SUSTAINABLE MOBILITY INITIATIVES

As a part of the path of transport and mobility decarbonization, Eni signed a letter of intent with IVECO to develop a sustainable mobility platform for commercial fleets by offering innovative vehicles powered by biofuels and other sustainable energy vectors, such as HVO (Hydrotreated Vegetable Oil), biomethane, hydrogen and electricity and the related infrastructure. The areas of collaboration include Eni's offer of 100%-pure HVO for IVECO heavy trucks equipped with engines able to operate on it. HVO biofuels derived from materials of vegetable origin and waste, produced using the proprietary Ecofining™ technology at Eni's Venice and Gela biorefineries. 100%-pure HVO enables $CO_2$ emission reductions of 60% to 90% (calculated throughout the lifecycle) compared to the standard fossil fuel mix.
Furthermore, Eni and IVECO intend to speed up the market availability of biomethane, a renewable fuel from agro-industrial waste, which can be both compressed (CNG) and liquified (LNG). This will be made possible through partnerships in Italy and abroad.

In order to develop projects for the air transport decarbonization, Eni in December signed an agreement with DHL Express Italy and SEA Group, which manages Milan Malpensa and Milan Linate airports to test Eni Biojet, a Sustainable Aviation Fuel (SAF) 20% blended with JetA1 and produced exclusively from waste raw materials, animal fat and used vegetable oils. In 2022, some flights departing from Malpensa were be powered also by SAF produced by Eni in its Livorno refinery in partnership with Eni's biorefinery in Gela.

In February 2023, Eni signed a Memorandum of Understanding (MoU) with Saipem finalized to boost biofuels on Saipem's drilling and construction naval vessels, with particular attention to operations in the Mediterranean Sea. This agreement represents an important milestone for Eni and Saipem, confirming the mutual commitment to diversifying energy sources and to reducing the carbon footprint across offshore operations.

As part of the development of hydrogen mobility, in June 2022 Eni inaugurated a new Eni-branded hydrogen refuelling station in Mestre (Venice). This is the first road mobility station to open to the public in an urban area in Italy where it is also possible to refuel using hydrogen.
The system is equipped with two dispensing points with a capacity of over 100 kg/day, which can refuel vehicles in about 5 minutes and buses.

Furthermore in October 2022, two projects by Eni and Enel Green Power to develop green hydrogen will receive public funding approved by the European Commission under IPCEI Hy2Us, the European project aimed at supporting the hydrogen value chain. The electrolyzers with a capacity of 20 MW and 10 MW will be implemented at the Gela biorefinery in Sicily, and at Taranto refinery, respectively. Both will use PEM (polymer electrolyte membrane) technology.

## SMART MOBILITY

In line with the decarbonization strategy, in 2022 Eni strengthened the collaboration with XEV, through a cooperation agreement to explore areas of collaboration concerning research and development into sustainable mobility systems to reduce the environmental impact of vehicles, the development of battery swapping technology and the assembly of the car manufacturer's vehicles. The agreement is aimed at developing the electric city car sector jointly, in particular to implement XEV's battery swapping technology, but also for the possible assembly of XEV vehicles or parts of them in Italy and for the management of the car battery life cycle from production to installation, maintenance and end-of-life through recycling. During 2022, Eni's car sharing service has been expanded through the introduction of the XEV YOYO in Turin, Bologna, Florence and Milan. XEV YOYO is an electric car always in operation thanks to battery swapping, alternative to plug-in columns.

## CIRCULAR ECONOMY AND GREEN CHEMISTRY

As part of the initiatives aimed at developing circular economy, Versalis in June 2022 announced the start of the use of packaging made from recycled raw materials from post-consumer industrial packaging. To achieve this goal, two projects have been implemented, "Bag to Bag" and "Liner to Liner", in order to create a virtuous circle aimed at recovering and recycling industrial polyethylene packaging bags and putting them back into the system.
As far as the "Bag to Bag" project is concerned, sacks are made with 50% of recycled materials and are fully recyclable. The project has passed the testing phase at all Versalis operating sites. Currently, the sacks are used at the Ragusa and Ferrara plants and by the end of the year, the project will be operational at Brindisi and at the foreign subsidiaries located in Dunkerque and Oberhausen.
The "Liner to Liner" project, developed and applied mainly at the Brindisi site, relates to the interior coverings of containers used for transporting bulk polyethylene, called "Liners". They were sent for recycling and transformed into new Liners, containing 50% of recycled plastic. The two projects will help to reduce the consumption of virgin raw materials by 50% respectively with a consequent reduction in terms of $CO_2$.

As part of the transformation process of the Porto Marghera site, Versalis signed a new agreement with Forever Plast, an Italian company, leader in Europe in the recycling of post-consumer plastics. The agreement involves the acquisition of an exclusive licence to build an advanced mechanical recycling unit for selected post-consumer plastics from waste sorting, in particular polystyrene and high-density polyethylene. The plant, which is scheduled to go onstream in 2024 will have a transformation capacity of 50,000 tonnes/y and will produce recycled polymer compounds. The deal also includes an extension of the contract with Forever Plast, which will ensure the volumes required for the expansion of Versalis' portfolio of recycled products and consolidate its current competitive advantage. The company has already started a collaboration based on which new polystyrene compounds with up to 75% of recycled content, already available on the market under the Versalis Revive® brand, were developed for food packaging, thermal insulation and the electrical sector.

In December 2022, Versalis acquired from DSM a technology to produce enzymes for second-generation ethanol to be employed at the Crescentino plant to integrate the proprietary Proesa® technology to deliver sustainable bioethanol and chemical products from lignocellulosic biomass.

# Refining & Marketing

## Supply and trading

In 2022, were purchased 19.15 mmtonnes of crude (compared with 18.85 mmtonnes in 2021), of which 5.02 mmtonnes by equity crude oil, 11.50 mmtonnes on the spot market and 2.63 mmtonnes by producer's Countries with term contracts. The breakdown by geographic area was as follows: 36% of purchased crude came from the central Asia, 18% from North Africa, 17% from Middle East, 11% from Italy, 6% from West Africa, 5% from Russia[1], 3% from North Sea and 4% from other areas.

### PURCHASES

| (mmtonnes) | 2022 | 2021 | 2020 | Change | % Ch. |
|---|---|---|---|---|---|
| Equity crude oil | 5.02 | 3.85 | 3.55 | 1.17 | 30.4 |
| Other crude oil | 14.13 | 15.00 | 13.82 | (0.87) | (5.8) |
| **Total crude oil purchases** | **19.15** | **18.85** | **17.37** | **0.30** | **1.6** |
| Purchases of intermediate products | 0.07 | 0.26 | 0.11 | (0.19) | (73.1) |
| Purchases of products | 10.66 | 10.66 | 10.31 | | |
| **TOTAL PURCHASES** | **29.88** | **29.77** | **27.79** | **0.11** | **0.4** |
| Consumption for power generation | (0.31) | (0.31) | (0.35) | | |
| Other changes[a] | (1.57) | (0.89) | (0.69) | (0.68) | (76.4) |
| **TOTAL AVAILABILITY** | **28.00** | **28.57** | **26.75** | **(0.57)** | **(2.0)** |

(a) Include change in inventories, decrease due to transportation, consumption and losses.

## Refining

In 2022, Eni's refining throughputs on own account were 18.84 mmtonnes substantially in line from 2021, the lower throughputs in Italy were offset by higher volumes processed in Germany.

In Italy, the refinery throughputs (16.12 mmtonnes) slightly decreased from 2021 (down by 2.4%): lower volumes processed at Livorno refinery were partly offset by higher volumes at Milazzo refinery, which benefitted by a favorable scenario.

Outside Italy, Eni's refining throughputs on own account were 2.72 mmtonnes, up by approximately 450 ktonnes or 19.8% leveraging favorable environment as well as lower standstill compared to the previous year. Total throughputs in wholly-owned refineries were 13.25 mmtonnes, decrease by 0.76 mmtonnes or 5.4% compared with 2021.

The refinery utilization rate, ratio between throughputs and refinery capacity, is 79%.
A share of 26.8% of processed crude was supplied by Eni, representing an increase from 2021 (21%).

## Biorefinery

The volumes of biofuels processed from vegetable oil were 543 mmtonnes down by 18.3% from the previous year (down by 122 ktonnes), as a result of the increased standstills at Gela biorefinery, partly offset by higher volumes processed at the Venice biorefinery (up by 33 ktonnes).

(1) After the first quarter of 2022, following the Russia's military aggression of Ukraine, Eni interrupted Russian crude oil purchase from cargo market. During 2022, the PCK refinery continued to supply Ural crude oil through Druzbha pipeline. Russian crude oil was replaced by volumes from Central Asia and North Africa.

In addition, the incidence rate of palm oil supplied for the production of biodiesel was reduced by approximately 28 percentage points compared to 2021, leveraging on the start-up of a new Biomass Treatment Unit (BTU) at the Gela biorefinery, which allows the use up to 100% of biomass not in competition with the food chain for the production of biofuels.

In October, Eni has definitively ended the supply of palm oil at the Venice and Gela biorefineries for production of hydrogenated biofuels.

In 2022 productions of biofuels (HVO) amounted to approximately 428 ktonnes (down by 27%) according to certifications in use (European RED and related directives).

### AVAILABILITY OF REFINED PRODUCTS

| (mmtonnes) | 2022 | 2021 | 2020 | Change | % Ch. |
|---|---|---|---|---|---|
| **ITALY** | | | | | |
| At wholly-owned refineries | 13.25 | 14.01 | 12.72 | (0.76) | (5.4) |
| Less input on account of third parties | (1.70) | (1.71) | (1.75) | 0.01 | 0.6 |
| At affiliated refineries | 4.57 | 4.21 | 3.85 | 0.36 | 8.6 |
| **Refinery throughputs on own account** | **16.12** | **16.51** | **14.82** | **(0.39)** | **(2.4)** |
| Consumption and losses | (1.11) | (1.11) | (0.97) | 0.00 | 0.4 |
| **Products available for sale** | **15.01** | **15.40** | **13.85** | **(0.39)** | **(2.5)** |
| Purchases of refined products and change in inventories | 7.02 | 7.38 | 7.18 | (0.36) | (4.9) |
| Products transferred to operations outside Italy | (0.40) | (0.67) | (0.66) | 0.27 | 40.3 |
| Consumption for power generation | (0.31) | (0.31) | (0.35) | 0.00 | 0.0 |
| **Sales of products** | **21.32** | **21.80** | **20.02** | **(0.48)** | **(2.2)** |
| **Bio throughputs** | **0.54** | **0.67** | **0.71** | **(0.13)** | **(19.4)** |
| | | | | | |
| **OUTSIDE ITALY** | | | | | |
| Refinery throughputs on own account | 2.72 | 2.27 | 2.18 | 0.45 | 19.8 |
| Consumption and losses | (0.19) | (0.18) | (0.17) | (0.01) | (5.6) |
| **Products available for sale** | **2.53** | **2.09** | **2.01** | **0.44** | **21.1** |
| Purchases of refined products and change in inventories | 3.54 | 3.41 | 3.39 | 0.13 | 3.8 |
| Products transferred from Italian operations | 0.40 | 0.67 | 0.66 | (0.27) | (40.3) |
| **Sales of products** | **6.47** | **6.17** | **6.06** | **0.30** | **4.9** |
| **Refinery throughputs on own account** | **18.84** | **18.78** | **17.00** | **0.06** | **0.3** |
| *of which: refinery throughputs of equity crude on own account* | *5.02* | *3.86* | *3.55* | *1.16* | *30.1* |
| **Total sales of refined products** | **27.79** | **27.97** | **26.08** | **(0.18)** | **(0.6)** |
| **Crude oil sales** | **0.21** | **0.60** | **0.67** | **(0.39)** | **(65.0)** |
| **TOTAL SALES** | **28.00** | **28.57** | **26.75** | **(0.57)** | **(2.0)** |

## Marketing of refined products

In 2022, retail sales of refined products (27.79 mmtonnes) were down by 0.18 mmtonnes or by 0.6% from 2022, lower sales in Italy were partly offset by higher volumes marketed outside.

### PRODUCT SALES IN ITALY AND OUTSIDE ITALY

| (mmtonnes) | 2022 | 2021 | 2020 | Change | % Ch. |
|---|---|---|---|---|---|
| Retail | 5.38 | 5.12 | 4.56 | 0.26 | 5.1 |
| Wholesale | 6.19 | 6.02 | 5.75 | 0.17 | 2.8 |
| Petrochemicals | 0.39 | 0.52 | 0.61 | (0.13) | (25.0) |
| **Other sales** | **9.36** | **10.14** | **9.10** | **(0.78)** | **(7.7)** |
| **Sales in Italy** | **21.32** | **21.80** | **20.02** | **(0.48)** | **(2.2)** |
| Retail rest of Europe | 2.12 | 2.11 | 2.05 | 0.01 | 0.5 |
| Wholesale rest of Europe | 2.44 | 2.19 | 2.40 | 0.25 | 11.4 |
| Wholesale outside Europe | 0.52 | 0.52 | 0.48 | | |
| Other sales | 1.39 | 1.35 | 1.13 | 0.04 | 3.0 |
| **Sales outside Italy** | **6.47** | **6.17** | **6.06** | **0.30** | **4.9** |
| **TOTAL SALES OF REFINED PRODUCTS** | **27.79** | **27.97** | **26.08** | **(0.18)** | **(0.6)** |

## RETAIL SALES IN ITALY

In 2022, retail sales in Italy were 5.38 mmtonnes, with an increase compared to 2021 (0.26 mmtonnes or up by 5.1%) as consequence of the reopening of the economy and higher mobility of people. Average throughput per service station (1,445 kliters) increased by 83 kliters from 2021 (1,362 kliters). Eni's retail market share of 2022 was 21.7%, slightly down from 2021 (22.2%).

As of December 31, 2022, Eni's retail network in Italy consisted of 4,003 service stations, lower by 75 units from December 31, 2021 (4,078 service stations), resulting from the negative balance of acquisitions/releases of lease concessions (90 units), the negative balance of the company-owned stations (9 units), partly balanced by the increase of 24 lease stations.

### RETAIL AND WHOLESALES SALES OF REFINED PRODUCTS

| (mmtonnes) | 2022 | 2021 | 2020 | Change | % Ch. |
|---|---|---|---|---|---|
| **Italy** | **11.57** | **11.14** | **10.31** | **0.43** | **3.8** |
| **Retail sales** | **5.38** | **5.12** | **4.56** | **0.26** | **5.1** |
| Gasoline | 1.49 | 1.38 | 1.16 | 0.11 | 8.0 |
| Gasoil | 3.54 | 3.38 | 3.10 | 0.16 | 4.7 |
| LPG | 0.32 | 0.31 | 0.27 | 0.01 | 3.2 |
| Others | 0.03 | 0.05 | 0.03 | (0.02) | (40.0) |
| **Wholesale sales** | **6.19** | **6.02** | **5.75** | **0.17** | **2.7** |
| Gasoil | 3.04 | 3.11 | 3.11 | (0.07) | (2.3) |
| Fuel Oil | 0.04 | 0.03 | 0.02 | 0.01 | 33.3 |
| LPG | 0.16 | 0.17 | 0.18 | (0.01) | (5.9) |
| Gasoline | 0.43 | 0.34 | 0.30 | 0.09 | 26.5 |
| Lubricants | 0.05 | 0.08 | 0.08 | (0.04) | (43.8) |
| Bunker | 0.48 | 0.59 | 0.63 | (0.11) | (18.6) |
| Jet fuel | 1.50 | 0.92 | 0.70 | 0.58 | 63.0 |
| Other | 0.49 | 0.78 | 0.73 | (0.29) | (37.2) |
| **Outside Italy (retail+wholesale)** | **5.08** | **4.82** | **4.93** | **0.26** | **5.4** |
| Gasoline | 1.11 | 1.06 | 1.13 | 0.05 | 4.7 |
| Gasoil | 2.92 | 2.78 | 2.73 | 0.14 | 5.0 |
| Jet fuel | 0.11 | 0.07 | 0.09 | 0.04 | 57.1 |
| Fuel Oil | 0.13 | 0.08 | 0.13 | 0.05 | 62.5 |
| Lubricants | 0.08 | 0.11 | 0.09 | (0.03) | (27.3) |
| LPG | 0.53 | 0.53 | 0.50 | 0.00 | 0.0 |
| Other | 0.20 | 0.19 | 0.26 | 0.01 | 5.3 |
| **TOTAL RETAIL AND WHOLESALES SALES** | **16.65** | **15.96** | **15.24** | **0.69** | **4.3** |

### RETAIL SALES IN THE REST OF EUROPE

Retail sales in the Rest of Europe were 2.12 mmtonnes, substantially in line with 2021 as result of higher volumes sold in Germany, France, Spain and Austria partly balanced by the decrease of the volumes in Switzerland.

At December 31, 2022, Eni's retail network in the Rest of Europe consisted of 1.240 units, increasing by 4 unit from December 31, 2021, mainly thanks to the openings in Germany and Austria balanced by the reduction in Switzerland and France. Average throughput (2,027 kliters) increased by 2 kliters compared to 2021 (2,025 kliters).

### WHOLESALE AND OTHER SALES

Wholesale sales in Italy amounted to 6.19 mmtonnes, increasing by 2.7% from 2021, due to higher sales of jet fuel for the recovery of the aviation sector which offset lower volumes marketed in all the other segments.
Wholesale sales in the Rest of Europe were 2.44 mmtonnes, up by 11.4% from 2021 particularly in Germany, Austria and Spain.

Supplies of feedstock to the petrochemical industry (0.39 mmtonnes) decreased by 25%. Other sales in Italy and outside Italy (10.76 mmtonnes) decreased by 0.74 mmtonnes or down by 6.4% mainly due to lower volumes sold to oil companies.

## Chemicals

Petrochemical sales of 3,676 ktonnes decreased from 2021 (down by 775 ktonnes, or 17.4%). In particular, the main changes were registered in olefine (down by 22.8%), elastomer (down by 18.7%), in the polyethylene (down by 16.4%) and in the styrenic (down by 12.1%). In moulding & compounding business sales were 76 ktonnes.

### PRODUCT AVAILABILITY

| (ktonnes) | 2022 | 2021 | 2020 | Change | % Ch. |
|---|---|---|---|---|---|
| Intermediates | 4,897 | 6,284 | 5,861 | (1,387) | (22.1) |
| Polymers | 1,873 | 2,184 | 2,211 | (311) | (14.2) |
| Biochem | 5 | 8 | 1 | (3) | .. |
| **Production of petrochemicals** | **6,775** | **8,476** | **8,073** | **(1,701)** | **(20.1)** |
| Moulding & Compounding | 81 | 20 | | 61 | |
| **Total productions** | **6,856** | **8,496** | **8,073** | **(1,640)** | **(19.3)** |
| Consumption and losses | (3,923) | (4,590) | (4,366) | 667 | 14.5 |
| Purchases and change in inventories | 819 | 565 | 632 | 254 | 45.0 |
| **Total availability** | **3,752** | **4,471** | **4,339** | **(719)** | **(16.1)** |
| Intermediates | 2,158 | 2,648 | 2,539 | (490) | (18.5) |
| Polymers | 1,494 | 1,771 | 1,790 | (277) | (15.6) |
| Oilfield chemicals | 21 | 24 | 9 | (3) | .. |
| Biochem | 3 | 8 | 1 | (5) | .. |
| **Sales of petrochemicals** | **3,676** | **4,451** | **4,339** | **(775)** | **(17.4)** |
| Moulding & Compounding | 76 | 20 | | 56 | |
| **Total sales** | **3,752** | **4,471** | **4,339** | **(719)** | **(16.1)** |

Average unit sales prices of the intermediates business increased by 34.2% from 2021, with aromatics and olefins up by 47.2% and 32.4%, respectively. The polymers reported an increase of 22.0% from 2021.

Petrochemical production of 6,775 ktonnes were down by 1,701 ktonnes from 2021 due to lower production of intermediates business (down by 1,387 ktonnes), particularly olefins and aromatics.

The main decreases in production were registered at the Porto Marghera site (down by 821 ktonnes), Dunkerque (down by 563 ktonnes) and Priolo (down by 164 ktonnes).

Nominal capacity of plants decreased from 2021. The average plant utilization rate calculated on nominal capacity was 59.0% lower compared to 2021 (66.0% in 2021).

## Business trends

### INTERMEDIATES

Intermediates revenues (€2,368 million) increased by €202 million from 2021 (up by 9.3%) mainly reflecting the higher commodity prices scenario. Sales (2,158 ktonnes) decreased by 18.5% vs. 2021. The main reductions were registered in olefins (down by 22.8%), aromatics (down by 15.3%) and derivatives (down by 0.8%).

Average prices increased by 34.2%, in particular aromatics (up by 47.2%), olefins (up by 32.4%) and derivatives (up by 23.5%). Intermediates production (4,897 ktonnes) registered a decrease of 22.1% from 2021. Decreases were also registered in olefins (down by 24.3%), in the aromatics (down by 22.6%), while a slight increase was reported in derivatives (up by 0.6%).

### POLYMERS

Polymers revenues (€3,203 million) increased by €89 million or 2.9% from 2021 due to the increase of the average unit prices. The styrenics business benefitted by the increase of sale prices (up by 25.8%), notwithstanding the reduction of volumes sold (down by 12.1%) for lower product availability and lower demand. The reduction in volumes is mainly attributable to AN (down by 33.1%), EPS (down by 26.8%) and GPPS (down by 11.5%), partly offset by higher sales of ABS (up by 11.9%).

In the elastomers business, the decrease of sold volumes (down by 17.2%) was attributable to the decline in European and extra-European consumption and to the non-competitive prices, due to the higher energy costs. In particular were registered lower sales of BR (down by 23.7%), SBR (down by 17.9%) and NBR rubbers (down by 17.3%). Overall, the sold volumes of polyethylene business reported a decrease (down by 16.4%) with lower sales of LDPE (down by 27.7%), EVA (down by 12.5%) and HDPE (down by 10.6%). In addition, average sale prices increased by 13.4%.

Polymers productions (1,873 ktonnes) decreased by 14.2% from the 2021 due to the lower productions of polyethylene (down by 17.3%), elastomers (down by 17.2%) and styrenics (down by 10%).

### OILFIELD CHEMICALS, BIOCHEM E MOULDING & COMPOUNDING

Oilfiled chemicals revenues (€83 million) increased by 26.6% (up by €17 million compared to 2021) as a result of the combined mix of increased unit price for formulations and for the associated services.

Biochem business revenues (€25 million) decreased by €35 million from 2021, mainly due to lower production of disinfectant, following the end of the health emergency, partly offset by the sale of energy produced at the biomass power plant at the Crescentino hub, at full capacity.

Moulding & Compounding business revenues of €327 million include compounding activities for €78 million, moulding for €108 million and the Padanaplast activities for €141 million.

# Plenitude & Power

**2.2 GW**
renewable installed capacity 100% solar and wind

**10 mln**
retail and business customers for gas and electricity

**13,000**
EV charging points

**18.8 TWh**
retail sales of electricity to end customers

| KEY PERFORMANCE INDICATORS | | 2022 | 2021 | 2020 |
|---|---|---|---|---|
| TRIR (Total Recordable Injury Rate)[a] | (total recordable injuries/worked hours) x 1,000,000) | **0.31** | 0.29 | 0.32 |
| *of which: employees* | | ***0.26*** | *0.49* | *0.00* |
| *contractors* | | ***0.39*** | *0.00* | *0.73* |
| **Plenitude** | | | | |
| Retail gas sales | (bcm) | **6.84** | 7.85 | 7.68 |
| Retail power sales | (TWh) | **18.77** | 16.49 | 12.49 |
| Retail/business customers | (milion of POD) | **10.07** | 10.04 | 9.7 |
| EV charging points[a] | (thousand) | **13.1** | 6.2 | 3.4 |
| Energy production from renewable sources | (GWh) | **2,553** | 986 | 340 |
| Installed capacity from renewables at period end | (MW) | **2,198** | 1,137 | 335 |
| **Power** | | | | |
| Power sales in the open market | (TWh) | **22.37** | 28.54 | 25.34 |
| Thermoelectric production | | **21.37** | 22.31 | 20.95 |
| Employees at year end | | **2,794** | 2,464 | 2,092 |
| *of which: outside Italy* | | ***698*** | *600* | *413* |
| Direct GHG emissions (Scope 1)[b] | (mmtonnes $CO_2$eq.) | **9.76** | 10.03 | 9.63 |
| Direct GHG emissions (Scope 1)/equivalent produced electricity (Eni Power)[b] | (g$CO_2$eq./kWh eq.) | **393** | 380 | 391 |

(a) 2020 proforma figure is disclosed for comparative purpose.
(b) Calculated on 100% operated assets.

## PERFORMANCE OF THE YEAR

- Total recordable injury rate (TRIR) of the workforce (0.31) slightly increased compared to 2021, following a single event occurred among contractors.
- Direct GHG emissions (Scope 1) reported a decrease of 3% compared to 2021, in line with lower productions at the power generation sites.
- Direct GHG emissions (Scope 1)/equivalent produced electricity reported an increasing trend from 2021, following the higher use of syngas at the Ferrera Erbognone power plant.
- Energy production from renewable sources amounted to 2,553 GWh, almost tripling from the previous year (986 GWh in 2021) due to the contribution of the acquired assets in operation in Italy, the United States, France and Spain, as well as the organic development of projects in Kazakhstan and in the United States.
- As of December 31, 2022, the installed capacity from renewables was 2,198 MW: 54% attributable to photovoltaic plants (including installed storage capacity) and 46% attributable to wind farms.
- Retail gas sales amounted to 6.84 bcm, down by 13% compared to 2021, as a result of lower sales in Italy in the retail segment and abroad, particularly in France.
- Retail and business power sales to end customers amounted to 18.77 TWh, recording an increase of 14% benefitting from the growth in Italy and the development of the activities abroad.
- The EV charging points installed at the end of 2022 amounted to over 13,000 units, more than doubled compared to 2021.
- Power sales in the open market amounted to 22.37 TWh, down by 21.6% following the lower volumes sold to the Power Exchange.

## PORTFOLIO DEVELOPMENTS

As a part of the development of the wind and photovoltaic sector, representing a pillar of our growth strategy, in 2022 continued the expansion in the national and international renewable energy market, with acquisitions able to be quickly integrated into Eni's portfolio, in particular:

- In Italy and Spain, started a new partnership with Infrastrutture SpA to develop solar and wind power projects, by acquiring a 65% stake in Hergo Renewables SpA, a company holding a portfolio of projects in the two countries, with a total capacity of approximately 1.5 GW; in addition Plenitude acquired 100% of PLT (PLT Energia Srl and SEF Srl and their respective subsidiaries and affiliates), an integrated Italian group engaged in producing renewable electricity and in supplying energy to the retail segment. The acquired company includes 90,000 retail customers in Italy and a capacity portfolio of 1.6 GW. The agreement allows Plenitude to strengthen its presence in the two countries, consolidating a vertically integrated platform.
- In the United States, Plenitude, through its US subsidiary Eni New Energy US Inc., acquired the 81 MW Kellam photovoltaic plant, located in North Texas. This acquisition has been finalized in January 2023. The plant, sold by Hanwha Qcells USA Corp., joins the other assets within Texas and the rest of the United States in Plenitude's portfolio, which reaches, with this transaction, an installed capacity of 878 MW in the US market. The operation was carried out with the support of Novis Renewables, LLC, a partnership between Eni New Energy US, Inc. and Renantis North America, Inc., which is exclusive for the US and dedicated to the development of solar, wind and storage projects. The plant stands on over 150 hectares of land and the produced energy will be sold to a local power company.

In order to strengthen the presence in the wind sector and contribute to the expansion of the Norwegian joint venture Vårgrønn, Plenitude and HitecVision have signed an agreement with the aim to consolidate its presence among the most important players in the offshore wind industry. Plenitude, in October, sold to the joint venture its 20% stake in Dogger Bank (UK) which is developing major offshore wind projects. As a result of this transaction, HitecVision increased its stake in Vårgrønn from 30.4% to 35% through a capital injection.
With the aim to optimize its portfolio, in December 2022, Plenitude sold to Depa Infrastructure, a Greek subsidiary of Italgas, a 49% stake of Eda Thess (Thessaloniki Thessalia Gas Distribution S.A), one of the main operators of the gas infrastructure system in Greece.
Finally, to support the energy transition process, Plenitude in 2022 invested in innovative technological solutions, in particular in EnerOcean S.L., a Spanish developer of the W2Power technology for floating wind power. The agreement is structured as a long-term partnership focused on the deployment of the W2Power technology as a lead solution for floating wind power developments worldwide. Plenitude will contribute to the development program of EnerOcean S.L. with capital and expertise and will initially retain a 25% stake in the Company, which will continue to operate independently.

## DEVELOPMENTS IN THE RENEWABLE BUSINESS

In line with the strategy of energy transition and decarbonization of product and process, Plenitude inaugurated:

- the Badamsha 2 wind farm located in the Aktobe region, Kazakhstan, the second wind installation in the region, allowing to double the installed capacity of Badamsha 1 project (48 MW, for a total amount of 96 MW installed in the Country);
- the 104.5 MW El Monte wind farm, located in the Spanish region of Castilla La Mancha, built in collaboration with the strategic partner Azora Capital. The plant will produce about 300 GWh/year, equivalent to the domestic consumption of 100,000 households;
- the 263 MW "Golden Buckle Solar Project" solar farm in Brazoria County, Texas (USA), in January 2023. The plant was built in just over a year and will produce a yearly average of 400 to 500 GWh of solar energy. The plant development was carried out with the support of Novis Renewables, LLC.

GreenIT, a joint venture with the Italian agency CDP Equity, acquired the entire portfolio of Fortore Energia Group, consisting of four onshore wind farms operating in Italy with a total capacity of 110

MW (56 MW Eni's share); furthermore the JV signed an additional agreement with the equity fund Copenhagen Infrastructure Partners (CIP) to build and operate two floating offshore wind farms in Sicily and Sardinia, with an expected total capacity of approximately 750 MW.
In January 2023, Plenitude signed an agreement with Simply Blue Group for the joint development of floating offshore wind projects in Italy. The first two floating offshore wind projects, "Messapia" in Apulia and "Krimisa" in Calabria, have already been submitted to the relevant authorities. The Messapia project, located about 30 km off the Otranto coast, will have a total capacity of 1.3 GW and will be able to provide annual power generation of about 3.8 TWh. The Krimisa project, located about 45 km off the coast of Crotone, will have a total capacity of 1.1 GW and will be able to provide annual energy production of up to 3.5 TWh.

## INITIATIVES FOR ELECTRIC MOBILITY

As a recognition of Eni's commitment to sustainable infrastructure development, the European Climate, Infrastructure and Environment Executive Agency (CINEA) has selected a project of Be Charge, the Plenitude integrated operator for electric mobility, to build, by 2025, one of the largest high-speed charging networks in Europe for EVs along key European transport corridors (TEN-T) and at parking areas and in major cities in 8 Country: Italy, Spain, France, Austria, Germany, Portugal, Slovenia and Greece.

## TECHNOLOGY DEVELOPMENTS

Eni signed an agreement with Ansaldo Energia to develop projects based on innovative technological solutions for electricity storage as an alternative to electrochemical batteries. Under the terms of the agreement, these technologies, which are being studied, are implemented in synergy in some industrial sites of Eni and its subsidiaries in Italy, exploiting the potential of existing power generation and consumption systems. Electricity storage is essential to overcome the structural limitations of renewables in terms of predictability and intermittency and is consequently necessary to promote their development.

## PLENITUDE

### Retail Gas & Power

#### Gas demand

Eni operates in a liberalized energy market, where customers are allowed to choose the gas supplier and, according to their specific needs, to evaluate the quality of services and select the most suitable offers. Overall, Eni supplies 10 million of retail clients (gas and electricity) in Italy and Europe. In particular, clients located all over Italy are 8.1 million.

**GAS SALES BY MARKET**

| (bcm) | 2022 | 2021 | 2020 | Change | % Ch. |
|---|---|---|---|---|---|
| **ITALY** | **4.65** | **5.14** | **5.17** | **(0.49)** | **(9.5)** |
| Retail | 3.34 | 3.88 | 3.96 | (0.54) | (13.9) |
| Business | 1.31 | 1.26 | 1.21 | 0.05 | 4.0 |
| **INTERNATIONAL SALES** | **2.19** | **2.71** | **2.51** | **(0.52)** | **(19.2)** |
| **European markets:** | | | | | |
| *France* | *1.69* | *2.17* | *2.08* | *(0.48)* | *(22.1)* |
| *Greece* | *0.33* | *0.39* | *0.34* | *(0.07)* | *(16.7)* |
| *Other* | *0.17* | *0.15* | *0.09* | *0.03* | *16.7* |
| **RETAIL GAS SALES** | **6.84** | **7.85** | **7.68** | **(1.01)** | **(12.9)** |

## Retail gas sales

In 2022, retail gas sales in Italy and in the rest of Europe amounted to 6.84 bcm, down by 1.01 bcm or 12.9% from the previous year. Sales in Italy amounted to 4.65 bcm down by 9.5% from 2021, as a result of lower sales to the retail segment.
Sales on the European markets of 2,19 bcm decreased by 19.2% (down by 0.52 bcm) compared to 2021. Lower sales were recorded in France and Greece.

## Retail power sales to end customers

In 2022, retail power sales to end customers amounted to 18.77 TWh, managed by Plenitude and the subsidiaries in France, Greece and Spain increased by 13.8% from 2021, due to the development of activities in Italy and abroad.

# Renewables

Eni is engaged in the renewable energy business (solar and wind) aiming at developing, constructing and managing renewable energy producing plant. Eni's targets in this field will be reached by leveraging on an organic development of a diversified and balanced portfolio of assets, integrated with selective asset and projects acquisitions as well as national and international strategic partnerships.

### ENERGY PRODUCTION FROM RENEWABLE SOURCES

| | | 2022 | 2021 | 2020 | Change | % Ch. |
|---|---|---|---|---|---|---|
| Energy production from renewable sources | (GWh) | 2,553 | 986 | 340 | 1,567 | 158.9 |
| *of which: photovoltaic* | | *1,135* | *398* | *223* | *737* | *185.2* |
| *wind* | | *1,418* | *588* | *116* | *830* | *141.2* |
| *of which: Italy* | | *818* | *400* | *112* | *418* | *104.5* |
| *outside Italy* | | *1,735* | *586* | *227* | *1,149* | *196.1* |
| *of which: own consumption*[a] | | *1%* | *8%* | *23%* | | |

(a) Electricity for Eni's production sites consumptions.

Energy production from renewable sources amounted to 2,553 GWh (of which 1,135 GWh photovoltaic and 1,418 GWh wind) up by 1,567 GWh compared to 2021. The increase in production, compared to the previous year, benefitted from the entry in operations of new capacity, mainly for the contribution of assets already operating in Italy, France, Spain and United States, as well as from the organic development of projects in the United States and Kazakhstan. Follows breakdown of the installed capacity by Country and technology:

### INSTALLED CAPACITY AT PERIOD END (ENI'S SHARE)

| | | 2022 | 2021 | 2020 | Change | % Ch. |
|---|---|---|---|---|---|---|
| Installed capacity from renewables at period end | (MW) | 2,198 | 1,137 | 335 | 1,061 | 93 |
| *of which: photovoltaic (including installed storage capacity)* | | *54%* | *49%* | *80%* | | |
| *wind* | | *46%* | *51%* | *20%* | | |

| (MW) | 2022 | 2021 | 2020 |
|---|---|---|---|
| **Italy** | **844** | **466** | **112** |
| **Outside Italy** | **1,354** | **671** | **223** |
| Algeria[a] | | | 5 |
| Australia | 64 | 64 | 64 |
| France | 114 | 108 | |
| Pakistan | | 10 | 10 |
| Tunisia[a] | | | 9 |
| United States | 797 | 269 | 87 |
| Spain | 283 | 129 | |
| Kazakhstan | 96 | 91 | 48 |
| **TOTAL PHOTOVOLTAIC INSTALLED CAPACITY** | **2,198** | **1,137** | **335** |
| *of which: installed storage power* | *7* | *7* | *8* |

(a) Assets transferred to other segments in the fourth quarter of 2021.

As of December 31, 2022, the total installed capacity from renewables amounted to 2.2 MW, doubled from 2021, mainly thanks to the construction of the photovoltaic plant of Brazoria, in the United States and the onshore wind farm Badamsha 2 in Kazakhstan, as well as, the acquisition of assets of Fortore Energia and PLT in Italy, the Corazon photovoltaic plant, in the United States and the Cuevas assets in Spain.

## E-mobility

In a context of the mobility market that includes a constant increase in the number of electric vehicles in circulation in Italy and in Europe, Plenitude, thanks to the acquisition of Be Charge, disposes one of the largest and most widespread networks of public charging infrastructure for electric vehicles, and represents the first operator in Italy for public access sites at high power >100 kW.
As of December 31, 2021, there are more than 13,000 charging points distributed throughout the country. These stations are smart and user-friendly, monitored 24 hours a day by a help desk and accessible via the mobile app. Within the sector chain, Be Charge plays both the role of owner and manager of the charging infrastructure network (CSO – Charge Station Owner and CPO - Charge Point Operator), and the role of charging and electric mobility service provider working directly with electric vehicle users (EMSP - Electric Mobility Service Provider). Be Charge charging stations are Quick (up to 22 kW) alternating current, Fast (up to 150 kW) or HyperCharge (above 150 kW) direct current type.

# POWER

In 2022, Eni finalized the disposal to the investment company Sixth Street of the 49% share in EniPower which owns six gas power plants. Eni holds the remaining 51% share and maintains the operative control of EniPower as well as the consolidation of the company.

## Availability of electricity

Eni's power generation sites are located in Brindisi, Ferrera Erbognone, Ravenna, Mantova, Ferrara and Bolgiano. As of December 31, 2022, installed operational capacity of Enipower's power plants was 2.3 GW. In 2022, thermoelectric power generation was 21.37 TWh, decreasing by 0.94 TWh from the previous year. Electricity trading (9.49 TWh) reported a decrease of 18.3% from 2021, in order to optimize inflows and outflows of power.

## Power sales in the open market

In 2022, power sales in the open market were 22.37 TWh, representing a decrease of 21.6% compared to 2021, due to lower volumes marketed at Power Exchange.

| | | 2022 | 2021 | 2020 | Change | % Ch. |
|---|---|---|---|---|---|---|
| Purchases of natural gas | (mmcm) | 4,218 | 4,670 | 4,346 | (452) | (9.7) |
| Purchases of other fuels | (ktoe) | 175 | 93 | 160 | 82 | 88.2 |
| Power generation | (TWh) | 21.37 | 22.31 | 20.95 | (0.94) | (4.2) |
| Steam | (ktonnes) | 6,900 | 7,362 | 7,591 | (462) | (6.3) |

### AVAILABILITY OF ELECTRICITY

| | (TWh) | 2022 | 2021 | 2020 | Change | % Ch. |
|---|---|---|---|---|---|---|
| Power generation | | 21.37 | 22.31 | 20.95 | (0.94) | (4.2) |
| Trading of electricity[(a)] | | 9.49 | 11.62 | 13.04 | (2.13) | (18.3) |
| **Availability** | | **30.86** | **33.93** | **33.99** | **(3.07)** | **(9.0)** |
| **Power sales in the open market** | | **22.37** | **28.54** | **25.34** | **(6.17)** | **(21.6)** |
| **Power sales to Plenitude** | | **8.49** | **5.39** | **8.65** | **3.10** | **57.5** |

(a) Includes positive and negative imbalances (difference between the electricity effectively fed-in and as scheduled).

# Environmental activities

**around 2 mln tonnes**
total waste managed

**operating in over 100 sites of regional and national priority**
as Eni global contractor

**9.9 mln cm**
reused water for industrial and environmental use

**around 74 % recovered waste**
vs. total recoverable waste

**over 35 mln cm**
treated water

The Group's environmental activities are managed by Eni Rewind, Eni's subsidiary engaged in the valorization of land, water and waste resources, industrial or deriving from reclamation activities, to give them new life leveraging on the circular economy principles, through sustainable reclamation and revaluation projects, both in Italy and abroad.

Eni Rewind, through its integrated end-to-end model, guarantees the supervision of every phase of the process reclamation and waste management, planning projects from the early stages to enhance and reuse resources (soils, water, waste), making them available for new development opportunities.

## Reclamation activities

Coherently with the expertise gained and in agreement with institutions and stakeholders, Eni Rewind assesses the projects for enhancement and reuse of reclaimed areas, allowing the environmental recovery of former industrial area and the resumption of the local economy.

Eni Rewind operates in 13 sites of national priority and over 100 sites of regional priority, consolidating in recent years its role as a global contractor for all Eni businesses. Main activities on remediation, water and waste management, valorization of restorated sites are progressing mainly in Ravenna, Porto Torres, Gela, Cengio and Porto Marghera.

The Ponticelle Project in Ravenna, where Eni Rewind is committed to enhance the abandoned industrial area through Permanent Safety Measures of the site and the design of targeted improvements for the industrial requalification, is particularly relevant.

Planned activities relate to the construction of a multifunctional platform for the pre-processing of waste in partnership with Herambiente and a biorecovery platform (biopile) for land to be reused in service stations after remediation, reducing landfilling disposal and consumption of vergin resources. Ponticelle area will become a hub for sustainable reclamation, waste enhancement and green energy production also leveraging on the collaboration with Eni New Energy, Plenitude' subsidiary, engaged in the realization of a photovoltaic plant and a storage lab.

## Water & Waste Management

Eni Rewind manages water treatment, aimed at reclamation activities, through an integrated aquifer interception system and the conveyance of water for purification to treatment plants. During 2022, the project of automation and digitalization of groundwater treatment plants progressed as a part of a larger optimization initiative, in order to increase business competitiveness and sustainability, quality of work and process security. The main drivers of the optimization project are represented by the implementation of optimized operational model for plant management, leveraging on the technological enhancement of San Donato Milanese Control Room and the digitalization of its related sites.

Currently, there are 43 treatment plants fully in operation and managed in Italy, with over 35 million cubic meters of treated water in 2022. The recovery and reuse of treated water for the production of demineralized water for industrial use and as part of the operational plans for the remediation of contaminated sites is undergoing.

In 2022 about 9.9 million cubic meters of water have been reused after treatment, with an increase of 10% compared to 2021.

At the end of 2022, completed the installation of 57 devices using the proprietary technology E-Hyrec® for the selective removal of hydrocarbons from groundwater to improve the effectiveness and efficiency of groundwater reclamation, with significant reductions in extraction times and avoiding the disposal of more than 1,200 tons of waste equivalent.

Eni Rewind also operates as Eni's competence center for management of waste deriving from Eni's environmental remediation activities and production activities in Italy, thanks to its model allowing to minimize costs and environmental impacts, by adopting the best technological solutions available on the market.

In 2022, Eni Rewind managed a total of approximately 2 million tonnes[1] of waste by sending for recovery or disposal at external plants.

In particular, the recovery index (ratio of recovered/recoverable waste) in 2022 was 74%: the slight increase compared to 2021 (73%) is due to the qualitative and particle size characteristics of the reclamation waste, detected during characterization, notwithstanding the consistency of used equipped plants with technologies available for recovery did not increase.

## Certification

Eni Rewind holds SOA Certification, the mandatory certification for participation in tenders to execute public works contracts with a basic auction amount exceeding €150,000.00, for its core activities in the OG 12 - Reclamation and protection works and plants environmental and in the specialized categories OS 22 - Drinking water and purification plants and OS 14 - Waste disposal and recovery plants.

During 2022, Eni Rewind achieved the highest certification, with unlimited amount, relative to the categories OS14 and OG12.

## Not-captive initiatives

In line with the path started in 2020, Eni Rewind expanded the scope of its activities, by offering services outside Eni group. In particular, in 2022, Eni Rewind progressed in the implementation of activities for the qualification process of leading national and international operators as suppliers. Finalized also the registration to the MEPA portal (Electronic Market of the Public Administration).

In addition, Eni Rewind was awarded the Raggruppamento Temporaneo d'Impresa (RTI) of the reclamation of the former Q8 plant in Naples, and will carry out the design, environmental analysis, supply, installation and management of a thermal desorber.

Under the public regime, the post-assignment due diligence process by ANAS of requirements of the RTI in which Eni Rewind is principal, was completed, in order to start activities for investigation services and characterization in the Adriatic lot (Emilia-Romagna, Marche, Abruzzo, Molise, Puglia), where Eni Rewind, through its environmental laboratories, will provide specific chemical analysis services.

(1) The volume includes waste deriving from the management of the environmental activities of the points of sale network (about 112 ktonnes), whose "producer" is the same environmental company in charge of the execution out the work.

In September 2022, Eni Rewind signed the relevant act setting up the RTI to subscribe the contract with Anas.

Relating to the private sector, Eni Rewind was awarded a three-year framework agreement (renewable for a further 2 years) for the transport and disposal service of about 50 ktonnes of waste generated by the Refinery of Milazzo (RAM).

## Eni Rewind outside Italy

Since 2018, Eni Rewind has been making its expertise available to Eni's subsidiaries, located outside Italy, to manage environmental issues, in particular for management and enhancement activities of the water resource, soil, as well as training and knowledge sharing.

In order to implement the Memorandum of Understanding (MoU) signed in 2021 with the National Authority for oil and gas of the Kingdom of Bahrain (NOGA), the Bahrain Petroleum Company refinery (BAPCO) requested in 2022 to Eni Rewind a large-scale implementation of the e-Hyrec treatment system, including services such as engineering, supply, installation and technical assistance.

Eni Rewind is progressing in the collaboration with Eni on "water management & valorization" projects. In June 2022, completed the feasibility studies for the optimization of waste water management and process water through its reuse for plants located in Algeria and Libya.

In 2022, carried out the environmental engineering activities for the remediation of company service stations in France and Germany.

In the new mandate for the reclamations of the service stations' areas signed with Eni Sustainable Mobility effective from January 1st, 2023, Eni Rewind will support the company in the feasibility of environmental activities also for the remediation of service stations of the European network.

# Financial Review

## Possible impacts of the Russia-Ukraine war

For details on the impacts of the Russia-Ukraine war, please refer to the paragraph "Risks in connection with Russia's military aggression of Ukraine" in the section "Risk factors and uncertainty".

## PROFIT AND LOSS ACCOUNT

| (€ million) | 2022 | 2021 | 2020 | Change | % Ch. |
|---|---|---|---|---|---|
| Sales from operations | 132,512 | 76,575 | 43,987 | 55,937 | 73.0 |
| Other income and revenues | 1,175 | 1,196 | 960 | (21) | (1.8) |
| Operating expenses | (105,497) | (58,716) | (36,640) | (46,781) | (79.7) |
| Other operating income (expense) | (1,736) | 903 | (766) | (2,639) | .. |
| Depreciation, depletion, amortization | (7,205) | (7,063) | (7,304) | (142) | (2.0) |
| Net impairment reversals (losses) of tangible and intangible and right-of-use assets | (1,140) | (167) | (3,183) | (973) | .. |
| Write-off of tangible and intangible assets | (599) | (387) | (329) | (212) | (54.8) |
| **Operating profit (loss)** | **17,510** | **12,341** | **(3,275)** | **5,169** | **41.9** |
| Finance income (expense) | (925) | (788) | (1,045) | (137) | (17.4) |
| Income (expense) from investments | 5,464 | (868) | (1,658) | 6,332 | .. |
| **Profit (loss) before income taxes** | **22,049** | **10,685** | **(5,978)** | **11,364** | **..** |
| Income taxes | (8,088) | (4,845) | (2,650) | (3,243) | (66.9) |
| *Tax rate (%)* | *36.7* | *45.3* | .. | | |
| **Net profit (loss)** | **13,961** | **5,840** | **(8,628)** | **8,121** | **..** |
| *attributable to:* | | | | | |
| **- Eni's shareholders** | **13,887** | **5,821** | **(8,635)** | **8,066** | **..** |
| - Non-controlling interest | 74 | 19 | 7 | 55 | .. |

Eni's 2022 results were significantly influenced by the recovery in the energy commodity price scenario.
2022 marked one of the most volatile year in the history of crude oil prices, due to the impact of Russia's military aggression of Ukraine in late February 2022 occurred against a backdrop of substantially tight crude oil market due to the post-pandemic recovery and supply tensions in the natural gas market, particularly in Europe.
The price of the Brent crude oil benchmark spiked, approaching its all-time highs in 2008 at approximately 140 $/bbl.
The first half of 2022, characterized by an average price of 108 $/bbl, was followed by a volatile second half of the year with a decrease of about 40 $/bbl from 125 $/bbl at the end of June 2022; the downward trend resumed in December with a decline below 80 $/bbl, eroding earnings registered in 2022.
On annual average, the Brent price was 101 $/barrel with an increase of 40% compared to the 2021 average of about 70 $/bbl.
Natural gas prices experienced a degree of volatility even higher than that of crude oil, especially in Europe due to its dependence on pipeline supplies from Russia. Compared to the 2021 average of about 15 $/mmBTU for the European spot reference Title Transfer Facility (TTF) which already represented a historical record, in 2022 values recorded 80-90 $/mmBTU due to fears of shortage for the following winter season in relation to the progressive downsizing of Russian export flows via pipeline, in the context of a continuous deterioration of political relations with the EU.
In the final part of 2022 and early 2023, natural gas prices, thanks to a particularly mild winter season and significant exports of LNG from the USA, corrected substantially, closing at year end at values equal to or lower than those recorded before the outbreak of the conflict.
Refining margins were supported by a recovery in fuel demand in all sectors, including civil aviation, and substantial diesel shortages mainly due to lower supplies from Russia.

| | 2022 | 2021 | 2020 | Var. % |
|---|---|---|---|---|
| Average price of Brent dated crude oil in U.S. dollars[(a)] | 101.19 | 70.73 | 41.67 | 43.1 |
| Average EUR/USD exchange rate[(b)] | 1.053 | 1.183 | 1.142 | (11.0) |
| Average price of Brent dated crude oil in euro | 96.09 | 59.80 | 36.49 | 60.7 |
| Standard Eni Refining Margin (SERM)[(c)] | 8.5 | (0.9) | 1.7 | .. |
| PSV[(d)] | 1,294 | 487 | 112 | 165.6 |
| TTF[(d)] | 1,279 | 486 | 100 | 163.1 |

(a) Price per barrel. Source: Platt's Oilgram.
(b) Source: ECB.
(c) In $/BBL FOB Mediterranean Brent dated crude oil. Source: Eni calculations. Approximates the margin of Eni's refining system in consideration of material balances and refineries' product yields.
(d) €/kcm

## Adjusted results and breakdown of special items

In 2022, **Eni reported an adjusted net profit** attributable to its shareholders of €13,301 million, increasing by 9 billion from 2021, driven by the robust performance of the E&P segment due higher realizations on equity production, portfolio optimizations at the GGP segment as well as the improved performance of the R&M segment which benefitted from plant availability and cost and output optimization allowing to capture the upside of a strong refining environment. Net profit benefitted from better results of equity-accounted entities as well as a lower adjusted tax rate which excludes non - recurring accruals.

Below the breakdown of the operating profit by business segment:

| (€ million) | 2022 | 2021 | 2020 | Change | % Ch. |
|---|---|---|---|---|---|
| Exploration & Production | 15,908 | 10,066 | (610) | 5,842 | 58.0 |
| Global Gas & LNG Portfolio | 3,730 | 899 | (332) | 2,831 | .. |
| Refining & Marketing and Chemicals | 460 | 45 | (2,463) | 415 | .. |
| Plenitude & Power | (825) | 2,355 | 660 | | .. |
| Corporate and other activities | (1,901) | (816) | (563) | (1,085) | .. |
| Impact of unrealized intragroup profit elimination | 138 | (208) | 33 | 346 | |
| **Operating profit (loss)** | **17,510** | **12,341** | **(3,275)** | **5,169** | **41.9** |

Eni's management determines adjusted results excluding extraordinary gains/charges or special items, in order to improve understanding the underlying operating performance of our business.

### ADJUSTED RESULTS

| (€ million) | 2022 | 2021 | 2020 | Var. ass. | Var. %. |
|---|---|---|---|---|---|
| **Operating profit (loss)** | **17,510** | **12,341** | **(3,275)** | **5,169** | **41.9** |
| Exclusion of inventory holding (gains) losses | (564) | (1,491) | 1,318 | | |
| Exclusion of special items | 3,440 | (1,186) | 3,855 | | |
| **Adjusted operating profit (loss)** | **20,386** | **9,664** | **1,898** | **10,722** | **110.9** |
| Breakdown by segment: | | | | | |
| *Exploration & Production* | *16,411* | *9,293* | *1,547* | *7,118* | *76.6* |
| *Global Gas & LNG Portfolio* | *2,063* | *580* | *326* | *1,483* | *255.7* |
| *Refining & Marketing and Chemicals* | *1,929* | *152* | *6* | *1,777* | .. |
| *Plenitude & Power* | *615* | *476* | *465* | *139* | *29.2* |
| *Corporate and other activities* | *(622)* | *(593)* | *(507)* | *(29)* | *(4.9)* |
| *Impact of unrealized intragroup profit elimination and other consolidation adjustments* | *(10)* | *(244)* | *61* | *234* | |
| | | | | | |
| **Net profit (loss) attributable to Eni's shareholders** | **13,887** | **5,821** | **(8,635)** | **8,066** | .. |
| Exclusion of inventory holding (gains) losses | (401) | (1,060) | 937 | | |
| Exclusion of special items | (185) | (431) | 6,940 | | |
| **Adjusted net profit (loss) attributable to Eni's shareholders** | **13,301** | **4,330** | **(758)** | **8,971** | .. |

In FY 2022, the **adjusted operating profit** was €20,386 million, an increase of €10,722 million compared to 2021.
This performance was driven by the E&P segment due to a strong recovery in commodity prices, by the GGP segment leveraging on continuing optimization across the flexible gas and LNG portfolio, as well as by the R&M business due to plant availability and cost and output optimization allowing to capture the upside of a strong refining environment.
The operating performance achieved record results with the following breakdown by business segment:
- E&P reported a higher than 70% increase in adjusted operating profit to €16.4 billion due to its capacity to capture the upside of a favorable commodity environment;
- GGP reported an operating performance of €2.1 billion, replacing Russian flows with equity gas or supplies from countries where we operate, and ensuring optimization of the gas and LNG portfolio in a tight market, while ensuring stable and secure supplies to its customers and managing financial risks;
- R&M achieved its best performance ever with €2.2 billion, compared to breakeven in 2021, due to plant availability and output optimization allowing to capture the upside of a strong refining environment, and efficiency measures to address the rise in plant utility expenses;
- Plenitude delivered against its operating and financial targets with EBIT of €0.34 billion and a renewable capacity of 2.2 GW, despite the challenging market scenario;
- Versalis was impacted by competitive pressures, weakening demand and higher gas-indexed utilities expenses, driving a loss of €0.25 billion.

A detailed disclosure on businesses performance, see the paragraph "Results by business segments".

In FY 2022, **adjusted net profit** amounted to €13,301 million, an increase of €8,971 million from 2021, due to a strong operating performance and higher results of equity-accounted entities.

## BREAKDOWN OF SPECIAL ITEMS

Net profit includes special items consisting of net gains of €185 million, mainly relating to the following:

i) environmental provision of €2,056 million taken at dismissed Italian industrial hubs, based on management's accumulate know-how about scale, reach and timing of remediation activities and a stabilized regulatory framework, allowing reliable estimate of the future costs of the reclamation of groundwater. This amount includes an approximately €300 million decommissioning charge relating to certain refinery production units and facilities;
ii) asset impairment charges driven by reserve revisions and expenditures updates (€432 million in the year);
iii) impairment losses of chemical plants to reflect a reduced profitability outlook and the write-down of capital expenditures made for compliance and stay-in-business at certain CGU with expected negative cash flows in the R&M business (overall €717 million);
iv) provisions for redundancy incentives (€202 million);
v) the difference between the value of gas inventories accounted for under the weighted-average cost method provided by IFRS and management's own measure of inventories, which moves forward at the time of inventory drawdown, the margins captured on volumes in inventories above normal levels leveraging the seasonal spread in gas prices net of the effects of the associated commodity derivatives (gains of €70 million);
vi) the accounting effect of certain fair-valued commodity derivatives lacking the formal criteria to be classified as hedges or to be elected under the own use exemption (gain of €389 million) driving by high volatility of natural gas prices;
vii) the reclassification to adjusted operating profit of the positive balance of €149 million related to derivatives used to manage margin exposure to foreign currency exchange rate movements and exchange translation differences of commercial payables and receivables;
viii) risk provisions (€87 million);
ix) a gain of €2.5 billion (including the reversal of accumulated exchange rate translation differences) arising in connection with the contribution of Eni's subsidiaries operating in Angola in exchange for a 50% equity interest in the newly established Azule Energy JV with bp, which has been recognized to the extent that the gain was attributable to the other party to the joint venture based on the provisions of IAS 28;
x) a gain on the share offering of the Vår Energi investee through an IPO and listing at the Norwegian stock exchange (€0.4 billion);
xi) charges of €0.3 billion relating to the JV Vår Energi, driven by impairment losses and currency translation differences at finance debt denominated in a currency other than the reporting currency for which the cash outflows are expected to be matched by highly probable cash inflows from the sale of production volumes, in the same currency as the finance debt as part of a natural hedge relationship;
xii) extraordinary income taxes of €2.2 billion relating to windfall taxes levied on energy companies in Italy and German. Such charges included an Italian solidarity contribution enacted by Budget Law 2023 calculated on the 2022 taxable income, determined considering the distribution of certain revaluation reserves of the parent company;
xiii) recognized deferred tax assets of about €2.2 billion:
xiv) Eni's share of non current charges/impairments relating to Saipem (charges of €22 million).

| (€ million) | 2022 | 2021 | 2020 |
|---|---|---|---|
| **Special items of operating profit (loss)** | **3,440** | **(1,186)** | **3,855** |
| *- environmental charges* | *2,056* | *271* | *(25)* |
| *- impairment losses (impairments reversal), net* | *1,140* | *167* | *3,183* |
| *- impairment of exploration projects* | *2* | *247* | |
| *- net gains on disposal of assets* | *(41)* | *(100)* | *(9)* |
| *- risk provisions* | *87* | *142* | *149* |
| *- provision for redundancy incentives* | *202* | *193* | *123* |
| *- commodity derivatives* | *(389)* | *(2,139)* | *440* |
| *- exchange rate differences and derivatives* | *149* | *183* | *(160)* |
| *- other* | *234* | *(150)* | *154* |
| **Net finance (income) expense** | **(127)** | **(115)** | **152** |
| *of which:* | | | |
| *- exchange rate differences and derivatives reclassified to operating profit (loss)* | *(149)* | *(183)* | *160* |
| **Net (income) expense from investments** | **(2,834)** | **851** | **1,655** |
| *of which:* | | | |
| *- impairments / revaluation of equity investments* | | *851* | *1,207* |
| *- gain on the divestment of Vår Energi* | *(448)* | | |
| *- net gains on the divestment of Angolan assets* | *(2.542)* | | |
| **Income taxes** | **(683)** | **19** | **1,278** |
| **Total special items of net profit (loss)** | **(204)** | **(431)** | **6,940** |
| *Attributable to:* | | | |
| - non-controlling interest | (19) | | |
| **- Eni's shareholders** | **(185)** | **(431)** | **6,940** |

The breakdown by segment of the adjusted net profit is provided in the table below:

| (€ million) | 2022 | 2021 | 2020 | Change | % Ch. |
|---|---|---|---|---|---|
| Exploration & Production | 10,776 | 5,543 | 124 | 5,233 | 94.4 |
| Global Gas & LNG Portfolio | 982 | 169 | 211 | 813 | .. |
| Refining & Marketing and Chemicals | 1,914 | 62 | (246) | 1,852 | .. |
| Plenitude & Power | 397 | 327 | 329 | 70 | 21.4 |
| Corporate and other activities | (709) | (1,576) | (1,205) | 867 | 55.0 |
| Impact of unrealized intragroup profit elimination and other consolidation adjustments[(a)] | (4) | (176) | 36 | 172 | |
| **Adjusted net profit (loss)** | **13,356** | **4,349** | **(751)** | **9,007** | **207.1** |
| *attributable to:* | | | | | |
| **- Eni's shareholders** | **13,301** | **4,330** | **(758)** | **8,971** | **..** |
| - Non-controlling interest | 55 | 19 | 7 | 36 | .. |

(a) This item concerned mainly intragroup sales of commodities, services and capital goods recorded in the assets of the purchasing business segment as of end of the period.

# Revenues

## TOTAL REVENUES

| (€ million) | 2022 | 2021 | 2020 | Change | % Ch. |
|---|---|---|---|---|---|
| Exploration & Production | 31,200 | 21,742 | 13,590 | 9,458 | 43.5 |
| Global Gas & LNG Portfolio | 48,586 | 20,843 | 7,051 | 27,743 | .. |
| Refining & Marketing and Chemicals | 59,178 | 40,374 | 25,340 | 18,804 | 46.6 |
| *- Refining & Marketing* | *54,675* | *36,501* | *22,965* | *18,174* | *49.8* |
| *- Chemicals* | *6,215* | *5,590* | *3,387* | *625* | *11.2* |
| *- Consolidation adjustments* | *(1,712)* | *(1,717)* | *(1,012)* | | |
| Plenitude & Power | 20,883 | 11,187 | 7,536 | 9,696 | 86.7 |
| *- Plenitude* | *13,497* | *7,452* | *6,020* | *6,045* | *81.1* |
| *- Power* | *9,533* | *3,996* | *1,894* | *5,537* | *138.6* |
| *- Consolidation adjustments* | *(2,147)* | *(261)* | *(378)* | | |
| Corporate and other activities | 1,879 | 1,698 | 1,559 | 181 | 10.7 |
| Consolidation adjustments | (29,214) | (19,269) | (11,089) | | |
| **Sales from operations** | **132,512** | **76,575** | **43,987** | **55,937** | **73.0** |
| **Other income and revenues** | **1,175** | **1,196** | **960** | **(21)** | **(1.8)** |
| **Total revenues** | **133,687** | **77,771** | **44,947** | **55,916** | **71.9** |

Total revenues amounted to €133,687 million, reporting an increase of 71.9% from 2021, reflecting the upside of a favorable commodity environment and the appreciation of the US dollar vs. the euro (+10%).

**Sales from operations** increased by €55,937 million from 2021 (+73.0%) to €132,512 million. This trend is due to the upside of a favorable commodity environment (Brent price increased by 71 $/bbl in 2021 to 101 $/bbl in 2022; gas spot prices in Italy and Europe more than tripled) as well as to the recovery of sold volumes leveraging on the recovery in global demand of commodities in key final markets. The retail gas and power business benefitted from the positive performance of the extracommodity business and the marketing actions in Italy.

**Other income and revenues** amounting to €1,175 million were broadly unchanged from 2021 and include the recovery of the cost share of right-of-use assets pertaining to partners of unincorporated joint operations operated by Eni (€204 million) as well as income from royalties, patents, licences.

## OPERATING EXPENSES

| (€ million) | 2022 | 2021 | 2020 | Change | % Ch. |
|---|---|---|---|---|---|
| Purchases, services and other | 102,529 | 55,549 | 33,551 | 46,980 | 84.6 |
| Impairment losses (impairment reversals) of trade and other receivables, net | (47) | 279 | 226 | (326) | (116.8) |
| Payroll and related costs | 3,015 | 2,888 | 2,863 | 127 | 4.4 |
| *of which: provision for redundancy incentives and other* | *202* | *193* | *123* | | |
| | **105,497** | **58,716** | **36,640** | **46,781** | **79.7** |

Operating expenses for 2022 (€105,497 million) increased by €46,781 million from 2021, up by 79.7%.

Purchases, services and other (€102,529 million) were up by 84.6% vs. 2021 mainly reflecting higher costs for hydrocarbon supplies (gas under long-term supply contracts and refinery and chemical feedstocks).

Payroll and related costs (€3,015 million) were slightly increased from 2021 (up by €127 million, or 4.4%) mainly due to the appreciation of the USD against the euro as well as wage dynamics.

## DEPRECIATION, DEPLETION, AMORTIZATION, IMPAIRMENT LOSSES (IMPAIREMENT REVERSALS) NET AND WRITE-OFF

| (€ million) | 2022 | 2021 | 2020 | Change | % Ch. |
|---|---|---|---|---|---|
| Exploration & Production | 6,018 | 5,976 | 6,273 | 42 | 0.7 |
| Global Gas & LNG Portfolio | 217 | 174 | 125 | 43 | 24.7 |
| Refining & Marketing and Chemicals | 506 | 512 | 575 | (6) | (1.2) |
| *- Refining & Marketing* | *389* | *417* | *488* | *(28)* | *(6.7)* |
| *- Chemicals* | *117* | *95* | *87* | *22* | *23.2* |
| Plenitude & Power | 358 | 286 | 217 | 72 | 25.2 |
| *- Plenitude* | *307* | *241* | *172* | *66* | *27.4* |
| *- Power* | *51* | *45* | *45* | *6* | *13.3* |
| Corporate and other activities | 139 | 148 | 146 | (9) | (6.1) |
| Impact of unrealized intragroup profit elimination | (33) | (33) | (32) | | |
| **Total depreciation, depletion and amortization** | **7,205** | **7,063** | **7,304** | **142** | **2.0** |
| Impairment losses (impairment reversals) of tangible and intangible and right of use assets, net | 1,140 | 167 | 3,183 | 973 | .. |
| **Depreciation, depletion, amortization, impairments and reversals, net** | **8,345** | **7,230** | **10,487** | **1,115** | **15.4** |
| Write-off of tangible and intangible assets | 599 | 387 | 329 | 212 | 54.8 |
| | **8,944** | **7,617** | **10,816** | **1,327** | **17.4** |

**Depreciation, depletion and amortization** (€7,205 million) increased by €142 million from 2021 (up by 2%) mainly in the Exploration & Production segment due to start-ups and ramp-up of new projects partly offset by the appreciation of the USD, in the GGP segment following the ramp-up of the Damietta liquefaction plant, as well as in Plenitude & Power due to the start-up of certain assets.

**Impairment losses (impairment reversals) of tangible and intangible and right of use assets, net** (€1,140 million), disclosed in the section "special item" follow the breakdown below:

| (€ million) | 2022 | 2021 | 2020 | Change |
|---|---|---|---|---|
| Exploration & Production | 432 | (1,244) | 1,888 | 1,676 |
| Global Gas & LNG Portfolio | (12) | 26 | 2 | (38) |
| Refining & Marketing and Chemicals | 717 | 1,342 | 1,271 | (625) |
| Plenitude & Power | (37) | 20 | 1 | (57) |
| Corporate and other activities | 40 | 23 | 21 | 17 |
| **Impairment losses (impairment reversals) of tangible and intangible and right of use assets, net** | **1,140** | **167** | **3,183** | **973** |

**Write-off of tangible and intangible assets** amounted to €599 million and mainly related to previously capitalized costs of exploratory wells which were expensed through profit because it was determined that they did not encounter commercial quantities of hydrocarbons mainly in Libya, Egypt, the Ivory Coast, Vietnam and Kenya or due to lack of management commitment in pursuing further appraisal activity.

The amount also comprised previously capitalized costs of development projects that were written off due to lack of economic perspectives.

## FINANCE INCOME (EXPENSE)

| (€ million) | 2022 | 2021 | 2020 | Change |
|---|---|---|---|---|
| **Finance income (expense) related to net borrowings** | **(939)** | **(849)** | **(913)** | **(90)** |
| - Interest and other finance expense on ordinary bonds | (507) | (475) | (517) | (32) |
| - Net finance income (expense) on financial assets held for trading | (53) | 11 | 31 | (64) |
| - Net expenses on other financial assets valued at fair value with effects on profit and loss | (2) | | | (2) |
| - Interest and other expense due to banks and other financial institutions | (128) | (94) | (102) | (34) |
| - Interest on lease liabilities | (315) | (304) | (347) | (11) |
| - Interest from banks | 57 | 4 | 10 | 53 |
| - Interest and other income on financial receivables and securities held for non operating purposes | 9 | 9 | 12 | |
| **Income (expense) on derivative financial instruments** | **13** | **(306)** | **351** | **319** |
| - Derivatives on exchange rate | (70) | (322) | 391 | 252 |
| - Derivatives on interest rate | 81 | 16 | (40) | 65 |
| - Options | 2 | | | 2 |
| **Exchange differences, net** | **238** | **476** | **(460)** | **(238)** |
| **Other finance income (expense)** | **(275)** | **(177)** | **(96)** | **(98)** |
| - Interest and other income on financing receivables and securities held for operating purposes | 128 | 67 | 97 | 61 |
| - Finance expense due to the passage of time (accretion discount) | (199) | (144) | (190) | (55) |
| - Other finance income (expense) | (204) | (100) | (3) | (104) |
| | **(963)** | **(856)** | **(1,118)** | **(107)** |
| **Finance expense capitalized** | **38** | **68** | **73** | **(30)** |
| | **(925)** | **(788)** | **(1,045)** | **(137)** |

**Net finance expenses** were €925 million, €137 million higher than in 2021, mainly driven by: (i) lower recognition of income on exchange rate (down €238 million) offset by the positive change of fair valued currency derivatives (up €252 million) lacking the formal criteria to be designated as hedges under IFRS 9; (ii) higher expenses relating to our floating rate financial liabilities (up €90 million) due to higher interest rate environment and the positive change in the fair value of interest rate derivatives (up €65 million). Other finance expense increased by €98 million and mainly related to higher discount rates as well as higher finance expense relating to the unwinding of discount of provisions (mainly the decommissioning provision of certain plants).

## NET INCOME (EXPENSE) FROM INVESTMENTS

| 2022 (€ million) | Exploration & Production | Global Gas & LNG Portfolio | Refining & Marketing and Chemicals | Plenitude & Power | Corporate and other activities | Group |
|---|---|---|---|---|---|---|
| Share of gains (losses) from equity-accounted investments | 1,526 | 4 | 446 | (20) | (115) | **1,841** |
| Dividends | 269 | | 82 | | | **351** |
| Net gains (losses) on disposals | 448 | | 3 | 30 | 2 | **483** |
| Other income (expense), net | 2,615 | | 102 | 77 | (5) | **2,789** |
| | **4,858** | **4** | **633** | **87** | **(118)** | **5,464** |

**Net income from investments** of €5,464 million related to:

- Eni's share of profits generated by equity-accounted investments amounting to €1,841 million, mainly driven by profits in the E&P Vår Energi associate, the R&M ADNOC Refining associate, the E&P Azule Energy Holdings joint venture. It includes also Eni's share of the joint venture Saipem results;
- dividends of €351 million paid by minority investments in certain entities which were designated at fair value through other comprehensive income under IFRS 9, except for dividends which are recorded through profit. These entities mainly comprised Nigeria LNG Ltd (€247 million) and Saudi European Petrochemical Co (€77 million);
- net gains on divestment of assets of €483 million referred to the divestment of an interest in Vår Energi through a public offering at the Oslo stock exchange and a private placement;
- other gains (losses) net of €2,789 million mainly relating to the fair value evaluation of the business combination Azule Energy.

The table below sets forth a breakdown of income/expense from investments:

| (€ million) | 2022 | 2021 | 2020 | Change |
|---|---|---|---|---|
| Share of gains (losses) from equity-accounted investments | 1,841 | (1,091) | (1,733) | 2,932 |
| Dividends | 351 | 230 | 150 | 121 |
| Net gains (losses) on disposals | 483 | 1 | | 482 |
| Other income (expense), net | 2,789 | (8) | (75) | 2,797 |
| **Income (expense) from investments** | **5,464** | **(868)** | **(1,658)** | **6,332** |

## Income Taxes

Income taxes increased by €3,243 million to €8,088 million and included an extraordinary solidarity tax for the year 2022 (€1,036 million) enacted in Italy by Law No. 51 of May 20, 2022, a similar tax enacted in Germany as well as the UK Energy profit levy. The total 2022 income taxes included also an extraordinary contribution as enacted by Law No. 197 of December 29, 2022 (Italian 2023 Budget Law) calculated on the 2022 taxable income, determined considering the distribution of certain revaluation reserves of the parent company.

Reported tax rate was 36.7%. On an adjusted basis, not considering the extraordinary one-off items reported as special items (see the paragraph "Breakdown of special items"), the tax rate stabilized at around 39%.

# RESULTS BY BUSINESS SEGMENTS[1]

## EXPLORATION & PRODUCTION

| (€ million) | | 2022 | 2021 | 2020 | Change | % Ch. |
|---|---|---|---|---|---|---|
| **Operating profit (loss)** | | **15,908** | **10,066** | **(610)** | **5,842** | **..** |
| Exclusion of special items: | | 503 | (773) | 2,157 | | |
| *- environmental charges* | | *30* | *60* | *19* | | |
| *- impairment losses (impairment reversals), net* | | *432* | *(1,244)* | *1,888* | | |
| *- impairment of exploration projects* | | *2* | *247* | | | |
| *- net gains on disposal of assets* | | *(27)* | *(77)* | *1* | | |
| *- provision for redundancy incentives* | | *34* | *60* | *34* | | |
| *- risk provisions* | | *34* | *113* | *114* | | |
| *- exchange rate differences and derivatives* | | *(57)* | *(3)* | *13* | | |
| *- other* | | *55* | *71* | *88* | | |
| **Adjusted operating profit (loss)** | | **16,411** | **9,293** | **1,547** | **7,118** | **76.6** |
| Net finance (expense) income[(a)] | | (319) | (313) | (316) | (6) | |
| Net income (expense) from investments [(a)] | | 2,086 | 681 | 262 | 1,405 | |
| *of which: Vår Energi* | | *951* | *425* | *193* | | |
| *Azule* | | *455* | | | | |
| Income taxes[(a)] | | (7,402) | (4,118) | (1,369) | (3,284) | |
| *Tax rate* | (%) | *40.7* | *42.6* | *..* | | |
| **Adjusted net profit (loss)** | | **10,776** | **5,543** | **124** | **5,233** | **..** |
| Results also include: | | | | | | |
| Exploration expenses: | | 605 | 558 | 510 | 47 | *8.4* |
| *prospecting, geological and geophysical expenses* | | *220* | *194* | *196* | *26* | *13.4* |
| *write off of unsuccessful wells[(b)]* | | *385* | *364* | *314* | *21* | *5.8* |
| **Average realizations** | | | | | | |
| Liquids[(c)] | ($/bbl) | 92.49 | 66.62 | 37.06 | 25.87 | 38.8 |
| Natural gas | ($/kcf) | 10.37 | 6.64 | 3.76 | 3.73 | 56.1 |
| Hydrocarbons | ($/boe) | 73.98 | 51.49 | 28.92 | 22.49 | 43.7 |

(a) Excluding special items.
(b) Also includes write off of unproved exploration rights, if any, related to projects with negative outcome.
(c) Includes condensates.

In 2022, the **Exploration & Production** segment reported an **adjusted operating profit** of €16,411 million, up 77% compared to 2021 driven by a supportive oil scenario and a tight worldwide market for natural gas, as well as by cost discipline. Against this backdrop, Eni's realized prices of liquids increased by 39%, whereas natural gas realized prices increased by 56% compared to 2021.

These effects were partly offset by lower production volumes.

Adjusted operating profit excluded **special charges** of €503 million.

**Adjusted net profit** of €10,776 million almost doubling net profit of €5.543 million reported in 2021, due to a better

(1) Other alternative performance indicators disclosed are accompanied by explanatory notes and tables in line with the guidance provided by ESMA guidelines on alternative performance measures (ESMA/2015/1415), published on October, 2015. For further information, see the section "Alternative performance measures" of this Annual Report at subsequent pages.

operating and equity-accounted performance. The reduction in the tax rate in 2022, down by 2 percentage points compared to 2021, benefitted from the positive scenario and better equity-accounted performance.

In 2022, Eni's gas realizations for the full year increased on average by 56% in dollar terms, driven by a recovery in trading environment. Those were reduced on average by 1.27 $/kcf due to the impact of cash flow hedges activated in the period January - December 2022 on the sale of about 85 bcf. These transactions were part of an hedging program in the period December 2021 to December 2022.
The following table reports the impact of cash flow hedge derivatives as described above:

| | | 2022 |
|---|---|---|
| **Natural gas** | | |
| Sale volumes | (billion cubic feet) | 1,379 |
| Sale volumes hedged by derivatives (cash flow hedge) | | 85 |
| **Total price excluding derivatives** | ($/kcf) | **11.64** |
| Realized gains (losses) on derivatives | | (1.27) |
| **Total average price** | | **10.37** |

## GLOBAL GAS & LNG PORTFOLIO

| (€ million) | 2022 | 2021 | 2020 | Change | % Ch. |
|---|---|---|---|---|---|
| **Operating profit (loss)** | **3,730** | **899** | **(332)** | **2,831** | .. |
| Exclusion of special items: | (1,667) | (319) | 658 | | |
| *- impairment losses (impairment reversals), net* | *(12)* | *26* | *2* | | |
| *- provision for redundancy incentives* | *4* | *5* | *2* | | |
| *- commodity derivatives* | *(1,805)* | *(207)* | *858* | | |
| *- exchange rate differences and derivatives* | *244* | *206* | *(183)* | | |
| *- other* | *(98)* | *(349)* | *(21)* | | |
| **Adjusted operating profit (loss)** | **2,063** | **580** | **326** | **1,483** | .. |
| Net finance (expense) income[(a)] | (17) | (17) | | | |
| Net income (expense) from investments[(a)] | 4 | | (15) | 4 | |
| Income taxes[(a)] | (1,068) | (394) | (100) | (674) | |
| **Adjusted net profit (loss)** | **982** | **169** | **211** | **813** | .. |

(a) Excluding special items.

In 2022, the Global Gas & LNG Portfolio segment reported an **adjusted operating profit** of €2,063 million, a robust growth compared to 2021 (up by €1,483 million, almost quadrupled from 2021). The positive performance was achieved despite the anticipated reversal in market trends and lower Russian supplies, as well as higher expenses for contract revisions. The segment replaced Russian flows with equity gas or supplies from countries where we operate and ensuring optimization of the gas and LNG portfolio in a tight market, while ensuring stable and secure supplies to its customers and managing financial risks.

**Adjusted net profit** was €982 million (net profit of €169 million in 2021).

## REFINING & MARKETING AND CHEMICALS

| (€ million) | 2022 | 2021 | 2020 | Change | % Ch. |
|---|---|---|---|---|---|
| **Operating profit (loss)** | **460** | **45** | **(2,463)** | **415** | .. |
| Exclusion of inventory holding (gains) losses | (416) | (1,455) | 1,290 | | |
| Exclusion of special items: | 1,885 | 1,562 | 1,179 | | |
| *- environmental charges* | *962* | *150* | *85* | | |
| *- impairment losses (impairment reversals), net* | *717* | *1,342* | *1,271* | | |
| *- net gains on disposal of assets* | *(10)* | *(22)* | *(8)* | | |
| *- risk provisions* | *52* | *(4)* | *5* | | |
| *- provision for redundancy incentives* | *46* | *42* | *27* | | |
| *- commodity derivatives* | *4* | *50* | *(185)* | | |
| *- exchange rate differences and derivatives* | *(33)* | *(14)* | *10* | | |
| *- other* | *147* | *18* | *(26)* | | |
| **Adjusted operating profit (loss)** | **1,929** | **152** | **6** | **1,777** | .. |
| *- Refining & Marketing* | *2,183* | *(46)* | *235* | *2,229* | .. |
| *- Chemicals* | *(254)* | *198* | *(229)* | *(452)* | .. |
| Net finance (expense) income[(a)] | (36) | (32) | (7) | (4) | |
| Net income (expense) from investments[(a)] | 637 | (4) | (161) | 641 | |
| *of which: ADNOC Refining* | *568* | *(76)* | *(167)* | | |
| Income taxes[(a)] | (616) | (54) | (84) | (562) | |
| **Adjusted net profit (loss)** | **1,914** | **62** | **(246)** | **1,852** | .. |

(a) Excluding special items.

The **Refining & Marketing** business reported an **adjusted operating profit** of €2,183 million in 2022, compared to an operating loss of €46 million in 2021, due to significantly higher refining margins. The performance was also driven by optimization measures and initiatives to reduce energy costs of industrial processes by replacing natural gas with cheaper alternatives.

In 2022, the **Chemical business** reported an **adjusted operating loss** of €254 million, compared to a profit of €198 million reported in 2021, which reflected unusual market conditions in 2021 due to the pandemic. The performance was impacted by weaker demand and rising expenses mainly due to a large increase in utilities costs indexed to the natural gas price. These were partly offset by optimization measures intended to reduce natural gas consumption and a reduction in production to compensate the decrease in demand.

**Adjusted operating profit** of the **R&M and Chemicals** segment of €1.929 million, excluded **special items** of €1,885 million and inventory holding gains of €416 million.

**On a net basis**, the positive result of €1,914 million reported by the Refining & Marketing and Chemicals segment, compared to a profit of €62 million in 2021, due to the better performance of the **Refining & Marketing** business.

## PLENITUDE & POWER

| (€ million) | 2022 | 2021 | 2020 | Change | % Ch. |
|---|---|---|---|---|---|
| **Operating profit (loss)** | **(825)** | **2,355** | **660** | **(3,180)** | **..** |
| Exclusion of special items: | 1,440 | (1,879) | (195) | | |
| *- environmental charges* | *2* | | *1* | | |
| *- impairment losses (impairment reversals), net* | *(37)* | *20* | *1* | | |
| *- net gains on disposal of assets* | *1* | *(2)* | | | |
| *- risk provisions* | | | *10* | | |
| *- provision for redundancy incentives* | *65* | *(5)* | *20* | | |
| *- commodity derivatives* | *1,412* | *(1,982)* | *(233)* | | |
| *- exchange rate differences and derivatives* | *(5)* | *(6)* | | | |
| *- other* | *2* | *96* | *6* | | |
| **Adjusted operating profit (loss)** | **615** | **476** | **465** | **139** | **29.2** |
| *- Plenitude* | *345* | *363* | *304* | *(18)* | *(5.0)* |
| *- Power* | *270* | *113* | *161* | *157* | *..* |
| Net finance (expense) income[(a)] | (11) | (2) | (1) | (9) | |
| Net income (expense) from investments[(a)] | (6) | (3) | 6 | (3) | |
| Income taxes[(a)] | (201) | (144) | (141) | (57) | |
| **Adjusted net profit (loss)** | **397** | **327** | **329** | **70** | **21.4** |

(a) Excluding special items.

In 2022, **Plenitude** reported an adjusted operating profit of €345 mln, down 5% compared to 2021, due to the challenging market scenario. The **Power generation business** from gas-fired plants reported an adjusted operating profit of €270 million in 2022, more than doubled from 2021, due to a favorable price scenario.

The **Plenitude & Power** segment reported an **adjusted operating profit** of €615 million, which includes a positive adjustment for special item of €1,440 million.
The **Plenitude & Power** segment reported an **adjusted net profit** of €397 million, up 21.4% from the 2021 result (adjusted net profit of €327 million).

## CORPORATE AND OTHER ACTIVITIES

| (€ million) | 2022 | 2021 | 2020 | Change | % Ch. |
|---|---|---|---|---|---|
| **Operating profit (loss)** | **(1,901)** | **(816)** | **(563)** | **(1,085)** | **..** |
| Exclusion of special items: | 1,279 | 223 | 56 | | |
| *- environmental charges* | *1,062* | *61* | *(130)* | | |
| *- impairment losses (impairment reversals), net* | *40* | *23* | *21* | | |
| *- net gains on disposal of assets* | *(5)* | *1* | *(2)* | | |
| *- risk provisions* | *1* | *33* | *20* | | |
| *- provision for redundancy incentives* | *53* | *91* | *40* | | |
| *- other* | *128* | *14* | *107* | | |
| **Adjusted operating profit (loss)** | **(622)** | **(593)** | **(507)** | **(29)** | **(4.9)** |
| Net finance (expense) income[(a)] | (669) | (539) | (569) | (130) | |
| Net income (expense) from investments[(a)] | (91) | (691) | (95) | 600 | |
| Income taxes[(a)] | 673 | 247 | (34) | 426 | |
| **Adjusted net profit (loss)** | **(709)** | **(1,576)** | **(1,205)** | **867** | **55.0** |

(a) Excluding special items.

The results of Corporate and Other Activities mainly include costs of Eni's headquarters net of services charged to operational companies for the provision of general purposes services, administration, finance, information technology, human resources management, legal affairs, international affairs, as well as operational costs of decommissioning activities pertaining to certain businesses which Eni exited, divested or shut down in past years, net of the margins of captive subsidiaries providing specialized services to the business (insurance, financial, recruitment).

## SUMMARIZED GROUP BALANCE SHEET[(a)]

The summarized Group balance sheet aggregates the amount of assets and liabilities derived from the statutory balance sheet in accordance with functional criteria which considers the enterprise conventionally divided into the three fundamental areas focusing on resource investments, operations and financing. Management believes that this summarized group balance sheet is useful information in assisting investors to assess Eni's capital structure and to analyse its sources of funds and investments in fixed assets and working capital. Management uses the summarized group balance sheet to calculate key ratios such as the return on invested capital (adjusted ROACE) and the financial soundness/equilibrium (gearing and leverage).

| (€ million) | December 31, 2022 | December 31, 2021 | Change |
|---|---|---|---|
| **Fixed assets** | | | |
| Property, plant and equipment | 56,332 | 56,299 | 33 |
| Right of use | 4,446 | 4,821 | (375) |
| Intangible assets | 5,525 | 4,799 | 726 |
| Inventories - Compulsory stock | 1,786 | 1,053 | 733 |
| Equity-accounted investments and other investments | 13,294 | 7,181 | 6,113 |
| Receivables and securities held for operating purposes | 1,978 | 1,902 | 76 |
| Net payables related to capital expenditure | (2,320) | (1,804) | (516) |
| | **81,041** | **74,251** | **6,790** |
| **Net working capital** | | | |
| Inventories | 7,709 | 6,072 | 1,637 |
| Trade receivables | 16,556 | 15,524 | 1,032 |
| Trade payables | (19,527) | (16,795) | (2,732) |
| Net tax assets (liabilities) | (2,991) | (3,678) | 687 |
| Provisions | (15,267) | (13,593) | (1,674) |
| Other current assets and liabilities | 316 | (2,258) | 2,574 |
| | **(13,204)** | **(14,728)** | **1,524** |
| **Provisions for employee benefits** | **(786)** | **(819)** | **33** |
| **Assets held for sale including related liabilities** | **156** | **139** | **17** |
| **CAPITAL EMPLOYED, NET** | **67,207** | **58,843** | **8,364** |
| Eni shareholders' equity | 54,759 | 44,437 | 10,322 |
| Non-controlling interest | 471 | 82 | 389 |
| **Shareholders' equity** | **55,230** | **44,519** | **10,711** |
| **Net borrowings before lease liabilities ex IFRS 16** | **7,026** | **8,987** | **(1,961)** |
| Lease liabilities | 4,951 | 5,337 | (386) |
| *- of which Eni working interest* | *4,457* | *3,653* | *804* |
| *- of which Joint operators' working interest* | *494* | *1,684* | *(1,190)* |
| **Net borrowings post lease liabilities ex IFRS 16** | **11,977** | **14,324** | **(2,347)** |
| **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | **67,207** | **58,843** | **8,364** |

(a) For a reconciliation to the statutory statement of cash flow see the paragraph "Reconciliation of Summarized Group Balance Sheet and Statement of Cash Flows to Statutory Schemes".

As of December 31, 2022, **fixed assets** of €81,041 million, increased by €6,790 million from December 31, 2021, due to the exchange rate translation differences (the period-end exchange rate of EUR vs. USD was 1.067, down 6% compared to 1.133 as of December 31, 2021), acquisitions, expenditures and the entry into service of the FPSO vessel operating Area 1 in Mexico, partly offset by the net effect of the contribution of Angolan subsidiaries in exchange for 50% equity interest in Azule Energy and DD&A, impairment charges and write-offs recorded in the year.

**Net working capital** (-€13,204 million) increased by €1,524 million as a result of increased value of oil and product inventories due to the weighted-average cost method of accounting in an environment of rising prices (up €1,637 million), as well as by an increase in other current assets and liabilities (up €2,574 million) due to fair value changes of derivative instruments, partly offset by increased risk provisions (up €1,674 million) and a lower balance between trade receivables and trade payables (down €1,700 million).

## Comprehensive income

| (€ million) | 2022 | 2021 |
|---|---|---|
| **Net profit (loss)** | **13,961** | **5,840** |
| **Items that are not reclassified to profit or loss in later periods** | **114** | **149** |
| *Remeasurements of defined benefit plans* | *60* | *119* |
| *Change in the fair value of minor investments with effects to other comprehensive income* | *56* | *105* |
| *Share of other comprehensive income on equity accounted investments* | *3* | *2* |
| *Taxation* | *(5)* | *(77)* |
| **Items that may be reclassified to profit or loss in later periods** | **1,643** | **1,902** |
| *Currency translation differences* | *1,095* | *2,828* |
| *Change in the fair value of cash flow hedging derivatives* | *794* | *(1,264)* |
| *Share of "Other comprehensive income" on equity accounted investments* | *(12)* | *(34)* |
| *Taxation* | *(234)* | *372* |
| **Total other items of comprehensive income (loss)** | **1,757** | **2,051** |
| **Total comprehensive income (loss)** | **15,718** | **7,891** |
| attributable to: | | |
| **- Eni's shareholders** | **15,643** | **7,872** |
| - Non-controlling interest | 75 | 19 |

## Changes in shareholders' equity

| (€ million) | | |
|---|---|---|
| **Shareholders' equity at January 1st, 2021** | | **37,493** |
| Total comprehensive income (loss) | 7,891 | |
| Dividends distributed to Eni's shareholders | (2,390) | |
| Dividends distributed by consolidated subsidiaries | (5) | |
| Net issue of perpetual subordinated bonds | 2,000 | |
| Coupon of perpetual subordinated bonds | (61) | |
| Costs for the issue of perpetual subordinated bonds | (15) | |
| Buy-back program | (400) | |
| Other changes | 6 | |
| **Total changes** | | **7,026** |
| **Shareholders' equity at December 31, 2021** | | **44,519** |
| attributable to: | | |
| **- Eni's shareholders** | | **44,437** |
| - Non-controlling interest | | 82 |
| | | |
| **Shareholders' equity at January 1st, 2022** | | **44,519** |
| Total comprehensive income (loss) | 15,718 | |
| Dividends distributed to Eni's shareholders | (3,022) | |
| Dividends distributed by consolidated subsidiaries | (60) | |
| Enipower transaction | 542 | |
| Buy-back program | (2,400) | |
| Coupon of perpetual subordinated bonds | (138) | |
| Taxes on hybrid bond coupon | 44 | |
| Other changes | 27 | |
| **Total changes** | | **10,711** |
| **Shareholders' equity at December 31, 2022** | | **55,230** |
| attributable to: | | |
| **- Eni's shareholders** | | **54,759** |
| - Non-controlling interest | | 471 |

**Shareholders' equity** (€55,230 million) increased by €10,711 million compared to December 31, 2021, due to the net profit for the period (€13,961 million), positive foreign currency translation differences (about €1,095 million) reflecting the appreciation of the US dollar vs. the Euro, the positive change in the cash flow hedge reserve of €794 million, partly offset by dividend payments and the share buy-back (€5,422 million).

## Net borrowings and leverage

Leverage is a measure used by management to assess the Company's level of indebtedness. It is calculated as a ratio of net borrowings which is calculated by excluding cash and cash equivalents and certain very liquid assets from financial debt to shareholders' equity, including non-controlling interest. Management periodically reviews leverage in order to assess the soundness and efficiency of the Group balance sheet in terms of optimal mix between net borrowings and net equity, and to carry out benchmark analysis with industry standards.

| (€ million) | December 31, 2022 | December 31, 2021 | Change |
|---|---|---|---|
| Total finance debt | 26,917 | 27,794 | (877) |
| *- Short-term debt* | *7,543* | *4,080* | *3,463* |
| *- Long-term debt* | *19,374* | *23,714* | *(4,340)* |
| Cash and cash equivalents | (10,155) | (8,254) | (1,901) |
| Financial assets measured at fair value through profit or loss | (8,251) | (6,301) | (1,950) |
| Financing receivables held for non-operating purposes | (1,485) | (4,252) | 2,767 |
| **Net borrowings before lease liabilities ex IFRS 16** | **7,026** | **8,987** | **(1,961)** |
| Lease Liabilities | 4,951 | 5,337 | (386) |
| *- of which Eni working interest* | *4,457* | *3,653* | *804* |
| *- of which Joint operators' working interest* | *494* | *1,684* | *(1,190)* |
| **Net borrowings post lease liabilities ex IFRS 16** | **11,977** | **14,324** | **(2,347)** |
| **Shareholders' equity including non-controlling interest** | **55,230** | **44,519** | **10,711** |
| **Leverage before lease liability ex IFRS 16** | **0.13** | **0.20** | **0.07** |
| **Leverage after lease liability ex IFRS 16** | **0.22** | **0.32** | **0.10** |

As of December 31, 2022, net borrowings were €11,977 million decreasing by €2,347 million from 2021.

**Total finance debt** of €26,917 million consisted of €7,543 million of short-term debt (including the portion of long-term debt due within twelve months of €3,097 million) and €19,374 million of long-term debt. The decrease in **financing receivables held for non-operating purposes** was due to the operations in commodity derivates. The amount of €1,266 million is connected to the financial deposits to secure the derivatives transactions, mainly related to the Global Gas & LNG Portfolio segment. When excluding the lease liabilities, net borrowings were re-determined at €7,026 million reducing by €1,961 million from 2021.

**Leverage**[2] – the ratio of the borrowings to total equity – was 0.13 at December 31, 2022. The impact of the liability pertaining to joint operators in Eni-led unincorporated joint ventures weighted on leverage for 1 point. Including the impact of IFRS 16 altogether, leverage would be 0.22.

(2) Other alternative performance indicators disclosed are accompanied by explanatory notes and tables in line with guidance provided by ESMA guidelines on alternative performance measures (ESMA/2015/1415), published on October 5, 2015. For further information, see the section "Alternative performance measures" of this Annual Report at subsequent pages.

## SUMMARIZED GROUP CASH FLOW STATEMENT

Eni's Summarized Group Cash Flow Statement derives from the statutory statement of cash flows. It enables investors to understand the connection existing between changes in cash and cash equivalents (deriving from the statutory cash flows statement) and in net borrowings (deriving from the summarized cash flow statement) that occurred in the reporting period. The measure which links the two statements is represented by the "free cash flow" which is calculated as difference between the cash flow generated from operations and the net cash used in investing activities. Starting from free cash flow it is possible to determine either: (i) changes in cash and cash equivalents for the period by adding/deducting cash flows relating to financing debts/receivables (issuance/repayment of debt and receivables related to financing activities), shareholders' equity (dividends paid, net repurchase of own shares, capital issuance) and the effect of changes in consolidation and of exchange rate differences; and (ii) change in net borrowings for the period by adding/deducting cash flows relating to shareholders' equity and the effect of changes in consolidation and of exchange rate differences.

### SUMMARIZED GROUP CASH FLOW STATEMENT[(a)]

| (€ million) | 2022 | 2021 | 2020 | Change |
|---|---|---|---|---|
| **Net profit (loss)** | **13,961** | **5,840** | **(8,628)** | **8,121** |
| *Adjustments to reconcile net profit (loss) to net cash provided by operating activities:* | | | | |
| - depreciation, depletion and amortization and other non monetary items | 4,369 | 8,568 | 12,641 | (4,199) |
| - net gains on disposal of assets | (524) | (102) | (9) | (422) |
| - dividends, interests, taxes and other changes | 8,611 | 5,334 | 3,251 | 3,277 |
| Changes in working capital related to operations | (1,279) | (3,146) | (18) | 1,867 |
| Dividends received by investments | 1,545 | 857 | 509 | 688 |
| Taxes paid | (8,488) | (3,726) | (2,049) | (4,762) |
| Interests (paid) received | (735) | (764) | (875) | 29 |
| **Net cash provided by operating activities** | **17,460** | **12,861** | **4,822** | **4,599** |
| Capital expenditure | (8,056) | (5,234) | (4,644) | (2,822) |
| Investments and purchase of consolidated subsidiaries and businesses | (3,311) | (2,738) | (392) | (573) |
| Disposals of consolidated subsidiaries, businesses, tangible and intagible assets and investments | 1,202 | 404 | 28 | 798 |
| Other cash flow related to investing activities | 2,361 | 289 | (735) | 2,072 |
| **Free cash flow** | **9,656** | **5,582** | **(921)** | **4,074** |
| Net cash inflow (outflow) related to financial activities | 786 | (4,743) | 1,156 | 5,529 |
| Changes in short and long-term financial debt | (2,569) | (244) | 3,115 | (2,325) |
| Repayment of lease liabilities | (994) | (939) | (869) | (55) |
| Dividends paid and changes in non-controlling interests and reserves | (4,841) | (2,780) | (1,968) | (2,061) |
| Net issue (repayment) of perpetual hybrid bond | (138) | 1,924 | 2,975 | (2,062) |
| Effect of changes in consolidation and exchange differences of cash and cash equivalent | 16 | 52 | (69) | (36) |
| **NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT** | **1,916** | **(1,148)** | **3,419** | **3,064** |
| **Adjusted net cash before changes in working capital at replacement cost** | **20,380** | **12,711** | **6,726** | **7,669** |

### Change in net borrowings

| (€ million) | 2022 | 2021 | 2020 | Change |
|---|---|---|---|---|
| **Free cash flow** | **9,656** | **5,582** | **(921)** | **4,074** |
| Repayment of lease liabilities | (994) | (939) | (869) | (55) |
| Net borrowings of acquired companies | (512) | (777) | (67) | 265 |
| Net borrowings of divested companies | 142 | | | 142 |
| Exchange differences on net borrowings and other changes | (1,352) | (429) | 759 | (923) |
| Dividends paid and changes in non-controlling interest and reserves | (4,841) | (2,780) | (1,968) | (2,061) |
| Net issue (repayment) of perpetual hybrid bond | (138) | 1,924 | 2,975 | (2,062) |
| **CHANGE IN NET BORROWINGS BEFORE LEASE LIABILITIES** | **1,961** | **2,581** | **(91)** | **(620)** |
| Repayment of lease liabilities | 994 | 939 | 869 | 55 |
| Inception of new leases and other changes | (608) | (1,258) | (239) | 650 |
| **Change in lease liabilities** | **386** | **(319)** | **630** | **705** |
| **CHANGE IN NET BORROWINGS AFTER LEASE LIABILITIES** | **2,347** | **2,262** | **539** | **85** |

(a) For a reconciliation to the statutory statement of cash flow see the paragraph "Reconciliation of Summarized Group Balance Sheet and Statement of Cash Flows to Statutory Schemes".

**Net cash provided by operating activities** in 2022 was €17,460 million, an increase of €4,599 million compared to 2021 (up 36%), due to a better scenario in the upstream segment and a strong contribution from the R&M business.
The outflow relating to the working capital of €1,279 million was due to the change in the value of inventory holding accounted for under the weighted-average cost method in a rising price environment, the build-up of gas inventories and invoice payments for gas supplies. The dividends received by investments mainly related to Vår Energi, Nigeria LNG, Azule Energy and ADNOC R&T.

**Cash flow from operating activities before changes in working capital at replacement cost** was €20,380 million in 2022 and was net of the following items: inventory holding gains or losses relating to oil and products, the reversing timing difference between gas inventories accounted at weighted average cost and management's own measure of performance leveraging inventories to optimize margin, provisions for environmental reclamation activities and decommissioning of refinery assets, extraordinary credit losses and other charges/gains, the fair value of commodity derivatives lacking the formal criteria to be designated as hedges, the Italian windfall tax levied on energy companies for fiscal year 2022, as well as the reclassification as an operating cash flow of a reimbursement of share capital made by an associate.

Net financial borrowings before IFRS 16 decreased by €1,961 million due to the net cash provided by operating activities (approximately €17.5 billion), the reimbursement of operating financing receivable by Azule Energy (€1.3 billion), partly offset by net capex requirements (€8.2 billion), dividends payments to Eni's shareholders of €3 billion, a €2.4 billion share buy-back program, the cash outflow related to acquisitions and divestments (€2.5 billion), payments of lease liabilities for €1 billion, the payment of the coupon of perpetual subordinated hybrid bonds (€0.1 billion) and other positive changes for about €0.5 billion.

A reconciliation of **cash flow from operations before changes in working capital at replacement cost** to net cash provided by operating activities for the full year of 2022, 2021 and 2020 is provided below:

| (€ million) | 2022 | 2021 | 2020 | Change |
|---|---|---|---|---|
| Net cash provided by operating activities | 17,460 | 12,861 | 4,822 | 4,599 |
| Changes in working capital related to operations | 1,279 | 3,146 | 18 | (1,867) |
| Exclusion of commodity derivatives | (389) | (2,139) | 440 | 1,750 |
| Exclusion of inventory holding (gains) losses | (564) | (1,491) | 1,318 | 927 |
| Provisions for extraordinary credit losses and other charges | 2,594 | 334 | 128 | 2,260 |
| **Adjusted net cash before changes in working capital at replacement cost** | **20,380** | **12,711** | **6,726** | **7,669** |

## CAPITAL EXPENDITURE AND INVESTMENTS

| (€ million) | 2022 | 2021 | 2020 | Change | % Ch. |
|---|---|---|---|---|---|
| Exploration & Production | 6,362 | 3,861 | 3,472 | 2,501 | 64.8 |
| *- acquisition of proved and unproved properties* | *260* | *17* | *57* | *243* | .. |
| *- exploration* | *708* | *391* | *283* | *317* | *81.1* |
| *- oil and gas development* | *5,238* | *3,364* | *3,077* | *1,874* | *55.7* |
| *- CCUS and agro-biofeedstock projects* | *110* | *37* | | *73* | .. |
| *- other expenditure* | *46* | *52* | *55* | *(6)* | *(11.5)* |
| Global Gas & LNG Portfolio | 23 | 19 | 11 | 4 | 21.1 |
| Refining & Marketing and Chemicals | 878 | 728 | 771 | 150 | 20.6 |
| *- Refining & Marketing* | *623* | *538* | *588* | *85* | *15.8* |
| *- Chemicals* | *255* | *190* | *183* | *65* | *34.2* |
| Plenitude & Power | 631 | 443 | 293 | 188 | 42.4 |
| *- Plenitude* | *481* | *366* | *241* | *115* | *31.4* |
| *- Power* | *150* | *77* | *52* | *73* | *94.8* |
| Corporate and other activities | 166 | 187 | 107 | (21) | (11.2) |
| Impact of unrealized intragroup profit elimination | (4) | (4) | (10) | | |
| **Capital expenditure[(a)]** | **8,056** | **5,234** | **4,644** | **2,822** | **53.9** |
| **Investments and purchase of consolidated subsidiaries and businesses** | **3,311** | **2,738** | **392** | **573** | .. |
| **Total capex and investments and purchase of consolidated subsidiaries and businesses** | **11,367** | **7,972** | **5,036** | **3,395** | **42.6** |

(a) Expenditures to purchase plant and equipment from suppliers whose payment terms matched classification as financing payables, have been recognized among other changes of the cash flow statement (€61 million).

**Cash outflows for capital expenditure and investments** were €11,367 million, increasing by 43% from 2021 and include the acquisition of a 20% stake in the Dogger Bank C offshore wind project in the North Sea, the 100% stake in SKGR company owner of a portfolio of photovoltaic plants in Greece, renewable capacity in the United States, a 3% interest in the North Field East LNG project in Qatar, the 100% stake in PLT Energia engaged in the renewable business, the Tango FLNG floating liquefaction vessel in Congo, as well as a capital contribution to our joint venture Saipem to support a new industrial plan and a financial restructuring of the investee. These outflows were partly offset by the divestment of a stake of the joint venture Vår Energi (€0.5 billion) and an equity contribution by an investor in Eni's subsidiaries operating in the natural gas-fired power generation with recognition of a non-controlling interest (€0.5 billion).

In 2022, capital expenditure amounted to €8,056 million (€5,234 million in 2021), increasing by 54% and mainly related to:
- oil and gas development activities (€5,238 million) mainly in Egypt, Ivory Coast, Congo, the United Arab Emirates, Mexico, Iraq, Italy and Algeria;
- refining activity in Italy and outside Italy (€491 million) mainly relating to the activities to maintain plants' integrity and stay-in-business, as well as HSE initiatives; marketing activity (€132 million) for regulation compliance and stay-in-business initiatives in the retail network in Italy and in the rest of Europe;
- Plenitude (€481 million) mainly relating to development activities in the renewable business, acquisition of new customers as well as development of electric vehicles network infrastructure.

## Non-GAAP measures (Alternative performance measures)

Management evaluates underlying business performance on the basis of Non-GAAP financial measures, which are not provided by IFRS ("Alternative performance measures"), such as adjusted operating profit, adjusted net profit, which are arrived at by excluding from reported results certain gains and losses, defined special items, which include, among others, asset impairments, including impairments of deferred tax assets, gains on disposals, risk provisions, restructuring charges, the accounting effect of fair-valued derivatives used to hedge exposure to the commodity, exchange rate and interest rate risks, which lack the formal criteria to be accounted as hedges, and analogously evaluation effects of assets and liabilities utilized in a relation of natural hedge of the above mentioned market risks. Furthermore, in determining the business segments' adjusted results, finance charges on finance debt and interest income are excluded (see below). In determining adjusted results, inventory holding gains or losses are excluded from base business performance, which is the difference between the cost of sales of the volumes sold in the period based on the cost of supplies of the same period and the cost of sales of the volumes sold calculated using the weighted average cost method of inventory accounting as required by IFRS, except in those business segments where inventories are utilized as a lever to optimize margins.
Finally, the same special charges/gains are excluded from the Eni's share of results at JVs and other equity accounted entities, including any profit/loss on inventory holding.
Management is disclosing Non-GAAP measures of performance to facilitate a comparison of base business performance across periods, and to allow financial analysts to evaluate Eni's trading performance on the basis of their forecasting models.
Non-GAAP financial measures should be read together with information determined by applying IFRS and do not stand in for them. Other companies may adopt different methodologies to determine Non-GAAP measures.

Follows the description of the main alternative performance measures adopted by Eni. The measures reported below refer to the performance of the reporting periods disclosed in this press release.

### Adjusted operating and net profit

Adjusted operating profit and adjusted net profit are determined by excluding inventory holding gains or losses, special items and, in determining the business segments' adjusted results, finance charges on finance debt and interest income. The adjusted operating profit of each business segment reports gains and losses on derivative financial instruments entered into to manage exposure to movements in foreign currency exchange rates, which impact industrial margins and translation of commercial payables and receivables. Accordingly, also currency translation effects recorded through profit and loss are reported within business segments' adjusted operating profit. The taxation effect of the items excluded from adjusted operating or net profit is determined based on the specific rate of taxes applicable to each of them.
Finance charges or income related to net borrowings excluded from the adjusted net profit of business segments are comprised of interest charges on finance debt and interest income earned on cash and cash equivalents not related to operations. Therefore, the adjusted net profit of business segments includes finance charges or income deriving from certain segment operated assets, i.e., interest income on certain receivable financing and securities related to operations and finance charge pertaining to the accretion of certain provisions recorded on a discounted basis (as in the case of the asset retirement obligations in the Exploration & Production segment).

### Inventory holding gain or loss

This is the difference between the cost of sales of the volumes sold in the period based on the cost of supplies of the same period and the cost of sales of the volumes sold calculated using the weighted average cost method of inventory accounting as required by IFRS.

### Special items

These include certain significant income or charges pertaining to either: (i) infrequent or unusual events and transactions, being identified as non-recurring items under such circumstances; (ii) certain events or transactions which are not considered to be representative of the ordinary course of business, as in the case of environmental provisions, restructuring charges, asset impairments or write ups and gains or losses on divestments even though they occurred in past periods or are likely to occur in future ones. Exchange rate differences and derivatives relating to industrial activities and commercial payables and receivables, particularly exchange rate derivatives to manage commodity pricing formulas which are quoted in a currency other than the functional currency are reclassified in operating profit with a corresponding adjustment to net finance charges, notwithstanding the handling of foreign currency exchange risks is made centrally by netting off naturally-occurring opposite positions and then dealing with any residual risk exposure in the derivative market. Finally, special items include the accounting effects of fair-valued commodity derivatives relating to commercial exposures, in addition to those which lack the criteria to be designed as hedges, also those which are not eligible for the own use exemption, including the ineffective portion of cash flow hedges, as well as the accounting effects of settled commodity and exchange rates derivatives whenever it is deemed that the underlying transaction is expected to occur in future reporting periods.

Correspondently, special charges/gains also include the evaluation effects relating to assets/liabilities utilized in a natural hedge relation to offset a market risk, as in the case of accrued currency differences at finance debt denominated in a currency other than the reporting currency, where the cash outflows for the reimbursement are matched by highly probable cash inflows in the same currency. The deferral of both the unrealized portion of fair-valued commodity and other derivatives and evaluation effects are reversed to future reporting periods when the underlying transaction occurs.
As provided for in Decision No. 15519 of July 27, 2006 of the Italian market regulator (CONSOB), non-recurring material income or charges are to be clearly reported in the management's discussion and financial tables.

### Leverage

Leverage is a Non-GAAP measure of the Company's financial condition, calculated as the ratio between net borrowings and shareholders' equity, including non-controlling interest. Leverage is the reference ratio to assess the solidity and efficiency of the Group balance sheet in terms of incidence of funding sources including third-party funding and equity as well as to carry out benchmark analysis with industry standards.

### Gearing

Gearing is calculated as the ratio between net borrowings and capital employed net and measures how much of capital employed net is financed recurring to third-party funding.

### Cash flow from operations before changes in working capital at replacement cost

This is defined as net cash provided from operating activities before changes in working capital at replacement cost. It also excludes certain non-recurring charges such as extraordinary credit allowances and, considering the high market volatility, changes in the fair value of commodity derivatives lacking the formal criteria to be designed as hedges, including derivatives which were not eligible for the own use exemption, the ineffective portion of cash flow hedges, as well as the effects of certain settled commodity derivatives whenever it is deemed that the underlying transaction is expected to occur in future reporting periods.

### Free cash flow

Free cash flow represents the link existing between changes in cash and cash equivalents (deriving from the statutory cash flows statement) and in net borrowings (deriving from the summarized cash flow statement) that occurred from the beginning of the period to the end of period. Free cash flow is the cash in excess of capital expenditure needs. Starting from free cash flow it is possible to determine either: (i) changes in cash and cash equivalents for the period by adding/deducting cash flows relating to financing debts/receivables (issuance/ repayment of debt and receivables related to financing activities), shareholders' equity (dividends paid, net repurchase of own shares, capital issuance) and the effect of changes in consolidation and of exchange rate differences; (ii) changes in net borrowings for the period by adding/deducting cash flows relating to shareholders' equity and the effect of changes in consolidation and of exchange rate differences.

### Net borrowings

Net borrowings is calculated as total finance debt less cash, cash equivalents, financial assets measured at fair value through profit or loss and financing receivables held for non-operating purposes. Financial activities are qualified as "not related to operations" when these are not strictly related to the business operations.

### ROACE Adjusted

Is the return on average capital invested, calculated as the ratio between net income before minority interests, plus net financial charges on net financial debt, less the related tax effect and net average capital employed.

### Coverage

Financial discipline ratio, calculated as the ratio between operating profit and net finance charges.

### Current ratio

Measures the capability of the Company to repay short-term debt, calculated as the ratio between current assets and current liabilities.

### Debt coverage

Rating companies use the debt coverage ratio to evaluate debt sustainability. It is calculated as the ratio between net cash provided by operating activities and net borrowings, less cash and cash-equivalents, securities held for non-operating purposes and financing receivables for non-operating purposes.

### Net Debt/EBITDA adjusted

Net Debt/adjusted EBITDA is the ratio between the profit available to cover the debt before interest, taxes, amortizations and impairment. This index is a measure of the company's ability pay off its debt and gives an indication as to how long a company would need to operate at its current level to pay off all its debt.

### Profit per boe

Measures the return per oil and natural gas barrel produced. It is calculated as the ratio between Results of operations from E&P activities (as defined by FASB Extractive Activities - Oil and Gas Topic 932) and production sold.

### Opex per boe

Measures efficiency in the Oil & Gas development activities, calculated as the ratio between operating costs (as defined by FASB Extractive Activities - Oil and Gas Topic 932) and production sold.

**Finding & Development cost per boe**

Represents Finding & Development cost per boe of new proved or possible reserves. It is calculated as the overall amount of exploration and development expenditure, the consideration for the acquisition of possible and probable reserves as well as additions of proved reserves deriving from improved recovery, extensions, discoveries and revisions of previous estimates (as defined by FASB Extractive Activities - Oil and Gas Topic 932).

The following tables report the group operating profit and Group adjusted net profit and their breakdown by segment, as well as is represented the reconciliation with net profit attributable to Eni's shareholders of continuing operations.

## RECONCILIATION TABLES OF NON-GAAP RESULTS TO THE MOST COMPARABLE MEASURES OF FINANCIAL PERFORMANCE DETERMINED IN ACCORDANCE TO GAAPS

| 2022 (€ million) | Exploration & Production | Global Gas & LNG Portfolio | Refining & Marketing and Chemicals | Plenitude & Power | Corporate and other activities | Impact of unrealized intragroup profit elimination | Group |
|---|---|---|---|---|---|---|---|
| **Reported operating profit (loss)** | **15,908** | **3,730** | **460** | **(825)** | **(1,901)** | **138** | **17,510** |
| Exclusion of inventory holding (gains) losses | | | (416) | | | (148) | (564) |
| **Exclusion of special items:** | | | | | | | |
| - environmental charges | 30 | | 962 | 2 | 1,062 | | 2,056 |
| - impairment losses (impairments reversal), net | 432 | (12) | 717 | (37) | 40 | | 1,140 |
| - impairment of exploration projects | 2 | | | | | | 2 |
| - net gains on disposal of assets | (27) | | (10) | 1 | (5) | | (41) |
| - risk provisions | 34 | | 52 | | 1 | | 87 |
| - provision for redundancy incentives | 34 | 4 | 46 | 65 | 53 | | 202 |
| - commodity derivatives | | (1,805) | 4 | 1,412 | | | (389) |
| - exchange rate differences and derivatives | (57) | 244 | (33) | (5) | | | 149 |
| - other | 55 | (98) | 147 | 2 | 128 | | 234 |
| **Special items of operating profit (loss)** | **503** | **(1,667)** | **1,885** | **1,440** | **1,279** | | **3,440** |
| **Adjusted operating profit (loss)** | **16,411** | **2,063** | **1,929** | **615** | **(622)** | **(10)** | **20,386** |
| Net finance (expense) income(a) | (319) | (17) | (36) | (11) | (669) | | (1,052) |
| Net income(expense) from investments(a) | 2,086 | 4 | 637 | (6) | (91) | | 2,630 |
| Income taxes(a) | (7,402) | (1,068) | (616) | (201) | 673 | 6 | (8,608) |
| *Tax rate (%)* | | | | | | | *39.2* |
| **Adjusted net profit (loss)** | **10,776** | **982** | **1,914** | **397** | **(709)** | **(4)** | **13,356** |
| *of which attributable to:* | | | | | | | |
| - non-controlling interest | | | | | | | 55 |
| **- Eni's shareholders** | | | | | | | **13,301** |
| **Reported net profit (loss) attributable to Eni's shareholders** | | | | | | | **13,887** |
| Exclusion of inventory holding (gains) losses | | | | | | | (401) |
| Exclusion of special items | | | | | | | (185) |
| **Adjusted net profit (loss) attributable to Eni's shareholders** | | | | | | | **13,301** |

(a) Excluding special items.

## RECONCILIATION TABLES OF NON-GAAP RESULTS TO THE MOST COMPARABLE MEASURES OF FINANCIAL PERFORMANCE DETERMINED IN ACCORDANCE TO GAAPS

| 2021 (€ million) | Exploration & Production | Global Gas & LNG Portfolio | Refining & Marketing and Chemicals | Plenitude & Power | Corporate and other activities | Impact of unrealized intragroup profit elimination | Group |
|---|---|---|---|---|---|---|---|
| **Reported operating profit (loss)** | **10,066** | **899** | **45** | **2,355** | **(816)** | **(208)** | **12,341** |
| Exclusion of inventory holding (gains) losses | | | (1,455) | | | (36) | (1,491) |
| **Exclusion of special items:** | | | | | | | |
| - environmental charges | 60 | | 150 | | 61 | | 271 |
| - impairment losses (impairments reversal), net | (1,244) | 26 | 1,342 | 20 | 23 | | 167 |
| - impairment of exploration projects | 247 | | | | | | 247 |
| - net gains on disposal of assets | (77) | | (22) | (2) | 1 | | (100) |
| - risk provisions | 113 | | (4) | | 33 | | 142 |
| - provision for redundancy incentives | 60 | 5 | 42 | (5) | 91 | | 193 |
| - commodity derivatives | | (207) | 50 | (1,982) | | | (2,139) |
| - exchange rate differences and derivatives | (3) | 206 | (14) | (6) | | | 183 |
| - other | 71 | (349) | 18 | 96 | 14 | | (150) |
| **Special items of operating profit (loss)** | **(773)** | **(319)** | **1,562** | **(1,879)** | **223** | | **(1,186)** |
| **Adjusted operating profit (loss)** | **9,293** | **580** | **152** | **476** | **(593)** | **(244)** | **9,664** |
| Net finance (expense) income[(a)] | (313) | (17) | (32) | (2) | (539) | | (903) |
| Net income(expense) from investments[(a)] | 681 | | (4) | (3) | (691) | | (17) |
| Income taxes[(a)] | (4,118) | (394) | (54) | (144) | 247 | 68 | (4,395) |
| *Tax rate (%)* | | | | | | | *50.3* |
| **Adjusted net profit (loss)** | **5,543** | **169** | **62** | **327** | **(1,576)** | **(176)** | **4,349** |
| *of which attributable to:* | | | | | | | |
| - non-controlling interest | | | | | | | 19 |
| **- Eni's shareholders** | | | | | | | **4,330** |
| **Reported net profit (loss) attributable to Eni's shareholders** | | | | | | | **5,821** |
| Exclusion of inventory holding (gains) losses | | | | | | | (1,060) |
| Exclusion of special items | | | | | | | (431) |
| **Adjusted net profit (loss) attributable to Eni's shareholders** | | | | | | | **4,330** |

(a) Excluding special items.

## RECONCILIATION TABLES OF NON-GAAP RESULTS TO THE MOST COMPARABLE MEASURES OF FINANCIAL PERFORMANCE DETERMINED IN ACCORDANCE TO GAAPS

| 2020 (€ million) | Exploration & Production | Global Gas & LNG Portfolio | Refining & Marketing and Chemicals | Plenitude & Power | Corporate and other activities | Impact of unrealized intragroup profit elimination | Group |
|---|---|---|---|---|---|---|---|
| **Reported operating profit (loss)** | **(610)** | **(332)** | **(2,463)** | **660** | **(563)** | **33** | **(3,275)** |
| Exclusion of inventory holding (gains) losses | | | 1,290 | | | 28 | 1,318 |
| **Exclusion of special items:** | | | | | | | |
| - environmental charges | 19 | | 85 | 1 | (130) | | (25) |
| - impairment losses (impairments reversal), net | 1,888 | 2 | 1,271 | 1 | 21 | | 3,183 |
| - net gains on disposal of assets | 1 | | (8) | | (2) | | (9) |
| - risk provisions | 114 | | 5 | 10 | 20 | | 149 |
| - provision for redundancy incentives | 34 | 2 | 27 | 20 | 40 | | 123 |
| - commodity derivatives | | 858 | (185) | (233) | | | 440 |
| - exchange rate differences and derivatives | 13 | (183) | 10 | | | | (160) |
| - other | 88 | (21) | (26) | 6 | 107 | | 154 |
| **Special items of operating profit (loss)** | **2,157** | **658** | **1,179** | **(195)** | **56** | | **3,855** |
| **Adjusted operating profit (loss)** | **1,547** | **326** | **6** | **465** | **(507)** | **61** | **1,898** |
| Net finance (expense) income[(a)] | (316) | | (7) | (1) | (569) | | (893) |
| Net income(expense) from investments[(a)] | 262 | (15) | (161) | 6 | (95) | | (3) |
| Income taxes[(a)] | (1,369) | (100) | (84) | (141) | (34) | (25) | (1,753) |
| *Tax rate (%)* | | | | | | | *175.0* |
| **Adjusted net profit (loss)** | **124** | **211** | **(246)** | **329** | **(1,205)** | **36** | **(751)** |
| *of which attributable to:* | | | | | | | |
| - non-controlling interest | | | | | | | 7 |
| **- Eni's shareholders** | | | | | | | **(758)** |
| **Reported net profit (loss) attributable to Eni's shareholders** | | | | | | | **(8,635)** |
| Exclusion of inventory holding (gains) losses | | | | | | | 937 |
| Exclusion of special items | | | | | | | 6,940 |
| **Adjusted net profit (loss) attributable to Eni's shareholders** | | | | | | | **(758)** |

(a) Excluding special items.

# RECONCILIATION OF SUMMARIZED GROUP BALANCE SHEET AND STATEMENT OF CASH FLOWS TO STATUTORY SCHEMES

## SUMMARIZED GROUP BALANCE SHEET

| | | December 31, 2022 | | December 31, 2021 | |
|---|---|---|---|---|---|
| **Items of Summarized Group Balance Sheet** (where not expressly indicated, the item derives directly from the statutory scheme) (€ million) | Notes to the Consolidated Financial Statement | Amounts from statutory scheme | Amounts of the summarized Group scheme | Amounts from statutory scheme | Amounts of the summarized Group scheme |
| **Fixed assets** | | | | | |
| Property, plant and equipment | | | 56,332 | | 56,299 |
| Right of use | | | 4,446 | | 4,821 |
| Intangible assets | | | 5,525 | | 4,799 |
| Inventories - Compulsory stock | | | 1,786 | | 1,053 |
| Equity accounted investments and other investments | | | 13,294 | | 7,181 |
| Receivables and securities held for operating activities | (see note 17) | | 1,978 | | 1,902 |
| Net payables related to capital expenditure, made up of: | | | (2,320) | | (1,804) |
| - liabilities for current investment assets | (see note 11) | (4) | | (16) | |
| - liabilities for no current investment assets | (see note 11) | (79) | | (87) | |
| - receivables related to disposals | (see note 8) | 301 | | 8 | |
| - receivables related to disposals non current | (see note 11) | 23 | | 23 | |
| - payables for purchase of non-current assets | (see note 18) | (2,561) | | (1,732) | |
| **Total fixed assets** | | | **81,041** | | **74,251** |
| **Net working capital** | | | | | |
| Inventories | | | 7,709 | | 6,072 |
| Trade receivables | (see note 8) | | 16,556 | | 15,524 |
| Trade payables | (see note 18) | | (19,527) | | (16,795) |
| Net tax assets (liabilities), made up of: | | | (2,991) | | (3,678) |
| - current income tax payables | | (2,108) | | (648) | |
| - non-current income tax payables | | (253) | | (374) | |
| - other current tax liabilities | (see note 11) | (1,463) | | (1,435) | |
| - deferred tax liabilities | | (5,094) | | (4,835) | |
| - other non current tax liabilities | (see note 11) | (34) | | (27) | |
| - current income tax receivables | | 317 | | 195 | |
| - non-current income tax receivables | | 114 | | 108 | |
| - other current tax assets | (see note 11) | 807 | | 442 | |
| - deferred tax assets | | 4,569 | | 2,713 | |
| - other non current tax assets | (see note 11) | 157 | | 182 | |
| - receivables for Italian consolidated accounts | (see note 8) | 3 | | 3 | |
| - payables for Italian consolidated accounts | (see note 18) | (6) | | (2) | |
| Provisions | | | (15,267) | | (13,593) |
| Other current assets and liabilities, made up of: | | | 316 | | (2,258) |
| - short-term financial receivables for operating purposes | (see note 17) | 8 | | 39 | |
| - receivables vs. partners for exploration and production activities and other | (see note 8) | 3,980 | | 3,315 | |
| - other current assets | (see note 11) | 12,014 | | 13,192 | |
| - other receivables and other assets non-current | (see note 11) | 2,056 | | 824 | |
| - advances, other payables, payables vs. partners for exploration and production activities and other | (see note 18) | (3,615) | | (3,191) | |
| - other current liabilities | (see note 11) | (11,006) | | (14,305) | |
| - other payables and other liabilities non-current | (see note 11) | (3,121) | | (2,132) | |
| **Total net working capital** | | | **(13,204)** | | **(14,728)** |
| **Provisions for employee benefits** | | | **(786)** | | **(819)** |
| **Assets held for sale including related liabilities** | | | **156** | | **139** |
| made up of: | | | | | |
| - assets held for sale | | 264 | | 263 | |
| - liabilities directly associated with held for sale | | (108) | | (124) | |
| **CAPITAL EMPLOYED, NET** | | | **67,207** | | **58,843** |
| **Shareholders' equity including non controlling interest** | | | **55,230** | | **44,519** |
| **Net borrowings** | | | | | |
| Total debt, made up of: | | | 26,917 | | 27,794 |
| long term debt | | 19,374 | | 23,714 | |
| current portion of long term debt | | 3,097 | | 1,781 | |
| short term debt | | 4,446 | | 2,299 | |
| less: | | | | | |
| Cash and cash equivalents | | | (10,155) | | (8,254) |
| Financial assets measured at fair value through profit or loss | | | (8,251) | | (6,301) |
| Financing receivables held for non operating purposes | (see note 17) | | (1,485) | | (4,252) |
| **Net borrowings before lease liabilities ex IFRS 16** | | | **7,026** | | **8,987** |
| Lease liabilities, made up of: | | | 4,951 | | 5,337 |
| - long term lease liabilities | | 4,067 | | 4,389 | |
| - current portion of long term lease liabilities | | 884 | | 948 | |
| **Total net borrowings post lease liabilities ex IFRS 16**[(a)] | | | **11,977** | | **14,324** |
| **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | | | **67,207** | | **58,843** |

(a) For details on net borrowings see also note 20 to the consolidated financial statements.

## SUMMARIZED GROUP CASH FLOW STATEMENT

| Items of Summarized Cash Flow Statement and confluence/reclassification of items in the statutory scheme (€ million) | 2022 Amounts from statutory scheme | 2022 Amounts of the summarized Group scheme | 2021 Amounts from statutory scheme | 2021 Amounts of the summarized Group scheme |
|---|---|---|---|---|
| **Net profit (loss)** | | **13,961** | | **5,840** |
| Adjustments to reconcile net profit (loss) to net cash provided by operating activities: | | | | |
| Depreciation, depletion and amortization and other non monetary items | | 4,369 | | 8,568 |
| - depreciation, depletion and amortization | 7,205 | | 7,063 | |
| - impairment losses (impairment reversals) of tangible, intangible and right of use, net | 1,140 | | 167 | |
| - write-off of tangible and intangible assets | 599 | | 387 | |
| - share of profit (loss) of equity-accounted investments | (1,841) | | 1,091 | |
| - other changes | (2,773) | | (194) | |
| - net change in the provisions for employee benefits | 39 | | 54 | |
| Gains on disposal of assets, net | | (524) | | (102) |
| Dividends, interests, income taxes and other changes | | 8,611 | | 5,334 |
| - dividend income | (351) | | (230) | |
| - interest income | (159) | | (75) | |
| - interest expense | 1,033 | | 794 | |
| - income taxes | 8,088 | | 4,845 | |
| Cash flow from changes in working capital | | (1,279) | | (3,146) |
| - inventories | (2,528) | | (2,033) | |
| - trade receivables | (1,036) | | (7,888) | |
| - trade payables | 2,284 | | 7,744 | |
| - provisions for contingencies | 2,028 | | (406) | |
| - other assets and liabilities | (2,027) | | (563) | |
| Dividends received | | 1,545 | | 857 |
| Income taxes paid, net of tax receivables received | | (8,488) | | (3,726) |
| Interests (paid) received | | (735) | | (764) |
| - interest received | 116 | | 28 | |
| - interest paid | (851) | | (792) | |
| **Net cash provided by operating activities** | | **17,460** | | **12,861** |
| Investing activities | | (8,056) | | (5,234) |
| - tangible assets | (7,700) | | (4,950) | |
| - intangible assets | (356) | | (284) | |
| Investments and purchase of consolidated subsidiaries and businesses | | (3,311) | | (2,738) |
| investments | (1,675) | | (837) | |
| consolidated subsidiaries and businesses net of cash and cash equivalent acquired | (1,636) | | (1,901) | |
| Disposals | | 1,202 | | 404 |
| - tangible assets | 149 | | 207 | |
| - intangible assets | 17 | | 1 | |
| - Consolidated subsidiaries and businesses net of cash and cash equivalent disposed of | (60) | | 76 | |
| - tax disposals | | | (35) | |
| - investments | 1,096 | | 155 | |
| Other cash flow related to capital expenditure, investments and disposals | | 2,361 | | 289 |
| - prepaid right of use | (3) | | (2) | |
| investment of securities and financing receivables held for operating purposes | (350) | | (227) | |
| change in payables in relation to investing activities | 927 | | 386 | |
| disposal of securities and financing receivables held for operating purposes | 483 | | 141 | |
| change in receivables in relation to disposals | 1,304 | | (9) | |
| **Free cash flow** | | **9,656** | | **5,582** |

| **Items of Summarized Cash Flow Statement and confluence/reclassification of items in the statutory scheme** (€ million) | 2022 | | 2021 | |
|---|---|---|---|---|
| | **Amounts from statutory scheme** | **Amounts of the summarized Group scheme** | Amounts from statutory scheme | Amounts of the summarized Group scheme |
| **Free cash flow** | | **9,656** | | **5,582** |
| Borrowings (repayment) of debt related to financing activities | | 786 | | (4,743) |
| - net change of seurities and financing receivables held for non-operating purposes | 786 | | (4,743) | |
| Changes in short and long term finance debt | | (2,569) | | (244) |
| - increase in long-term debt | 130 | | 3,556 | |
| - repayments of long-term debt | (4,074) | | (2,890) | |
| - increase (decrease) in short-term debt | 1,375 | | (910) | |
| Repayment of lease liabilities | | (994) | | (939) |
| Dividends paid and changes in non controlling interest and reserves | | (4,841) | | (2,780) |
| - capital issuance from non-controlling interest | 92 | | | |
| - net purchase of treasury shares | (2,400) | | (400) | |
| - (disposal) acquisition of additional interests in consolidated subsidiaries | 536 | | (17) | |
| - dividends paid to Eni's shareholders | (3,009) | | (2,358) | |
| - dividends paid to non controlling interest | (60) | | (5) | |
| Net issue (repayment) of perpetual hybrid bond | | (138) | | 1,924 |
| - issue of perpetual subordinated bonds | | | 1,985 | |
| - coupon of perpetual subordinated bonds | (138) | | (61) | |
| Effect of changes in consolidation, exchange differences and cash and cash equivalent | | 16 | | 52 |
| - effect of exchange rate changes and other changes on cash and cash equivalents | 16 | | 52 | |
| **Net increase (decrease) in cash and cash equivalent** | | **1,916** | | **(1,148)** |

# Risk factors and uncertainties

**The Group's performance is mainly exposed to the volatility of the prices of crude oil and natural gas and to changing margins of oil derivative products such as, refined products and chemical products**

The price of crude oil is the main driver of the Company's operating performance and cash flow, given the current size of Eni's Exploration & Production segment relative to other Company's business segments. The price of crude oil has a history of volatility because, like other commodities, it is influenced by the ups and downs in the economic cycle and several other macro-variables that are beyond management's control. Crude oil prices are mainly determined by the balance between global oil supplies and demand, the global levels of commercial inventories and producing countries' spare capacity. In the short-term, worldwide demand for crude oil is highly correlated to the macroeconomic cycle. A downturn in economic activity normally triggers lower global demand for crude oil and possibly a supply and/or an inventory build-up, because in the short-term producers are unable to respond to swings in demand quickly. Whenever global supplies of crude oil outstrip demand, crude oil prices weaken. Factors that can influence the global economic activity in the short-term and demand for crude oil include several, unpredictable events, like trends in the economic growth which shape crude oil demand in big consuming countries like China, India and the United States, financial crisis, geo-political crisis, local conflicts and wars, social instability, pandemic diseases, the flows of international commerce, trade disputes and governments' fiscal policies, among others. All these events could influence demands for crude oil. Long-term demands for crude oil is driven, on the positive side, by demographic growth, improving living standards and GDP (Gross Domestic Product) expansion; on the negative side, factors that in the long-term may significantly reduce demands for crude oil include availability of alternative sources of energy (e.g., nuclear and renewables), technological breakthroughs, shifts in consumer preferences, and finally measures and other initiatives adopted or planned by governments to tackle climate change and to curb carbon-dioxide emissions ($CO_2$ emissions), including stricter regulations and control on production and consumption of crude oil. Many governments and supranational institutions, with the USA and EU leading the way, have begun implementing policies to transition the economy towards a low carbon model of development through various means and strategies, particularly by supporting development of renewable energies and the replacement of internal combustion engine vehicles with electric vehicles, including the possible adoption of tougher regulations on the use of hydrocarbons such as the taxation of $CO_2$ emissions. According to Eni's management, the push to reduce worldwide greenhouse gas emissions and an ongoing energy transition towards a low carbon economy are likely to materially affect the worldwide energy mix in the long-term and may lead to structural lower crude oil demands and prices. See the section dedicated to the discussion of climate-related risks below.

Notwithstanding the USA being the first oil producer in the world since the shale oil revolution of 2011, global oil supplies are controlled to a large degree by the Organization of the Petroleum Exporting Countries ("OPEC") cartel and its allied countries, like Russia and Kazakhstan, known as the OPEC+ alliance. Saudi Arabia plays a crucial role within the cartel, because it is estimated to hold huge amounts of reserves and a vast majority of worldwide spare production capacity. This explains why geopolitical developments in the Middle East and particularly in the Gulf area, like regional conflicts, acts of war, strikes, attacks, sabotages, and social and political tensions can have a big influence on crude oil prices. Furthermore, due to expectations of a slowdown in the growth rate of the US shale oil production or of a possible decline in the long-term due to capital discipline and industrial factors like a shrinking number of premium locations and high-yield wells, the OPEC+ alliance could exert an increasingly large influence over the crude oil market. Finally, sanctions imposed by the United States and the EU against certain producing countries may influence trends in crude oil prices.

To a lesser extent, extreme weather events, such as hurricanes in areas of highly concentrated production like the Gulf of Mexico, and operational issues at key petroleum infrastructure may have an impact on crude oil prices.

2022 marked one of the most volatile year in the history of crude oil prices, as measured by the number of days in a year in which the Brent crude oil benchmark moved by more than 5 $/bbl. Immediately after the start of Russia's military operations in Ukraine, the price of the Brent crude oil benchmark spiked, approaching its all-time high set in 2008 at approximately 140 $/bbl, then retreated once fears dissipated about possible disruptions in the flows of liquid hydrocarbons from Russia to international markets. Overall, crude oil prices remained well supported in the first half of the year. A favorable combination of macro and micro developments helped sustain prices in the 100-120 $/bbl range through the first half of 2022. The full reopening of Western economies and the post-pandemic recovery drove pent-up demand for all kinds of refined products with the last leg of end-markets, the airline sector, joining a rebound in consumption. International oil companies and listed shale producers in the USA remained reluctant to invest in new oil & gas fields and retained the financial discipline adopted in response to the COVID-19 crisis, allocating the extra-cash generated in the high oil-price environment to restructure the balance sheet and to boost shareholders' returns. Pressured by investor demanding higher returns and by ESG considerations and, in the case of European players, by the need to allocate more funds to the businesses of the energy transition, Oil & Gas companies have continued to constrain the spending in the traditional upstream business, reinvesting in the business just a fraction of the cash flows to maintain production. According to market sources, global upstream's capital expenditures in 2022 increased by about 20% from 2021 mainly in response to cost inflation. According to market intelligence, the current level of global upstream investment is insufficient to hold oil production steady at 100 million barrels/d, which is the needed level to match current global oil demand.

The alliance of petroleum producers OPEC+ has continued supporting the oil market by means of effective production management. The production performance exhibited a systematic trend of underdelivering against the stated production targets, raising doubts about the ability to retain an adequate spare capacity to meet eventual demand spikes. New consumption trends emerged in response to surging natural gas costs in Europe, like a resumption of the utilization of fuel oil to produce electricity (gas-to-oil switch). Finally, continuing uncertainties have been surrounding a possible return of Iran to comply with a revised version of the 2015 Iran nuclear deal, known as JCPOA, that would see Western countries lift the embargo on Iranian crude oil in exchange.

These price-supporting developments were partially mitigated by the effects of the zero-tolerance policy adopted by the Chinese authorities against the spread of the COVID-19 pandemic, which resulted in the continuing lockdowns of large cities and districts, thus dampening mobility and economic activities. Furthermore, to mitigate market imbalances and reduce the cost of fuels to American consumers, U.S. authorities executed an emergency plan to release 1 million bbl/day of crude oil from the national Strategic Petroleum Reserve for a six-month period, starting in May; other sales were arranged in the months of November and December. Other OECD governments coordinated by the IEA also arranged the release of their strategic reserves in response to the Russia-Ukraine crisis.
Crude oil prices peaked at the end of June. As developments in the second half of 2022 would demonstrate, the oil industry is a cyclical business, and our results of operations and cash flows are exposed to the risks of rapidly changing market conditions and of sudden and sharp price downturns due to the complexity and unpredictability of macro variables to which the oil business is subject. Among those variables, one of the most important, albeit difficult to be perceived, is the relatively low elasticity of supplies, which helps when demand rebounds, but backfires in case of a demand shock, leading to a quick build-up in supplies and a sell-off in prices. It is worth mentioning, based on our experience, that a small imbalance between supply and demand could cause a significant contraction in prices.

As a matter of fact, the trading environment has changed radically from the end of June 2022. The resurgence of inflationary pressures led by rising commodity prices forced the Federal Reserves ("Fed") to change course in its monetary policy and to start a tightening cycle by raising interest rates and suspending its program of buying treasuries. Other central banks have followed the Fed's new stance towards inflation. Rising interest rates and quantitative tightening are expected to dent economic activity and to reduce demand for crude oil. Furthermore, since the Fed has been moving at a faster pace than other central banks, it has driven the value of the US dollar that has appreciated significantly against all other currencies. A stronger dollar makes the dollar- denominated contracts for crude oil more expensive for holders of other currencies, thus weighing on demand.

Macroeconomic indicators started to weaken during the summer months amid the uncertainties associated with the Russia- Ukraine war, growing geopolitical risks and surging energy costs impacting industrial activity and consumers' confidence, fueling fears of a prolonged slowdown or of a global recession and expectations of lower demand for crude oil. Furthermore, Russian production levels and exports towards Western markets held steady, defying expectations of a sharp drop. Those developments triggered a sharp correction in the price of Brent crude oil that lost approximately 40 $/bbl or 30% in just a quarter (from 125 $/bbl at the end of June 2022 to approximately 85 $/bbl by the end of September). In the final months of 2022, Brent prices seemed to stabilize due to the decision of the OPEC+ alliance to reduce the production quotas by about 2 million bbl/day from November 2022 until December 2023, resulting in an actual production cut of approximately half that amount considering that many cartel countries were producing well below their respective stated quotas. The market was also affected by uncertainties due to the entry into force of an EU ban on importation of seaborne Russian crude and the perceived risks of a reduction at Russian supplies, while China began relaxing the restrictive measures to contain the COVID-19 pandemic. Finally, G-7 nations, the EU and Australia agreed to impose a price cap on Russian crude at 60 $/bbl, banning Western insurers and shippers to provide services to support transportation of Russian crude oil unless the price cap is fulfilled. The downtrend in crude oil prices resumed in December, erasing all the gains made so far in 2022, with prices falling below 80 $/bbl. The downturn in crude oil prices in the second half of 2022 was largely driven by the liquidation of derivative positions by financial market participants driven by fears and uncertainties about possible broad-based macroeconomic issues, that pushed the forward prices curve back into contango in relation to short- term deliveries. However, the physical markets continued to signal steady demand trends as highlighted by continuing drawdowns of global inventories of crude oil, including global oil-on-water, with commercial stocks at OECD countries falling to about 4 billion barrels at the end of the year. That is one of the lowest levels for this time of year on record.

Overall, in 2022 global demand for crude oil continued recovering from the COVID-19 pandemic lows, increasing by approximately 2 million bbl/d to reach a level almost in line with 2019, at approximately 99.6 million bbl/d.

Looking forward, we believe crude oil prices to be negatively affected by continuing uncertainties among market participants about a possible slowdown or a recession of the global economy leading to a contraction in demand for crude oil, thus limiting the chance of a price recovery from the 2022 lows registered in December 2022. Furthermore, due to pressures from governments to increase output, international Oil & Gas companies have been announcing capital budget significantly higher than in 2022 and that could lead to faster growth in supplies than the market is currently anticipating.

Natural gas prices experienced a degree of volatility even higher than that of crude oil, especially in Europe (see risk factors below). Overall, natural gas prices rose sharply across all geographies due to slow additions of new supplies reflecting a slowdown in expenditures in past years and a demand recovery in the wake of an improved macroeconomic backdrop. Russia's military invasion of Ukraine greatly compounded the already tight market fundamentals, triggering fears among market participants of possible disruptions in the natural gas flows from Russia to Europe. During summer months, prices reached all time-highs at spot markets in Europe driven by tight supplies, a progressive reduction in the flows of gas imported via pipeline from Russia amidst deteriorating political relationships with the EU block of nations (see below) and increased demand to replenish natural gas inventories in preparation of the heating season. In 2022, the spot price at the European reference hub Title Transfer Facility "TTF" averaged about 40 $/mmBTU, almost a threefold increase versus 2021. However, from the final months of 2022 and the beginning of 2023, market fundamentals have begun trending lower due to a recovery in US production of dry natural gas and a significant increase in exported volumes through LNG facilities, the wide adoption of energy saving measures in Europe, a slowdown in industrial activities and finally a warmer-than usual winter season which has reduced heating consumption in the Western Hemisphere. In response to those trends, natural gas prices have been falling very rapidly: by the end of February 2023, the TTF European benchmark has plunged below 20 $/mmBTU, an eighteen-month low, down about 80% from the all-time high reached during the summer 2022. We believe this deteriorating trend in natural gas prices to affect significantly and adversely our results of operations and cash flows in 2023.

The volatility of hydrocarbons prices significantly affects the Group's financial performance. Lower hydrocarbon prices from one year to another negatively affect the Group's consolidated results of operations and cash flow; the opposite occurs in case of a rise in prices. This is because lower prices translate into lower revenues recognised in the Company's Exploration & Production segment at the time of the price change, whereas expenses in this segment are either fixed or less sensitive to changes in crude oil prices than revenues. With respect to price assumptions for 2023 (our Brent crude oil price forecast for 2023 is 85 $/bbl), we estimate our cash flow from operations to vary by approximately €0.13 billion for each one-dollar change in the price of the Brent crude oil applied to liquids and oil-linked gas and by approximately €0.13 billion for each one-dollar change in the spot price (1 $/mmbtu) of the European benchmark TTF spot price of natural gas compared to our assumption of 25-26 $/mmBTU for 2023. Eni is planning to gradually increase the share of natural gas production in its portfolio to reach 60% by 2030. Considering the higher volatility experienced in the natural gas market compared to the crude oil market, this long-term shift in the production mix could increase the variability of the Group's results of operations and cash flows.

The exposure of our cash flow from operations to the volatility of hydrocarbons prices and our expectations of lower hydrocarbons prices in 2023 compared to 2022 are due to increase our financial risk profile going forward, in light of the projected significant expected increase in the capital budget planned for 2023, which at about €9.5 billion is featuring a 15% rise compared to 2022.

Finally, movements in hydrocarbons prices significantly affect the reportable amount of production and proved reserves under our production sharing agreements ("PSAs"), which represented about 54% of our proved reserves as of end of 2022. The entitlement mechanism of PSAs foresees the Company is entitled to a portion of a field's reserves, the sale of which is intended to cover expenditures incurred by the Company to develop and operate the field. The higher the reference prices for Brent crude oil used to estimate Eni's proved reserves, the lower the number of barrels necessary to recover the same amount of expenditure, and vice versa. In 2022 our reported production and

reserves were lowered by an estimated amount of respectively 5 KBOE/d and by 34 mmBOE due to an increased Brent reference price. Considering the current portfolio of oil & gas assets, the Company estimates its production to vary by about 0.5 KBOE/d for each one-dollar change in the price of the Brent crude oil.
Eni's Refining & Marketing and Chemical businesses are cyclical. Their results are impacted by trends in the supply and demand of oil products and plastic commodities, which are influenced by the macro-economic scenario and by product margins. Generally speaking, margins for refined and chemical products depend upon the speed at which products' prices adjust to reflect movements in oil prices.

All these risks may adversely and materially impact the Group's results of operations, cash flow, liquidity, business prospects, financial condition, and shareholder returns, including dividends, the amount of funds available for stock repurchases and the price of Eni's share.

## Risks in connection with Russia's military aggression of Ukraine

**a) A prolonged war could derail the post-pandemic macroeconomic recovery and that could reduce demands for hydrocarbons**

Russia's military aggression of Ukraine in late February 2022 occurred against a backdrop of already tight crude oil and natural gas markets, particularly in Europe. The post-pandemic recovery leading to a pent-up demand for all kind of energy commodities and the suppression of supplies due to the financial discipline of Oil & Gas companies, and years of underinvestment in the industry drove a strong upcycle in commodity prices. Against this backdrop, the war triggered an energy crisis that hit severely businesses' balance sheet and the purchasing power of households across all of EU member states and the UK, souring mood and confidence. Increasingly high costs of natural gas and electricity have reignited inflationary pressures along the supply chain, forcing central banks to change course in their monetary policy. In response to Russia's aggression, the EU nations, the UK and the USA have adopted massive economic and financial sanctions to curb Russia's ability to fund the war and that is negatively affecting the economic activity. All these developments have resulted in a significant slowdown of the economy in the Euro-zone, in the UK, in the USA and in other areas.

A prolonged armed conflict, a possible escalation in the military action, an enlargement of the ongoing geopolitical crisis and a further tightening up of the economic sanctions against Russia represent elements of uncertainty that could eventually sap consumers' confidence and deter investment decisions, increasing the risks of a worldwide macroeconomic recession and with it, expectations of a reduction in hydrocarbons demands. This scenario would lead to lower commodity prices and would adversely and significantly affect our results of operations and cash flow, as well as business prospects, with a possible lower remuneration of our shareholders.

**b) 2022 was characterized by an unprecedented level of volatility in the European natural gas market due to the uncertainties triggered by the Russia-Ukraine crisis and continuing disruptions in the supplies from Russia. We expect prices to remain volatile in the foreseeable future and this may negatively affect our results of operations and cash flow**

In the aftermath of the start of the conflict, hydrocarbons prices rallied well above the peaks recorded in 2021, driven by the macro-uncertainty associated with the geopolitical situation, the possible fallout of the economic sanctions adopted by EU countries, the USA, and the UK against Russia and rising worries among market participants about possible disruptions in the hydrocarbons flows from Russia to international markets. While the Brent benchmark crude oil price initially approached its all- time highs at about 140 $/bbl and then retreated to below 80 $/bbl due to macroeconomic drivers, the natural gas market in Europe underwent far more complex trading conditions due to Europe's dependency on Russian supplies. The Title Transfer Facility (TTF), the European benchmark of natural gas, which was trading at about 6 $/mmBTU at the beginning of 2021, increased exponentially throughout the year and approached the 90-dollar mark in August 2022, driven by strong fundamentals and rising uncertainties about supply risks, amidst deteriorating political relationships between the EU and Russia. Those latter materialized in the summer months as on several occasions the flows of natural gas from Russia to Europe were halted or reduced due to a dispute between Russia and European nations about the currency of settlement of the payments due by European operators. To make things worse, in September 2022, a massive leak occurred at the North-Stream pipeline, which is one of the main routes for transporting natural gas from Russia to Europe, forcing the operator to completely shut down the facility to execute major repairs. Natural gas flows from Russia to Italy experienced a significant reduction, too. With prices of natural gas increasing by several hundred percentage points against the backdrop of unprecedented volatility, traders like Eni faced large margin calls and high funding costs that increased pressure on their balance sheet and leverage.

The exceptionally large price movements resulted in sizeable daily or even intraday variation margin calls as derivatives contracts were marked to market. Furthermore, the elevated volatility prompted central counterparties and financial institutions to increase the initial margin substantially. As a matter of fact, to maintain derivatives positions, traders are required to pledge liquid assets as collateral for the settlement of the derivative transactions (initial margin). Materially higher natural gas prices triggered proportional increases in the initial margins (margin call), leading to substantially higher funding needs of traders and impairing their creditworthiness, as many traders saw their bond prices fall significantly. To cope with raising borrowing costs and surging financing needs, traders opted to reduce the volume of transactions in financial derivatives leading to substantially thinner markets. Trading volumes in both exchange markets and over-the-counter saw large declines. In response to much higher funding requirements than in the past to maintain derivatives positions, as well as due to much lower hedging opportunities because of thinner liquidity in the financial derivatives markets, the Company has opted to reduce our usual risk management activities and to retain a higher share of the commodity price risks unhedged, also considering risks of a possible default of supplies from our Russian counterparts (see below). Those developments may negatively affect our results of operations and cash flow in the GGP business that engages in trading large volumes of natural gas in the European markets. We believe this risk factor to continue affecting the business performance for the foreseeable future as trading conditions in the natural gas market are expected to remain challenging and volatile.

In response to our expectations of much more volatile markets going forward, we have increased our financial headroom by raising our reserves of cash on hand, increasing amounts of committed credit lines, and entering into repurchase agreements using our portfolio of securities as collateral, to cope with expected higher margins requirements and other possible financing needs. This could lead to higher finance expense and reduced investment opportunities.

**c) Risks in connection with our presence in Russia and our commercial relationships with Russia's State-owned companies**

Eni's assets located in Russia are immaterial to the Group results. Our exploration projects in the Russian Oil & Gas sector have been suspended indefinitely, following the previous sanction regime, and the expenditures incurred in relation to those projects were written off in past reporting periods. Currently, we do not have booked hydrocarbons reserves in Russia.

The Group has announced the intention to divest its interest in the Blue Stream joint operations, which manages the gas pipeline that transports natural gas produced in Russia to Turkey through the Black Sea. Those volumes of gas are jointly marketed by Eni and Gazprom to the Turkish state-owned company Botas. This divestment is not expected to have a significant effect on the Group consolidated results and balance sheet; the book value of this asset was €90 million as of December 31, 2022.

In 2022 the Group ceased signing new supply contracts of Russian crude oil to supply its operated refineries and has incurred higher expenses and lower margins to replace the Russian crude oil. We do not plan to alter our course of action in 2023 and will continue to avoid supplying any quantity of Russian crude for processing at our refineries or otherwise to trade any volume of Russian crude oil or refined products. In 2022 the purchase of crude oil from Russia represented 5% of the total volumes of crudes traded by Eni to support its operated refineries; those volumes were supplied before the start of the war.

Finally, Russian Oil & Gas companies are currently joint operators in certain upstream projects where we have a working interest. Every possible decision about the participation of the Russian counterparts to those projects are in the power of the state-owned companies of the host countries where such projects are located.

The most important transactions that involve Russian counterparts relate to the purchase of natural gas from the Russian state-owned company Gazprom and its affiliates, based on long-term supply contracts with take-or-pay clauses. In the past, the volumes supplied from Russia have represented a material amount of our global portfolio of natural gas supplies. In 2022, we significantly reduced natural gas supplies from Russia to 28% (down from 43% in 2021). We intend to continue our effort to substitute Russian-origin gas in our portfolio, with the aim to continue to reduce such dependence in the shortest possible timeframe.

Further, although we have access to increased supplies from other geographies in our portfolio by means of developing our existing reserves and we are currently able to import larger volumes from producing countries under existing contracts, should supplies from non-Russian sources be insufficient to compensate for lower quantities purchased from Gazprom and its affiliated companies, we may suffer adverse effects which we cannot currently estimate or quantify, but could be material.

To cope with the emerging risk of a possible shortfall of natural gas supplies from Russia and with a view to reducing our contractual selling obligations going forward, the business has adopted a cautious stance in signing new selling contracts for the current thermal year (October 2022 - September 2023) and in doing so, it has been missing out on better selling margin opportunities than what can be earned by selling natural gas at the spot markets.

The process of substituting Russian-origin gas may entail operational and financial risks which may be significant. Those development could negatively and significantly affect the performance of the GGP business.

d) **In 2022 the GGP business delivered a significant performance due to the continuing optimizations of the portfolio of assets, amidst exceptional market conditions due to the war situation. There is no guarantee that a similar level of performance can be sustained in the near future**
In 2022, the profitability in the GGP business was underpinned by management's ability to leverage the assets portfolio (long-term natural gas purchase contracts, transport capacity booked at the main European pipelines, access to storage capacity, thermoelectric plants, presence in the LNG business) to drive sales opportunities and margin improvements on the back of favorable market trends. There is no guarantee that a similar level of performance can be reiterated next year or in the medium-term due to rapidly changing market conditions and unpredictable developments in the European natural gas markets. The Company's decision to reduce its hedging activity in response to risks of undersupplies from its Russian counterparts has also increased the business exposure to the commodity risk.

e) **In response to the current energy crisis, EU member states have been implementing measures intended to curb the consumption of electricity and to contain the cost of energy to businesses and households, and that could negatively affect demand for natural gas and electricity and the profitability of our operations**
Russia's military invasion of Ukraine triggered a relevant deterioration in the fundamentals of the European natural gas and electricity sectors due to European' dependency on Russian natural gas supplies and actual reductions in the volumes of natural gas available to Europe. This has driven material increases in the price of natural gas and in the cost of electricity that is indexed to natural gas. High energy costs have put enormous pressure on the balance sheet of businesses, also in the energy sector, forcing many industrial undertakings to halt production or to shut down plants indefinitely, while several energy wholesalers and retailers unable to manage volatility have gone bankrupt or have been bailed out by governments. Many businesses highly dependent on energy consumption have been assessing whether to relocate their operations overseas to reduce the costs of energy inputs. Households have seen their energy bills increase manyfold, resulting in social anger and protest. The economic and social ramifications of this crisis have yet to be appreciated. In response to the crisis, EU member states have been implementing several initiatives intended to reduce electricity consumptions by imposing mandated saving targets to each of the member states and to reduce the cost of electricity by introducing a mandatory cap on market revenues of electricity producers from certain sources (e.g. photovoltaic and wind power) and the possibility for the member states to temporarily set electricity prices below production costs. For example, the EU Commission's REPowerEU plan has set a strategic goal of ceasing the EU's dependency on Russia's natural gas well before 2030, through various measures including supplies diversification, development of renewable energies and energy savings. Those measures could reduce electricity consumption and hence demands for natural gas and that could significantly and adversely affect the results of operations and cash flow of our E&P and GGP businesses. The mandated cap on market revenues of electricity produced at photovoltaic and wind facilities will limit the profitability upside in our business of renewable energies. Governments may introduce administrative measures intended to limit the ability of retail operators in the natural gas and electricity markets to pass increases in the cost of supplies onto final customers and that could significantly and adversely affect the results of operations and cash flow at our retail subsidiary Plenitude. Finally, governments across Europe and in the UK have imposed windfall taxes on the profits of energy companies to raise funds to compensate businesses and households for the surging energy costs and this trend has negatively affected our results of operations and cash flow (see below).

## There is strong competition worldwide, both within the oil industry and with other industries, to supply energy and petroleum products to the industrial, commercial, and residential energy markets

The current competitive environment in which Eni operates is characterized by volatile prices and margins of energy commodities, limited product differentiation and complex relationships with state-owned companies and national agencies of the countries where hydrocarbons reserves are located to obtain mineral rights. As commodity prices are beyond the Company's control, Eni's ability to remain competitive and profitable in this environment requires continuous focus on technological innovation, the achievement of efficiencies in operating costs, effective management of capital resources and the ability to provide valuable services to energy buyers. It also depends on Eni's ability to gain access to new investment opportunities.

In the Exploration & Production segment, Eni is facing competition from both international and state-owned oil companies for obtaining exploration and development rights and developing and applying new technologies to maximize hydrocarbon recovery. Because of the larger size of some other international oil companies, Eni may face a competitive disadvantage when bidding for large scale or capital intensive projects and it may be exposed to the risk of obtaining lower cost savings in a deflationary environment compared to its larger competitors given its potentially smaller market power with respect to suppliers, whereas in case of rising input costs due to a shortage of materials, labour and other productive factors Eni may experience higher pressure from its suppliers to raise the price of goods and services to the Company compared to Eni's larger competitors. Due to those competitive pressures, Eni may fail to obtain new exploration and development acreage, to apply and develop new technologies and to control costs. The COVID-19 pandemic has caused Exploration & Production companies to significantly reduce their capital investment in response to lower cash flows from operations and to focus on the more profitable and scenario-resilient projects. The Company believes that this development will be long-lasting and likely drive increased competition among players to gain access to relatively cheaper reserves (onshore vs. offshore; proven areas vs. unexplored areas).

In the Global Gas & LNG Portfolio business, Eni is facing strong competition in the European wholesale markets to sell gas to industrial customers, the thermoelectric sector and retail companies from other gas wholesalers, upstream companies, traders and other players. The results of Eni's wholesale gas business are affected by global and regional dynamics of gas demand and supplies, as well as by the constraints of its portfolio of long-term, take-or-pay supply, whereby the Company is obligated to offtake minimum annual volumes of gas or in case of failure to pay the corresponding purchase price (see below). Due to the competitive nature of the business, sales margins tend to be small. We believe wholesale margins of gas will be negatively affected by competitive pressures and by the expected growth of renewable sources of energy that will replace natural gas in supplying electricity to European markets in the medium-term. Also, the energy crisis of 2022 stimulated energy saving measures and a curtailment of consumption among businesses and households and by public administrations and that could lead to long-term natural gas demand destruction, intensifying competition.

The results of the LNG business are mainly influenced by the global balance between demand and supplies, considering the higher level of flexibility of LNG with respect to gas delivered via pipeline.

In its Refining & Marketing segment, Eni is facing competition both in the refining business and in the retail marketing of fuels. Eni's refining business has been negatively affected for many years by structural headwinds due to muted trends in the European demand for fuels, refining overcapacity and continued competitive pressure from players in the Middle East, the United States and Far East Asia. Those competitors can leverage on larger plant scale and cost economies, availability of cheaper feedstock and lower energy expenses. Those unfavorable competitive dynamics were exacerbated by the economic downturn triggered by the COVID-19 pandemic in 2020, whose effects rippled throughout 2021 due to the gradual lifting of restrictions to mobility and air travel. In 2022, the weak underlying fundamentals of the sector were superseded by a widespread recovery in demands for refined products also helped by a recovery in the airline sector, and by market disruptions caused by the Russia-Ukraine war which negatively affected the flows of products from Russia, reducing particularly the supplies of gasoil, and other market dislocations. The trading environment was very volatile with refining margins hitting historic highs on some occasions (for example in the second quarter and at the start of the Autumn months) and then retreating.

Overall, in 2022 the Company's own internal performance measure to gauge the profitability of its refineries, the SERM, averaged about 8 $/bbl, a noteworthy increase compared to 2021 when the margin was negative at minus 0.9 $/bbl, and one of the best values in several years. However, due to the start-up of new refining capacity in Middle East and other geographies, management does not expect that level of refining margin to be sustainable in the future. Furthermore, management expects demand for oil-based refined products in Europe to be negatively affected by the market penetration of EV and a growth in biofuels. Based on those assumptions, despite the strong results of the refining business in 2022, management did not record any reversal of previously recognized impairment losses and confirmed the full write-off of the Company's oil-based, operated refineries. Furthermore, management assessed that certain refinery production lines that were shut down during the COVID-19 downturn would not restart under management's planning assumptions and forecast trading environment. As a consequence of that, management recognized a provision to decommission such product lines, for an amount of about €300 million.

Furthermore, refinery's operating expenses were negatively affected by higher costs for the purchase of emission allowances to comply with the requirements of the European ETS, which reached all-time highs due to a combination of macroeconomic recovery which drove industrial production and rising coal consumption to fire power generation due to a shortage of gas supplies and cost competitiveness. The 2022 cost for emission allowance was on average 80 €/ton, up by about 50% from 2021 (53.4 €/ton). We believe costs for the purchase of $CO_2$ allowances to continue trending higher in the foreseeable future also due to a possible revision of the EU regulation that is anticipated to reduce free allowances.

Eni's Chemical business has been facing for years strong competition from well-established international players and state-owned petrochemical companies, particularly in the most commoditized market segments such as the production of basic petrochemical products (like polyethylene), where demand is a function of macroeconomic growth. Many of these competitors based in the Far East and the Middle East have been able to benefit from cost economies due to larger plant scale, wide geographic moat, availability of cheap feedstock and proximity to end-markets. Excess worldwide capacity of petrochemical commodities has also fueled competition in this business. Furthermore, petrochemical producers based in the United States have regained market share, as their cost structure has become competitive due to the availability of cheap feedstock deriving from the production of domestic shale gas from which ethane is derived, which is a cheaper raw material to produce ethylene than the oil-based feedstock utilized by Eni's petrochemical subsidiaries. Finally, it is likely that rising public concern about climate change and the preservation of the environment will negatively affect the consumption of single-use plastics going forward. In 2021 those challenging business fundamentals were mitigated by the post-pandemic economic recovery and supply chain issues, which alleviated competitive issues. In 2022, the Eni's chemicals business reverted to its historical trend of underperformance driven by a recovery in the export of cheap product flows from the Middle and Far East, the entry into service of new capacity and surging costs of plant utilities indexed to the price of natural gas. An uncertain macroeconomic outlook also weighed on the purchase decision of distributors and resellers who opted for destocking their inventories. Management believes the profitability prospects of the chemicals business to remain weak in the foreseeable future and as a consequence the carrying amounts of the Company's chemicals plants were marked down to account for lower recoverable values with an impairment loss of €385 million.

Plenitude & Power business engages in the supply of gas and electricity to customers in the retail markets mainly in Italy, France, Spain, and other Countries in Europe. Customers include households, large residential accounts (hospitals, schools, public administration buildings, offices) and small and medium-sized businesses. The retail market is characterized by strong competition among selling companies which mainly compete in terms of pricing and the ability to bundle valuable services with the supply of the energy commodity. In this segment, competition has intensified in recent years due to the progressive opening of the market and the ability of residential customers to switch smoothly from one supplier to another.

Eni also engages in the business of producing gas-fired electricity that is largely sold in the wholesale market and in the dispatching services market. As far as the wholesale market is concerned, margins of electricity production from gas-fired plants ("Clean Spark Spread" or "CSS") have experienced some fluctuations in recent years due to the volatility of costs of production, as well as to increasing competition from renewables. In 2022, the business profitability was driven by a non-recurring increase in revenues from the dispatching services market. Looking forward, management is assuming service revenues to normalize.

In case the Company is unable to effectively manage the above described competitive risks, which may increase in case of an economic slowdown or a recession weaker-than anticipated recovery in the post-pandemic economy or in a worst case scenario of the imposition by governments of new lockdown measures and other restrictions in response to the pandemic, the Group's future results of operations, cash flow, liquidity, business prospects, financial condition, shareholder returns, including dividends, the amount of funds available for stock repurchases and the price of Eni's shares may be adversely and significantly affected.

### The Group is exposed to significant safety, security, environmental and other operational risk in connection with the nature of its operations

The Group engages in the exploration and production of oil and natural gas, processing, transportation and refining of crude oil, transport of natural gas, storage and distribution of petroleum products and the production of base chemicals, plastics, and elastomers. By their nature, the Group's operations expose Eni to a wide range of significant health, safety, security, and environmental risks. Technical faults, malfunctioning of plants, equipment and facilities, control systems failure, human errors, acts of sabotage, attacks, loss of containment and climate-related hazards can trigger adverse consequences such as explosions, blowouts, fires, oil and gas spills from wells, pipeline and tankers, release of contaminants and pollutants in the air, ground and water, toxic emissions, and other negative events. The magnitude of these risks is influenced by the geographic range, operational diversity, and technical complexity of Eni's activities. Eni's future results of operations, cash flow and liquidity depend on its ability to identify and address the risks and hazards inherent to operating in those industries.

In the Exploration & Production segment, Eni faces natural hazards and other operational risks including those relating to the physical and geological characteristics of oil and natural gas fields. These include the risks of eruptions of crude oil or of natural gas, discovery of hydrocarbon pockets with abnormal pressure, crumbling of well openings, oil spills, gas leaks, risks of blowout, fire or explosion and risks of earthquake in connection with drilling activities.

Eni's activities in the Refining & Marketing and Chemical segment entail health, safety and environmental risks related to the handling, transformation and distribution of oil, oil products and certain petrochemical products. These risks can arise from the intrinsic characteristics and the overall lifecycle of the products manufactured and the raw materials used in the manufacturing process, such as oil-based feedstock, catalysts, additives, and monomer feedstock. These risks comprise flammability, toxicity, long-term environmental impact such as greenhouse gas emissions and risks of various forms of pollution and contamination of the soil and the groundwater, emissions and discharges resulting from their use and from recycling or disposing of materials and wastes at the end of their useful life.

All of Eni's segments of operations involve, to varying degrees, the transportation of hydrocarbons. Risks in transportation activities depend on several factors and variables, including the hazardous nature of the products transported due to their flammability and toxicity, the transportation methods utilized (pipelines, shipping, river freight, rail, road and gas distribution networks), the volumes involved and the sensitivity of the regions through which the transport passes (quality of infrastructure, population density, environmental considerations). All modes of transportation of hydrocarbons are particularly susceptible to risks of blowout, fire and loss of containment and, given that normally high volumes are involved, could present significant risks to people, the environment and the property.

Eni has material offshore operations relating to the exploration and production of hydrocarbons. In 2022, approximately 71% of Eni's total oil and gas production for the year derived from offshore fields, mainly in Egypt, Norway, Libya, Angola, Congo, Indonesia, the United Arab Emirates, Kazakhstan, the United States, Venezuela and the United Kingdom. Offshore operations in the oil and gas industry are inherently riskier than onshore activities. Offshore accidents and spills could cause damage of catastrophic proportions to the ecosystem and to communities' health and security due to the apparent difficulties in handling hydrocarbons containment in the sea, pollution, poisoning of water and organisms, length and complexity of cleaning operations and other factors. Furthermore, offshore operations are subject to marine risks, including storms and other adverse weather conditions and perils of vessel collisions, which may cause material adverse effects on the Group's operations and the ecosystem.

The Company has invested and will continue to invest significant financial resources to continuously upgrade the methods and systems for safeguarding the reliability of its plants, production facilities, vessels, transport and storage infrastructures, the safety and the health of its employees, contractors, local communities, and the environment, to prevent risks, to comply with applicable laws and policies and to respond to and learn from unforeseen incidents. Eni seeks to manage these operational risks by carefully designing and building facilities, including wells, industrial complexes, plants and equipment, pipelines, storage sites and other facilities, and managing its operations in a safe and reliable manner and in compliance with all applicable rules and regulations, as well as by applying the best available techniques in the marketplace. However, these measures may ultimately not be completely successful in preventing and/or altogether eliminating risks of adverse events. Failure to properly manage these risks as well as accidental events like human errors, unexpected system failure, sabotages, cyberattacks or other unexpected drivers could cause oil spills, blowouts, fire, release of toxic gas and pollutants into the atmosphere or the environment or in underground water and other incidents, all of which could lead to loss of life, damage to properties, environmental pollution, legal liabilities and/or damage claims and consequently a disruption in operations and potential economic losses that could have a material and adverse effect on the Group's results of operations, cash flow, liquidity, business prospects, financial condition, and shareholder returns, including dividends, the amount of funds available for stock repurchases and the price of Eni's shares.

Eni also faces risks once production is discontinued because Eni's activities require the decommissioning of productive infrastructures, well plugging and the environmental remediation and clean-up of industrial hubs and oil and gas fields once production and manufacturing activities cease. Furthermore, in certain situations where Eni is not the operator, the Company may have limited influence and control over third parties, which may limit its ability to manage and control such risks. Eni retains worldwide third-party liability insurance coverage, which is designed to hedge part of the liabilities associated with damage to third parties, loss of value to the Group's assets related to adverse events and in connection with environmental clean-up and remediation. As of the date of this filing, maximum compensation allowed under such insurance coverage is equal to $1.1 billion in case of offshore incident and $1.3 billion in case of incident at onshore facilities (refineries). Additionally, the Company may also activate further insurance coverage in case of specific capital projects and other industrial initiatives. Management believes that its insurance coverage is in line with industry practice and is enough to cover normal risks in its operations. However, the Company is not insured against all potential risks. In the event of a major environmental disaster, such as the incident which occurred at the Macondo well in the Gulf of Mexico several years ago, Eni's third-party liability insurance would not provide any material coverage and thus the Company's liability would far exceed the maximum coverage provided by its insurance. The loss Eni could suffer in case of a disaster of material proportions would depend on all the facts and circumstances of the event and would be subject to a whole range of uncertainties, including legal uncertainty as to the scope of liability for consequential damages, which may include economic damage not directly connected to the disaster. The Company cannot guarantee that it will not suffer any uninsured loss and there can be no guarantee, particularly in the case of a major environmental disaster or industrial accident, that such a loss would not have a material adverse effect on the Company.

The occurrence of any of the above-mentioned risks could have a material and adverse impact on the Group's results of operations, cash flow, liquidity, business prospects, financial condition, and shareholder returns, including dividends, the amount of funds available for stock repurchases and the price of Eni's shares and could also damage the Group's reputation.

### Risks deriving from Eni's exposure to weather conditions

Significant changes in weather conditions in Italy and in the rest of Europe from year to year may affect demand for natural gas and some refined products.

In colder years, demand for such products is higher. Accordingly, the results of operations of Eni's businesses engaged in the marketing of natural gas and, to a lesser extent, the Refining & Marketing business, as well as the comparability of results over different periods may be affected by such changes in weather conditions. Over recent years, this pattern could have been possibly affected by the rising frequency of weather trends like milder winter or extreme weather events like heatwaves or unusually cold snaps, which are possible consequences of climate change.

## The Group is exposed to significant financial, operational and industrial risks associated with the exploration and production of crude oil and natural gas

The exploration and production of oil and natural gas require high levels of capital expenditures and are subject to natural hazards and other uncertainties, including those relating to the physical characteristics of oil and gas fields. The exploration and production activities are subject to the mining risk that is the risk of discovering uncommercial quantities of hydrocarbons or of producing less reserves than initially estimated, and the risks of cost overruns and delayed start-up at the projects to develop and produce hydrocarbons reserves with adverse consequences on the return on capital employed. Those risks could have an adverse, significant impact on Eni's future growth prospects, results of operations, cash flows, liquidity, and shareholders' returns.

The production of oil and natural gas is highly regulated and is subject to conditions imposed by governments throughout the world in matters such as the award of exploration and production leases, the imposition of specific drilling and other work obligations, higher-than-average rates of income taxes, additional royalties and taxes on production, environmental protection measures, control over the development and decommissioning of fields and installations, and restrictions on production. A description of the main risks facing the Company's business in the exploration and production of oil and gas is provided below.

**a) Exploratory drilling efforts may be unsuccessful**

Exploration activities are mainly subject to the mining risk, i.e. the risk of dry holes or failure to find commercial quantities of hydrocarbons. The costs of drilling and completing wells have margins of uncertainty, and drilling operations may be unsuccessful because of a large variety of factors, including geological failure, unexpected drilling conditions, pressure or heterogeneities in formations, equipment failures, well control (blowouts) and other forms of accidents. A large part of the Company exploratory drilling operations is located offshore, including in deep and ultra-deep waters, remote areas and environmentally-sensitive locations (such as the Barents Sea, the Gulf of Mexico, deep water leases off West Africa, Indonesia, the Mediterranean Sea and the Caspian Sea). In these locations, the Company generally experiences higher operational risks and more challenging conditions and incurs higher exploration costs than onshore. Furthermore, deep and ultra-deep water operations require significant time before commercial production of discovered reserves can commence, increasing both the operational and the financial risks associated with these activities.

Because Eni plans to make significant investments in executing exploration projects, it is likely that the Company will incur significant amounts of dry hole expenses in future years. Unsuccessful exploration activities and failure to discover additional commercial reserves could reduce future production of oil and natural gas, which is highly dependent on the rate of success of exploration projects and could have an adverse impact on Eni's future performance, growth prospects and returns.

**b) Development projects bear significant operational risks which may adversely affect actual returns**

Projects to develop reserves of crude oil and natural gas normally take several years before production start-up after a discovery. Such long lead times are due to the complexity of the activities and tasks that need to be performed before a project final investment decision is made and commercial production can be achieved. Those activities include the appraisal of a discovery to evaluate the technical and economic feasibility of the development project, obtaining the necessary authorizations from governments, state agencies or national oil companies, signing agreements with the first party regulating a project's contractual terms such as the production sharing and cost recovery, agreeing on fiscal terms, obtaining partners' approval, environmental permits and other conditions, signing long-term gas contracts, carrying out the concept design and the front-end engineering and building and commissioning the related plants and facilities. Moreover, projects executed with partners and joint venture partners reduce the ability of the Company to manage risks and costs, and Eni could have limited influence over and control of the operations and performance of its partners. The execution of development projects on time and on budget depends on several factors:

- the outcome of negotiations with joint venture partners, governments and state-owned companies, suppliers and potential customers to define project terms and conditions, including, for example, the fiscal take, the production sharing terms with the first party, or Eni's ability to negotiate favorable long-term contracts to market gas reserves;
- timely issuance of permits and licenses by government agencies, including obtaining all necessary administrative authorizations to drill locations, install producing infrastructures, build pipelines and related equipment to transport and market hydrocarbons;
- the ability to carry out the front-end engineering design in order to prevent the occurrence of technical inconvenience during the execution phase;
- timely manufacturing and delivery of critical plants and equipment by contractors, like floating production storage

and offloading (FPSO) vessels, floating units for the production of liquefied natural gas (FLNG) and platforms;
- risks associated with the use of new technologies and the inability to develop advanced technologies to maximise the recoverability rate of hydrocarbons or gain access to previously inaccessible reservoirs;
- delays in the commissioning and hook-up phase;
- changes in operating conditions and cost overruns. We expect the prices of key input factors such as labour, basic materials (steel, cement, and other metals) and utilities to increase meaningfully in the next year or two due to rising inflationary pressures rippling through the entire supply chain at our development projects driven by higher worldwide demand for commodities and semi-finished goods as well as a shortage of productive factors. We also expect a rise in the daily rates of leased rigs and other drilling vessels and facilities as oil companies competes for a stable amount of supply of this kind of equipment. As a matter of fact, oilfield services companies have seen their revenues shrink meaningfully in recent years due to a contraction in capital expenditures made by their clients, and they have responded to the downturn by slashing costs and reducing expenditures in fleet upgrading and expansion;
- the actual performance of the reservoir and natural field decline;
- and the ability and time necessary to build suitable transport infrastructures to export production to final markets.

The occurrence of any of such risks may negatively affect the time-to-market of the reserves and may cause cost overruns and start-up delays, lengthening the project pay-back period. Those risks would adversely affect the economic returns of Eni's development projects and the achievement of production growth targets, also considering that those projects are exposed to the volatility of oil and gas prices which may be substantially different from those estimated when the investment decision was made, thereby leading to lower return rates.

Finally, if the Company is unable to develop and operate major projects as planned, it could incur significant impairment losses of capitalized costs associated with reduced future cash flows of those projects.

**c) Inability to replace oil and natural gas reserves could adversely impact results of operations and financial condition, including cash flows**

In case the Company's exploration efforts are unsuccessful at replacing produced oil and natural gas, its reserves will decline. In addition to being a function of production, revisions and new discoveries, the Company's reserve replacement is also affected by the entitlement mechanism in its production sharing agreements ("PSAs"), whereby the Company is entitled to a portion of a field's reserves, the sale of which is intended to cover expenditures incurred by the Company to develop and operate the field. The higher the reference prices for Brent crude oil used to estimate Eni's proved reserves, the lower the number of barrels necessary to recover the same amount of expenditure, and vice versa.

Future oil and gas production is a function of the Company's ability to access new reserves through new discoveries, application of improved techniques, success in development activity, negotiations with national oil companies and other owners of known reserves and acquisitions.

An inability to replace produced reserves by discovering, acquiring, and developing additional reserves could adversely impact future production levels and growth prospects. If Eni is unsuccessful in meeting its long-term targets of reserve replacement, Eni's future total proved reserves and production will decline.

**d) Uncertainties in estimates of oil and natural gas reserves**

The accuracy of proved reserve estimates and of projections of future rates of production and timing of development costs depends on several factors, assumptions and variables, including:
- the quality of available geological, technical and economic data and their interpretation and judgment;
- management's assumptions regarding future rates of production and costs and timing of operating and development costs. The projections of higher operating and development costs may impair the ability of the Company to economically produce reserves leading to downward reserve revisions;
- changes in the prevailing tax rules, other government regulations and contractual terms and conditions;
- results of drilling, testing and the actual production performance of Eni's reservoirs after the date of the estimates which may drive substantial upward or downward revisions; and
- changes in oil and natural gas prices which could affect the quantities of Eni's proved reserves since the estimates of reserves are based on prices and costs existing as of the date when these estimates are made.

In 2022, despite rising hydrocarbons prices, we incurred around €400 million of asset impairment at upstream cash generating units "CGU" located in Congo, Egypt, the USA and Algeria due to the above-mentioned risks and accounting estimates. As part of our yearly review of recoverability of the carrying amounts of oil & gas assets, we determined that certain amounts of previously booked proved reserves were no longer economically producible at those assets and we increased future expected development expenditures leading to lower recoverable amounts and the recognition of impairment losses.

Lower oil prices may impair the ability of the Company to economically produce reserves leading to downward reserve revisions.

Many of the factors, assumptions and variables underlying the estimation of proved reserves involve management's judgment or are outside management's control (prices, governmental regulations) and may change over time, therefore affecting the estimates of oil and natural gas reserves from year-to-year.

The prices used in calculating Eni's estimated proved reserves are, in accordance with the U.S. Securities and Exchange Commission (the "U.S. SEC") requirements, calculated by determining the unweighted arithmetic average of the first-day-of-the-month commodity prices for the preceding 12 months. For the 12-months ending at December 31, 2022, average prices were based on 101 $/barrel for the Brent crude oil. Compared to the 2022 reference price, Brent prices have declined significantly in the first quarter of 2023. If such prices do not increase in the coming months, Eni's future calculations of estimated proved reserves will be based on lower commodity prices which would likely result in the Company having to remove non-economic reserves from its proved reserves in future periods.
Accordingly, the estimated reserves reported as of the end of 2022 could be significantly different from the quantities of oil and natural gas that will be ultimately recovered. Any downward revision in Eni's estimated quantities of proved reserves would indicate lower future production volumes, which could adversely impact Eni's business prospects, results of operations, cash flows and liquidity.

**e) The development of the Group's proved undeveloped reserves may take longer and may require higher levels of capital expenditures than it currently anticipates or the Group's proved undeveloped reserves may not ultimately be developed or produced**

As of December 31, 2022, approximately 37% of the Group's total estimated proved reserves (by volume) were undeveloped and may not be ultimately developed or produced. Recovery of undeveloped reserves requires significant capital expenditures and successful drilling operations. The Group's reserve estimates assume it can and will make these expenditures and conduct these operations successfully. These assumptions may prove to be inaccurate and are subject to the risk of a structural decline in the prices of hydrocarbons due to a possible acceleration towards a low-carbon economy and a shift in consumers' behavior and preferences. In case of a prolonged decline in the prices of hydrocarbon the Group may not have enough financial resources to make the necessary expenditures to recover undeveloped reserves. The Group's reserve report as of December 31, 2022 includes estimates of total future development and decommissioning costs associated with the Group's proved total reserves of approximately €44.3 billion (undiscounted, including consolidated subsidiaries and equity-accounted entities). It cannot be certain that estimated costs of the development of these reserves will prove correct, development will occur as scheduled, or the results of such development will be as estimated. In case of change in the Company's plans to develop those reserves, or if it is not otherwise able to successfully develop these reserves as a result of the Group's inability to fund necessary capital expenditures or otherwise, it will be required to remove the associated volumes from the Group's reported proved reserves.

**f) The Oil & Gas industry is a capital-intensive business and needs large amount of funds to find and develop reserves. In case the Group does not have access to sufficient funds its oil&gas business may decline**

The Oil & Gas industry is a capital intensive business. Eni makes and expects to continue making substantial capital expenditures in its business for the exploration, development and production of oil and natural gas reserves. Over the next four years, the Company plans to invest in the Oil & Gas business approximately €6-6.5 billion per year on average. Historically, Eni's capital expenditures have been financed with cash generated from operations, proceeds from asset disposals, borrowings under its credit facilities and proceeds from the issuance of debt and bonds. The actual amount and timing of future capital expenditures may differ materially from Eni's estimates as a result of, among other things, changes in commodity prices, changes in cost of oil services, available cash flows, lack of access to capital, actual drilling results, the availability of drilling rigs and other services and equipment, the availability of transportation capacity, and regulatory, technological and competitive developments. Eni's cash flows from operations and access to capital markets are subject to several variables, including but not limited to:
- the amount of Eni's proved reserves;
- the volume of crude oil and natural gas Eni is able to produce and sell from existing wells;
- the prices at which crude oil and natural gas are marketed;
- Eni's ability to acquire, find and produce new reserves;
- and the ability and willingness of Eni's lenders to extend credit or of participants in the capital markets to invest in Eni's bonds.

If revenues or Eni's ability to borrow decrease significantly due to factors such as a prolonged decline in crude oil and natural gas prices or a more stringent investment framework on part of lenders and financing institutions due to ESG considerations, Eni might have limited ability to obtain the capital necessary to sustain its planned capital expenditures. In addition, a greater than expected capital expenditure may curtail Eni's ability to return cash to is shareholders through dividends and share repurchases. If cash generated by operations, cash from asset disposals, or cash available under Eni's liquidity reserves or its credit facilities is not sufficient to meet capital requirements, the failure to obtain additional financing could result in a curtailment of operations relating to development of Eni's reserves, which in turn could adversely affect its results of operations and cash flows and its ability to achieve its growth plans. The variability of Eni's cash flow from operation has become an even greater risk factor in the current scenario, which is featuring significant increases in expenditures to sustain the Company's current production plateau. In 2022 our capital expenditures in the E&P segment increased by about 60% to €6.4 billion due to the need to catch up following the capex cuts and activities rescheduling made during the COVID-19 pandemic, cost inflation, the appreciation of US dollar against the Euro (up by 10% in 2022) and the start of new projects. Higher cash requirements to fund the Company's capital plans at a time when hydrocarbons prices may come under pressure due to macroeconomic risks may increase the Company's financial risk profile and may require us to take on new finance debt from banks and financing institutions.

Finally, funding Eni's capital expenditures with additional debt will increase its leverage and the issuance of additional debt will require a portion of Eni's cash flows from operations to be used for the payment of interest and principal on its debt, thereby reducing its ability to use cash flows to fund capital expenditures and dividends.

**g) Oil & gas activity may be subject to increasingly high levels of income taxes and royalties**

Oil and gas operations are subject to the payment of royalties and income taxes, which tend to be higher than those payable in other commercial activities. Management believes that the marginal tax rate in the oil & gas industry tends to increase in correlation with higher oil prices, which could make it more difficult for Eni to translate higher oil prices into increased net profit. However, the Company does not expect that the marginal tax rate will decrease in response to falling oil prices. Adverse changes in the tax rate applicable to the Group's profit before income taxes in its oil and gas operations would have a negative impact on Eni's future results of operations and cash flows.

The surge in hydrocarbons and electricity prices drove a strong rebound in the results of companies in the energy sector. This trend started in 2021 due to a rebound in economic activity post the COVID-19 downturn and then accelerated in 2022 due to market fundamentals and geopolitical factors. The rise in the cost of fuels and energy has significantly and adversely affected businesses' profit margins and households' disposable income. In response to growing public concern, in the course of 2022 governments of EU member states and of UK have enacted or have announced the intention to enact one-off or temporary windfall levies to increase the taxes on the profits of energy companies relating to the portion of those profits deemed to exceed historical averages, to collect funds to alleviate the financial burden on households and businesses due to rising costs of fuels and energy.

In Italy, Law No.51 of May 20, 2022, enacted a solidarity contribution for energy companies by establishing a one-off, windfall tax on the profits of those businesses. The levy was calculated by applying a 25% rate to the increase of the balance of sales and purchases declared in the periodic settlement of the value added tax in the six-month period starting October 1st, 2021 through April, 30, 2022 over the corresponding prior years period. The Company recognized a cash expense of about €1.04 billion to settle this tax item.
In October, EU regulation 1854/2022 introduced a solidarity contribution for EU companies with activities in the crude petroleum, natural gas, coal and refinery sectors in order to mitigate the economic effects of the soaring energy prices for public authorities' budgets, final customers and companies across the EU. Each Member State is demanded to adopt a national legislation to comply with that regulation. As part of that framework, the Italian government through the budget law for 2023 has enacted a windfall levy calculated by applying a 50% rate to the portion of taxable profit earned by companies in the hydrocarbons sector in 2022, which exceeds an amount equal to 110% of the average taxable profit of the previous four-year period. To account for this additional levy, the Group recognized a tax expense of about €1 billion, with the relevant cash out due in the course of 2023. Also Germany enacted a similar levy on the company's our refining activity in this country, leading to the recognition of a tax expense of €0.17 billion.

Finally, the UK Energy Profits Levy was enacted effective May 26, 2022, which added a windfall tax rate of 25% to the corporate tax rate of oil & gas companies operating in UK and in the UK continental shelf. As a result of this windfall tax, the UK corporate tax rate increased to 65%. The windfall tax will remain valid until hydrocarbons prices normalize, and however no further than December 31, 2025. Eni accrued a charge of about €170 million to account for that levy. Furthermore, the UK proposal of budget law for fiscal year 2023 provisioned an increase of that rate to 35% and an extension of its term until the first quarter of 2028. Based on the latest levy modifications, the Company expects to incur a significant burden of income taxes at its UK activities in the next years, until the planned levy expiration in 2028.

Overall, all those extraordinary tax charges affected the Group net income for about €2.4 billion and reduced the yearly cash flow by about €1.1 billion.

Given the current environment of high energy prices, rising pressures on public finances due to an expected economic slowdown and the perception the oil & gas companies may be benefiting from the ongoing geopolitical situation, management cannot rule out the possibility of the introduction of new windfall taxes and other extraordinary levies targeting the hydrocarbons sector, which could negatively affect the Group's results of operations and cash flows.

h) **The present value of future net revenues from Eni's proved reserves will not necessarily be the same as the current market value of Eni's estimated crude oil and natural gas reserves**
The present value of future net revenues from Eni's proved reserves may differ from the current market value of Eni's estimated crude oil and natural gas reserves. In accordance with the SEC rules, Eni bases the estimated discounted future net revenues from proved reserves on the 12-month unweighted arithmetic average of the first day of the month commodity prices for the preceding twelve months. Actual future prices may be materially higher or lower than the SEC pricing method in the calculations. Actual future net revenues from crude oil and natural gas properties will be affected by factors such as:
- the actual prices Eni receives for sales of crude oil and natural gas;
- the actual cost and timing of development and production expenditures;
- the timing and amount of actual production; and
- changes in governmental regulations or taxation.

The timing of both Eni's production and its incurrence of expenses in connection with the development and production of crude oil and natural gas properties will affect the timing and amount of actual future net revenues from proved reserves, and thus their actual present value. Additionally, the 10% discount factor Eni uses when calculating discounted future net revenues may not be the most appropriate discount factor based on interest rates in effect from time to time and risks associated with Eni's reserves or the crude oil and natural gas industry in general.

i) **Oil and gas activity may be subject to increasingly high levels of regulations throughout the world, which may have an impact on the Group's extraction activities and the recoverability of reserves**
The production of oil and natural gas is highly regulated and is subject to conditions imposed by governments throughout the world in matters such as the award of exploration and production leases, the imposition of specific drilling and other work obligations, environmental and safety protection measures, control over the development and abandonment of fields and installations, and restrictions on production. These risks can limit the Group's access to hydrocarbons reserves or may cause the Group to redesign, curtail or cease its oil and gas operations with significant effects on the Group's business prospects, results of operations and cash flow.

## Risks related to political considerations

As at December 31, 2022, about 81% of Eni's proved hydrocarbon reserves were located in non-OECD (Organisation for Economic Co-operation and Development) countries, mainly in Africa, Central Asia and Middle East where the socio-political framework, the financial system and the macroeconomic outlook are less stable than in the OECD countries. In those non-OECD countries, Eni is exposed to a wide range of political risks and uncertainties, which may impair Eni's ability to continue operating economically on a temporary or permanent basis, and Eni's ability to access oil and gas reserves. Particularly, Eni faces risks in connection with the following potential issues and risks:
- socio-political instability leading to internal conflicts, revolutions, establishment of non-democratic regimes, protests, attacks, and other forms of civil disorder and unrest, such as strikes, riots, sabotage, blockades, vandalism and theft of crude oil at pipelines, acts of violence and similar events. These risks could result in disruptions to economic activity, loss of output, plant closures and shutdowns, project delays, loss of assets and threats to the security of personnel. They may disrupt financial and commercial markets, including the supply of and pricing for oil and natural gas, and generate greater political and economic instability in some of the geographical areas in which Eni operates. Additionally, any possible reprisals because of military or other action, such as acts of terrorism in Europe, the United States or elsewhere, could have a material adverse effect on the world economy and hence on the global demand for hydrocarbons. In recent years including 2022, we have experienced higher-than-usual frequency in the theft of oil at our pipelines in Nigeria, which have resulted in significant loss of output and revenues;
- lack of well-established and reliable legal systems and uncertainties surrounding the enforcement of contractual rights;
- unfavorable enforcement of laws, regulations and contractual arrangements leading, for example, to expropriation, nationalization or forced divestiture of assets and unilateral cancellation or modification of contractual terms;
- sovereign default or financial instability since those countries rely heavily on petroleum revenues to sustain public finance. Financial difficulties at country level often translate into failure by state-owned companies and agencies to fulfil their financial obligations towards Eni relating to funding capital commitments in projects operated by Eni or to timely paying for supplies of equity oil and gas volumes;
- restrictions on exploration, production, imports and exports;
- tax or royalty increases (including retroactive claims);
- difficulties in finding qualified international or local suppliers in critical operating environments; and
- complex processes of granting authorizations or licenses affecting time-to-market of certain development projects.

Areas where Eni operates and where the Company is particularly exposed to political risk include, but are not limited to Libya, Venezuela, and Nigeria.

Eni's operations in Libya are currently exposed to significant geopolitical risks. The social and political instability of the Country dates back to the revolution of 2011 that brought a change of regime and a civil war, triggering an uninterrupted period of lack of well-established institutions and recurrent acts of internal conflict, clashes, acts of war, disorders and other forms of civil turmoil and unrest between the two conflicting factions that emerged in the post-revolution political landscape. In the year of the revolution, Eni's operations in Libya were materially affected by a full-scale war, which forced the Company to shut down its development and extractive activities for almost all of 2011, with a significant negative impact on the Group's results of operation and cash flow. In subsequent years, Eni has experienced frequent disruptions to its operations, albeit on a smaller scale than in 2011, due to security threats to its installations and personnel and plan shutdowns due to force majeure. Since September 2020, the country had undergone a phase of stability which lasted for a large part of 2021, thanks to a pacification agreement with the aim of installing a new government freely elected by the entire population. However, the electoral process failed and the opposition between the Government of National Unity installed in Tripoli and the self-appointed National Stability Government installed in the east of the country resumed, fueling protests for a better redistribution of oil revenues and social tension. In 2022, the situation of instability and disorder determined between April and June the almost total shutdown of oil production in the eastern part of the country and the main export terminals, while two factions were disputing the appointment of the top management of the NOC State Company. The force majeure affected some assets participated by Eni. In 2022, Eni's production in Libya was 159 kboe/d.

Management believes that Libya's geopolitical situation will continue to represent a source of risk and uncertainty to Eni's operations in the country and to the Group's results of operations and cash flow. Currently, Libyan production represents approximately 10% of the Group's total production.

Venezuela is currently experiencing a situation of financial stress, which has been exacerbated by the economic recession caused by the effects of the COVID-19 pandemic. Lack of financial resources to support the development of the country's hydrocarbons reserves has negatively affected the country's production levels and hence fiscal revenues. The situation has been made worse by certain international sanctions targeting the country's financial system and its ability to export crude oil to U.S. markets, which is the main outlet of Venezuelan production, as well as a US ban on dealing with Venezuela's state-owned petroleum entities.

Currently, the Company retains just one main asset in Venezuela: the 50%-participated Cardón IV joint venture, which is operating an offshore natural gas field and is supplying its production to the national oil company, Petroleos de Venezuela SA ("PDVSA"), under a long-term supply agreement. PDVSA has failed to regularly pay the receivables for the gas volumes supplied by Cardón IV and consequently a significant amount of overdue receivables is outstanding at the closing date of the financial year 2022 and a credit loss provision has been booked to reflect the counterparty risk. The Company incurred in past years significant impairment losses and reserves de-bookings at the other main project in Venezuela relating to the PetroJunin onshore oilfield and at other minor projects, which were completely written off in past reporting periods. As of 31 December 2021, Eni's invested capital in Venezuela was approximately €1.1 billion, mainly relating to trade receivable owed to us by PDVSA. Due to a partial lifting of US sanctions on the trade of Venezuelan crude oil, Eni was able in 2022 to obtain the reimbursement in-kind of a portion of its trade receivables, so to partly offset the increase of the year due to the current natural gas production and revenues. However, there is still a great deal of uncertainty about any possible evolution of the US sanctions against Venezuela and our ability to recover our outstanding receivables.

The Group has significant credit exposure towards state-owned and privately-held local companies in Nigeria in relation to their share of funding of petroleum projects operated by Eni. Eni has incurred significant credit losses because of the ongoing difficulties of Eni's Nigerian counterparts to reimburse amounts past due.

Furthermore, Eni's operations in Nigeria were negatively affected by continuing acts of theft of oil at onshore pipelines.
Finally, Eni's Oil Prospecting License 245 expired in May 2021 and a request is pending to convert the license into an oil mining license to start development operations of the license reserves before the Nigerian authorities in charge. The management believes the request of conversion complies with the contractual terms, deadlines, and any other applicable conditions. However, the Nigerian authorities are holding back the approval. Eni has started an arbitration before an ICSID court to preserve the value of its asset.

### Sanction targets

The most relevant sanction programs for Eni are those issued by the European Union and the United States of America and, as of today, the restrictive measures adopted by such authorities in respect of Russia and Venezuela.

As consequence of Russia's military aggression of Ukraine, the European Union, the United Kingdom, the United States and the G-7 countries adopted a comprehensive system of sanctions against Russia to weaken its economy and its ability to finance the war. The sanction system is constantly evolving.

The main targets of the sanctions are the Russian Central Bank and the major financial institutions of the country. The EU has sanctioned the Russian Central Bank and many commercial banks by freezing assets and imposing a ban on EU operators from making transactions with sanctioned entities (such as providing financing, managing assets or Russian Central Bank's reserves and any other kind of transaction).

Considering the complexity of the sanctions and the existing Eni's contracts for gas supply from Russia and the need to make payments to Russian counterparties, the Company is exposed to the risk of possible violations of the sanction's regime.

Eni adopted the necessary measures to ensure that its activities are carried out in accordance with the applicable rules, ensuring continuous monitoring of the evolution in the sanction framework, to adapt on an ongoing basis its activities to the applicable restrictions. In accordance with these guidelines, Eni complied with a new procedure of payment in rubles of Russian gas supplies, requested by the supplier GazpromExport in execution of legislative acts to which Eni is not subject (presidential decrees of the President of the Russian Federation).

The adhesion to this new payment procedure, not provided by the existing contractual provisions of regulation in euro, took place after considering the risks of possible violation of the sanction's regime, as well as all the risks related to the duty to implement fairly the contractual obligations and after obtaining the prior approval of the Italian Authorities, responsible for verifying the compliance with the EU sanctions.

Eni has agreed to adhere to the new procedure, which we believe does not constitute a unilateral modification of the supply contract and invoices have continued to be issued in euro. This new procedure provides: (i) the opening by Eni, as a precautionary measure, of two currency accounts called "K accounts" at the Russian Gazprombank; (ii) the deposit by Eni of the invoices balance expressed in euro in one of the two K accounts (the one denominated in euro); (iii) the conversion by Gazprombank into rubles at the Moscow Stock Exchange in the following 48 hours through a clearing agent; (iv) the transfer according to the procedure of rubles obtained in the second K account (denominated in rubles). GazpromExport will be paid through this latter K account.

Eni considers that this conversion does not constitute the management of assets or reserves of the Russian Central Bank or a form of financing for Gazprombank or other entities subject to EU sanctions, as well as that the opening of K accounts takes place without prejudice to any of its contractual rights, which provide for the fulfilment of the obligation to pay in euro, while the risks and charges for conversion into rubles remains at the responsibility of the Russian supplier.

As a precautionary measure, Eni has initiated an international arbitration based on the Swedish law (as required by the existing contracts) to resolve doubts regarding the contractual changes required by the new payment procedure and the correct allocation of costs and risks.

Furthermore, an escalation of the international crisis, resulting in a tightening of sanctions, could entail a significant disruption of energy supply and trade flows globally, which could have a material adverse effect on the Group's business, financial conditions, results of operations and prospects.

From 2017, the United States have enacted a regime of economic and financial sanctions against Venezuela. The scope of the restrictions, initially targeting certain financial instruments issued or sold by the Government of Venezuela, was gradually expanded over 2017 and 2018 and then significantly broadened during the course of 2019 when PDVSA, the main national state-owned enterprise, has been added to the "Specially Designated Nationals and Blocked Persons List" and the Venezuelan government and its controlled entities became subject to assets freeze in the United States. Even if such U.S. sanctions are substantially "primary" and therefore dedicated in principle to U.S. persons only, retaliatory measures and other adverse consequences may also interest foreign entities which operate with Venezuelan listed entities and/or in the oil sector of the country. The U.S. sanction regime against Venezuela was further tightened in the final part of 2020 by restricting any Venezuelan oil exports, including swap schemes utilised by foreign entities to recover trade and financing receivables from PDVSA and other Venezuelan counterparties. This latter tightening of the sanction regime has reduced the Group's ability to collect the trade receivable owed to Eni for its activity in the country in 2021 and 2022, except for limited waivers agreed with US relevant authorities.
Eni carefully evaluates on a case-by-case basis the adoption of adequate measures to minimize its exposure to any sanctions risk which may affect its business operation. In any case, the U.S. sanctions add stress to the already complex financial, political and operating outlook of the country, which could further limit the ability of Eni to recover its investments in Venezuela.

## Specific risks of the Company's gas business in Italy

a) **Current, negative trends in the competitive environment of the European natural gas sector may impair the Company's ability to fulfil its minimum off-take obligations in connection with its take-or-pay, long-term gas supply contracts**
   Eni is currently party to a few long-term gas supply contracts with state-owned companies of key producing countries, from where most of the gas supplies directed to Europe are sourced via pipeline (Russia, Algeria, Libya and Norway). These contracts which were intended to support Eni's sales plan in Italy and in other European markets, provide take-or-pay clauses whereby the Company has an obligation to lift minimum, preset volumes of gas in each year of the contractual term or, in case of failure, to pay the whole price, or a fraction of that price, up to a minimum contractual quantity. Similar considerations apply to ship-or-pay contractual

obligations which arise from contracts with transmission system operators or pipeline owners, which the Company has entered into to secure long-term transport capacity. Long-term gas supply contracts with take-or pay clauses expose the Company to a volume risk, as the Company is obligated to purchase an annual minimum volume of gas, or in case of failure, to pay the underlying price. The structure of the Company's portfolio of gas supply contracts is a risk to the profitability outlook of Eni's wholesale gas business due to the current competitive dynamics in the European gas markets. In past downturns of the gas sector, the Company incurred significant cash outflows in response to its take-or-pay obligations. Furthermore, the Company's wholesale business is exposed to volatile spreads between the procurement costs of gas, which are linked to spot prices at European hubs or to the price of crude oil, and the selling prices of gas which are mainly indexed to spot prices at the Italian hub.

Eni's management is planning to continue its strategy of renegotiating the Company's long-term gas supply contracts in order to constantly align pricing terms to current market conditions as they evolve and to obtain greater operational flexibility to better manage the take-or-pay obligations (volumes and delivery points among others), considering the risk factors described above. The revision clauses included in these contracts state the right of each counterparty to renegotiate the economic terms and other contractual conditions periodically, in relation to ongoing changes in the gas scenario. Management believes that the outcome of those renegotiations is uncertain in respect of both the amount of the economic benefits that will be ultimately obtained and the timing of recognition of profit. Furthermore, in case Eni and the gas suppliers fail to agree on revised contractual terms, both parties can start an arbitration procedure to obtain revised contractual conditions. All these possible developments within the renegotiation process could increase the level of risks and uncertainties relating the outcome of those renegotiations.

b) **Risks associated with the regulatory powers entrusted to the Italian Regulatory Authority for Energy, Networks and Environment in the matter of pricing to residential customers**
Eni's wholesale gas and retail gas and power businesses are subject to regulatory risks mainly in Italy's domestic market. The Italian Regulatory Authority for Energy, Networks and Environment (the "Authority") is entrusted with certain powers in the matter of natural gas and power pricing. Specifically, the Authority retains a surveillance power on pricing in the natural gas market in Italy and the power to establish selling tariffs for the supply of natural gas to residential and commercial users who are opting for adhering to regulated tariffs until the market is fully opened. Developments in the regulatory framework intended to increase the level of market liquidity or of deregulation or intended to reduce operators' ability to transfer to customers cost increases in raw materials may negatively affect future sales margins of gas and electricity, operating results, and cash flow. In the current environment characterized by rising energy costs, it is increasingly possible that the Authority may enact measures intended to limit revenues of inframarginal power generation and to reduce the indexation of the cost of the raw materials in pricing formulae applied by retail companies that market natural gas and electricity to residential customers and that development could negatively affect our results of operations and cash flow in the domestic retail business of natural gas and power. In the current energy crisis context, characterized by many regulatory interventions at EU and national level aimed at ensuring security of supply and curbing consumptions and energy prices for final customers, also our GGP business that engages in the wholesale marketing of natural gas and the power generation business that sell produced electricity on the spot market could be exposed to a regulatory risk, although on a smaller scale than the retail business due to well-established and liquid spot markets for natural gas and electricity.

## Risks related to environmental, health and safety regulations and relevant legal risks

***Eni has incurred in the past, and will continue incurring in future years, material operating expenses and expenditures in relation to compliance with applicable environmental, health and safety regulations, including compliance with any national or international regulation on greenhouse gas (GHG) emissions***

Eni is subject to numerous European Union, international, national, regional and local laws and regulations regarding the impact of its operations on the environment and on health and safety of employees, contractors, communities and on the value of properties. Laws and regulations intended to preserve the environment and to safeguard health and safety of workers and communities impose several obligations, requirements and prohibitions to the Company's businesses due to their inherent nature because of flammability, dangerousness and toxicity of hydrocarbons and of objective risks of industrial processes to explore, develop, extract, refine and transport oil, gas, and products. Generally, these laws and regulations require acquisition of a permit before drilling for hydrocarbons may commence, restrict the types, quantities and concentration of various substances that can be released into the environment in connection with exploration, drilling and production activities, including refinery and petrochemical plant operations, limit or prohibit drilling activities in certain protected areas, require to remove and dismantle drilling platforms and other equipment and well plug-in once oil and gas operations have terminated, provide for measures to be taken to protect the safety of the workplace, the health of employees, contractors and other Company collaborators and of communities involved by the Company's activities, and impose criminal and civil liabilities for polluting the environment or harming employees' or communities' health and safety as result from the Group's operations. These laws and regulations control the emission of scrap substances and pollutants, discipline the handling of hazardous materials and set limits to or prohibit the discharge of soil, water or groundwater contaminants, emissions of toxic gases and other air pollutants or can impose taxes on carbon dioxide emissions, as in the case of the European Trading Scheme that requires the purchase of an emission allowance for each tons of carbon dioxide emitted in the environment above a pre-set threshold, resulting from the operation of oil and natural gas extraction and processing plants, petrochemical plants, refineries, service stations, vessels, oil carriers, pipeline systems and other facilities owned or operated by Eni.

In addition, Eni's operations are subject to laws and regulations relating to the production, handling, transportation, storage, disposal and treatment of waste. Breaches of environmental, health and safety laws and regulations as in the case of negligent or willful release of pollutants and contaminants into the atmosphere, the soil, water or groundwater or exceeding the concentration thresholds of contaminants set by the law expose the Company to the incurrence of liabilities associated with compensation for environmental, health or safety damage and expenses for environmental remediation and clean-up. Furthermore, in the case of violation of certain rules regarding the safeguard of the environment and the health and safety of employees, contractors, and other collaborators of the Company, and of communities, the Company may incur liabilities in connection with the negligent or willful violations of laws by its employees as per Italian Law Decree No. 231/2001.

Environmental, health and safety laws and regulations have a substantial impact on Eni's operations. Management expects that the Group will continue to incur significant amounts of operating expenses and expenditures in the foreseeable future to comply with laws and regulations and to safeguard the environment and the health and safety of employees, contractors and communities involved by the Company operations, including:

- costs to prevent, control, eliminate or reduce certain types of air and water emissions and handle waste and other hazardous materials, including the costs incurred in connection with government action to address climate change (see the specific section below on climate-related risks);
- remedial and clean-up measures related to environmental contamination or accidents at various sites, including those owned by third parties;
- damage compensation claimed by individuals and entities, including local, regional or state administrations, should Eni cause any kind of accident, oil spill, well blowouts, pollution, contamination, emission of air pollutants and toxic gases above permitted levels or of any other hazardous gases, water, ground or air contaminants or pollutants, as a result of its operations or if the Company is found guilty of violating environmental laws and regulations; and
- costs in connection with the decommissioning and removal of drilling platforms and other facilities, and well plugging at the end of oil and gas field production. Also, in case management decides to shut down production lines at refineries or petrochemicals complex, the Group would incur liabilities to dismantle and remove production facilities put out of service and to clean up and to remediate the area, as occurred in 2022 with management's resolution to halt a refinery unit and ancillary equipment at an Italian refinery.

As a further consequence of any new laws and regulations or other factors, like the actual or alleged occurrence of environmental damage at Eni's plants and facilities, the Company may be forced to curtail, modify or cease certain operations or implement temporary shutdowns of facilities. If any of the risks set out above materialise, they could adversely impact the Group's results of operations, cash flow, liquidity, business prospects, financial condition, and shareholder returns, including dividends, the amount of funds available for stock repurchases and the price of Eni's shares.

## Climate change-related risks

a) **Increasing worldwide efforts to tackle climate change may lead to the adoption of stricter regulations to curb carbon emissions and this may end up suppressing demands for our products in medium-to-long term.**

Governments of the nations that have signed the 2015 COP 21 Paris Agreement have been advancing plans and initiatives intended to transition the economy towards a low-carbon model in the long run to pursue the objective of containing the temperature increase to 1.5°C above preindustrial levels and tackling risks of structural modifications to the Earth climate, which would pose serious threat to life on the planet. The scientific community has been sounding alarms over the potential, catastrophic consequences caused by rising global temperatures to the environment and has established that the release in the atmosphere of carbon dioxide ($CO_2$) as a result of burning fossil fuels and other human activities and the emissions of other harmful gases like methane are the main drivers of climate change. The rising in frequency and dangerousness of many extreme weather events has been widely recognized as a direct consequence of the climate change such as floods, drought, hurricanes, heat waves, cold snaps, rising sea levels, fires, and other environmental mutations, which have been causing material damage to economies, loss of human lives, damage to property, destruction of ecosystems and other negative impacts. The energy transition, as well as increasingly stricter regulations in the field of $CO_2$ emission, could adversely and materially affect demands for the Group's products and hence our business, results of operations and prospects.

The dramatic fallout of the COVID-19 pandemic on economic activity and people's lifestyle could have possibly accelerated

the evolution toward a low-carbon model of development. This is because many governments and the EU deployed massive amounts of resources to help the economy recover and a large part of this economic stimulus has been or is planned to be directed to help transitioning the economy and the energy mix towards a low-carbon model, as in the case of the EU's recovery fund, which provides for huge investments in the sector of renewable energies and the green economy, including large-scale adoption of hydrogen as a new energy source.
Those risks may emerge in the short, medium and long term. Eni expects that the achievement of the Paris Agreement goal of limiting the rise in temperature to well below 2°C above pre- industrial levels in this century, or the more ambitious goal of limiting global warming to 1.5°C, will strengthen the global response to the issue of climate change and spur governments to introduce measures and policies targeting the reduction of GHG emissions, which are expected to bring about a gradual reduction in the use of fossil fuels over the medium to long-term, notably through the diversification of the energy mix, likely reducing local demand for fossil fuels and negatively affecting global demand for oil and natural gas.

Although the Company is investing a significant amount of resources to develop decarbonized products and to grow the generation capacity of renewable power and other low and zero carbon technologies to produce power or absorb carbon dioxide ($CO_2$) from the atmosphere, the Group's financial performance and business prospects still depends in a substantial way on the legacy business of Exploration & Production. In case demands for hydrocarbons decline rapidly due to widespread adoption of regulations, rules or international treaties designed to reduce GHG emissions, our results of operations and business prospects may be significantly and negatively affected.

Eni expects its operating and compliance expenses to increase in the short term due to the likely growing adoption of carbon tax mechanisms. Some governments have already introduced carbon pricing schemes, which can be an effective measure to reduce GHG emissions at the lowest overall cost to society. Currently, about half of the direct GHG emissions coming from Eni's operated assets are included in national or supranational Carbon Pricing Mechanisms, such as the European Emission Trading Scheme (ETS), which provides an obligation to purchase, on the open market, emission allowances in case GHG emissions exceed a pre-set amount of emission allowances allotted for free. In 2022 to comply with this carbon emissions scheme, Eni purchased on the open market allowances corresponding to 16.73 million tons of $CO_2$ emissions incurring expenses of around €950 million (12.42 million tons in 2021 for a total expense of €660 million). Due to the likelihood of new regulations in this area and expectations of a reduction in free allowances under the European ETS and the likely adoption of similar schemes by a rising number of governments, Eni is aware of the risk that a growing share of the Group's GHG emissions could be subject to carbon-pricing and other forms of climate regulation in the near future, leading to additional compliance and cost obligations with respect to the release in the atmosphere of carbon dioxide. In the future, we could incur increased investments and significantly higher operating expenses in case the Company is unable to reduce the carbon footprint of its operations. Eni also expects that governments will require companies to apply technical measures to reduce their GHG emissions.

**b) In the long-term demands for hydrocarbons may be materially reduced by the projected mass adoption of electric vehicles, the development of green hydrogen, the deployment of massive investments to grow renewable energies also supported by governments fiscal policies and the development of other technologies to produce clean feedstock, fuels and energy.**

In the long-term, the role of hydrocarbons in satisfying a large portion of the energy needs of the global economy may be displaced by the emergence of new products and technologies, as well as by changing consumers' preferences. The automotive industry is investing material amounts of resources to upgrade its assembly line to ramp-up production of electric vehicles (EVs) and to boost the EVs line-up, with R&D efforts focused on reducing the performance and cost gap with the internal-combustion-engine cars and light-duty vehicles, particularly by extending batteries range. The EV market has attracted large amounts of venture capital and financing, which have propelled the growth of an entirely new batch of pure-EV players, which are introducing smart EV models to gain consumers preference and market share, fueling continuing innovation in the sector and accelerating the strategic shift of well-established car companies. Sales of EVs have grown significantly in 2022, also thanks to fiscal incentives designed to increase the affordability of EVs by middle and low-income households, and according to market projections sales of EVs will surpass internal-combustion-engine sales by 2030 also helped by proposed measures to be introduced by states and local administration to ban sales of new internal-combustion-engine cars. This trend could disrupt in the long term the consumption of gasoline which is one of the main drivers of global crude oil demand. Other potentially disruptive technologies designated to produce clean energy and fuels are emerging, driven by the development of hydrogen-based solutions as an energy vector or the utilization of renewables feedstock to manufacture fuels and other goods replacing oil-based products. Production of hydrogen by means of green technologies will also reduce hydrocarbons demands. The electricity generation from wind power or solar technologies is projected to grow massively in line with the stated targets by several governments and institutions like the EU, the USA and the UK to decarbonize the electricity sector in the next one or two decades, replacing gas-fired generation.

These trends could disrupt demand for hydrocarbons in the future, with many forecasters, both within the industry, or state agencies and independent observers predicting peak oil demand in the next ten years or earlier.

A large portion of Eni's business depends on the global demand for oil and natural gas. If existing or future laws, regulations, treaties, or international agreements related to GHG and climate change, including state incentives to conserve energy or use alternative energy sources, technological breakthroughs in the field of renewable energies, hydrogen, production of nuclear energy or mass adoption of electric vehicles trigger a structural decline in worldwide demand for oil and natural gas, Eni's results of operations and business prospects may be materially and adversely affected.

c) **Supranational institutions, like the United Nations, civil society and the scientific community are calling for bold action to tackle climate change and this may lead governments to take extraordinary measures to cut carbon emissions**
The United Nations, representatives from the civil society, some Non-Governmental Organizations ("NGO"), international institutions and the scientific community have become increasingly vocal about the dramatic consequences of climate change for the life on the planet, warning about irreversible damages to the ecosystem and calling for drastic and immediate actions by governments to tackle the emergency. In a report issued on May 18, 2021 the International Energy Agency has claimed that to reach net-zero GHG emissions by 2050 and commitments set out in the Paris Agreement, there must be an immediate ban on investments in new oil and gas projects. In response to those requests for intervention, it is possible that certain governments in jurisdictions where we operate may deny permissions to start new oil and gas projects or may impose further restrictions on drilling and other field activities or ban oil&gas operations altogether. These possible developments could significantly and negatively affect our business's prospects and results of operations.

d) **We are exposed to growing legal risks in connection with the hundreds of lawsuits pending in various jurisdictions against oil&gas companies based on alleged violation of human rights, damage to environment and other claims and such legal actions may be brought against us**
In recent years, there has been a marked increase in climate-based litigation. Courts could be more likely to hold companies who have allegedly made the most significant contributions to climate change to account. Oil&gas companies are particularly exposed to that risk.

In 2021, a Dutch court ordered an international oil company to reduce their worldwide emissions (Scope 1, 2, and 3) by a significant amount within a preset timeframe. This indicates that oil and gas companies may have an individual legal responsibility to reduce emissions to address climate change and confirms the risk of liability, including liability for human rights violations. Courts may condemn oil and gas companies to compensate individuals, communities, and states for the economic losses due to global warming as a consequence of their alleged responsibility in supporting hydrocarbons and knowingly hurting the environment.

For example, we are defending in California against claims brought to us by local administrations and certain associations of individuals who are seeking compensation for alleged economic losses and environmental damage due to climate change.
Board's directors may be summoned before courts for having failed to implement a climate strategy in line with the goals of the Paris Agreement or for not having acted quickly to reduce emissions of greenhouse gases "GHG".

Private individuals, associations and NGOs may also bring legal actions against states to get them condemned to adopt stricter national targets of reduction in the absolute level of GHG emissions and that could entail more restrictive measures on businesses. For example, an association of private individuals have sued the Italian state for allegedly violating human rights and have claimed the Italian State to increase the national targets of reduction of GHG emissions and that could have negative consequences for Eni.

There are also risks that governments, regulators, organizations, NGOs and individuals may sue us for alleged crimes against the environment in connection with past and present GHG emissions related to our operations and the use of the products we have manufactured.

As such, climate litigation constitutes a material risk for the company and its investors. In case the Company is condemned to reduce its GHG emissions at a much faster rate than planned by management or to compensate for damage related to climate change due to ongoing or potential lawsuits, we could incur a material adverse effect on our results of operations and business's prospects.

e) **Asset managers, banks and other financing institutions have been increasingly adopting ESG criteria in their investment and financing decisions and this could reduce the attractiveness of our share or limit our ability to access the capital markets**
Many professional investors like asset managers, mutual funds, global allocation funds, generalist investors and pensions funds have been reducing their exposure to the fossil fuel industry due to the adoption of stricter ESG

criteria in selecting investing opportunities. In some cases, those investors have adopted climate change targets in determining their policies of asset allocations. Many of them have announced plans to completely divest from the fossil fuel industry. This trend could reduce the market for our share and negatively affect shareholders' returns. Likewise, banks, financing institutions, lenders and also insurance companies are cutting exposure to the fossil fuel industry due to the need to comply with ESG mandate or to reach emission reduction targets in their portfolios and this could limit our ability to access new financing, could drive a rise in borrowing costs to us or increase the costs of insuring our assets. During COP 26 at Glasgow (UK), 450 financial institutions, mostly banks and pension funds, in 45 countries with assets estimated at $130 trillion have committed to limiting greenhouse gas emitting assets in their portfolios. The finance pledge, known as the Glasgow Financial Alliance for Net Zero (GFANZ), will mean that by 2050 all the assets under management by the institutions that signed on can be counted toward a net-zero emission pathway. However, while this pledge does not preclude the continued funding of fossil fuels, as of recently several large, international financing institutions have taken a tougher approach as they announced they would not support direct financing to develop new oil and gas fields soon, a move that could herald an emerging trend among banks and lenders towards a phase-out of financing the hydrocarbons sector.

As a result of those developments, we expect the cost of capital to the Company to rise in the future and reduced ability on part of Eni to obtain financing for future projects in the oil & gasbusiness or to obtain it at competitive rates, which may curb our investment opportunities or drive an increase in financing expenses, negatively affecting our results of operations and business prospects.

f) **Activist shareholders have been increasingly pressuring oil&gas companies to accelerate the shift to renewable energies and to reduce $CO_2$ emissions and this may interfere with management's plans and lead to sub-optimal investment decisions**
Shareholders and activist funds may have resolutions passed at annual general meetings of listed oil&gas companies, which would force management to implement faster than planned actions to curb emissions or to revise industrial plans to obtain a quicker pace of emissions reduction and that could interfere with management's long-term goals, strategies and capital allocation processes leading to unplanned cost increases and sub-optimal investment decisions. For example, in 2021, activist shareholders succeeded in passing a nonbinding shareholders resolution to force Chevron into cutting its carbon emissions, including those relating to the products the company sells to its customers. Similar resolutions were also approved at other US oil&gas companies.

Meanwhile, an activist hedge fund conducted a successful proxy fight at ExxonMobil and won a seat in its board of directors. This will likely lead to greater scrutiny of the company strategies and capital allocation plans by the board.

More recently, activist investors have pursued claims against oil&gas companies. In UK, a group of institutional investors have brought a lawsuit against the board of directors of an oil&gas company over alleged climate mismanagement, arguing that directors failed to manage the material and foreseeable risks posed to the company by climate change, and as such they were breaking company law.

It is the first, notable lawsuit by a shareholder against a board over the alleged failure to properly prepare for a shift away from fossil fuels.

These events underscore the growing pressure from investors and capital markets on oil&gas companies towards a future based on renewables energies and an acceleration in the phase-out of investments into fossil fuels. We believe that our company could be exposed to that kind of risk.

g) **Extreme weather phenomena, which has been widely recognized as a direct consequence of climate change, may disrupt our operations**
The scientific community has concluded that increasing global average temperature produces significant physical effects, such as the increased frequency and severity of hurricanes, storms, droughts, floods, or other extreme climatic events that could interfere with Eni's operations and damage Eni's facilities. Extreme and unpredictable weather phenomena can result in material disruption to Eni's operations, and consequent loss of or damage to properties and facilities, as well as a loss of output, loss of revenues, increasing maintenance and repair expenses and cash flow shortfall.

h) **We are exposed to reputational risks in connection with the public perception of oil&gas companies as entities primarily responsible for the climate change**
There is a reputational risk linked to the fact that oil companies are increasingly perceived by governments, financial institutions and the general public as entities primarily responsible for global warming due to GHG emissions across the hydrocarbon value chain, particularly related to the use of energy products, and as poorly-performing players alongside ESG dimensions. This could possibly impair the company reputation and a societally recognized mission to operate in the e&p area. This could also make Eni's shares and debt instruments less attractive to banks, funds and individual investors who have been increasingly applying ESG criteria and have been growing cautions in assessing the risk profile of oil and gas companies, due to their carbon footprint, when making investment and lending decisions.

As a result of these trends, climate-related risks could have a material and adverse effect on the Group's results of operations, cash flow, liquidity, business prospects, financial condition, and shareholder returns, including dividends and the price of Eni's shares.

## Environmental, legal, IT and financial risks

a) **Eni is exposed to the risk of material environmental liabilities in addition to the provisions already accrued in the consolidated financial statement**
Eni has incurred in the past and may incur in the future material environmental liabilities in connection with the environmental impact of its past and present industrial activities. Eni is also exposed to claims under environmental requirements and, from time to time, such claims have been made against the Company. Furthermore, environmental regulations in Italy and elsewhere typically impose strict liability. Strict liability means that in some situations Eni could be exposed to liability for clean-up and remediation costs, environmental damage, and other damages as a result of Eni's conduct of operations that was lawful at the time it occurred or of the management of industrial hubs by prior operators or other third parties, who were subsequently taken over by Eni. In addition, plaintiffs may seek to obtain compensation for damage resulting from events of contamination and pollution or in case the Company is found liable for violations of any environmental laws or regulations. In Italy, Eni is exposed to the risk of expenses and environmental liabilities in connection with the impact of its past activities at certain industrial hubs where the Group's products were produced, processed, stored, distributed, or sold, such as chemical plants, mineral-metallurgic plants, refineries, and other facilities, which were subsequently disposed of, liquidated, closed, or shut down. At these industrial hubs, Eni has undertaken several initiatives to remediate and clean up proprietary or concession areas that were allegedly contaminated and polluted by the Group's industrial activities. State or local public administrations have sued Eni for environmental and other damages and for clean-up and remediation measures in addition to those which were performed by the Company, or which the Company has committed to performing. In some cases, Eni has been sued for alleged breach of criminal laws (for example for alleged environmental crimes such as failure to perform soil or groundwater reclamation, environmental disaster and contamination, discharge of toxic materials, amongst others). Although Eni believes that it may not be held liable for having exceeded in the past pollution thresholds that are unlawful according to current regulations, but were allowed by laws then effective, or because the Group took over operations from third parties, it cannot be excluded that Eni could potentially incur such environmental liabilities. Eni's financial statements account for provisions relating to the costs to be incurred with respect to clean ups and remediation of contaminated areas and groundwater for which legal or constructive obligations exist and the associated costs can be reasonably estimated in a reliable manner, regardless of any previous liability attributable to other parties. In 2022, due to environmental regulation development setting more clear criteria concerning the recovery management of groundwater pollutants, and taking into account the expertise cumulated in years of environmental management, the Group was in position to reliably accrue a provision of about €1.3 billion to account for the future expected costs of completing ongoing cleanup of groundwater at a number of Italian hubs, where operations were shut down years ago. The accrued amounts of the existing environmental risk provision represent management's best estimates of the Company's existing liabilities for future remediation and clean-up of Eni's shut-down Italian sites.
Management believes that it is possible that in the future Eni may incur significant or material environmental expenses and liabilities in addition to the amounts already accrued due to: (i) the likelihood of as yet unknown contamination; (ii) the results of ongoing surveys or surveys to be carried out on the environmental status of certain Eni's industrial sites as required by the applicable regulations on contaminated sites; (iii) unfavourable developments in ongoing litigation on the environmental status of certain of the Company's sites where a number of public administrations, the Italian Ministry of the Environment or third parties are claiming compensation for environmental or other damages such as damages to people's health and loss of property value; (iv) the possibility that new litigation might arise; (v) the probability that new and stricter environmental laws might be implemented; and (vi) the circumstance that the extent and cost of environmental restoration and remediation programs are often inherently difficult to estimate leading to underestimation of the future costs of remediation and restoration, as well as unforeseen adverse developments both in the final remediation costs and with respect to the final liability allocation among the various parties involved at the sites. As a result of these risks, environmental liabilities could be substantial and could have a material adverse effect on the Group's results of operations, cash flow, liquidity, business prospects, financial condition, and shareholder returns, including dividends, the amount of funds available for stock repurchases and the price of Eni's shares.

Finally, in case of conviction of Eni's employees for environmental crimes, the Company could be held liable as per Italian Legislative Decree 231/2001 which states the responsibility of legal entities for certain violations of laws committed by their employees and could face fines and restrictive measures to perform industrial activities which could adversely and significantly affect results of operations, cash flows and the Company's reputation.

b) **Risks related to legal proceedings and compliance with anti-corruption legislation**
Eni is the defendant in a number of civil and criminal actions and administrative proceedings. In future years Eni may incur significant losses due to: (i) uncertainty regarding the final outcome of each proceeding; (ii) the occurrence of new developments that management could not take into consideration when evaluating the likely outcome of each proceeding in order to accrue the risk provisions as of the date of the latest financial statements or to judge a negative outcome only as possible or to conclude that a contingency loss could not be estimated reliably; (iii) the emergence of new evidence and information; and (iv) underestimation of probable future losses due to circumstances that are often inherently difficult to estimate. Certain legal proceedings and investigations in which Eni or its subsidiaries or its officers and employees are defendants involve the alleged breach of anti- bribery and anti-corruption laws and regulations and other ethical misconduct. Such proceedings are described in the notes to the condensed consolidated interim financial statements, under the heading "Legal Proceedings". Ethical misconduct and noncompliance with applicable laws and regulations, including noncompliance with anti-bribery and anti-corruption laws, by Eni, its officers and employees, its partners, agents or others that act on the Group's behalf, could expose Eni and its employees to criminal and civil penalties and could be damaging to Eni's reputation and shareholder value.

c) **Risks from acquisitions**
Eni is constantly monitoring the market in search of opportunities to acquire individual assets or companies with a view of achieving its growth targets or complementing its asset portfolio. Acquisitions entail an execution risk – the risk that the acquirer will not be able to effectively integrate the purchased assets to achieve expected synergies. In addition, acquisitions entail a financial risk – the risk of not being able to recover the purchase costs of acquired assets, in case of a prolonged decline in the market prices of commodities. Eni may also incur unanticipated costs or assume unexpected liabilities and losses in connection with companies or assets it acquires. If the integration and financial risks related to acquisitions materialize, expected synergies from acquisition may fall short of management's targets and Eni's financial performance and shareholders' returns may be adversely affected.

d) **Eni's crisis management systems may be ineffective**
Eni has developed contingency plans to continue or recover operations following a disruption or incident. An inability to restore or replace critical capacity to an agreed level within an agreed period could prolong the impact of any disruption and could severely affect business, operations and financial results. Eni has crisis management plans and the capability to deal with emergencies at every level of its operations. If Eni does not respond or is not seen to respond in an appropriate manner to either an external or internal crisis, this could adversely impact the Group's results of operations, cash flow, liquidity, business prospects, financial condition, and shareholder returns, including dividends, the amount of funds available for stock repurchases and the price of Eni's shares.

e) **Disruption to or breaches of Eni's critical IT services or digital infrastructure and security systems could adversely affect the Group's business, increase costs and damage Eni's reputation**
The Group's activities depend heavily on the reliability and security of its information technology (IT) systems and digital security. The Group's IT systems, some of which are managed by third parties, are susceptible to being compromised, damaged, disrupted or shutdown due to failures during the process of upgrading or replacing software, databases or components, power or network outages, hardware failures, cyberattacks (viruses, computer intrusions), user errors or natural disasters. The cyber threat is constantly evolving. The oil and gas industry is subject to fast-evolving risks from cyber threat actors, including nation states, criminals, terrorists, hacktivists and insiders. Attacks are becoming more sophisticated with regularly renewed techniques while the digital transformation amplifies exposure to these cyber threats. The adoption of new technologies, such as the Internet of Things (IoT) or the migration to the cloud, as well as the evolution of architectures for increasingly interconnected systems, are all areas where cyber security is a very important issue. The Group and its service providers may not be able to prevent third parties from breaking into the Group's IT systems, disrupting business operations or communications infrastructure through denial of service, attacks, or gaining access to confidential or sensitive information held in the system. The Group, like many companies, has been and expects to continue to be the target of attempted cybersecurity attacks. While the Group has not experienced any such attack that has had a material impact on its business, the Group cannot guarantee that its security measures will be sufficient to prevent a material disruption, breach or compromise in the future. As a result, the Group's activities and assets could sustain serious damage, services to clients could be interrupted, material intellectual property could be divulged and, in some cases, personal injury, property damage, environmental harm and regulatory violations could occur. If any of the risks set out above materialise, they could adversely impact the Group's results of operations, cash flow, liquidity, business prospects, financial condition, and shareholder returns, including dividends, the amount of funds available for stock repurchases and the price of Eni's share.

f) **Violations of data protection laws carry fines and expose the Company and/or its employees to criminal sanctions and civil suits**
Data protection laws and regulations apply to Eni and its joint

ventures and associates in the vast majority of countries in which they do business. The General Data Protection Regulation (EU) 2016/679 (GDPR) came into effect in May 2018 and increased penalties up to a maximum of 4% of global annual turnover for breach of the regulation. The GDPR requires mandatory breach notification, a standard also followed outside of the EU (particularly in Asia). Non-compliance with data protection laws could expose Eni to regulatory investigations, which could result in fines and penalties as well as harm the Company's reputation. In addition to imposing fines, regulators may also issue orders to stop processing personal data, which could disrupt operations. The Company could also be subject to litigation from persons or corporations allegedly affected by data protection violations. Violation of data protection laws is a criminal offence in some countries, and individuals can be imprisoned or fined. If any of the risks set out above materialise, they could adversely impact the Group's results of operations, cash flow, liquidity, business prospects, financial condition, and shareholder returns, including dividends, the amount of funds available for stock repurchases and the price of Eni's shares.

g) **Eni is exposed to treasury and trading risks, including liquidity risk, interest rate risk, foreign exchange risk, commodity price risk and credit risk and may incur substantial losses in connection with those risks**

### Market risk

Eni's business is exposed to the risk that changes in interest rates, foreign exchange rates or the prices of energy commodities and products will adversely affect the value of assets, liabilities or expected future cash flows.

The Group does not hedge its exposure to volatile hydrocarbons prices in its business of developing and extracting hydrocarbons reserves and other types of commodity exposures (e.g. exposure to the volatility of refining margins and of certain portions of the gas long-term supply portfolio) except for specific markets or business conditions. The Group has established risk management procedures and enters derivatives commodity contracts to hedge exposure to the commodity risk relating to commercial activities, which derives from different indexation formulas between purchase and selling prices of commodities. However, hedging may not function as expected. In addition, Eni undertakes commodity trading to optimize commercial margins or with a view of profiting from expected movements in market prices. Although Eni believes it has established sound risk management procedures to monitor and control commodity trading, this activity involves elements of forecasting and Eni is exposed to the risk of incurring significant losses if prices develop contrary to management expectations and to the risk of default of counterparties.
Eni is exposed to the risks of unfavorable movements in exchange rates primarily because Eni's consolidated financial statements are prepared in Euros, whereas Eni's main subsidiaries in the Exploration & Production sector are utilizing the U.S. dollar as their functional currency. This translation risk is unhedged.

Furthermore, Eni's euro-denominated subsidiaries incur revenues and expenses in currencies other than the euro or are otherwise exposed to currency fluctuations because prices of oil, natural gas and refined products generally are denominated in, or linked to, the U.S. dollar, while a significant portion of Eni's expenses are incurred in euros and because movements in exchange rates may negatively affect the fair value of assets and liabilities denominated in currencies other than the euro. Therefore, movements in the U.S. dollar (or other foreign currencies) exchange rate versus the euro affect results of operations and cash flows and year-on-year comparability of the performance. These exposures are normally pooled at Group level and net exposures to exchange rate volatility are netted on the marketplace using derivative transactions. However, the effectiveness of such hedging activity is uncertain, and the Company may incur losses also of significant amounts. As a rule of thumb, a depreciation of the U.S. dollar against the euro generally has an adverse impact on Eni's results of operations and liquidity because it reduces booked revenues by an amount greater than the decrease in U.S. dollar-denominated expenses and may also result in significant translation adjustments that impact Eni's shareholders' equity.

Eni is exposed to fluctuations in interest rates that may affect the fair value of Eni's financial assets and liabilities as well as the amount of finance expense recorded through profit. Eni enters into derivative transactions with the purpose of minimizing its exposure to the interest rate risk.

Eni's credit ratings are potentially exposed to risk from possible reductions of the sovereign credit rating of Italy. Based on the methodologies used by Standard & Poor's and Moody's, a potential downgrade of Italy's credit rating may have a potential knock-on effect on the credit rating of Italian issuers such as Eni and make it more likely that the credit rating of the debt instruments issued by the Company could be downgraded.

### Credit risk

Eni is exposed to credit risk. Eni's counterparties could default, could be unable to pay the amounts owed to it in a timely manner or meet their performance obligations under contractual arrangements. These events could cause the Company to recognize loss provisions with respect to amounts owed to it by debtors of the Company and cash flow shortfall. In recent years, the Group has experienced a significant level of counterparty default due to Europe and Italy's weak economic growth and a downturn in crude oil prices affecting the solvency of national oil entities and local companies, which are joint operators of Eni- lead projects. Those trends were made worse by the COVID-19 recession, resulting in a significantly deteriorated credit and financial profile of many of Eni's counterparties, including joint operators and national oil companies in Eni's upstream projects, retail customers in the gas retail business and other industrial accounts. In 2022, the significant rise in the prices of energy commodities has increased Eni's exposure to the credit risk in the mid and downstream businesses of natural gas. The retail gas & power business managed by Plenitude is particularly exposed to the credit risk due to its large and diversified customer base, which includes thousands of medium and small-sized businesses and retail customers whose financial condition has been negatively and adversely affected because the value of invoices has risen manyfold putting at stress the ability of our counterparts to pay amounts owed to us. Also, certain large industrial accounts at our wholesale natural gas business have been facing difficulties at paying amounts due to us. Due to that trend, we increased our credit loss provisions in 2022. It is possible that the ability of our debtors to pay amounts due to us will deteriorate in the next future, especially in case of a continuing uptrend in the prices of energy commodities. Furthermore, we are exposed to risks of growing working capital needs in case regulatory authorities introduce measures intended to safeguard households and other residential customers by mandating us to extend payment terms.

Eni believes that the management of doubtful accounts in the current environment of surging energy prices represents a significant financial risk to the Company, which will require management focus and commitment going forward. Eni cannot exclude the recognition of significant provisions for doubtful accounts in future reporting periods and increasing working capital needs.

If any of the risks set out above materializes, this could adversely impact the Group's results of operations, cash flow, liquidity, business prospects, financial condition, and shareholder returns, including dividends, the amount of funds available for stock repurchases and the price of Eni's shares.

### Liquidity risk

Liquidity risk is the risk that suitable sources of funding for the Group may not be available, or that the Group is unable to sell its assets on the marketplace to meet short-term financial requirements and to settle obligations. Such a situation would negatively affect the Group's results of operations and cash flows as it would result in Eni incurring higher borrowing expenses to meet its obligations or, under the worst conditions, the inability of Eni to continue as a going concern. Global financial markets are volatile due to several macroeconomic risk factors and unpredictable developments. In case new restrictive measures in response to a resurgence of the pandemic or the war in Ukraine lead to a double-dip in economic activity and energy demand, in the event of extended periods of constraints in the financial markets, or if Eni is unable to access the financial markets (including cases where this is due to Eni's financial position or market sentiment as to Eni's prospects) at a time when cash flows from Eni's business operations may be under pressure, the Company may incur significantly higher borrowing costs than in the past or difficulties obtaining the necessary financial resources to fund Eni's development plans, therefore jeopardizing Eni's ability to maintain long- term investment programs. A reduction in the investments needed to develop Eni's reserves and to grow the business may significantly and negatively affect Eni's business prospects, results of operations and cash flows, and may impact shareholder returns, including dividends or share price.

# Outlook

For the main business and economic-financial evolutions please refer to the following sections: Strategy, Financial Review and Risk factors and uncertainties.

# Consolidated Disclosure of Non-Financial Information

Eni's 2022 Consolidated Disclosure of Non-Financial Information (NFI) has been drafted in accordance with Legislative Decree 254/2016 and the "Sustainability Reporting Standards" published by the Global Reporting Initiative (GRI)

Eni's 2022 Consolidated Disclosure of Non-Financial Information (NFI) has been drafted in accordance with Legislative Decree 254/2016 and the "Sustainability Reporting Standards" published by the Global Reporting Initiative (GRI[1]) as indicated in the chapter "Reporting Principles and Criteria". The new GRI standards came into force for the NFI 2022, both the Universal Standards (i.e. those required of all companies regardless of the results of the materiality analysis and those specific to the Oil & Gas sector). Since last year, the NFI includes the disclosure requirements for listed companies, provided for in Article 8 of EU Regulation 852/2020 relating to suitable economic activities and assets for the purposes of achieving the objectives of the Climate Change Mitigation and Adaptation Regulation. In continuity with previous editions, the document is structured according to the three levers of the integrated business model, Carbon Neutrality by 2050, Operational Excellence and Alliances for Development, which aim to create long-term value for all stakeholders. The contents of the "Carbon neutrality by 2050" chapter have been organized according to the voluntary recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) of the Financial Stability Board, of which Eni has been a member since its foundation, in order to provide even clearer and more in-depth disclosure on these issues. In addition, the main United Nations Sustainable Development Goals (SDGs), that constitute an important reference for Eni in the conduct of its activities, have been mentioned in the various chapters. The NFI is included in the Management Report in the Annual Report, to meet the information needs of Eni stakeholders in a clear and concise manner, further favouring the integrated disclosure of financial and non-financial information. In order to avoid duplication of information and ensure that disclosures are as concise as possible, the NFI provides integrated disclosures, which may include references to other sections of the Management Report, the Corporate Governance and Shareholding Structure Report and the Report on remuneration policy and remuneration paid, when the issues required by Legislative Decree 254/2016 are already contained therein or for further details. Specifically, the Management Report describes the Eni business model and governance, the main results and targets, the integrated risk management system and the risk and uncertainty factors in which the main risks, possible impacts and treatment actions are detailed, in line with the disclosure requirements of Italian regulations. The NFI contains detailed information on corporate policies, management and organizational models, an in-depth analysis of ESG (Environmental, Social and Governance) risks, the strategy on the topics covered, the most important initiatives of the year, the main performances with related comments and the 2022 materiality analysis. In the 2022 NFI, the "core" metrics defined by the World Economic Forum[2] (WEF) in the 2020 White Paper "Measuring Stakeholder Capitalism - Towards Common Metrics and Consistent Reporting of Sustainable Value Creation" were also included. As in previous years, on the occasion of the Shareholders' Meeting, Eni will also publish Eni for, the voluntary sustainability report that aims to further enhance non-financial information. The 2022 edition of Eni for will also include a report dedicated to human rights (Eni for – Human Rights[3]). Below is a reconciliation table showing the information content required by the Legislative Decree 254/2016, the areas and relative positioning in the NFI, the Management Report, the Corporate Governance and Shareholding Structure Report and the Report on remuneration policy and remuneration paid.

(1) For further details, reference is made to the paragraph: "Reporting Principles and Criteria".
(2) The reconciliation with the WEF core metrics is directly shown in the Content Index in a dedicated column.
(3) The update of the Eni for - Human Rights report will be published subsequent to Eni for.

| | SCOPE OF LEGISLATIVE DECREE 254/2016 | CORPORATE MANAGEMENT MODEL AND GOVERNANCE | POLICIES APPLIED | RISK MANAGEMENT MODEL | PERFORMANCE INDICATORS |
|---|---|---|---|---|---|
| | **CROSS -REFERENCES TO ALL SCOPES OF THE DECREE** | ○ **NFI** - Management and organisation models pp. 158-159; Sustainability Material Topics, pp. 218-219; Responsible and Sustainable Approach, pp. 160-161;<br>○ **AR** - Business Model, pp. 8-9; Stakeholder engagement activities, pp. 16-17; Strategy, pp. 18-23; Governance, pp. 30-41<br>➤ **CGR** - Responsible and Sustainable Approach and Stakeholder dialogue; Corporate Governance Model; Board of Directors; Board Committees; Board of Statutory Auditors; Model 231. | ➤ **CGR** - Principles and values. The Code of Ethics; Eni Regulatory System. | ○ **AR** - Integrated Risk Management, pp. 24-29;<br>○ Risk factors and uncertainties, pp. 126-150 | ○ **AR** - Eni at a glance, pp. 10-15<br>○ **NFI** - Responsible and Sustainable Approach, pp. 160-161 |
| **CARBON NEUTRALITY BY 2050** | **CLIMATE CHANGE**<br>*Art. 3.2, paragraphs a) and b)* | ○ **NFI** - Carbon neutrality by 2050, pp. 164-170<br>○ **AR** - Strategy, pp. 18-23<br>➤ **CGR** - Responsible and Sustainable Approach and Stakeholder dialogue | ○ **NFI** - Main regulatory instruments, guidelines and management models related to the topics of Legislative Decree 254/2016, pp. 154-155 | ○ **AR** - Integrated Risk Management, pp. 24-29;<br>○ Risk factors and uncertainties, pp. 126-150<br>○ **NFI** - Main ESG risks and the related mitigation actions, pp. 162-163 | ○ **NFI** - Carbon neutrality by 2050, pp. 164-170; Responsible and Sustainable Approach, pp. 160-161 |
| **OPERATIONAL EXCELLENCE** | **PEOPLE**<br>*Art. 3.2, paragraphs c) and d)* | ○ **AR** - Governance, pp. 30-41<br>○ **NFI** - People (employment, diversity and inclusion, training, industrial relations, corporate welfare and work-life balance, health), pp. 171-177; Safety, pp. 178-180 | ○ **NFI** - Main regulatory instruments, guidelines and management models related to the topics of Legislative Decree 254/2016, pp. 154-155 | ○ **AR** - Risk factors and uncertainties, pp.126-150;<br>○ **NFI** - Main ESG risks and the related mitigation actions, pp. 162-163 | ○ **NFI** - People, pp. 171-177; Safety, pp. 178-180; Responsible and Sustainable Approach, pp. 160-161<br>➤ **RR** - Summary |
| | **RESPECT FOR THE ENVIRONMENT**<br>*Art. 3.2, paragraphs a), b) and c)* | ○ **NFI** - Respect for the environment (circular economy, air, waste, water, oil spills, biodiversity), pp. 180-186 | ○ **NFI** - Main regulatory instruments, guidelines and management models related to the topics of Legislative Decree 254/2016, pp. 154-155 | ○ **AR**<br>• Integrated Risk Management, pp. 24-29;<br>• Risk factors and uncertainties, pp. 126-150;<br>○ **NFI** - Main ESG risks and the related mitigation actions, pp. 162-163 | ○ **NFI** - Respect for the environment, pp. 180-186; Responsible and Sustainable Approach, pp. 160-161 |
| | **HUMAN RIGHTS**<br>*Art. 3.2, paragraph e)* | ○ **NFI** - Human Rights (security, training, and reporting), pp. 186-189<br>➤ **CGR** - Responsible and Sustainable Approach and Stakeholder dialogue | ○ **NFI** - Main regulatory instruments, guidelines and management models related to the topics of Legislative Decree 254/2016, pp. 154-155 | ○ **AR** - Risk factors and uncertainties, pp. 126-150;<br>○ **NFI** - Main ESG risks and the related mitigation actions, pp. 162-163 | ○ **NFI** - Human Rights, pp. 186-189; Responsible and Sustainable Approach, pp. 160-161 |
| | **SUPPLIERS**<br>*Art. 3.1, paragraph c)* | ○ **NFI** - Human Rights, pp. 186-189; Suppliers, pp. 190-191 | ○ **NFI** - Main regulatory instruments, guidelines and management models related to the topics of Legislative Decree 254/2016, pp. 154-155 | ○ **AR** - Risk factors and uncertainties, pp. 126-150;<br>○ **NFI** - Main ESG risks and the related mitigation actions, pp. 162-163 | ○ **NFI** - Human Rights, pp. 186-189; Suppliers, pp. 190-191; Responsible and Sustainable Approach, pp. 160-161 |
| | **TRANSPARENCY, ANTI -CORRUPTION AND TAX STRATEGY**<br>*Art. 3.2, paragraph f)* | ○ **NFI** - Transparency, anti-corruption and tax strategy, pp. 191-194 | ○ **NFI** - Main regulatory instruments, guidelines and management models related to the topics of Legislative Decree 254/2016, pp. 154-155<br>➤ **RCG** - Principles and values. The Code of Ethics; Anti-Corruption Compliance Program | ○ **AR** - Risk factors and uncertainties, pp. 126-150;<br>○ **NFI** - Main ESG risks and the related mitigation actions, pp. 162-163 | ○ **NFI** - Transparency, anti-corruption and tax strategy, pp. 191-194; Responsible and Sustainable Approach, pp. 160-161 |
| **ALLIANCES FOR DEVELOPMENT** | **LOCAL COMMUNITIES**<br>*Art. 3.2, paragraph d)* | ○ **NFI** - Alliances for development, pp. 195-197 | ○ **NFI** - Main regulatory instruments, guidelines and management models related to the topics of Legislative Decree 254/2016, pp. 154-155 | ○ **AR** - Risk factors and uncertainties, pp. 126-150<br>○ **NFI** - Main ESG risks and the related mitigation actions, pp. 162-163 | ○ **NFI** - Alliances for development, pp. 195-197; Responsible and Sustainable Approach, pp. 160-161 |

**AR** Management Report 2022
**CGR** Corporate Governance and Shareholding Structure Report 2022
**RR** Report on Remuneration Policy and Remuneration Paid 2023

○ Sections/paragraphs providing the disclosures required by the Decree
➤ Sections/paragraphs to which reference should be made for further details

## THE COMPANY MISSION AND COMMITMENT TO A JUST TRANSITION

Eni's mission confirms its commitment to a Just Transition as the main challenge for the energy sector by balancing the need to ensure universal access to energy for a growing population and the urgency of tackling climate change by acting immediately on all available levers and accelerating the transition process towards a sustainable mix that is socially just at the same time. Furthermore, the mission is inspired by the UN's "Sustainable Development Goals" Eni intends to contribute to, aware that business development can no longer be separated from these. Eni's goal is to achieve net-zero emissions by 2050, with a view to sharing social and economic benefits with workers, the value chain, communities and customers in an inclusive, transparent and socially equitable manner, taking into consideration the different level of development of the Countries in which it operates, minimising existing inequalities. In this sense, in 2020, the evaluation against business projects SDGs was launched for a few pilot cases to quantify their contribution to the Country of presence and to guide project choices. In addition, to contribute to the achievement of the SDGs and to the growth of the Countries in which it operates, Eni is committed to building alliances with national and international development cooperation actors, in line with the results of the Third International Conference on Financing for Development, organized by the United Nations in Addis Abeba in July 2015. Eni is aware the social dimension of the ambitious path mapped out has significant relevance. First and foremost, the energy transition is a technological transition: only with solid industrial, innovative capacity, as well as a willingness to combine forces and skills, will Eni be able to implement the transition by improving at the same time the opportunity for people. With this in mind, Eni is working to ensure that the decarbonization process offers opportunities for converting existing activities and developing new production supply chains with significant opportunities for workers, economies and communities in the Countries where the company operates. At the same time, Eni is committed to managing any potential negative impact that may be linked to the energy transition on workers, communities, consumers and suppliers. This ambition necessarily requires the involvement of all stakeholders, especially those who can play a relevant role in the just transition, such as trade unions and workers' representatives, institutions, community representatives, and industry organisations. The approach highlighted by the mission is also confirmed by the application from January 1st, 2021 of the 2020 Corporate Governance Code, which identifies "sustainable success" as the objective that must guide the action of the Board of Directors and consists of creating long-term value for the benefit of shareholders, taking into account the interests of other relevant stakeholders (see pp. 30-41). Eni, however, has been considering the interest of stakeholders other than shareholders as one of the necessary elements directors must evaluate in making informed decisions since 2006. In compliance with the Code, last year, the BoD also approved, at the proposal of the Chairman, in agreement with the CEO, a policy for dialogue with shareholders that identifies the parties responsible for its management and the manner in which it is carried out at the initiative of shareholders or the Company; the policy also governs reporting to the Board on the development and significant content of the dialogue that has taken place and the manner in which it is disclosed and updated.

## MAIN REGULATORY TOOLS, GUIDELINES AND MANAGEMENT MODELS RELATED TO THE SCOPE OF LEGISLATIVE DECREE 254/2016

In order to implement the mission in actual practice and to ensure integrity, transparency, correctness and effectiveness in its processes, Eni adopts rules for the performance of corporate activities and the exercise of powers, ensuring compliance with the general principles of traceability and segregation.

All of Eni's operating activities can be grouped into a map of processes functional to the corporate activities and integrated with control requirements and principles set out in the compliance and governance models and based on the By-laws, the Code of Ethics and the Corporate Governance Code 2020[4], the Model 231[5], the SOA[6] principles and the CoSO Report[7].

With regard to the types of instruments that make up the Regulatory System:

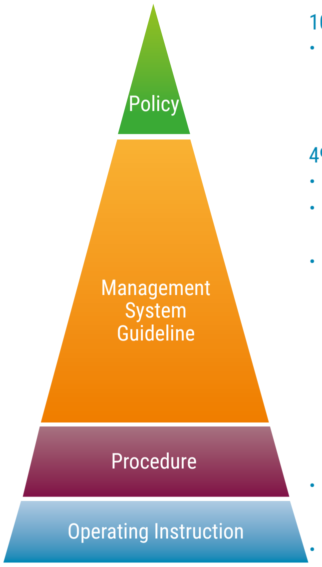
(4) On December 23, 2020, the Eni Board of Directors resolved to adhere to the new Code, the recommendations of which are applicable as of January 1st, 2021. Therefore, as from that date, roles, responsibilities and regulatory instruments must take into account the new recommendations on the subject provided for by the new Code, as well as the decisions taken by the Board of Directors on how to apply these recommendations.
(5) On November 18, 2021, the BoD approved a new version of the Model 231 that – adapting the document to the changes in the organizational structure of Eni – rationalises and enhances the internal control system and the various related compliance programmes in line with recent best practices in this field. In particular, also through an express reference to the NFI, the systems that are further strengthened relate to the areas of the fight against corruption, environmental protection and safety (topics in Italian Legislative Decree 254/2016).
(6) US Sarbanes-Oxley Act of 2002.
(7) Framework issued by the "Committee of Sponsoring Organizations of the Treadway Commission (CoSO)" in May 2013.

## FRAMEWORK OF REFERENCE FOR THE REGULATORY SYSTEM

| BY-LAWS | CODE OF ETHICS | CORPORATE GOVERNANCE CODE | MODEL 231 | PRINCIPLES OF ENI'S CONTROL SYSTEM OVER FINANCIAL REPORTS | CoSO REPORT FRAMEWORK |
|---|---|---|---|---|---|

DIRECTION, COORDINATION AND CONTROL

OPERATION




10 policy approved by the BoD

- Operational Excellence; Our tangible and intangible assets; Our partners in the value chain; Our institutional partners; Global compliance; Sustainability; Our people; Information management; Integrity in our operations; and Corporate governance.

49 Management System Guideline ("MSG"):

- 1 Regulatory System MSG defines the management process for the Regulatory System;
- 36 Process MSGs define the guidelines for properly managing the reference process and the related risks, with an aim towards integrated compliance;
- 12 Compliance and governance MSGs (usually approved by the BoD) define the general rules for ensuring compliance with the law, regulations and corporate governance code: Code of commercial practices and advertising, Compliance Models regarding Corporate Administrative Liability for Eni's subsidiaries; Corporate Governance of Eni companies; Abuse of Market Information (Issuers); Anti-Corruption; Antitrust; Transactions involving interests of directors and statutory auditors and transactions with related parties ; Privacy and data protection; Economic and Financial Sanctions; Internal Control and Risk Management System; Eni's financial reporting internal control system MSG; and Market conduct and financial regulation.

- Define the operating procedures to be implemented in executing the Company's activities.

- Define in detail the operating procedures for a specific function, organisational unit or professional area/family.

- the Policies, approved by the Board of Directors, are mandatory documents that set out the principles and general rules of conduct on which all the activities carried out by Eni must be based, in order to guarantee the achievement of corporate objectives, taking into account risks and opportunities. The Policies cut across all processes and are focused on a key element of business management. They apply to Eni SpA and, following the implementation process, to all subsidiaries;
- the Management System Guidelines ("MSGs") are the guidelines common to all Eni's companies and may be process or compliance/governance guidelines (the latter normally approved by the Board of Directors) and include sustainability aspects. The individual MSGs issued by Eni SpA apply to subsidiaries, which ensure their implementation, unless a derogation is needed;
- the Procedures set out the operating procedures by which the Companies' activities are to be carried out. They describe the tasks and responsibilities of the organizational contacts involved, management and control methods and communication flows. They also regulate operations in order to pursue the objectives of compliance with local regulations. The content is defined in compliance with the Policies and MSGs as implemented by the companies;
- the Operating Instructions define the details of the operating procedures referring to a specific function/organizational unit/ professional area or professional family, or to Eni's people and functions involved in the fulfilments regulated therein.

The regulatory instruments are published on the Company's Intranet site and, in some cases, on the Company's website. In addition, in 2020 Eni updated its Code of Ethics in which it renewed the corporate values that characterize the commitment of Eni people and all third parties who work with the Company: integrity, respect and protection of human rights, transparency, promotion of development, operational excellence, innovation, teamwork and collaboration.

In the first of the next two tables (pp. 156-157), in addition to the Policies and the Code of Ethics, other Eni regulatory instruments approved by the CEO and/or the BoD are also considered. The second table (pp. 158-159) show the management and organization models, including management systems, multi-year plans, processes and interfunctional working groups.

Finally, in 2022, with a view to continuous improvement and to go along the Company's transition strategy, an initiative was launched to verify (through the analysis of market best practices) possible actions to improve the current Eni Regulatory System in terms of tools and management process. On January 26, 2023, the BoD updated the key lines of the Regulatory System Policy in line with the operational and governance requirements for the new strategy. These called for an evolution of the Regulatory System architecture that will lead to (i) more accessible regulatory instruments; (ii) better-streamlined decision-making and operational processes; and (iii) greater management awareness in identifying risks and mitigation actions.

# ENI'S POLICY AND PUBLIC POSITIONS ON THE ISSUES OF LEGISLATIVE DECREE 254/2016

CARBON NEUTRALITY BY 2050

## CLIMATE CHANGE

**GOAL:** Combat climate change

**PUBLIC DOCUMENTS**
Strategic Plan 2023-26; Eni's responsible engagement on climate change within business association; Eni's position on biomass; Eni Code of Ethics.

**PRINCIPLES**
- Total decarbonization of all products and processes by 2050 in line with the objectives of the Paris Agreement;
- Ensure consistency and transparency in the activities of associations with Eni's strategy on climate change and energy transition, in line with stakeholders' expectations;
- Promotion of a low carbon energy mix and an ongoing commitment to research and development;
- 100% of the biomass used in Eni's biorefineries is certified under voluntary EU or Italian certification schemes;
- Ensure sustainable biomass management along the entire supply chain;
- Promote the role of Natural Climate Solutions as a lever for offsetting residual hard-to-abate GHG emissions;
- Ensure transparency in reporting on climate change issues.

OPERATIONAL EXCELLENCE

## PEOPLE

**GOAL:** Value Eni's people

**PUBLIC DOCUMENTS**
Eni's statement on Respect for Human Rights; Eni Policy Against Violence and Harassment at Work; Eni Code of Ethics.

**PRINCIPLES**
- Establish labour relations characterised by fairness, equality, non-discrimination, care and respect for the dignity of each individual;
- Support organizational models that enhance cooperation between people from different cultures, perspectives and experiences;
- Recognise collaboration as a critical element in building strong and lasting relationships through which achieve business objectives;
- Promoting the development of a culture based on the spread of knowledge and the belief in training as a tool for enriching people, spreading ethical values and reinforcing a common corporate identity;
- Support organizational models that enhance cooperation among people from different cultures, perspectives and experiences;
- Reward our people with remuneration commensurate with their responsibilities and contributions;
- Prohibit all forms of violence and harassment at work within the Company, with no exception.

OPERATIONAL EXCELLENCE

## HEALTH AND SAFETY

**GOAL:** Protect the health and safety of Eni's people and contractors who work for Eni

**PUBLIC DOCUMENTS**
Eni's statement on Respect for Human Rights; Eni Code of Ethics.

**PRINCIPLES**
- The health and safety of Eni's people, the community and its partners are a priority objective;
- Adopt safety measures to protect people and assets with respect for the human rights of local communities;
- Clearly and transparently inform our people, the community and our partners about the necessary preventive and protective measures to be implemented, to eliminate the risks and criticalities of the processes and activities;
- Spreading a culture of health and safety is an ongoing commitment;
- Respect the rights of people and local communities in the Countries in which it operates, with particular reference to the highest achievable level of physical and mental health;
- Eni carries out assessments of its actual and potential health impacts to plan specific mitigation actions.

OPERATIONAL EXCELLENCE

## RESPECT FOR THE ENVIRONMENT

**GOAL:** Use resources efficiently and protect biodiversity and ecosystem services (BES)

**PUBLIC DOCUMENTS**
Eni Biodiversity and Ecosystem Services policy; Eni's commitment not to conduct exploration and development activities within the boundaries of Natural Sites included in the UNESCO World Heritage List; Eni's Position on Water; Eni's Position on Biomass, Eni Code of Ethics.

**PRINCIPLES**
- Include innovative solutions to reduce the impact of operations through efficient use of natural resources, protection of biodiversity and water resources;
- Commitment to actively participate in the process of risk prevention and environmental protection;
- Promote scientific and technological development aimed at protecting the environment;
- Consider, in project assessments and operations, the presence of UNESCO World Heritage Sites, other protected areas and key biodiversity areas, identifying potential impacts and mitigation actions (risk-based approach);
- Through the application of the Mitigation Hierarchy, prioritise preventive mitigation measures over corrective ones;
- Establish links between environmental and social aspects including the sustainable development of local communities.

OPERATIONAL EXCELLENCE

## HUMAN RIGHTS

**GOAL:** Respect for human rights

**PUBLIC DOCUMENTS**
Eni Code of Ethics; Eni's statement on Respect for Human Rights; Whistleblowing reports received, including anonymously, by Eni SpA and its subsidiaries in Italy and abroad policy; Supplier Code of Conduct; Alaska Indigenous Peoples policy; Eni against Violence and Harassment at Work policy.

**PRINCIPLES**
- Ensure respect for internationally recognised human rights in its own activities and those of its business partners, in line with the United Nations Guiding Principles on Business and Human Rights (UNGP) and the OECD Guidelines for Multinational Enterprises;
- Subjecting its activities to a due diligence process on human rights. Continuously assess and monitor actual and potential impacts, and identify specific strategies and solutions to improve the effectiveness of prevention and mitigation action;
- Respect the rights of individuals and communities, recognising and valuing their specific characteristics, with particular reference to their cultures, life styles, institutions, bonds with their homeland and development models in line with international standards;
- Adopt safety measures to protect people and assets with respect for the human rights of local communities;
- Prohibit all forms of violence and harassment, without exception;
- Select business partners that comply with the Eni Supplier Code of Conduct, are committed to preventing or mitigating impacts on human rights, and refuse all forms of forced and/or child labour;
- Verifying and providing, or cooperating to provide, remediation in case of adverse human rights impacts it might have caused (or contributed to).

OPERATIONAL EXCELLENCE

## SUPPLIERS

**GOAL:** Develop the sustainable supply chain

**PUBLIC DOCUMENTS**
Supplier Code of Conduct; Eni's position on Conflict Minerals; Eni's Code of Ethics; Eni's Statement on Respect for Human Rights; Eni's Slavery and Human Trafficking Statement.

**PRINCIPLES**
- Adopt accurate processes for the qualification, selection and monitoring of our suppliers and partners, based on the principles of transparency and integrity and, refusing to tolerate collusive practices, in full compliance with the law;
- Define and disseminate policies, standards and rules that guide the action of suppliers and partners to respect Human Rights and the sustainability principles of Eni;
- Promote long-term strategic partnerships based on an integrated, coordinated and transparent approach, encouraging the fair sharing of risks and opportunities;
- Support the creation of a responsible workplace, recognising diversity;
- Combat climate change and its effects;
- Support the low carbon energy transition by safeguarding the environment and optimising the use of resources.

OPERATIONAL EXCELLENCE

## TRANSPARENCY, ANTI-CORRUPTION AND TAX STRATEGY

**GOAL:** Fight any form of corruption, with no exception

**PUBLIC DOCUMENTS**
Anti-Corruption Management System Guideline; Whistleblowing reports received, including anonymously, by Eni SpA and its subsidiaries in Italy and abroad; Tax Strategy Guideline; Eni's position on Contract Transparency; Eni Code of Ethics.

**PRINCIPLES**
- Carry out business activities with fairness, correctness, transparency, honesty and integrity and in compliance with the law;
- Prohibit any form of corruption, with no exception;
- Always ensure compliance with applicable laws, standards and regulations for the prevention of corruption and money laundering;
- Carry out regular anti-corruption and anti-money laundering awareness-raising, communication and training initiatives;
- Ensure the communication of the Anti-Corruption MSG to Third Parties at Risk by providing appropriate contractual clauses and/or declarations and promoting training and awareness-raising initiatives dedicated to them.

ALLIANCES FOR DEVELOPMENT

## LOCAL COMMUNITIES

**GOAL:** Promote relations with local communities and contribute to their sustainable development also through public-private partnerships

**PUBLIC DOCUMENTS**
Eni's Statement on Respect for Human Rights; Code of Ethics; Alaska Indigenous Peoples.

**PRINCIPLES**
- Working with communities, local organisations and development actors to foster autonomous, lasting and sustainable local growth;
- In all our activities, from the earliest feasibility assessments and in cooperation with local communities, consider environmental aspects, social, health and safety aspects and respect for Human Rights;
- Promote continuous and transparent forms of consulting to inform local communities and to consider their expectations in our activities;
- Establish solid, lasting relationships and partnerships with the communities in which we operate to build lasting shared value.

# MANAGEMENT AND ORGANISATION MODELS

| | |
|---|---|
| **CLIMATE CHANGE** | • Organizational structure functional to the energy transition process with two General Directions: Natural Resources, for the optimization and progressive decarbonization of the Upstream portfolio and Energy Evolution, for the expansion of bio, renewable and circular economy activities and the offering of new energy solutions and services;<br>• Dedicated **central function** that oversees the Company's strategy and positioning on climate change; |
| **PEOPLE** | • **Employment management and planning process** to align skills to the technical and professional needs;<br>• **Management and development tools**, aimed at professional involvement, growth and updating, intergenerational and intercultural exchange of experiences, building of cross-cutting and professional managerial development pathways in core technical areas valuing and including diversity;<br>• **Development of Innovative HR Management Tools**;<br>• Support and **development of the distinctive skills** necessary and consistent with corporate strategies, focusing on energy transition and digital transformation issues, also through the use of Faculties/Academies; |
| **HEALTH** | • **Health management system** based on an operational platform of qualified health providers and collaborations with national and international university and government institutions and research centres;<br>• **Occupational medicine** for the protection of the health and safety of workers, in relation to the workplace, to occupational risk factors and to the way in which work is carried out; |
| **SAFETY** | • **Integrated environment, health and safety management system** for workers certified in accordance with the OHSAS ISO 45001 standard with the aim of eliminating or mitigating the risks to which workers are exposed during their work activities;<br>• **Process safety management system** aimed at preventing major accidents by applying high technical and management standards (application of best practices for asset design, operating management, maintenance and decommissioning); |
| **RESPECT FOR THE ENVIRONMENT** | • **Integrated environment, health and safety management system**: adopted in all plants and production units and certified in accordance with the ISO 14001:2015 environmental management standard;<br>• **Application of the ESHIA (Environmental Social and Health Impact Assessment)** process to all projects;<br>• **Technical meetings for analysing and sharing experiences** on specific environmental and energy issues;<br>• **Site-specific circularity measurement analysis:** mapping of elements already present, measurement and identification of possible interventions for improvement; |
| **HUMAN RIGHTS** | • **Human Rights management process** regulated by an internal regulatory instrument aligned with the United Nations Guiding Principles (UNGP);<br>• **Inter-functional activities on Business and Human Rights** to further align processes with key international standards and best practices;<br>• **Human Rights Impact Assessment and Human Rights Risk Analysis** with a risk-based prioritisation model for industrial projects; |
| **SUPPLIERS** | • **Sustainable supply chain program:** initiatives aimed at involving Eni suppliers, and the companies along the industrial supply chains in general, in the process of measuring, defining development plans and implementing actions to improve their ESG profile; |
| **TRANSPARENCY, ANTI -CORRUPTION AND TAX STRATEGY** | • **Model 231:** sets out responsibilities, sensitive activities and control protocols for crimes of corruption under Italian Legislative Decree 231/01 (including environmental crimes and crimes related to workers' health and safety);<br>• **Anti-Corruption Compliance Program:** system of rules and controls to prevent corruption crimes;<br>• **Recognition for the Eni SpA Anti-Corruption Compliance Program:** certified pursuant to the ISO 37001:2016 standard;<br>• **Anti-corruption and anti-money laundering unit** placed in the "Integrated Compliance" function reporting directly to the CEO; |
| **LOCAL COMMUNITIES** | • **Sustainability contact person at local level**, who interfaces with the Company headquarters to define Local Development Programmes in line with national development plans integrating business processes;<br>• **Application of the ESHIA (Environmental Social & Health Impact Assessment)** process to all business projects; |
| **INNOVATION AND DIGITALIZATION** | • **Centralized Research & Development Function** structured to ensure rapid and effective deployment of the technologies developed;<br>• **Management of Technological Innovation projects** in line with best practices (step-by-step planning and control according to the development of the technology); |

- **Energy management systems coordinated with the ISO 50001 standard**, included in the HSE regulatory system, to improve energy performance; already implemented in all the main Mid-Downstream sites and currently being extended to the whole of Eni;
- **Organization of the Technology Research and Development** aimed at the creation and application of low carbon footprint technologies, in full integration with renewable sources, the use of biomass and the enhancement of waste materials.

- **Training quality management system** updated and compliant with ISO 9001:2015;
- **Knowledge management system** for the integration and sharing of know-how and professional experiences;
- **New international mobility initiatives** to foster more significant exposure to business, more flexible dedicated International Mobility policy and more robust work-life balance support;
- **National and international industrial relations management system:** participative model and platform of operating tools to engage personnel in compliance with ILO (International Labour Organization) conventions and the guidelines of the Institute for Human Rights and Business;
- **Welfare system** for the achievement of work-life balance.

- **Health assistance and medical emergency** for the provision of health services consistent with the results of the analysis of needs and of the epidemiological, operational and legislative contexts; health emergencies preparedness and response, including epidemics and pandemics response plans;
- **Health promotion**, initiatives to spread a culture of well-being identified following analysis of available health indicators for the general population;
- **Global health:** initiatives aimed at maintaining, protecting and/or improving the health status of communities and Health Impact Assessment activities.

- **Emergency preparedness and response** with plans that put the protection of people and the environment first;
- **Product safety management system** for the assessment of risks related to the production, import, sale, purchase and use of substances/mixtures to ensure human health and protection of the environment throughout their life cycle;
- **Methodology for the analysis and management of the Human Factor** in accident prevention.

- **Working groups** for defining the strategic positioning and objectives of Eni for the protection of water resources and biodiversity;
- Development of a **single integrated methodology** for environmental analysis, impact/risk assessment for the environment and organization, including type 231, applicable in Italy and abroad;
- **Environmental Golden Rules:** 4 principles and 6 golden rules to promote more conscious and responsible virtuous behaviours towards the environment by Eni employees and suppliers;
- Spreading the environmental culture through the **site and contractor engagement programme**.

- **Security management system** aimed at ensuring respect of human rights in all Countries, particularly in high-risk Countries;
- **Whistleblowing management process** aimed also at the identification of whistleblowing reports concerning facts or behaviours contrary to (or in conflict with) the responsibilities taken on by Eni to respect the human rights of each individual or community and the adoption of actions aimed at mitigating their impacts;
- **Three-year e-learning training plan** on the main areas of interest on human rights.

- The **Sustainable Procurement Process** calls for the verification of ESG characteristics and the supplier's technical-operational, ethical and reputational reliability at all stages of the procurement process (qualification, tender procedure, contract award and management). This is done through rewarding mechanisms and action plans aimed at promoting a sustainable development path;
- **Vendor Development:** function dedicated to the definition of tools to support the growth and transformation of Eni suppliers along the directives "Energy Transition and Sustainability", "Financial Economic Solidity" and "Digital Technological Excellence".

- **Eni participation in local Extractive Industries Transparency Initiative (EITI)** activities at international level and multi stakeholder group activities to promote responsible use of resources, fostering transparency;
- **Integrated compliance model:** for the various areas of compliance, defines the activities at risk by evaluating, with a preventive approach, the level of risk, modulating the controls from a risk-based perspective and monitoring their exposure over time.

- **Stakeholder Management System platform** aimed at managing and monitoring relationships with local stakeholders and grievances;
- **Sustainability management process in the business cycle** and design specifications according to international methods (e.g. Logical Framework).

- **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, Eni's school for business; 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.

## RESPONSIBLE AND SUSTAINABLE APPROACH

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, communities and customers in an

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| **CARBON NEUTRALITY BY 2050** | **COMBATING CLIMATE CHANGE** | Eni has defined a medium/long-term plan to take full advantage of the opportunities offered by the energy transition and progressively reduce the carbon footprint of its activities, committing to achieving total decarbonization of all products and processes by 2050.<br>SDG: 7 9 12 13 15 17 |
| **OPERATIONAL EXCELLENCE** | **PEOPLE** | Eni is committed to supporting the Just Transition process by consolidating and developing skills, enhancing every dimension (professional and otherwise) of its people and recognizing the values of diversity and inclusion.<br>SDG: 3 4 5 8 10 |
| | **HEALTH** | 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.<br>SDG: 2 3 6 8 |
| | **SAFETY** | 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.<br>SDG: 3 8 9 11 14 |
| | **RESPECT FOR THE ENVIRONMENT** | Eni promotes protection of the environment and biodiversity, the efficient management of resources with actions aimed at improving energy efficiency and transitioning to a circular economy, identifying potential impact and mitigation actions.<br>SDG: 3 6 9 11 12 14 15 |
| | **HUMAN RIGHTS** | Eni is committed to respecting human rights in its activities and to promoting such respect with partners and stakeholders. This commitment is based on the dignity of every human being and on companies' responsibility to contribute to the well-being of individuals and of local communities.<br>SDG: 1 2 3 8 10 16 |
| | **SUPPLIERS** | Eni is committed to sustainably develop its supply chain, involving and supporting companies with concrete tools to facilitate growth and improvement on ESG dimensions.<br>SDG: 3 5 7 8 9 10 12 13 16 17 |
| | **TRANSPARENCY, ANTI-CORRUPTION AND TAX STRATEGY** | Eni carries out its business activities with fairness, correctness, transparency, honesty, integrity and in compliance with the law.<br>SDG: 16 17 |
| **ALLIANCES FOR DEVELOPMENT** | **COOPERATION MODEL** | The alliances for Development represent Eni's commitment to an equitable transition with a broad portfolio of community-based initiatives.<br>SDG: 1 2 3 4 5 6 7 8 9 10 13 15 17 |
| **TRANSVERSAL THEMES** | **TECHNOLOGICAL INNOVATION** | For Eni, research, development and rapid implementation of new technologies are an important strategic lever to drive business transformation.<br>SDG: 7 9 12 13 16 |

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

| MAIN RESULTS 2022 | MAIN COMMITMENTS AND TARGETS |
|---|---|
| • 33% Net Carbon Footprint UPS and -19% Net Carbon Footprint Eni vs. 2018<br>• -17% Net GHG Lifecycle Emissions vs. 2018<br>• -3% Net Carbon Intensity vs. 2018 | • Net Zero Carbon Footprint upstream in 2030 and Eni in 2035<br>• Net-Zero GHG Lifecycle Emissions and Carbon Intensity in 2050 |
| • +0.6 p.p. female population vs. 2021<br>• Women's turnover rate is higher than men's<br>• +1.2 p.p female personnel in positions of responsibility vs. 2021<br>• +0.7 p.p. population under 30 vs. 2021 | • +3 p.p. vs. 2020 of the female population by 2030<br>• >1 women replacement rate to 2025<br>• +5 p.p. population under 30 to 2026 vs. 2021<br>• +7 p.p. in 2030 for the presence of non-Italian employees in positions of responsibility vs. 2021<br>• +20% training hours by 2026 vs. 2022 |
| • 72 million for Health activities, including expenditure on Community Health initiatives<br>• 82,700 health promotion activities registrations<br>• 68% employees with access to psychological support service | • ~€267 million for Health activities 2023-26<br>• 80% of employees with access to psychological support service by 2026<br>• Digital initiatives for monitoring and improving the healthiness of indoor workplaces |
| • TRIR[(a)] = 0.41; 4 fatal accidents<br>• 7 applications of THEME methodology on site<br>• >6K resources trained in Operational Safety Management | • Maintenance of the TRIR <0.40 in the four-year period 2023-26; 0 fatal accidents<br>• Extension of digital safety initiatives to contracting companies and digitalization of HSE processes<br>• Application of the Human Factor analysis model to Eni sites, both in Italy and abroad |
| • 90% fresh water reuse<br>• +29% waste generated by production activities vs. 2021<br>• -35% operational oil spill vs. 2021 | • Commitment to minimising freshwater withdrawals from water-stressed areas<br>• Reuse of fresh water in line with the trend of the past 5 years<br>• Re-injected produced water in line with the trend of the last 5 years within the same perimeter<br>• Development of new technologies for waste recovery and implementation on an industrial scale |
| • 2,622 people trained for the three-year Human Rights programme<br>• 100% of the procurement professional area trained on human rights<br>• 100% new suppliers assessed according to social criteria<br>• 409 participants in the Security & Human Rights workshop in Nigeria | • 100% of new projects with human rights risk assessed with specific analysis<br>• 100% new suppliers assessed according to social criteria<br>• Update the three-year training programme modules on business and human rights |
| • 52% of strategic suppliers assessed on sustainable development path<br>• ~€4.5 billion awarded contracts value in Italy related to procurements with ESG assessment<br>• Adhesion of 15 partners and >10K companies at the Open-es initiative<br>• €23 million mini-bonds financed by the Sustainable Energy - Basket Bond programme | • 100% of strategic suppliers assessed on the sustainable development path by 2025<br>• Procurement processes with ESG assessment for 75% of Italian awarded contracts value by 2023 and 50% of foreign awarded contracts value by 2024<br>• 1,000 foreign local suppliers involved on Open-es by 2023 |
| • Passing the ISO 37001:2016 recertification audit<br>• Delivery of the new "Code of Ethics, Anti-Corruption and Corporate Administrative Liability" course to about 28K employees | • Delivery of the new course "Code of Ethics, Anti-Corruption and Corporate Administrative Liability" to all employees<br>• Delivery of the new e-learning course on the Anti-Corruption Compliance Programme to medium and high-risk employees<br>• Maintenance of ISO 37001:2016 certification |
| • 63K new students supported with access to education; 128K people supported with access to clean cooking technology; 7.8K people supported with access to vocational training and supported with economic empowerment[(b)]; 71K people supported with access to clean water; and 120K people supported with access to health services | • By 2026 ensure access to: 62.9K students to education; 26.1K people to vocational training and economic empowerment support[(b)]; 97.3K people to drinking water; and 480K people to health services |
| • 70% of R&D expenditure is dedicated to decarbonization activities | • Maintaining 70% of R&D expenditure on decarbonization issues each year for the four-year period 2023-26 |

(a) Total Recordable Injury Rate.
(b) The beneficiaries include only those trained and/or supported for the start-up 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 input, funding or other support to start businesses.

## MAIN ESG RISKS AND RELATED MITIGATION ACTIONS

For the analysis and assessment of risks, Eni has adopted an Integrated Risk Management Model with the aim of allowing management to make informed decisions with a comprehensive and forward-looking vision[8]. Risks are assessed with quantitative and qualitative tools considering both the probability of occurrence and the impacts (environmental, health and safety, social, and reputational) that would take place in a given time frame if the risk were to occur. These are represented on matrices that allow comparison and classification by relevance based on the probability of occurrence and impact. The results of the risk assessment, including the main ESG risks, are submitted to the Board of Statutory Auditors, the Control and Risk Committee and the BoD on a half yearly basis. Climate Change Risk is confirmed among the main risks in the international scene's evolution. Eni's aims to ensure the security and sustainability of the energy system, maintaining a clear focus on a fair energy transition and the creation of value for stakeholders.

De-risking actions include: upstream decarbonization through energy efficiency and projects to reduce flaring; development of Carbon Capture and Storage initiatives for hard-to-abate industrial cycles; expansion of biofuels with feedstock diversification by leveraging vertical integration with the agribusiness chain; development of chemicals from renewable and recycled sources; growth of customer portfolio and renewable capacity; initiatives to accelerate the development of breakthrough technologies oriented to decarbonization. In terms of the risk portfolio evolution, "biological risk" was confirmed among the Top Risks with a reduction in impact due to the progressive easing of containment measures related to the pandemic; in light of the international situation, the alert level for Cyber Security has been raised, requiring constant monitoring to define timely actions to mitigate ICT risk scenarios.

For the effects of the Russia-Ukraine war, please refer to the dedicated paragraph of the AR (p. 130).

The table below provides a summary view of Eni ESG risks classified according to the areas of Legislative Decree 254/2016. For each risk event, the type of risk – top risk and non-top risk – and the page references, where the main treatment actions are set out, are indicated.

## RISK MANAGEMENT MODEL

| SCOPE OF LEGISLATIVE DECREE 254/2016 | RISK EVENT | TOP RISK | MAIN TREATMENT ACTIONS |
|---|---|---|---|
| CROSS-CUTTING RISKS | | | |
| | • Risks associated with research and development activities | | **NFI -** Carbon neutrality by 2050, pp. 164-170; Safety, pp. 178-180; Respect for the environment, pp. 180-186. |
| | • Cyber Security | ■ | **AR** - Integrated Risk Management, pp. 24-29; Cyber Security Risk, p. 148 |
| | • Relationship with local stakeholders | ■ | **AR** - Integrated Risk Management, pp. 24-29; Country risk, pp. 139-140; Specific risks associated with hydrocarbon exploration and production, pp. 135-139<br>**NFI** - Alliances for development, pp. 195-197 |
| | • Political and social instability and global security risk | ■ | **AR** - Integrated Risk Management, pp. 24-29; Country Risk, pp. 139-140 |
| | • Risks connected with Corporate governance | | **AR** - Integrated Risk Management, pp. 24-29; |

■ Top risk

(8) For further details, refer to the Integrated Risk Management chapter on pp. 24-29.

| | SCOPE OF LEGISLATIVE DECREE 254/2016 | RISK EVENT | TOP RISK | MAIN TREATMENT ACTIONS |
|---|---|---|---|---|
| **CARBON NEUTRALITY BY 2050** | **CLIMATE CHANGE**<br>*Art. 3.2, paragraphs a) and b)* | • **Climate Change Risk:**<br>- Energy transition risk<br>- Physical risks | ■ | **AR** - Integrated Risk Management, p. 24-29; Safety, security, environmental and other operational risks (HSE), pp. 133-134; Climate change risk, pp. 143-146<br>**NFI** - Carbon neutrality by 2050 (risk management), pp. 164-170 |
| **OPERATIONAL EXCELLENCE** | **PEOPLE**<br>*Article 3.2, paragraphs c) and d)* | • **Biological risk,** i.e. the spread of pandemics and epidemics with potential impact on people, health systems and business | ■ | **AR** - Integrated Risk Management, pp. 24-29; Specific risks connected to hydrocarbon exploration and production activities, pp. 135-139; Safety, security, environmental and other operational risks (HSE), pp. 143-146; |
| | | • Risks regarding **human health and safety**:<br>- Injuries involving workers and contractors<br>- Process safety and asset integrity incidents | ■ | **NFI** - People, pp. 171-177, Safety, pp. 178-180 |
| | | • Risks connected with the **portfolio of skills** | | |
| | **RESPECT FOR THE ENVIRONMENT**<br>*Article 3.2, paragraphs a), b) and c* | • **Blowout** | ■ | **AR** - Integrated Risk Management, pp. 24-29; Specific risks connected to hydrocarbon exploration and production activities, pp. 143-146; Safety, security, environmental and other operational risks (HSE), pp. 143-146; Evolution of environmental regulation, pp. 143-146; Water risk pp. 146-150; Emergency and spill management pp. 146-150 |
| | | • Process safety and asset integrity **incidents** | ■ | |
| | | • **Energy sector regulatory risk** | ■ | |
| | | • **Permitting** | ■ | |
| | | • **Environmental risks** (e.g. water scarcity, oil spills, waste, biodiversity) | | |
| | | • Involvement in **HSE investigations** and disputes | ■ | **NFI** - Respect for the environment, pp. 180-186 |
| | **HUMAN RIGHTS**<br>*Article 3.2, paragraph e)* | • Risks associated with the violation of human rights (human rights in the supply chain, human rights in security, human rights in the workplace, and human rights in local communities) | | **NFI** - Human Rights (risk management), pp. 186-189 |
| | **SUPPLIERS**<br>*Article 3.1, paragraph c)* | • Risks associated with procurement activities | | **NFI** - Suppliers (risk management), pp. 190-191 |
| | **TRANSPARENCY, ANTI -CORRUPTION AND TAX STRATEGY**<br>*Article 3.2, paragraph f)* | • Compliance risks (antibribery, privacy, etc.) | | **AR** - Integrated Risk Management, pp. 24-29; Risks related to legal proceedings and compliance with anti-corruption legislation pp. 143-148<br>**CGR** - Internal control and risk management system<br>**NFI** - Transparency, anti-corruption and tax strategy, pp. 191-194 |
| **ALLIANCES FOR DEVELOPMENT** | **COMMUNITIES**<br>*Article 3.2, paragraph d)* | • Risks connected with local content | | **AR** - Integrated Risk Management, pp. 24-29; Country Risk, pp. 139-140; Specific risks associated with hydrocarbon exploration and production, pp. 135-139<br>**NFI** - Alliances for development, pp. 195-197 |

■ Top risk

# CARBON NEUTRALITY BY 2050

Aware of the ongoing climate emergency, Eni wants to be an active part of the energy sector's transition with a long-term strategy towards Carbon Neutrality in 2050, in line with scenarios that are compatible with keeping global warming within the 1.5°C threshold by the end of the century. Eni has long been committed to promoting comprehensive and effective disclosure on climate change and in this respect confirms its commitment to implementing the recommendations of the Task Force on Climate Related Financial Disclosure (TCFD) of the Financial Stability Board, which Eni has adopted since 2017, the first year applicable for reporting.
Disclosure on Carbon Neutrality by 2050 is organized according to the four thematic areas indicated by TCFD: Governance, Risk Management, Strategy and Metrics and Targets. The key elements of each area are presented below; for a complete analysis of Eni's climate strategy, please see "Eni for - A Just Transition" while additional information will be available through Eni's disclosure to CDP Climate Change 2023 questionnaire.

## Governance

**Role of the BoD.** Eni's decarbonization strategy is an integral part of Eni's business strategy and is also implemented through a structured system of Corporate Governance, where the BoD and the CEO play a central role in managing key climate change issues. Specifically, the BoD examines and approves the Strategic Plan proposed by the CEO, which sets out strategies and targets including those related to climate change and energy transition, and, starting 2019, examines and approves also Eni's medium/long-term plan which aims to outline and monitor the evolution of decarbonization objectives and their economic and business sustainability in a time frame up to 2050.
Since 2014, the Eni BoD has been supported in performing its duties by the Sustainability and Scenarios Committee (SSC), established on a voluntary basis, which, among other tasks, periodically examines the integration between strategy, development scenarios and the medium/long-term sustainability of the business with a view to energy transition and climate change. During 2022, the SSC explored various topics related to climate change, including R&D activities for the energy transition, carbon pricing systems, agri-feedstock activities, Nature & Technology Based carbon offsets, Eni's positioning on climate targets and strategies versus peers, Eni's performance in CDP questionnaires, climate resolutions and Shareholders' Meeting disclosures, Carbon Capture and Storage (CCS) projects, and Just Transition related topics.
With reference to the composition of the Board, it is reported that on the basis of the self-assessment conducted, about 90% of the Board Members expressed their positive opinion on the professionalism within the Board – in terms of knowledge, experience and skills (with particular reference to advisory, training and publication activities in the energy and environmental field, participation in governmental and non-governmental, national and international bodies that deal with these issues) – and on the personal contribution that the individual Board Members make to the Board of Directors in matters of sustainability, ESG and energy transition, which have characterized the BoD's work for their entire mandate. The relevance of these skills is reaffirmed in the Guidelines for Shareholders on the optimal composition of the Future Board of Directors, which emphasises the importance of ensuring Eni's directors have knowledge of topics related to sustainability and the control of climate and environmental risks, acted out in managerial or entrepreneurial roles and acquired in industrial contexts comparable to those in which the Company operates.
The commitment of the entire Board of Directors on the issues of energy transition, climate change, sustainability and ESG is unanimously recognised in its strategic guiding role and monitoring activities for the transition path undertaken. Equally significant is the support provided by the board committees, in particular the Sustainability and Scenarios Committee, to maintain continuity of training and discussion on these topics, which are unanimously seen as growing in perspective, along with strategy and business issues. Immediately after the appointment of the Board of Directors and the Board of Statutory Auditors, a board induction programme was implemented for directors and statutory auditors, which covered, among other topics, issues related to the decarbonization process and the environmental and social sustainability of Eni's activities. The economic-financial exposure of Eni to the risks deriving from the introduction of new carbon pricing mechanisms is examined by the BoD both in the phase leading up to 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. Since 2021, the IEA's[9] NZE (Net Zero Emissions) scenario is included in the scenarios for portfolio evaluations (see pp. 143-146, chapter on "Climate Change Risk"). 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.

(9) International Energy Agency.

**Role of management.** All company structures are involved in the definition or implementation of the carbon neutrality strategy that is reflected in Eni's organizational structure with the two business groups: Natural Resources, active in the optimisation and progressive decarbonization of the Upstream portfolio, Natural Climate Solutions initiatives and $CO_2$ 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. As of 2019, climate strategy issues are managed by the CFO area through dedicated structures with the aim of overseeing the process of defining Eni's climate strategy and the related portfolio of initiatives, in line with international climate agreements. The strategic commitment in carbon footprint reduction is part of the essential goals of the Company and is therefore also reflected in the Variable Incentive Plans for the CEO and Company's management. In particular, the Long-Term Stock-based Incentive Plan, in line with the previous one, provides specific objectives for decarbonization and energy transition that include the production of biojet fuel and circular economy projects, for a total weight of 35%, in line with the objectives communicated to the market and with the aim of aligning with the interests of all stakeholders. The Short-Term Incentive Plan, in line with the previous one, is closely linked to Eni's strategic transformation targets, including decarbonization and energy transition objectives consistent with the Long-Term Incentive Plan, with an overall weight of 25% for the CEO and, according to weights consistent with the responsibilities assigned, for all Company management.

## Risk management

The process for identifying and assessing climate-related risks is part of Eni's Integrated Risk Management Model (see section "Integrated Risk Management" of the AR, pp. 24-29) developed to ensure that decisions made take into account risks from an integrated, comprehensive and forward-looking perspective. The process ensures the detection, consolidation and analysis of all Eni's risks and supports the BoD in checking the compatibility of the risk profile with the strategic targets, also in a long-term perspective, and monitoring the evolution of the main risks and the de-risking actions.

Risks, including Climate Change, are assessed with quantitative and qualitative tools considering both the probability of occurrence and the impacts (environmental, health and safety, social, and reputational) that would take place in a given time frame if the risk were to occur. These risks are represented on matrices that allow comparison and classification by relevance based on the probability of occurrence and impact. Risks related to climate change are analysed, assessed and managed by considering the drivers identified in the TCFD recommendations, which refer both to energy transition risks (market scenario, regulatory and technological evolution, reputation issues) and physical risk (acute and chronic) associated with climate change. The identification of main transition risks adopts an integrated bottom-up and top-down approach. The former is applied during risk assessment down to the business line and subsidiary level, and it assesses the executive risks related to strategic climate change de-risking actions through interviews with risk owners. The top-down approach involves multi-disciplinary teams (covering regulatory, legal, technological, etc. aspects) and identifies, for in the medium-to-long-term, possible context developments. The analysis considers both external sources (e.g. IEA scenarios) and internal monitoring. Concerning physical risk, Eni has developed an assessment process that includes both its assets and those of third parties that may impact Eni's operations. The process, which is constantly evolving based on the results of the first implementations, based on data provided by specialist data providers, assesses the inherent risk of assets (based on position and over a 30-year time frame) against ten identified risks (acute and chronic). The strength and effectiveness of existing mitigation actions is assessed for exposed assets, identifying the residual risk (per individual asset). Assets still exposed are analysed in more detail as part of the Asset Integrity process with a specific check on the consistency between adopted design criteria and prospective climatic conditions. When the process ends, if necessary, further mitigation actions are identified and implemented. The table below summarises the main risks and opportunities identified by Eni in relation to the energy transition. For an in-depth content analysis by individual driver, including physical risk, please refer to the Risk Factors section on pp. 126-150 of the AR.

| | TRANSITION RISKS | OPPORTUNITIES |
|---|---|---|
| **LOW CARBON SCENARIO** | • Uncertainty on market development for new products<br>• Changing consumer preferences (e.g. decline in global demand for hydrocarbons)<br>• Loss of profits and cash flow<br>• "Stranded asset" risk<br>• Impacts on shareholders' returns | • Opening up of new market opportunities for low carbon products<br>• Development of renewables and low carbon energy<br>• Growing demand for hydrogen<br>• Diversification of raw materials for biorefineries and the chemical industry and development of new products<br>• CCS development |
| **REGULATORY AND LEGAL ISSUES** | • New regulatory requirements imposing a potential increase in operating and investment costs for traditional businesses<br>• New regulatory requirements imposing a potential reduction in demand for hydrocarbons<br>• Proceedings relating to climate change and greenwashing | • Development of renewables and low carbon energy<br>• Diversification of raw materials for biorefineries and the chemical industry and development of new products<br>• Reassessment of assets from a circular perspective<br>• Energy efficiency interventions with the adoption of BAT |
| **TECHNOLOGICAL DEVELOPMENTS** | • Reduction in hydrocarbon demand through technological breakthroughs<br>• Profitability and specific risks of transition technologies | • Development of renewables and low carbon energy<br>• Development of new products and services through R&D and innovation<br>• Partnerships for the development of technological solutions to cut emissions |
| **REPUTATION** | • Changing consumer preferences<br>• Deterioration of the sector's image in the face of accusations of greenwashing<br>• Impact on share price<br>• Decline in attractiveness for retail savers | • Development of renewables and low carbon energy<br>• Positive impact on stakeholder perception (e.g. rise in share price)<br>• Eni's distinctive positioning in climate benchmarks<br>• Partnerships for decarbonization |

## Strategy and objectives

The pathway towards Eni's Carbon Neutrality in 2050 includes a series of objectives that foresee net zero emissions (Scope 1+2) for the upstream business by 2030 and for Eni's group by 2035, then net zero emissions by 2050 for all GHG Scope 1, 2 and 3 emissions associated with the portfolio of the energy products sold.

- Net Zero Carbon Footprint Upstream (Scope 1+2) @2030, with an intermediate target of -65% @2025 vs. 2018 and Net Zero Carbon Footprint Eni @2035;
- -35% Net GHG Lifecycle Emissions (Scope 1+2+3) @2030 vs. 2018, -55% @2035 and -80% @2040;
- -15% Net Carbon Intensity of energy products sold @2030 vs. 2018 and -50% @2040.

The residual emissions will be compensated through offsets, mainly from Natural Climate Solutions, which will contribute to about 5% of the overall reduction of the value chain emissions in 2050.

Eni's decarbonisation objectives are based on a transformation industrial plan that will be implemented punctually according to market dynamics and in line with the evolution of the Company, and which is based on solutions and technologies that are already available:

- reduction of hydrocarbon production in the medium/long-term with a plateau expected through 2030 and gradual growth of the gas share, which will reach more than 60% by 2030 and more than 90% after 2040;
- increase "organic" refining capacity to more than 5 million tonnes by 2030, palm oil free since the end of 2022 and vertical integration with Upstream with 700,000 tonnes of feedstock by 2026;
- progressive increase in Plenitude installed renewable capacity with over 15 GW by 2030, to reach 60 GW in 2050 within a customer base growth to more than 20 million in 2050;
- business development for sustainable mobility with about 30,000 charging points for electric vehicles by 2026 and about 160,000 by 2050;
- progressive increase in the production of new energy carriers and magnetic fusion, with the first operational plant expected by the beginning of 2030;
- development of $CO_2$ storage hubs for hard-to-abate emissions both from Eni and third-party industrial sites, reaching a storage capacity of about 50 $MtCO_2$ in 2050 (Eni share).

The evolution towards a portfolio of totally decarbonised products will be supported by the progressive growth of investments dedicated to new energy solutions and services, reaching 30% of total investments in 2026, 70% in 2030 and up to 85% in 2040. After 2035, these activities will generate positive free cash flow and contribute to about 75% of the Group's cash flow average over 2040-2050. Spending on zero and low-carbon activities will amount to €13.8 billion[10] in the 2023-26 period. Eni is also committed to aligning its plans and investment decisions to its decarbonisation strategy: the share of expenditures related to O&G activities will be gradually reduced and main investment projects evaluated consistently with emission reduction targets and the commitment to gradually phase out investments in carbon-intensive "unabated" activities or products, as a necessary condition to achieve carbon neutrality by mid-century. The decarbonization plan is integrated into Eni's financing strategy, which aligns economic and environmental sustainability, with the issuance, in 2021, of the first sustainability-linked bond of the O&G sector and in 2022 the underwriting of a €6 billion committed sustainability-linked credit line, both tied to the company's announced energy transition goals.

(10) This expenditure, unlike the EU Taxonomy regulation, also includes interventions made in JVs, all expenditures that contribute to emission reduction (e.g., energy efficiency and routine flaring abatement interventions), and what supports the development of the Plenitude customer base.

## Performance metrics and comments

Eni has historically been committed to reducing its direct GHG emissions and was among the first in the industry to have defined, starting in 2016, a series of objectives aimed at improving GHG emissions performance from operated assets, with specific indicators that illustrate the progress achieved to date. In addition to these, in 2020 new indicators were defined, accounted for on an equity basis. These indicators refer to a distinctive GHG accounting methodology that considers all energy products managed by Eni's various businesses, including purchases from third parties, and all the emissions they generate along the entire value chain (Scope 1+2+3), according to a well-to-wheel approach.
The methodology was developed with the collaboration of independent experts. The resulting indicators are subject to third-party verification as part of Eni's GHG data verification process (see the Eni for Sustainability Performance 2022 for the auditor's report and GHG Statement).
The performance of key equity indicators is described below:

**Net GHG Lifecycle Emissions:** the indicator refers to all Scope 1, 2 and 3 emissions associated with Eni activities and energy products sold by Eni, along their value chain, net of offsets, mainly from Natural Climate Solutions. In 2022, the indicator decreased by about 8% compared to 2021, mainly driven by the decline in upstream production and gas sales in the GGP sector.

**Net Carbon Intensity:** the indicator is calculated as the ratio between absolute net GHG emissions (Scope 1, 2 and 3) along the value chain of energy products and the amount of energy they contain. In 2022, it was essentially stable compared to 2021 (-0.4%); the trend is influenced by the increase in renewable energy production (+160% vs. 2021), partly offset by the reduction in GGP's gas sales.

These metrics are integrated by specific indicators to monitor operational emissions:

**Net Carbon Footprint Upstream:** the indicator considers Scope 1+2 emissions from all upstream assets, operated by Eni and by third parties, net of offsets mainly from Natural Climate Solutions. In 2022, the indicator decreased by around 11% compared to 2021 mainly in relation to lower upstream production and compensation through carbon credits, which in 2022 amount to 3 $MtCO_2$eq. The credits are linked to Natural Climate Solutions (NCS) projects to halt deforestation.

**Net Carbon Footprint Eni:** the indicator considers Scope 1+2 emissions from activities carried out by Eni and third parties, net of offsets, mainly from Natural Climate Solutions.
In 2022, the indicator decreased by around 11% mainly in relation to a decrease in emissions from the Upstream and Power businesses and compensation through carbon credits, which in 2022 amount to 3 $MtCO_2$eq.

The **indirect GHG emissions Scope 3** are accounted for in accordance with IPIECA guidelines, which require an activity-based analysis. These include GHG emissions related to the final consumption of the products sold (the so-called Scope 3, end-use category) form the largest contribution, and are calculated on the basis of upstream production in equity share. These emissions form part of the Scope 3 end-use emissions considered in the Net GHG Lifecycle Emissions and Net Carbon Intensity indicators. In particular they represent the emissions from end users from Eni's upstream supply chain. They decreased by 7% in 2022 compared to 2021 due to the reduction in hydrocarbon production sold by the upstream business. For the other Scope 3 emission categories, the trend is broadly constant over the 2016-2022 period.

With reference to operated assets, the following is a summary of the performance of the main indicators, accounted on a 100% basis according to the operatorship approach.

Overall, **direct GHG Scope 1 emissions from the assets operated by Eni**, in 2022 amounted to 39.4 million tons of $CO_2$eq., a slight reduction compared to 2021, mainly due to the decrease of emissions in the upstream, power and chemicals sectors, partially compensated for by an increase in the transport and gas liquefaction sector. Indirect GHG Scope 2 Emissions decreased by about 3% in 2022 compared to 2021 due to lower consumptions in the Chemicals sector (new Porto Marghera plant configuration). These emissions are related to the purchase of energy from third parties for the consumption of the operated assets and are marginal for Eni as electricity is generated mainly through its own installations.

The energy efficiency interventions implemented in the year resulted in actual primary energy savings compared to baseline consumption of about 422 ktoe/year resulting mainly from upstream projects (about 84%), with an emission reduction benefit of about 1 million tons of $CO_2$eq. If Scope 2 emissions, i.e., those from power and heat purchase, are also considered, the net $CO_2$ savings from energy saving projects amount to about 1.1 million tons of $CO_2$eq.
In 2022, Eni's consumption of raw primary sources decreased also in relation to lower production levels compared to 2021. The total energy consumed was 517 million GJ: upstream 226 million GJ, Power 161 million GJ, R&M 60 million GJ and Chemical 55 million GJ.

Concerning **upstream operated assets**, the overall reduction of the Scope 1 GHG emission intensity with respect to 2014 is around 23%, slightly behind schedule, mainly due to COVID pandemic and local factors in Libya. Flaring down and CCS projects are being sanctioned, and their impact on target achievement date will be evaluated. With respect to 2021, the index slightly increased mainly in relation to the exit of Vår Energi from the operated domain. The volumes of hydrocarbons sent for routine flaring decreased by around 9% in 2022 compared to 2021, mainly due to energy efficiency and flaring down interventions in Egypt and Nigeria. Fugitive emissions are decreasing thanks to LDAR (Leak Detection And Repair) campaigns implemented periodically with a reduction of emission of about 50 kt$CO_2$eq. compared to 2021. Methane emission intensity is improving and equal to 0.08%, in line with the commitment to maintain it below 0.2%.

In 2022, the renewables business reached an installed capacity from renewable sources of 2.3 GW (doubling the result for 2021). This growth was achieved thanks to the organic development of projects in the United States (Brazoria, Texas), Spain (Cerillares) and Kazakhstan (Badamsha 2), as well as recent acquisitions in Europe (PLT Group, Fortore Energia in Italy and Cuevas in Spain) and the United States (Corazon, Texas). Renewable energy production reached 2.8 TWh (more than twice the 2021 result), thanks to the contribution of both organically developed and acquired assets in operation.

Compared to 2021, the production of biofuels has declined due to a few stops at the biorefinery in Gela; production in Venice grew. For 2022, the financial commitment of Eni in scientific research and technological development amounted to €164 million, of which €114 allocated to the process carbon footprint reduction, circular economy, renewable energy exploitation and magnetic confinement fusion. This expenditure includes, in particular, the topics of biorefining, chemistry and energy production from renewable sources (including biomass), energy storage, $CO_2$ capture, transport, storage and reuse, carbon footprint reduction of processes, gas utilization with a view to blue hydrogen production, green hydrogen production.

**Climate disclosure** - Transparency in climate related disclosure and the strategy implemented by the company have enabled Eni to be confirmed, once again in 2022, as a leading company in CDP Climate Change Programme. The A- rating achieved by Eni is higher than both the global average (C) and the sector rating of B[11].

In the same year, Carbon Tracker's[12] research on Integrated Energy Companies (IEC) placed Eni first among the peers for the completeness of the GHG emissions methodology, the medium/long-term intermediate targets and the emission boundary extended to the entire company. For the second year in a row, the Net Zero Company Benchmark of the CA100+[13] investor coalition reported Eni as one of the companies most aligned with the Benchmark requirements regarding GHG emission reduction targets, governance and climate disclosure. The CA100+ valuation is one of the primary references for the dialogue with investors on aspects related to climate strategy.

**Commitment to partnerships** - Partnerships are one of the strategic drivers of Eni's decarbonization path, as the company has long been working with the academic world, civil society, institutions and businesses to promote the energy transition, making it possible to exploit and generate knowledge, share best practices and support initiatives that can simultaneously create value for the company and its stakeholders. Within the framework of its partnerships and advocacy activities, Eni supports and shares clearly and transparently its positioning on the principles considered essential in climate protection, having published its guidelines on responsible climate change engagement within the associations to which it belongs in 2020[14]. The alignment between Eni's positioning and the business associations it participates in is periodically assessed through the "Assessment of industry association's climate policy positions"[14]. Among the many international climate initiatives Eni participates in, the Oil and Gas Climate Initiative (OGCI) plays a key role in accelerating the Oil & Gas industry's response to the challenges of climate change. Established in 2014 by five companies, including Eni, OGCI now counts twelve Oil & Gas companies, representing about one-third of the global hydrocarbon production. The CEOs of the participating companies sit on the initiative's Steering Committee.

(11) On an assessment scale from D (minimum) to A (maximum).
(12) Independent financial think tank that has been conducting analyses for years to assess the impact of the energy transition on carbon intensive companies and financial markets.
(13) Climate Action 100+ is the largest shareholder engagement initiative on climate change issues with about 700 investors to date.
(14) Guidelines on responsible climate change engagement in trade associations can be found at Eni.com
https://www.eni.com/assets/documents/investor/2020/eng/Assessment-of-industry-associations-climate-policy-positions.pdf

## KEY TARGET INDICATORS[15]

| | | 2022 | 2021 | 2020 | Target |
|---|---|---|---|---|---|
| Net Carbon Footprint upstream (Scope 1+2) | (million tonnes $CO_2$eq.) | **9.9** | 11.0 | 11.4 | UPS Net zero @2030 |
| Net Carbon Footprint Eni (Scope 1+2) | | **29.9** | 33.6 | 33.0 | ENI Net zero @2035 |
| Net GHG Lifecycle Emissions (Scope 1+2+3) | | **419** | 456 | 439 | Net zero @2050 |
| Carbon credits | | **3** | 2 | 1.5 | <25 @2050 |
| Net Carbon Intensity (Scope 1+2+3) | (g$CO_2$eq./MJ) | **66** | 67 | 68 | Net zero @2050 |
| Renewable installed capacity[(a)] | MW | **2,256** | 1,188 | 351 | 15 GW @2030 |
| Capacity of biorefineries | (million tonnes/year) | **1.1** | 1.1 | 1.1 | >5 million tonnes/year @2030 |

(a) This KPI represents Eni's share and relates primarily to Plenitude.

## KEY PERFORMANCE INDICATORS

| | | 2022 | | 2021 | 2020 |
|---|---|---|---|---|---|
| | | Total | *of which fully consolidated entities* | Total | Total |
| **GHG EMISSIONS** | | | | | |
| Direct GHG emissions (Scope 1) | (million tonnes $CO_2$eq.) | **39.39** | *23.81* | 40.08 | 37.76 |
| *of which: equivalent $CO_2$ from combustion and process* | | ***29.77*** | *20.51* | *30.58* | *29.70* |
| *of which: $CO_2$ equivalent from flaring[(a)]* | | ***6.71*** | *2.64* | *7.14* | *6.13* |
| *of which: equivalent $CO_2$ from venting* | | ***2.72*** | *0.55* | *2.12* | *1.64* |
| *of which: $CO_2$ equivalent from methane fugitive emissions* | | ***0.20*** | *0.11* | *0.24* | *0.29* |
| Carbon efficiency index (Scope 1 and 2) | (tonnes $CO_2$eq./thousand boe) | **32.67** | 49.10 | 31.95 | 31.64 |
| Direct GHG emissions (Scope 1)/100% operated hydrocarbon gross production | | **20.64** | 23.54 | 20.19 | 19.98 |
| Direct GHG emissions (Scope 1)/Equivalent electricity produced (Enipower) | (g$CO_2$eq./kWheq) | **392.9** | 393.4 | 379.6 | 391.4 |
| Direct GHG emissions (Scope 1)/Refinery throughputs (raw and semi-finished materials) | (tonnes of $CO_2$eq./thousand of tonnes) | **233** | 233 | 228 | 248 |
| Direct methane emissions (Scope 1) | (thousands of tonnes of $CH_4$) | **49.6** | 26.4 | 54.5 | 55.9 |
| *of which: fugitive upstream* | | ***7.2*** | *3.6* | *9.2* | *11.2* |
| Upstream methane emission intensity | (%) | **0.08** | n.a. | 0.09 | 0.09 |
| Volumes of hydrocarbon sent to flaring | (billion $Sm^3$) | **2.1** | n.a. | 2.2 | 1.8 |
| *of which: Upstream routine* | | ***1.1*** | n.a | *1.2* | *1.0* |
| Indirect GHG emissions (Scope 2) | (million tonnes $CO_2$eq.) | **0.79** | 0.55 | 0.81 | 0.73 |
| Indirect GHG emissions (Scope 3) from use of sold products[(b)] | | 164 | n.a. | 176 | 185 |
| **ENERGY** | | | | | |
| Electricity produced from renewable sources[(c)] | (GWh) | **2,836** | *2,249* | 1,166 | 393 |
| Primary source consumption | (millions of GJ) | **498.2** | *359.1* | 529.1 | 515.3 |
| *of which: natural/fuel gas* | | ***395.1*** | *260.1* | *429.0* | *421.9* |
| *of which: other primary sources* | | ***103.1*** | *99.0* | *100.1* | *93.4* |
| Primary energy purchased from other companies | | **17.6** | *14.1* | 21.7 | 20.2 |
| *of which: electricity* | | ***15.0*** | *11.6* | *18.3* | *16.9* |
| *of which: other sources[(d)]* | | ***2.6*** | *2.5* | *3.4* | *3.3* |
| Hydrogen consumption | | **1.3** | *1.3* | 1.7 | 1.8 |

(15) Indicators accounted for on an equity basis.

| KEY PERFORMANCE INDICATORS | | 2022 | | 2021 | 2020 |
|---|---|---|---|---|---|
| | | **Total** | *of which fully consolidated entities* | **Total** | **Total** |
| Total energy consumption | | **517.1** | *374.4* | 552.5 | 537.3 |
| Energy consumption must come from renewable sources | | **5.1** | *5.1* | 1.5 | 0.9 |
| *of which: electricity from photovoltaics* | | ***4.0*** | *4.0* | *0.6* | *0.7* |
| *of which: biomass* | | ***1.1*** | *1.1* | *0.9* | *0.2* |
| Export of electricity to other companies | | **177.8** | *157.8* | 183.0 | 167.7 |
| Export of heat and steam to other companies | | **5.7** | *5.2* | 5.4 | 5.7 |
| Energy Intensity Index (refineries) | (%) | **115.5** | *115.5* | 116.4 | 124.8 |
| Energy consumption from production activities/100% operated hydrocarbon gross production (upstream) | (GJ/toe) | **1.41** | n.a. | 1.45 | 1.52 |
| Net consumption of primary sources/equivalent electricity produced (Enipower) | (toe/MWheq) | **0.18** | *0.18* | 0.16 | 0.17 |
| **PRODUCTION OF BIOFUELS** | | | | | |
| Sold production of biofuels | (ktonnes) | **428** | 428 | 585 | 622 |
| **R&D** | | | | | |
| R&D expenditures | (€ million) | **164** | *164* | 177 | 157 |
| *of which: related to decarbonization* | | ***114*** | *114* | *114* | *74* |
| Patent application first filings | (number) | **23** | *23* | 30 | 25 |
| *of which: related to renewable energy sources* | | ***13*** | *13* | *11* | *7* |

Unless otherwise indicated, the emission and consumption KPIs refer to 100% data of the assets operated.
(a) From 2020, the indicator includes all Eni emissions deriving from flaring, also aggregating the contributions of Refining & Marketing and Chemistry, which until 2019 are accounted for in the combustion and process category.
(b) Category 11 of GHG Protocol - Corporate Value Chain (Scope 3) Standard. Estimates based on upstream (Eni's share) production sold in line with IPIECA methodologies.
(c) In line with the company's strategic objectives, this indicator is reported on an equity basis. This KPI represents Eni's share and relates primarily to Plenitude.
(d) This includes steam, heat and hydrogen.

# OPERATIONAL EXCELLENCE

Eni's business strives for operational excellence through a continuous commitment to people's value, health and safety; asset integrity; protection of the environment; respect for human rights; business resilience and diversification; and financial strength.

These elements allow Eni to seize the opportunities related to the possible evolutions of the energy market and to continue on its path of transformation.

## People

The Eni business model is based on internal competencies, an asset in which Eni continues to invest to ensure their alignment with business needs, in line with its long-term strategy. Planned evolution of business activities, strategic directions and the challenges posed by changes in technology and the labour market in general imply an important commitment to increase the value of human capital over time through upskilling and reskilling initiatives, aimed at enriching or redirecting the set of skills required. In 2022, initiatives continued to communicate and assimilate a new model of capabilities and behaviours aimed effectively managing the transition, initiating processes to revise professional models and upgrade skills for the growth of more complete and integrated professionalism. Concerning the management of its resources, Eni launched a new model for resource management and development (People Journey) that defines development paths throughout the corporate lifecycle. These paths are diversified and consistent with the new business model to enhance the various professional skills and talents in an inclusive logic while fostering people's motivation, sense of belonging and proactivity. In this respect, the appointment processes for about 400 senior profiles identified within the planned pathways were finalised in 2022, the revision of the models concerning about 4,400 resources was completed and the updating of the models involving a further 5,700 resources was started. In addition, internal mobility initiatives have resumed, recording an increase of around 28% in 2022 over the previous year, thanks to improvements to the internal job posting site and international mobility initiatives to foster greater international exposure. These actions have strengthened a cross-cultural approach that enhances the richness of continuous exchange and comparison between contexts.

### A CULTURE OF PLURALITY AND PEOPLE DEVELOPMENT

Eni's approach to Diversity & Inclusion (D&I) is based on the fundamental principles of non-discrimination, equal opportunities and inclusion of all forms of diversity, as well as of integrating and balancing work with personal and family concerns of Eni people.

The D&I strategy has a number of fundamental objectives, such as (a) combining business objectives with the valorisation of uniqueness; (b) promoting the well-being of all Eni people as individuals and as part of the corporate system; and (c) achieving a sustainable inclusion process. Implementation of the strategy and action plan – defined through listening and involvement initiatives at all company levels – envisages focusing efforts on two priority areas of intervention: the creation of an inclusive mindset and the identification of actions aimed at specific targets such as gender, internationality, age, disability and sexual orientation. In 2022, the following training and communication initiatives continued: (i) D&I Matters, focused on some typical areas of diversity analysed through the lens of Unconscious Biases and actions aimed at overcoming them; (ii) Eni for Inclusion, a month dedicated to spreading the culture of valuing diversity; (iii) Community internal D&I confrontation; (iv) anti-discrimination and harassment, for management and personnel, in view of the new corporate standard, implementing the ILO190 Convention; (v) communication campaigns to support women (e.g. #IoConLei Orange the World United Nations campaign to end of violence against women); (vi) launch of the project for listening directly to people abroad on the D&I topics. Eni also continued and enriched initiatives to strengthen the presence and empowerment of women, including through activities for attracting female talent and promoting technical-scientific subjects (STEM) among female students thanks to the growing and effective testimony of role models and ambassadors, and with the valorisation of the female presence in positions of corporate responsibility; partnerships were also set up aimed at strengthening women's empowerment and entrepreneurship (e.g. Women X Impact). Specific projects were launched to promote the inclusion of people with disabilities[16] and their families. For example, assessing the accommodation capacity of offices and workplaces (pilot on five buildings) in terms of logistics and working tools made it possible to structure a work plan for the coming years.

(16) Applied disability includes all forms of physical, cognitive, sensory and even temporary and hidden frailty.

Particular attention was paid to the communication of an inclusive mindset (especially sexual orientation and gender identity) through numerous actions of engagement, listening, awareness-raising and communication to all colleagues in Italy and abroad while respecting the regulations of the Countries of reference. With a focus on Age, Eni reviewed the path of its resources in the first three years after recruitment, specifically focusing on the first months of entry. There are also mentoring and coaching programmes. The latter is highly recommended for new teams, especially those facing significant transition challenges. In 2022, the focus on internationality was confirmed while enhancing local content through the involvement of local personnel in the operating activities of individual Countries, leading to the use of expatriate staff only for particular professionalism and skills that are difficult to find in the Country of reference. In addition, a listening activity involving 17 Countries was carried out to identify specific D&I target groups, especially in relation to the local context. Remuneration policies for Eni employees are defined according to an integrated model at global level and promote salary progression linked exclusively to meritocratic criteria referring to the skills expressed in the role held, the performance achieved and the references of the local remuneration market. In order to verify implementation of these policies, Eni has been monitoring on an annual basis the wage gap between women and men since 2011, finding a substantial alignment of remuneration. In addition, in relation to ILO (International Labour Organization) standards, Eni performs annual analyses on the remuneration of local personnel in the main Countries in which it operates, which show minimum salary levels of Eni personnel significantly higher than both the minimum legal salaries and the minimum market remuneration levels, identified for each Country by international providers (for further information, see Report on remuneration policy and remuneration paid 2023). In 2022, performance appraisal and management review processes covered 91% and 96% of the target population. Potential appraisal activities covered 97% of the planned total, with a slight decrease mainly due to the entry of new resources (especially from abroad).

### TRAINING

Classroom, distance and self-study training is increasingly instrumental in achieving the corporate mission and supporting change. To increase training quality, microlearning initiatives (a teaching methodology characterised by small portions of training content) were carried out, with which the platform (also accessible by third parties (**Mychange**) was enriched with training content related to energy transition, sustainable development and digital transformation. In addition, retraining through upskilling and reskilling initiatives continued this year (a two-year training project linked to the Expansion Contract was presented to the Ministry of Labour and Social Affairs), to integrate new skills necessary for business evolution (professional and behavioural) or for the challenges posed by technological change and the labour market. Training efforts on the new Code of Ethics, induction courses for new recruits on leadership and, in continuation of previous years, on HSE and Human Rights issues were addressed. Finally, a course on inclusive behaviour for all employees was updated, and a first edition was delivered at the end of the year.

### INDUSTRIAL RELATIONS

In **Italy**, on May 2nd, 2022, an Expansion Contract was signed between Eni, the Ministry of Labour and Social Policies and trade unions, valid for two years (2022-23). This contract confirms itself as an instrument to support the energy transition transformation and allows for generational change by including new key professional figures for the decarbonization process, the implementation of an essential investment for educating and training all employees with upskilling and reskilling paths, and at the same time a critical turn-over plan. In 2022, meetings continued with the trade unions as envisaged in the INSIEME Protocol “Industrial Relations Model to Support the Energy Transition Path”, and in November, an agreement was signed to integrate the results bonus, which recognised the extraordinary contribution made by Eni people to achieving the company’s positive results through a 30% increase in the 2022 bonus and a simultaneous advanced payment in November. On December 12, 2022, the NOI - Protocol on initiatives and services for the well-being of Eni people was signed with the trade unions. It strengthens welfare by intervening in health, social security, income support, housing and support in family management, seeking a proper balance with work activities. It presents an increasingly attentive approach to the personal and social sphere, bringing the company closer to people’s needs by further improving the existing services offered, making them easier to access throughout the territory.

**Abroad**, in June 2022, international industrial relations meetings were held, namely the 25th meeting of the European Works Council (EWC) for Eni employees, the European Agency for Health, Safety and the Environment and the annual meeting provided for by the Global Framework Agreement on International Industrial Relations and Corporate Social Responsibility. The meetings focused on Eni’s commitment to a fair and equitable energy transition as part of its decarbonization pathway including the R&D initiatives, and presenting the Eni Plenitude and Versalis[17] bio-circular economy models. To integrate Eni’s strategy more fully with participatory models, including from a transnational perspective, energy transition has been included among the EWC’s information and consultation topics. The EWC agreement was renewed for a further four-year period.
During the year, a gradual extension of the Smart Working discipline to realities abroad was initiated.

### CORPORATE WELFARE AND WORK-LIFE BALANCE

Eni has a system of corporate welfare and benefits that includes a set of services, initiatives and instruments aimed

(17) Versalis is Eni’s chemical company, committed to sustainable and circular chemistry to contribute to the energy transition.

at improving the well-being of employees. Eni's Smart Working (SW) model (agreement signed in October 2021) provides all employees in Italy with 8 days/month for office sites and 4 days/month for operational sites and numerous Welfare options to support not only parenthood and disability but also the health of individuals or their cohabiting family members. It is further enriched by an opportunity to manage a cohabiting family member's temporary, sudden and unplannable health problems. The SW model has been progressively adopted in other Countries as well, in line with local regulations. Furthermore, again in relation to parenting, in all Countries where Eni operates, it continues to recognise: 10 working days 100% paid to both parents, 14 minimum weeks' leave for the primary carer as per the ILO convention and the payment of an allowance equal to at least 2/3 of the salary received in the previous period. As far as welfare services are concerned, Eni has a system of benefits ranging from health protection to social security coverage, from recreational and educational services to financial and insurance services, and from mobility to catering. Further services have been planned that will be provided in 2023, based on listening to the following emerging needs: work-life balance, psychophysical well-being, caregiving needs and new parenthood.

### HEALTH

Eni considers health protection an essential Human Right and promotes the psycho-physical and social well-being of its people, their families and the communities of the Countries in which it operates (see chapter "Alliances for development"). The extreme variability of working contexts requires a constant effort to update health risk matrices and makes it particularly challenging to guarantee health at every stage of the business cycle. To rise to this challenge, Eni has developed a health management system that ensures services to its people, covering occupational health, industrial hygiene, traveller medicine, health assistance and medical emergency, health promotion initiatives, assessment of the impacts of business operations on the health of communities, as well specific programs to support the communities in which it operates. In addition to the maintenance and continuous improvement of health services, the health management strategy aims to: (i) strengthen the access to care for all Eni people; strengthen community-based interventions; strengthen emergency assistance services and initiatives to support situations of fragility, in particular, regarding to the COVID-19 pandemic, and mental health protection; (ii) spreading the culture of health through initiatives in favour of workers, their families and communities identified with the analysis of the health indicators available to the general public; (iii) implementing occupational medicine activities also with the contribution of scientific research and in consideration of the risks related to new projects and industrial processes, and the results of industrial hygiene activities; (iv) promoting the digitalization of health processes and services through the use of information technologies, telemedicine, and mobile communications. In 2022, all of the Group companies continued the implementation of health management systems with the objective of promoting and maintaining the health and physical, mental and social well-being of Eni people and ensuring adequate risk management in the workplace. Initiatives include the pilot launch of a home and digital assistance project, "Più Salute" (More Health), for employees and their families; the activation of a PFA (Psychological First Aid) service in the event of catastrophic, sudden and unexpected events, through an external provider, made up of specialist psychologists, available to 100% of employees; and the strengthening of health promotion activities through new digital tools for internal communication. Research activities continued in cooperation with research centres and universities to assess the health impact of new production processes and business models related to the energy transition. Collaboration with health institutions in Countries of presence and with international organisations was strengthened, including a contribution to a WBCSD report on the role of businesses in contributing to global health. Finally, concerning the COVID-19 emergency, continued support was given to business units through specific initiatives: monitoring epidemiological updates and new guidelines issued by international bodies; continuous updating and implementation of measures for prevention and containment; implementation of travel medicine measures to reduce the risk for travelling personnel; and use of the international transport service with medical support for personnel suffering serious health conditions.

## Performance metrics and comments

### EMPLOYMENT AND DIVERSITY

**Overview** - Overall employment amounts to 31,376 people, of whom 20,471 in Italy (65.2% of Eni's employees) and 10,905 abroad (34.8% of Eni's employees). In 2022, employment at global level dropped by 512 people compared to 2021, equal to -1.6%, with a decrease both in Italy (-161 employees) and abroad (-351 employees). The decrease in employment is linked: (i) in Italy to personnel turnover, achieved through extraordinary instruments that minimise the social impact (Expansion and "Isopensione" - Early Retirement - Contract), almost entirely offset by new hires and acquisitions; (ii) abroad to M&A transactions (divestments and deconsolidation) relating to optimising the Natural Resources business portfolio. In 2022, the female presence increased by 0.6 percent compared to 2021, with simultaneous growth also in positions of responsibility (1.2 percent vs. 2021).

**Hires** - Overall, in 2022, 2,524 people were hired (+93% approx. vs. 2021) of which 1,796 with permanent contracts ( approx. +86% vs. 2021). About 47% of permanent hires involved employees up to the age of 30. Of the total number of hires, approximately 66% were for the Energy Evolution Department (total 1,656, including 1,199 permanent and 457 with fixed-term contracts), 20% for the Natural Resources Department (total 502, 319 permanent and 183 fixed-term) and the remaining 14%

in Support Functions (total 366 of which 278 permanent and 88 fixed-term).

**Terminations** - 2,683 contracts were terminated (1,556 in Italy and 1,127 abroad), 2,215 of which were permanent contracts[18], with a 30% impact on female personnel. 40% of employees with permanent contracts who ended their employment in 2022 were under 50 years of age. Eni's transformation process, which requires a high skills turnover, is also reflected in the trend in the turnover rate, which in 2022 was the highest for the last four years, equal to 12.6%.

**Turnover rate** - Eni's transformation process, which needs a strong turnover of competencies to support the energy transition, can also be seen in the trend of the turnover rate, which in 2022 records the most important measure of the last 4 years (2019: 9.8%; 2020: 6.1%; 2021: 10.5%; 2022: 12.6%).
In the area of inclusiveness and Age Diversity, the figures of turnover of female staff and the under-30 population increased vs. 2021: female turnover (16.2% vs. men 11.3%) grows by 4.9 p.p., while turnover under 30 by 18.7 p.p. The turnover for staff aged 30-50 is slightly up vs. 2021 (+3.2 p.p.), while that of staff over 50 is essentially stable.

**Diversity & Inclusion** - In 2022, the percentage of female personnel grew by 0.6% compared to 2021 and stood at 26.86%, divided by position (ratio of women to the total): 17.51% of executives, 29.67% of middle management, 30.73% of white collar workers, 13.86% of blue collar workers. The overall percentage of women on the management bodies of subsidiaries has remained unchanged from 2021, and is 24%, while it is down compared to the past, the overall percentage of women on the supervisory bodies of subsidiaries, which in 2022 stands at 38% (43% in 2021). In 2022, the percentage of women in positions of responsibility rose to 28.5% compared to 27.3% in 2021, in all, women accounted for 26.86% of the total workforce. At Eni, 33% of those reporting directly to the CEO are women. There were 662 permanent female hires in 2022 out of 1,796, counting for 36.9%, up slightly compared to 2021 of approx. +4.4 p.p. with higher than average growth expected compared to the targets set for 2030 (Gender Diversity target: 2030 vs. 2020 +3 p.p., average annual growth +0.3 p.p.). In recent years, about 20% of the resources in positions of responsibility are local foreign resources. This figure is in line with 2021, with a slight decrease of -0.8 p.p. due to changes in the scope of consolidation (deconsolidation in Angola and divestment in Pakistan).

Eni's population consists of 108 different nationalities. In Italy, Eni and its subsidiaries have about 850 employees in protected categories as set out in Law No. 68/99. More than 60 new employees belonging to protected categories were recorded in 2022. In addition, Eni has signed institutional commitments for the placement of approximately 120 resources over the next few years, a commitment that will be increased to approximately 250 resources.

**Employment in Italy** - There were 1,213 hires in Italy, of which 1,096 permanent contracts (35.2% women). The reduction in employment of -161 units (-0.8%), carried out through an extraordinary exit plan, together with a selective and punctual turnover plan, has allowed the population under 30 to increase by 12.7% in favour of a reduction in the senior age groups: the population over 50 decreased by 5.8%. Again in Italy, in 2022, there were 1,556 terminations, 1,437 of which related to employees with permanent contracts (of which 26% were women). Overall in Italy, at the end of 2022 there was a replacement ratio between new permanent hires and terminations of approximately 1:1.3 (1 hire to 1.3 terminations).

**Employment abroad** - Average presence of local personnel abroad is constant and around 87% in the last three years on average. In 2022, there were 1,311 new hires abroad, of which 700 with permanent contracts (39.4% women). The balance between hires and terminations abroad at year-end was +184, of which 1,311 hires (65% Energy Evolution Department; 26% Natural Resources Department; 9% Support Functions) and 1,127 terminations of which 778 were permanent contracts. Of these, 25.3% regarded employees under the age of 30, and 37.5% were women personnel. Abroad, there was a decrease of -351 resources (-3.1%) compared to the previous year, compared to -430 local resources (-4.3%), mainly related to perimeter changes, +9 Italian expatriates (+0.9%), +70 international resources (+22%). Abroad there are a total of 1,384 expatriates (including 1,001 Italians and 383 international expatriates).

**Employment by business unit** - About 25% of permanent hires were in the chemical sector, which has strengthened both in Countries with traditional activities (e.g. France and UK) and in Countries with new activities (e.g. Mexico, India, and Romania). Growth also concerned the Retail Market G&P, Upstream and Support business areas, that further consolidated their skills and expertise. Terminations mainly related to the Upstream (19%), Chemicals (22%) and Support (24%) businesses.

**Average age** - The average age of Eni people worldwide is 45.1 years (45.9 in Italy and 43.6 abroad), unchanged compared to 2021; this result was achieved thanks to the important turnover work carried out through the use of extraordinary early retirement incentive tools (Expansion and "Isopensione" Contract) combined with an important recruitment programme aimed in particular at innovative professionals: 49 years (49.7 in Italy and 47.2 abroad) for senior and middle managers, 44.2 years (45 in Italy and 42.6 abroad) for white collars workers and 41 years (40.2 in Italy and 41.9 abroad) for blue collars workers.

## REMUNERATION

Eni annually monitors wage equity, a principle explicitly referred

(18) Of which about 56% due to retirements and 38% due to resignations.

to in the annual implementation provisions for remuneration policies, to assess possible corrective actions. Specifically, in 2022, the ratio of CEO/DG's remuneration to the median of employees Italy (main operating location) is 35 for fixed remuneration and 137 for total remuneration; considering all employees, these ratios are 35 and 140, respectively. The total remuneration of all employees compared to 2021 varied by 5.8 percent while that of the CEO/DG varied by 5.3 percent. The gender pay ratio calculated by professional category shows a substantial alignment of women's and men's remuneration for middle managers and white collars while for senior managers and blue collars the deviations are mainly related to a smaller female presence. The indicator at the overall level, without considering professional categories, is 101 for fixed remuneration (Italy 102) and 97 for total remuneration (Italy 98).

## INDUSTRIAL RELATIONS

In Italy, 100% of employees are covered by collective bargaining by virtue of current regulations. Abroad, in relation to the specific regulations operating in the individual Countries, this percentage stands at 54.87%.

In Countries where employees are not covered by collective bargaining, Eni ensures in any case full compliance with international and local legislation applicable to the employment relationship as well as some higher standards of protection guaranteed by Eni throughout the group through the application of its company policy worldwide.

## TRAINING

In 2022, training trends tended to remain constant compared to 2021: both the total value of hours used and the average value confirm the 2021 results with a value of 31.1 per employee with a different combination for the professional categories. However, there is a slight increase in the average expenditure of about 1.4% compared to 2021 due to the resumption of in-person training. This phenomenon also impacted the delivery mode mix: distance training decreased slightly from 62%[19] to 57% this year.

## HEALTH

In 2022, the number of health services provided by Eni was 384,291, of which 243,118 for employees, 72,261 for family members, 61,230 for contractors and 7,682 for others (e.g. visitors and external patients). The number of participants in health promotion initiatives in 2022 was 82,700, of whom 63,760 were employees, 16,019 contractors and 2,921 family members. As concerns occupational illnesses, in 2022 there were 29 claims, of which 3 related to current employees and 26 related to former employees. Of the 29 occupational disease claims submitted in 2022, 2 were submitted by heirs (all relating to former employees). As part of digital initiatives to monitor the healthiness of indoor workplaces, 20 sensors were tested at onshore operational sites in Italy in 2022. It is planned to extend testing to 80 sensors, including offshore and abroad, by 2026.

(19) The data consider the total hours of employee training. The 2020-21 data were restated appropriately following the change in indicator calculation method.

## KEY PERFORMANCE INDICATORS

| | | 2022 | 2021 | 2020 |
|---|---|---|---|---|
| **EMPLOYMENT AND DIVERSITY**[a] | | | | |
| Employees[b] | (number) | **31,376** | 31,888 | 30,775 |
| Women | | **8,427** | 8,360 | 7,559 |
| Italy | | **20,471** | 20,632 | 21,170 |
| Permanent | | **20,340** | 20,512 | 21,162 |
| Fixed-term | | **131** | 120 | 8 |
| Part-time | | **287** | 324 | 359 |
| Full-time | | **20,184** | 20,308 | 20,811 |
| Atypical temporary workers (agency workers, contractors, etc.) | | **259** | 100 | 65 |
| Abroad | | **10,905** | 11,256 | 9,605 |
| Permanent | | **10,084** | 10,599 | 9,003 |
| Fixed-term | | **821** | 657 | 602 |
| Part-time | | **288** | 141 | 126 |
| Full-time | | **10,617** | 11,115 | 9,479 |
| Atypical temporary workers (agency workers, contractors, etc.) | | **2,433** | 2,728 | 2,329 |
| Africa | | **2,867** | 3,189 | 3,143 |
| Americas | | **1,872** | 1,731 | 925 |
| Asia | | **2,520** | 2,786 | 2,432 |
| Australia and Oceania | | **89** | 88 | 87 |
| Rest of Europe | | **3,557** | 3,462 | 3,018 |
| Under 30 | | **2,771** | 2,587 | 2,037 |
| 30-50 | | **17,803** | 17,302 | 17,225 |
| Over 50 | | **10,802** | 11,999 | 11,513 |
| Local employees abroad | (%) | **87** | 88 | 87 |
| Employees by professional category: | (number) | | | |
| Senior managers | | **948** | 966 | 965 |
| Middle managers | | **9,056** | 9,113 | 9,172 |
| White collars | | **15,479** | 15,554 | 15,941 |
| Blue collars | | **5,893** | 6,255 | 4,697 |
| Employees by educational qualification: | | | | |
| Degree | | **15,885** | 15,583 | 15,345 |
| Secondary school diploma | | **13,032** | 13,564 | 12,826 |
| Less than secondary school diploma | | **2,459** | 2,741 | 2,604 |
| Permanent employees | | **30,424** | 31,111 | 30,165 |
| Fixed-term employees | | **952** | 777 | 610 |
| Employees with full-time contracts | | **30,801** | 31,423 | 30,290 |
| Employees with part-time contracts[c] | | **575** | 465 | 485 |
| Non-employees (atypical temporary workers) | | **2,692** | 2,828 | 2,394 |
| New hires with permanent contracts | | **1,796** | 967 | 607 |
| Terminations of permanent contracts | | **2,215** | 2,275 | 1,323 |
| Rate of turnover[d] | (%) | **12.6** | 10.5 | 6.1 |
| Presence of women on the management bodies of Eni subsidiaries | | **24** | 24 | 26 |
| Presence of women on the supervisory bodies of Eni subsidiaries[e] | | **38** | 43 | 37 |
| Local senior managers & middle managers abroad | | **17.73** | 18.03 | 19.13 |
| Non-Italian employees in positions of responsibility | | **19.8** | 20.6 | 18.6 |
| Seniority | | | | |
| Senior managers | (years) | **22.62** | 22.77 | 23.21 |
| Middle managers | | **18.86** | 19.59 | 20.40 |
| White collars | | **15.99** | 16.56 | 17.03 |
| Blue collars | | **12.79** | 13.23 | 14.15 |
| Employees who have taken parental leave[f] | (number) | **522** | | |
| *of which: men (returnees)* | | **129** | | |
| *of which: women (returned)* | | **393** | | |
| Rate of return to work after parental leave[f] | (%) | **98.08** | | |
| *of which: men* | | ***95.35*** | | |
| *of which: women* | | ***98.98*** | | |

## KEY PERFORMANCE INDICATORS

| | | 2022 | 2021 | 2020 |
|---|---|---|---|---|
| **INDUSTRIAL RELATIONS** | | | | |
| Employees covered by collective bargaining | (%) | **87.72** | 81.6 | 83.40 |
| Italy | | **100** | 100 | 100 |
| Abroad | | **54.87** | 41.6 | 41.78 |
| **TRAINING** | | | | |
| Hours of training used[g] | (number) | **939,393** | 960,152 | 926,407 |
| Average training hours per employee per job category[g] | | **31.1** | 31.3 | 29.6 |
| Senior managers | | **26.6** | 30.0 | 23.5 |
| Middle managers | | **28.3** | 31.9 | 26.2 |
| White collars | | **31.7** | 30.0 | 32.2 |
| Blue collars | | **35.1** | 35.0 | 29 |
| Average training and development expenditure per full time employee[a] | (€) | **908.2** | 895.8 | 716.1 |
| **HEALTH** | | | | |
| Occupational illnesses claims received | (number) | **29** | 30 | 28 |
| Employees | | **3** | 7 | 7 |
| Former employees | | **26** | 23 | 21 |

(a) As of 2022, the Employment data includes FinProject.
(b) The data differ from those published in the Financial Report because they include only fully consolidated companies.
(c) There is a higher percentage of women (5.9% of the total number of women) with part-time contracts, compared to men, about 0.3% of the total number of men.
(d) Ratio of the number of recruitments + terminations of permanent contracts to permanent employment in the previous year.
(e) For abroad, only the companies in which a supervisory body similar to the Board of Statutory Auditors under Italian law operates were considered.
(f) This indicator refers only to the Italian-employee population.
(g) The data in the table consider the total hours of employee training, of which 78% taken by men and 22% by women. The 2020-21 data were restated appropriately following the change in indicator calculation method.

## GENDER PAY RATIO - 2022[a]

| | Fixed remuneration | Total remuneration |
|---|---|---|
| **EMPLOYEES IN ITALY** | | |
| **Pay ratio (women vs. men)** | | |
| Senior Manager | 86 | 79 |
| Middle managers and Senior staff | 97 | 98 |
| White collars | 102 | 103 |
| Blue collars | 91 | 91 |
| **EMPLOYEES IN ITALY AND ABROAD** | | |
| **Pay ratio (women vs. men)** | | |
| Senior Manager | 85 | 80 |
| Middle managers and Senior staff | 93 | 92 |
| White collars | 100 | 100 |
| Blue collars | 92 | 93 |

(a) The gender pay ratio is calculated as the ratio of women's average pay to men's average pay.

## Safety

For Eni, the **culture of safety** and the communication of its indispensable value among employees, contractors and stakeholders have always been crucial to achieving business objectives. Eni constantly invests in research and development for all the necessary actions to be taken to ensure safety at work, in particular in the development of organizational models for risk assessment and management and in the promotion of a culture of safety, in order to pursue its commitment eliminating accidents and protecting the integrity of its assets. In 2022, despite the efforts, there were four fatal accidents involving contractors' personnel, one in Italy and three abroad. An analysis of the year's injuries revealed a prevalence of causes belonging to the Integrated Systems & Human Performance area, mainly related to the works management and execution of activities. To prevent such incidents in the future, initiatives were introduced to strengthen the awareness and involvement of employees and contractors in the HSE field (Safety Leadership, Coaching Programme, promotion of the Stop Work Authority[20]). Other activities aimed to improve work areas in terms of **personnel safety**, and management documents and operating instructions were updated. Eni's commitment also focused on three main themes: non-technical skills, technical skills and digitalization. For non-technical skills, the THEME methodology on worker behaviour and human reliability analysis was applied in 2022 to identify action strategies to fortify human barriers and safe behaviour. With regard to technical skills, (i) a new training course on Operational Safety Management was developed and disseminated to familiarise people with the basic principles and minimum safety requirements to be applied in risky activities to prevent the occurrence of possible accidents; (ii) trained HSE personnel on the new accident root-cause investigation methodology according to Eni standards. Regarding digitalization, the Safety Presence tool was extended to all business units. By exploiting artificial intelligence, it can predict recurring dangerous situations from unsafe conditions/unsafe acts/near-miss reports and send alerts to the site to implement corrective actions before an accident occurs. Smart Safety was extended to contractors, involving wearable devices that alert workers in dangerous conditions and emergencies. Finally, the dissemination of the AppHSEni was promoted, allowing for reporting of unsafe conditions from the field, compiling of Work Preparation Checklists and field inspections, and consulting the Safety Golden Rules and Process Safety Fundamentals[21].

In the area of **process safety**, to minimise accidents and improve performance, Eni carried out several activities: the creation and widespread communication of Process Safety Fundamentals (the principles of process safety to be followed during plant activities); the development of a training course to disseminate the fundamental elements defined in the Process Safety Management System, aimed at all technical/operational and HSEQ area personnel; the in-depth study of fluid management safety issues for new energy chains, revising process safety standards to include specific design requirements for hydrogen, $CO_2$ and other substances from new chains.

Eni applies the **Asset Integrity** process to all its plants, which ensures that they are correctly designed and built properly with the most appropriate materials, carefully operated and decommissioned, managing residual risk in the best possible way, guaranteeing maximum reliability and above all safety for people and the environment. The Asset Integrity Management System therefore is employed from the initial design stage (Design Integrity), to procurement, construction, installation and testing (Technical Integrity) through to operating and decommissioning (Operating Integrity). During 2022, Eni continued the organisation of initiatives to further promote the Asset Integrity culture with the continuous build-up of its management of data, documents, and models through the entire life cycle of its assets ("Lifecycle Information"), taking a cross and widespread approach, including the new energy transition supply chains.

Regarding the **management of contractors**, the 147 people of the Safety Competence Centre (SCC) continued to proactively monitor and support the process of improvement of companies towards management models characterised by a safety culture that is more preventive, monitoring over 2,500 suppliers, equal to 70% of those with potential HSE criticalities in Italy, managing the anomalies detected with immediate corrective actions and sharing innovative good practices. In addition, Safety Pacts (voluntary agreements with companies) have been extended to environmental issues at all sites where Eni operates in Italy. At the same time, they are active or being implemented with various contractors at some Eni sites abroad (Nigeria, Tunisia, Congo, Mexico, Angola, USA, Indonesia, Egypt, Ghana, Libya, Albania, and Pakistan).

Eni promotes **technological innovation** to design innovative processes and products, adopt methods and techniques to reduce hazardous substances and/or encourage the adoption of products with a lower impact on the environment, health and safety. According to the regulation, all substances and mixtures produced and marketed are accompanied by appropriate technical documentation (which can also be consulted online in real-time) aimed at informing workers and customers on optimal handling, storage and disposal conditions and providing guidance on the correct use of personal protective equipment, where necessary. Finally, all substances/mixtures classified as

(20) With the Stop Work Authority, every worker at any Eni site has the authority to stop an activity when they detect a dangerous behaviour or condition.
(21) Golden Rules and Eni Principles of Process Safety.

hazardous to health are assessed for health and safety impact. Regarding the **management system relating to health and safety** in the workplace, Eni's HSE regulatory system establishes criteria for clustering the operational units of Eni SpA and its subsidiaries based on the HSE risk of the activities performed. Three types of clusters are identified: significant HSE risk clusters (industrial activities), for which there is an obligation to adopt an HSE management system, certification to ISO 14001 and ISO 45001[22] standards and annual internal HSE audits; limited HSE risk clusters (office activities or activities of limited relevance), for which there is an obligation to adopt (but not certify) an HSE management system and annual or five-yearly internal HSE audits; and no HSE risk clusters (absence of employees and operating activities), for which there are no specific obligations. Within this context, all companies at significant risk have ISO 45001 and ISO 14001 certification or have planned to achieve it. All companies at limited risk have implemented an HSE management system or have planned its development. In particular, by the end of 2022: 88% of those with significant risk have already achieved ISO 45001 certification and 87% ISO 14001, while 79% of those required to develop an HSE management system have already implemented an HSE management system. During 2022, more than 1,300 internal audits on HSE issues were carried out in addition to third-party audits for maintaining certifications.

## Performance metrics and comments

In 2022, the total recordable injury rate (TRIR) of the workforce increased compared to 2021 (+20%), due to an increase in the number of total recordable injuries (113 compared to 88 in 2021), in particular recorded by contractors (88 vs. 55 in 2021), while the number of recordable employee injuries decreased (25 vs. 33 in 2021).

In Italy, the number of total recordable injuries increased (42 events compared to 35 in 2021, of which 15 employees and 27 contractors) and the Total Recordable Injury Rate (TRIR) deteriorated (+22%); abroad, the number of injuries also increased (71 events compared to 53 in 2021, of which 10 employees and 61 contractors) and the total recordable injury ratio worsened by 22%. Four fatal accidents were recorded for contractors, two in Pakistan (a road accident and an operator hit by an object during maintenance activities), one in Egypt (fall from height) and one at the Priolo petrochemical plant (operator hit by an object). The labour force fatality index was 1.46. The value of the High-Consequence Work-Related Injuries rate (calculated based on accidents with more than 180 days of absence and with consequences such as total or partial permanent disability) is 0.01, following two accidents, the first an employee in the UK (crushing of a limb) and the second contractor in Egypt (operator hit by an object). During 2022, there was a further decrease in Tier 1 and Tier 2[23] process safety incidents. It has decreased steadily since 2016, indicating an increased focus on process safety issues at all Eni sites. In particular, 17 process safety (PSE) events were recorded in Tier 1 and 21 in Tier 2. More than half of the events (53%) occurred in upstream activities, 24% in refining activities and 16% in petrochemicals. Two-thirds of the PSEs resulted in a product spill, 21% in a fire and 13% in a release into the atmosphere, to which Eni responded promptly. Concerning reporting possible hazards at work, there was an increase in the number of unsafe conditions and unsafe acts recorded in 2022 compared to 2021, thanks to initiatives and tools to strengthen the reporting and analysis of weak signals.

(22) ISO 14001 relates to environmental management systems, while ISO 45001 relates to health and safety management systems.
(23) Process safety incidents are classified as a function of the severity into Tier 1 (more serious), Tier 2, or Tier 3.1 (less serious).

## KEY PERFORMANCE INDICATORS

| | | 2022 | | 2021 | 2020 |
|---|---|---|---|---|---|
| | | Total | *of which fully consolidated entities* | Total | Total |
| TRIR (Total Recordable Injury Rate) | (total recordable injuries/hours worked) x 1,000,000 | **0.41** | *0.49* | 0.34 | 0.36 |
| Employees | | **0.29** | *0.36* | 0.40 | 0.37 |
| Contractors | | **0.47** | *0.56* | 0.32 | 0.35 |
| Process safety events | (number) | | | | |
| Tier 1 | | **17** | *16* | 16 | 14 |
| Tier 2 | | **21** | *16* | 24 | 33 |
| Number of fatalities as a result of work-related injury | | **4** | *3* | 0 | 1 |
| Employees | | **0** | *0* | 0 | 0 |
| Contractors | | **4** | *3* | 0 | 1 |
| Fatality index | (fatal accidents hours worked) x 100,000,000 | **1.46** | *1.92* | 0 | 0.39 |
| Employees | | **0** | *0* | 0 | 0 |
| Contractors | | **2.13** | *2.89* | 0 | 0.58 |
| High-consequence work-related injuries rate (excluding fatalities) | (high-consequence work-related injuries/hours worked) x 1,000,000 | **0.01** | *0.01* | 0 | 0 |
| Employees | | **0.01** | *0.02* | 0 | 0 |
| Contractors | | **0.01** | *0* | 0 | 0 |
| Near miss | (number) | **899** | *631* | 780 | 841 |
| Worked hours | (million of hours) | **273.7** | *156.4* | 256.5 | 255.1 |
| Employees | | **85.6** | *52.5* | 82.9 | 81.8 |
| Contractors | | **188.1** | *103.9* | 173.6 | 173.3 |

## Respect for the environment

Eni operates in very different geographical contexts, which require specific assessments of the environmental aspects, and is committed to strengthening control and monitoring of its activities by adopting international technical and management good practices and Best Available Technology. Particular attention is paid to the efficient use of natural resources (like water), to reducing oil spills, to managing waste, to managing the interaction with biodiversity and ecosystem services. **Environmental culture** is an important lever for ensuring the proper management of environmental issues. Therefore, in 2022, Eni continued its awareness-raising activities through a communication campaign targeting all employees, a series of "Environmental Talks" on topical issues and the "Together for the Environment" training course. The latter an e-learning course on various thematic areas including: the possible repercussions of an environmental event on a global and local scale, the value of effective communication of risks associated with environmental aspects, and roles and responsibilities in environmental matters. Awareness-raising activities also involved operational sites with specific engagement activities on environmental issue management. In 2022, in collaboration with the University of Padua, Eni launched the Be Green project dedicated to evaluating and analysing the role of the human factor and promoting a shared environmental culture at various levels in the organisation. The campaign to promote Environmental Golden Rules continued, aimed at employees and suppliers adopting virtuous behaviour so that their activities reflect Eni's values, commitment and standards.
This path led to 19 sites, in Italy, signing Environment and Safety Pacts involving several suppliers who have committed to implement tangible improvement actions that can be measured through the Safety and Environment Performance Index. In continuity with last year, the Company has continued the activities dedicated to environmental digitalization for process optimisation through the creation of IT tools for the management of environmental compliance, including international compliance, and site-specific technical-management assessment models.
The transition path towards a **circular economy** represents for Eni one of the main responses to current environmental challenges, through the promotion of a business model that applies circular principles to existing supply chains and gives value to new supply chains and sustainable products. Circular principles are internalised in the upstream, with the maximisation of opportunities for the reuse of assets and recycling of materials. The same topics are addressed in procurement, with awareness-raising actions and involvement of suppliers on the 'Open-es' digital platform. In the downstream these topics are addressed with the production of biofuels and, in the coming years, biomethane which will be partially obtained from the valorisation of waste and scrap, and new technologies for waste valorisation (e.g. OFMSW). Among its businesses, Versalis is particularly involved in the developing

both mechanical and chemical polymer recycling technologies. Eni Rewind[24] enhances the value of soil, water and waste with sustainable remediation and redevelopment projects.

Eni has continued the development and application of its Circularity analysis model[25], applied to different business contexts, validated by a third-party certification body, which is an essential tool for the control, management, transparency and credibility of the goals and commitments undertaken on the path towards a circular economy model.

The **biorefineries** are part of a context of decarbonizing mobility by offering increasingly low-emission products and maintaining employment. Considering this, in October 2022, Eni permanently discontinued the procurement of palm oil used in the Venice and Gela biorefineries to produce hydrogenated biofuels. This allowed the company to reach the declared goal of becoming "palm oil free" by the end of 2023 in advance. The amount of palm oil was permanently replaced by alternative feedstocks (e.g. used cooking and frying oils, animal fats and vegetable oil processing waste) and advanced feedstocks (e.g. lignocellulosic material and bio-oils) within the production cycle. Furthermore, in the second half of 2022, the Gela biorefinery received the first cargo shipment of vegetable oil produced in the Makueni agri-hub in Kenya (where castor, croton and cotton seeds are pressed) from agri-feedstocks produced by Eni that do not compete with the food chain, grown in degraded areas, harvested from wild trees or resulting from the valorisation of agricultural by-products. The plan to spread of HVO (Hydrogenated Vegetable Oil) biofuels is part of the circular economy, allowing for the addition of value to agricultural and livestock waste and effluents, for light, heavy, maritime and aviation transport.

Regarding **waste management**, Eni pays particular attention to the traceability of the entire process and to the verification of the parties involved in the disposal/recovery chain, searching for all feasible solutions to prevent the generation of waste. Almost all Eni waste in Italy is managed by Eni Rewind that continued the digitalization project launched in 2020 to improve the efficiency and monitoring of its waste management process. In order to limit the negative impacts related to waste, exclusive use is made of authorised parties, favouring recovery over disposal, in line with the priority criteria indicated by European and national regulations. Eni Rewind, on the basis of the characteristics of the individual waste, selects technically viable recovery/disposal solutions, prioritising recovery, treatment operations that reduce the quantities to be sent for final disposal and suitable plants at a shorter distance from the waste production site; furthermore, audits are carried out on environmental suppliers, to assess their operational waste management.

Eni assesses **water use and its impacts** on the ecosystem, other users and the organisation itself to ensure the efficient management of water resources.

Especially in water stressed areas, Eni carries out the mapping and monitoring of water risks and drought scenarios to define short-, medium- and long-term actions aimed at preventing and mitigating the effects of climate change. In addition, Eni's supplier qualification process includes water resource use as an evaluation element. In 2021 Eni published its own position on water resources[26], in which it undertakes to pursue the CEO Water Mandate and, in particular, to minimise its fresh water withdrawals in areas under water stress. The commitments undertaken lead Eni for optimal water management beyond the industrial boundary, integrated into the territory and to minimise the exposure of its activities to water risk, through an integrated approach at river basin level. In terms of transparency, in 2022 Eni gave a public response to the CDP Water Security questionnaire, obtaining an B rating, in line with the industry average. Eni pursues the reduction of freshwater withdrawals by acting on two levers: increasing the efficiency or internal recycling of fresh water and replacing high-quality freshwater sources (aquifer, surface, municipal or third-party) with low-quality water, e.g. remediated, wastewater or desalinated water. Eni Rewind is committed to making the treated water from its contaminated groundwater treatment plants (GTP) available for industrial use, reducing high-quality water withdrawals by using similar quantities of water from GTP. Efforts to increase the share of re-injected produced water can reduce sea or brackish water withdrawals, contributing to the preservation of water resources, especially in water-stressed areas[27]. The implementation of specific projects is carried out in compliance with the necessary local authorisations, which may require the involvement of local stakeholders. In addition, Eni has adopted precise internal standards to be used when mandatory local regulations are less stringent or absent concerning environment and water resource conservation, ultimately complying with the primary international standards. Concerning potentially hazardous substances[28] for which discharges are treated, Eni monitors its water discharge, particularly hydrocarbons in the discharge water after treatment and total oils in the discharge produced water. Internal pre-alarm thresholds are also adopted if the concentration of micropollutants in discharged water is exceeded, specific to each production activity, to initiate timely corrective action, if necessary.

With regard to the management of risks associated with **oil spills**, Eni is constantly engaged in every area of intervention: prevention, preparedness, followed by mitigation, response and recovery.

(24) Eni Rewind is Eni's environmental company that operates in line with the principles of the circular economy to enhance industrial land, water and waste, or waste derived from remediation activities.
(25) The model already meets several requirements of the UNI/TS 11820 standard, which was issued at the end of 2022 and is currently the only existing benchmark/measure.
(26) https://www.eni.com/assets/documents/eng/just-transition/2021/eni-e-acqua-eng.pdf
(27) Water stress areas are identified using Aqueduct, a tool developed by the World Resources Institute, and monitored annually through an internal analysis carried out down to the detail of the individual operational site.
(28) As regulated by Legislative Decree No. 152 (Consolidated Environmental Act) or similar regulatory reference for foreign Countries.

As part of oil spill prevention in Italy, maintenance was completed in Val d'Agri on the production network, and the e-vpms®[29] system was upgraded. This update was also performed for the Leak Detection[30] monitoring of the Val d'Agri Oil Unit (COVA) crude oil transport line and the COVA industrial water injection line. Once again, in Val d'Agri, Kassandra Meteo Forecast[31] was optimized, the Early Warning weather warning monitoring programme applied to the continuous control of hydrogeological risk, COVA water discharge management and monitoring of agricultural crops (Agri Hub). In addition, feasibility studies were carried out to evolve this system to mitigate risks from natural events for use in photovoltaic and wind power plants (Early Warning for Asset Integrity). In Italy, the technological upgrade of the e-vpms® system and its subsequent start-up was carried out on the Rho-Malpensa and Pantano-Fiumicino downstream lines. Also in Italy, on the retail network, the precautionary remediation of some underground tanks and waste oil tank reclamation and decommissioning was carried out. In Nigeria, the technology upgrade programme of the e-vpms® system was completed on some trunklines with the simultaneous start-up. On others, the installation of new system sensors was completed. Meanwhile, an operational plan was defined for new e-vpms® installations on the crude oil production and transportation network. Among the various sustainable and circular approaches within the remediation activities is the forthcoming construction of a phyto-purification plant, which can also be used to treat water from the industrial process. Furthermore, a set of microbiological analyses was included to encourage the use of more sustainable remediation technologies to verify the applicability of bioremediation[32]. The screening method for assessing risks from natural events that may affect pipelines was completed and applied to a case study. Eni continues to work with IPIECA and IOGP - International Association of Oil & Gas Producers - to strengthen marine pollution response capacity downstream of oil spills. This includes participating in regional initiatives (in areas such as the Caspian Sea, Black Sea and West/Central/Southern Africa and Central Eurasia).

Operating on a global scale in environmental contexts with different ecological sensitivities, Eni has developed a science-based **Biodiversity and Ecosystem Services (BES)** management model over time that relies on long-term collaborations with recognised international organisations, leaders in biodiversity conservation, i.e. Fauna & Flora International (since 2003), Wildlife Conservation Society (since 2016) and, most recently, IUCN - International Union for Conservation of Nature (2022); since 2009, Eni has been a member of Proteus, a UNEP/WCMC (World Conservation Monitoring Centre) initiative for collecting and disseminating global data and information on biodiversity and ecosystems. For years, this model has been an integral part of the Integrated HSE Management System, confirming the awareness of the risks for the natural environment[33] resulting from Eni sites and activities. The BES management model is a risk-based approach, applied to the existing operations and to new projects. It ensures that the interactions between environmental aspects (such as BES, climate change, water resource management) and social aspects (such as the development of local communities) are identified and managed from the early planning stages. BES studies assess the significance of an impact for each project phase, combining the magnitude of the impact with the sensitivity of the BES value in the affected area[34]. Not only are potential impacts on priority BES aspects assessed and managed, but opportunities to contribute positively to their conservation are also considered. This is done through the systematic application of the Mitigation Hierarchy. It prioritizes preventative measures over corrective ones and drives continuous improvement of BES management performance towards no net loss or net gain, of biodiversity depending on project-specific risks and context. Active engagement with stakeholders occurs from the early stages of a project and throughout its life cycle to ensure the actual application of the Mitigation Hierarchy. Consultation and collaboration with communities, indigenous peoples and other local stakeholders helps to understand their expectations and concerns, determine how ecosystem services and biodiversity are being used, and identify management options that include local needs. Biodiversity risk exposure is periodically assessed by mapping Eni's operational sites with respect to their geographical proximity to protected areas and areas important for biodiversity conservation. This mapping allows identifying priority sites where to take action with higher resolution inquiries to characterize the operational and environmental context and assess potential impacts to be avoided or mitigated through Action Plans, (BAP - Biodiversity Action Plan). Furthermore, BAPs specify the targets, monitoring, timelines, responsibilities and performance indicators. They are updated regularly throughout the project's life, ensuring effective risk exposure management. In 2019 Eni adopted a "NO GO" policy in areas UNESCO recognises as sites with "Outstanding Universal Value" (OUV) and communicated its

(29) e-VPMS® is a technology for detecting vibro-acoustic variations in the structure of pipelines and in the fluid transported by the same, aimed at identifying potential spills in progress.
(30) Leak Detection is a leak detection system in fluid transport and standby conditions.
(31) Advance warning system able to support the management of oil and gas pipeline integrity and forecast possible hydrogeological risks related to natural events (flooding and landslides).
(32) Environmental remediation technology that relies on microorganisms capable of biodegrading or detoxifying pollutants.
(33) Indeed, biodiversity loss is now globally recognised as one of the most critical risks in impact and likelihood, on par with climate change and water crises (WEF 2020).
(34) The magnitude describes the level of pressure that the project could exert on the BES value and is calculated as a combination of the duration and/or irreversibility of the impact and the extent/scale of the affected area. The sensitivity of the BES value is assessed by combining its importance (e.g. presence of threatened species or critical habitat affected) with its vulnerability and resilience.

commitment not to carry out exploration and development activities in Natural Sites on the UNESCO World Heritage List; furthermore, in joint ventures where Eni is not the operator. Eni promotes with partners the development and adoption of good management practices in line with its BES Policy. In 2022, Eni signed a two-year partnership with IUCN to identify good practices for mitigating biodiversity impact associated with developing renewable energy projects. Led by IUCN and The Biodiversity Consultancy with the collaboration of Fauna & Flora International and four other energy companies, the project will identify criteria and tools for selecting the the most environmentally suitable locations for solar and wind energy development, providing guidance on minimising the impact on biodiversity in the extraction of raw materials used in renewable energy components, guidance on managing cumulative impact, spatial planning and opportunities for for enhancing nature in solar and wind farm development areas. Furthermore, in 2022 through industry associations (IPIECA, WBCSD), Eni participated in the negotiations for the new Kunming-Montreal Global Biodiversity Framework, welcoming its objectives and global vision. Among the Framework's most significant goals is the requirement for large companies to transparently monitor, assess and disclose their risks, dependencies and impacts on biodiversity. This approach has long been part of Eni's BES management model, which provides for a periodic update of biodiversity risk exposure assessments for the Company's portfolio operations.

## Performance metrics and comments

In 2022, **seawater withdrawals** were significantly reduced due to the contribution of all business areas, particularly the R&M and Chemicals sectors (-200 $Mm^3$ due to maintenance shutdowns at the Porto Marghera petrochemical plant and the Taranto Refinery and lower production at the Gela refinery), Upstream (over -47 $Mm^3$ due to Eni Angola SpA's exit from the domain) and Corporate and Other Assets (about -13 $Mm^3$ due to ILCV SpA's exit from the domain). Freshwater withdrawals, which were equal about 9% of total water withdrawals and with more than 79% accounted for in the R&M and Chemical sector, recorded an overall increase. This is attributable to the entry of the Porto Marghera and Ravenna Consortia into the Versalis consolidation domain. These provide a water management service for the entire industrial site, including the distribution of the water withdrawn for companies other than Eni working at the same location. Excluding withdrawals made for third parties, freshwater withdrawals used in Eni's production processes in 2022 are reduced by 2% compared to the previous year, thanks to initiatives undertaken to optimise internal recovery at the Sannazzaro refinery, lower electricity production at Enipower, reduced consumption at the IPP OKPAI power plant in Nigeria and the start-up of the desalination plant at Zohr in Egypt in the second half of 2021 with zero freshwater withdrawals.
Eni's freshwater reuse rate was 90%, down slightly from the 2021 figure (91%), partly due to the general shutdown of Versalis' Dunkirk site (more than -111 $Mm^3$ of recycled water). The percentage of reinjected produced water in the Exploration & Production sector increased to 59% (58% in 2021), despite the deconsolidation of Vår Energi and the sale of some assets in Congo, which resulted in a reduction of both produced and reinjected water volumes. Analysis of the stress level of hydrographic basins and further studies carried out locally show that freshwater withdrawals from areas under stress account for 2% of Eni's total water withdrawals in 2022 (data slightly increased compared to 2021 due to the entrance of the Versalis Consoria in the domain). In 2022, in particular, Eni withdrew 131 $Mm^3$ of fresh water, of which 30.3 $Mm^3$ was from water-stressed areas (15.3 $Mm^3$ from superficial water bodies, 6.3 $Mm^3$ from groundwater, 3.1 $Mm^3$ from third parties, 3.0 $Mm^3$ from urban networks and 2.6 $Mm^3$ from GTP). Sea water and brackish water withdrawals in water-stressed areas amounted to 942 $Mm^3$ and 8 $Mm^3$ respectively. Onshore produced water in water-stressed areas was 21.1 $Mm^3$. In 2022, Eni discharged 98 $Mm^3$ of fresh water, of which 18.8 $Mm^3$ in water-stressed areas, equal to 19% (20% in 2021). In 2022 Eni's fresh water consumption was 122 $Mm^3$ (of which 31.7 $Mm^3$ in water-stressed areas).
Compared to 2021, **operational oil spill** barrels decreased by 35%. Among the most significant events were a 300-barrel spill in Egypt from a pipeline transferring crude oil from an offshore platform to the onshore plant (almost half of the product was recovered). Of the barrels spilled, 38% are attributable to activities in Egypt, 19% to those in Lybia and 13% to those in Nigeria. Overall, almost 22% of the operational oil spill volumes were recovered.
With regard to **sabotage oil spills**, the number of occurrences in 2022 almost doubled compared to last year. Consequently, the volumes spilt also increased by more than 70%. All events occurred in Nigeria: among the most significant spills was a 1,250-barrel spill caused by the use of explosives on the Ogoda-Brass line in the Niger Delta area (over 1,000 barrels were recovered). Overall, 80 per cent of the total volume from sabotage was recovered. Volumes spilled from operating spills impacted 45% soil and 55% water bodies, while those from sabotage impacted 99.6% soil and 0.4% water bodies. Volumes spilled as a result of chemical spills (47 total barrels) are mainly attributable to a spill at the Val d'Agri Oil Unit (31 barrels of product).
**Waste from production activities** generated in 2022 increased by 29% compared to 2021, mainly due to an increase in the produced water from Zohr (Petrobel, Egypt) treated as hazardous waste. Non-hazardous waste increased slightly compared to 2021 (+2%), particularly in refining after line shutdowns at the Taranto and Gela refineries and for construction sites related to new lines at the Venice and Livorno refineries.
Enipower (construction of a new boiler and two new turbines at the Ravenna power plant) and construction activities for new Plenitude plants in Italy and Slovenia contributed to the upward trend. Recovered and recycled waste remained stable at 11% of the total disposed waste[35]. Disposed waste at third parties was 87% of the total (92% hazardous waste and 83% non-hazardous

waste), while waste recovered and recycled at third parties was 91% of the total (100% hazardous waste and 89% non-hazardous waste). In 2022, a total of 4.4 million tons of **waste** were generated by **remediation activities** (of which 4.1 million from Eni Rewind), consisting of over 84% of treated water from GTP plants, partly reused and partly returned to the environment; the remaining volumes are handled and transferred to third-party plants. Expenditure on remediation activities amounted to €558 million.

**Emissions of atmospheric pollutants** decreased, with the exception of particulate matter (PM) emissions, which increased by 4% compared to the previous year. The reduction in $SO_x$ emissions is linked to the lower volume of gas sent to acid flaring at the Southern District COVA centre. In contrast, the reduction in refinery and petrochemical plant production has affected the reduction in NMVOCs. PM emissions increased overall in connection as DLNG Service SAE (Damietta LNG) entered the scope of consolidation and the Sergaz increased gas transport.

The 2022 **biodiversity** risk exposure assessment showed that there is overlap, even partial, with biodiversity important areas[36] at 21 operational sites[37], all located in Italy with the exception of two sites in Spain and one in France; additional 45 sites[37] in 11 countries (Italy, Australia, Austria, France, Germany, United Kingdom, Spain, Switzerland, Tunisia, Hungary and USA) are located less than 1 km from protected areas or KBA. About 40% of the sites in, or adjacent to, biodiversity important areas are sites for renewable energy generation, the remainder are petrochemical plants, refineries or depots. As regards the upstream sector, 29 concessions[37] partially overlap with protected areas or KBAs, with operating activities within the overlapping area. These concessions are found in six Countries: Italy, Nigeria, Pakistan, the United States (Alaska), Egypt and the United Kingdom. In general, for all the Business Units, the greatest exposure in Italy and Europe is to the protected areas of the Natura 2000[38] network that is spread across Europe; this exposure is less pronounced than last year due to the exit of the UK Natura 2000 sites. However, the same areas fall under the "other protected areas" category. In no case, in Italy or abroad, is there any overlap of operating activities with UNESCO World Heritage Sites (WHS[39]); only one Upstream[40] site is located in the vicinity of a WHS natural site (Mount Etna) but there are no operating activities within the protected area, nor has significant impact been identified that could threaten the OUV - Outstanding Universal Value. In 2022, habitat restoration or biodiversity protection activities were performed (initiated and/or ongoing during the year) in Congo, Egypt, Nigeria, UK, USA (Alaska), Mexico, Ghana, Spain and Italy. The main actions implemented concern ecological restoration of forests or other natural habitats, species monitoring and conservation activities, community and worker awareness-raising activities. For example, in Alaska, a BAP has been running since 2009 to mitigate impact and demonstrate progress towards the No Net Loss goal and, where possible, to help improve the status (net gain) and knowledge of biodiversity in the Alaska North Slope area. Key actions in 2022 include: (i) the monitoring of polar bear movements within the operational area, (ii) the restoration of an abandoned gravel pit as a wetland including habitats for local wild birds. In addition, in 2022, Eni engaged a team of Arctic scientists from the international conservation NGO WCS (Wildlife Conservation Society) to work with local authorities and communities to test new low-disturbance strategies for detecting polar bear dens and approaches for protecting and restoring the Arctic tundra. In 2022, the analysis conducted on the global IUCN Red List database[41] showed the possible presence of 57 critically endangered, 155 endangered and 285 vulnerable species near Eni's operational areas. The near-threatened and least concern species are 318 and 4,568, respectively. It should also be noted that there are 313 species listed as "data deficient", so the information at the global level is inadequate for a direct or indirect assessment of the risk of extinction. Data-poor species are treated by Eni in the same way as intermediate risk categories because they have a high probability of being endangered species, given the lack of adequate data to assess the risk of extinction.

(35) Specifically, in 2022, 4% of the hazardous waste resulting from production activities disposed of by Eni was recovered/recycled, 1% was subjected to chemical/physical/biological treatment, 6% was incinerated, 1% was disposed of in landfill, while the remaining 88% was sent to other types of disposal (including transfer to temporary storage plants prior to final disposal). With regard to non-hazardous waste resulting from production activities, 16% was recovered/recycled, 3% was incinerated, 6% was disposed of in landfill, while the remaining 75% was sent to other types of disposal (including transfer to temporary storage plants prior to final disposal and incineration of small quantity).
(36) Protected Areas and KBAs (Key Biodiversity Areas). KBAs are sites that contribute significantly to the global persistence of biodiversity, on land, in freshwater or in the seas. These are identified through national processes by local stakeholders using a set of globally agreed scientific criteria. The KBAs analysed consist of two subsets: 1) Important Bird and Biodiversity Areas 2) Alliance for Zero Extinction Sites. The sources used for the census of protected areas and KBAs are the "World Database on Protected Areas" and the "World Database of Key Biodiversity Areas".
(37) This total value cannot be calculated by summing up the values in the table below, as an Eni operational site/concession may overlap/be adjacent to several protected areas or KBAs.
(38) Natura 2000 is the main European Union policy tool for biodiversity conservation. It is a network of environmental habitats throughout the territory of the European Union, set up in pursuant to Directive 2009/147/EC on the conservation of wild birds and "Habitat" (Directive 92/43/EEC).
(39) World Heritage Site.
(40) Although it is not included among the consolidated entities, the Zubair field (Iraq) is located near the Ahwar site classified as a mixed WHS site (natural and cultural). In this case, too, no operational infrastructure or operating activity within this protected areal, nor was significantly threatening impact identified to the site OUV.
(41) The IUCN Red List is an indicator for measuring the status of biodiversity. It reflects the resilience or vulnerability of habitats, helping to indicate priorities for action and actions needed for conservation.

| KEY PERFORMANCE INDICATORS | | 2022 | | 2021 | 2020 |
|---|---|---|---|---|---|
| | | Total | of which fully consolidated entities | Total | Total |
| **WATER** | | | | | |
| Total water withdrawals | (million m³) | **1,424** | *1,367* | 1,673 | 1,723 |
| *of which: sea water* | | ***1,283*** | *1,268* | *1,533* | *1,599* |
| *of which fresh water[a]* | | ***131*** | *97* | *125* | *113* |
| *of which: from surface water bodies* | | ***98*** | *69* | *82* | *71* |
| *of which: withdrawn from underground* | | ***18*** | *13* | *23* | *21* |
| *of which: withdrawn from aqueduct or tank* | | ***6*** | *5* | *7* | *7* |
| *of which: water from GTP[b] used in the production cycle* | | ***5*** | *5* | *6* | *4* |
| *of which: third-party water resources[c]* | | ***4*** | *4* | *7* | *10* |
| *of which: water resources from other streams* | | ***0*** | *0* | *0* | *0* |
| *of which: brackish water from underground or surface water* | | ***10*** | *2* | *15* | *11* |
| Total water withdrawals from area with water stress | | **30.3** | *20.3* | 25.9 | 26.5 |
| Fresh water reused | (%) | **90** | *92* | 91 | 91 |
| Total extracted produced water (upstream)[d] | (million m³) | **44** | *20* | 58 | 57 |
| Re-injected produced water | (%) | **59** | *43* | 58 | 53 |
| Total water discharge[e] | (million m³) | **1,291** | *1,280* | 1,539[g] | 1,584[g] |
| *of which: at sea* | | ***1,215*** | *1,206* | *1,456[g]* | *1,501* |
| *of which: in superficial water bodies* | | ***61*** | *61* | *69* | *67* |
| *of which: in the sewerage system* | | ***12*** | *10* | *11* | *11* |
| *of which: given to third parties[f]* | | ***3*** | *3* | *3* | *4* |
| Fresh water discharge in area with water stress | | **18.8** | *17.7* | 19 | 18.3 |
| Total water consumption: | | **122** | *96* | 125 | 136 |
| *of which: in area with water stress* | | ***31.7*** | *12.0* | 33.3 | 39.0 |
| **OIL SPILL** | | | | | |
| Operational oil spills[h] | | | | | |
| Total number of oil spills (> 1 barrel) | (number) | **36** | *20* | 36 | 46 |
| *of which: upstream* | | ***28*** | *12* | *30* | *43* |
| Volumes of oil spills (> 1 barrel) | (barrels) | **886** | *375* | 1,355 | 958 |
| *of which: upstream* | | ***845*** | *334* | *436* | *882* |
| Oil spills due to sabotage (including theft)[h] | | | | | |
| Total number of oil spills (> 1 barrel) | (number) | **244** | *244* | 125[h] | 110 |
| *of which: upstream* | | ***244*** | *244* | *125* | *109* |
| Volumes of oil spills (> 1 barrel) | (barrels) | **5,253** | *5,253* | 3,053[h] | 5,866 |
| *of which: upstream* | | ***5,253*** | *5,253* | *3,053[h]* | *5,457* |
| Volume of oil spills due to sabotage (including thefts) in Nigeria (> 1 barrel) | | **5,253** | *5,253* | 3,053 | 4,452 |
| Chemical spills | | | | | |
| Total number of chemical spills | (number) | **13** | *11* | 20 | 24 |
| Volumes of chemical spills | (barrels) | **47** | *45* | 68 | 3 |
| **WASTE** | | | | | |
| Total waste from production activities | (million of tonnes) | **2.7** | *1.8* | 2.1 | 1.8 |
| *of which: hazardous* | | ***1.1*** | *0.3* | *0.5* | *0.4* |
| *of which: non hazardous* | | ***1.6*** | *1.5* | *1.6* | *1.4* |
| Recycled/recovered waste | | **0.3** | *0.3* | 0.2 | 0.2 |
| *of which: hazardous* | | ***0.0*** | *0.0* | *0.0* | *0.0* |
| *of which: non hazardous* | | ***0.3*** | *0.3* | *0.2* | *0.2* |
| Waste destined for disposal | | **2.4** | *1.5* | 1.9 | 1.6 |
| *of which: hazardous* | | ***1.0*** | *0.2* | *0.4* | *0.4* |
| *of which: non hazardous* | | ***1.4*** | *1.3* | *1.5* | *1.2* |
| **POLLUTANT EMISSIONS TO THE ATMOSPHERE** | | | | | |
| $NO_x$ (nitrogen oxides) emissions | (thousands of tonnes of $NO_2$eq) | **48.8** | *27.7* | 48.8 | 51.7 |
| $SO_x$ (sulphur oxides) emissions | (thousands of tonnes of $SO_2$eq) | **17.9** | *3.9* | 18.5 | 15.3 |
| NMVOC (Non Methane Volatile Organic Compounds) emissions | (ktonnes) | **23.1** | *12.6* | 24 | 21.4 |
| PM (Particulate Matter) emissions | | **1.4** | *0.6* | 1.4 | 1.3 |

(a) Of which fresh water withdrawals transferred to third parties without use in Eni's production processes: 15 Mm³ in 2022 (for inclusion in the Versalis Consortia domain), 3 Mm³ in 2021 and 1 Mm³ in 2020.
(b) GTP: Groundwater treatment plant.
(c) Water withdrawal from third-parties are exclusively related to fresh water.
(d) It is reported that in 2022 re-injected and injected produced water for disposal was equal to 25.6 Mm³. In addition, produced water discharged into surface water bodies and seawater or sent to evaporation basins was 14.8 Mm³.
(e) About 7% of total water discharges is fresh water.
(f) It is water given for industrial use.
(g) The data in the 2021 NFI have been updated.
(h) The data in the 2021 NFI have been updated following the closure of some investigations after publication.

## NUMBER OF PROTECTED AREAS AND KBAS IN OR ADJACENT TO SITES AND CONCESSIONS OWNED BY OPERATED COMPANIES[(a)]

| | | Analysis carried out on the downstream operational sites of Eni, Versalis, Enipower and Eni Plenitude | | Analysis carried out on Upstream concessions |
|---|---|---|---|---|
| | | Overlapping with operational sites | Adjacent to operational sites (<1km)[(b)] | With operating activities in the overlapping area |
| | | 2022 | 2022 | 2022 |
| UNESCO World Heritage Natural Sites (WHS) | (number) | 0 | 0 | 0 |
| Natura 2000 | | 14 | 38 | 11 |
| IUCN[(c)] | | 5 | 23 | 2 |
| Ramsar[(d)] | | 0 | 3 | 2 |
| Other Protected Areas | | 2 | 9 | 14 |
| KBAs | | 9 | 15 | 8 |

(a) The reporting boundary, in addition to fully consolidated companies, includes also 4 upstream concessions belonging to operated companies in Egypt and downstream Eni plants, which also belonging to an operated Company. For this analysis, the upstream concessions as of June 30 of the reporting year are considered.
(b) The relevant areas for biodiversity and the operational sites do not overlap but are at distance of less than 1 km.
(c) Protected areas with an assigned IUCN (International Union for Conservation of Nature) management category.
(d) List of wetlands of international importance identified by the Countries that signed the Ramsar Convention in Iran in 1971 and which aims to ensure the sustainable development and conservation of biodiversity in these areas.

## Human Rights

Eni is committed to conducting its activities with respect for human rights and expects its Business Partners to do the same in carrying out the assigned activities or those done in collaboration with and/or on behalf of Eni. This commitment, based on the dignity of each human being and on the responsibility of the Company to contribute to the well-being of individuals and communities in the Countries in which it operates, is set out in the Eni's Statement on Respect for Human Rights approved in December 2018 by the BoD. The document highlights the priority areas on which this commitment is focused and on which Eni exercises in-depth due diligence, according to an approach developed in line with the United Nations Guiding Principles on Business and Human Rights (UNGP)[42] and the OECD Guidelines for Multinational Enterprises[43]. These aspects are described within a dedicated report, Eni for Human Rights[44], published annually since 2019, which provides a full representation of the management model adopted by Eni on the issue and the activities carried out in recent years, using the UNGP Reporting Framework to report commitments and results. In 2022, the Sustainability and Scenarios Committee, which makes proposals and acts as consultants for the BoD on ESG and Human Rights, investigated the activities for the year, including the risk-based management model adopted by Eni and the Slavery and Human Trafficking Statement approved by the BoD in April 2022. Again this year, Eni continued the process of awarding management incentives linked to human rights performance, assigning specific objectives to all managers reporting directly to the CEO and other management levels, based on the role.

With regard to training, following on with the multiple-awareness programme launched in 2016, in 2022 specific e-learning courses were provided to the functions most involved, in order to create a common and shared language and culture throughout the Company and to improve the understanding of the possible impacts of the business on human rights, including in-depth discussions on topics of interest on the individual activities/professional families. Eni's commitment, the management model and the activities carried out on human rights focus on the issues considered most significant for the company – as also requested by the UNGP – in light of the business activities conducted and the contexts in which the Company operates. These "Salient human rights issues" are identified by Eni, grouped into 4 categories: human rights (i) in the workplace; (ii) in the communities hosting Eni activities; (iii) in business relations (with suppliers, contractors and other business partners); and (iv) in security services. In 2020, a "risk-based" evaluation model for protecting **human rights at the workplace** has been issued with the aim of segmenting Eni companies on the basis of quantitative and qualitative parameters that

(42) UN Guiding Principles on Business and Human Rights (UNGPs).
(43) OECD Guidelines for Multinational Enterprises.
(44) See: https://www.eni.com/assets/documents/eng/just-transition/2021/eni-for-human-rights-2021.pdf

capture the specific characteristics and risks of the Country/operating context and are linked to the human resources management process (including the fight against all forms of discrimination, gender equality, working conditions, freedom of association and collective bargaining).

This approach identifies possible risk areas or improvements, requiring specific actions to be defined and monitored over time. During 2022, the application of the model in the upstream business subsidiaries already monitored in 2021 was expanded, and an initial application in the Energy Evolution area was performed. Eni is committed to preventing possible negative impacts on the **human rights of individuals and host communities** resulting from the implementation of industrial projects. To this end, in 2018, Eni adopted a risk-based model (updated in 2021) that uses elements related to the operating context, such as risk indexes of the data provider Verisk Maplecroft, and project characteristics, in order to classify upstream business projects according to potential human rights risks and to identify appropriate management measures. Higher-risk projects are specifically investigated through a "Human Rights Impact Assessment" (HRIA) or a "Human Rights Risk Analysis" (HRRA) to identify measures to prevent potential impacts on human rights and manage the existing ones. In 2022, these in-depth studies were conducted for agri-feedstock development projects initiated in Kenya and Congo[45], identifying recommendations to mitigate potential negative impact. They were translated into Action Plans to be implemented in 2023. Over the year, follow-ups were carried out for the Action plans on the 2021 assessment: in Cabinda Province in Angola; on Block 47 in Oman; on the Dumre block in Albania; and on Area C of the Sharjah Emirate (UAE). All HRIA reports conducted up to 2020 and the related Action Plans adopted, including the periodic reports on the progress of the Plans, are publicly available on the Eni[46] website. In some Countries, such as Australia and Alaska, Eni operates in areas where indigenous peoples are present, towards which it has adopted specific policies to protect their rights, culture and traditions and to promote their free, prior and informed consultation. The most recent of these Policies, referring to the indigenous peoples in Alaska[47] affected by the business activities carried out by the Eni US Operating company in the area, was adopted in 2020 and renewed in 2021. No violations of the rights of these populations were detected during the year[48].

Respect for human rights in the **supply chain** is an essential requirement for Eni, protected through a procurement process that calls for adopting an assessment model dedicated to human rights, as well as transparent, impartial, consistent and non-discriminatory conduct in the selection of suppliers, the evaluation of bids and the verification of contractual activities (see chapter "Suppliers").

To set off and reinforce their commitment to fundamental values, in particular to respect human rights, companies working with Eni are called upon to sign the "Supplier Code of Conduct", a pact that guides and characterises relations with suppliers at all stages of the procurement process (from candidature to qualification, purchasing procedures to the execution phase) based on the principles of social responsibility, including human rights. Human rights assessment and monitoring are applied in procurement processes through a risk-based model. This model allows the analysis and classification of suppliers according to a level of potential risks according to the Country context and the activities[49] carried out. To reinforce the management on the topic and especially on the risks related to forced/compulsory labour and the right to freedom of association and collective bargaining, in 2022, the application of the risk-based model was extended to 13 additional foreign companies, for a total of 24. It allowed the identification of Nigeria, Congo and Mozambique as Countries with the highest number of suppliers at risk. In addition to the activities such as due diligence, tender evaluation, performance feedback and updates with dedicated questionnaires, in line with the SA8000 international standards, the risk-based model calls for carrying out audits on suppliers to monitor the respect for human rights. In 2022, more than 350 in-depth document and field audits were carried out on direct and indirect suppliers.

To promote knowledge of human rights safeguards, remote training programmes and workshops were organised for colleagues in the Vendor Management functions of foreign subsidiaries. Further actions to counteract forms of modern slavery and human trafficking and to prevent the exploitation of minerals associated with human rights violations in the supply chain are discussed respectively in the "Slavery and Human Trafficking Statement"[50] and the "Position on Conflict Minerals"[51]. The Position on Conflict Minerals describes the policies and systems for the procurement of "conflict minerals" (tantalum, tin, tungsten and gold) by Eni, with the aim of minimising the risk that the procurement of these minerals may contribute to financing, directly or indirectly, human rights violations in the Countries concerned.

Eni manages its **security operations** in accordance with international principles, including the Voluntary Principles on Security & Human Rights promoted by the Voluntary

(45) https://www.eni.com/en-IT/sustainable-mobility/biofuels-vegetable-oils.html
(46) https://eni.com/en-IT/just-transition/respect-for-human-rights.html
(47) See: https://www.eni.com/assets/documents/Indigenous%20Peoples%20Policy%201DEC2020_final.pdf
(48) Regarding the Countries mentioned above, no reports emerged through local grievance mechanisms on human rights issues during the year.
(49) Based on vulnerabilities and probabilities related to specific conditions such as the level of training and skills needed, the level of labour intensity, the use of manpower agencies, HSE risks. Industrial activities (such as maintenance, construction, assembly, logistics) and general goods and services (such as cleaning services, catering, security services and property management) have been classified as high-risk activities.
(50) In accordance with the English Modern Slavery Act 2015 and, from this year, the Australian Commonwealth Modern Slavery Act 2018.
(51) Compliance with the US SEC regulations.

Principles Initiative (VPI), a multistakeholder initiative that combines major energy companies in the protection and promotion of Human Rights.
After Eni obtained admission as an "Engaged Corporate Participant" in 2020, VPI officially communicated on December 8, 2022 that the company acquired the status of "Full Member" of the Voluntary Principles Initiative thanks to the demonstration of its commitment to the promotion and awareness of Human Rights by all the functions involved. Among the most significant activities in 2022 was the application of the Conflict Analysis Tool in Nigeria, a project proposed and developed by VPI to analyse the causes of conflict in a given area/Country, starting from the identification of those causes that contribute most to escalate the conflict, and then trying to identify possible actions by the company that could have the mitigating effects on the conflict's causes. The application of this tool has led to more than local 30 interviews being conducted. These analysed the causes of the Nigerian conflict and an Action Plan was prepared containing the relative mitigation actions, involving several operational sites in the Country. Finally, in line with the principles of "responsible contracting" suggested by the best practices and international guidelines on Business & Human Rights, Eni has prepared a series of standard clauses on human rights compliance to be included on the basis of a risk-based approach in the main Eni contractual cases, and provides support to the business for their definition and negotiation.

## Performance metrics and comments

In 2022, the three-year training cycle was completed that began in 2020 regarding mandatory training for senior managers and middle managers (Italy and abroad) of the 4 specific modules: "Security and Human Rights", "Human Rights and relations with Communities", "Human Rights in the Workplace" and "Human rights in the Supply Chain". The delivery of the other courses offered on sustainability and human rights issues to the entire Eni population continued. The overall course utilisation rate stood at 89% of those enrolled. The delivery of the specialised Human Rights courses to the target population identified in the plan was also completed, and the basic Business & Human Rights course was delivered to new recruits.
Awareness-raising and training activities on combating violence and harassment at work were launched in 2022, as envisaged in the specific policy issued at the end of 2021 to respond in advance to the provisions of International Labour Organisation Convention No. 190. The percentage of personnel from the Security professional area who have been trained on human rights reached 93%: this number reflects the qualitative/quantitative turnover of incoming and outgoing resources from the Professional Area year on year. In addition, since 2009 Eni has been conducting a training programme for public and private security forces at its subsidiaries, which was recognized as a best practice in the 2013 joint publication by the Global Compact and the Principles for Responsible Investment (PRI) of the United Nations. In this regard, a Security Workshop & Human Rights was held from 9 to 11 November 2022, at the subsidiaries NAOC (Nigerian Agip Oil Company ltd) and NAE (Nigerian Agip Exploration) in Port Harcourt. The workshop was conducted by an independent consultancy firm specialised in security management and human rights protection in the international arena were engaged 409 participants were engaged from the Nigerian armed forces, private security forces as well as NAOC and NAE. This Workshop represented the 21st edition of the training initiative that has so far involved 15 Countries. With regard to whistleblowing reports, in 2022 investigations were completed on 77 files[52], of which 45 included human rights issues, mainly concerning potential impacts on workers' rights and occupational health and safety. Among these, 62 assertions were verified; for 12 of these, the reported facts were confirmed, even partially, and corrective actions were taken to mitigate and/or minimise their impacts. In particular, the following were undertaken: (i) actions on the Internal Control and Risk Management System, relating to the implementation and strengthening of controls in place; (ii) training on the topics of the Code of Ethics and the "Zero Tolerance" policy and (iii) actions against employees, including disciplinary measures, in line with the collective agreements and other applicable national laws. At the end of the year, 16 files were still open, 5 of which referred to human rights issues, mainly concerning potential impacts on workers' rights.

(52) Whistleblowing report: a summary document of the investigations carried out on the report(s) (which may contain one or more detailed and verifiable assertions) in which the summary of the investigation carried out on the facts that are the subject of the report, the outcome of the investigations carried out and any action plans identified are reported. In particular, Eni, since 2006, has had regulations governing the process of receiving, analyzing and processing reports (so-called whistleblowing) transmitted, even in confidential or anonymous form, to Eni SpA and its subsidiaries in Italy and abroad to enable anyone, employees and third parties, to report facts pertaining to the SCIGR as well as concerning conduct in violation of the Code of Ethics, laws, regulations, provisions of the Authorities, internal regulations, in any case likely to cause damage or harm, even if only reputational, to Eni. As indicated in the regulations (published on the company's website) that define roles and responsibilities related to investigative activities and information flows, all Whistleblowing Reports are submitted to, among others, the Board of Statutory Auditors as Audit Committee for the purposes of the SOA regulations (Sarbanes - Oxley Act of 2002), the Chairman of the Board of Directors, the Chief Executive Officer and the Independent Auditors.

| KEY PERFORMANCE INDICATORS | | 2022 | 2021 | 2020 |
|---|---|---|---|---|
| Human rights training hours[(a)] | (number) | **14,245** | 22,983 | 28,838 |
| In class | | **152** | 0 | 260 |
| Distance | | **14,093** | 22,983 | 28,578 |
| Employees trained on human rights[(b)] | (%) | **89** | 94 | 92 |
| Security personnel trained on human rights[(c)] | (number) | **409** | 88 | 32 |
| Security personnel (professional area) trained on human rights[(d)] | (%) | **93** | 90 | 91 |
| Security contracts containing clauses on human rights | | **97** | 98 | 97 |
| Whistleblowing files (assertions)[(e)] on human rights violations closed during the year | (number) | **45 (62)** | 30 (40) | 25 (28) |
| Founded assertions | | **12** | 2 | 11 |
| Partially founded assertions | | **0** | 3 | n.a. |
| Unfounded assertions, with the adoption of corrective/improvement measures | | **0** | 7 | 9 |
| Unsubstantiated allegations/not verifiable[(f)]/not applicable[(g)] | | **50** | 28 | 8 |
| Inherent incidents of discrimination[(h)] | | **3** | | |

(a) The data in the table consider the total hours of employee training. The 2020-21 data were restated appropriately following the change in indicator calculation method.
(b) This percentage is calculated as the ratio between the number of registered employees who have completed a training course and the total number of registered employees.
(c) The variations of the number of Security personnel trained on human rights, in some cases even significant from one year and the next, are related to the different characteristics of the training projects and to the operating contingencies.
(d) This data is a cumulative percentage value. The Security Forces include both private security personnel who work contractually for Eni, and personnel of the Public Security Forces, whether military or civilian, who carry out, also indirectly, security activities and/or operations to protect Eni's people and assets.
(e) As of October 1st, 2021, a different classification of the results of the Files has been defined, ranging from 4 ("Founded", "Unfounded with Actions", "Unfounded" and "Not Applicable") to 5 categories ("Founded", "Partially Founded", "Unfounded", "Not Ascertainable" and "Not Applicable").
(f) Assertions that do not contain detailed, precise and/or sufficiently detailed elements and/or, for which on the basis of the investigative tools available, it is not possible to confirm or exclude the validity of the facts reported therein.
(g) Assertions in which the reported facts coincide with the subject of pre-litigation, disputes and investigation in progress by public authorities (for example, judicial, ordinary and special authorities, administrative bodies and independent authorities assigned to monitoring and control). The assessment is carried out after obtaining the opinion of the Legal Affairs function or other relevant functions.
(h) The alleged incidents of discrimination did not show any grounds.

## Suppliers

Eni has developed a procurement model that considers the ESG characteristics of suppliers in all its phases, from the selection and qualification of vendors to tender process, from the contractual management to feedback management, with the aim of promoting the generation of shared and lasting value to the supply chain. Eni meets this commitment by promoting its own values with its suppliers, involving them in development initiatives and including them in risk prevention activities. In particular, as part of the Sustainable Procurement process, Eni: (i) periodically subjects all suppliers to qualification and due diligence processes to verify their ethical, reputational, economic-financial, technical-operational reliability and the application of supervision in the areas of health, safety, environment, governance, cyber security and protection of human rights, to minimise the risks along the supply chain; (ii) requires all suppliers to sign the Supplier Code of Conduct as a mutual commitment to recognise and protect the value of all people, to commit to tackling climate change and its effects, to operate with integrity, protect company resources, promoting the adoption of these principles to their people and their supply chain; (iii) considers ESG characteristics[53] in the logic of contract awarding, relevant to the scope of the contract and periodically monitors the respect for the commitments the supplier assumes in the various steps of the Procurement process; (iv) if the assessments expose critical issues, requests the implementation of corrective actions or, if the minimum standards are not met where provided, limits or prohibits the suppliers from participating in the tender processes. To promote the sustainable supply chain development, in 2022, Eni further strengthened its Sustainable Supply Chain programme with initiatives aimed at involving suppliers in the fair and sustainable energy transition path, enhancing the aspects of environmental protection, economic development and social growth. The Sustainable Supply Chain Programme focused on: (i) **Involving companies in the sustainable development path.** In 2022, the systemic path was strengthened through the ever-widening dissemination of the platform powered by Eni, Open-es, a tool to involve and support all companies along the path of measurement and growth on the dimensions of sustainability. Thanks to the open and inclusive approach of the initiative and the adhesion of various actors (supply chain leaders, financial institutions, associations, etc.) and sectors in the value chain, Open-es counts more than 10,000 companies, and about 3,600 of these are in the Eni supply chain. This platform allows companies to create and update their ESG profile, share sustainability information with clients and other stakeholders, access sector benchmarks to compare themselves with similar entities and identify priority actions to implement in order to improve their ESG profile. For Eni's Procurement Process, the suppliers' participation in this initiative is an essential requirement for evaluating and enhancing the commitment made by each of the suppliers along a path of sustainable development, with the aim of involving the entire supply chain. To further support the improvement of the companies' ESG performance, in 2022 an analysis on Open-es's data of 2,600 Italian companies was carried out to identify key gaps and areas of strength while defining priorities and actions to be taken in order to be a competitive and sustainable company. As part of the initiative, companies can also participate in "Open-es ESG Competencies", a series of free events to increase the knowledge of their employees on ESG topics. This creates an opportunity to meet experts on specific aspects (Carbon Neutrality, Social Sustainability and Governance, Diversity & Inclusion, Responsible Vendor Management, and Human Rights); (ii) **Supplier Training.** In addition to the Open-es training initiatives, open to all companies, Eni organised sector-specific workshops on ESG topics and webinars on digital themes and cyber security; (iii) **Financial support to suppliers.** In 2022, as part of the "Sustainable Energy - Basket Bond" initiative, launched in 2021 to financially support energy supply chains in the energy transition and promote the implementation of sustainable business models, €23 million in minibonds were financed; (iv) **Sustainability criteria and rewarding mechanisms.** To enhance the commitment and encourage the adoption of best practices by suppliers during the procurement process, sustainability criteria and rewarding mechanisms are applied in the evaluation of bids for a total amount of over €4.5 billion of awarded contract value.

## Performance metrics and comments

During 2022, 6,622 suppliers[54] were subject to checks and assessments with reference to environmental and social sustainability aspects (including health, safety, environment, human rights, anti-corruption and compliance). Potential critical issues and/or areas for improvement were identified for 10% (659) of the suppliers audited, an increase compared to 2021. The critical issues mainly refer to gaps in compliance with health and safety regulations and the principles established by the Code of Conduct and the Code of Ethics. In the same way, there was an increase in the number of suppliers with whom relations were interrupted (54), due to negative evaluation during the qualification phase or due to suspension or revocation of the qualification.
Finally, it should be noted that, during 2022, an influence on price and logistical criticalities have been noticed due to the macroeconomic dynamics but without any impact on the continuity of procurement.

(53) Tender procedures have introduced rewarding requirements such as energy efficiency, use of energy produced from renewable sources, sustainability certifications, vehicle fleet, use of recycled material, disposal methods, gender equality on teams, maintenance of the employment level, etc.
(54) It also includes all new suppliers.

| KEY PERFORMANCE INDICATORS | | 2022 | 2021 | 2020 |
|---|---|---|---|---|
| Suppliers subject to assessment on social responsibility aspects | (number) | **6,622** | 6,318 | 5,655 |
| *of which: suppliers with criticalities/areas for improvement* | | ***659*** | *487* | *828* |
| *of which: suppliers with whom Eni has terminated the relations* | | ***54[(a)]*** | *34* | *124* |
| New suppliers assessed using social criteria[(b)] | (%) | **100** | 100 | 100 |

(a) Includes 18 suppliers with whom Eni has terminated the relations due to violations related to corruption.
(b) Evaluation is carried out based on information available from open and/or supplier-reported sources and/or performance indicators and/or field audits, through at least one of the following processes: reputational Due Diligence, qualification process, performance evaluation feedback on HSE or compliance areas, feedback process, assessment on human rights issues (inspired by SA8000 standard or similar certification).

## Transparency, anti-corruption and tax strategy

The ten principles of the UN Global Compact, including the repudiation of corruption, are reflected in Eni's Code of Ethics, which is distributed to all employees at the time of hiring, and in Model 231 of Eni SpA. Moreover, since 2009, Eni has designed and developed the **Anti-Corruption Compliance Program**, in compliance with the applicable provisions in force and international conventions and taking into account guidance and best practices, as well as the policies adopted by leading international organizations. It is an organic system of rules and controls to prevent corrupt practices, and is also instrumental to the prevention of the phenomenon of money laundering in the context of the non-financial activities of Eni SpA and its subsidiaries. At regulatory level, the Anti-Corruption Compliance Program is represented by the Anti-Corruption MSG[55] and by regulatory instruments that constitute the reference framework in the identification of the activities at risk and the control tools that Eni makes available to its people to prevent and counter the risk of corruption and money laundering. In Italy and abroad, each subsidiary company where Eni holds a non-controlling interest are encouraged to comply with the standards set forth in internal anti-corruption regulations by adopting and maintaining an adequate internal control system consistent with the legal requirements through a resolution of their Board of Directors[56]. Eni's Anti-Corruption Compliance Program has evolved over the years with the aim of continuous improvement; in January 2017, Eni SpA was the first Italian Company to achieve the ISO 37001:2016 "Anti-bribery Management Systems" certification. To maintain this certification, Eni underwent a recertification audit in 2022, which concluded with a positive outcome. In addition, in order to guarantee the effectiveness of the Anti-Corruption Compliance Program, Eni supports its subsidiaries in Italy and abroad, providing specialized assistance in the activity of assessing the reliability of potential counterparties at risk ("due diligence"), the management of any critical issues/red flags that emerge and the development of the related contractual safeguards.

In particular, specific Business Integrity clauses (Code of Ethics, corporate administrative liability, anti-corruption and anti-money laundering) are included in contracts with counterparties, which also provide for a commitment to view and abide by the principles contained in Eni's Code of Ethics, Model 231, and Anti-Corruption MSG.

In the **qualification process of potential suppliers** (see the section on Suppliers), the ethical and reputational profile is assessed, as well as the adoption by them of an Anti-Corruption Compliance Program for cases with a higher risk of corruption. In any case, business integrity clauses are defined in the relevant contracts, including contractual remedies in the event of breaches of anti-corruption compliance obligations and audit rights by Eni for the highest-risk cases. In addition, the subcontractor is also subject to prior checks for ethical and reputational reliability and must only operate based on a written contract that contains compliance commitments equivalent to those of the main supplier. Eni has defined and implemented a structured process of **Compliance risk assessment and monitoring** aimed respectively at: (i) identifying, assessing and tracking the risks of corruption in the context of its business activities and for the definition and updating of the control measures provided for in the Anti-Corruption Regulatory instruments; (ii) periodically analysing the trend of the corruption risks identified, through specific controls and the analysis of risk indicators aimed at ensuring compliance with the regulatory requirements and the effectiveness of the models placed under their control. The activities at risk identified by Eni through the Compliance risk assessment, due to its operational and organizational context, include, for example: (i) contracts with third parties at Risk of corruption and money laundering (such as, for example, business associates, joint venture partners, brokers, counterparties in real estate management operations, commercial network operators, suppliers, credit buyers/assignees, etc.); (ii) transactions for the purchase and sale of company shares, companies and company branches, mining rights and securities, etc. and joint venture contracts; (iii) non-profit initiatives, social projects and sponsorships; (iv) the sale of goods and services (e.g. contracts with customers in the commercial process), trading and/or shipping operations; (v) the selection, recruitment

(55) The latest version of the Anti-Corruption MSG (which updates and replaces the previous version of 2014) was (i) illustrated and submitted to the Eni SpA Control and Risk Committee for prior opinion and for information to the Board of Statutory Auditors and the Eni SpA Watch Structure; (ii) approved by the Eni SpA Board of Directors on June 24, 2021. The Anti-Corruption MSG was published on July 19, 2021 and is available on the website www.eni.com.
(56) Or alternatively, with resolution by the equivalent body depending on the governance of the subsidiary.

and management of human resources; (vi) gifts and hospitality; (vii) relations with Relevant Persons. Compliance risk assessment activities and anti-corruption Compliance Monitoring interventions are planned annually according to a risk-based approach. In 2022, the former covered the Anti-Corruption area as a whole and the risk activity “Sale of Goods and Services” and the latter focused on the “Joint Ventures” and “Third Parties” and “Gifts and Hospitality” risk activities. Both activities’ outcomes confirmed the expected risk level and the adequacy of the mitigation measures put in place and the effectiveness of the compliance model adopted.

Eni also implements an **Anti-Corruption training programm** aimed at all its employees (including part-time employees) through e-learning and in-classroom events divided into general workshops and job-specific training. This optimises the identification of recipients through a systematic segmentation methodology as a function of the corruption risk associated with certain drivers, such as Country, qualification and professional area. In 2022, the new online course “Code of Ethics, Anti-Corruption and Corporate Administrative Liability” was delivered to the whole of Eni, in Italy and abroad, and the e-learning on the Anti-Corruption Compliance Program for medium- and high-risk personnel was updated to be delivered in 2023.

In addition, classroom presentations discussing practical cases were held as part of the training course dedicated to the Managing Directors at Eni’s subsidiaries and investee companies in Italy and abroad, focusing on compliance and risk mitigation issues. For its third parties, Eni (i) held a webinar aimed at some high-risk suppliers; and (ii) trained employees of the corporate joint-venture Isatay Operating Company llp in Kazakhstan. The relevant activities in the Anti-Corruption Compliance Program and the planning of such activities for the subsequent periods are the subject of an annual report that is an integral part of the Integrated Compliance Report to the Eni SpA management and supervisory bodies. During 2022, the following were brought to the attention of the Board of Directors: (i) the revision of the “Antitrust” MSG to implement the changes made to the Integrated Compliance process and ensure even greater alignment with the guidelines issued by the Italian Antitrust Authority and (ii) the approval of the “Compliance Models on Company Administrative Responsibility for Eni’s Italian Subsidiaries” MSG, to reorganise the company regulatory system on corporate administrative responsibility for subsidiaries.

Periodic information and training activities for Eni employees are performed through the preparation of short information briefs on compliance, including any anti-corruption issues. Eni’s experience in grows through participation in international conventions, events and working groups, including the Partnering Against Corruption Initiative (PACI) of the World Economic Forum, the O&G ABC Compliance Attorney Group (a discussion group on anti-corruption issues in the Oil & Gas sector) and, in 2021 and 2022, the of the B20 Italy and B20 Indonesia Taskforce on Integrity and Compliance. As part of the audit plan approved annually by the BoD, Eni carries out specific checks to verify the fulfilment of the Compliance Program’s provisions through dedicated audits and analyses of processes and companies, identified according to the relevant Country’s Risk level and the related size of business, as well as through checks on high-risk third parties, where contractually foreseen. Moreover, since 2006 Eni has issued an internal procedure, updated over time and most recently in 2020, aligned with national and international best practices as well as with the Italian Law (L. 179/2017), in order to manage the process of receiving, analysing and processing whistleblowing reports received, even in confidential or anonymous form, by Eni SpA and its subsidiaries in Italy and abroad. This regulation allows employees and third parties to report facts pertaining to the Internal Control and Risk Management System that concern behaviours in violation of the Code of Ethics, any laws, regulations, provisions of authorities, internal regulations, 231 Model or compliance models for foreign subsidiaries that may cause damage or prejudice to Eni, even if only to its public image. In this regard, dedicated and easily accessible information channels have been set up and are available on eni.com.

Eni’s **tax strategy**, which has been approved by the Board of Directors and is available on the Company’s website[57], is based on the principles of transparency, honesty, fairness and good faith set forth in its Code of Ethics and in the “OECD Guidelines for Multinational Enterprises”[58] and has as its primary objective the payment of taxes in the various Countries in which it operates, in the knowledge that it can contribute significantly to tax revenues in those Countries, supporting local economic and social development. Eni has designed and implemented a Tax Control Framework for which Eni’s CFO is responsible, structured in a three-step business process: (i) assessment of tax risk (Risk Assessment); (ii) identification and establishment of controls to monitor risks; (iii) verification of the effectiveness of controls and related information flows (Reporting). As part of its tax and litigation activities risk management, Eni adopts prior communication with the tax authorities and maintains relations based on transparency, dialogue and cooperation, participating, where appropriate, in projects of enhanced cooperation (Co-operative Compliance).

True to the commitment to better governance and greater transparency in the extraction sector, which is crucial to foster responsible use of resources and prevent corruption, Eni takes part in the Extractive Industries Transparency Initiative (EITI) since 2005. In this context, Eni actively participates both at local level, through the Multi-Stakeholder Groups in the member Countries, and in the Board’s initiatives at international level. In accordance with Italian Law No. 208/2015, Eni prepares the “Country-by-Country Report” required by Action 13 of the “Base erosion and profit shifting - BEPS” project, promoted by the OECD with the sponsorship of the G-20, whose objective

(57) https://www.eni.com/assets/documents/Tax-strategy_ENG.pdf
(58) https://www.oecd.org/daf/inv/mne/48004323.pdf

is to have the profits of multinational companies declared in the jurisdictions where the economic activities that generate them are carried out, in proportion to the value generated. With a view to fostering fiscal transparency for the benefit of all interested stakeholders, this report is published voluntarily by Eni, although there are no regulatory obligations in this regard[59]. The publication of this report has been recognized as best practice by the EITI[60]. Also in line with its support for the EITI, Eni has published a position on contract transparency in which governments are encouraged to comply with the new requirement on contracts publication and it is expressed the support to the mechanisms and initiatives that will be launched by Countries to promote transparency in this area. Finally, anticipating by two years the reporting requirements on transparency of payments to States in the exercise of extraction activities introduced by the EU Directive 2013/34 EU (Accounting Directive), Eni had begun in 2015 to provide disclosure on a voluntary basis of a series of summary data on cash flows paid to States in which it conducts hydrocarbon exploration and production activities.

## Performance metrics and comments

In 2022 the anti-corruption checks, based on the Anti-Corruption Compliance Program's provisions, have been performed in 25 audits, carried out in 10 Countries, moreover 19 supervisory activities were carried out on the 231/Compliance Models of the Italian/foreign subsidiaries. As in 2021, this year the number of ascertained cases of corruption[61] relating to Eni SpA amounted to 0. Consequently, there were no terminations for this reason.

For the proceedings in progress and for all the significant cases of non-conformity to laws and regulations, see the section "Legal Disputes" on page 322. In particular, in 2022, there were no cases in which Eni SpA was identified as a participant[62] in the area of anti-competitive conduct, antitrust legislation violations and monopolistic practices. In 2022, anti-corruption training in e-learning mode was delivered through the new course "Code of Ethics, Anti-Corruption and Corporate Administrative Liability", aimed at the entire Eni workforce in Italy and abroad (about 28,000 employees trained). Approximately 93% of the Eni population attended at least one anti-corruption course during the year. In addition, in 2022, the anti-corruption training continued through general workshops and specific job training according to the risk-based methodology started in 2019. Regarding the commitment with EITI, Eni follows the activities conducted at international level and contributes to preparation of the Reports in member Countries; additionally, as a member, Eni takes part in the activities of the Multi Stakeholder Groups in Congo, Ghana, Timor Est, and the United Kingdom. In Kazakhstan, Indonesia, Mexico, Mozambique and Nigeria , Eni's subsidiaries participate in local EITI Multi Stakeholder Groups through the industry associations present in the Countries.

In 2022, Eni generated an **economic value** of €134 billion of which €120 billion was distributed, in particular: 85% are operating costs, 7% payments to the Public Administration, 5% payments to capital suppliers, and 3% wages and salaries for employees. In 2022, the Eni Group received approximately €370 million in financial assistance from the Public Administration. This amount includes about €200 million in tax credits recognised in Italy for energy – and gas – consuming companies established by Decree-Laws No. 4 of 27 January 27, No. 17 of March 1st, 2022, No. 21 of March 21, 2022, as amended, to meet the higher expenses incurred for the purchase of natural gas and electricity.

Over the year, investments net of depreciation amounted to €6,916 million, and the total to share buy-backs and dividend payments amounted to €5,469 million. €8,488 million in taxes were paid during the year.

(59) For more details please see the most recent edition of the Country-by-Country Report:
https://www.eni.com/assets/documents/eng/reports/2021/Country-by-Country-2021-ENG.pdf
(60) EITI pointed out Eni and Shell as the pioneering companies among the leading Oil & Gas companies in the Country-by-Country report (for information, see: https://eiti.org/news/ extractives-companies-champion-tax-transparency).
(61) There have been past convictions on the merits of an act of corruption relating to criminal proceedings for domestic and/or international corruption.
(62) The above information refers to possible violations of Articles 2 or 3 of Law No. 287/1990, Articles 101 or 102 TFEU, or similar regulations to protect competition in other Countries. Therefore, any conduct in breach of Articles 20-26 of Legislative Decree No. 206/2005 (Consumer Code) or similar regulations in other Countries concerning consumer protection does not fall within the scope of anti-competitive conduct and violations of antitrust legislation and monopolistic practices.

## KEY PERFORMANCE INDICATORS

| | | 2022 | | 2021 | 2020 |
|---|---|---|---|---|---|
| | | **Total** | ***of which fully consolidated entities*** | Total | Total |
| Audits covering the anti-corruption checks | (number) | **25** | **25** | 20 | 31 |
| General Workshops | | **1,346** | **1,223** | 1,284 | 904 |
| Job specific training | | **523** | **492** | 702 | 568 |
| Countries where Eni supports EITI's local Multistakeholder Groups | | **9** | **9** | 9 | 9 |

## ECONOMIC VALUE

| | | 2022 | 2021 | 2020 |
|---|---|---|---|---|
| | | **Total** | Total | Total |
| Economic value generated | (€ million) | **134,232** | 78,092 | 45,638 |
| Economic value distributed[(a)] | | **120,451** | 66,138 | 41,437 |
| *of which: operating costs* | | **102,529** | *55,549* | *33,551* |
| *of which: wages and salaries for employees* | | **3,015** | *2,888* | *2,863* |
| *of which: payments to capital suppliers* | | **6,419** | *3,975* | *2,974* |
| *of which: payments to the Public Administration* | | **8,488** | *3,726* | *2,049* |
| Economic value retained | | **13,781** | 11,954 | 4,201 |

(a) For the Economic Value Distributed item relative to the Community Investment, please refer to the section Key Performance Indicators in the chapter Alliances for Development on pp. 196-197.

## ALLIANCES FOR DEVELOPMENT

The Alliances for sustainable development in line with the 2030 Agenda contribute to the creation of long-term value for all stakeholders and represent Eni's commitment to a fair energy transition to achieve global human development, which requires cultural as well as social, economic and technological change. This approach is part of the Company's decarbonization strategy. It encompasses crucial topics as: "Just Transition", which increasingly considers the impact of energy transformation on people, starting with direct and indirect workers, and includes communities and consumers; the promotion and respect of human rights through a model of responsible management in the key business processes now consolidated; strategies to counter the effects caused by climate change, improving adaptability and resilience; and population growth and migration flows, which are also partly a consequence of climate change. The approach is integrated throughout the business cycle by analysing the human rights situation and socio-economic context, and impact and compensation measures, as well as by assessing local content, promoting local development and stakeholder engagement. Specifically, local development programmes promote a broad portfolio of community-based initiatives in line with national development plans and the Sustainable Development Goals (SDGs), including supporting the creation of job opportunities and the transfer of know-how and skills to local partners. An essential element to achieving the common objectives are alliances for sustainable development with all the players involved – from private individuals, to the public sector, international organisations, civil society associations and research institutes – which make it possible to pool resources and human capital to promote inclusive growth. Starting from the analysis of the local socio-economic context, realized on the basis of the Multidimensional Poverty Index (PMI) developed by UNDP and Oxford University, which accompanies the various business project phases in order to ensure greater efficiency and systematicity in the decision-making approach, from the time of license acquisition to decommissioning, Eni adopts tools and methodologies consistent with the main international standards to meet the needs of local populations. These instruments allow, on the one hand, to promote local development and, on the other hand, to reduce possible negative economic impacts (direct and indirect) of new business development activities.
To this end, Eni always produces an Environmental, Social and Health Impact Assessment (ESHIA) beyond the mandatory requirements for environmental authorisations in the Countries where it is present. This guarantees the adherence of activities to the highest international standards and provides for actions to avoid or minimise the socio-economic impact of activities to a level deemed acceptable. Impact studies are shared with local communities[63]; moreover, thanks to a mapping of local stakeholders affected by the activities, Eni proactively informs civil society and minority interest organisations about the possibility of contributing to impact assessments. In addition, through tools such as the Eni Local Content Evaluation (ELCE) and Eni Impact Tool[64], it is possible to valorise the direct, indirect and induced benefits Eni generates through its business operations and cooperation model. In addition, analyses are carried out to measure the percentage of spending on local suppliers by some relevant foreign subsidiaries. In 2022, the rate amounted to about 45% of total expenditures. In addition to these activities are the definitions of the specific Local Development Programmes (LDPs) in line with the United Nations 2030 Agenda, the National Development Plans, the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the commitments under the Paris Agreement (Nationally Determined Contributions - NDCs), that include five lines of action: (i) contribution to the socio-economic development of local communities, in accordance with national legislation and development plans, also based on the knowledge acquired. These initiatives are aimed at improving access to off-grid energy and clean cooking, economic diversification (e.g. agricultural projects, micro-credit, infrastructure interventions) and land protection, education and vocational training, access to water and sanitation, proper nutrition and support of health services and systems, as well as improving the health of vulnerable groups. Relevant projects are developed using the Logical Framework Approach (LFA) and are monitored using the Monitoring, Evaluation and Learning (MEL) management tool; (ii) Local Content: generation of added value by transferring skills and know-how, initiating labour along the local supply chain and implementing development projects; (iii) Land management: optimal land management starting from the assessment of the impacts deriving from the acquisition of land on which Eni's activities are carried out in order to find possible alternatives and mitigation measures; Eni undertakes to evaluate possible project alternatives with the aim of pursuing the well-being of local communities; (iv) Stakeholder engagement: the Company's ability to relate to stakeholders and

(63) Unless expressly prohibited by the local regulations.
(64) The ELCE (Eni Local Content Evaluation) Model was developed by Eni and validated by the Polytechnic of Milan to assess the direct, indirect and induced effects generated by Eni's activities at a local level in the areas in which it operates. Eni's Impact Tool is a methodology developed by Eni and validated by Polytechnic of Milan that allows assessing the social, economic and environmental impacts of its activities at local level, quantifying the generated benefits and directing investment choices for future initiatives.

strengthen mutual understanding and trust is a fundamental element for the definition and conduct of stakeholder dialogue and involvement activities, as well as the best actions to be implemented to achieve sustainable development in synergy with local communities; (v) Human Rights: assessment of potential or actual impacts attributable – directly or indirectly – to Eni's activities through HRIA or HRRA (see section "Human Rights" on page 186-189), definition of relevant prevention or mitigation measures in line with the United Nations Guiding Principles (UNGP) and promotion of human rights through Local Development Projects. The definition of Local Development Programmes implies the commitment of Eni in the front line on site and alongside other development players to contribute to the sustainable development of Countries.

The partnerships developed by Eni with International Organizations and – more generally – with organizations promoting cooperation for the development move in this direction. Examples of this are the agreements signed in 2022 with a few prominent national and international actors such as the United Nations Educational, Scientific and Cultural Organisation (UNESCO) in Mexico to reduce hydrogeological risk in the Tabasco region and to protect cultural heritage; the United Nations Industrial Development Organisation (UNIDO) to launch the Oyo Renewable Energy Research Centre in Congo and to evaluate potential hydrogen initiatives; the Italian Agency for Development Cooperation (AICS), in Egypt and Kenya, to promote local community development; and the Stakeholder Alliance for Corporate Accountability (SACA) in Nigeria to promote initiatives for the respect of Human Rights.

Concerning health-related initiatives, agreements were signed with several Ministries of Health and local health authorities, e.g. in Mozambique and Egypt. A cooperation agreement was signed with the IRCCS Centro Cardiologico Monzino to support Azule Energy Angola implementing the cardiology capacity building project, and the project to protect the health of internal refugees in collaboration with Doctors with Africa CUAMM was completed.

Collaborations with the private sector launched in 2022 include one with CNH Industrial and IVECO Group for economic diversification, education and vocational training starting in the Basilicata region. Employing an "internal procedure", Eni has defined the guiding principles for designing and implementing the "Grievance Mechanism" on the operational level at subsidiaries responsible for developing this process, analysing and agreeing on the solution with claimants, whether individuals or communities.

Indeed, knowledge of the context, including the cultural context, makes it possible to have processes with appropriate channels of access consistent with the context and to apply the most pertinent modes of dialogue and management for potential conflict. In particular, when designing the mechanism, subsidiaries may conduct dedicated consultations with local communities, especially with indigenous peoples, in cases where the context and/or past projects suggest a high number of grievances, or where the projects or activities involve economic or physical relocation of communities. All subsidiaries' grievances received, analysed and managed are tracked in the company's "Stakeholder Management System" (SMS) application. The application is a management tool for "mapping" stakeholder relations, and monitoring the progress of projects and the results achieved. It allows them to be monitored at subsidiary and central levels from receipt to resolution, it enables them to be classified by theme and relevance, and it allows the percentage of resolved projects to be verified out of the total received in a given period. Other areas of investigation concern the timeliness of management, the trend analysis of associated issues to understand whether they are reiterated and their possible evolution towards a dispute. Companies may also request feedback from the claimants on their level of satisfaction with the operation of the process, asking them to point out any areas for improvement. Eni requires its suppliers, contractors and subcontractors to make their own Grievance Mechanism available to the workers and communities with whom they interact on behalf of Eni.

## Performance metrics and comments

In 2022, investments for local development amounted to around €76.4[65] million (Eni share), about 93% of which were in the area of Upstream activities. In Africa, a total of €39.1 million was spent, of which €32.9 million in the Sub-Saharan area, mainly for the development and maintenance of infrastructure, particularly school buildings. In Asia, approximately €26.0 million was spent, mainly on economic diversification, in particular for the development and maintenance of infrastructure. In Italy, €6.5 million was spent. Overall, approximately €31.3 million was invested in infrastructure development activities, of which €17.2 million in Asia, €13.4 million in Africa, and €0.7 million in Central and South America. The main projects implemented in 2022 included initiatives to promote: (i) access to clean cooking in Ivory Coast, Mozambique, Ghana and Angola, through awareness-raising campaigns and the distribution of improved cooking systems; in Kazakhstan, the energy-efficient upgrading of a school in the Turkestan region, carried out in partnership with UNDP (United Nations Development Programme), was completed; (ii) economic diversification in both the agricultural sector in Congo, Egypt, Nigeria and Angola, and support of local and youth entrepreneurship in Ghana, Egypt and Mozambique; in Mexico, training and education activities were carried out to support school programmes and initiatives aimed at improving the social-economic conditions of communities with fishing activity development programmes, and economic diversification activities were launched to create a favourable environment for the development and integration of young people; (iii) access

(65) The data includes expenses for resettlement activities which in 2022 amounted to €1.2 million, of which: €1.06 million in Mozambique, €0.07 million in Ghana and €0.07 million in Kazakhstan.

to education with training activities and instruction supporting the school programmes in Ivory Coast, Egypt, Mozambique, Ghana, Iraq, Mexico, and Angola; renovation of school buildings in Ghana, Iraq, and Mexico; (iv) access to water starting up potable water supply plants in Al-Burdjazia in the Zubair area and continue building the new potabilization plant Al-Buradeiah in Bassora; the activities and initiatives on the topic of water access and renewable energy to support local development in the operating areas of Samboja, Kutai Kartanegara and eastern Kalimantan in Indonesia; maintenance was performed on the wells supplied by photovoltaic systems in northwest Nigeria and 11 water plants were completed in the states of Borno and Yobe; maintenance of the pre-existing water points and clean and potable water use sensibilization activities in Angola; start-up of a multisector programme to improve the quality of life of the residents in the Mecufi District in Mozambique through the access to basic services like potable water.

In terms of health development projects, in 2022, Eni has carried out initiatives in 16 Countries with a total expenditure of €10.3 million, to improve the health status of the populations of partner Countries as an essential prerequisite for socio-economic development, through the strengthening of the skills of health personnel (for example in Angola and Libya), the construction and rehabilitation of health facilities and their equipment (for example in Mexico, Iraq and Tunisia), information, education and awareness-raising on health issues among the populations involved (for example in Egypt, Ghana, Kazakhstan and Mexico). Moreover, in continuity with its support to healthcare institutions and facilities for the COVID-19 emergency, in 2022, Eni carried out interventions to strengthen the health system in Italy, intending to contribute to the resilience of local facilities in facing the present and possible future pandemics, such as the Vittorio Emanuele Hospital in Gela, the S. Elia Hospital in Caltanissetta, the Luigi Sacco Hospital in Milan, and the S. Matteo Hospital in Pavia. In 2022, with the aim of assessing the potential impacts of the projects on the health of the communities involved, Eni completed 11 Health Impact Assessments (HIAs), of which two were preliminary integrated Environmental, Social and Health Impact Assessments (pre-ESHIA) and seven were integrated ESHIA studies. During 2022, 141 grievances[66] were received, 61 (equal to 43%) of which were resolved. The complaints mainly concerned: management of relations with the communities (most recurring category), management of environmental aspects, land management, employment development, and economic diversification.

## KEY PERFORMANCE INDICATORS

| | | 2022 | | 2021 | 2020 |
|---|---|---|---|---|---|
| | | Total | *of which fully consolidated entities* | Total | Total |
| Local development investment | (€ million) | **76.4** | *74.3* | 105.3 | 96.1 |
| *of which: infrastructure* | | ***31.3*** | *31.1* | *39.8* | *41.8* |

(66) Claims or complaints made by an individual or a group of individuals relating to actual or perceived accidents or damage or other environmental or social impacts, whether occurring, ongoing or potential, and determined by the activities of the company or by a contractor or supplier. A grievance is defined as "resolved" when the parties have agreed on a proposed resolution.

# EU TAXONOMY

## Introduction

Regulation EU 852/2020 of the European Parliament and of the Council enacted in June 2020 has established the criteria for determining whether an economic activity qualifies as environmentally sustainable for the purposes of establishing the degree to which an investment is environmentally sustainable. Based on the Regulation, an economic activity qualifies as environmentally sustainable where that economic activity:

i) contributes substantially to one or more of the environmental objectives of the EU (set out in Article 9 of the Regulation);
ii) does not significantly harm any of the environmental objectives;
iii) is carried out in compliance with the minimum safeguards foreseen by the Regulation, which are procedures implemented by an undertaking that is carrying out an economic activity to ensure the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights;
iv) complies with technical screening criteria that have been established by the Commission, which define the performance thresholds whereby an economic activity offers a substantial contribution to an environmental objective and at the same time does not hurt in a significant way any of the other objectives.

The Taxonomy Regulation has established six environmental objectives:

a) climate change mitigation;
b) climate change adaptation;
c) the sustainable use and protection of water and marine resources;
d) the transition to a circular economy;
e) pollution prevention and control;
f) the protection and restoration of biodiversity and ecosystems.

### IDENTIFICATION OF ENI'S ELIGIBLE AND TAXONOMY-ALIGNED ACTIVITIES

The Taxonomy Regulation establishes technical screening criteria "TSC" for environmental sustainability with respect to the above-mentioned six environmental objectives, identifying several economic activities. The technical screening criteria ("TSC") for each of the above-mentioned environmental objectives are established by the Commission by means of delegated acts based on the power conferred by the Taxonomy Regulation and subject to the conditions laid down in the Regulation itself.

So far, criteria have been approved for activities contributing to the first two objectives, climate change mitigation and climate change adaptation. Criteria for the four remaining objectives are expected to be adopted by the EU in 2023.

An activity is "taxonomy-eligible" if it is described in a delegated act adopted under the Taxonomy Regulation, irrespective of whether it complies with the technical screening criteria. Such an activity could potentially make a substantial contribution to a given environmental objective.

An activity is "taxonomy-aligned" if it contributes substantially to one or more environmental objectives, does no significant harm "DNSH" to any of the other objectives, is carried out in compliance with minimum human and labor rights safeguards, and complies with the relevant technical screening criteria.

Eni has assessed the economic activities performed by the Group against the economic activities qualifying for the taxonomy's climate mitigation and climate adaptation objectives, which have been identified by Delegated Regulation EU 2021/2139 (the "Climate Delegated Act") and the nuclear and gas-related activities listed in Delegated Regulation EU 2022/1214 (the "Complementary Climate Delegated Act").

This assessment has comprised a two-step process: first, the Group economic activities have been screened to score those eligible in accordance with the above-mentioned delegated acts. Then, the technical screening criteria have been applied to verify alignment of each of the Group's eligible economic activities with the relevant TSC to verify the substantial contribution criteria and respect of the DNSH criteria. The assessment of compliance with the minimum safeguards provided by art. 3 "c" of the Regulation has been performed at Group level.

### REPORTING OBLIGATIONS AND BASIS OF PRESENTATION

Based on article 8 of the Taxonomy Regulation, non-financial undertakings which are subject to the obligation to publish a consolidated non-financial statement pursuant to Article 19a or Article 29a of Directive 2013/34/EU of the European Parliament and of the Council are required to comply with a transparency regime by disclosing in their non-financial statements three key performance indicators (KPI) relating to the proportion of their turnover derived from products or services associated with economic activities that qualify as environmentally sustainable and the proportion of their capital expenditure and the proportion of their operating expenditure related to assets or processes associated with economic activities that qualify as environmentally sustainable as per the Regulation. The Commission has adopted a delegated regulation (2178/2021) specifying the content of KPIs and presentation of information concerning environmentally sustainable economic activities and the reporting methodology. Disclosures presented herein by Eni are intended to comply with that regulation.

# EU Taxonomy Disclosures as per Annex I to COMMISSION DELEGATED REGULATION (EU) 2021/2178 KPIs of non-financial undertakings

## EUROPEAN TAXONOMY: SUMMARY TEMPLATE OF ENI GROUP KPI

| ENI GROUP - YEAR 2022 | TURNOVER | | CAPEX | | OPEX | |
|---|---|---|---|---|---|---|
| | Absolute amount in € mln | proportion % | Absolute amount in € mln | proportion % | Absolute amount in € mln | proportion % |
| A. TAXONOMY-ELIGIBLE ACTIVITIES | | 7.5% | | 17.5% | | 12.1% |
| **A.1. ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY- ALIGNED)** | **823** | **0.6%** | **1,753** | **14.1%** | **75** | **1.8%** |
| A.2. TAXONOMY-ELIGIBLE BUT NOT ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED ACTIVITIES) | 9,051 | 6.9% | 419 | 3.4% | 428 | 10.3% |
| **TOTAL A.1 + A.2** | **9,874** | **7.5%** | **2,172** | **17.5%** | **503** | **12.1%** |
| B. TAXONOMY-NON-ELIGIBLE ACTIVITIES | 122,638 | 92.5% | 10,224 | 82.5% | 3,657 | 87.9% |
| **TOTAL A+B** | **132,512** | **100%** | **12,396** | **100%** | **4,160** | **100%** |

## 1. Content of KPIs

### 1.1. Specification of key performance indicators (KPIs)

#### 1.1.1. KPI related to turnover (turnover KPI)

Eni Group's consolidated financial statements are prepared in accordance with the International Financial Reporting Standards "IFRS" as adopted by Commission Regulation (EC) 1126/2008.
In compliance with that, the Group turnover and the turnover relating to Taxonomy-aligned economic activities and to Taxonomy-eligible economic activities (not Taxonomy-Aligned activities) have been recognised pursuant to International Accounting Standard (IAS) 1, paragraph 82 a).
The 7.5% share of eligible and aligned turnover is calculated as the part of turnover derived from eligible or aligned economic activities (numerator) divided by total turnover (denominator). Eligible and aligned economic activities are described under paragraph 1.2.2. The denominator comprises the Sales from operations (Revenue) line from the Consolidated Statement of Income. A reconciliation is provided below:

| TURNOVER (€ million) | Aligned activities | Eligible activities | Total Group |
|---|---|---|---|
| **Revenues from contracts with customers (sales from operations)** | **823** | **9,051** | **132,512** |

The proportion of turnover referred to in Article 8(2), point (a), of Regulation (EU) 2020/852 "turnover KPI" is calculated as the part of the turnover derived from products or services associated with Taxonomy-aligned economic activities (numerator), divided by the Group total turnover (denominator).
The Group turnover and the turnover of eligible and aligned economic activities are recognized net of the effects of commodity derivatives activated to manage the Group's exposure to movements in the prices of energy commodities, which qualify and are designated as cash flow hedges due to the efficacy of the relationship between the instrument and the hedged item, whereby a cash flow is either paid or received at the delivery of the underlying commodity. The mark-to-market of cash flow hedges relating to a forecast transaction are taken to other comprehensive income.
Other commodity derivatives utilized by the Group to manage exposure to the commodity risks, which lack the requirements to be recognized in accordance with the own use exemption or to be qualified as hedges in accordance with IFRS, are marked to market with gains or losses recognized through profit and loss in a separate line item from revenues. Such line item comprises the ineffective portion of cash flow hedges.

#### 1.1.2. KPI related to capital expenditure (CapEx) (CapEx KPI)

Capital expenditure "CapEx" of the Eni Group and the "CapEx" relating to eligible economic activities and to aligned economic activities cover costs that are accounted based on:
(a) IAS 16 Property, Plant and Equipment, paragraphs 73, e), point i) and point iii);
(b) IAS 38 Intangible Assets, paragraph 118, e), point i);
(c ) IFRS 16 Leases, paragraph 53, point h).
CapEx also covers additions to tangible and intangible assets resulting from business combinations.
The Group does not engage in economic activities that are recognized in accordance with IAS 40 and IAS 41.

The 17.5% share of CapEx of eligible and aligned economic activities is calculated as the part of CapEx derived from eligible or aligned economic activities (numerator) divided by total Group CapEx (denominator). Eligible and aligned economic activities are described under paragraph 1.2.2. The denominator comprises additions recognized in the financial year to the following line items of the Group's assets reported in the Group statement of financial positions at December 31, 2022: "Property, plant and equipment", "Intangible assets and goodwill" and "Right of Use" as disclosed under footnotes no. 12, 13 and 14 to the Group consolidated financial statements. A reconciliation is provided below:

| CAPEX (€ million) | Aligned activities | Eligible activities | Total Group |
|---|---|---|---|
| Additions to tangible and intangible assets | 460 | 408 | 8,056 |
| Additions to right of use assets | 7 | 11 | 2,404 |
| Fair value of acquired tangible and intangible assets | 1,286 | | 1,936 |
| Acquired Goodwill | | | 482 |
| Less: | | | |
| Goodwill | | | (482) |
| **Total Capex** | **1,753** | **419** | **12,396** |

The proportion of CapEx referred to in Article 8(2), point (b), of Regulation (EU) 2020/852 "CapEx KPI" is calculated as the part of CapEx relating to aligned economic activities (numerator) divided by the Group total CapEx (denominator) as specified in points 1.1.2.1. and 1.1.2.2. of Annex I to Commission Delegated Regulation (Eu) 2021/2178.

### 1.1.3. KPI related to operating expenditure (OpEx) (OpEx KPI)

The 12.1% share of eligible and aligned operating expenditure "OpEx" is calculated as the part of OpEx relating to eligible or aligned economic activities (numerator) divided by the Group total Opex (denominator). Eligible and aligned economic activities are described under paragraph 1.2.2. A reconciliation is provided below:

| OPEX (€ million) | Aligned activities | Eligible activities | Total Group |
|---|---|---|---|
| Costs of R&D expensed through profit and loss | | 86 | 164 |
| Operating expenses | 75 | 342 | 3,996 |
| **Total Opex** | **75** | **428** | **4,160** |

The proportion of OpEx referred to in Article 8(2), point (b), of Regulation (EU) 2020/852 "OpEx KPI" is calculated as the Opex of aligned economic activities (numerator) divided by the Group total OpEX denominator as specified in points 1.1.3.1. and 1.1.3.2. of Annex I to Commission Delegated Regulation (Eu) 2021/2178.

## 1.2. Specification of disclosures accompanying the KPIs of non-financial undertakings

### 1.2.1. Accounting policy

Economic and financial data relating to Eni's eligible and aligned economic activities for calculating the Taxonomy's KPIs and proportion of eligible turnover, capex and opex, have been extracted from the Group accounting systems, the general ledger and the management accounting systems, which are used to prepare the separate financial statements of each consolidated subsidiary undertakings, mostly of which are in accordance with IFRS. Data extracted from separate financial statements are adjusted to align with the IFRS utilized in the preparation of the Group consolidated financial statements and for the consolidation transactions (intercompany sales and purchases, elimination of unrealized profit, etc.) to calculate Eni's Taxonomy KPIs and the eligible turnover, capex and opex proportion.
Therefore, data of turnover, OpEx and CapEx relating to Eni Group's aligned and eligible economic activities utilized in calculating the Taxonomy KPIs and the proportion of eligible activities are the same the Group used in preparing the consolidated financial statements.
In case of mono-business consolidated subsidiary undertakings performing a given eligible activity, relevant economic and financial data for the calculation of the Group eligible proportions have been extracted from the general ledger and the financial accounting to retrieve amounts of revenues, operating expenditures, additions to property, plant and equipment (PP&E) and intangible assets, additions to the right-of-use and additions to PP&E and intangibles resulting from business combinations. In case of multi-business subsidiary undertakings, relevant data for calculating the Group eligible proportions have been derived also from the systems of managerial accounting that splits the accounts of the financial system and allocates revenues and cost amounts to different reporting objects: profit centers which correspond to business units, product lines which can share common costs, plants, capital projects, cost centers, etcetera, to support management's understanding of the drivers of the financial performance and cost control.

Such structure of accounting flows, which is employed in preparing the Group consolidated financial statements, ensure that turnover, OpEx and CapEx are recognized by the economic activity where the underlying transactions occur, by this way avoiding double counting. This explained by evidence that amounts recognized or allocated by the managerial accounting system are reconciled with the accounting system and the general ledger. Common costs are apportioned to different reporting objectives and economic activities based on disaggregation criteria that reflect how common inputs are absorbed.

Operating costs of Eni Group companies to define the proportion of the opex of aligned and eligible activities to the Group total were determined on the basis of the managerial accounting system and Eni's control model of fixed costs which, starting from accounting data relating to purchases of goods and materials, services, labour costs and other charges, excludes raw materials costs, industrial plant variable costs and costs of products for resale and aggregates the remaining cost items in relation to the different measurement and control stages in the manufacturing/sale process:

- fixed industrial costs which include the labor costs for personnel involved in the maintenance, operation and servicing of industrial plants, third-party services (mainly maintenance contracted to third parties), general plant costs, consumables (spare parts and components to modernize plants) and include energy efficiency actions on buildings and other properties, as well as the purchase of outputs from aligned activities to achieve $CO_2$ emission reductions;
- non-capitalised research & development costs;
- commercial & marketing fixed costs;
- general and administrative costs.

For the purposes of reporting obligations, management has identified industrial fixed costs and non-capitalised R&D costs as the aggregate "opex" operating expenses corresponding to the definition of the denominator adopted by the Delegated Regulation on reporting.

In line with the provisions, the opex incurred to purchase enabling products or in relation to enabling manufacturing processes have been claimed by the economic activities carried out by Eni in compliance with Art. 16 of the Taxonomy Regulation so that do not lead to a lock-in of assets that undermine long-term environmental goals, considering their economic life. In this context, the opex incurred by the E&P sector to increase energy efficiency/reduce $CO_2$ emissions at oil & gas plants were excluded. This principle has also been applied to capex.

## 1.2.2. Assessment of compliance with Regulation (EU) 2020/852

### 1.2.2.1. Information on assessment of compliance with Regulation (EU) 2020/852

Eni's eligible activities for purpose of assessing their substantial contribution to the objective of climate change mitigation are:

3.14 manufacture of organic basic chemicals: production of monomers and other basic chemicals from oil-based feedstock and ethane;

3.17 manufacture of plastics in primary form: production of polyethylene and styrene's obtained by processing monomers;

4.1 electricity generation using solar photovoltaic technology: photovoltaic installations are managed by the Group subsidiary Plenitude and are located mainly in Italy, Spain, USA, Australia and France;

4.3 electricity generation from wind power: the production is obtained from onshore windmills that are managed by the Group subsidiary Plenitude and are located mainly in Italy, Spain, Kazakhstan;

4.4 electricity generation from ocean energy technologies: it is an inertial sea wave energy converter to convert the wave energy into electrical energy. This activity is in an experimental phase;

4.8 electricity generation from bioenergy: production of electricity in installations with a total rated thermal input below 2 MW and using gaseous biomass fuels;

4.13 manufacture of biogas and biofuels for use in transport and of bioliquids: production of biofuels by means of hydrogenating biofeedstock or waste organic materials. The manufactured product is a hydrogenated vegetable oil (HVO) that can be used as pure fuel or blended with fossil fuels to obtain a reduction in emitted $CO_2$ from combustion. This activity is performed at the biorefinery of Gela (Sicily) and Venice with total production capacity of 1.1 mln tons/y;

4.20 cogeneration of heat/cool and power from bioenergy: production of steam and electricity by means of cogeneration, utilizing forestry biomass at the Crescentino plant (Italy);

5.3-5.4 construction, extension and operation of wastewater collection, treatment and supply systems and renewal of wastewater collection, treatment and supply system;

5.7 anaerobic digestion of bio-waste: anaerobic digestion, biogas production and subsequent cogeneration for electricity production, as well as compost, at the Po' Energia Srl plant from organic fraction coming from the separate collection of municipal waste;

5.12 underground permanent geological storage of $CO_2$: this activity leverages depleted reservoirs operated by Eni. The main ongoing projects are the Hyte hub in UK to upgrade Eni's depleted reservoirs in the Liverpool bay to permanently store $CO_2$ emitted by local businesses in hard-to-abate industries and the Ravenna hub, off Italy;

6.5 transport by motorbikes, cars and light commercial vehicles: Enjoy rental service based on the "free floating" model with collection and release of the vehicle at any point within the area covered by the service. The fleet consists of internal combustion, hybrid and electric vehicles;

6.15 infrastructure enabling low carbon road transport and public transport: this activity comprises construction, maintenance, and operations of electric charging points for EV, and is performed by Eni's subsidiary Plenitude. As of December 31, 2022, the network operated by Plenitude consisted of about 13 thousand recharging points.

**The Company has excluded from its eligible activities the following activities:**

3.10 manufacture of hydrogen;

6.10 sea and coastal freight water transport, vessels for port operations and auxiliary activities, which support hydrocarbons;

6.15 infrastructure enabling low carbon road transport and public transport, which support fossil fuels.

The reason is their non-compliance with the lock-in clause stated at art. 16 of the Taxonomy.

Those activities are also eligible for the objective of climate change adaptation. However, the Group does not engage in economic activities that manufacture productions and solutions for climate change adaptation. Therefore, the objective of climate change adaptation has been assessed as far as necessary to verify that each of Eni's eligible economic activities does not significantly harm any of the environmental objectives of the Taxonomy, in compliance with art. 3 of regulation (UE) 2020/852. Eni has assessed whether its eligible economic activities are environmentally sustainable in compliance with the provisions of art. 3 of regulation (UE) 2020/852 complemented by Commission delegated regulation (UE) 2021/2139 adopted pursuant to articles 10-11 par. 3 of the above mentioned regulation, which establishes the technical screening criteria which set the performance conditions whereby an economic activity can be claimed to contribute substantially to the objective of climate change mitigation, does not significantly harm any of the environmental objectives of the Taxonomy and is carried out in compliance with the minimum safeguards laid down in Article 18 of regulation (UE) 2020/852. Based on those evaluations, the Group concluded that the following activities are environmentally sustainable as per regulation (UE) 2020/852.

## 4.1. Electricity generation using solar photovoltaic technology

*Substantial contribution to climate change mitigation*

The activity generates electricity using solar PV technology.

**Do no significant harm ("DNSH")**

*Climate change adaptation*

Climate change adaptation. The management has assessed the risk of exposure of the Group's assets to climate-related acute and chronic hazards, following the guidelines of Appendix A to the Climate Delegated Regulation, setting generic criteria for DNSH to climate change adaptation.

The Group has put in place management control systems and procedures to identify, evaluate and mitigate physical climate risks, which the Company defines as the risk that potential perspective changes in meteorological patterns and extreme weather phenomena linked to climate change expected in the long-term may have adverse and significant effects on assets' future performance, on the safety of operations and on expected future cash flows, so to significantly harm the objective of climate change adaptation.

The management regularly reviews the exposure of the Group's assets to the acute and chronic climate-related hazards described in the above-mentioned Appendix A and other natural hazards based on a proprietary methodology to identify physical climate risks over a long-term horizon. The purpose of this risk assesment is to define and execute mitigation plans designated to adapt the Group assets to current or expected risks, considering the already existing barriers at each Company's asset.

Eni's assessment methodology of assets' exposure to natural hazards features the following steps:

- it utilizes input data furnished by an external provider (currently Verisk Maplecroft), which has elaborated geographic maps of prospective climate-related risks ensuring a full coverage of onshore and offshore areas where Eni's assets are located. The sources of such climate maps combine the most updated climate forecast models, also incorporating historical weather patterns, to provide expected qualitative trends in the evolution of climate-related events;
- it develops a stress test of the current asset portfolio, without limiting to assets' residual useful lives, to evaluate the potential, perspective exposure to climate-related risks till 2050;
- it is performed yearly, and it will undergo continuous improvement based on the experience that will be accumulated over time, as well as the evolution in the framework on how to identify and measure climate-related risks;
- it utilizes the IPCC RPC 8.5 scenario to project the expected future geographical maps of climate-related hazards;
- it utilizes the geographic coordinates of each Company's asset (longitude and latitude) to locate it in a given quadrant (each with an area of twenty square kilometers) as defined by the external provider to recognize the climate-related risks, which each asset is potentially exposed to over a thirty-year horizon based on the adopted climate scenario;
- it considers in the risk-evaluating process also third-party assets and assets of the supply chain, where relevant to a full understanding of the risks which each Eni's asset is exposed.

Once climate-related hazards have been identified and classified, the management evaluates each asset's existing barriers or factors both physical ones (structural characteristics of an asset design, materials used in its construction, distance from the sources of possible hazards, containment walls, etc.) and systems and procedures (early warning systems, procedures to put in safety plants and equipment, existence of monitoring and verification plans, etc.).

The outcome of that review informs the management of the residual risk which each assets remains exposed to, and how to define the action plan to achieve the objective of climate change adaptation:

- in case of chronic climate-related hazards, monitoring activities are designed, planned, and carried out leading to the possible implementation and follow-up of remediation measures;
- in case of acute climate-related hazards, an adaptation plan is assessed, designed, and implemented, which can comprise updates to operating procedures, the execution of works to upgrade or increase assets' safety and the resilience to the identified physical climate risks, or an asset reconfiguration taking into account its useful residual life.

Based on the assessment of this activity's exposure to climate-related hazards following the methodology and procedures described herein, the management has concluded that the Company's PV facilities are not exposed to any significant physical climate risk considering the facilities residual useful lives and assets features and barriers. Therefore, this activity does not significantly harm the objective of climate change adaptation.

*Transition to a circular economy*
The activity has assessed availability of and, where feasible, it is using equipment and components of high durability and recyclability and that are easy to dismantle and refurbish.

*Protection and restoration of biodiversity and ecosystem*
Eni's PV installations have obtained before the start of construction works an Environmental Impact Assessment in compliance with Directive 2011/92/EU or a proper authorization based on an equivalent environmental assessment in case of installations located outside EU. Therefore, this activity does not significantly harm the objective of the protection and restoration of biodiversity and ecosystem.

### 4.3. Electricity generation from wind power

*Substantial contribution to climate change mitigation*
The activity generates electricity from wind power.

**DNSH**
*Climate change adaptation*
Based on the assessment of this activity's exposure to climate-related hazards following the methodology and procedures described herein, the management has concluded that the Company's PV windmills are not exposed to any significant physical climate risk considering the facilities residual useful lives and assets features and barriers. Therefore, this activity does not significantly harm the objective of climate change adaptation.

*Transition to a circular economy*
The activity has assessed availability of and, where feasible, it is using equipment and components of high durability and recyclability and that are easy to dismantle and refurbish.

*Protection and restoration of biodiversity and ecosystem*
Eni's windmills have obtained before the start of construction works an Environmental Impact Assessment in compliance with Directive 2011/92/EU or a proper authorization based on an equivalent environmental assessment in case of installations located outside EU. Therefore, this activity does not significantly harm the objective of the protection and restoration of biodiversity and ecosystem.

### 4.8. Electricity generation from bioenergy

*Substantial contribution to climate change mitigation*
Eni's activity comprises electricity generation installations each with a total rated thermal input below 2 MW, which are using gaseous biomass fuels. The installations are located in Italy.

**DNSH**
*Climate change adaptation*
Based on the assessment of this activity's exposure to climate-related hazards following the methodology and procedures described herein, the management has concluded that the Company's electricity generation installations are not exposed to any significant physical climate risk. Therefore, this activity does not significantly harm the objective of climate change adaptation.

*Sustainable use and protection of water and marine resources*
*Protection and restoration of biodiversity and ecosystem*
Eni's electricity generation installations have obtained before the start of construction works an Environmental Impact Assessment in compliance with Directive 2011/92/EU. Therefore, this activity does not significantly harm the objectives of the sustainable use and protection of water and marine resources and of protection and restoration of biodiversity and ecosystem.

### 4.13. Manufacture of biogas and biofuels for use in transport and of bioliquids

The activity consists in manufacturing HVO for use in transport. The activity is performed at the biorefinery of Gela (Sicily) and Venice.

*Substantial contribution to climate change mitigation*
Each batch of HVO manufactured in 2022 has been reviewed to assess the substantial contribution to climate change mitigation. Volumes of HVO manufactured using food and feed crops as feedstock have been excluded from the KPI, as well as those produced using agricultural biomass that does not comply with the criteria laid down in Article 29, paragraphs 2 to 5, of Directive (EU) 2018/2001.
The greenhouse gas emission savings from the HVO volumes manufactured from sustainable feedstock have been measured by applying the GHG saving methodology and the relative fossil fuel comparator set out in Annex V to Directive (EU) 2018/2001. The saving has been calculated for each kind of biomass used as feedstock. Based on the outcome of this review, 98% of the marketed to third parties volumes of HVO at the Gela biorefinery have been assessed to contribute substantially to climate change mitigation.
The activity turnover, OpEx, and Capex have apportioned to the relevant KPIs in proportion to the percentage of environmentally sustainable manufactured volumes of HVO.

**DNSH**
*Climate change adaptation*
Based on the assessment of this activity's exposure to climate-related hazards following the methodology and procedures described herein, the management has concluded that the Company's biorefinery of Gela exposed to a risk of water stress. A monitoring plan is being implemented to check how the risk

exposure evolves over time with the goal of adapting the activity to climate change within five years.

*Sustainable use and protection of water and marine resources*
*Protection and restoration of biodiversity and ecosystem*
Eni's biorefineries have obtained before the start of construction works and subsequently on occasion of any major upgrading, reconfiguration or restructuring an Environmental Impact Assessment in compliance with Directive 2011/92/EU. Therefore, this activity does not significantly harm the objectives of the sustainable use and protection of water and marine resources and of protection and restoration of biodiversity and ecosystem.

#### 5.12. Underground permanent geological storage of $CO_2$

The activity consists in building and operating the permanent underground Hyte hub to store $CO_2$ by leveraging Eni's depleted reservoirs, off the Liverpool Bay in UK. The storage service will be made available to local businesses in hard-to-abate industries according to a regulated tariff which is currently under negotiation. Italian authorities approved a pilot project to build and operate a plant for the storage of $CO_2$ utilizing the depleted natural gas fields of Eni offshore Ravenna in the Adriatic Sea.

*Substantial contribution to climate change mitigation*
The UK activity complies with ISO 27914:2017 for geological storage of $CO_2$. The Italian activity complies with provisions of Directive 2009/31/EC.

**DNSH**
*Climate change adaptation*
Based on the assessment of this activity's exposure to climate-related hazards following the methodology and procedures described herein, the management has concluded that it is adapted to climate change.

*Pollution prevention and control*
The management foresees that by adopting the risk management systems and the procedures of monitoring & verification provided by the above-mentioned ISO rules, the activity will comply with the pollution thresholds and markers set by Directive 2009/31/C.

*Sustainable use and protection of water and marine resources*
*Protection and restoration of biodiversity and ecosystem*
The management foresees that by adopting the risk management systems and the monitoring&verification procedures provided by the above-mentioned ISO rules and by implementing all of the planned measures to ensure the environmental sustainability of the project to be granted all necessary authorizations by the relevant UK authorities, the DNSH criteria will be met with respect to the objectives of Sustainable use and protection of water and marine resources and of Protection and restoration of biodiversity and ecosystem.

#### 6.15. Infrastructure enabling low carbon road transport and public transport

*Substantial contribution to climate change mitigation*
The activity consists in installing and operating a network of electric charging points for EV.

**DNSH**
*Climate change adaptation*
Based on the assessment of this activity's exposure to climate-related hazards following the methodology and procedures described herein, the management has concluded that it is adapted to climate change.

*Pollution prevention and control*
In the installation of electric charging points, the Company limits waste generation in processes related construction and demolition, in accordance with the EU Construction and Demolition Waste Management Protocol and taking into account best available techniques and using selective demolition to enable removal and safe handling of hazardous substances and facilitate reuse and high-quality recycling by selective removal of materials, using available sorting systems for construction and demolition waste.
Measures are taken to reduce noise, dust and pollutant emissions during construction or maintenance works, such as for example:
1. utilization of equipment with low environmental impact, which reduces noise, dust and pollutant emissions compare to traditional equipment;
2. limiting working hours by scheduling, when and where possible, construction or maintenance activities during the hours when there is less traffic to limit the impact on surrounding activities.

*Sustainable use and protection of water and marine resources*
*Protection and restoration of biodiversity and ecosystem*
Eni's electric charging points have obtained before the start of construction works an Environmental Impact Assessment in compliance with Directive 2011/92/EU. Therefore, this activity does not significantly harm the objectives of the sustainable use and protection of water and marine resources and of protection and restoration of biodiversity and ecosystem.
The installation of charging points for electric vehicles complies with specific laws and technical rules to ensure the safety of users and the integrity of the infrastructure, which also include the protection of biodiversity/ecosystems.

### 1.2.2.2. Contribution to multiple objectives
Not applicable.

### 1.2.2.3. Disaggregation of KPIs
In the activity 4.13 manufacture of biofuels for use in transport, the biorefinery of Gela is a common facility for both the production of Taxonomy-aligned biofuels and for Taxonomy-eligible biofuels. The facility common costs have been apportioned to each activity in proportion to the manufactured volumes of biofuels.

The management believes that such disaggregation is based on criteria that are appropriate for the production process being implemented and reflects the technical specificities of that process.

## 1.2.3. Contextual information

### 1.2.3.1. Contextual information about turnover KPI

The amounts that sum up the numerator of the turnover KPI have derived from contracts with customers and were recognized based on IFRS 15. The total amount of the numerator was €823 million and the break-down is as follows:

- €31 million from the sale of electricity generated by the Group's PV installations;
- €79 million from the sale of electricity generated by the Group's windmills;
- €41 million from the sale of electricity generated by installations using gaseous biomass fuels;
- €667 million from the sale of biofuels (HVO).

### 1.2.3.2. Contextual information about CapEx KPI

The numerator of the CapEX KPI amounted to €1,753 million and comprised:

- €603 million related to the activity of electricity generation from photovoltaic installations, out of which €220 million related to additions to PP&E for progressing the construction program of which €188 million related to the new capacity installed in 2022 for 319 MW (or the revamping of existing installations) and €383 million related to acquisitions closed in the year of installations from third parties for a capacity in operation of 311 MW.
  In particular, the additions to PP&E of €220 million related: (i) for €146 million to the Brazoria project in Texas completed during 2022; (ii) for about €30 million to the Cerillares project being completed in Spain with a fid taken in December 2021;
- €906 million related to the activity of electricity generation from wind power, which included €8 million additions to PP&E for progressing the construction program of which around €5 million related to new installed capacity in 2022 for 5 MW (Badamsha 2 project in Kazakhstan) and €898 million related to acquisitions closed in the year of plants from third parties for a capacity in operation of 368 MW;
- €97 million relating to the production of biofuels, all of which related to additions to PP&E, mainly relating to the bio-refineries in Venice and Gela for €94 million. With reference to Venice, several projects are underway to upgrade the biorefinery, of which the main ones concerned: construction of a new section (degumming) of the biomass treatment unit to enhance the processing of more complex feedstock with expected start-up in 2023; construction of a steam reforming system that is designated to replace the fuel cycle for the supply of hydrogen needed to produce pure HVO, with a consequent increase in processing capacity up to 0.6 million tons/year, with completion expected in 2024. With reference to Gela the main projects concerned: the upgrading of the biomass treatment unit (BTU) to enhance the processing of more complex feedstock, with completion expected in 2024; construction of a manufacturing unit of biojet, with completion expected in 2024. All those projects are included in the Company's four-year industrial plan approved by the Board of Directors on February 22, 2023;
- €78 million relating to the activity of underground permanent storage of $CO_2$, fully consisting of additions to PP&E as part of an ongoing project to build and operate the Hynet storage hub in UK and a pilot project to develop a $CO_2$ storage hub off Ravenna, Italy. Both projects have been included in the Group four-year capital budget that was approved by the Board of Directors on February 22, 2023. Total capital expenditures for the Hynet project are estimated at €125 million in the four-year plan, with expected start-up in 2025 when the first volume of $CO_2$ is forecast to be injected in the depleted reservoirs operated by Eni, offshore the Liverpool Bay. The expected expenditures for the Italian hub amount to €150 million in the four-year plan, with expected start-up at industrial scale within the term of five years;
- €60 million relating to the activity of installing recharging points for EV, fully consisting of additions to PP&E as about 6.8 thousand new charging points with the Plenitude logo were completed and commissioned in the financial year.

### 1.2.3.3. Contextual information about the OpEx KPI

The numerator of the OpEx KPI comprises €75 million of expenses that mainly related to maintenance and repair, and other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the Eni or third party to whom activities are outsourced that were necessary to ensure the continued and effective functioning of such assets.

### Compliance with the Minimum Safeguards (Ms) - Article 3 "c" of the EU Taxonomy Regulation

The criteria for the eco-sustainability of economic activities outlined in article 3 of the Taxonomy Regulation call for respecting minimum safeguards when conducting business (referred to in paragraph "c") in addition to the principles of substantial contribution and "do no significant harm". The rule under Article 18 identifies the MS with the procedures implemented by a company to ensure that business conduct complies with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights. This includes identifying the principles and rights set out in the eight core conventions identified in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

When companies implement these procedures, they must comply with the "do no significant harm" principle outlined in Article 2(17) of Regulation (EU) 2019/2088, the Sustainable Finance Disclosure Regulation (SFDR). The SFDR requires financial market participants to assess the ESG risk of the investments within the financial products they intend to offer investors, measuring the performance of the investee companies against a predefined set of key impact indicators in critical "principal adverse impact" areas. Five of these indicators have a social nature: (i) violations of the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises; (ii) lack of processes and compliance mechanisms to monitor compliance with the previous point's principles; (iii) unadjusted gender pay gap; (iv) Board gender diversity; and (v) exposure to controversial weapons. The definition of sustainable investment in article 2 (17) of the SFDR states that an investment is sustainable if it contributes to broadly defined environmental or social objectives, provided that it does not harm any of these objectives. Thus, Eni assumes that in complying with the SFDR principle to "do no significant harm", it is understood to refer to the five social impact indicators described above, four of which are included in Eni's human rights due diligence processes. Regarding the fifth, Eni confirms that it does not participate in the controversial weapons sector.

The OECD Guidelines for Multinational Enterprises are principles for responsible business conduct related to eight business areas:

- three relate to the theme of human rights (human rights, consumer protection, employment and industrial relations);
- Anti-Corruption;
- fair competition;
- taxation.

Finally, the other sustainability criteria in article 3 of the Taxonomy Regulation address the environment, while science/technology are out of the scope.

The ILO's eight labour conventions are related as a whole to respect for human rights.

Observance of the fundamental principles of human rights contained in the International Bill of Human Rights (Universal Declaration of Human Rights, International Covenant on Civil and Political Rights and International Covenant on Economic Social and Cultural Rights) is ensured by Eni's compliance with the Italian Constitution and rules intended to implement it, which embody human rights principles. As a company incorporated in Italy, Eni is obliged to observe them.

The verification of compliance with the safeguard clause is based on establishing and maintaining adequate company due diligence processes and systems in the following areas:

- human rights;
- Anti-corruption;
- compliance with competition law;
- business taxation.

Furthermore, evidence of compliance with the MS is given by absence of legal proceedings against each of the Group companies or members of its top management for violations of national or international laws relating to such matters that have resulted in final convictions; or the absence of complaints or reports of alleged human rights violations submitted by individual stakeholders or groups of stakeholders to an OECD National Contact Point or to the Business and Human Rights Resource Centre, in the wake of which the Company has not demonstrated concrete commitment to addressing and managing the report, failing to cooperate in its resolution and/or to adopt a remediation plan in the event it is responsible for causing and/or contributing to the negative impact of the complaint.

Eni's due diligence systems:

- **ANTI-CORRUPTION.** Within the context of the Company's zero tolerance for corruption , Eni has adopted a controlled environment that includes processes and controls designed to minimize the risk of behaviour or transactions that could lead to wilful or negligent acts of corruption. This aims to ensure the constant and punctual compliance of persons working at Eni or on behalf of Eni with the anti-corruption laws in force in the countries where the Company operates. This system also applies to money laundering. The control environment is based on values the organisation shares, starting with top management. It includes establishing a code of ethics inspired by the principles of transparency, honesty, fairness and good faith in conducting business, adherence to the UN Ten Principles of Corporate Responsibility, participation in the Global Compact and personnel training on ethical issues. The processes and controls are designed to ensure accurate and transparent recording of corporate transactions, assessment of economic counterparties in significant transactions (acquisitions/transfers of companies, company branches, mining rights, business combinations, etc.), involvement of certain types of counterparties (business associates, joint venture partners, brokers) or in areas (trading, non-profit initiatives, sponsorships) exposed to corruption risks, as well as compliance of business conduct with internal rules under all circumstances where a breach of the code of ethics might be possible, to prevent any form of corruption in managing the business. The establishment of a whistleblowing mechanism even for managing anonymous reports received by the Company through a well-identified and recognisable channel of alleged violations of anti-corruption and anti-money laundering regulations (this mechanism also applies to the DD on Human Rights) is an integral part of Eni's DD on Anti-Corruption. In 2022, neither the Company nor members of senior management were party to criminal proceedings for violating anti-corruption regulations that resulted in a final verdict of conviction. Please refer to the notes to the consolidated financial statements for more information on the status of the Group's legal proceedings.
- **TAXATION.** Eni has adopted a due diligence system for managing relations with the tax authorities of the countries in which it operates. The aim is to minimize the risk that business operations violate applicable tax regulations. The Company's tax guidelines provide for the payment of taxes in the countries where operations take place according to the merit as well as the letter of local rules and rejects aggressive tax policy choices, including delocalisation of economic activities to so-called tax havens. The Company has a Tax Control Framework, i.e. a specific tax risk control system. Management is responsible for verifying consistency between tax management choices and the Board-approved strategy. The control environment and processes/procedures are designed to mitigate the risk of violations which could trigger significant financial or reputational impact (tax risk). In 2022, no Group company was party to any tax dispute for violations of tax rules or tax fraud resulting in a final verdict of conviction. For more information on the status of the Group's tax litigation, please

refer to the notes to the consolidated financial statements. These disputes relate to the technical interpretation of local tax regulations, which are often very complex. They are managed with a view to reconciliation.

- **FAIR COMPETITION.** Eni has set up a controlled environment and a set of procedures and controls to minimize the risk that business and corporate activities violate the rules protecting competition in the various countries where it operates. Among the fundamental values of the Company are the principles of fair competition – understood as a market environment that encourages companies to excel in the quality and cost-effectiveness of the products and/or services sold/supplied – and compliance with antitrust legislation. Eni's control system has three phases: prevention, risk monitoring/mitigation and counteracting unlawful conduct. It is designed to minimize the risk that Eni's business units and subsidiaries engage in anti-competitive conduct, adopt practices that restrict the free market or collude with competing companies. Corporate transactions to increase market share (mergers) are executed after the antitrust authorities of the jurisdictions concerned have been informed. Appropriate remediation plans are formulated in response to any comments received and in compliance with standstill obligations and the prohibition of unlawful exchange of information during the negotiation and due diligence phases. In 2022, no Group company or senior management member was party to disputes for antitrust legislation violations that resulted in a final verdict of conviction. On the reporting date, there was no pending antitrust disputes.
- **HUMAN RIGHTS.** Human rights are at the heart of Eni's vision as a responsible company and integral to the organisation's values, culture and practices. Eni is committed to respecting human rights in all business activities and places similar expectations on business partners operating on behalf of Eni or who are contracted over the course of Eni's industrial activities. Eni has adopted a human rights due diligence process that complies with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights (UNGP), which envisage five steps:

i) adoption of a commitment statement, by the top management, upholding respect for human rights and the integration of human rights into company processes and policies;
ii) a risk-based process of identifying and assessing the adverse impacts of the company's activities on human rights, including the involvement of stakeholders;
iii) the definition and adoption of measures to prevent, cease or mitigate any adverse impact;
iv) the verification of the effectiveness of the measures taken;
v) public reporting on the processes undertaken by the company to prevent, cease or mitigate the adverse impact and the measures taken.

Eni has established a mechanism for collecting and evaluating complaints and concerns brought to the Company's attention through appropriate channels for listening and for the receipt of communications by individuals, communities or associations of individuals, including providing a remedy to address the adverse impact on human rights that the company caused or contributed to. Eni actively cooperates with other state and non-state complaint mechanisms.

In this respect, Eni's Statement on Respect for Human Rights, approved by the Board in December 2018, in addition to reaffirming the commitment to this topic, highlights salient issues which are subject to in-depth due diligence, according to an approach developed in coherence with the OECD Guidelines for Multinational Enterprises and the UNGPs.
To effectively implement this Statement of Commitment, Eni has gradually employed risk-based models that use context elements (risks specific to the countries in which Eni operates) and characteristics of the business activities that, according to potential risks to human rights, allow the company to identify and adopt appropriate management measures.
Eni is actively committed to reviewing complaints and providing or cooperating to provide remedies for adverse human rights impacts that it may have caused or contributed to, and to make every effort to promote the achievement of the same objective in cases where the impact is directly related to its operations. Eni has adopted a whistleblowing system and a grievance mechanism for addressing possible cases of violations. This is a dedicated channel for the receipt and the settlement of complaints from communities and stakeholders. Eni cooperates actively and in good faith with other access facilities to reach a judicial or non-judicial resolution to open issues. In no case does Eni prohibit potential claimants access to remediation measures. The company is committed to preventing reprisals against workers and other stakeholders for raising human rights concerns. It does not tolerate or contribute to threats, intimidation, reprisals or attacks against human rights defenders and stakeholders involved with its operations.
An integral part of due diligence is the communication of the obtained results. Eni publishes a yearly report "Eni for" sustainability, which includes a human rights report, "Eni for - Human Rights" to inform stakeholders on the progress made to address human rights issues.
In conclusion, in 2022, Eni did not receive any final verdict of conviction for violations of laws, regulations or other regulatory institutions relating to human rights, bribery, competition or tax violations. The Company is cooperating actively and in good faith with the OECD National Contact Points to resolve pending Specific Instances.
On the subject of human rights, Eni also maintains an ongoing dialogue with stakeholders. Refer to, for example, the responses to the Business and Human Rights Resource Centre and the assessment by the World Benchmarking Alliance, in whose latest survey Eni was ranked first (along with a company from another segment) out of all the companies analysed.
Considering the draft Report "Minimum Safeguards", Eni believes it is in compliance with the safeguard clause of Article 3, paragraph "c" of the EU Taxonomy Regulation.

# Turnover KPI

| | | | | Substantial contribution criteria | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Economic activities (1) | Code(s) (2) | Absolute Turnover (3) | Proportion of Turnover (4) | Climate Change Mitigation (CCM) (5) | Climate Change Adaptation (CCA) (6) | Water and marine resources (7) | Circular economy (8) | Pollution (9) | Biodiversity and ecosystems (10) |
| | | m€ | % | % | % | % | % | % | % |
| A. TAXONOMY-ELIGIBLE ACTIVITIES | | 9,874 | 7.5% | | | | | | |
| **A.1. Environmentally sustainable activities (Taxonomy-aligned)** | | | | | | | | | |
| Electricity generation using solar photovoltaic technology | 4.1 (Annex I) /D35.11 | 31 | 0.0% | 100% | | | | | |
| Electricity generation (wind) | 4.3 (Annex I) /D.35.11 | 79 | 0.1% | 100% | | | | | |
| Electricity generation from bioenergy | 4.8 (Annex I) /(D35.11) | 41 | 0.0% | 100% | | | | | |
| Manufacture of biogas and biofuels for use in transport and of bioliquids | 4.13 (Annex I) /(D35.21) | 667 | 0.5% | 100% | | | | | |
| Anaerobic digestion of bio-waste | 5.7 (Annex I) /(E38.21) | 5.0 | 0.0% | 100% | | | | | |
| Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1) | | 823 | 0.6% | 100% | | | | | |
| **A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned)** | | | | | | | | | |
| Manufacture of organic basic chemicals | 3.14 (Annex I) /(C20.14) | 2,126 | 1.6% | | | | | | |
| Manufacture of plastics in primary form | 3.17 (Annex I) /(C20.16) | 2,186 | 1.6% | | | | | | |
| Manufacture of biogas/biofuels for use in transport | 4.13 (Annex I) /(D35.21) | 8 | 0.0% | | | | | | |
| Transmission and distribution of electricity | 4.9 (Annex I) /(D35.12, D35.13) | 7 | 0.0% | | | | | | |
| Cogeneration of heat/cool and power from bioenergy | 4.20 (Annex I)/(D35.11, D35.30) | 11 | 0.0% | | | | | | |
| High-efficiency co-generation of heat/cool and power from fossil gaseous fuels | 4.30 (Annex I)/(D35.11, D35.30) | 4,682 | 3.5% | | | | | | |
| Construction, extension and operation of waste water collection and treatmen | 5.3 (Annex I)/(E37.00, F42.99) | 9 | 0.0% | | | | | | |
| Transport by motorbikes, passenger cars and commercial vehicles | 6.5 (Annex I)/(N77.11, H49.32, H49.39) | 22 | 0.0% | | | | | | |
| Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2) | | 9,051 | 6.9% | | | | | | |
| **Total (A.1 + A.2)** | | 9,874 | 7.5% | | | | | | |
| B. TAXONOMY-NON-ELIGIBLE ACTIVITIES | | | | | | | | | |
| Turnover of Taxonomy-non-eligible activites (B) | | 122,638 | 92.5% | | | | | | |
| **Total (A+B)** | | 132,512 | 100% | | | | | | |

| DNSH | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Climate Change Mitigation (CCM) (11) | Climate Change Adaptation (CCA) (12) | Water and marine resources (13) | Circular economy (14) | Pollution (15) | Biodiversity and ecosystems (16) | Minimum Safeguards (17) | Taxonomy aligned proportion Turnover year 2022 (18) | Category (enabling activity or) (20) | Category (transitional activity) (21) |
| Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | % | E | T |
| | | | | | | | | | |
| y | y | y | y | y | y | y | 0.0% | | |
| y | y | y | y | y | y | y | 0.1% | | |
| y | y | y | y | y | y | y | 0.0% | | |
| y | y | y | y | y | y | y | 0.5% | | |
| y | y | y | y | y | y | y | 0.0% | | |
| | | | | | | | 0.6% | | |

# Capex KPI

| | | | | Substantial contribution criteria | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Economic activities (1) | Code(s) (2) | Absolute CapEx (3) | Proportion of CapEx (4) | Climate Change Mitigation (CCM) (5) | Climate Change Adaptation (CCA) (6) | Water and marine resources (7) | Circular economy (8) | Pollution (9) | Biodiversity and ecosystems (10) |
| | | m€ | % | % | % | % | % | % | % |
| A. TAXONOMY-ELIGIBLE ACTIVITIES | | 2,172 | 17.5% | | | | | | |
| **A.1. Environmentally sustainable activities (Taxonomy-aligned)** | | | | | | | | | |
| Electricity generation using solar photovoltaic technology | 4.1 (Annex I) /D35.11 | 603 | 4.9% | 100% | | | | | |
| Electricity generation (wind) | 4.3 (Annex I) /D.35.11 | 906 | 7.3% | 100% | | | | | |
| Electricity generation from bioenergy | 4.8 (Annex I) /(D35.11) | 1 | 0.0% | 100% | | | | | |
| Storage of electricity | 4.10 | 5 | 0.0% | 100% | | | | | |
| Manufacture of biogas and biofuels for use in transport and of bioliquids | 4.13 (Annex I) /(D35.21) | 97 | 0.8% | 100% | | | | | |
| Underground permanent geological storage of $CO_2$ | 5.12 (Annex I) /(E39.00) | 78 | 0.6% | 100% | | | | | |
| Transport by motorbikes, passenger cars and commercial vehicles | 6.5 (Annex I)/ (N77.11, H49.32, H49.39) | 3 | 0.0% | 100% | | | | | |
| Infrastructure enabling road transport and public transport | 6.15 (Annex I)/ (F71.1, F71.20) | 60 | 0.5% | 100% | | | | | |
| CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1) | | 1,753 | 14.1% | 100% | | | | | |
| **A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned)** | | | | | | | | | |
| Manufacture of organic basic chemicals | 3.14 (Annex I) (C20.14) | 109 | 0.9% | | | | | | |
| Manufacture of plastics in primary form | 3.17 (Annex I) /(C20.16) | 77 | 0.6% | | | | | | |
| Transmission and distribution of electricity | 4.9 (Annex I)/(D35.12, D35.13) | 2 | 0.0% | | | | | | |
| Manufacture of biogas/biofuels for use in transport | 4.13 (Annex I) /(D35.21) | 28 | 0.2% | | | | | | |
| High-efficiency co-generation of heat/cool and power from fossil gaseous fuels | 4.30 (Annex I)/(D35.11, D35.30) | 148 | 1.2% | | | | | | |
| Construction, extension and operation of waste water collection and treatmen | 5.3 (Annex I)/(E37.00, F42.99) | 44 | 0.4% | | | | | | |
| Transport by motorbikes, passenger cars and commercial vehicles | 6.5 (Annex I)/(N77.11, H49.32, H49.39) | 11 | 0.1% | | | | | | |
| CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2) | | 419 | 3.4% | | | | | | |
| **Total (A.1 + A.2)** | | 2,172 | 17.5% | | | | | | |
| B. TAXONOMY-NON-ELIGIBLE ACTIVITIES | | | | | | | | | |
| Capex of Taxonomy-non-eligible activites (B) | | 10,224 | 82.5% | | | | | | |
| **Total (A+B)** | | 12,396 | 100% | | | | | | |

| DNSH | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Climate Change Mitigation (CCM) (11) | Climate Change Adaptation (CCA) (12) | Water and marine resources (13) | Circular economy (14) | Pollution (15) | Biodiversity and ecosystems (16) | Minimum Safeguards (17) | Taxonomy aligned proportion CapEx year 2022 (18) | Category (enabling activity or) (20) | Category (transitional activity) (21) |
| Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | % | E | T |
| | | | | | | | | | |
| y | y | y | y | y | y | y | 4.9% | | |
| y | y | y | y | y | y | y | 7.3% | | |
| y | y | y | y | y | y | y | 0.0% | | |
| y | y | y | y | y | y | y | 0.0% | 0.0% | |
| y | y | y | y | y | y | y | 0.8% | | |
| y | y | y | y | y | y | y | 0.6% | | |
| y | y | y | y | y | y | y | 0.0% | | 0.0% |
| y | y | y | y | y | y | y | 0.5% | 0.5% | |
| | | | | | | | 14.1% | 0.5% | 0.0% |

# OpEx KPI

| Economic activities (1) | Code(s) (2) | Absolute Opex (3) | Proportion of Opex (4) | Substantial contribution criteria: Climate Change Mitigation (CCM) (5) | Climate Change Adaptation (CCA) (6) | Water and marine resources (7) | Circular economy (8) | Pollution (9) | Biodiversity and ecosystems (10) |
|---|---|---|---|---|---|---|---|---|---|
| | | m€ | % | % | % | % | % | % | % |
| A. TAXONOMY-ELIGIBLE ACTIVITIES | | 503 | 12.1% | | | | | | |
| **A.1. Environmentally sustainable activities (Taxonomy-aligned)** | | | | | | | | | |
| Electricity generation using solar photovoltaic technology | 4.1 (Annex I) /D35.11 | 15 | 0.4% | 100% | | | | | |
| Electricity generation (wind) | 4.3 (Annex I) /D.35.11 | 28 | 0.7% | 100% | | | | | |
| Electricity generation from bioenergy | 4.8 (Annex I) /(D35.11) | 5 | 0.1% | 100% | | | | | |
| Manufacture of biogas and biofuels for use in transport and of bioliquids | 4.13 (Annex I) /(D35.21) | 24 | 0.6% | 100% | | | | | |
| Anaerobic digestion of bio-waste | 5.7 (Annex I) /(E38.21) | 3 | 0.1% | 100% | | | | | |
| OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1) | | 75 | 1.8% | 100% | | | | | |
| **A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned)** | | | | | | | | | |
| Manufacture of other low carbon technologies | 3.6 (Annex I) /(C22, C25, C26, C27, C28) | 26 | 0.6% | | | | | | |
| Manufacture of organic basic chemicals | 3.14 (Annex I) (C20.14) | 69 | 1.7% | | | | | | |
| Manufacture of plastics in primary form | 3.17 (Annex I) /(C20.16) | 68 | 1.6% | | | | | | |
| Electricity generation using solar photovoltaic technology | 4.1 (Annex I) /D35.11 | 11 | 0.3% | | | | | | |
| Electricity generation (wind) | 4.3 (Annex I) /D.35.11 | 1 | 0.0% | | | | | | |
| Electricity generation from ocean energy technologies | 4.4 (Annex I) /(D35.11, F42.22) | 7 | 0.2% | | | | | | |
| Transmission and distribution of electricity | 4.9 (Annex I) /(D35.12, D35.13) | 2 | 0.0% | | | | | | |
| Storage of electricity | 4.10 | 3 | 0.1% | | | | | | |
| Manufacture of biogas and biofuels for use in transport and of bioliquids | 4.13 (Annex I) /(D35.21) | 30 | 0.7% | | | | | | |
| Cogeneration of heat/cool and power from bioenergy | 4.20 (Annex I) /(D35.11, D35.30) | 8 | 0.2% | | | | | | |
| High-efficiency co-generation of heat/cool and power from fossil gaseous fuels | 4.30 (Annex I) /(D35.11, D35.30) | 49 | 1.2% | | | | | | |
| Construction, extension and operation of waste water collection and treatmen | 5.3 (Annex I)/ (E37.00, F42.99) | 136 | 3.3% | | | | | | |
| Collection and transport of non-hazardous waste in source segregated fract. | 5.5 (Annex I) /(E38.11) | 5 | 0.1% | | | | | | |
| Underground permanent geological storage of $CO_2$ | 5.12 (Annex I) /(E39.00) | 9 | 0.2% | | | | | | |
| Transport by motorbikes, passenger cars and commercial vehicles | 6.5 (Annex I) /(N77.11, H49.32, H49.39) | 4 | 0.1% | | | | | | |
| OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2) | | 428 | 10.3% | | | | | | |
| **Total (A.1 + A.2)** | | 503 | 12.1% | | | | | | |
| B. TAXONOMY-NON-ELIGIBLE ACTIVITIES | | | | | | | | | |
| OpEx of Taxonomy-non-eligible activites (B) | | 3,657 | 87.9% | | | | | | |
| **Total (A+B)** | | 4,160 | 100% | | | | | | |

| DNSH | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Climate Change Mitigation (CCM) (11) | Climate Change Adaptation (CCA) (12) | Water and marine resources (13) | Circular economy (14) | Pollution (15) | Biodiversity and ecosystems (16) | Minimum Safeguards (17) | Taxonomy aligned proportion OpEx year 2022 (18) | Category (enabling activity or) (20) | Category (transitional activity) (21) |
| Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | % | E | T |
| | | | | | | | | | |
| y | y | y | y | y | y | y | 0.4% | | |
| y | y | y | y | y | y | y | 0.7% | | |
| y | y | y | y | y | y | y | 0.1% | | |
| y | y | y | y | y | y | y | 0.6% | | |
| y | y | y | y | y | y | y | 0.1% | | |
| | | | | | | | 1.8% | | |

## Template 1: Nuclear and fossil gas related activities

| Row | Nuclear energy related activities | 2022 |
|---|---|---|
| 1 | The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle. | No |
| 2 | The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies. | No |
| 3 | The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades. | No |
| | **Fossil gas related activities** | |
| 4 | The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels. | No |
| 5 | The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels. | Yes |
| 6 | The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels. | No |

## Template 2: Taxonomy-aligned economic activities (denominator), 2022 € million, except where indicated

| Row | Economic activities | Turnover | | | | | | Capex | | | | | | Opex | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | CCM+CCA | | Climate change mitigation (CCM) | | Climate change adaptation (CCA) | | CCM+CCA | | Climate change mitigation (CCM) | | Climate change adaptation (CCA) | | CCM+CCA | | Climate change mitigation (CCM) | | Climate change adaptation (CCA) | |
| | | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| 1 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | | | | | | | | | | | | | | | | | | |
| 2 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | | | | | | | | | | | | | | | | | | |
| 3 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | | | | | | | | | | | | | | | | | | |
| 4 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | | | | | | | | | | | | | | | | | | |
| 5 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |
| 6 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | | | | | | | | | | | | | | | | | | |
| 7 | **Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI** | 823 | 0.6% | 823 | 0.6% | 0 | 0% | 1,753 | 14.1% | 1,753 | 14.1% | 0 | 0% | 75 | 1.8% | 75 | 1.8% | 0 | 0% |
| 8 | **Total applicable KPI** | 132,512 | 100% | 132,512 | 100% | 0 | 0% | 12,396 | 100% | 12,396 | 100% | 0 | 0% | 4,160 | 100% | 4,160 | 100% | 0 | 0% |

## Template 3: Taxonomy-aligned economic activities (numerator), 2022 € million, except where indicated

| Row | Economic activities | Turnover | | | | | | Capex | | | | | | Opex | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | CCM+CCA | | Climate change mitigation (CCM) | | Climate change adaptation (CCA) | | CCM+CCA | | Climate change mitigation (CCM) | | Climate change adaptation (CCA) | | CCM+CCA | | Climate change mitigation (CCM) | | Climate change adaptation (CCA) | |
| | | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| 1 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | | | | | | | | | | | | | | | | | | |
| 2 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | | | | | | | | | | | | | | | | | | |
| 3 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | | | | | | | | | | | | | | | | | | |
| 4 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | | | | | | | | | | | | | | | | | | |
| 5 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |
| 6 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | | | | | | | | | | | | | | | | | | |
| 7 | **Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI** | **823** | **100%** | **823** | **100%** | **0** | **0%** | **1,753** | **100%** | **1,753** | **100%** | **0** | **0%** | **75** | **100%** | **75** | **100%** | **0** | **0%** |
| 8 | **Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI** | **823** | **100%** | **823** | **100%** | **0** | **0%** | **1,753** | **100%** | **1,753** | **100%** | **0** | **0%** | **75** | **100%** | **75** | **100%** | **0** | **0%** |

## Template 4: Taxonomy-eligible but not taxonomy-aligned economic activities, 2022 € million, except where indicated

| Row | Economic activities | Turnover | | | | | | Capex | | | | | | Opex | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | CCM+CCA | | Climate change mitigation (CCM) | | Climate change adaptation (CCA) | | CCM+CCA | | Climate change mitigation (CCM) | | Climate change adaptation (CCA) | | CCM+CCA | | Climate change mitigation (CCM) | | Climate change adaptation (CCA) | |
| | | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| 1 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | | | | | | | | | | | | | | | | | | |
| 2 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | | | | | | | | | | | | | | | | | | |
| 3 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | | | | | | | | | | | | | | | | | | |
| 4 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | | | | | | | | | | | | | | | | | | |
| 5 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 4,682 | 51.7% | 4,682 | 51.7% | 0 | 0% | 148 | 35.3% | 148 | 35.3% | 0 | 0% | 49 | 11.4% | 49 | 11.4% | 0 | 0% |
| 6 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | | | | | | | | | | | | | | | | | | |
| 7 | **Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI** | **4,369** | **48.3%** | **4,369** | **48.3%** | **0** | **0%** | **271** | **64.7%** | **271** | **64.7%** | **0** | **0%** | **379** | **88.6%** | **379** | **88.6%** | **0** | **0%** |
| 8 | **Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI** | **9,051** | **100%** | **9,051** | **100%** | **0** | **0%** | **419** | **100%** | **419** | **100%** | **0** | **0%** | **428** | **100%** | **428** | **100%** | **0** | **0%** |

## Template 5: Taxonomy non-eligible economic activities, 2022 € million, except where indicated

| Row | Economic activities | Turnover | | Capex | | Opex | |
|---|---|---|---|---|---|---|---|
| | | Amount | % | Amount | % | Amount | % |
| 1 | Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | | | | | | |
| 2 | Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | | | | | | |
| 3 | Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | | | | | | |
| 4 | Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | | | | | | |
| 5 | Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0% | 0 | 0% | 0 | 0% |
| 6 | Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | | | | | | |
| 7 | **Amount and proportion of other taxonomy non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI** | **122,638** | **100%** | **10,224** | **100%** | **3,657** | **100%** |
| 8 | **Total amount and proportion of taxonomy non-eligible economic activities in the denominator of the applicable KPI** | **122,638** | **100%** | **10,224** | **100%** | **3,657** | **100%** |

## MATERIAL TOPICS FOR ENI

Materiality analysis aims to identify the sustainability issues most relevant to Eni and its stakeholders. The material topics are instrumental for defining the Strategic Plan - the origin of the formulation of the sustainability Managerial Objectives (MBO - Management by Objectives) for all managers - and directing reporting. 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 impact on human rights (so-called Impact Materiality perspective). Anticipating the entry into force of the new Corporate Sustainability Reporting Directive (CSRD), which envisages a dual 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 flow, 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 operations, also based on the GRI's new Sector Standard for Oil & Gas;
- **Evaluation of the themes through the Double Materiality approach:** (i) Impact Materiality perspective - by submitting a

| TOPIC | TREND compared with 2021 | IMPACT MATERIALITY<br>Positive Impacts |
|---|---|---|
| **Combating climate change**<br>SDG: 7 9 12 13 15 17 | ↑ | Reducing climate-altering emissions with decarbonization strategies, technology development and consumer awareness |
| **Development of human capital**<br>SDG: 4 5 8 10 | ↑ | Expanding employees' skills and improving career opportunities through continuous training |
| **Diversity, inclusion and work-life balance**<br>SDG: 3 4 5 8 10 | ↓ | Increase employee well-being through adequate welfare and equal opportunity plans |
| **Health and safety of workers**<br>SDG: 2 3 6 8 | ↓ | Training and awareness-raising activities on health and safety; reduction of accidents and injuries thanks to the use of technology |
| **Asset integrity**<br>SDG: 8 9 11 14 | ↓ | Service reliability through proper maintenance and constant monitoring of infrastructure and asset integrity |
| **Reduction of environmental impacts**<br>SDG: 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 |
| **Circular economy**<br>SDG: 6 12 14 15 | ↑ | Reducing the use of natural resources through business practices and processes aimed at recycling and recovery |
| **Protection of human rights**<br>SDG: 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 |
| **Responsible supply chain management**<br>SDG: 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 |
| **Customer relations**<br>SDG: 7 12 16 | ↑ | Fostering strong customer relationships through engagement, listening and customer care |
| **Transparency, anti-corruption and tax strategy**<br>SDG: 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 |
| **Closure and rehabilitation**<br>SDG: 4 8 11 14 15 | New | Re-use of abandoned facilities, materials and plants for the benefit of local communities and the circular economy |
| **Local development**<br>SDG: 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 |
| **Access to energy**<br>SDG: 7 13 | ↓ | Building infrastructure and improving service quality in remote areas |
| **Innovation**<br>SDG: 7 9 12 13 | ↑ | Innovation and transformation initiatives, also involving supply chain companies and partners |
| **Digitalization and Cyber Security**<br>SDG: 9 13 16 | – | Improving cybersecurity in Countries of presence through partnerships with institutions and companies |

Carbon neutrality by 2050 | Operational excellence | Alliances for development | Transversal themes

questionnaire to internal and external stakeholders to assess the importance of the issues based on the significance of the impacts and their likelihood to occur (for more details on the categories of stakeholders interviewed and the results, see “Stakeholder Engagement Activities” on pp. 16-17); and (ii) Financial Materiality perspective - considering the results of the Integrated Risk Management risk assessment process (for more details, see “Integrated Risk Management” on pp. 24-29 and “Main ESG Risks” on pp. 162-163);
- **Topics were prioritised** 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 the BoD, which subsequently approved the NFI in its entirety.

Under the changing context, the analysis results show a certain dynamism over time, both in terms of significance and the merge[67] 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 theme from questionnaires and social media listening.

The table shows the results of the two materiality analyses; some current/potential positive and negative impacts are shown as examples and the trend compared to the last financial year.

| | | FINANCIAL MATERIALITY |
|---|---|---|
| **Negative Impacts** | **Significance** | **Significance** |
| Climate-changing emissions in the course of their activities or along the value chain | ■■■ | ■■■ |
| Inadequate employee training, non-compliance with contractual rules, freedom of association and collective bargaining, job insecurity | ■■■ | ■□□ |
| Worsening well-being of workers and their families and cases of discrimination | ■■□ | ■□□ |
| 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. | ■■■ | ■■■ |
| Business disruptions caused by infrastructure and asset failure | ■□□ | ■■■ |
| Environmental damage, loss of biodiversity and increased risk of droughts | ■■■ | ■■■ |
| | ■■□ | ■■□ |
| Violation of the human rights of workers, local communities and indigenous peoples | ■■■ | ■■□ |
| Suppliers’ violation of workers’ rights and negative environmental impact due to Eni’s failure to monitor them | ■■□ | ■■□ |
| Interruption of the service offered (e.g. energy supply) to customers for reasons attributable to Eni | ■■□ | ■■■ |
| Incidents of corruption and illegal conduct with possible economic repercussions on markets and companies caused by tax evasion, monopolistic policies and lobbying practices | ■□□ | ■■■ |
| Loss of jobs and failure to upgrade employees’ skills due to plant or site closures | ■□□ | ■■□ |
| Violation of community rights, well-being and involuntary resettlement; unequal compensation; and exploitation of natural resources to the detriment of local communities | ■■□ | ■■□ |
| Dispersion and inefficiency in the distribution network with effects on the community and environment | ■□□ | ■□□ |
| | ■■■ | ■□□ |
| Loss of data and personal information of employees, customers, partners, etc. | ■■□ | ■■□ |

(67) Compared to the previous analysis, three topics were merged into existing topics in 2022: “Low carbon technologies” with “Combating climate change”, “Biodiversity” with “Reducing environmental impact” and “Local content” with “Local development”.

# REPORTING PRINCIPLES AND CRITERIA

**Standards, guidelines and recommendations.** The Consolidated Disclosure of Non-Financial Information was prepared in accordance with the Legislative Decree 254/2016 implementing the European Directive on Non-Financial Information, and the "Sustainability Reporting Standards", published by the Global Reporting Initiative (GRI Standards) and has been subject to a limited review by the independent Company, which is also the auditor of Eni's consolidated financial statement as of December 31, 2022. All GRI indicators in the Content Index refer to the version of the GRI Standards published in 2016, with the exception of those of: (i) "Standard 403: Occupational Health and Safety", (ii) "Standard 303: Water and Effluents" - which refer to the 2018 edition -, (iii) "Standard 207: Taxes" from 2019 and (iv) "Standard 306: Waste" in 2020. The update of the new GRI standard Universal and Sector Standard Oil & Gas published in 2021 and mandatory from this year was also considered. In addition, the recommendations reported by ESMA (European Securities and Markets Authority) on non-financial statements were implemented both within the NFI and in the Management Report, as well as the set of "core" metrics defined by the WEF in the September 2020 White Paper "Measuring Stakeholder Capitalism - Towards Common Metrics and Consistent Reporting of Sustainable Value Creation" from September 2020. The Declaration includes the information required by article 8 of Regulation (EU) 2020/852 of June 18, 2020 (the "Taxonomy Regulation") and the related Delegated Regulations (EU) 2021/2178 and (EU) 2021/2139. The limited examination carried out by the auditing firm (PwC SpA) on the NFI does not extend to the information, provided pursuant to the Taxonomy Regulation, contained in the dedicated paragraph (pp. 198-217).

**Performance indicators**. KPIs are selected based on the topics identified as most significant, are collected on an annual basis according to the consolidation scope of the reference year and refer to the 2020-2022 period. In general, trends in data and performance indicators are also calculated using decimal places not shown in the document. The data for the year 2022 are the best possible estimate with the data available at the time of preparation of this report. The data are also subject to review and approval by the competent bodies and the BoD. In addition, some data published in previous years may be subject to restatement in this edition for one of the following reasons: refinement/change in estimation or calculation methods, significant changes in the consolidation scope, or if significant updated information becomes available, possible errors during the calculation and related to boundary. If a restatement is made, the reasons for it are appropriately disclosed in the text. Most of the KPIs presented are collected and aggregated automatically through the use of Company software specific for the topic area. This data is sent to a platform dedicated to saving and storing all the data published by Eni in the non-financial statement. This system also allows tracking the control and approval of each data by its Process Owners.

**Boundary**. The boundary of the key performance indicators is aligned with the objectives set by the company and represents the potential impact of the activities Eni manages. In particular:

i) for KPIs relating to safety, the environment and climate, the perimeter consists not only of Eni SpA's subsidiaries, but also of the companies in joint operation, jointly controlled or associated companies reported in note[68];
ii) the perimeter relating to KPIs relating to health is also extended to companies in joint operation, jointly controlled or associated companies in which Eni has control of operations (with the sole exception of data relating to reports of occupational illness, included in the OIFR, which refer only to consolidated companies);
iii) with regard to data referring to anti-corruption training, the perimeter includes Eni SpA and its subsidiaries;
iv) with regard to data referring to investments for local development, the perimeter includes Eni SpA, subsidiaries and jointly controlled companies;
v) the perimeter referring to data relating to whistleblowing files includes Eni SpA and its subsidiaries;
vi) finally, the perimeter of the data related to the audits covering the anti-corruption checks includes subsidiaries controlled directly and indirectly (excluding listed companies that have their own internal audit department), associated companies based on specific agreements and third parties deemed to have a higher risk, as provided for under the contracts entered with Eni.

The comments on performance refer to these perimeters. In addition, these performance indicators are accompanied by an additional view only relating to 2022 in which the data of fully consolidated companies are presented. It should be noted that the figures reported do not include the FinProject group - unless otherwise stated - as it recently entered the scope and is still in the process of aligning its systems with Eni's requirements. With regard to all other KPIs/data, the perimeter, consistently with the reference legislation, coincides with the companies consolidated on a line-by-line basis for the purpose of preparing the consolidated financial statements by the Eni Group.

(68) In addition to fully consolidated companies, the boundary includes the following companies: Mozambique Rovuma Venture S.p.A; Agiba Petroleum Co; Cardon IV SA; Eni Iran BV; Eni Mozambique Engineering Ltd; Eni South Africa BV; Groupment Sonatrach-Eni; Karachaganak Petroleum Operating BV; Mellitah Oil & Gas BV; LLC "EniEnerghia"; Petrobel Belayim Petroleum Co; Eni Gas Transport Services Srl; DLNG Service SAE; Société énergies renouvelables Eni-Etap (Seree); Costiero Gas Livorno SpA; SeaPad S.p.A.; Servizio Fondo Bombole Metano SpA; Società Oleodotti Meridionali - SOM S.p.A.; Eni Abu Dhabi Refining & Trading Services BV; Esacontrol SA; Oléoduc du Rhone SA; LLC "Eni-Nefto"; Tecnoesa SA; Brindisi Servizi Generali S. c. a r. l.(BSG); and Ravenna Servizi Industriali S.C.p.A. (RSI); Servizi Porto Marghera S.c. a r. l. (SPM); Versalis Pacific (India) Private Limited; ISAF (Industria Siciliana Acido Fosforico - Sicilian Phosphoric Acid Industry) SpA; Oleodotto del Reno SA; Società Enipower Ferrara Srl - Ferrara; and EniProgetti Egypt Ltd; and Eniverse Ventures Srl.

| KPIs | METHODOLOGY |
| --- | --- |
| **CLIMATE CHANGE** | |
| **GHG EMISSIONS** | **Scope 1:** direct GHG emissions are those deriving from sources associated to the company's assets (e.g. combustion, flaring, fugitive and venting), and include $CO_2$, $CH_4$ and $N_2O$; the Global Warming Potential used for conversion to $CO_2$ equivalent is 25 for $CH_4$ and 298 for $N_2O$. Contributions of biogenic $CO_2$ emissions are not included.<br>**Scope 2:** GHG emissions indirectly related to electricity generation, steam and heat purchased from third parties for internal consumption and include $CO_2$, $CH_4$ and $N_2O$; the Global Warming Potential used for conversion to $CO_2$ equivalent is 25 for $CH_4$ and 298 for $N_2O$. Contributions of biogenic $CO_2$ emissions are not included. They are reported according to a "location-based" approach (specific information on supply contracts is also being collected to construct the "market-based" view).<br>**Scope 3:** indirect GHG emissions associated with the value chain of Eni's products, which involve an analysis by category of activity. In the Oil & Gas sector, the most significant category is that related to the use of energy products (end-use), which Eni calculates according to internationally consolidated methodologies (GHG Protocol and IPIECA), based on upstream production. Emissions include $CO_2$, $CH_4$ and $N_2O$; the Global Warming Potential used for conversion to equivalent $CO_2$ is 25 for $CH_4$ and 298 for $N_2O$. Since the indicator refers to equity production O&G Upstream, emissions do not include contributions of biogenic $CO_2$ emissions are not included. |
| **EMISSION INTENSITY** | Indicators include direct GHG emissions (Scope 1) which are derived from assets operated by Eni, include $CO_2$, $CH_4$ and $N_2O$ and are accounted for on a 100% basis.<br>• Upstream: indicator focused on emissions associated to development and production of hydrocarbons. Denominator refers to gross operated production.<br>• R&M: indicator focused on emissions related to traditional and biorefineries. Denominator refers to refinery throughputs (raw and semi-finished materials).<br>• Enipower: indicator focused on emissions related to electricity and steam production from thermoelectric power plants. The denominator refers to equivalent electricity produced (excluding the Bolgiano cogeneration plant).<br>• Upstream methane emission intensity: calculated as the ratio of direct methane emissions expressed in $CH_4$ $m^3$ to the natural gas production sold by assets operated upstream. |
| **OPERATIONAL EFFICIENCY** | Operational efficiency expresses the intensity of GHG emissions (Scope 1 and Scope 2 in $tonCO_2eq.$) of the main industrial activities operated by Eni divided by the production (converted by homogeneity into barrels of oil equivalent using Eni's average conversion factors) of the single businesses of reference, thus measuring their degree of operating efficiency in a decarbonization scenario. In particular, the following specifications apply:<br>• Upstream: includes the hydrocarbon production and electricity plants;<br>• R&M: includes only refineries;<br>• Chemicals: includes all plants;<br>• Enipower: includes thermoelectric plants except for the Bolgiano cogeneration plant.<br>Unlike the other emission intensity indices that refer to individual business areas and consider only GHG Scope 1 emissions, the Carbon Efficiency Index summarily measures Eni's commitment to reducing GHG emission intensity, including Scope 2 emissions. |
| **ENERGY INTENSITY** | The refining energy intensity index represents the total amount of energy actually used in the reference year among the various refinery processing plants, divided by the corresponding value of preset standard consumption values for each processing plant. To allow comparison over the years, 2009 data is taken as a reference (100%). For other sectors, the index represents the ratio between significant energy consumption associated to operated plants and the related production. |
| **NET CARBON FOOTPRINT** | **Eni Net Carbon Footprint:** the indicator considers GHG Scope 1+2 emissions associated to hydrocarbons development and production activities, operated by Eni and by third parties, accounted for on an equity basis (Revenue Interest), net of offsets mainly deriving from Natural Climate Solutions occurred in the reference reporting year.<br>**Net Carbon Footprint Upstream:** the indicator considers the GHG Scope 1+2 emissions associated to hydrocarbon development and production activities operated or not by Eni, accounted for on an equity basis (revenue interest) and net of the offsets mainly deriving from Natural Climate Solutions occurred in the reference year. |
| **NET GHG LIFECYCLE EMISSIONS** | The indicator refers to GHG Scope 1+2+3 emissions associated with the value chain of the energy products sold by Eni, including both those deriving from own productions and those purchased from third parties, accounted for on an equity basis, net of offsets mainly deriving from Natural Climate Solutions. Differently from Scope 3 end-use emissions, which Eni reports based on upstream production, the Net GHG Lifecycle Emissions indicator considers a much wider perimeter, including Scope 1, 2 and Scope 3 emissions referred to the whole value chain of energy products sold by Eni, thus including Scope 3 end-use emissions associated to gas purchased by third parties and petroleum products sold by Eni. |

| KPIs | METHODOLOGY |
|---|---|
| NET CARBON INTENSITY | The indicator, accounted for on an equity basis, is defined as the ratio between Net GHG Lifecycle Emissions (see Net GHG Lifecycle Emissions definition) and the energy content of the products sold by Eni. |
| RENEWABLE INSTALLED CAPACITY | The indicator is measured as the maximum generating capacity of Eni's share power plants that use renewable energy sources (wind, solar and wave, and any other non-fossil fuel source of generation deriving from natural resources, excluding nuclear energy) to produce electricity. The capacity is considered "installed" once the power plants are in operation or the mechanical completion phase has been reached. The mechanical completion represents the final construction stage excluding the grid connection. |
| ENERGY CONSUMED | Eni's energy consumption balance is calculated as follows: (i) each energy carrier is converted into millions of gigajoules (a standard unit of measure) according to the appropriate conversion factors at the site/company level; (ii) for each energy vector, Eni's consumption is calculated as the sum of the production and import (from companies outside Eni's scope of consolidation) values, from which export values (to companies outside Eni's scope of consolidation) are then subtracted (to calculate Eni's energy balance, data consolidation is performed excluding internal exchanges between group sites/companies); (iii) the sum, in millions of gigajoule, of consumption by all individual energy vectors represents Eni's energy balance.<br>Specifically, the parameters considered are: (i) Total energy consumption (with primary source consumption, primary energy purchased from third parties (electricity, steam and direct process heat) and hydrogen consumption); (ii) Energy consumption from renewable sources; (iii) Sale of electricity; (iv) Sale of heat and steam. |

## PEOPLE, HEALTH AND SAFETY

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|---|---|
| NON-EMPLOYEES | With regard to non-employees whose work is controlled by the organization, it has been considered the administered personnel considered in Italy and abroad. |
| INDUSTRIAL RELATIONS | Regarding industrial relations, the minimum notice period for operational changes is in line with the provisions of the laws in force and the trade union agreements signed in the Countries in which Eni operates.<br>Employees covered by collective bargaining agreements: those employees whose employment relationship is governed by collective contracts or agreements, whether national, category, company or site. This is the only KPI dedicated to people that considers role-based employees (Company with which the employee enters into the employment contract). All others, including indicators on training, are calculated according to the utilisation method (company where the work is actually done). It should be noted that, using this second method, the two aspects (role companies and service) could coincide. |
| REMUNERATION | **Gender Pay Ratio:** The Gender Pay Ratio is calculated as the ratio of the average remuneration of the female population to the average remuneration of the male population for the individual job title and for the overall population.<br>**Change in CEO/DG and in employee median remuneration:** Year-on-year percentage change in total remuneration of the CEO/DG and the median Italian and foreign employee. |
| SENIORITY | Average number of years worked by employees at Eni and its subsidiaries. |
| PARENTAL LEAVE | The parental leave re-entry rate is calculated through the ratio of the number of persons who returned from parental leave after taking it to the number of persons who took parental leave in 2022. |
| TRAINING HOURS | Hours used by Eni SpA and subsidiaries employees in training courses managed and carried out by Eni Corporate University (classroom and remote) and in activities carried out by the organizational units of Eni's Business areas/Companies independently, also through on-the-job training. Average training hours are calculated as total training hours divided by the average number of employees in the year. |
| LOCAL SENIOR AND MIDDLE MANAGERS ABROAD | Number of local senior managers + middle managers (employees born in the Country in which their main working activity is based) divided by total employment abroad. |
| TURNOVER RATE | Ratio of the number of recruitments + terminations of permanent contracts to permanent employment in the previous year. |
| SAFETY | Eni uses a large number of contractors to carry out activities at its sites.<br>**TRIR:** total recordable injury rate (injuries leading to days of absence, medical treatments and cases of work limitations). Numerator: number of total recordable injuries; denominator: hours worked in the same period. Result of the ratio multiplied by 1,000,000.<br>**High-consequence work-related injuries rate:** injuries at work with days of absence exceeding 180 days or resulting in total or permanent disability. Numerator: number of injuries at work with serious consequences; denominator: hours worked in the same period. Result of the ratio multiplied by 1,000,000.<br>**Near miss:** an incidental event, the origin, execution and potential effect of which is accidental in nature, but which is however different from an accident only in that the result has not proved damaging, due to luck or favourable circumstances, or to the mitigating intervention of technical and/or organizational protection systems. Accidental events that do not turn into accidents or injuries are therefore considered to be near misses. For the assessment of accident KPIs, in addition to the GRI standard, Eni adopts and integrates, through its own internal procedures, the IOGP guidelines on work-relatedness events, also taking into account Country risk.<br>**Process safety events:** loss of primary containment (unplanned or uncontrolled release of any material, including non-toxic and flammable materials) from a "process". Process safety incidents are classified as a function of the severity into Tier 1 (more serious), Tier 2, or Tier 3.1 (less serious). |

| KPIs | METHODOLOGY |
|---|---|
| **HEALTH** | **Number of occupational disease claims filed by heirs:** indicator used as a proxy for the number of deaths due to occupational diseases.<br>**Recordable cases of occupational diseases:** number of occupational disease reports.<br>**Main types of diseases:** reports of suspected occupational disease made known to the employer concern pathologies that may have a causal connection with the risk at work, as they may have been contracted in the course of work and due to prolonged exposure to risk agents present in the workplace. The risk may be caused by the processing carried out, or by the environment in which the processing takes place. The main risk agents whose prolonged exposure may lead to an occupational disease are: (i) chemical agents (example of disease: neoplasms, respiratory system diseases, blood diseases); (ii) biological agents (example of disease: malaria); (iii) physical agents (example of disease: hearing loss). |

## ENVIRONMENT

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|---|---|
| **BIODIVERSITY** | **Number of sites overlapping with protected areas and Key Biodiversity Areas (KBAs):** operational sites in Italy and abroad, which are located within (or partially within) the boundaries of one or more protected areas or KBAs (December of each reference year).<br>**Number of sites adjacent to protected areas or Key Biodiversity Areas (KBAs):** operational sites in Italy and abroad which, although outside the boundaries of protected areas or KBA, are less than 1 km away (December of each reference year).<br>**Number of upstream concessions overlapping protected areas and Key Biodiversity Areas (KBAs) with activities in the overlapping area:** active national and international concessions, operated, under development or in production, present in the Company's databases in June of each reference year that overlap one or more protected areas or KBAs, where development/production operations (wells, sealines, pipelines and onshore and offshore installations as documented in the Company's GIS geodatabase) are located within the intersection area.<br>**Number of upstream concessions overlapping protected areas or Key Biodiversity Areas (KBAs), without activities in the overlapping area:** active national and international concessions, operated, under development or in production, present in the Company's databases in June of each reference year that overlap one or more protected areas or KBAs, where development/production operations (wells, sealines, pipelines and onshore and offshore installations as documented in the Company's GIS geodatabase) are located outside the intersection area.<br>The sources used for the census of protected areas and KBAs are the "World Database on Protected Areas" and the "World Database of Key Biodiversity Areas" respectively; the data was made available to Eni in the framework of its membership in the UNEP-WCMC Proteus Partnership (UN Environment Programme – World Conservation Monitoring Center). There are some limitations to consider when interpreting the results of this analysis:<br>• it is globally recognized that there is an overlap between the different databases of protected areas and KBAs, which may have led to a certain degree of duplication in the analysis (some protected areas/KBAs could be counted several times);<br>• the databases of protected or key biodiversity areas used for the analysis, while representing the most up-to-date information available at global level, may not be complete for each Country.<br>**Significant impact of activities, products and services on biodiversity:** potential impact may vary depending on the complexity of each project, the value of the natural environment and the social context of the activities. Among the most significant impacts for all types of Eni assets are those related to land (or sea) use change due to the physical presence of plants and infrastructure, which may result in the removal, degradation or fragmentation of habitats with consequences for species. Possible impact of activities in the upstream, refining and petrochemical sectors include the degradation of habitats and loss of biodiversity due to: pressure on fresh water availability; degradation of water, air and soil quality; contamination and pollution due to accidental events (e.g. spills and leakage); climate-altering emissions that contribute to climate change with direct and indirect effects on nature (e.g. anticipation of plant flowering and changes to the reproductive period of some animal species, migration of biomes at different latitudes and altitudes, and coral bleaching). For activities related to renewables, in addition to impact due to the occupation of land and sea, potential impact on birds and bats due to the presence of turbines and distribution lines are mentioned. Wind turbines pose a potential risk to particularly vulnerable species groups such as birds of prey.<br>**Species listed on the IUCN Red List and national lists that find their habitat in the organisation's areas of operation:** the data source is the IUCN Red List Spatial Data database, which contains global assessments of species by taxonomic groups. The spatial data of species distribution are downloaded in ESRI shapefile format in their latest update from the database and uploaded to Eni's ArcGIS systems. The total number of species with habitats inside the organisation's areas of operation is verified. The species are classified according to their level of extinction risk: critically endangered, endangered, vulnerable, near threatened, or least concern. "Data Deficient" species are those species that lack of data for which it impossible to assign a risk category.<br>In interpreting the data, it is essential to note that the analysis is subject to the inherent limitations associated with global species mapping and is sensitive to periodic database updates, as more species are mapped yearly. |

| KPIs | METHODOLOGY |
|---|---|
| **WATER RESOURCES** | **Water withdrawals:** sum of sea water, freshwater, and brackish water from subsoil or surface withdrawn. TAF (groundwater treatment plant) water represents the amount of polluted groundwater treated and reused in the production cycle. The limit for freshwater, which is more conservative than that indicated by the GRI reference standard (equal to 1,000 ppm), is 2,000 ppm TDS, as provided in the IPIECA/API/IOGP 2020 guidance.<br>**Water discharges:** The internal procedures relating to the operational management of water discharges regulate the control of the minimum quality standards and the authorization limits prescribed for each operational site, ensuring that they are respected and promptly resolved if they are exceeded.<br>**Sea water:** water with a total dissolved solids content (TDS) greater than or equal to 30,000 mg.<br>**Brackish water:** water with a total dissolved solids content (TDS) between 2,000 mg/l and 30,000 mg/l.<br>**Fresh water:** water with a maximum total dissolved solids content (TDS) of 2,000 mg/l. |
| **SPILL** | Spills from primary or secondary containment into the environment of oil or petroleum derivative from refining or oil waste occurring during operation or as a result of sabotage, theft or vandalism. For sabotage oil spills, the timing of the closure of some investigations and the subsequent recording of the data may be extended due to the duration of the investigation. |
| **WASTE** | **Waste from production:** waste from production activities, including waste from drilling activities and construction sites.<br>**Waste from remediation activities:** this includes waste from soil securing and remediation activities, demolition and groundwater classified as waste.<br>The waste disposal method is communicated to Eni by the third party authorised for disposal.<br>**Possible negative impacts related to waste:** loss of resources, possible contamination of environmental matrices due to possible unapproved management, impacts related to transport and treatment at the destination plants, land consumption related to plants for waste, and legal and reputational consequences related to any objections.The treatment of waste at off-site third-party facilities results from the unavailability of suitable facilities at the site and/or the legal requirements to carry it out; by way of example, within the EU, the waste treatment operations are subject to possessing suitable permits. The weight of generated and delivered waste can be measured or estimated, as the case may be. The difference between waste generated and waste sent for recovery/disposal may arise from both a variation in the quantities in storage and from the fact that the weight of waste generated is often estimated, whereas the weight of waste delivered is more frequently measured at the site's exit or the destination facility.<br>Recycled/recovered waste is understood to be waste diverted from disposal |
| **AIR PROTECTION** | **$NO_x$:** total direct emissions of nitrogen oxide due to combustion processes with air. It includes emissions of $NO_x$ from flaring activities, sulphur recovery processes, FCC regeneration, etc. It includes emissions of NO and $NO_2$, excluding $N_2O$.<br>**$SO_x$:** total direct emissions of sulphur oxides, including emissions of $SO_2$ and $SO_3$.<br>**NMVOC:** total direct emissions of hydrocarbons, hydrocarbon substitutes and oxygenated hydrocarbons that evaporate at normal temperature. They include LPG and exclude methane.<br>**PM:** direct emissions of finely divided solid or liquid material suspended in gaseous flows. Standard emission factors. |

## HUMAN RIGHTS

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|---|---|
| **SECURITY CONTRACTS WITH HUMAN RIGHTS CLAUSES** | The indicator "percentage of security contracts with human rights clauses" is obtained by calculating the ratio between the "Number of security and security porter contracts with human rights clauses" and the "Total number of security and security porter contracts". |
| **WHISTLEBLOWING REPORTS** | The indicator refers to the whistleblowing files relating to Eni SpA and its subsidiaries, closed during the year and relating to Human Rights; of the files thus identified, the number of separate assertion is reported as a result of the investigation conducted on the facts reported (founded, partially founded, unfounded, not ascertainable and not applicable). |

## SUPPLIERS

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|---|---|
| **SUPPLIERS SUBJECTED TO ASSESSMENT** | The indicator refers to the processes managed by the companies in the perimeter. It represents all suppliers assessed against at least one of the following processes: Reputational Due Diligence, qualification process, performance evaluation feedback on HSE or Compliance areas, retroactive process, or assessment on human rights issues (inspired by the SA 8000 standard or similar certification). Therefore, the indicator refers to all suppliers for which Vendor Management activities are centralised in Eni SpA (i.e. all Italian, mega and international suppliers) and to the local suppliers of Eni Ghana, Eni US, Eni México S. de RL de CV, IEOC, Eni Australia, Eni Nigeria, Eni Iraq and Eni UK.<br>Excluded from the scope are procurements of: raw and semi-processed materials; primary logistics services; utilities of the production process (e.g., electricity, hydrogen); mining securities; financial and insurance services or products and in administrative-accounting/tax matters; real estate; legal assistance and notary services; collaboration with journalists; acquisition of user licenses and patents; labor and employment contracts. |

| KPIs | METHODOLOGY |
|---|---|
| **NEW SUPPLIERS ASSESSED ACCORDING TO SOCIAL CRITERIA** | This indicator is included in the "Suppliers subject to assessment" indicator and represents all new suppliers subjected to a new qualification process. |
| **TRANSPARENCY, ANTI-CORRUPTION AND TAX STRATEGY** | |
| **COUNTRY-BY-COUNTRY REPORT** | The disclosure relating to the Country-by-Country report is covered by means of a reference to the last published document (generally the financial year preceding the NFI reporting year) reporting the main information required by GRI standard (207-4). |
| **ANTI-CORRUPTION TRAINING** | **E-learning** for resources in a context at **medium/high risk of corruption**.<br>**E-learning** for resources in a context of **low risk of corruption**.<br>**General workshop:** classroom training events for staff in a context of high risk of corruption.<br>**Job specific training:** classroom training events for specific professional areas operating in contexts with a high risk of corruption. |
| **POLITICAL CONTRIBUTIONS** | As stated in the Code of Ethics, we refrain from making contributions to political and trade union parties, movements, committees and organizations. We refrain from misusing our company name in personal interactions with political parties, movements, and committees. |
| **LOCAL DEVELOPMENT** | |
| **LOCAL DEVELOPMENT INVESTMENTS** | The indicator refers to the Eni share of spending in local development initiatives carried out by Eni in favour of local communities to promote the improvement of the quality of life and sustainable socio-economic development of communities in operational contexts.<br>The **potential impact on local communities** can vary depending on the type and location of each business project. Those relating to the exploration and business development phase are described below:<br>**Negative impacts related to exploration activities include:** socio-economic displacement, negative impacts on fishing, agriculture and tourism, potential damage to buildings and historical heritage, potential violations of subcontractor labour standards, inadequate compensation for the impact, and impact on the human rights of affected populations.<br>**Negative impacts related to business development activities include:** socio-economic displacement, resettlement, negative impacts on fishing, agriculture and tourism, increased cost of living and services in the areas around the plant, delayed implementation of development projects, distortion of the local market due to remuneration and a general increase in the cost of living, social effects of environmental impacts such as noise, related traffic and landscape modification, impact on the customs and traditions of local populations, lack of involvement of minorities and indigenous people in the approval process, impact on the human rights of affected populations, induction of migration flows caused by business activities, impact on community health, changes in community lifestyles, potential increase in crime, increased pressure on services to the population, changes in the local social-productive structure and potential impact on some essential services or the production of basic goods, and changes to the traditional real estate system. Reduced access to natural resources by communities. |
| **SPENDING TO LOCAL SUPPLIERS** | The indicator refers to the 2022 share of expenditure to local suppliers. "Spending to local suppliers" has been defined according to the following alternative methods on the basis of the specific characteristics of the Countries analysed in terms of local regulations and local approaches used in the management of local content: 1) "Equity method" (Ghana): the share of expenditure towards local suppliers is determined based on the percent ownership of the corporate structure (e.g. for a joint venture with a 60% local component, 60% of the total expenditure towards the joint venture is considered as expenditure towards the local supplier); 2) "Local currency method" (Vietnam, UK, Libya, Kazakhstan): the share paid in local currency is identified as expenditure towards local suppliers; 3) "Country registration method" (Iraq, Indonesia, United Arab Emirates, Nigeria, Mozambique, USA, Germany, Algeria, Cyprus, Egypt, Ivory Coast, Oman, Tunisia, Turkmenistan, Venezuela and Kenya): the expenditure towards suppliers registered in the Country and not belonging to international groups/mega suppliers (e.g. suppliers of drilling services/auxiliary drilling services) is identified as local; 4) "Method of registration in the Country + local currency" (Congo, Mexico and Australia): expenditure towards suppliers registered in the Country and not belonging to international groups/mega suppliers (e.g. suppliers of drilling services) is identified as local. For the latter, spending in local currency is considered to be local.<br>The Countries selected are those most representative for Eni business from a strategic point of view and in which a relevant procurement plan for the four-year period 2022-2025 has been recorded compared to the total spent by the Eni Group. |

# GRI CONTENT INDEX

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|---|---|
| **Statement of use** | Eni has reported "in accordance" with the GRI Standards for the period 01/01/2022 - 12/31/2022 |
| **GRI 1 Used** | GRI 1: Foundation 2021 |
| **Applicable GRI Sector Standard(s)** | GRI 11: Oil and Gas Sector 2021 |

| Material Aspect/ Disclosure GRI | KPI Description/Disclosure GRI | WEF | Section and/or page number | Omission |
|---|---|---|---|---|
| **GRI 2: GENERAL DISCLOSURE 2021** | | | | |
| **THE ORGANIZATION AND ITS REPORTING PRACTICES** | | | | |
| 2-1 | Organizational details | | Annual Report 2022, pp. 6-7; 51-69; 75-77; 85-88; 92-95; 97-99<br>https://www.eni.com/en-IT/about-us/governance.html | |
| 2-2 | Entities included in the organization's sustainability reporting | | NFI, p. 220 | |
| 2-3 | Reporting period, frequency and contact point | | NFI, p. 220 | |
| 2-4 | Restatements of information | | NFI, pp. 170; 185; 189; 220 | |
| 2-5 | External assurance | | Annual Report 2022, p. 2 | |
| **ACTIVITIES AND WORKERS** | | | | |
| 2-6 | Activities, value chain and other business relationships | | Annual Report 2022, pp. 6-7; 51-69; 75-77; 85-88; 92-95; 97-99 | |
| 2-7 | Employees | | NFI, pp. 173-176; 222 | |
| 2-8 | Workers who are not employees | | NFI, pp. 176; 222 | |
| **GOVERNANCE** | | | | |
| 2-9 | Governance structure and composition | | Annual Report 2022, pp. 30-41 | |
| 2-10 | Nomination and selection of the highest governance body | | Annual Report 2022, pp. 30-41 | |
| 2-11 | Chair of the highest governance body | | Annual Report 2022, pp. 30-41 | |
| 2-12 | Role of the highest governance body in overseeing the management of impacts | | Annual Report 2022, pp. 36-41 | |
| 2-13 | Delegation of responsibility for managing impacts | | Annual Report 2022, pp. 30-41<br>NFI, pp. 164-165 | |
| 2-14 | Role of the highest governance body in sustainability reporting | | Annual Report 2022, pp. 36-41 | |
| 2-15 | Conflicts of interest | | Annual Report 2022, pp. 40-41 | |
| 2-16 | Communication of critical concerns | | Annual Report 2022, pp. 16-17; 40-41 | |
| 2-17 | Collective knowledge of the highest governance body | | Annual Report 2022, pp. 35-36<br>NFI, p. 164 | |
| 2-18 | Evaluation of the performance of the highest governance body | | Annual Report 2022, pp. 35-36<br>NFI, p. 164 | |
| 2-19 | Remuneration policies | | Annual Report 2022, p. 39<br>Report on remuneration policy and remuneration paid, pp. 27-43 | |
| 2-20 | Process to determine remuneration | | Annual Report 2022, p. 39<br>Report on remuneration policy and remuneration paid, pp. 27-43 | |
| 2-21 | Annual total compensation ratio | | NFI, pp. 175; 222<br>Report on remuneration policy and remuneration paid, p. 10 | |
| **STRATEGY, POLICIES AND PRACTICES** | | | | |
| 2-22 | Statement on sustainable development strategy | | Annual Report 2022, pp. 4-7<br>NFI, p. 154 | |
| 2-23 | Policy commitments | | NFI, pp. 154-157; 186-188 | |
| 2-24 | Embedding policy commitments | | NFI, pp. 154-157; 186-188 | |

| Material Aspect/ Disclosure GRI | KPI Description/Disclosure GRI | WEF | Section and/or page number | Omission |
|---|---|---|---|---|
| 2-25 | Processes to remediate negative impacts | | Annual Report 2022, pp. 16-17<br>NFI, pp. 160-161<br>In addition, see page references for regarding the GRI 3-3 KPI requirements for each material topics. | |
| 2-26 | Mechanisms for seeking advice and raising concerns | | Annual Report 2022, pp. 16-17<br>NFI, p. 196 | |
| 2-27 | Compliance with laws and regulations | | NFI, pp. 206-207 | |
| 2-28 | Membership associations | | Annual Report 2022, pp. 16-17 | |
| **STAKEHOLDER ENGAGEMENT** | | | | |
| 2-29 | Approach to stakeholder engagement | ■ | Annual Report 2022, pp. 16-17 | |
| 2-30 | Collective bargaining agreements | | NFI, pp. 172; 175; 177; 222 | |
| **GRI 3: MATERIAL TOPICS 2021** | | | | |
| **DISCLOSURES RELATED OT MATERIAL TOPICS** | | | | |
| 3-1 | Process to determine material topics | ■ | NFI, pp. 218-219 | |
| 3-2 | List of material topics | ■ | NFI, pp. 218-219 | |
| 3-3 | Management of material topics | | Included in the specific sections. | |

| Material Aspect/ Disclosure GRI (Reference Number GRI 11: Oil & Gas Sector Standard 2021)[a] | KPI Description/Disclosure GRI[b] | WEF | Section and/or page number | Omission |
|---|---|---|---|---|
| **COMBATING CLIMATE CHANGE AND LOW CARBON TECHNOLOGIES<br>Reduction of GHG Emissions; Low Carbon Technologies Development** | | | | |
| 3-3 (11.1.1, 11.2.1, 11.3.1) | Management of material topics | | NFI, pp. 156; 160-161; 164-169; 218-219; 227-228 | |
| **GRI 201: Economic performance 2016** | | | **Boundary: internal and external** | |
| 201-2 (11.2.2) | Financial implications and other risks and opportunities due to climate change | | Annual Report 2022, pp. 143-146<br>NFI, pp. 162-163; 165-166 | |
| **GRI 302: Energy 2016** | | | **Boundary: internal** | |
| 302-1 (11.1.2) | Energy consumption within the organization | | NFI, pp. 167-170; 222 | |
| 302-2 (11.1.3) | Energy consumption outside of the organization | | | Information unavailable. Reporting will be evaluated in view of the availability of an applicable methodology. |
| 302-3 (11.1.4) | Energy intensity | | NFI, pp. 167-170; 221 | |
| **GRI 305: Emissions 2016** | | ■ | **Boundary: internal and external** | |
| 305-1 (11.1.5) | Direct (Scope 1) GHG emissions | ■ | NFI, pp. 167-169; 221 | |
| 305-2 (11.1.6) | Energy indirect (Scope 2) GHG emissions | | NFI, pp. 167-169; 221 | |
| 305-3 (11.1.7) | Other indirect (Scope 3) GHG emissions | | NFI, pp. 167-169; 221 | |
| 305-4 (11.1.8) | GHG emissions intensity | | NFI, pp. 167-169; 221 | |
| 305-5 (11.2.3) | Reduction of GHG emissions | | NFI, pp. 167-168 | |

| Material Aspect/ Disclosure GRI (Reference Number GRI 11: Oil & Gas Sector Standard 2021)[a] | KPI Description/Disclosure GRI[b] | WEF | Section and/or page number | Omission |
|---|---|---|---|---|
| 305-7 (11.3.2) | Nitrogen oxides (NO ), sulfur oxides (SO ), and other significant air emissions | | NFI, pp. 184-185; 224 | |
| **HUMAN CAPITAL DEVELOPMENT Employment; Training** | | | | |
| 3-3 (11.10.1, 11.11.1) | Management of material topics | | NFI, pp. 156; 160-161; 171-173; 218-219; 228 | |
| **GRI 401: Employment 2016** | | | **Boundary: internal** | |
| 401-1 (11.10.2) | New employee hires and employee turnover | ■ | NFI, pp. 156; 174; 176; 222 | |
| 401-2 (11.10.3) | Benefits provided to full-time employees that are not provided to temporary or part-time employees | | NFI, pp. 156; 173 | |
| **GRI 402: Labor/Management Relations 2016** | | | **Boundary: internal** | |
| 402-1 (11.10.5) | Minimum notice periods regarding operational changes | | NFI, p. 222 | |
| **GRI 404: Training and Education 2016** | | | **Boundary: internal** | |
| 404-1 (11.10.6, 11.11.4) | Average hours of training per year per employee | ■ | NFI, pp. 156; 175; 177; 222 | |
| 404-3 | Programs for upgrading employee skills and transition assistance programs | | NFI, pp. 156; 172 | |
| **DIVERSITY, INCLUSION AND WORK-LIFE BALANCE** | | | | |
| 3-3 (11.10.1, 11.11.1, 11.14.1) | Management of material topics | | NFI, pp. 156; 160-161; 171-173; 218-219; 228 | |
| **GRI 202: Market Presence 2016** | | | **Boundary: internal** | |
| 202-2 (11.11.2, 11.14.3) | Proportion of senior management hired from the local community | | NFI, pp. 176; 222 | |
| **GRI 401: Employment 2016** | | | **Boundary: internal** | |
| 401-3 (11.10.4, 11.11.3) | Parental leave | | NFI, pp. 173; 176-177; 222 | Information related to item d. and item e. (only related to retention rate) not available. Eni is committed to covering the indicator in future reporting cycles. |
| **GRI 405: Diversity and Equal Opportunity 2016** | | ■ | **Boundary: internal** | |
| 405-1 (11.11.5) | Diversity of governance bodies and employees | ■ | NFI, pp. 174; 176<br>Annual Report 2022, p. 32 | |
| 405-2 (11.11.6) | Ratio of basic salary and remuneration | | NFI, pp. 175; 177; 222 | |
| **WORKERS' HEALTH AND SAFETY** | | | | |
| 3-3 (11.9.1) | Management of material topics | ■ | NFI, pp. 156; 160-161; 173; 178-179; 218-219; 228-229 | |
| **GRI 403: Occupational Health and Safety 2018** | | | **Boundary: internal and external (Suppliers)** | |
| 403-1 (11.9.2) | Occupational health and safety management system | | NFI, pp. 158-159; 173; 178-179 | |
| 403-2 (11.9.3) | Hazard identification, risk assessment, and incident investigation | | NFI, pp. 178-179 | |
| 403-3 (11.9.4) | Occupational health services | | NFI, pp. 158-161; 173 | |
| 403-4 (11.9.5) | Worker participation, consultation, and communication on occupational health and safety | | NFI, pp. 158-161; 173; 178-179 | |
| 403-5 (11.9.6) | Worker training on occupational health and safety | | NFI, p. 178 | |
| 403-6 (11.9.7) | Promotion of worker health | | NFI, pp. 158-159; 173 | |

| Material Aspect/ Disclosure GRI (Reference Number GRI 11: Oil & Gas Sector Standard 2021)[(a)] | KPI Description/Disclosure GRI[(b)] | WEF | Section and/or page number | Omission |
|---|---|---|---|---|
| 403-7 (11.9.8) | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | | NFI, pp. 158-161; 173; 178-179 | |
| 403-8 (11.9.9) | Workers covered by an occupational health and safety management system | | NFI, p. 179 | |
| 403-9 (11.9.10) | Work-related injuries | ■ | NFI, pp. 179-180; 222 | |
| 403-10 (11.9.11) | Work-related ill health | | NFI, pp. 175; 177; 223 | |
| **ASSET INTEGRITY** | | | | |
| 3-3 (11.8.1) | Management of material topics | | NFI, pp. 156; 160-161; 182; 218-219; 229 | |
| **GRI 306: Effluents and Waste 2016** | | | **Boundary: internal** | |
| 306-3 (11.8.2) | Significant spills | | NFI, pp. 183; 185; 224 | |
| **REDUCTION OF ENVIRONMENTAL IMPACTS Remediation and waste; Water resource; Air quality; Biodiversity** | | | | |
| 3-3 (11.4.1, 11.6.1) | Management of material topics | | NFI, pp. 156; 160-161; 180-183; 218-219; 229 | |
| **GRI 303: Water and Effluents 2018** | | | **Boundary: internal** | |
| 303-1 (11.6.2) | Interactions with water as a shared resource | | NFI, pp. 181; 183 | |
| 303-2 (11.6.3) | Management of water discharge-related impacts | | NFI, pp. 181; 183; 224 | |
| 303-3 (11.6.4) | Water withdrawal | ■ | NFI, pp. 183; 185; 224 | |
| 303-4 (11.6.5) | Water discharge | | NFI, pp. 183; 185; 224 | |
| 303-5 (11.6.6) | Water consumption | | NFI, pp. 183; 185 | |
| **GRI 304: Biodiversity 2016** | | | **Boundary: internal** | |
| 304-1 (11.4.2) | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | ■ | NFI, pp. 184; 186; 223 | |
| 304-2 (11.4.3) | Significant impacts of activities, products and services on biodiversity | | NFI, pp. 182-184; 223 | |
| 304-3 (11.4.4) | Habitats protected or restored | | NFI, pp. 182-184; 223 | |
| 304-4 (11.4.5) | IUCN Red List species and national conservation list species with habitats in areas affected by operations | | NFI, pp. 184; 223 | |
| **CIRCULAR ECONOMY** | | | | |
| 3-3 (11.5.1) | Management of material topics | | NFI, pp. 157; 160-161; 180-181; 218-219; 229 | |
| **GRI 306: Waste 2020** | | | **Boundary: internal** | |
| 306-1 (11.5.2) | Waste generation and significant waste-related impacts | | NFI, pp. 180-181; 224 | |
| 306-2 (11.5.3) | Management of significant waste-related impacts | | NFI, pp. 180-181; 224 | |
| 306-3 (11.5.4) | Waste generated | | NFI, pp. 183-185; 224 | |
| 306-4 (11.5.5) | Waste diverted from disposal | | NFI, pp. 183-185; 224 | |
| 306-5 (11.5.6) | Waste directed to disposal | | NFI, pp. 183-185; 224 | |
| **PROTECTION OF HUMAN RIGHTS Workers; Community; Supply chain; Security** | | | | |
| 3-3 (11.11.1, 11.13.1, 11.18.1) | Management of material topics | | NFI, pp. 157; 160-161; 186-188; 218-219; 229-230 | |
| **GRI 406: Non-Discrimination 2016** | | ■ | **Boundary: internal and external** | |
| 406-1 (11.11.7) | Incidents of discrimination and corrective actions taken | | NFI, pp. 188-189; 224 | |

| Material Aspect/ Disclosure GRI (Reference Number GRI 11: Oil & Gas Sector Standard 2021)[a] | KPI Description/Disclosure GRI[b] | WEF | Section and/or page number | Omission |
|---|---|---|---|---|
| **GRI 407: Freedom of Association and Collective Bargaining 2016** | | | **Boundary: internal and external** | |
| 407-1 (11.13.2) | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | | NFI, pp. 186-188 | |
| **GRI 410: Security Practices 2016** | | | **Boundary: internal and external** | |
| 410-1 (11.18.2) | Security personnel trained in human rights policies or procedures | | NFI, pp. 188-189; 224 | |
| **RESPONSIBLE MANAGEMENT OF THE SUPPLY CHAIN** | | | | |
| 3-3 (11.10.1, 11.12.1, 11.17.1) | Management of material topics | | NFI, pp. 157; 160-161; 190; 218-219; 230 | |
| **GRI 409: Forced or Compulsory Labor 2016** | | | **Boundary: internal and external** | |
| 409-1 (11.12.2) | Operations and suppliers at significant risk for incidents of forced or compulsory labor | | NFI, pp. 187; 224 | |
| **GRI 411: GRI 411: Rights of Indigenous Peoples 2016** | | | **Boundary: internal and external** | |
| 411-1 (11.17.2) | Incidents of violations involving rights of indigenous peoples | | NFI, p. 187 | |
| **GRI 414: Supplier Social Assessment 2016** | | | **Boundary: internal and external** | |
| 414-1 (11.10.8, 11.12.3) | New suppliers that were screened using social criteria | | NFI, pp. 160-161; 190-191; 224 | |
| 414-2 (11.10.9) | Negative social impacts in the supply chain and actions taken | | NFI, pp. 190-191; 224 | |
| **CUSTOMER RELATIONS** | | | | |
| 3-3 (11.3.1) | Management of material topics | | NFI, pp. 160-161; 178-179; 218-219; 230<br>Annual Report 2022, pp. 16-17 | |
| **GRI 416: Customer Health and Safety 2016** | | | **Boundary: internal** | |
| 416-1 (11.3.3) | Assessment of the health and safety impacts of product and service categories | | NFI, pp. 158-159; 178-179 | |
| **TRANSPARENCY, ANTI-CORRUPTION AND TAX STRATEGY** | | | | |
| 3-3 (11.19.1, 11.20.1, 11.21.1, 11.22.1) | Management of material topics | | NFI, pp. 157; 160-161; 191-193; 218-219; 230 | |
| **GRI 206: Anticompetitive Behavior 2016** | | | **Boundary: internal and external** | |
| 206-1 (11.19.2) | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | | NFI, pp. 193; 207 | |
| **GRI 205: Anticorruption 2016** | | | **Boundary: internal and external** | |
| 205-1 (11.20.2) | Operations assessed for risks related to corruption | | NFI, pp. 191-193 | |
| 205-2 (11.20.3) | Communication and training about anti-corruption policies and procedures | | NFI, pp. 190-193; 224 | |
| 205-3 (11.20.4) | Confirmed incidents of corruption and actions taken | | NFI, pp. 191; 193 | |
| **GRI 207: Tax 2019** | | | **Boundary: internal** | |
| 207-1 (11.21.4) | Approach to tax | | NFI, pp. 191-193 | |
| 207-2 (11.21.5) | Tax governance, control, and risk management | | NFI, pp. 191-193 | |
| 207-3 (11.21.6) | Stakeholder engagement and management of concerns related to tax | | NFI, pp. 191-193 | |
| 207-4 (11.21.7) | Country-by-Country reporting | | NFI, pp. 191-193; 225. See Note 28 on the Consolidated Financial Statements for further information | |
| **GRI 415: Public Policy 2016** | | | **Boundary: internal and external** | |
| 415-1 (11.22.2) | Political contributions | | NFI, p. 225 | |

| Material Aspect/ Disclosure GRI (Reference Number GRI 11: Oil & Gas Sector Standard 2021)[(a)] | KPI Description/Disclosure GRI[(b)] | WEF | Section and/or page number | Omission |
|---|---|---|---|---|
| **CLOSURE AND REHABILITATION** | | | | |
| 3-3 (11.7.1. 11.1.10) | Management of material topics | | NFI, pp. 156; 160-161; 171-173; 218-219; 231 | |
| **GRI 402: Labor/Management Relations 2016** | | | **Boundary: internal** | |
| 402-1 (11.7.2) | Minimum notice periods regarding operational changes | | NFI, p. 222 | |
| **GRI 404: Training and Education 2016** | | | **Boundary: internal** | |
| 404-2 (11.7.3, 11.10.7) | Programs for upgrading employee skills and transition assistance programs | | NFI, pp. 171-172 | |
| **LOCAL DEVELOPMENT** Local content; Economic diversification; Education and training; Access to water and sanitation; Health; Forest and land protection and conservation; Public-private partnerships | | | | |
| 3-3 (11.14.1, 11.15.1, 11.16.1, 11.21.1) | Management of material topics | ■ | NFI, pp. 157; 160-161; 191-193; 195-196; 218-219; 231 | |
| **GRI 201: Economic Performance 2016** | | | **Boundary: internal** | |
| 201-1 (11.14.2, 11.21.2) | Direct economic value generated and distributed | ■ | NFI, pp. 193-194; 225 | |
| 201-4 (11.21.3) | Financial assistance received from government | ■ | NFI, p. 193 | |
| **GRI 203: Indirect Economic Impacts 2016** | | | **Boundary: internal** | |
| 203-1 (11.14.4) | Infrastructure investments and services supported | | NFI, pp. 196-197; 225 | |
| 203-2 (11.14.5) | Significant indirect economic impacts | | NFI, pp. 195-196; 225 | |
| **GRI 204: Procurement Practices 2016** | | | **Boundary: internal and external** | |
| 204-1 (11.14.6) | Proportion of spending on local suppliers | | NFI, pp. 195; 225 | |
| **GRI 413: Local Communities 2016** | | | **Boundary: internal** | |
| 413-1 (11.15.2) | Operations with local community engagement, impact assessments, and development programs | | NFI, pp. 195-196; 225 | |
| 413-2 (11.15.3) | Operations with significant actual and potential negative impacts on local communities | | NFI, pp. 195-196; 225 | |
| **ACCESS TO ENERGY** | | | | |
| **Access to energy - Management approach** | | | **Boundary: internal** | |
| 3-3 | Management of material topics | | NFI, pp. 157; 160-161; 195-197; 218-219; 231 | |
| **INNOVATION** | | | | |
| **Innovation - Management approach** | | | **Boundary: internal** | |
| 3-3 | Management of material topics | ■ | NFI, pp. 157; 160-161; 218-219; 231 | |
| **DIGITALIZATION AND CYBER SECURITY** | | | | |
| **Digitization and Cyber Security - Management approach** | | | **Boundary: internal** | |
| 3-3 | Management of material topics | | NFI, pp. 157; 160-161; 218-219; 231 | |

(a) For each material theme, GRI Standard indicators are shown while GRI 11: Oil & Gas Sector Standard reference number are shown in parentheses.
(b) Indicators with the symbol ■ are also required by the "core" metrics defined by the World Economic Forum (WEF) in the White Paper "Measuring Stakeholder Capitalism - Towards Common Metrics and Consistent Reporting of Sustainable Value Creation" in 2020.

# Other information

### Acceptance of Italian responsible payments code

Coherently with Eni's policy on transparency and accuracy in managing its suppliers, Eni SpA adhered to the Italian responsible payments code established by Assolombarda in 2014. In 2022, payments to Eni's suppliers were made within 52 days, in line with contractual provisions.

### Article No. 15 (former Article No. 36) of Italian regulatory exchanges (Consob Resolution No. 20249 published on December 28, 2017):

continuing listing standards about issuers that control subsidiaries incorporated or regulated in accordance with laws of extra-EU Countries. Certain provisions have been enacted to regulate continuing Italian listing standards of issuers controlling subsidiaries that are incorporated or regulated in accordance with laws of extra-EU Countries, also having a material impact on the consolidated financial statements of the parent company.

Regarding the:

- as of December 31, 2022, 12 of Eni's subsidiaries: Nigerian Agip Oil Co. Ltd, Eni UK Ltd, Eni Petroleum Co. Inc., Eni Congo SA, Nigerian Agip Exploration Ltd, Eni Canada Holding Ltd, Eni Ghana Exploration and Production Ltd, Eni Investments Plc, Eni Lasmo Plc, Eni ULX Ltd, Eni Trading & Shipping Inc., Eni México S. de RL de CVc;
- the Company has already adopted adequate procedures to ensure full compliance with the new regulations.

### Rules for transparency and substantial and procedural fairness of transactions with related parties

The rules for transparency and substantial and procedural fairness of transactions with related parties adopted by the Company, in line with the Consob listing standards are available on the Company's website and in the Corporate Governance and Shareholding Structure Report.

### Branches

In accordance with Article No. 2428 of the Italian Civil Code, it is hereby stated that Eni has the following branches:
San Donato Milanese (MI) - Via Emilia, 1;
San Donato Milanese (MI) - Piazza Vanoni, 1.

### Subsequent events

Subsequent business developments are described in the operating review of each of Eni's business segments.

# Glossary

The glossary of Oil and Gas terms is available on Eni's web page at the address eni.com. Below is a selection of the most frequently used terms.

**2nd and 3rd generation feedstock** Are feedstocks not in competition with the food supply chain as the first generation feedstock (vegetable oils). Second generation are mostly agricultural non-food and agro/urban waste (such as animal fats, used cooking oils and agricultural waste) and the third generation feedstocks are non-agricultural high innovation feedstocks (deriving from algae or waste).

**Average reserve life index** Ratio between the amount of reserves at the end of the year and total production for the year.

**Barrel/bbl** Volume unit corresponding to 159 liters. A barrel of oil corresponds to about 0.137 metric tonnes.

**Boe (Barrel of Oil Equivalent)** Is used as a standard unit measure for oil and natural gas. Effective January 1st, 2019, Eni has updated the conversion rate of gas produced to 5,263 cubic feet of gas equals 1 barrel of oil.

**Compounding** Activity specialized in production of semi-finished products in granular form resulting from the combination of two or more chemical products.

**Conversion** Refinery process allowing the transformation of heavy fractions into lighter fractions. Conversion processes are cracking, visbreaking, coking, the gasification of refinery residues, etc. The ration of overall treatment capacity of these plants and that of primary crude fractioning plants is the conversion rate of a refinery. Flexible refineries have higher rates and higher profitability.

**Elastomers (or Rubber)** Polymers, either natural or synthetic, which, unlike plastic, when stress is applied, return, to a certain degree, to their original shape, once the stress ceases to be applied. The main synthetic elastomers are polybutadiene (BR), styrene-butadiene rubber (SBR), ethylenepropylene rubber (EPR), thermoplastic rubber (TPR) and nitrylic rubber (NBR).

**Emissions of $NO_x$ (Nitrogen Oxides)** Total direct emissions of nitrogen oxides deriving from combustion processes in air. They include $NO_x$ emissions from flaring activities, sulphur recovery processes, FCC regeneration, etc. They include NO and $NO_2$ emissions and exclude $N_2O$ emissions.

**Emissions of $SO_x$ (Sulphur Oxides)** Total direct emissions of sulfur oxides including $SO_2$ and $SO_3$ emissions. Main sources are combustion plants, diesel engines (including maritime engines), gas flaring (if the gas contains $H_2S$), sulphur recovery processes, FCC regeneration, etc.

**Enhanced recovery** Techniques used to increase or stretch over time the production of wells.

**Eni carbon efficiency index** Ratio between GHG emissions (Scope 1 and Scope 2 in tonnes $CO_2$eq.) of the main industrial activities operated by Eni divided by the productions (converted by homogeneity into barrels of oil equivalent using Eni's average conversion factors) of the single businesses of reference.

**Green House Gases (GHG)** Gases in the atmosphere, transparent to solar radiation, that trap infrared radiation emitted by the earth's surface. The greenhouse gases relevant within Eni's activities are carbon dioxide ($CO_2$), methane ($CH_4$) and nitrous oxide ($N_2O$). GHG emissions are commonly reported in $CO_2$ equivalent ($CO_2$eq.) according to Global Warming Potential values in line with IPCC AR4, 4th Assessment Report.

**Infilling wells** Infilling wells are wells drilled in a producing area in order to improve the recovery of hydrocarbons from the field and to maintain and/or increase production levels.

**LNG** Liquefied Natural Gas obtained through the cooling of natural gas to minus 160°C at normal pressure. The gas is liquefied to allow transportation from the place of extraction to the sites at which it is transformed and consumed. One ton of LNG corresponds to 1,400 cubic meters of gas.

**LPG** Liquefied Petroleum Gas, a mix of light petroleum fractions, gaseous at normal pressure and easily liquefied at room temperature through limited compression.

**Mineral Potential (potentially recoverable hydrocarbon volumes)** Estimated recoverable volumes which cannot be defined as reserves due to a number of reasons, such as the temporary lack of viable markets, a possible commercial recovery dependent on the development of new technologies, or for their location in accumulations yet to be developed or where evaluation of known accumulations is still at an early stage.

**Moulding** Activity of moulding of expanded polyolefins for production of ultra-light products.

**Natural gas liquids** Liquid or liquefied hydrocarbons recovered from natural gas through separation equipment or natural gas treatment plants. Propane, normal-butane and isobutane, isopentane and pentane plus, that used to be defined natural gasoline, are natural gas liquids.

**Net Carbon Footprint** Overall Scope 1 and Scope 2 GHG emissions associated with Eni's operations, accounted for on an equity basis, net of carbon offsets mainly from Natural Climate Solutions.

**Net Carbon Intensity** Ratio between the Net GHG lifecycle emissions and the energy products sold, accounted for on an equity basis.

**Net GHG Lifecycle Emissions** GHG Scope 1+2+3 emissions associated with the value chain of the energy products sold by Eni, including both those deriving from own productions and those purchased from third parties, accounted for on an equity basis, net of offset mainly from Natural Climate Solutions.

**Oil spills** Discharge of oil or oil products from refining or oil waste occurring in the normal course of operations (when accidental) or deriving from actions intended to hinder operations of business units or from sabotage by organized groups (when due to sabotage or terrorism).

**Oilfield chemicals** Innovative solutions for supply of chemicals and related ancillary services for Oil & Gas business.

**Olefins (or Alkenes)** Hydrocarbons that are particularly active chemically, used for this reason as raw materials in the synthesis of intermediate products and of polymers.

**Over/underlifting** Agreements stipulated between partners regulate the right of each to its share in the production of a set period of time. Amounts different from the agreed ones determine temporary over/underlifting situations.

**Plasmix** The collective name for the different plastics that currently have no use in the market of recycling and can be used as a feedstock in the new circular economy businesses of Eni.

**Production Sharing Agreement (PSA)** Contract in use in African, Middle Eastern, Far Eastern and Latin American Countries, among others, regulating relationships between states and oil companies with regard to the exploration and production of hydrocarbons. The mineral right is awarded to the national oil company jointly with the foreign oil company that has an exclusive right to perform exploration, development and production activities and can enter into agreements with other local or international entities. In this type of contract, the national oil company assigns to the international contractor the task of performing exploration and production with the contractor's equipment and financial resources. Exploration risks are borne by the contractor and production is divided into two portions: "cost oil" is used to recover costs borne by the contractor and "profit oil" is divided between the contractor and the national company according to variable schemes and represents the profit deriving from exploration and production. Further terms and conditions of these contracts may vary from Country to Country.

**Proved reserves** Proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward, from known reservoirs, and under existing economic conditions. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time.

**Renewable Installed Capacity** Is measured as the maximun generating capacity of Eni's share of power plants that use renewable energy sources (wind, solar and wave, and any other non-fossil fuel source of generation deriving from natural resources, excluding, from the avoidance of doubt, nuclear energy) to produce electricity. The capacity is considered "installed" once the power plants are in operation or the mechanical completion phase has been reached. The mechanical completion represents the final construction stage excluding the grid connection.

**Reserves** Quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. In addition, there must exist, or there must be a reasonable expectation that will exist, the legal right to produce or a revenue interest in the production, installed means of delivering oil and gas or related substances to market, and all permits and financing required to implement the project. Reserves can be: (i) developed reserves quantities of oil and gas anticipated to be through installed extraction equipment and infrastructure operational at the time of the reserves estimate; (ii) undeveloped reserves: oil and gas expected to be recovered from new wells, facilities and operating methods.

**Scope 1 GHG Emissions** Direct greenhouse gas emissions from company's operations, produced from sources that are owned or controlled by the company.

**Scope 2 GHG Emissions** Indirect greenhouse gas emissions resulting from the generation of electricity, steam and heat purchased from third parties.

**Scope 3 GHG Emissions** Indirect GHG emissions associated with the value chain of Eni's products.
Ship-or-pay Clause included in natural gas transportation contracts according to which the customer for which the transportation is carried out is bound to pay for the transportation of the gas also in case the gas is not transported.

**Take-or-pay** Clause included in natural gas purchase contracts according to which the purchaser is bound to pay the contractual price or a fraction of such price for a minimum quantity of the gas set in the contract also in case it is not collected by the customer. The customer has the option of collecting the gas paid and not delivered at a price equal to the residual fraction of the price set in the contract in subsequent contract years.

**UN SDGs** The Sustainable Development Goals (SDGs) are the blueprint to achieve a better and more sustainable future for all by 2030. Adopted by all United Nations Member States in 2015, they address the global challenges the world is facing, including those related to poverty, inequality, climate change, environmental degradation, peace and justice.
For further detail see the website https://unsdg.un.org

**Upstream/downstream** The term upstream refers to all hydrocarbon exploration and production activities.
The term mid-downstream includes all activities inherent to oil industry subsequent to exploration and production. Process crude oil and oil-based feedstock for the production of fuels, lubricants and chemicals, as well as the supply, trading and transportation of energy commodities. It also includes the marketing business of refined and chemical products.

**Upstream GHG Emission Intensity** Ratio between 100% Scope 1 GHG emissions from upstream operated assets and 100% gross operated production (expressed in barrel of oil equivalent).

**Wholesale sales** Domestic sales of refined products to wholesalers/distributors (mainly gasoil), public administrations and end consumers, such as industrial plants, power stations (fuel oil), airlines (jet fuel), transport companies, big buildings and households. They do not include distribution through the service station network, marine bunkering, sales to oil and petrochemical companies, importers and international organizations.

**Work-over** Intervention on a well for performing significant maintenance and substitution of basic equipment for the collection and transport to the surface of liquids contained in a field.

## ABBREVIATIONS

| | |
|---|---|
| **/d** | per day |
| **/y** | per year |
| **bbbl** | billion barrels |
| **bbl** | barrels |
| **bboe** | billion barrels of oil equivalent |
| **bcf** | billion cubic feet |
| **bcm** | billion cubic meters |
| **bln liters** | billion liters |
| **bln tonnes** | billion tonnes |
| **boe** | barrels of oil equivalent |
| **cm** | cubic meter |
| **GWh** | Gigawatt hour |
| **LNG** | Liquefield Natural Gas |
| **LPG** | Liquefield Petroleum Gas |
| **kbbl** | thousand barrels |
| **kboe** | thousand barrels of oil equivalent |
| **km** | kilometers |
| **ktoe** | thousand tonnes of oil equivalent |
| **ktonnes** | thousand tonnes |
| **mmbbl** | million barrels |
| **mmboe** | million barrels of oil equivalent |
| **mmcf** | milion cubic feet |
| **mmcm** | million cubic meters |
| **mmtonnes** | million tonnes |
| **MTPA** | Million Tonnes Per Annum |
| **No.** | number |
| **NGL** | Natural Gas Liquids |
| **PCA** | Production Concession Agreement |
| **ppm** | parts per million |
| **PSA** | Production Sharing Agreement |
| **Tep** | Ton of equivalent petroleum |
| **TWh** | Terawatt hour |

# 2

# CONSOLIDATED FINANCIAL STATEMENTS

# Consolidated balance sheet

| (€ million) | Note | December 31, 2022 Total amount | December 31, 2022 of which with related parties | December 31, 2021 Total amount | December 31, 2021 of which with related parties |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Current assets** | | | | | |
| Cash and cash equivalents | (6) | 10,155 | *10* | 8,254 | *2* |
| Financial assets at fair value through profit or loss | (7) | 8,251 | | 6,301 | |
| Other current financial assets | (17) | 1,504 | *16* | 4,308 | *53* |
| Trade and other receivables | (8) | 20,840 | *2,427* | 18,850 | *1,301* |
| Inventories | (9) | 7,709 | | 6,072 | |
| Income tax receivables | (10) | 317 | | 195 | |
| Other current assets | (11) (24) | 12,821 | *341* | 13,634 | *492* |
| | | **61,597** | | **57,614** | |
| **Non-current assets** | | | | | |
| Property, plant and equipment | (12) | 56,332 | | 56,299 | |
| Right-of-use assets | (13) | 4,446 | | 4,821 | |
| Intangible assets | (14) | 5,525 | | 4,799 | |
| Inventory - Compulsory stock | (9) | 1,786 | | 1,053 | |
| Equity-accounted investments | (16) (37) | 12,092 | | 5,887 | |
| Other investments | (16) | 1,202 | | 1,294 | |
| Other non-current financial assets | (17) | 1,967 | *1,631* | 1,885 | *1,645* |
| Deferred tax assets | (23) | 4,569 | | 2,713 | |
| Income tax receivables | (10) | 114 | | 108 | |
| Other non-current assets | (11) (24) | 2,236 | *26* | 1,029 | *29* |
| | | **90,269** | | **79,888** | |
| **Assets held for sale** | (25) | **264** | | **263** | |
| **TOTAL ASSETS** | | **152,130** | | **137,765** | |
| **LIABILITIES AND EQUITY** | | | | | |
| **Current liabilities** | | | | | |
| Short-term debt | (19) | 4,446 | *307* | 2,299 | *233* |
| Current portion of long-term debt | (19) | 3,097 | *36* | 1,781 | *21* |
| Current portion of long-term lease liabilities | (13) | 884 | *35* | 948 | *17* |
| Trade and other payables | (18) | 25,709 | *3,203* | 21,720 | *2,298* |
| Income tax payables | (10) | 2,108 | | 648 | |
| Other current liabilities | (11) (24) | 12,473 | *232* | 15,756 | *339* |
| | | **48,717** | | **43,152** | |
| **Non-current liabilities** | | | | | |
| Long-term debt | (19) | 19,374 | *26* | 23,714 | *5* |
| Long-term lease liabilities | (13) | 4,067 | *28* | 4,389 | *1* |
| Provisions | (21) | 15,267 | | 13,593 | |
| Provisions for employee benefits | (22) | 786 | | 819 | |
| Deferred tax liabilities | (23) | 5,094 | | 4,835 | |
| Income tax payables | (10) | 253 | | 374 | |
| Other non-current liabilities | (11) (24) | 3,234 | *462* | 2,246 | *415* |
| | | **48,075** | | **49,970** | |
| **Liabilities directly associated with assets held for sale** | (25) | **108** | | **124** | |
| **TOTAL LIABILITIES** | | **96,900** | | **93,246** | |
| Share capital | | 4,005 | | 4,005 | |
| Retained earnings | | 23,455 | | 22,750 | |
| Cumulative currency translation differences | | 7,564 | | 6,530 | |
| Other reserves and equity instruments | | 8,785 | | 6,289 | |
| Treasury shares | | (2,937) | | (958) | |
| Profit | | 13,887 | | 5,821 | |
| **Equity attributable to equity holders of Eni** | | **54,759** | | **44,437** | |
| **Non-controlling interest** | | **471** | | **82** | |
| **TOTAL EQUITY** | (26) | **55,230** | | **44,519** | |
| **TOTAL LIABILITIES AND EQUITY** | | **152,130** | | **137,765** | |

Information about the definitive purchase price allocation of business combinations made in 2021 is provided in note 27 – Other Information.

# Consolidated profit and loss account

| | | 2022 | | 2021 | | 2020 | |
|---|---|---|---|---|---|---|---|
| (€ million) | Note | Total amount | *of which with related parties* | Total amount | *of which with related parties* | Total amount | *of which with related parties* |
| Sales from operations | | 132,512 | *10,872* | 76,575 | *3,000* | 43,987 | *1,164* |
| Other income and revenues | | 1,175 | *156* | 1,196 | *52* | 960 | *35* |
| **REVENUES AND OTHER INCOME** | (29) | **133,687** | | **77,771** | | **44,947** | |
| Purchases, services and other | (30) | (102,529) | *(15,327)* | (55,549) | *(8,644)* | (33,551) | *(6,595)* |
| Net (impairments) reversals of trade and other receivables | (8) | 47 | *(2)* | (279) | *(6)* | (226) | *(6)* |
| Payroll and related costs | (30) | (3,015) | *(18)* | (2,888) | *(21)* | (2,863) | *(36)* |
| Other operating income (expense) | (24) | (1,736) | *3,306* | 903 | *735* | (766) | *13* |
| Depreciation and amortization | (12) (13) (14) | (7,205) | | (7,063) | | (7,304) | |
| Net (impairments) reversals of tangible, intangible and right-of-use assets | (15) | (1,140) | | (167) | | (3,183) | |
| Write-off of tangible and intangible assets | (12) (14) | (599) | | (387) | | (329) | |
| **OPERATING PROFIT (LOSS)** | | **17,510** | | **12,341** | | **(3,275)** | |
| Finance income | (31) | 8,450 | *160* | 3,723 | *79* | 3,531 | *114* |
| Finance expense | (31) | (9,333) | *(164)* | (4,216) | *(46)* | (4,958) | *(26)* |
| Net finance income (expense) from financial assets at fair value through profit or loss | (31) | (55) | | 11 | | 31 | |
| Derivative financial instruments | (24) (31) | 13 | *2* | (306) | | 351 | |
| **FINANCE INCOME (EXPENSE)** | | **(925)** | | **(788)** | | **(1,045)** | |
| Share of profit (loss) from equity-accounted investments | | 1,841 | | (1,091) | | (1,733) | |
| Other gain (loss) from investments | | 3,623 | *30* | 223 | | 75 | |
| **INCOME (EXPENSE) FROM INVESTMENTS** | (16) (32) | **5,464** | | **(868)** | | **(1,658)** | |
| **PROFIT (LOSS) BEFORE INCOME TAXES** | | **22,049** | | **10,685** | | **(5,978)** | |
| Income taxes | (33) | (8,088) | | (4,845) | | (2,650) | |
| **PROFIT (LOSS)** | | **13,961** | | **5,840** | | **(8,628)** | |
| Attributable to Eni | | 13,887 | | 5,821 | | (8,635) | |
| Attributable to non-controlling interest | | 74 | | 19 | | 7 | |
| | | | | | | | |
| **Earnings per share (€ per share)** | (34) | | | | | | |
| - basic | | 3.96 | | 1.61 | | (2.42) | |
| - diluted | | 3.95 | | 1.60 | | (2.42) | |

# Consolidated statement of comprehensive income

| (€ million) | Note | 2022 | 2021 | 2020 |
|---|---|---|---|---|
| **Profit (loss)** | | **13,961** | **5,840** | **(8,628)** |
| **Other items of comprehensive income (loss)** | | | | |
| ***Items that are not reclassified to profit or loss in later periods*** | | | | |
| Remeasurements of defined benefit plans | (26) | 60 | 119 | (16) |
| Share of other comprehensive income (loss) on equity-accounted investments | (26) | 3 | 2 | |
| Change of minor investments measured at fair value with effects to OCI | (26) | 56 | 105 | 24 |
| Tax effect | (26) | (5) | (77) | 25 |
| | | **114** | **149** | **33** |
| ***Items that may be reclassified to profit or loss in later periods*** | | | | |
| Currency translation differences | (26) | 1,095 | 2,828 | (3,314) |
| Change in the fair value of cash flow hedging derivatives | (26) | 794 | (1,264) | 661 |
| Share of other comprehensive income (loss) on equity-accounted investments | (26) | (12) | (34) | 32 |
| Tax effect | (26) | (234) | 372 | (192) |
| | | **1,643** | **1,902** | **(2,813)** |
| **Total other items of comprehensive income (loss)** | | **1,757** | **2,051** | **(2,780)** |
| **Total comprehensive income (loss)** | | **15,718** | **7,891** | **(11,408)** |
| Attributable to Eni | | 15,643 | 7,872 | (11,415) |
| Attributable to non-controlling interest | | 75 | 19 | 7 |

# Consolidated statement of changes in equity

| (€ million) | Note | Equity attributable to equity holders of Eni: Share capital | Retained earnings | Cumulative currency translation differences | Other reserves and equity instruments | Treasury shares | Profit (loss) for the year | Total | Non-controlling interest | Total equity |
|---|---|---|---|---|---|---|---|---|---|---|
| **Balance at December 31, 2021** | (26) | **4,005** | **22,750** | **6,530** | **6,289** | **(958)** | **5,821** | **44,437** | **82** | **44,519** |
| **Profit for the year** | | | | | | | **13,887** | **13,887** | **74** | **13,961** |
| **Other items of comprehensive income (loss)** | | | | | | | | | | |
| Remeasurements of defined benefit plans net of tax effect | (26) | | | | 55 | | | 55 | | 55 |
| Share of "Other comprehensive income" (loss) on equity-accounted investments | (26) | | | | 3 | | | 3 | | 3 |
| Change of minor investments measured at fair value with effects to OCI | (26) | | | | 56 | | | 56 | | 56 |
| **Items that are not reclassified to profit or loss in later periods** | | | | | **114** | | | **114** | | **114** |
| Currency translation differences | (26) | | | 1,093 | 1 | | | 1,094 | 1 | 1,095 |
| Change in the fair value of cash flow hedge derivatives net of tax effect | (26) | | | | 560 | | | 560 | | 560 |
| Share of "Other comprehensive income (loss)" on equity-accounted investments | (26) | | | | (12) | | | (12) | | (12) |
| **Items that may be reclassified to profit or loss in later periods** | | | | **1,093** | **549** | | | **1,642** | **1** | **1,643** |
| **Total comprehensive income (loss) of the year** | | | | **1,093** | **663** | | **13,887** | **15,643** | **75** | **15,718** |
| Dividend distribution of Eni SpA | (26) | | | | | | (1,522) | (1,522) | | (1,522) |
| Interim dividend distribution of Eni SpA | (26) | | (1,500) | | | | | (1,500) | | (1,500) |
| Dividend distribution of other companies | | | | | | | | | (60) | (60) |
| Allocation of 2021 profit | | | 4,299 | | | | (4,299) | | | |
| Capital contribution by non-controlling interests | | | | | | | | | 92 | 92 |
| Purchase of treasury shares | (26) | | (2,400) | | 2,400 | (2,400) | | (2,400) | | (2,400) |
| Cancellation of treasury shares | (26) | | | | (400) | 400 | | | | |
| Long-term share-based incentive plan | (26) (30) | | 18 | | (21) | 21 | | 18 | | 18 |
| Coupon payment on perpetual subordinated bonds | (26) | | (138) | | | | | (138) | | (138) |
| Change in non controlling interest | (26) | | 196 | | | | | 196 | 281 | 477 |
| **Transactions with holders of equity instruments** | | | **475** | | **1,979** | **(1,979)** | **(5,821)** | **(5,346)** | **313** | **(5,033)** |
| Other changes | | | 230 | (59) | (146) | | | 25 | 1 | 26 |
| **Other changes in equity** | | | **230** | **(59)** | **(146)** | | | **25** | **1** | **26** |
| **Balance at December 31, 2022** | (26) | **4,005** | **23,455** | **7,564** | **8,785** | **(2,937)** | **13,887** | **54,759** | **471** | **55,230** |

(continued)

## (continued) Consolidated statement of changes in equity

| (€ million) | Note | Equity attributable to equity holders of Eni | | | | | | | Non-controlling interest | Total equity |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Share capital | Retained earnings | Cumulative currency translation differences | Other reserves and equity instruments | Treasury shares | Profit (loss) for the year | Total | | |
| **Balance at December 31, 2020** | | **4,005** | **34,043** | **3,895** | **4,688** | **(581)** | **(8,635)** | **37,415** | **78** | **37,493** |
| **Profit for the year** | | | | | | | **5,821** | **5,821** | **19** | **5,840** |
| **Other items of comprehensive income (loss)** | | | | | | | | | | |
| Remeasurements of defined benefit plans net of tax effect | (26) | | | | 42 | | | 42 | | 42 |
| Share of "Other comprehensive income (loss)" on equity-accounted investments | (26) | | | | 2 | | | 2 | | 2 |
| Change of minor investments measured at fair value with effects to OCI | (26) | | | | 105 | | | 105 | | 105 |
| **Items that are not reclassified to profit or loss in later periods** | | | | | **149** | | | **149** | | **149** |
| Currency translation differences | (26) | | | 2,828 | | | | 2,828 | | 2,828 |
| Change in the fair value of cash flow hedge derivatives net of tax effect | (26) | | | | (892) | | | (892) | | (892) |
| Share of "Other comprehensive income (loss)" on equity-accounted investments | (26) | | | | (34) | | | (34) | | (34) |
| **Items that may be reclassified to profit or loss in later periods** | | | | **2,828** | **(926)** | | | **1,902** | | **1,902** |
| **Total comprehensive income (loss) of the year** | | | | **2,828** | **(777)** | | **5,821** | **7,872** | **19** | **7,891** |
| Dividend distribution of Eni SpA | (26) | | 429 | | | | (1,286) | (857) | | (857) |
| Interim dividend distribution of Eni SpA | (26) | | (1,533) | | | | | (1,533) | | (1,533) |
| Dividend distribution of other companies | | | | | | | | | (5) | (5) |
| Allocation of 2020 loss | | | (9,921) | | | | 9,921 | | | |
| Purchase of treasury shares | (26) | | (400) | | 400 | (400) | | (400) | | (400) |
| Long-term share-based incentive plan | (26) (30) | | 16 | | (23) | 23 | | 16 | | 16 |
| Increase in non controlling interest relating to acquisition of consolidated entities | | | | | | | | | (11) | (11) |
| Issue of perpetual subordinated bonds | (26) | | | | 2,000 | | | 2,000 | | 2,000 |
| Coupon payment on perpetual subordinated bonds | (26) | | (61) | | | | | (61) | | (61) |
| **Transactions with holders of equity instruments** | | | **(11,470)** | | **2,377** | **(377)** | **8,635** | **(835)** | **(16)** | **(851)** |
| Costs for the issue of perpetual subordinated bonds | | | (15) | | | | | (15) | | (15) |
| Other changes | | | 192 | (193) | 1 | | | | 1 | 1 |
| **Other changes in equity** | | | **177** | **(193)** | **1** | | | **(15)** | **1** | **(14)** |
| **Balance at December 31, 2021** | (26) | **4,005** | **22,750** | **6,530** | **6,289** | **(958)** | **5,821** | **44,437** | **82** | **44,519** |

(continued)

## (continued) Consolidated statement of changes in equity

| (€ million) | Share capital | Retained earnings | Cumulative currency translation differences | Other reserves and equity instruments | Treasury shares | Profit (loss) for the year | Total | Non-controlling interest | Total equity |
|---|---|---|---|---|---|---|---|---|---|
| | Equity attributable to equity holders of Eni | | | | | | | | |
| **Balance at December 31, 2019** | **4,005** | **35,894** | **7,209** | **1,564** | **(981)** | **148** | **47,839** | **61** | **47,900** |
| **Profit (loss) for the year** | | | | | | **(8,635)** | **(8,635)** | **7** | **(8,628)** |
| **Other items of comprehensive profit (loss)** | | | | | | | | | |
| Remeasurements of defined benefit plans net of tax effect | | | | 9 | | | 9 | | 9 |
| Change of minor investments measured at fair value with effects to OCI | | | | 24 | | | 24 | | 24 |
| **Items that are not reclassified to profit or loss in later periods** | | | | **33** | | | **33** | | **33** |
| Currency translation differences | | | (3,313) | (1) | | | (3,314) | | (3,314) |
| Change in the fair value of cash flow hedge derivatives net of tax effect | | | | 469 | | | 469 | | 469 |
| Share of "Other comprehensive income (loss)" on equity-accounted investments | | | | 32 | | | 32 | | 32 |
| **Items that may be reclassified to profit or loss in later periods** | | | **(3,313)** | **500** | | | **(2,813)** | | **(2,813)** |
| **Total comprehensive profit (loss) of the year** | | | **(3,313)** | **533** | | **(8,635)** | **(11,415)** | **7** | **(11,408)** |
| Dividend distribution of Eni SpA | | 1,542 | | | | (3,078) | (1,536) | | (1,536) |
| Interim dividend distribution of Eni SpA | | (429) | | | | | (429) | | (429) |
| Dividend distribution of other companies | | | | | | | | (3) | (3) |
| Allocation of 2019 profit | | (2,930) | | | | 2,930 | | | |
| Cancellation of treasury shares | | | | (400) | 400 | | | | |
| Long-term share-based incentive plan | | 7 | | | | | 7 | | 7 |
| Increase in non controlling interest relating to acquisition of consolidated entities | | | | | | | | 15 | 15 |
| Issue of perpetual subordinated bonds | | | | 3,000 | | | 3,000 | | 3,000 |
| **Transactions with holders of equity instruments** | | **(1,810)** | | **2,600** | **400** | **(148)** | **1,042** | **12** | **1,054** |
| Costs for the issue of perpetual subordinated bonds | | (25) | | | | | (25) | | (25) |
| Other changes | | (16) | (1) | (9) | | | (26) | (2) | (28) |
| **Other changes in equity** | | **(41)** | **(1)** | **(9)** | | | **(51)** | **(2)** | **(53)** |
| **Balance at December 31, 2020** | **4,005** | **34,043** | **3,895** | **4,688** | **(581)** | **(8,635)** | **37,415** | **78** | **37,493** |

# Consolidated statement of cash flows

| (€ million) | Note | 2022 | 2021 | 2020 |
|---|---|---|---|---|
| **Profit (loss)** | | **13,961** | **5,840** | **(8,628)** |
| Adjustments to reconcile profit (loss) to net cash provided by operating activities | | | | |
| Depreciation and amortization | (12) (13) (14) | 7,205 | 7,063 | 7,304 |
| Net impairments (reversals) of tangible, intangible and right-of-use assets | (15) | 1,140 | 167 | 3,183 |
| Write-off of tangible and intangible assets | (12) (14) | 599 | 387 | 329 |
| Share of (profit) loss of equity-accounted investments | (16) (32) | (1,841) | 1,091 | 1,733 |
| Net gain on disposal of assets | | (524) | (102) | (9) |
| Dividend income | (32) | (351) | (230) | (150) |
| Interest income | | (159) | (75) | (126) |
| Interest expense | | 1,033 | 794 | 877 |
| Income taxes | (33) | 8,088 | 4,845 | 2,650 |
| Other changes | | (2,773) | (194) | 92 |
| Cash flow from changes in working capital: | | (1,279) | (3,146) | (18) |
| *- inventories* | | *(2,528)* | *(2,033)* | *1,054* |
| *- trade receivables* | | *(1,036)* | *(7,888)* | *1,316* |
| *- trade payables* | | *2,284* | *7,744* | *(1,614)* |
| *- provisions* | | *2,028* | *(406)* | *(1,056)* |
| *- other assets and liabilities* | | *(2,027)* | *(563)* | *282* |
| Change in the provisions for employee benefits | | 39 | 54 | |
| Dividends received | | 1,545 | 857 | 509 |
| Interest received | | 116 | 28 | 53 |
| Interest paid | | (851) | (792) | (928) |
| Income taxes paid, net of tax receivables received | | (8,488) | (3,726) | (2,049) |
| **Net cash provided by operating activities** | | **17,460** | **12,861** | **4,822** |
| ***- of which with related parties*** | (36) | ***223*** | ***(4,331)*** | ***(4,640)*** |
| Cash flow from investing activities | | (10,793) | (7,815) | (5,959) |
| *- tangible assets* | (12) | *(7,700)* | *(4,950)* | *(4,407)* |
| *- prepaid right-of-use assets* | (13) | *(3)* | *(2)* | |
| *- intangible assets* | (14) | *(356)* | *(284)* | *(237)* |
| *- consolidated subsidiaries and businesses net of cash and cash equivalents acquired* | (27) | *(1,636)* | *(1,901)* | *(109)* |
| *- investments* | (16) | *(1,675)* | *(837)* | *(283)* |
| *- securities and financing receivables held for operating purposes* | | *(350)* | *(227)* | *(166)* |
| *- change in payables in relation to investing activities* | | *927* | *386* | *(757)* |
| Cash flow from disposals | | 2,989 | 536 | 216 |
| *- tangible assets* | | *149* | *207* | *12* |
| *- intangible assets* | | *17* | *1* | |
| *- consolidated subsidiaries and businesses net of cash and cash equivalents disposed of* | (27) | *(60)* | *76* | |
| *- tax on disposals* | | | *(35)* | |
| *- investments* | | *1,096* | *155* | *16* |
| *- securities and financing receivables held for operating purposes* | | *483* | *141* | *136* |
| *- change in receivables in relation to disposals* | | *1,304* | *(9)* | *52* |
| Net change in securities and financing receivables held for non-operating purposes | | 786 | (4,743) | 1,156 |
| **Net cash used in investing activities** | | **(7,018)** | **(12,022)** | **(4,587)** |
| ***- of which with related parties*** | (36) | ***(32)*** | ***(976)*** | ***(1,372)*** |

(continued)

(continued) # Consolidated statement of cash flows

| (€ million) | Note | 2022 | 2021 | 2020 |
|---|---|---|---|---|
| Increase in long-term financial debt | (19) | 130 | 3,556 | 5,278 |
| Repayments of long-term financial debt | (19) | (4,074) | (2,890) | (3,100) |
| Payments of lease liabilities | (13) | (994) | (939) | (869) |
| Increase (decrease) in short-term financial debt | (19) | 1,375 | (910) | 937 |
| Dividends paid to Eni's shareholders | | (3,009) | (2,358) | (1,965) |
| Dividends paid to non-controlling interest | | (60) | (5) | (3) |
| Capital contribution by non-controlling interests | | 92 | | |
| Sale (purchase) of additional interests in consolidated subsidiaries | | 536 | (17) | |
| Purchase of treasury shares | (26) | (2,400) | (400) | |
| Issue of perpetual subordinated bonds | (26) | | 1,985 | 2,975 |
| Coupon payment on perpetual subordinated bonds | (26) | (138) | (61) | |
| **Net cash used in financing activities** | | **(8,542)** | **(2,039)** | **3,253** |
| ***- of which with related parties*** | (36) | ***(88)*** | ***(13)*** | ***164*** |
| Effect of exchange rate changes and other changes on cash and cash equivalents | | 16 | 52 | (69) |
| **Net increase (decrease) in cash and cash equivalents** | | **1,916** | **(1,148)** | **3,419** |
| **Cash and cash equivalents - beginning of the year** | (6) | **8,265** | **9,413** | **5,994** |
| **Cash and cash equivalents - end of the year[(a)]** | (6) | **10,181** | **8,265** | **9,413** |

(a) As of December 31, 2022, cash and cash equivalents included €26 million of cash and cash equivalents of consolidated subsidiaries held for sale that were reported in the item "Assets held for sale" (€11 million at December 31, 2021).

# Notes on Consolidated Financial Statements

## 1 Significant accounting policies, estimates and judgments

### BASIS OF PREPARATION

The Consolidated Financial Statements of Eni SpA and its subsidiaries (collectively referred to as Eni or the Group) have been prepared on a going concern basis in accordance with International Financial Reporting Standards (IFRS)[1] as issued by the International Accounting Standards Board (IASB) and adopted by the European Union (EU) pursuant to article 6 of the EC Regulation No. 1606/2002 of the European Parliament and of the Council of July 19, 2002, and in accordance with article 9 of the Italian Legislative Decree No. 38/05[2]. The Consolidated Financial Statements have been prepared under the historical cost convention, taking into account, where appropriate, value adjustments, except for certain items that under IFRSs must be measured at fair value as described in the accounting policies that follow. The principles of consolidation and the significant accounting policies that follow have been consistently applied to all years presented, except where otherwise indicated.

The 2022 Consolidated Financial Statements, approved by the Eni's Board of Directors on March 16, 2023, were audited by the external auditor PricewaterhouseCoopers SpA. The external auditor of Eni SpA, as the main external auditor, is wholly in charge of the auditing activities of the Consolidated Financial Statements.

Consolidated companies' financial statements, as well as their reporting packages prepared for use by the Group in preparing the Consolidated Financial Statements, are audited by external auditors; when there are other external auditors, PricewaterhouseCoopers SpA takes the responsibility of their work.

The Consolidated Financial Statements are presented in euros and all values are rounded to the nearest million euros (€ million), except where otherwise indicated.

### SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the Consolidated Financial Statements requires the use of estimates and assumptions that affect the assets, liabilities, revenues and expenses recognised in the financial statements, as well as amounts included in the notes thereto, including disclosure of contingent assets and contingent liabilities. Estimates made are based on complex judgments and past experience of other assumptions deemed reasonable in consideration of the information available at the time. The accounting policies and areas that require the most significant judgments and estimates to be used in the preparation of the Consolidated Financial Statements are in relation to the accounting for oil and natural gas activities, specifically in the determination of reserves, impairment of financial and non-financial assets, leases, decommissioning and restoration liabilities, environmental liabilities, business combinations, employee benefits, revenue from contracts with customers, fair value measurements and income taxes. Although the Company uses its best estimates and judgments, actual results could differ from the estimates and assumptions used. The accounting estimates and judgments relevant for the preparation of the Consolidated Financial Statement are described below.

#### SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS MADE IN ASSESSING THE IMPACTS OF CLIMATE-RELATED RISKS

Significant accounting estimates and judgments made by management for the preparation of the 2022 Consolidated Financial Statements are affected by the effects of actions to address climate change and by the potential impact of the energy transition. In particular, the global pressure towards a low carbon economy, increasingly restrictive regulatory requirements for Oil & Gas activities and hydrocarbons consumption, carbon pricing schemes, the technological evolution of alternative energy sources for transportation, as well as changes in consumer preferences could imply a structural decline of the demand for hydrocarbons in the medium/long-term, an increase in operating costs and a higher risk of stranded assets for Eni.

The Eni strategy provides for the achievement of carbon neutrality by 2050, in line with the provisions of the scenarios compatible with maintaining global warming within the 1.5°C threshold; furthermore, this strategy sets intermediate targets for 2030 and 2040 in terms of reduction in absolute emissions and carbon intensity. Scenarios adopted by management take into account policies, regulatory requirements and current and expected developments in technology and set out a development path of the future energy system, on the basis of an economic and demographic framework, analysis of existing and announced policies and technologies, identifying those which can reasonably reach maturity within the considered time horizon. Price variables reflect the best estimate by management of the fundamentals of several energy markets, which incorporates the ongoing and reasonably expected decarbonisation trends, and are subject to continuous benchmarking with the views of market analysts and peers.

Such scenarios represent the basis for significant estimates and judgments relating to: (i) the assessment of the intention

(1) IFRSs include also International Accounting Standards (IAS), currently effective, as well as the interpretations developed by the IFRS Interpretations Committee, previously named International Financial Reporting Interpretations Committee (IFRIC) and initially Standing Interpretations Committee (SIC).
(2) As applied to Eni, there are no differences between IFRSs as issued by the IASB and those adopted by the EU, effective for the year 2022.

to continue exploration projects; (ii) the assessment of the recoverability of non-current assets and credit exposures towards National Oil Companies; (iii) the definition of useful lives and residual values of fixed assets; (iv) impacts on provisions (e.g. the bringing forward of the expected timing of decommissioning and restoration costs).
For further information on sensitivity analyses performed on the values of assets considering the low carbon scenarios of international bodies, see the Management Report - Consolidated disclosure of Non-Financial Information.

## PRINCIPLES OF CONSOLIDATION

### Subsidiaries

The Consolidated Financial Statements comprise the financial statements of the parent Company Eni SpA and those of its subsidiaries, being those entities over which the Company has control, either directly or indirectly, through exposure or rights to their variable returns and the ability to affect those returns through its power over the investees.
To have power over an investee, the investor must have existing rights that give it the current ability to direct the relevant activities of the investee, i.e. the activities that significantly affect the investee's returns. Subsidiaries are consolidated, on the basis of consistent accounting policies, from the date on which control is obtained until the date that control ceases.
Assets, liabilities, income and expenses of consolidated subsidiaries are fully recognised with those of the parent in the Consolidated Financial Statements, taking into account the appropriate eliminations of intragroup transactions (see the accounting policy for "Intragroup transactions"); the parent's investment in each subsidiary is eliminated against the corresponding parent's portion of equity of each subsidiary.
Non-controlling interests are presented separately on the balance sheet within equity; the profit or loss and comprehensive income attributable to non-controlling interests are presented in specific line items, respectively, in the profit and loss account and in the statement of comprehensive income.
Taking into account the lack of any material[3] impact on the representation of the financial position and performance of the Group[4], the Consolidated Financial Statements do not fully consolidate: (i) some subsidiaries that are immaterial, both individually and in the aggregate, and; (ii) subsidiaries acting as sole-operator in the management of oil and gas contracts on behalf of companies participating in a joint project. In the latter case, the activities are financed proportionally based on a budget approved by the participating companies upon presentation of periodical reports of proceeds and expenses. Costs and revenue and other operating data (production, reserves, etc.) of the project, as well as the related obligations arising from the project, are recognised directly in the financial statements of the companies involved based on their own share.
When the proportion of the equity held by non-controlling interests changes, any difference between the consideration paid/received and the amount by which the related non-controlling interests are adjusted is attributed to Eni owners' equity. Conversely, the sale of equity interests with loss of control determines the recognition in the profit and loss account of: (i) any gain or loss calculated as the difference between the consideration received and the corresponding transferred net assets; (ii) any gain or loss recognised as a result of the remeasurement of any investment retained in the former subsidiary at its fair value; and (iii) any amount related to the former subsidiary previously recognised in other comprehensive income which may be reclassified subsequently to the profit and loss account[5]. Any investment retained in the former subsidiary is recognised at its fair value at the date when control is lost and shall be accounted for in accordance with the applicable measurement criteria.

### Interests in joint arrangements

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method as described in the accounting policy for "The equity method of accounting".
A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have enforceable rights to the assets, and enforceable obligations for the liabilities, relating to the arrangement; in the Consolidated Financial Statements, Eni recognises its share of the assets/liabilities and revenues/expenses of joint operations on the basis of its rights and obligations relating to the arrangements. After the initial recognition, the assets/liabilities and revenues/ expenses of the joint operations are measured in accordance with the applicable measurement criteria. Immaterial joint operations structured through a separate vehicle are accounted for using the equity

(3) According to IFRSs, information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.
(4) Unconsolidated subsidiaries are accounted for as described in the accounting policy for "The equity method of accounting"; for further information, see the annex "List of companies owned by Eni SpA as of December 31, 2022".
(5) Conversely, any amount related to the former subsidiary previously recognised in other comprehensive income, which may not be reclassified subsequently to the profit and loss account, are reclassified in another item of equity.

method or, if this does not result in a misrepresentation of the Company's financial position and performance, at cost less any impairment losses. Investments in joint ventures previously classified as joint operations are measured on the date of change in the classification of the joint arrangement at the net amount of the carrying amounts of the assets and liabilities that Eni had previously recognised, line by line, on the basis of its rights and obligations relating to the arrangement.

## Investments in associates

An associate is an entity over which Eni has significant influence, that is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.
Investments in associates are accounted for using the equity method as described in the accounting policy for "The equity method of accounting".
Investments in subsidiaries, joint arrangements and associates are presented separately in the annex "List of companies owned by Eni SpA as of December 31, 2022". This annex includes also the changes in the scope of consolidation.

## The equity method of accounting

Investments in joint ventures, associates and immaterial unconsolidated subsidiaries, are accounted for using the equity method[6].
Under the equity method, investments are initially recognised at cost[7], allocating it, similarly to business combinations procedures, to the investee's identifiable assets/liabilities; any excess of the cost of the investment over the share of the net fair value of the investee's identifiable assets and liabilities is accounted for as goodwill, not separately recognised but included in the carrying amount of the investment. If this allocation is provisionally recognised at initial recognition, it can be retrospectively adjusted within one year from the acquisition date, to reflect new information obtained about facts and circumstances that existed at the acquisition date. Subsequently, the carrying amount is adjusted to reflect: (i) the investor's share of the profit or loss of the investee after the date of acquisition, adjusted to account for depreciation, amortization and any impairment losses of the equity-accounted entity's assets based on their fair values at the date of acquisition; and (ii) the investor's share of the investee's other comprehensive income. Distributions received from an equity-accounted investee reduce the carrying amount of the investment. In applying the equity method, consolidation adjustments are considered (see also the accounting policy for "Subsidiaries"). Losses arising from the application of the equity method in excess of the carrying amount of the investment, recognised in the profit and loss account within "Income (Expense) from investments", reduce the carrying amount, net of the related expected credit losses (see below), of any financing receivables towards the investee for which settlement is neither planned nor likely to occur in the foreseeable future (the so-called long-term interests), which are, in substance, an extension of the investment in the investee. The investor's share of any losses of an equity-accounted investee that exceeds the carrying amount of the investment and any long-term interests (the so-called net investment), is recognised in a specific provision only to the extent that the investor has incurred legal or constructive obligations or made payments on behalf of the investee.
Whenever there is objective evidence of impairment (e.g. relevant breaches of contracts, significant financial difficulty, probable default of the counterparty, etc.), the carrying amount of the net investment, resulting from the application of the abovementioned measurement criteria, is tested for impairment by comparing it with the related recoverable amount, determined by adopting the criteria indicated in the accounting policy for "Impairment of non-financial assets". When an impairment loss no longer exists or has decreased, any reversal of the impairment loss is recognised in the profit and loss account within "Income (Expense) from investments". The impairment reversal of the net investment shall not exceed the previously recognised impairment losses.
The sale of equity interests with loss of joint control or significant influence over the investee determines the recognition in the profit and loss account of: (i) any gain or loss calculated as the difference between the consideration received and the corresponding transferred share; (ii) any gain or loss recognised as a result of the remeasurement of any investment retained in the former joint venture/ associate at its fair value[8]; and (iii) any amount related to the former joint venture/associate previously recognised in other comprehensive income which may be reclassified subsequently to the profit and loss account[9]. Any investment retained in the former joint venture/associate is recognised at its fair value at the date when joint control or significant influence is lost and shall be accounted for in accordance with the applicable measurement criteria.

## Business combination

Business combinations are accounted for by applying the acquisition method. The consideration transferred in a business combination is the sum of the acquisition-date fair value of the assets transferred, the liabilities incurred and the equity interests issued by the acquirer. The consideration transferred includes also the fair value of any assets or liabilities resulting from

(6) Joint ventures, associates and immaterial unconsolidated subsidiaries are accounted for at cost less any impairment losses, if this does not result in a misrepresentation of the Company's financial position and performance.
(7) If an investment in an equity instrument becomes an equity-accounted investee, the related cost is the sum of the fair value of the previously held equity interest in the investee and the fair value of any consideration transferred.
(8) If the retained investment continues to be classified either as a joint venture or an associate and so accounted for using the equity method, no remeasurement at fair value is recognised in the profit and loss account.
(9) Conversely, any amount related to the former joint venture/associate previously recognised in other comprehensive income, which may not be reclassified subsequently to the profit and loss account, are reclassified in another item of equity.

contingent considerations, contractually agreed and dependent upon the occurrence of specified future events. Acquisition related costs are accounted for as expenses when incurred.
The acquirer shall measure the identifiable assets acquired and liabilities assumed at their acquisition-date fair values[10], unless another measurement basis is required by IFRSs. The excess of the consideration transferred over the Group's share of the acquisition-date fair values of the identifiable assets acquired and liabilities assumed is recognised, on the balance sheet, as goodwill; conversely, a gain on a bargain purchase is recognised in the profit and loss account.
Any non-controlling interests are measured as the proportionate share in the recognised amounts of the acquiree's identifiable net assets at the acquisition date excluding the portion of goodwill attributable to them (partial goodwill method). In a business combination achieved in stages, the purchase price is determined by summing the acquisition-date fair value of previously held equity interests in the acquiree and the consideration transferred for obtaining control; the previously held equity interests are remeasured at their acquisition-date fair value and the resulting gain or loss, if any, is recognized in the profit and loss account. Furthermore, on obtaining control, any amount recognised in other comprehensive income related to the previously held equity interests is reclassified to the profit and loss account, or in another item of equity when such amount may not be reclassified to the profit and loss account.
If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the provisional amounts recognised at the acquisition date shall be retrospectively adjusted within one year from the acquisition date, to reflect new information obtained about facts and circumstances that existed as of the acquisition date.
The acquisition of interests in a joint operation whose activity constitutes a business is accounted for applying the principles on business combinations accounting. In this regard, if the entity obtains control over a business that was a joint operation, the previously held interest in the joint operation is remeasured at the acquisition-date fair value and the resulting gain or loss is recognised in the profit and loss account[11].

#### SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS: INVESTMENTS AND BUSINESS

The assessment of the existence of control, joint control, significant influence over an investee, as well as for joint operations, the assessment of the existence of enforceable rights to the investee's assets and enforceable obligations for the investee's liabilities imply that management makes complex judgments on the basis of the characteristics of the investee's structure, arrangements between parties and other relevant facts and circumstances. Significant accounting estimates by management are required also for measuring the identifiable assets acquired and the liabilities assumed in a business combination at their acquisition-date fair values. For such measurement, to be performed also for the application of the equity method, Eni adopts the valuation techniques generally used by market participants taking into account the available information; for the most significant business combinations, Eni engages external independent evaluators.

### Intragroup transactions

All balances and transactions between consolidated companies, and not yet realised with third parties, including unrealised profits arising from such transactions, have been eliminated. Unrealised profits arising from transactions between the Group and its equity-accounted entities are eliminated to the extent of the Group's interest in the equity-accounted entity; such accounting treatment is applied also for transfer of businesses to equity-accounted entities (the so-called downstream transactions). In both cases, unrealised losses are not eliminated as the transaction provides evidence of an impairment loss of the asset transferred.

### Foreign currency translation

The financial statements of foreign operations having a functional currency other than the euro, that represents the parent's functional currency as well as the presentation currency of the Consolidated Financial Statements, are translated into euros using the spot exchange rates on the balance sheet date for assets and liabilities, historical exchange rates for equity and average exchange rates for the profit and loss account and the statement of cash flows.
The cumulative resulting exchange differences are presented in the separate component of Eni owners' equity "Cumulative currency translation differences"[12]. Cumulative amount of exchange differences relating to a foreign operation are reclassified to the profit and loss account when the entity disposes the entire interest in that foreign operation or when the partial disposal involves the loss of control, joint control or significant influence over the foreign operation. On a partial disposal that does not involve loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative exchange differences is reattributed to the non-controlling interests in that foreign operation. On a partial disposal of interests in joint arrangements or in associates that does not involve loss of joint control or significant influence, the proportionate share of the cumulative exchange differences is

(10) Fair value measurement principles are described in the accounting policy for "Fair value measurements".
(11) If the entity acquires additional interests in a joint operation that is a business, while retaining joint control, the previously held interest in the joint operation is not remeasured.
(12) When the foreign subsidiary is partially owned, the cumulative exchange difference, that is attributable to the non-controlling interests, is allocated to and recognized as part of "Non-controlling interest".

reclassified to the profit and loss account. The repayment of share capital made by a subsidiary having a functional currency other than the euro, without a change in the ownership interest, implies that the proportionate share of the cumulative amount of exchange differences relating to the subsidiary is reclassified to the profit and loss account.

The financial statements of foreign operations which are translated into euro are denominated in the foreign operations' functional currencies which generally is the U.S. dollar. The main foreign exchange rates used to translate the financial statements into the parent's functional currency are indicated below:

| (currency amount for €1) | Annual average exchange rate 2022 | Exchange rate at December 31, 2022 | Annual average exchange rate 2021 | Exchange rate at December 31, 2021 | Annual average exchange rate 2020 | Exchange rate at December 31, 2020 |
|---|---|---|---|---|---|---|
| U.S. Dollar | 1.05 | 1.07 | 1.18 | 1.13 | 1.14 | 1.23 |
| Pound Sterling | 0.85 | 0.89 | 0.86 | 0.84 | 0.89 | 0.90 |
| Australian Dollar | 1.52 | 1.57 | 1.57 | 1.56 | 1.66 | 1.59 |

## Significant accounting policies

The most significant accounting policies used in the preparation of the Consolidated Financial Statements are described below.

## Oil and natural gas exploration, appraisal, development and production activities

Oil and natural gas exploration, appraisal and development activities are accounted for using the principles of the successful efforts method of accounting as described below.

### Acquisition of exploration rights

Costs incurred for the acquisition of exploration rights (or their extension) are initially capitalised within the line item "Intangible assets" as "exploration rights - unproved" pending determination of whether the exploration and appraisal activities in the reference areas are successful or not. Unproved exploration rights are not amortised but reviewed to confirm that there is no indication that the carrying amount exceeds the recoverable amount. This review is based on the confirmation of the commitment of the Company to continue the exploration activities and on the analysis of facts and circumstances that indicate the absence of uncertainties related to the recoverability of the carrying amount. If no future activity is planned, the carrying amount of the related exploration rights is recognised in the profit and loss account as write-off. Lower value exploration rights are pooled and amortised on a straight-line basis over the estimated period of exploration. In the event of a discovery of proved reserves (i.e. upon recognition of proved reserves and internal approval for development), the carrying amount of the related unproved exploration rights is reclassified to "proved exploration rights", within the line item "Intangible assets". Upon reclassification, as well as whether there is any indication of impairment, the carrying amount of exploration rights to reclassify as proved is tested for impairment considering the higher of their value in use and their fair value less costs of disposal. From the commencement of production, proved exploration rights are amortised according to the unit of production method (the so-called UOP method, described in the accounting policy for "UOP depreciation, depletion and amortisation").

### Acquisition of mineral interests

Costs incurred for the acquisition of mineral interests are capitalised in connection with the assets acquired (such as exploration potential, possible and probable reserves and proved reserves). When the acquisition is related to a set of exploration potential and reserves, the cost is allocated to the different assets acquired based on their expected discounted cash flows. Acquired exploration potential is measured in accordance with the criteria illustrated in the accounting policy for "Acquisition of exploration rights". Costs associated with proved reserves are amortised according to the UOP method (see the accounting policy for "UOP depreciation, depletion and amortisation"). Expenditure associated with possible and probable reserves (unproved mineral interests) is not amortised until classified as proved reserves; in case of a negative result of the subsequent appraisal activities, it is written off.

### Exploration and appraisal expenditure

Geological and geophysical exploration costs are recognised as an expense as incurred. Costs directly associated with an exploration well are initially recognised within tangible assets in progress, as "exploration and appraisal costs - unproved" (exploration wells in progress) until the drilling of the well is completed and can continue to be capitalised in the following 12-month period pending the evaluation of drilling results (suspended exploration wells). If, at the end of this period, it is ascertained that the result is negative (no hydrocarbon found) or that the discovery is not sufficiently significant to justify the development, the wells are declared dry/unsuccessful and the related costs are written-off. Conversely, these costs continue to be capitalised if and until: (i) the well has found a sufficient quantity of reserves to justify its completion as a producing well, and (ii) the entity is making sufficient progress assessing the reserves and the economic and operating viability of the project; on the contrary, the capitalised costs are recognised in the profit and loss account as write-off. Analogous recognition criteria are adopted for the costs related to the appraisal activity. When proved reserves of oil and/or natural gas are determined, the relevant expenditure recognised as unproved is reclassified to proved exploration and appraisal costs within tangible assets in progress. Upon reclassification, or when there is any indication of impairment, the carrying amount of the costs to reclassify as proved is tested for impairment considering the higher of their value in use and their fair value less costs of disposal. From the commencement of production, proved exploration and appraisal costs are depreciated according to the UOP method (see the accounting policy for "UOP depreciation, depletion and amortisation").

### Development costs

Development costs, including the costs related to unsuccessful and damaged development wells, are capitalised as "Tangible asset in progress - proved". Development costs are incurred to obtain access to proved reserves and to provide facilities for extracting, treating, gathering and storing the oil and gas. They are amortised, from the commencement of production, generally on a UOP basis. When development projects are unfeasible/not carried on, the related costs are written off when it is decided to abandon the project. Development costs are tested for impairment in accordance with the criteria described in the accounting policy for "Property, plant and equipment".

### UOP depreciation, depletion and amortisation

Proved oil and gas assets are depreciated generally under the UOP method, as their useful life is closely related to the availability of proved oil and gas reserves, by applying, to the depreciable amounts at the end of each quarter a rate representing the ratio between the volumes extracted during the quarter and the reserves existing at the end of the quarter, increased by the volumes extracted during the quarter. This method is applied with reference to the smallest aggregate representing a direct correlation between expenditures to be depreciated and oil and gas reserves. Proved exploration rights and acquired proved mineral interests are amortised over proved reserves; proved exploration and appraisal costs and development costs are depreciated over proved developed reserves, while common facilities are depreciated over total proved reserves. Proved reserves are determined according to US SEC rules that require the use of the yearly average oil and gas prices for assessing the economic producibility; material changes in reference prices could result in depreciation charges not reflecting the pattern in which the assets' future economic benefits are expected to be consumed to the extent that, for example, certain non-current assets would be fully depreciated within a short-term. In these cases, the reserves considered in determining the UOP rate are estimated on the basis of economic viability parameters, reasonable and consistent with management's expectations of production, in order to recognise depreciation charges that more appropriately reflect the expected utilization of the assets concerned.

### Production costs

Production costs are those costs incurred to operate and maintain wells and field equipment and are recognised as an expense as incurred.

### Production sharing agreements and service contracts

Oil and gas reserves related to Production Sharing Agreements are determined on the basis of contractual terms related to the recovery of the contractor's costs to undertake and finance exploration, development and production activities at its own risk (Cost Oil) and the Company's stipulated share of the production remaining after such cost recovery (Profit Oil). Revenues from the sale of the lifted production, against both Cost Oil and Profit Oil, are accounted for on an accrual basis, whilst exploration, development and production costs are accounted for according to the above-mentioned accounting policies. A similar scheme applies to service contracts where the Group is entitled to a share of the production as consideration for the rendered service.
The Company's share of production volumes and reserves includes the share of hydrocarbons that corresponds to the taxes to be paid, according to the contractual agreement, by the national government on behalf of the Company. As a consequence, the Company has to recognise at the same time an increase in the taxable profit, through the increase of the revenue, and a tax expense.

### Plugging and abandonment of wells

Costs expected to be incurred with respect to the plugging and abandonment of a well, dismantlement and removal of production facilities, as well as site restoration, are capitalised, consistent with the accounting policy described under "Property, plant and equipment", and then depreciated on a UOP basis.

#### SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS: OIL AND NATURAL GAS ACTIVITIES

Engineering estimates of the Company's oil and gas reserves are inherently uncertain. Proved reserves are the estimated volumes of crude oil, natural gas and gas condensates, liquids and associated substances which geological and engineering data demonstrate that can be economically producible with reasonable certainty from known reservoirs under existing economic conditions and operating methods. Although there are authoritative guidelines regarding the engineering and geological criteria that must be met before estimated oil and gas reserves can be categorised as "proved", the accuracy of reserve estimates depends on a number of factors, assumptions and variables, including: (i) the quality of available geological, technical and economic data and their interpretation and judgment; (ii) projections regarding future rates of production and operating costs and development costs; (iii) changes in the prevailing tax rules, other government regulations and contractual conditions; (iv) results of drilling, testing and the actual production performance of Company's reservoirs after the date of the estimates which may drive substantial upward or downward revisions; and (v) changes in oil and natural gas commodity prices which could affect expected future cash flows and the quantities of Company's proved reserves since the estimates of reserves are based on prices and costs existing as of the date when these estimates are made. Lower oil prices or the projections of higher operating and development costs

may impair the ability of the Company to economically produce reserves leading to downward reserve revisions.
Many of the factors, assumptions and variables involved in estimating proved reserves are subject to change over time and therefore affect the estimates of oil and natural gas reserves. Similar uncertainties concern unproved reserves.
The determination of whether potentially economic oil and natural gas reserves have been discovered by an exploration well is made within a year after well completion. The evaluation process of a discovery, which requires performing additional appraisal activities on the potential oil and natural gas field and establishing the optimum development plans, can take longer, in most cases, depending on the complexity of the project and on the size of capital expenditures required. During this period, the costs related to these exploration wells remain suspended on the balance sheet. In any case, all such capitalised costs are reviewed, at least, on an annual basis to confirm the continued intent to develop, or otherwise to extract value from the discovery.
Field reserves will be categorised as proved only when all the criteria for attribution of proved status have been met. Proved reserves can be classified as developed or undeveloped. Volumes are classified into proved developed reserves as a consequence of development activity. Generally, reserves are booked as proved developed at the start of production. Major development projects typically take one to four years from the time of initial booking to the start of production.
Estimated proved reserves are used in determining depreciation, amortisation and depletion charges (see the accounting policy for "UOP depreciation, depletion and amortisation"). Assuming all other variables are held constant, an increase in estimated proved developed reserves for each field decreases depreciation, amortisation and depletion charge under the UOP method. Conversely, a decrease in estimated proved developed reserves increases depreciation, amortisation and depletion charge.

## Property, plant and equipment

Property, plant and equipment, including investment properties, are recognized using the cost model and initially stated at their purchase price or construction cost including any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. For assets that necessarily take a substantial period of time to get ready for their intended use, the purchase price or construction cost comprises the borrowing costs incurred in the period to get the asset ready for use that would have been avoided if the expenditure had not been made.
In the case of a present obligation for dismantling and removal of assets and restoration of sites, the initial carrying amount of an item of property, plant and equipment includes the estimated (discounted) costs to be incurred when the removal event occurs; a corresponding amount is recognised as part of a specific provision (see the accounting policy for "Decommissioning and restoration liabilities"). Analogous approach is adopted for present obligations to realise social projects in oil and gas development areas.
Property, plant and equipment are not revalued for financial reporting purposes.
Expenditures on upgrading, revamping and reconversion are recognised as items of property, plant and equipment when it is probable that they will increase the expected future economic benefits of the asset. Assets acquired for safety or environmental reasons, although not directly increasing the future economic benefits of any particular existing item of property, plant and equipment, qualify for recognition as assets when they are necessary for running the business.
Depreciation of tangible assets begins when they are available for use, i.e. when they are in the location and condition necessary for it to be capable of operating as planned. Property, plant and equipment are depreciated on a systematic basis over their useful life. The useful life is the period over which an asset is expected to be available for use by the Company. When tangible assets are composed of more than one significant part with different useful lives, each part is depreciated separately. The depreciable amount is the asset's carrying amount less its residual value at the end of its useful life, if it is significant and can be reasonably determined. Land is not depreciated, even when acquired together with a building. Tangible assets held for sale are not depreciated (see the accounting policy for "Assets held for sale and discontinued operations"). Changes in the asset's useful life, in its residual value or in the pattern of consumption of the future economic benefits embodied in the asset, are accounted for prospectively.
Assets to be handed over for no consideration are depreciated over the shorter term between the duration of the concession or the asset's useful life.
Replacement costs of identifiable parts in complex assets are capitalised and depreciated over their useful life; the residual carrying amount of the part that has been substituted is charged to the profit and loss account. Nonremovable leasehold improvements are depreciated over the earlier of the useful life of the improvements and the lease term. Expenditures for ordinary maintenance and repairs are recognised as an expense as incurred. The carrying amount of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal; the arising gain or loss is recognized in the profit and loss account.

## Leasing[13]

A contract is, or contains, a lease, if the contract conveys the right to control the use of an identified asset for a period of

(13) As expressly provided for in IFRS 16, this accounting policy does not apply to leases to explore for and extract resources such as those for oil and gas rights, leases of land and any rights of way related to oil and gas activities.

time in exchange for consideration[14]; such right exists whether, throughout the period of use, the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset.

At the commencement date of the lease (i.e. the date on which the underlying asset is available for use), a lessee recognises on the balance sheet an asset representing its right to use the underlying leased asset (hereinafter also referred as right-of-use asset) and a liability representing its obligation to make lease payments during the lease term (hereinafter also referred as lease liability[15]). The lease term is the non-cancellable period of a contract, together with, if reasonably certain, periods covered by extension options or by the non-exercise of termination options. In particular, the lease liability is initially recognised at the present value of the following lease payments[16] that are not paid at the commencement date: (i) fixed payments (including in-substance fixed payments), less any lease incentives receivable; (ii) variable lease payments that depend on an index or a rate[17]; (iii) amounts expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease payments are discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. The latter is determined considering the term of the lease, the frequency and currency of the contractual lease payments, as well as the features of the lessee's economic environment (reflected in the country risk premium assigned to each country where Eni operates).

After the initial recognition, the lease liability is measured on an amortised cost basis and is remeasured, normally, as an adjustment to the carrying amount of the related right-of- use asset, to reflect changes to the lease payments due, essentially, to: (i) modifications in the lease contract not accounted as a separate lease; (ii) changes in indexes or rates (used to determine the variable lease payments); or (iii) changes in the assessment of contractual options (e.g. options to purchase the underlying asset, extension or termination options).

The right-of-use asset is initially measured at cost, which comprises: (i) the amount of the initial measurement of the lease liability; (ii) any initial direct costs incurred by the lessee[18]; (iii) any lease payments made at or before the commencement date, less any lease incentives received; and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. After the initial recognition, the right-of-use asset is adjusted for any accumulated depreciation[19], any accumulated impairment losses (see the accounting policy for "Impairment of non-financial assets") and any remeasurement of the lease liability.

The depreciation charges of the right-of-use asset and the interest expenses on the lease liability directly attributable to the construction of an asset are capitalised as part of the cost of such asset and subsequently recognised in the profit and loss account through depreciation/impairments or write-off, mainly in the case of exploration assets.

In the oil and gas activities, the operator of an unincorporated joint operation which enters into a lease contract as the sole signatory recognises on the balance sheet: (i) the entire lease liability if, based on the contractual provisions and any other relevant facts and circumstances, it has primary responsibility for the liability towards the third-party supplier; and (ii) the entire right-of-use asset, unless, on the basis of the terms and conditions of the contract, there is a sublease with the followers. The followers' share of the right-of-use asset, recognised by the operator, will be recovered according to the joint operation's contractual arrangements by billing the project costs attributable to the followers and collecting the related cash calls. Costs recovered from the followers are recognised as "Other income and revenues" in the profit and loss account and as net cash provided by operating activities in the statement of cash flows.

Differently, if a lease contract is signed by all the partners, Eni recognises its share of the right-of-use asset and lease liability on the balance sheet based on its working interest.

If Eni does not have primary responsibility for the lease liability and, on the basis of the terms and conditions of the contract, there is not a sublease, it does not recognise any right-of-use asset and lease liability related to the lease contract.

When lease contracts are entered into by companies other than subsidiaries that act as operators on behalf of the other participating companies (the so-called operating companies), consistent with the provision to recover from the followers the costs related to the oil and gas activities, the participating companies recognise their share of the right-of-use assets and the lease liabilities based on their working interest, defined

(14) The assessment of whether the contract is, or contains, a lease is performed at the inception date, that is the earlier of the date of a lease agreement and the date of commitment by the parties to the principal terms and conditions of the lease.
(15) Eni applies the recognition exemptions allowed for short-term leases (for certain classes of underlying assets) and low-value leases, by recognising the lease payments associated with those leases as an expense on a straight-line basis over the lease term.
(16) Eni, in accordance with the practical expedient allowed by the accounting standard, does not separate non-lease components from lease components except for main contracts related to upstream activities (drilling rigs), which provide for single payments relating to both lease and non-lease components.
(17) Conversely, the other kinds of variable lease payments (e.g. payments that depend on the use of an underlying leased asset) are not included in the carrying amount of the lease liability, but are recognised in the profit and loss account as operating expenses over the lease term.
(18) Initial direct costs are incremental costs of obtaining a lease that would not have been incurred if the lease had not been obtained.
(19) Depreciation charges are recognised on a systematic basis from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Nevertheless, if the lease transfers ownership of the underlying asset to the lessee by the end of the lease term, or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the right-of-use asset is depreciated from the commencement date to the end of the useful life of the underlying asset.

according to the expected use, to the extent that it is reliably determinable, of the underlying assets.

**SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS: LEASE TRANSACTIONS**

With reference to lease contracts, management makes significant estimates and judgments related to: (i) determining the lease term, making assumptions about the exercise of extension and/or termination options; (ii) determining the lessee's incremental borrowing rate; (iii) identifying and, where appropriate, separating non-lease components from lease components, where an observable stand-alone price is not readily available, taking into account also the analysis performed with external experts; (iv) recognising lease contracts, for which the underlying assets are used in oil and gas activities (mainly drilling rigs and FPSOs), entered into as operator within an unincorporated joint operation, considering if the operator has primary responsibility for the liability towards the third-party supplier and the relationships with the followers; (v) identifying the variable lease payments and the related characteristics in order to include them in the measurement of the lease liability.

## Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance, controlled by the Company and able to produce future economic benefits, and goodwill. An asset is classified as intangible when management is able to distinguish it clearly from goodwill.
Intangible assets are initially recognized at cost as determined by the criteria used for tangible assets and they are never revalued for financial reporting purposes.
Intangible assets with finite useful lives are amortised on a systematic basis over their useful life; the amortisation is carried out in accordance with the criteria described in the accounting policy for "Property, plant and equipment".
Goodwill and intangible assets with indefinite useful lives are not amortised. For the recoverability of the carrying amounts of goodwill and other intangible assets see the accounting policy for "Impairment of non-financial assets".
Costs of obtaining a contract with a customer are recognised on the balance sheet if the Company expects to recover those costs. The intangible asset arising from those costs is amortised on a systematic basis, that is consistent with the transfer to the customer of the goods or services to which the asset relates, and is tested for impairment.
Costs of technological development activities are capitalised when: (i) the cost attributable to the development activity can be measured reliably; (ii) there is the intention and the availability of financial and technical resources to make the asset available for use or sale; and (iii) it can be demonstrated that the asset is able to generate probable future economic benefits.
The carrying amount of intangible assets is derecognised on disposal or when no future economic benefits are expected from its use or disposal; any arising gain or loss is recognised in the profit and loss account.

## Impairment of non-financial assets

Non-financial assets (tangible assets, intangible assets and right-of-use assets) are tested for impairment whenever events or changes in circumstances indicate that the carrying amounts for those assets may not be recoverable.
The recoverability assessment is performed for each cash generating unit (hereinafter also CGU) represented by the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or group of assets.
CGUs may include corporate assets which do not generate cash inflows independently of other assets or group of assets but which contribute to the future cash flows of more CGUs; the portions of corporate assets are allocated to a specific CGU or, if not possible, to a group of CGUs on a reasonable and consistent basis. Goodwill is tested for impairment at least annually, and whenever there is any indication of impairment, at the lowest level within the entity at which it is monitored for internal management purposes. Right-of-use assets, which generally do not generate cash inflows independently of other assets or groups of assets, are allocated to the CGU to which they belong; the right-of-use assets which cannot be fully attributed to a CGU are considered as corporate assets. The recoverability of the carrying amount of common facilities within the E&P operating segment is assessed by considering the set of recoverable amounts of the CGUs benefiting from the common facility.
The recoverability of a CGU is assessed by comparing its carrying amount with the recoverable amount, which is the higher of the CGU's fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from continuing use of the CGU and, if significant and reliably measurable, the cash flows expected to be obtained from its disposal at the end of its useful life, after deducting the costs of disposal. The expected cash flows are determined on the basis of reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the CGU, giving greater weight to external evidence. The value in use of CGUs which include material right-of-use assets is calculated, normally, by ignoring lease payments included in the measurement of the lease liabilities.
With reference to commodity prices, management uses the price scenario adopted for economic and financial projections and for the evaluation of investments over their entire life. In particular, for the cash flows associated with oil, natural gas and petroleum products prices (and prices derived from them), the price scenario is approved by the Board of Directors (see "Significant accounting estimates and judgments used to take into account the impacts of climate-related risks").
For impairment test purposes, cash outflows expected to be incurred to guarantee compliance with laws and regulations

regarding $CO_2$ emissions (e.g. Emission Trading Scheme) or on a voluntary basis (e.g. cash outflows related to forestry certificates acquired or produced consistent with the Company's decarbonization strategy - hereinafter also forestry) are taken into account.
In particular, in estimating value in use, the cash outflows for forestry projects[20] are included, consistent with the targets of the decarbonization strategy, within the expected operating cash outflows; in this regard, considering that the forestry projects can be developed in countries where Eni does not carry out operating activities and given the difficulty to allocate such cash outflows, on a reasonable and consistent basis, to CGUs of the relevant operating segment, the related discounted cash outflows are treated as a reduction of the headroom of the E&P operating segment.
For the determination of value in use, the estimated future cash flows are discounted using a rate that reflects a current market assessment of the time value of money and of the risks specific to the asset that are not reflected in the estimated future cash flows. In particular, the discount rate used is the Weighted Average Cost of Capital (WACC) adjusted for the specific country risk of the CGU. These adjustments are measured considering information from external parties. WACC differs considering the risk associated with each operating segment/business where the asset operates. In particular, for the assets belonging to the Global Gas & LNG Portfolio (GGP) operating segment, the Chemical business, the Power business and Plenitude business, the riskiness is determined on the basis of a sample of comparable companies. For the E&P operating segment and R&M business, the riskiness is determined, on a residual basis, as the difference between the risk of Eni as a whole and the risk of other operating segments/ businesses. Value in use is calculated net of the tax effect as this method results in values similar to those resulting from discounting pre-tax cash flows at a pre-tax discount rate derived, through an iteration process, from a post-tax valuation.
When the carrying amount of the CGU, including goodwill allocated thereto, determined taking into account any impairment loss of the non-current assets belonging to the CGU, exceeds its recoverable amount, the excess is recognised as an impairment loss. The impairment loss is allocated first to reduce the carrying amount of goodwill; any remaining excess is allocated to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the CGU, up to the related recoverable amount.
When an impairment loss no longer exists or has decreased, a reversal of the impairment loss is recognised in the profit and loss account. The impairment reversal shall not exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. An impairment loss recognised for goodwill is not reversed in a subsequent period[21].

## Grants related to assets

Government grants related to assets are recognized by deducting them in calculating the carrying amount of the related assets when there is reasonable assurance that the Company will comply with the conditions attaching to them and the grants will be received.

## Inventories

Inventories, including compulsory stock, are measured at the lower of purchase or production cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale, or, with reference to inventories of crude oil and petroleum products already included in binding sale contracts, the contractual selling price. Inventories which are principally acquired with the purpose of selling in the near future and generating a profit from fluctuations in price are measured at fair value less costs to sell and any subsequent changes in fair value are recognised in the profit and loss account. Materials and other supplies held for use in production are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.
The cost of inventories of hydrocarbons (crude oil, condensates and natural gas) and petroleum products is determined by applying the weighted average cost method on a three-month basis, or on a different time period (e.g. monthly), when it is justified by the use and the turnover of inventories of crude oil and petroleum products; the cost of inventories of the Chemical business is determined by applying the weighted average cost on an annual basis.
When take-or-pay clauses are included in long-term gas purchase contracts, pre-paid gas volumes that are not withdrawn to fulfill minimum annual take obligations are measured using the pricing formulas contractually defined. They are recognised within "Other assets" as "Deferred costs", as a contra to "Trade and other payables" or, after settlement, to "Cash and cash equivalents". The allocated deferred costs are charged to the profit and loss account: (i) when natural gas is actually withdrawn - the related cost is included in the determination of the weighted average cost of inventories; and (ii) for the portion which is not recoverable, when it is not possible to withdraw the previously pre-paid gas within the contractually defined

(20) For the recognition criteria of forestry certificates see the accounting policy for "Costs".
(21) Impairment losses recognised for goodwill in an interim period are not reversed also when, considering conditions existing in a subsequent interim period, they would have been recognised in a smaller amount or would not have been recognised.

deadlines. Furthermore, the allocated deferred costs are tested for economic recoverability by comparing the related carrying amount and their net realisable value, determined adopting the same criteria described for inventories.

**SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS: IMPAIRMENT OF NON-FINANCIAL ASSETS**

The recoverability of non-financial assets is assessed whenever events or changes in circumstances indicate that carrying amounts of the assets may not be recoverable. Such impairment indicators include changes in the Group's business plans, changes in commodity prices leading to unprofitable performance, a reduced capacity utilisation of plants and, for oil and gas properties, significant downward revisions of estimated reserve quantities or significant increase of the estimated development and production costs. Determination as to whether and how much an asset is impaired involves management estimates on highly uncertain and complex matters such as future commodity prices, future discount rates, future development costs and production costs, the effects of inflation and technology improvements on operating expenses, production profiles and the outlook for global or regional market supply-and-demand conditions also with reference to the decarbonization process and the effects of changes in regulatory requirements. The definition of CGUs and the identification of their appropriate grouping for the purpose of testing for impairment the carrying amount of goodwill, corporate assets as well as common facilities within the E&P operating segment, require judgment by management. In particular, CGUs are identified considering, inter alia, how management monitors the entity's operations (such as by business lines) or how management makes decisions about continuing or disposing of the entity's assets and operations.
Similar remarks are valid for assessing the physical recoverability of assets recognised on the balance sheet (deferred costs - see also the accounting policy for "Inventories") related to natural gas volumes not withdrawn under long-term supply contracts with take-or-pay clauses.
The determination of the expected future cash flows used for impairment analyses takes into account the energy transition process and is based on judgmental assessments of future production volumes, prices and costs, considering available information at the date of review; the expected future cash flows are discounted using a rate which considers the risks specific to the asset. For oil and natural gas properties, the expected future cash flows are estimated based on proved and probable reserves, including, among other elements, production taxes and the costs to be incurred for the reserves yet to be developed. In limited cases (e.g. for mineral interests acquired from third parties as part of a business combination) the expected cash flows may take into account also the risk-adjusted possible reserves, if they are considered to determine the consideration transferred. The estimate of the future rates of production is based on assumptions related to future commodity prices, operating costs, lifting and development costs, field decline rates, market demand and other factors.
More details on the main assumptions underlying the determination of the recoverable amount of tangible, intangible and right-of-use assets are set out in note 15 – Reversals (Impairments) of tangible and intangible assets and right-of-use assets. Sensitivity of outcomes to alternative scenarios.

## Financial instruments

### Financial assets

Financial assets are classified, on the basis of both contractual cash flow characteristics and the entity's business model for managing them, in the following categories: (i) financial assets measured at amortised cost; (ii) financial assets measured at fair value through other comprehensive income (hereinafter also OCI); (iii) financial assets measured at fair value through profit or loss (hereinafter also FVTPL).
At initial recognition, a financial asset is measured at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable; at initial recognition, trade receivables that do not have a significant financing component are measured at their transaction price.
After initial recognition, financial assets whose contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortised cost if they are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows (the so-called hold to collect business model). For financial assets measured at amortised cost, interest income determined using the effective interest rate, foreign exchange differences and any impairment losses[22] (see the accounting policy for "Impairment of financial assets") are recognised in the profit and loss account.
Conversely, financial assets that are debt instruments are measured at fair value through OCI (hereinafter also FVTOCI) if they are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets (the so-called hold to collect and sell business model). In these cases: (i) interest income determined using the effective interest rate, foreign exchange differences and any impairment losses (see the accounting policy for "Impairment of financial assets") are recognised in the profit and loss account; (ii) changes in fair value of the instruments are recognised in equity, within other comprehensive income. The accumulated changes in fair value, recognised in the equity reserve related to other comprehensive income, is reclassified to the profit and loss account when the financial asset is derecognised. Currently the Group does not have any financial assets measured at fair value through OCI.

(22) Receivables and other financial assets measured at amortised cost are presented on the balance sheet net of their loss allowance.

A financial asset represented by a debt instrument that is neither measured at amortised cost nor at FVTOCI, is measured at FVTPL; financial assets held for trading, as well as the portfolios of financial assets managed and evaluated on a fair value basis, fall into this category. Interest income on such financial assets contributes to the related fair value measurement and is recognised in "Finance income (expense)", within "Net finance income (expense) from financial assets at fair value through profit or loss".
When the purchase or sale of a financial asset is under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned, the transaction is accounted for on the settlement date.

## Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits, as well as financial assets originally due, generally, up to three months, readily convertible to known amount of cash and subject to an insignificant risk of changes in value.

## Impairment of financial assets

The expected credit loss model is adopted for the impairment of financial assets that are debt instruments, but are not measured at FVTPL[23].
In particular, the expected credit losses are generally measured by multiplying: (i) the exposure to the counterparty's credit risk net of any collateral held and other credit enhancements (Exposure At Default, EAD); (ii) the probability that the default of the counterparty occurs (Probability of Default, PD); and (iii) the percentage estimate of the exposure that will not be recovered in case of default (Loss Given Default, LGD), considering the past experiences and the range of recovery tools that can be activated (e.g. extrajudicial and/or legal proceedings, etc.).
With reference to trade and other receivables, Probabilities of Default of counterparties are determined by adopting the internal credit ratings already used for credit worthiness and are periodically reviewed using, inter alia, backtesting analyses; for government entities (e.g. National Oil Companies), the Probability of Default, represented essentially by the probability of a delayed payment, is determined by using, as input data, the country risk premium adopted to determine WACC for the impairment review of non-financial assets.
For customers without internal credit ratings, the expected credit losses are measured by using a provision matrix, defined by grouping, where appropriate, receivables into adequate clusters to which apply expected loss rates defined on the basis of their historical credit loss experiences, adjusted, where appropriate, to take into account forward-looking information on credit risk of the counterparty or clusters of counterparties[24].
Considering the characteristics of the reference markets, financial assets with more than 180 days past due or, in any case, with counterparties undergoing litigation, restructuring or renegotiation, are considered to be in default. Counterparties are considered undergoing litigation when judicial/legal proceedings aimed to recover a receivable have been activated or are going to be activated. Impairment losses of trade and other receivables are recognised in the profit and loss account, net of any impairment reversal, within the line item of the profit and loss account "Net (impairment losses) reversals of trade and other receivables".
The financing receivables held for operating purposes, granted to associates and joint ventures, for which settlement is neither planned nor likely to occur in the foreseeable future and which in substance form part of the entity's net investment in these investees, are tested for impairment, first, on the basis of the expected credit loss model and, then, together with the carrying amount of the investment in the associate/joint venture, in accordance with the criteria indicated in the accounting policy for "The equity method of accounting". In applying the expected credit loss model, any adjustments to the carrying amount of long-term interest that arise from applying the accounting policy for "The equity method of accounting" are not taken into account.

**SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS: IMPAIRMENT OF FINANCIAL ASSETS**

Measuring impairment losses of financial assets requires management evaluation of complex and highly uncertain elements such as, for example, Probabilities of Default of counterparties, the assessment of any collateral or other credit enhancements, the expected exposure that will not be recovered in case of default, as well as the definition of customers' clusters to be adopted. Further details on the main assumptions underlying the measurement of expected credit losses of financial assets are provided in note 8 – Trade and other receivables.

## Investments in equity instruments

Investments in equity instruments that are not held for trading are measured at fair value through other comprehensive income, without subsequent transfer of fair value changes to profit or loss on derecognition of these investments; conversely, dividends from these investments are recognised in the profit and loss account, within the line item "Income (Expense) from investments", unless they clearly represent a recovery of part of the cost of the investment. In limited circumstances, an investment in equity instruments can be measured at cost if it is an appropriate estimate of fair value.

## Financial liabilities

At initial recognition, financial liabilities, other than derivative financial instruments, are measured at their fair value, minus transaction costs that are directly attributable, and are subsequently measured at amortised cost.

(23) The expected credit loss model is also adopted for issued financial guarantee contracts not measured at FVTPL. Expected credit losses recognised on issued financial guarantees are not material.
(24) For credit exposures arising from intragroup transactions, the recovery rate is normally assumed equal to 100% taking into account, inter alia, the Group central treasury function which supports both financial and capital needs of subsidiaries.

The sustainability-linked bonds, i.e. financial liabilities where the interest rate is periodically adjusted to reflect changes in the borrower's performance relative to certain sustainability targets (the so-called ESG metrics), are measured at amortised cost.
Generally, changes in the interest rate result in an update of the effective interest rate to be used for the recognition of interest expense.

**SIGNIFICANT JUDGMENTS: FINANCIAL LIABILITIES**
The Group's companies can negotiate with suppliers an extension of payment terms, without the involvement of a financial institution. In such cases, management judges whether or not payables towards suppliers have to be reclassified as financial liabilities from trade/investing activity payables. In order to make such judgment, management considers if the payment terms differ from the ones that are customary in the industry, any additional security is provided as part of the arrangement as well as any other facts and circumstances. The classification as a financial liability determines: (i) upon reclassification/initial recognition of the liability, a non-monetary change in financial liabilities, with no impacts on the statement of cash flows; (ii) upon the settlement of the liability, the classification of the payment within net cash used in financing activities. With reference to sustainability-linked bonds, management assesses whether the non-compliance with an ESG metric could adversely impact operations and, therefore, revenue generation and creditworthiness of the Company.

## Derivative financial instruments and hedge accounting

Derivative financial instruments, including embedded derivatives (see below) that are separated from the host contract, are assets and liabilities measured at their fair value.
With reference to the defined risk management objectives and strategy, the qualifying criteria for hedge accounting requires: (i) the existence of an economic relationship between the hedged item and the hedging instrument in order to offset the related value changes and the effects of counterparty credit risk do not dominate the economic relationship between the hedged item and the hedging instrument; and (ii) the definition of the relationship between the quantity of the hedged item and the quantity of the hedging instrument (the so-called hedge ratio) consistent with the entity's risk management objectives, under a defined risk management strategy; the hedge ratio is adjusted, where appropriate, after taking into account any adequate rebalancing. A hedging relationship is discontinued prospectively, in its entirety or a part of it, when it no longer meets the risk management objectives on the basis of which it qualified for hedge accounting, it ceases to meet the other qualifying criteria or after rebalancing it.
When derivatives hedge the risk of changes in the fair value of the hedged items (fair value hedge, e.g. hedging of the variability in the fair value of fixed interest rate assets/liabilities), the derivatives are measured at fair value through profit and loss. Consistently, the carrying amount of the hedged item is adjusted to reflect, in the profit and loss account, the changes in fair value of the hedged item attributable to the hedged risk; this applies even if the hedged item should be otherwise measured.
When derivatives hedge the exposure to variability in cash flows of the hedged items (cash flow hedge, e.g. hedging the variability in the cash flows of assets/liabilities as a result of the fluctuations of exchange rate), the effective changes in the fair value of the derivatives are initially recognised in the equity reserve related to other comprehensive income and then reclassified to the profit and loss account in the same period during which the hedged transaction affects the profit and loss account.
If a hedged forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the accumulated changes in fair value of hedging derivatives, recognised in equity, are included directly in the carrying amount of the hedged non-financial asset/liability (commonly referred to as a "basis adjustment").
The changes in the fair value of derivatives that are not designated as hedging instruments, including any ineffective portion of changes in fair value of hedging derivatives, are recognised in the profit and loss account. In particular, the changes in the fair value of non-hedging derivatives on interest rates and exchange rates are recognised in the profit and loss account line item "Finance income (expense)"; conversely, the changes in the fair value of non-hedging derivatives on commodities are recognised in the profit and loss account line item "Other operating (expense) income". Derivatives embedded in financial assets are not accounted for separately; in such circumstances, the entire hybrid instrument is classified depending on the contractual cash flow characteristics of the financial instrument and the business model for managing it (see the accounting policy for "Financial assets"). Derivatives embedded in financial liabilities and/or non-financial assets are separated if: (i) the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract; (ii) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and (iii) the entire hybrid contract is not measured at FVTPL.
Eni assesses the existence of embedded derivatives to be separated when it becomes party to the contract and, afterwards, when a change in the terms of the contract that modifies its cash flows occurs.
Contracts to buy or sell commodities entered into and continued to be held for the purpose of their receipt or delivery in accordance with the Group's expected purchase, sale or usage requirements are recognised on an accrual basis (the so-called normal sale and normal purchase exemption or own use exemption).

## Offsetting of financial assets and liabilities

Financial assets and liabilities are set off on the balance sheet if the Group currently has a legally enforceable right to set off and intends to settle on a net basis (or to realise the asset and settle the liability simultaneously).

### Derecognition of financial assets and liabilities

Transferred financial assets are derecognised when the contractual rights to receive the cash flows from the financial assets expire or are transferred to another party. Financial liabilities are derecognised when they are extinguished, or when the obligation specified in the contract is discharged, cancelled or expired.

## Provisions, contingent liabilities and contingent assets

A provision is a liability of uncertain timing or amount on the balance sheet date. Provisions are recognised when: (i) there is a present obligation, legal or constructive, as a result of a past event; (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (iii) the amount of the obligation can be reliably estimated. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation or to transfer it to third parties on the balance sheet date. The amount recognised for onerous contracts is the lower of the cost necessary to fulfill the obligations, net of expected economic benefits deriving from the contracts, and any compensation or penalties arising from failure to fulfill these obligations. Where the effect of the time value is material, and the payment date of the obligations can be reasonably estimated, provisions to be accrued are the present value of the expected cash outflows determined taking into account the risks associated with the obligation. The change in provisions due to the passage of time is recognised within “Finance income (expense)” in the profit and loss account.

A provision for restructuring costs is recognised only when the Company has a detailed formal plan for the restructuring and has raised a valid expectation in the affected parties that it will carry out the restructuring.

Provisions are periodically reviewed and adjusted to reflect changes in the estimates of costs, timing and discount rates. Changes in provisions are recognised in the same profit and loss account line item where the original provision was charged.

Contingent liabilities are: (i) possible obligations arising from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or (ii) present obligations arising from past events, whose amount cannot be reliably measured or whose settlement will probably not result in an outflow of resources embodying economic benefits. Contingent liabilities are not recognised in the financial statements but are disclosed.

Contingent assets, that are possible assets arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, are not recognised in financial statements unless the realisation of economic benefits is virtually certain. Contingent assets are disclosed when an inflow of economic benefits is probable. Contingent assets are assessed periodically to ensure that developments are appropriately reflected in the financial statements.

### Decommissioning and restoration liabilities

Liabilities for decommissioning and restoration costs are recognized, together with a corresponding amount as part of the related property, plant and equipment, when the conditions indicated in the accounting policy “Provisions, Contingent Liabilities And Contingent Assets” are met.

Considering the long-time span between the recognition of the obligation and its settlement, the amount recognised is the present value of the future expenditures expected to be required to settle the obligation. Any change due to the unwinding of discount on provisions is recognised within “Finance income (expense)”.

Such liabilities are reviewed regularly to take into account the changes in the expected costs to be incurred, contractual obligations, regulatory requirements and practices in force in the countries where the tangible assets are located.

The effects of any changes in the estimate of the liability are recognised generally as an adjustment to the carrying amount of the related property, plant and equipment; however, if the resulting decrease in the liability exceeds the carrying amount of the related asset, the excess is recognised in the profit and loss account.

Analogous approach is adopted for present obligations to realise social projects related to operating activities carried out by the Company.

### Environmental liabilities

Environmental liabilities are recognised when the Group has a present obligation, legal or constructive, relating to environmental clean-up and remediation of soil and groundwater in areas owned or under concession where the Group performed in the past industrial operations that were progressively divested, shut down, dismantled or restructured. Liabilities for environmental costs are recognised when a clean-up is probable and the associated costs can be reliably estimated. The liability is measured on the basis of on the costs expected to be incurred in relation to the existing situation at the balance sheet date, considering virtually certain future developments in technology and legislation that are known.

#### SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS: DECOMMISSIONING AND RESTORATION LIABILITIES, ENVIRONMENTAL LIABILITIES AND OTHER PROVISIONS

The Group holds provisions for dismantling and removing items of property, plant and equipment, and restoring land or seabed at the end of the oil and gas production activity. Estimating obligations to dismantle, remove and restore items of property, plant and equipment is complex. It requires management to make estimates and judgments with respect to removal obligations that will come to term many years into the future and contracts and regulations are often unclear as to what constitutes removal. In addition, the ultimate financial impact of environmental laws and regulations is not always clearly known as asset removal technologies and costs constantly evolve in the countries where Eni operates, as do political, environmental, safety and public expectations.

The estimates about the timing and amount of future cash outflows, any related update as well as the related discounting are based on complex managerial judgments.

Decommissioning and restoration provisions, recognised in the financial statements, include, essentially, the present value of the expected costs for decommissioning oil and natural gas facilities at the end of the economic lives of fields, well-plugging, abandonment and site restoration of the Exploration & Production operating segment. Any decommissioning and restoration provisions associated with the other operating segments' assets, given their indeterminate settlement dates, also considering the strategy to reconvert plants in order to produce low carbon products, are recognised when it is possible to make a reliable estimate of the discounted abandonment costs. In this regard, Eni performs periodic reviews for any changes in facts and circumstances that might require recognition of a decommissioning and restoration provision.

Eni is subject to numerous EU, national, regional and local environmental laws and regulations concerning its oil and gas operations, production and other activities. They include legislations that implement international conventions or protocols. Environmental liabilities are recognised when it becomes probable that an outflow of resources will be required to settle the obligation and such obligation can be reliably estimated. On this regard, with reference to groundwater treatment plants, during the 2022, the enhancement of the know-how gained on water contamination trends, as well as the evolution of the positions of the competent authorities, have allowed the definition of a predictive model for estimating the time horizon within which the operations of those plants will be terminated and, therefore, for estimating the cost of managing and monitoring them.

The reliable determinability is verified on the basis of the available information such as, for example, the approval or filing of the environmental projects to the relevant administrative authorities or the making of a commitment to the relevant administrative authorities, where supported by adequate estimates.

Management, considering the actions already taken, insurance policies obtained to cover environmental risks and provisions already recognised, does not expect any material adverse effect on Eni's consolidated results of operations and financial position as a result of such laws and regulations. However, there can be no assurance that there will not be a material adverse impact on Eni's consolidated results of operations and financial position due to: (i) the possibility of an unknown contamination; (ii) the results of the ongoing surveys and other possible effects of statements required by applicable laws; (iii) the possible effects of future environmental legislations and rules; (iv) the effects of possible technological changes relating to future remediation; and (v) the possibility of litigation and the difficulty of determining Eni's liability, if any, against other potentially responsible parties with respect to such litigations and the possible reimbursements.

In addition to environmental and decommissioning and restoration liabilities, Eni recognises provisions primarily related to legal and trade proceedings. These provisions are estimated on the basis of complex managerial judgments related to the amounts to be recognised and the timing of future cash outflows. After the initial recognition, provisions are periodically reviewed and adjusted to reflect the current best estimate.

## Employee benefits

Employee benefits are considerations given by the Group in exchange for service rendered by employees or for the termination of employment.

Post-employment benefit plans, including informal arrangements, are classified as either defined contribution plans or defined benefit plans depending on the economic substance of the plan as derived from its principal terms and conditions. Under defined contribution plans, the Company's obligation, which consists in making payments to the State or to a trust or a fund, is determined on the basis of contributions due.

The liabilities related to defined benefit plans, net of any plan assets, are determined on the basis of actuarial assumptions and charged on an accrual basis during the employment period required to obtain the benefits.

Net interest includes the return on plan assets and the interest cost. Net interest is measured by applying to the liability, net of any plan assets, the discount rate used to calculate the present value of the liability; net interest of defined benefit plans is recognised in "Finance income (expense)".

Remeasurements of the net defined benefit liability, comprising actuarial gains and losses, resulting from changes in the actuarial assumptions used or from changes arising from experience adjustments, and the return on plan assets excluding amounts included in net interest, are recognised within the statement of comprehensive income. Remeasurements of the net defined benefit liability, recognised within other comprehensive income, are not reclassified subsequently to the profit and loss account.

Obligations for long-term benefits are determined by adopting actuarial assumptions. The effects of remeasurements are taken to profit and loss account in their entirety.

The liabilities for termination benefits are recognised at the earlier of the following dates: (a) when the entity can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that involves the payment of termination benefits. Such liabilities are measured in accordance with the nature of the employee benefit. Liabilities for termination benefits are determined applying the requirements: (i) for short-term employee benefits, if the termination benefits are expected to be settled wholly before twelve months after the end of the annual reporting period in which the termination benefits are recognised; or (ii) for long-term benefits if the termination benefits are not expected to be settled wholly before twelve months after the end of the annual reporting period.

## Share-based payments

The line item "Payroll and related costs" includes the cost of the share-based incentive plan, consistent with its actual remunerative nature. The cost of the share-based incentive plan is measured by reference to the fair value of the equity instruments granted and the estimate of the number of shares that eventually vest; the cost is recognised on an accrual basis pro rata temporis over the vesting period, that is the period between the grant date and the settlement date. The fair value of the shares underlying the incentive plan is measured at the grant date, taking into account the estimate of achievement of market conditions (e.g. Total Shareholder Return), and is not adjusted in subsequent periods; when the achievement is linked also to nonmarket conditions, the number of shares expected to vest is adjusted during the vesting period to reflect the updated estimate of these conditions. If, at the end of the vesting period, the incentive plan does not vest because of failure to satisfy the performance conditions, the portion of cost related to market conditions is not reversed to the profit and loss account.

**SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS: EMPLOYEE BENEFITS AND SHARE-BASED PAYMENTS**

Defined benefit plans are evaluated with reference to uncertain events and based upon actuarial assumptions including, among others, discount rates, expected rates of salary increases, mortality rates, estimated retirement dates and medical cost trends. The significant assumptions used to account for defined benefit plans are determined as follows: (i) discount and inflation rates are based on the market yields on high quality corporate bonds (or, in the absence of a deep market of these bonds, on the market yields on government bonds) and on the expected inflation rates in the reference currency area; (ii) the future salary levels of the individual employees are determined including an estimate of future changes attributed to general price levels (consistent with inflation rate assumptions), productivity, seniority and promotion; (iii) healthcare cost trend assumptions reflect an estimate of the actual future changes in the cost of the healthcare related benefits provided to the plan participants and are based on past and current healthcare cost trends, including healthcare inflation, changes in healthcare utilisation, changes in health status of the participants and the contributions paid to health funds; and (iv) demographic assumptions such as mortality, disability and turnover reflect the best estimate of these future events for individual employees involved.

Differences in the amount of the net defined benefit liability (asset), deriving from the remeasurements, comprising, among others, changes in the current actuarial assumptions, differences in the previous actuarial assumptions and what has actually occurred and differences in the return on plan assets, excluding amounts included in net interest, usually occur. Similar to the approach followed for the fair value measurement of financial instruments, the fair value of the shares underlying the incentive plans is measured by using complex valuation techniques and identifying, through structured judgments, the assumptions to be adopted.

## Equity instruments

### Treasury shares

Treasury shares, including shares held to meet the future requirements of the share-based incentive plans, are recognised as deductions from equity at cost. Any gain or loss resulting from subsequent sales is recognised in equity.

### Hybrid bonds

The perpetual subordinated hybrid bonds are classified in the financial statements as equity instruments considering that the issuer has the unconditional right to defer, until the date of its own liquidation, the repayment of the principal amount and the payment of accrued interest[25]. Therefore, the issuer recognises the cash received from the bondholders, net of costs incurred in issuing the hybrid bonds, as an increase in Eni owners' equity; differently, the repayments of the principal amount and the payments of accrued interest (upon the arising of the related contractual payment obligation) are accounted for as a decrease in Eni owners' equity.

## Revenue from contracts with customers

Revenue from contracts with customers is recognised on the basis of the following five steps: (i) identifying the contract with the customer; (ii) identifying the performance obligations, that are promises in a contract to transfer goods and/or services to a customer; (iii) determining the transaction price; (iv) allocating the transaction price to each performance obligation on the basis of the relative stand-alone selling prices of each good or service; and (v) recognising revenue when (or as) a performance obligation is satisfied, that is when a promised good or service is transferred to a customer. A promised good or service is transferred when (or as) the customer obtains control of it. Control can be transferred over time or at a point in time. With reference to the most important products sold by Eni, revenue is generally recognised for:

- crude oil, upon shipment;
- natural gas and electricity, upon delivery to the customer;
- petroleum products sold to retail distribution networks, upon delivery to the service stations, whereas all other sales of petroleum products are recognised upon shipment;
- chemical products and other products, upon shipment.

Revenue from crude oil and natural gas production from properties in which Eni has an interest together with other producers is recognised on the basis of the quantities actually lifted and sold (sales method); costs are recognised on the basis of the quantities actually sold.
Revenue is measured at the fair value of the consideration to which the Company expects to be entitled in exchange for transferring promised goods and/or services to a customer, excluding amounts collected on behalf of third parties. In determining the transaction price, the promised amount of consideration is adjusted for the effects of the time value of money if the timing of payments agreed to by the parties to the contract provides the customer or the entity with a significant benefit of financing the transfer of goods or services to the customer. The promised amount of consideration is not adjusted for the effect of the significant financing component if, at contract inception, it is expected that the period between the transfer of a promised good or service to a customer and when the customer pays for that good or service will be one year or less. If the consideration promised in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the promised goods and/or services to a customer; in particular, the amount of consideration can vary because of discounts, refunds, incentives, price concessions, performance bonuses, penalties or if the price is contingent on the occurrence or non-occurrence of future events.
If, in a contract, the Company grants a customer the option to acquire additional goods or services for free or at a discount (e.g. sales incentives, customer award points, etc.), this option gives rise to a separate performance obligation in the contract only if the option provides a material right to the customer that it would not receive without entering into that contract. When goods or services are exchanged for goods or services which are of a similar nature and value, the exchange is not regarded as a transaction which generates revenue. The payment of accrued interest is required upon the occurrence of events under the issuer's control such as, for example, a distribution of dividends to shareholders.

#### SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS: REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from sales of electricity and gas to retail customers includes the amount accrued for electricity and gas supplied between the date of the last invoiced meter reading (actual or estimated) of volumes consumed and the end of the year. These estimates consider information provided by the grid managers about the volumes allocated among the customers of the secondary distribution network, about the actual and estimated volumes consumed by customers, as well as internal estimates about volumes consumed by customers. Therefore, revenue is accrued as a result of a complex estimate based on the volumes distributed and allocated, communicated by third parties, likely to be adjusted, according to applicable regulations, within the fifth year following the one in which they are accrued, as well as on estimates about volumes consumed by customers. Considering the contractual obligations on the supply delivery points, revenue from sales of electricity and gas to retail customers includes costs for transportation and dispatching and in these cases the gross amount of consideration to which the Company is entitled is recognised.

## Costs

Costs are recognised when the related goods and services are sold or consumed during the year, when they are allocated on a systematic basis or when their future economic benefits cannot be identified. Costs associated with emission quotas, incurred to meet the compliance requirements (e.g. Emission Trading Scheme) and determined on the basis of market prices, are recognised in relation to the amounts of the carbon dioxide emissions that exceed free allowances. Costs related to the purchase of the emission rights that exceed the amount necessary to meet regulatory obligations are recognised as intangible assets. Revenue related to emission quotas is recognised when they are sold. Emission rights held for trading are recognised within inventories. The costs incurred on a voluntary basis for the acquisition or production of forestry certificates, also taking into account the absence of an active market, are recognised in the profit and loss account when incurred.
The costs for the acquisition of new knowledge or discoveries, the study of products or alternative processes, new techniques or models, the planning and construction of prototypes or, in any case, costs incurred for other scientific research activities or technological development, which cannot be capitalised (see also the accounting policy for "Intangible assets"), are included in the profit and loss account when they are incurred.

## Exchange differences

Revenues and costs associated with transactions in foreign currencies are translated into the functional currency by applying the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the spot exchange rate on the balance sheet date and any resulting exchange differences are included in the profit and loss account within "Finance income (expense)" or, if designated as hedging instruments for the foreign currency risk, in the same line item in which the economic effects of the hedged item are recognised. Non-monetary assets and liabilities denominated in foreign currencies, measured at

(26) Il pagamento delle cedole non è differibile in presenza di eventi sotto il controllo della società emittente, quali, ad esempio, una distribuzione di dividendi agli azionisti.

cost, are not retranslated subsequent to initial recognition. Non-monetary items measured at fair value, recoverable amount or net realisable value are retranslated using the exchange rate at the date when the value is determined.

## Dividends

Dividends are recognised when the right to receive payment of the dividend is established.
Dividends and interim dividends to owners are shown as changes in equity when the dividends are declared by, respectively, the shareholders' meeting and the Board of Directors.

## Income taxes

Current income taxes are determined on the basis of estimated taxable profit. Current income tax assets and liabilities are measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.
Deferred tax assets and liabilities are recognised for temporary differences arising between the carrying amounts of the assets and liabilities and their tax bases, based on tax rates and tax laws that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets are recognised when their recoverability is considered probable, i.e. when it is probable that sufficient taxable profit will be available in the same year as the reversal of the deductible temporary difference. Similarly, deferred tax assets for the carry-forward of unused tax credits and unused tax losses are recognised to the extent that their recoverability is probable. The carrying amount of the deferred tax assets is reviewed, at least, on an annual basis.
If there is uncertainty over income tax treatments, if the company concludes it is probable that the taxation authority will accept an uncertain tax treatment, it determines the (current and/or deferred) income taxes to be recognised in the financial statements consistent with the tax treatment used or planned to be used in its income tax filings. Conversely, if the company concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the company reflects the effect of uncertainty in determining the (current and/or deferred) income taxes to be recognised in the financial statements.
Relating to the taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint arrangements, the related deferred tax liabilities are not recognised if the investor is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets and liabilities are presented within non-current assets and liabilities and are offset at a single entity level if related to offsettable taxes. The balance of the offset, if positive, is recognised in the line item "Deferred tax assets" and, if negative, in the line item "Deferred tax liabilities". When the results of transactions are recognised in other comprehensive income or directly in equity, the related current and deferred taxes are also recognised in other comprehensive income or directly in equity.

**SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS: INCOME TAXES**

The computation of income taxes involves the interpretation of applicable tax laws and regulations in many jurisdictions throughout the world. Although Eni aims to maintain a relationship with the taxation authorities characterised by transparency, dialogue and cooperation (e.g. by not using aggressive tax planning and by using, if available, procedures intended to eliminate or reduce tax litigations), there can be no assurance that there will not be a tax litigation with the taxation authorities where the legislation could be open to more than one interpretation. The resolution of tax disputes, through negotiations with relevant taxation authorities or through litigation, could take several years to complete. The estimate of liabilities related to uncertain tax treatments requires complex judgments by management. After the initial recognition, these liabilities are periodically reviewed for any changes in facts and circumstances.
Management makes complex judgments regarding mainly the assessment of the recoverability of deferred tax assets, related both to deductible temporary differences and unused tax losses, which requires estimates and evaluations about the amount and the timing of future taxable profits.

## Assets held for sale and discontinued operations

Non-current assets and current and non-current assets included within disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or the disposal group is available for immediate sale in its present condition. When there is a sale plan involving loss of control of a subsidiary, all the assets and liabilities of that subsidiary are classified as held for sale, regardless of whether a non-controlling interest in its former subsidiary will be retained after the sale.
Non-current assets held for sale, current and non-current assets included within disposal groups that have been classified as held for sale and the liabilities directly associated with them are recognised on the balance sheet separately from other assets and liabilities.
Immediately before the initial classification of a noncurrent asset and/or a disposal group as held for sale, the non-current asset and/or the assets and liabilities in the disposal group are

measured in accordance with applicable IFRSs. Subsequently, non-current assets held for sale are not depreciated or amortised and they are measured at the lower of the fair value less costs to sell and their carrying amount. If an equity-accounted investment, or a portion of that investment meets the criteria to be classified as held for sale, it is no longer accounted for using the equity method and it is measured at the lower of its carrying amount at the date the equity method is discontinued, and its fair value less costs to sell. Any retained portion of the equity-accounted investment that has not been classified as held for sale is accounted for using the equity method until disposal of the portion that is classified as held for sale takes place.
Any difference between the carrying amount of the noncurrent assets and the fair value less costs to sell is taken to the profit and loss account as an impairment loss; any subsequent reversal is recognised up to the cumulative impairment losses, including those recognised prior to qualification of the asset as held for sale.
Non-current assets classified as held for sale and disposal groups are considered a discontinued operation if they, alternatively: (i) represent a separate major line of business or geographical area of operations; (ii) are part of a disposal program of a separate major line of business or geographical area of operations; or (iii) are a subsidiary acquired exclusively with a view to resale. The results of discontinued operations, as well as any gain or loss recognised on the disposal, are indicated in a separate line item of the profit and loss account, net of the related tax effects; the economic figures of discontinued operations are indicated also for prior periods presented in the financial statements.
If events or circumstances occur that no longer allow to classify a non-current asset or a disposal group as held for sale, the non-current asset or the disposal group is reclassified into the original line items of the balance sheet and measured at the lower of: (i) its carrying amount at the date of classification as held for sale adjusted for any depreciation, amortisation, impairment losses and reversals that would have been recognised had the asset or disposal group not been classified as held for sale, and (ii) its recoverable amount at the date of the subsequent decision not to sell.

## Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants (not in a forced liquidation or a distress sale) at the measurement date (exit price). Fair value measurement is based on the market conditions existing at the measurement date and on the assumptions of market participants (market-based measurement). A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market to which the entity has access, independently from the entity's intention to sell the asset or transfer the liability to be measured.
A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. Highest and best use is determined from the perspective of market participants, even if the entity intends a different use; an entity's current use of a non-financial asset is presumed to be its highest and best use, unless market or other factors suggest that a different use by market participants would maximise the value of the asset.
The fair value of a liability, both financial and non-financial, or of the Company's own equity instrument, in the absence of a quoted price, is measured from the perspective of a market participant that holds the identical item as an asset at the measurement date. The fair value of financial instruments takes into account the counterparty's credit risk for a financial asset (Credit Valuation Adjustment, CVA) and the Company's own credit risk for a financial liability (Debit Valuation Adjustment, DVA). In the absence of available market quotation, fair value is measured by using valuation techniques that are appropriate in the circumstances, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.
Assets and liabilities measured at fair value are categorized into the fair value hierarchy which is defined on the basis of the significance of the inputs used to measure fair value. In particular, on the basis of the features of the inputs used in the measurement, the fair value hierarchy provides for the following levels:

a) level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
b) level 2: measurement based on inputs, other than quoted prices included within the previous point, that are observable for the asset or liability under measurement, either directly or indirectly;
c) level 3: unobservable inputs for the asset or liability.

**SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS: FAIR VALUE**

Fair value measurement, although based on the best available information and on the use of appropriate valuation techniques, is inherently uncertain, requires the use of professional judgment and could result in expected values other than the actual ones.

# 2 Primary financial statements

Assets and liabilities on the balance sheet are classified as current and non-current. Items in the profit and loss account are presented by nature.
The balance sheet and the profit and loss account are the same of the ones used in the previous reporting period, except for the redenomination of the line items "Financial assets held for trading" and "Net finance income (expense) from financial assets held for trading" respectively in "Financial assets at fair value through profit or loss" and "Net finance income (expense) from financial assets at fair value through profit or loss"; such line items include, respectively, the carrying amounts and the

related profit and loss effects of the liquidity portfolio managed and evaluated on a fair value basis, as well as of the financial assets held for trading.
The statement of comprehensive income (loss) shows net profit integrated with income and expenses that are not recognised directly in the profit and loss account according to IFRSs.
The statement of changes in equity includes the total comprehensive income (loss) for the year, transactions with owners in their capacity as owners and other changes in equity.
The statement of cash flows is presented using the indirect method, whereby net profit (loss) is adjusted for the effects of non-cash transactions.

## 3 Changes in accounting policies

The amendments to IFRSs effective from January 1st, 2022 and adopted by Eni did not have a material impact on the Consolidated Financial Statements.

## 4 IFRSs not yet effective e

### IFRSs ISSUED BY THE IASB AND ADOPTED BY THE EU

By the Commission Regulation No. 2021/2036 issued by the European Commission on November 19, 2021, IFRS 17 "Insurance Contracts" (hereinafter IFRS 17), which replaces IFRS 4 "Insurance Contracts" and sets out the accounting for the insurance contracts issued and the reinsurance contracts held. IFRS 17 shall be applied for annual reporting periods beginning on or after January 1st, 2023.
By the Commission Regulation No. 2022/357 issued on March 2, 2022, the European Commission adopted:

- by the Commission Regulation No. 2021/2036 issued by the European Commission on November 19, 2021, IFRS 17 "Insurance Contracts" (hereinafter IFRS 17), which replaces IFRS 4 "Insurance Contracts" and sets out the accounting for the insurance contracts issued and the reinsurance contracts held. IFRS 17 shall be applied for annual reporting periods beginning on or after January 1st, 2023.
- by the Commission Regulation No. 2022/357 issued on March 2nd, 2022, the European Commission adopted:

By the Commission Regulation No. 2022/1392 issued on August 11, 2022, the European Commission adopted the amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction" (hereinafter the amendments), aimed to require companies to recognise deferred tax on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The amendments shall be applied for annual reporting periods beginning on or after January 1st, 2023.

### IFRSs ISSUED BY THE IASB AND NOT YET ADOPTED BY THE EU

On January 23, 2020, the IASB issued the amendments to IAS 1 "Classification of Liabilities as Current or Non-current" (hereinafter the amendments to IAS 1), which clarify how to classify debt and other liabilities as current or non-current. Further clarifications about the classification, as current or non-current, of liabilities with covenants have been provided by the amendments issued on October 31, 2022 ("Non-current Liabilities with Covenants"). The amendments to IAS 1shall be applied for annual reporting periods beginning on or after January 1st, 2024.

On September 22, 2022, the IASB issued the amendments to IFRS 16 "Lease Liability in a Sale and Leaseback" (hereinafter the amendments), aimed to clarify the subsequent measurement of lease liabilities arising from sale and leaseback transactions. The amendments shall be applied for annual reporting periods beginning on or after January 1st, 2024.

Eni is currently reviewing the IFRSs not yet adopted in order to determine the likely impact on the Consolidated Financial Statements.

# 5 Business combinations and other significant transactions

## Acquisitions

In 2022 Eni finalized acquisitions for a total consideration of €1,667 million, assuming net financial liabilities for €541 million, of which cash and cash equivalents for €31 million.

On January 12, 2022, Eni finalized the 100% acquisition of the company SKGR Energy Single Member SA (now Eni Plenitude Renewables Hellas Single Member SA), which owns a pipeline of photovoltaic projects totalling around 800 MW in Greece. The total cash consideration of the transaction amounted to €51 million with assumption of net financial liabilities for €1 million. The price allocation of net assets acquired was made on a definitive basis with recognition of goodwill for €52 million. The acquisition is part of the Plenitude business line.

On February 18, 2022, Eni finalized the acquisition of the Corazon I Solar plant with 266 MW of capacity, in Texas (USA). The transaction comprised a storage facility with a capacity of 200 to 400 MW, and the Guajillo storage project, which is expected to become operational before the end of 2023. The total cash consideration of the transaction amounted to €121 million with assumption of net financial liabilities for €88 million, of which cash and cash equivalents totaled €2 million. The price allocation of net assets acquired was made on a definitive basis without recognition of goodwill. The acquisition is part of the Plenitude business line.

On August 4, 2022, Eni finalized the acquisition of 100% of the company Energía Eólica Boreas SLU, with a generation capacity of 104.5 MW. The cash consideration of the transaction amounted to €87 million, net of €16 million advance paid in 2021, with assumption of net financial liabilities for €59 million, of which cash and cash equivalents totaled €12 million. The price allocation of net assets acquired was made on a provisional basis with recognition of goodwill for €18 million. The acquisition is part of the Plenitude business line.

On August 26, 2022, the acquisition of a 100% stake in the company Export LNG Ltd which owns the Tango FLNG floating liquefaction plant was finalized. The plant has a treatment capacity of approximately 3 million standard cubic metres/day and an LNG production capacity of approximately 0.6 million tonnes/year (approximately 1 billion standard cubic metres/year). The acquisition is part of the Exploration & Production sector.

On December 29, 2022, Eni finalized the acquisitions from Italian group PLT of PLT Energia Srl and SEF Srl, engaged in the production of electricity from renewables and in supplying energy to retail customers, with generation capacity of over 400 MW. The total cash consideration of the transactions amounted to €750 million, with a assumption of net financial liabilities for €390 million, of which the cash and cash equivalents totaled €17 million. The price allocation of net assets acquired for each transaction was made on a provisional basis with total recognition of goodwill for €412 million. These acquisitions are part of the Plenitude business line.

Balance sheet values at the acquisition date of the business combinations realized in 2022 are shown in the following table:

| (€ million) | SKGR Energy Single Member SA (now Eni Plenitude Renewables Hellas Single Member SA) | Corazon I / Guajillo | Energía Eólica Boreas SLU | Export LNG Ltd | PLT (PLT Energia Srl and SEF Srl) | Other acquisitions and business combinations | Total |
|---|---|---|---|---|---|---|---|
| Cash and cash equivalents | | 2 | 12 | | 17 | | 31 |
| Current financial assets | | | | | 11 | | 11 |
| Other current assets | | 1 | 1 | | 145 | | 147 |
| **Current assets** | | **3** | **13** | | **173** | | **189** |
| Property, plant and equipment | | 189 | 100 | 650 | 532 | 1 | 1,472 |
| Goodwill | 52 | | 18 | | 412 | | 482 |
| Other non-current assets | | 45 | 157 | | 288 | 19 | 509 |
| **Non-current assets** | **52** | **234** | **275** | **650** | **1,232** | **20** | **2,463** |
| **TOTAL ASSETS** | **52** | **237** | **288** | **650** | **1,405** | **20** | **2,652** |
| Current financial liabilities | | 3 | 4 | | 79 | | 86 |
| Other current liabilities | | 1 | | 3 | 166 | 1 | 171 |
| **Current liabilities** | | **4** | **4** | **3** | **245** | **1** | **257** |
| Non-current financial liabilities | 1 | 87 | 67 | | 339 | 3 | 497 |
| Provisions | | 7 | | | 7 | | 14 |
| Deferred tax liabilities | | | 15 | | 63 | | 78 |
| Other non-current liabilities | | 3 | 99 | | 1 | | 103 |
| **Non-current liabilities** | **1** | **97** | **181** | | **410** | **3** | **692** |
| **TOTAL LIABILITIES** | **1** | **101** | **185** | **3** | **655** | **4** | **949** |
| Equity attributable to Eni | 51 | 121 | 103 | 647 | 750 | 16 | 1,688 |
| Non-controlling interest | | 15 | | | | | 15 |
| **TOTAL EQUITY** | **51** | **136** | **103** | **647** | **750** | **16** | **1,703** |
| **TOTAL LIABILITIES AND EQUITY** | **52** | **237** | **288** | **650** | **1,405** | **20** | **2,652** |

The qualitative factors that make up the goodwill recognized within the Plenitude business line are disclosed in Note 14 – Intangible assets.

For transactions where the purchase allocations are provisional as of December 31, 2022, not all relevant information has been obtained by the Company in order to finalize related estimates of the fair values of certain assets and liabilities acquired.

Information about the definitive purchase price allocation of business combinations made in 2021 is provided in note 27 – Other Information.

## Divestments

In 2022 Eni finalized divestments for a total consideration of €10 million and acquisition of interests in joint ventures of €5,726 million, dismissing net financial liabilities for €2,085 million, of which cash and cash equivalents for €70 million.

On August 1st, 2022, bp and Eni finalized the establishment of Azule Energy Holdings Ltd, a 50/50 joint venture combining the two partners' Angolan hydrocarbon exploration and production assets. The transaction resulted in the loss of control of Eni Angola SpA, Eni Angola Exploration BV and Eni Angola Production BV which were contributed to Azule Energy Holdings Ltd in exchange of a 50% stake in the new entity and, consequently, determined the derecognition of net assets and liabilities of €5,183 million, of which net financial liabilities of €1,756 million including cash and cash equivalents of €35 million. It was determined that the fair value of these shares at the date of the transaction was €7,130 million, and the transaction resulted in a gain on disposal of €3,556 million, of which €1,778 million (50%) has been eliminated against the investment on the balance sheet and will be amortised over time. This resulted in a carrying amount of the investment of €5,352 million at the date of the transaction. A gain from the reversal of the reserve for exchange rate differences of €764 million was also recognized. Further, a former intercompany operating receivable financing to Azule Energy Holdings Ltd in the amount of €1,609 million was recognized upon loss of control; €1,310 million of this loan was repaid within 2022.

On October 14, 2022, Eni disposed of 100% of the consolidated company Eni North Sea Wind Ltd which owned a 20% interest in the Dogger Bank A, B and C projects in the United Kingdom to the Norwegian joint venture Vårgrønn AS (Eni's interest 65%). The three phases of the project (A, B and C) provide for a total installed capacity of 3.6 GW (720 MW in Vårgrønn's interest). The transaction resulted in the loss of control of Eni North Sea Wind Ltd which was contributed to Vårgrønn AS and the derecognition of net assets and liabilities of €368 million, of which net financial liabilities of €363 million, the recognition of an investment in Vårgrønn AS for €374 million, a gain of €74 million including the reversal to the income statement of the effects recognized in the comprehensive income reserves of €68 million, of which a loss from the reversal of the reserve for exchange rate differences of €33 million.

On December 29, 2022, Eni disposed of the stakes in the Pakistan operations to Prime International Oil & Gas Company, the main Pakistan power producer. The assets sold consisted of investments in eight gas development and production licenses in the Kithar Fold Belt and Middle Indus basins and four exploration licenses in the Middle Indus and Indus Offshore basins. The sale involved Eni AEP Ltd, Eni Pakistan Ltd, Eni Pakistan (M) Ltd Sàrl and Eni New Energy Pakistan (Private) Ltd and, consequently, determined the derecognition of net liabilities of €1 million, of which net financial assets of €27 million including cash and cash equivalents of €28 million, and the recognition in the income statement of a gain from the reversal of the reserve for exchange rate differences of €86 million.

Balance sheet values of the divestments and/or business combinations realized in 2022 are shown in the following table:

| (€ million) | Azule Energy Holdings Ltd | Vårgrønn AS | Assets in Pakistan | Other divestments | Total |
|---|---|---|---|---|---|
| Cash and cash equivalents | 35 | | 28 | 7 | 70 |
| Current financial assets | 221 | | | | 221 |
| Other current assets | 1,266 | | 106 | 5 | 1,377 |
| **Current assets** | **1,522** | | **134** | **12** | **1,668** |
| Property, plant and equipment | 4,358 | | 9 | 1 | 4,368 |
| Other non-current assets | 3,512 | 731 | 7 | | 4,250 |
| **Non-current assets** | **7,870** | **731** | **16** | **1** | **8,618** |
| **TOTAL ASSETS** | **9,392** | **731** | **150** | **13** | **10,286** |
| Current financial liabilities | 302 | 173 | | | 475 |
| Other current liabilities | 990 | | 58 | 3 | 1,051 |
| **Current liabilities** | **1,292** | **173** | **58** | **3** | **1,526** |
| Non-current financial liabilities | 1,710 | 190 | 1 | | 1,901 |
| Provisions | 632 | | 75 | | 707 |
| Deferred tax liabilities | 528 | | | | 528 |
| Other non-current liabilities | 47 | | 17 | 1 | 65 |
| **Non-current liabilities** | **2,917** | **190** | **93** | **1** | **3,201** |
| **TOTAL LIABILITIES** | **4,209** | **363** | **151** | **4** | **4,727** |
| Equity attributable to Eni | 5,183 | 368 | (1) | 9 | 5,559 |
| **TOTAL EQUITY** | **5,183** | **368** | **(1)** | **9** | **5,559** |
| **TOTAL LIABILITIES AND EQUITY** | **9,392** | **731** | **150** | **13** | **10,286** |

## 6 Cash and cash equivalents

Cash and cash equivalents of €10,155 million (€8,254 million at December 31, 2021) included financial assets with maturity of up to three months at the date of inception amounting to €6,804 million (€5,496 million at December 31, 2021) and mainly included deposits with financial institutions, having notice of more than 48 hours.
Expected credit losses on deposits with banks and financial institutions measured at amortized cost were immaterial.
Cash and cash equivalents mainly consisted of deposits in euros (€5,143 million) and in US dollars (€4,134 million) representing the use of cash on hand in the market for the financial needs of the Group.
Restricted cash amounted to approximately €97 million (€115 million at December 31, 2021) in relation to foreclosure measures by third parties and obligations relating to the payment of debts.
The average maturity of financial assets originally due within 3 months was 12 days with an effective interest rate of 1.75% for bank deposits in euros (€3,631 million) and 21 days with an effective interest rate of 4.43% for bank deposits in U.S. dollars (€2,581 million).

## 7 Financial assets at fair value through profit or loss

| (€ million) | December 31, 2022 | December 31, 2021 |
|---|---|---|
| **Financial assets held for trading** | | |
| Bonds issued by sovereign states | 1,244 | 1,149 |
| Other | 5,243 | 5,152 |
| | **6,487** | **6,301** |
| **Other financial assets at fair value through profit or loss** | | |
| Other | 1,764 | |
| | **8,251** | **6,301** |

The Company has established a liquidity reserve as part of its internal targets and financial strategy with a view of ensuring an adequate level of flexibility to the Group development plans and of coping with unexpected fund requirements or difficulties in accessing financial markets. The management of this liquidity reserve is performed through trading activities with the aim of optimizing returns, within a predefined and authorized level of risk threshold, targeting the preservation of the invested capital and the ability to promptly convert it into cash.
Financial assets held for trading include securities subject to lending agreements of €1,090 million (€1,398 million at December 31, 2021).
The breakdown by currency is provided below:

| (€ million) | December 31, 2022 | December 31, 2021 |
|---|---|---|
| **Financial assets held for trading** | | |
| Euro | 3,599 | 3,913 |
| U.S. dollars | 2,885 | 2,336 |
| Other currencies | 3 | 52 |
| | **6,487** | **6,301** |
| **Other financial assets at fair value through profit or loss** | | |
| Euro | 1,201 | |
| U.S. dollars | 563 | |
| | **1,764** | |
| | **8,251** | **6,301** |

The breakdown by issuing entity and credit rating is presented below:

| | Nominal value (€ million) | Fair Value (€ million) | Rating - Moody's | Rating - S&P |
|---|---|---|---|---|
| **Quoted bonds issued by sovereign states** | | | | |
| ***Fixed rate bonds*** | | | | |
| Italy | 152 | 148 | Baa3 | BBB |
| United States of America | 301 | 300 | Aaa | AA+ |
| Spain | 179 | 179 | Baa1 | A |
| Chile | 125 | 120 | A2 | A |
| France | 75 | 76 | Aa2 | AA |
| Germany | 60 | 60 | Aaa | AAA |
| Other(*) | 149 | 147 | from Aaa to A3 | from AAA to A- |
| | **1,041** | **1,030** | | |
| ***Floating rate bonds*** | | | | |
| Italy | 205 | 207 | Baa3 | BBB |
| Other | 7 | 7 | Aaa | AAA |
| | **212** | **214** | | |
| **Total quoted bonds issued by sovereign states** | **1,253** | **1,244** | | |
| | | | | |
| **Other Bonds** | | | | |
| ***Fixed rate bonds*** | | | | |
| Quoted bonds issued by industrial companies | 1,210 | 1,195 | from Aa1 to Baa3 | from AA+ to BBB- |
| Quoted bonds issued by financial and insurance companies | 804 | 762 | from Aaa to Baa3 | from AAA to BBB- |
| Other bonds | 1,041 | 1,039 | from Aaa to Baa3 | from AAA to BBB- |
| | **3,055** | **2,996** | | |
| ***Floating rate bonds*** | | | | |
| Quoted bonds issued by industrial companies | 643 | 647 | from Aa2 to Baa3 | from AA to BBB- |
| Quoted bonds issued by financial and insurance companies | 998 | 988 | from Aa1 to Baa3 | from AA+ to BBB- |
| Other bonds | 610 | 612 | from Aaa to Baa2 | from AAA to BBB |
| | **2,251** | **2,247** | | |
| **Total other bonds** | **5,306** | **5,243** | | |
| **Total other financial assets held for trading** | **6,559** | **6,487** | | |
| **Other financial assets at fair value through profit or loss** | **1,781** | **1,764** | Aaa | AAA |
| | **8,340** | **8,251** | | |

(*) Amounts included herein are lower than €50 million.

Other financial assets at fair value through profit or loss consisted of investments in Money Market funds.
The fair value hierarchy is level 1 for €4,749 million and level 2 for €3,502 million. During 2022, there were no significant transfers between the different hierarchy levels of fair value.

# 8 Trade and other receivables

| (€ million) | December 31, 2022 | December 31, 2021 |
|---|---|---|
| Trade receivables | 16,556 | 15,524 |
| Receivables from divestments | 301 | 8 |
| Receivables from joint ventures in exploration and production activities | 1,645 | 1,888 |
| Other receivables | 2,338 | 1,430 |
| | **20,840** | **18,850** |

Generally, trade receivables do not bear interest and provide payment terms within 180 days.
The increase in trade receivables of €1,032 million referred to the segments Refining & Marketing and Chemical for €408 million, Plenitude & Power for €313 million, Global Gas & LNG Portfolio for €350 million, and reflected the noticeable increase in the prices of energy commodities which increased the nominal value of the receivables.
At December 31, 2022, Eni divested without recourse receivables due in 2023 with a nominal value of €2,212 million (€2,059 million at December 31, 2021 due in 2022). Derecognized receivables in 2022 related to the segments Global Gas & LNG Portfolio for €970 million, Refining & Marketing and Chemical segment for €928 million and Plenitude & Power segment for €314 million.
At December 31, 2022, a trade receivable for the supply of natural gas to the customer Acciaierie d'Italia (ex-ILVA) was outstanding for an amount of €373 million, past due and subject to a repayment plan. A parent company guarantee has been issued by the shareholders of the debtor, which cover the entire amount of the receivable. A risk provision was accrued to account for the time value of the receivable and other counterparty risks, reflecting a higher probability of default of commercial partners in the current economic environment.
Receivables from joint ventures in exploration and production activities included amounts past due of €611 million (€681 million at December 31, 2021) in connection with Eni's activities in Nigeria. Those receivables were in respect to the share of development costs of the joint operators in oil projects operated by Eni, where the Company was bearing upfront all the costs of the initiative and was billing the partners'share through a cash call mechanism. At the balance sheet date, the overdue amount relating to net receivables due to Eni by the Nigerian state oil company NNPC was €475 million (€474 million at December 31, 2021). Approximately a quarter of this amount related to past receivables covered by a repayment plan which was awarding Eni the share of profit oil of the state-owned company in low-risk "rig-less" development initiatives with total collection expected by 2024. The residual credit at the end of the year has been discounted. The remaining amounts relate to the net receivables accrued for 2022 operations.
In 2022, a cash call exposure towards a privately held Nigerian oil company amounted to €242 million (€195 million at December 31, 2021), whose amounts were stated net of a provision based on the loss given default (LGD) estimated by Eni for defaulting international oil companies. During 2022, the partner suspended the payments of the cash calls, claiming inaccuracy of the billed amounts. Arbitration procedures have been started for the resolution of the dispute.
Receivables from other counterparties comprised several miscellaneous items. The largest amounts were: (i) the recoverable amount of €566 million (€538 million at December 31, 2021) of overdue trade receivables owed to Eni by the state-owned oil company of Venezuela, PDVSA, in relation to equity volumes of natural gas supplied by the joint venture Cardón IV, equally participated by Eni and Repsol. Those trade receivables were divested by the joint venture to the two shareholders. The receivables were stated net of an allowance for doubtful accounts, calculated with an expected credit loss rate of about 53% to discount the sovereign default risk assuming a structural delay in collecting natural gas invoices. This risked ratio was applied to assess recoverability of the carrying amount of the investment and of the long-term interest in the initiative, as described in note 17 – Other financial assets. During the year, under the approval of US authorities within the context of the sanctions framework against Venezuela, receivable from offsetting-transaction operations were carried out by lifting crude oil volumes of PDVSA for 3.1 million barrels, thus capping the expected increase in overdue amounts; (ii) €309 million of receivables owed to Eni by Italian local distributors of natural gas and electricity to account for the financial support granted by the Italian State to low-income households by reducing the burden of energy bills, resulting in the Company collecting lower amounts than what has been billed to natural gas and electricity customers with the balance due to be reimbursed by distributors; (iii) prepayments for services of €278 million (€208 million at December 31, 2021); (iv) €239 million of the amounts to be received from customers following the triggering of the take-or-pay clause of long-term natural gas supply contracts; (v) €193 million of receivables from factoring companies. The remaining amount was composed of miscellaneous balances for approximately €753 million.
Trade and other receivables stated in euro and U.S. dollars amounted to €13,650 million and €6,102 million, respectively.

Credit risk exposure and expected losses relating to trade and other receivables has been prepared on the basis of internal ratings as follows:

| (€ million) | Performing receivables | | | Defaulted receivables | Plenitude customers | Total |
|---|---|---|---|---|---|---|
| | Low risk | Medium Risk | High Risk | | | |
| **December 31, 2022** | | | | | | |
| Business customers | 4,815 | 7,970 | 378 | 1,583 | | 14,746 |
| National Oil Companies and Public Administrations | 215 | 852 | | 2,248 | | 3,315 |
| Other counterparties | 1,673 | 725 | 13 | 122 | 3,200 | 5,733 |
| **Gross amount** | **6,703** | **9,547** | **391** | **3,953** | **3,200** | **23,794** |
| Allowance for doubtful accounts | (23) | (169) | (15) | (2,176) | (571) | (2,954) |
| **Net amount** | **6,680** | **9,378** | **376** | **1,777** | **2,629** | **20,840** |
| Expected loss (% net of counterpart risk mitigation factors) | 0.4 | 1.8 | 3.8 | 55.0 | 17.8 | 12.4 |
| **December 31, 2021** | | | | | | |
| Business customers | 4,348 | 6,628 | 818 | 1,560 | | 13,354 |
| National Oil Companies and Public Administrations | 331 | 884 | 1 | 2,674 | | 3,890 |
| Other counterparties | 1,854 | 311 | 16 | 137 | 2,601 | 4,919 |
| **Gross amount** | **6,533** | **7,823** | **835** | **4,371** | **2,601** | **22,163** |
| Allowance for doubtful accounts | (25) | (416) | (69) | (2,209) | (594) | (3,313) |
| **Net amount** | **6,508** | **7,407** | **766** | **2,162** | **2,007** | **18,850** |
| Expected loss (% net of counterpart risk mitigation factors) | 0.4 | 5.3 | 8.3 | 50.5 | 22.8 | 14.9 |

The classification of the Company's customers and counterparties and the definition of the classes of counterparty risk are disclosed in note 1 – Significant accounting policies, estimates and judgments.
The assessments of the recoverability of trade receivables for the supply of hydrocarbons, products and power to retail, business customers and national oil companies and of receivables towards joint operators of the Exploration & Production segment for cash calls (national oil companies, local private operators or international oil companies) are reviewed at each annual deadline to reflect the current economic environment and business trends, as well as any possible increase in the counterparty risks. The gradual recovery of worldwide economies from the fallout caused by COVID-19 crisis and the improvement in the oil scenario have lessened the debt burden of many state oil companies, with the exception of Venezuela due to specific factors relating to the sanctioning framework. On the other hand, the significant increase in the prices of natural gas and electricity significantly increased the Company's exposures towards large industrial accounts, requiring an upward revision in the credit loss rate to incorporate an increased economic risk. With regard to customers of the Plenitude business line, the recoverability assessment was based on the most updated information relating the performance in credit collection and the ageing of overdue amounts.

The exposure to credit risk and expected losses relating to customers of Plenitude was assessed based on a provision matrix as follows:

| (€ million) | Not-past due | Ageing from 0 to 3 months | from 3 to 6 months | from 6 to 12 months | over 12 months | Total |
|---|---|---|---|---|---|---|
| **December 31, 2022** | | | | | | |
| Plenitude customers: | | | | | | |
| - Retail | 1,508 | 74 | 35 | 63 | 203 | 1,883 |
| - Middle | 657 | 33 | 11 | 7 | 162 | 870 |
| - Other | 436 | 1 | 5 | 4 | 1 | 447 |
| **Gross amount** | **2,601** | **108** | **51** | **74** | **366** | **3,200** |
| Allowance for doubtful accounts | (83) | (31) | (31) | (66) | (360) | (571) |
| **Net amount** | **2,518** | **77** | **20** | **8** | **6** | **2,629** |
| Expected loss (%) | 3.2 | 28.7 | 60.8 | 89.2 | 98.4 | 17.8 |
| **December 31, 2021** | | | | | | |
| Plenitude customers: | | | | | | |
| - Retail | 1,291 | 70 | 55 | 92 | 337 | 1,845 |
| - Middle | 424 | 22 | 5 | 7 | 188 | 646 |
| - Other | 57 | 43 | 6 | 1 | 3 | 110 |
| **Gross amount** | **1,772** | **135** | **66** | **100** | **528** | **2,601** |
| Allowance for doubtful accounts | (63) | (22) | (27) | (52) | (430) | (594) |
| **Net amount** | **1,709** | **113** | **39** | **48** | **98** | **2,007** |
| Expected loss (%) | 3.6 | 16.3 | 40.9 | 52.0 | 81.4 | 22.8 |

The following table analyses the allowance for doubtful accounts for trade and other receivables:

| (€ million) | 2022 | 2021 |
|---|---|---|
| **Allowance for doubtful accounts - beginning of the year** | **3,313** | **3,157** |
| Additions for trade and other performing receivables | 166 | 202 |
| Additions for trade and other defaulted receivables | 253 | 348 |
| Utilizations for trade and other performing receivables | (37) | (135) |
| Utilizations for trade and other defaulted receivables | (758) | (421) |
| Other changes | 17 | 162 |
| **Allowance for doubtful accounts - end of the year** | **2,954** | **3,313** |

The allowance for doubtful accounts was determined considering mitigation factors of the counterparty risk amounting to €5,744 million (€5,350 million at December 31, 2021), which included escrow accounts, insurance policies, sureties and bank guarantees.
Additions to allowance for doubtful accounts for trade and other performing receivables related to: (i) the Global Gas & LNG Portfolio segment for €70 million (€94 million in 2021) as a consequence of the noticeable increase in the exposure due to market conditions; (ii) the Plenitude business line for €61 million (€71 million in 2021), mainly in the retail business.
Additions to allowance for doubtful accounts for trade and other defaulted receivables related to: (i) the Exploration & Production segment for €122 million (€229 million in 2021) for receivables towards joint operators, state oil companies and local private companies for cash calls in oil projects operated by Eni; (ii) to the Plenitude business line for €99 million (€101 million in 2021), particularly in the retail business.
Utilizations of allowance for doubtful accounts for trade and other performing and defaulted receivables amounted to €795 million and mainly related to: (i) the Exploration & Production segment for €455 million of unused provisions primarily due to the settlement of a dispute relating to the recognition of past investment costs by the state-owned company NNPC in Nigeria, which were completely provisioned in previous reporting periods. Other utilizations were made to consider the in-kind reimbursement of part of the overdue receivables owed to Eni by the state-owned company PDVSA in Venezuela during the year; (ii) the Plenitude business line for €184 million, in particular utilizations against charges of €121 million.

Net (impairments) reversals of trade and other receivables are disclosed as follows:

| (€ million) | 2022 | 2021 | 2020 |
|---|---|---|---|
| New or increased provisions | (419) | (550) | (343) |
| Net credit losses | (81) | (66) | (36) |
| Reversals | 547 | 337 | 153 |
| **Net (impairments) reversals of trade and other receivables** | **47** | **(279)** | **(226)** |

Receivables with related parties are disclosed in note 36 – Transactions with related parties.

## 9 Current and non-current inventories

Current inventories are disclosed as follows:

| (€ million) | December 31, 2022 | December 31, 2021 |
|---|---|---|
| Raw and auxiliary materials and consumables | 1,228 | 1,001 |
| Components and spare parts for drilling operations, plans and equipment | 1,515 | 1,611 |
| Finished products and goods | 4,962 | 3,452 |
| Other | 4 | 8 |
| **Current inventories** | **7,709** | **6,072** |

Raw and auxiliary materials and consumables include oil-based feedstock and other consumables pertaining to refining and chemical activities.
Components to be consumed in drilling activities and spare parts of the Exploration & Production segment amounted to €1,387 million (€1,481 million at December 31, 2021).
Finished products and goods included natural gas and oil products for €3,818 million (€2,414 million at December 31, 2021) and chemical products for €790 million (€626 million at December 31, 2021).
Inventories are stated net of write-down provisions of €672 million (€570 million at December 31, 2021).
Non-current inventories of €1,786 million (€1,053 million at December 31, 2021) are held for compliance purposes and related to Italian subsidiaries for €1,764 million (€1,032 million at December 31, 2021) in accordance with minimum stock requirements for oil and petroleum products set forth by applicable laws.
The increase in current and non-current inventories was essentially due to the recovery in oil and hydrocarbons prices.
Natural gas inventories of €750 million were pledged to guarantee the potential imbalance exposure towards Snam SpA.

## 10 Income tax receivables and payables

| | December 31, 2022 | | | | December 31, 2021 | | | |
|---|---|---|---|---|---|---|---|---|
| | Receivables | | Payables | | Receivables | | Payables | |
| (€ million) | Current | Non-current | Current | Non-current | Current | Non-current | Current | Non-current |
| Income taxes | 317 | 114 | 2,108 | 253 | 195 | 108 | 648 | 374 |

Income taxes are described in note 33 — Income taxes.
Non-current income tax payables include the likely outcome of pending litigation with tax authorities in relation to uncertain tax matters relating to foreign subsidiaries of the Exploration & Production segment for €206 million (€230 million at December 31, 2021).

# 11 Other assets and liabilities

| | December 31, 2022 | | | | December 31, 2021 | | | |
|---|---|---|---|---|---|---|---|---|
| | Assets | | Liabilities | | Assets | | Liabilities | |
| (€ million) | Current | Non-current | Current | Non-current | Current | Non-current | Current | Non-current |
| Fair value of derivative financial instruments | 11,076 | 129 | 9,042 | 286 | 12,460 | 51 | 12,911 | 115 |
| Contract liabilities | | | 1,145 | 706 | | | 482 | 726 |
| Other Taxes | 807 | 157 | 1,463 | 34 | 442 | 182 | 1,435 | 27 |
| Other | 938 | 1,950 | 823 | 2,208 | 732 | 796 | 928 | 1,378 |
| | 12,821 | 2,236 | 12,473 | 3,234 | 13,634 | 1,029 | 15,756 | 2,246 |

The fair value related to derivative financial instruments is disclosed in note 24 – Derivative financial instruments and hedge accounting.
Assets related to other taxes included VAT for €569 million, of which €432 million are current, and advances made in December (€498 million at December 31, 2021, of which €340 million current).
Other assets included: (i) Tax credits current of €366 million (€110 million at December 31, 2021) and non-current of €903 million (€324 million at December 31, 2021) deriving from certain Italian tax measures to incentivize the renovation of residential buildings and energy saving by entitling contractors with a credit equal to the whole amount of works. The activity of building renovation was being performed by the subsidiary Plenitude who has been acting as lead contractor in many of those works. Those tax credits can be used to offset the settlement of income and other taxes; (ii) gas volumes prepayments that were made in previous years due to the take-or-pay obligations in relation to the Company's long-term supply contracts, whose underlying current portion Eni plans to recover within the next 12 months for €41 million (same amount as of December 31, 2021), and beyond 12 months for €357 million (€94 million at December 31, 2021); (iii) current underlifting positions of the Exploration & Production segment of €239 million (€316 million at December 31, 2021); (iii) non-current receivables for investing activities for €23 million (same amount as of December 31, 2021). The remaining amount was composed of miscellaneous items, of which €292 million current and €667 million non current.
Contract liabilities included: (i) advances received from customers for future gas supplies for €538 million (€77 million at December 31, 2021); (ii) advances received from Società Oleodotti Meridionali SpA for the infrastructure upgrade of the crude oil transport system at the Taranto refinery for €430 million (€391 million at December 31, 2021); (iii) prepaid electronic fuel vouchers for €338 million (€242 million at December 31, 2021); (iv) advances received from Engie SA (former Suez) relating to a long-term agreement for supplying natural gas and electricity. The current portion amounted to €58 million (€60 million at December 31, 2021), the non-current portion amounted to €275 million (€333 million at December 31, 2021). The remaining amount was composed of miscellaneous items, essentially current, of €212 million.
Revenues recognized during the year related to contract liabilities stated at December 31, 2022 are indicated in note 29 – Revenues and other income.
Liabilities related to other current taxes include excise duties and consumer taxes for €613 million (€700 million at December 31, 2021) and VAT liabilities for €332 million (€248 million at December 31, 2021).
Other liabilities included: (i) non-current payables to factoring companies connected with the transfer of the abovementioned tax credit for €758 million (€240 million at December 31, 2021); (ii) current overlifting imbalances of the Exploration & Production segment for €479 million (€630 million at December 31, 2021); (iii) the value of gas paid and undrawn by customers due to the triggering of the take-or-pay clause provided for by the relevant long-term contracts for €443 million (€112 million at December 31, 2021), of which the underlying volumes are expected to be drawn within the next 12 months for €85 million (€73 million at December 31, 2021) and beyond 12 months for €358 million (€39 million at December 31, 2021); (iv) prepaid revenues and deferred income of which current for €104 million (€90 million at December 31, 2021) and non-current for €247 million (€271 million at December 31, 2021); (v) non-current cautionary deposits for €305 million (€268 million at December 31, 2021), of which €222 million from retail customers for the supply of gas and electricity (€223 million at December 31, 2021); (vi) payables related to investing activities for €83 million (€103 million at December 31, 2021) of which non-current for €79 million and current for €4 million. The remaining amount was composed of miscellaneous items, of which €151 million current and €461 million non-current.
Transactions with related parties are described in note 36 — Transactions with related parties.

## 12 Property, plant and equipment

| (€ million) | Land and buildings | E&P wells, plant and machinery | Other plant and machinery | E&P exploration assets and appraisal | E&P tangible assets in progress | Other tangible assets in progress and advances | Total |
|---|---|---|---|---|---|---|---|
| **2022** | | | | | | | |
| **Net carrying amount - beginning of the year** | **1,071** | **42,342** | **3,850** | **1,244** | **6,545** | **1,247** | **56,299** |
| Additions | 22 | 132 | 456 | 655 | 5,471 | 964 | 7,700 |
| Depreciation capitalized | | | | 11 | 179 | | 190 |
| Depreciation(*) | (51) | (5,467) | (554) | | | | (6,072) |
| Reversals | 3 | 40 | 191 | | 141 | 38 | 413 |
| Impairments | (21) | (313) | (485) | | (149) | (414) | (1,382) |
| Write-off | (1) | | (2) | (365) | (218) | | (586) |
| Currency translation differences | 2 | 2,422 | 55 | 74 | 364 | 9 | 2,926 |
| Initial recognition and changes in estimates | | (173) | 2 | (7) | 98 | | (80) |
| Changes in the scope of consolidation - included entities | 9 | 650 | 695 | | | 118 | 1,472 |
| Changes in the scope of consolidation - excluded entities | (1) | (3,687) | (6) | (119) | (546) | | (4,359) |
| Transfers | 41 | 4,403 | 425 | (149) | (4,254) | (466) | |
| Other changes | 14 | 143 | (347) | 1 | (4) | 4 | (189) |
| **Net carrying amount - end of the year** | **1,088** | **40,492** | **4,280** | **1,345** | **7,627** | **1,500** | **56,332** |
| Gross carrying amount - end of the year | 4,255 | 143,433 | 31,327 | 1,345 | 11,787 | 3,665 | 195,812 |
| Provisions for depreciation and impairments | 3,167 | 102,941 | 27,047 | | 4,160 | 2,165 | 139,480 |
| **2021** | | | | | | | |
| **Net carrying amount - beginning of the year** | **1,128** | **39,648** | **3,299** | **1,341** | **7,118** | **1,409** | **53,943** |
| Additions | 18 | 8 | 277 | 380 | 3,413 | 854 | 4,950 |
| Depreciation capitalized | | | | 28 | 90 | | 118 |
| Depreciation(*) | (49) | (5,421) | (496) | | | | (5,966) |
| Reversals | | 1,080 | 118 | | 337 | | 1,535 |
| Impairments | (101) | (90) | (768) | | (85) | (582) | (1,626) |
| Write-off | (1) | | (2) | (331) | (18) | | (352) |
| Currency translation differences | 2 | 2,956 | 66 | 106 | 546 | 12 | 3,688 |
| Initial recognition and changes in estimates | | 200 | | (9) | 4 | | 195 |
| Changes in the scope of consolidation | 22 | | 1,001 | (199) | (1,119) | 43 | (252) |
| Transfers | 50 | 3,841 | 409 | (44) | (3,797) | (459) | |
| Other changes | 2 | 120 | (54) | (28) | 56 | (30) | 66 |
| **Net carrying amount - end of the year** | **1,071** | **42,342** | **3,850** | **1,244** | **6,545** | **1,247** | **56,299** |
| Gross carrying amount - end of the year | 4,175 | 149,117 | 30,618 | 1,244 | 10,485 | 3,107 | 198,746 |
| Provisions for depreciation and impairments | 3,104 | 106,775 | 26,768 | | 3,940 | 1,860 | 142,447 |

(*) Before capitalization of depreciation of tangible assets.

Capital expenditures included capitalized finance expenses of €38 million (€68 million in 2021) related to the Exploration & Production segment for €22 million (€54 million in 2021) at an interest rate of 2.1% (0.4% to 2.1% at December 31, 2021).

Capital expenditures primarily related to the Exploration & Production segment for €6,295 million (€3,843 million in 2021).

Expenditures to purchase plant and equipment from suppliers whose payment terms matched classification as financing payables, have been recognized among other changes (€61 million).

Capital expenditures by industry segment and geographical area of destination are reported in note 35 – Segment information and information by geographical area.

Depreciation other than that of Oil & Gas plants, relating to biorefineries, petrochemical plants, thermoelectric plants, photovoltaic or wind power systems, and other ancillary assets are calculated on a straight-line basis, based on their economic-technical lives. The main depreciation rates adopted are included in the following ranges and have remained unchanged compared to 2021:

| (%) | |
|---|---|
| Buildings | 2 - 10 |
| Refining and chemical plants | 3 - 17 |
| Gas pipelines and compression stations | 4 - 12 |
| Power plants | 3 - 5 |
| Other plant and machinery | 6 - 12 |
| Industrial and commercial equipment | 5 - 25 |
| Other assets | 10 - 20 |

Plants and equipment used in the extraction and treatment of hydrocarbons were depreciated according to the UOP method, where depreciation depends on production of the estimated proved reserves according to the US Securities & Exchange Commission "SEC" criteria (see note 1 – Accounting standards, accounting estimates and significant judgements, section Valuation criteria – Mining activity – UOP depreciation). The production plans associated with the existing assets would gradually deplete the SEC proved reserves recorded at the balance sheet date, which are expected to be produced within about ten years.

Asset impairment losses were recognized at petrochemical plants for production of basic chemicals and intermediates (€385 million) due to lower future expected cash flows driven by a deteriorated industry outlook and Oil & Gas properties (€279 million) due to downward reseves and costs revisions. Pre-development costs related to projects considered no longer economical (€190 million) were written-off, as expenditures incurred for compliance and stay-in-business at CGUs of the refining sector, which were impaired in previous reporting periods and continued lacking any profitability prospects (€330 million). More information about Eni's impairment review and the sensitivity of the outcome to different commodities scenarios is reported in note 15 – Reversals (Impairments) of tangible and intangible assets and right-of-use assets.

Currency translation differences related to subsidiaries utilizing the U.S. dollar as functional currency (€2,971 million).

Initial recognition and change in estimates include the decrease in the asset retirement cost of the tangible assets of the Exploration & Production sector, mainly due to discounting factors and the derecognition of the activities in Angola, partially offset by revised estimates of future decommissioning and restoration costs and recognition of social projects costs to be incurred in relation to the commitments undertaken between Eni SpA and the Basilicata region in relation to the oil development program in the Val d'Agri concession area.

Changes in the scope of consolidation related: (i) for €4,358 million to the derecognition of Eni Angola SpA, Eni Angola Exploration BV and Eni Angola Production BV which were contributed to the joint venture Azule Energy Holdings Ltd; (ii) for €650 million to the acquisition of the company Export LNG Ltd, owner of the Tango FLNG floating liquefaction vessel that is expected to be deployed in Congo, as part of a natural gas development project in Block Marine XII; (iii) to the acquisition for €532 million of PLT Energia Srl and SEF Srl engaged in the production of electricity from renewable sources and in the supply of energy to retail customers; (iv) for €189 million to the companies acquired as part of the Corazon and Guajillo projects; (iv) for €100 million to the acquisition of the company Energía Eólica Boreas SLU. More information on business combinations is provided in note 5 – Business combinations and other significant transactions.

Other changes in other tangible assets related for €169 million to the definitive allocation of the purchase price of some acquisitions made in previous year for which the allocation of the price was made on a provisional basis.

Transfers from E&P tangible assets in progress to E&P UOP wells, plant and equipment related for €4,190 million to the commissioning of wells, plants and machinery primarily in United States, Mexico, Egypt, Kazakhstan, Congo, Iraq, Italy and Nigeria.

In 2022, exploration and appraisal activities decreased by €365 million due to the write-offs of the capitalized costs of exploration wells in progress and completed pending economic and technical evaluation which were found to be unsuccessful, relating to initiatives in Libya, Egypt, Ivory Coast, Vietnam and Kenya.

Exploration and appraisal activities related for €1,085 million to the costs of suspended exploration wells pending final determination of commerciality based on management's continuing commitment and for €253 million to costs of exploration wells in progress at the end of the year. Changes relating to suspended wells are reported below:

| (€ million) | 2022 | 2021 | 2020 |
|---|---|---|---|
| **Costs for exploratory wells suspended - beginning of the year** | **1,101** | **1,268** | **1,246** |
| Increases for which is ongoing the determination of proved reserves | 547 | 288 | 408 |
| Amounts previously capitalized and expensed in the year | (374) | (286) | (226) |
| Reclassification to successful exploratory wells following the estimation of proved reserves | (147) | (43) | (48) |
| Disposals | (2) | (3) | |
| Changes in the scope of consolidation | (114) | (199) | |
| Currency translation differences | 65 | 100 | (112) |
| Other changes | 9 | (24) | |
| **Costs for exploratory wells suspended - end of the year** | **1,085** | **1,101** | **1,268** |

The following information relates to the stratification of the suspended wells pending final determination (ageing):

| | 2022 | | 2021 | | 2020 | |
|---|---|---|---|---|---|---|
| | (€ million) | (number of wells in Eni's interest) | (€ million) | (number of wells in Eni's interest) | (€ million) | (number of wells in Eni's interest) |
| **Costs capitalized and suspended for exploratory well activity** | | | | | | |
| - within 1 year | 216 | 5.0 | 175 | 4.0 | 157 | 6.7 |
| - between 1 and 3 years | 246 | 4.9 | 269 | 12.2 | 250 | 11.0 |
| - beyond 3 years | 623 | 13.9 | 657 | 19.7 | 861 | 19.3 |
| | **1,085** | **23.8** | **1,101** | **35.9** | **1,268** | **37.0** |
| **Costs capitalized for suspended wells** | | | | | | |
| - fields including wells drilled over the last 12 months | 204 | 4.5 | 175 | 4.0 | 157 | 6.7 |
| - fields for which the delineation campaign is in progress | 579 | 11.3 | 567 | 17.9 | 631 | 14.9 |
| - fields including commercial discoveries that are progressing to a FID | 302 | 8.0 | 359 | 14.0 | 480 | 15.4 |
| | **1,085** | **23.8** | **1,101** | **35.9** | **1,268** | **37.0** |

Suspended wells costs awaiting a final investment decision amounted to €302 million and primarily related to initiatives in the main countries of presence (Nigeria, Egypt, Indonesia, Congo and Algeria).
Unproved mineral interests, comprised in assets in progress of the Exploration & Production segment, include the purchase price allocated to unproved reserves following business combinations or acquisition of individual properties. Unproved mineral interests were as follows:

| (€ million) | Congo | Nigeria | Turkmenistan | USA | Algeria | Egypt | United Arab Emirates | Italy | Total |
|---|---|---|---|---|---|---|---|---|---|
| **2022** | | | | | | | | | |
| **Carrying amount - beginning of the year** | **218** | **892** | **3** | **68** | **114** | **16** | **508** | | **1,819** |
| Additions | | 11 | | | 110 | (2) | | 2 | 121 |
| Net (impairments) reversals | (28) | | 93 | (56) | | | | | 9 |
| Reclassification to Proved Mineral Interest | (6) | | | | (19) | (12) | (19) | | (56) |
| Currency translation differences | 14 | 55 | (1) | 4 | 6 | 1 | 31 | | 110 |
| **Carrying amount - end of the year** | **198** | **958** | **95** | **16** | **211** | **3** | **520** | **2** | **2,003** |
| | | | | | | | | | |
| **2021** | | | | | | | | | |
| **Carrying amount - beginning of the year** | **203** | **860** | | **114** | **100** | **18** | **468** | | **1,763** |
| Additions | | | | 3 | 6 | | | | 9 |
| Net (impairments) reversals | (1) | | 3 | 35 | | (2) | | | 35 |
| Reclassification to Proved Mineral Interest | | (48) | | (92) | | (1) | | | (141) |
| Currency translation differences | 16 | 80 | | 8 | 8 | 1 | 40 | | 153 |
| **Carrying amount - end of the year** | **218** | **892** | **3** | **68** | **114** | **16** | **508** | | **1,819** |

Unproved mineral interests comprised the Oil Prospecting License 245 property ("OPL 245"), offshore Nigeria, for €920 million corresponding to the price paid in 2011 to the Nigerian Government to acquire a 50% interest in the asset. As of December 31, 2022, the net book value of the property was €1,250 million, including capitalized exploration costs and pre-development costs. The management considers that the legal risks due to allegations of international corruption in respect of the Resolution Agreement signed on April 29, 2011 by Eni to acquire the license have significantly declined following a favorable outcome of the judicial proceeding before an Italian court. A proceeding featuring an alleged indirect involvement of Eni's subsidiary operating in Nigeria regarding OPL 245 is still pending before a Nigerian Court as disclosed in note 28 – Guarantees, Commitments and Risks – Legal proceedings. The exploration period of the license OPL 245 expired on May 11, 2021. Eni has applied for the conversion of the license into an Oil Mining Lease (OML) before the relevant Nigerian authorities to start the development of the reserves, having verified the contractual requirements and compliance with all terms and conditions. Given the inaction of the Nigerian authorities and a continuing deadlock, in 2020 Eni started an arbitration before an ICSID tribunal, the International Centre for Settlement of Investment Disputes, to preserve the value of the investment, claiming compensation of the asset's fair value. Eni believes to have solid arguments to support its claims and, on this basis, management has evaluated the book value of the assets to be recoverable. The asset recoverability has been also tested by estimating the asset's value-in-use assuming its conversion and the development of the reserves and discounting the expected cash flows at the country WACC (8%), also stress-testing the outcome by assuming further delays in the start-up of the activities.

Accumulated provisions for impairments amounted to €21,715 million (€20,796 million at December 31, 2021).

Property, plant and equipment include assets subject to operating leases for €380 million, essentially relating to service stations of the Refining & Marketing business line.

As of December 31, 2022, Eni pledged property, plant and equipment for €24 million to guarantee payments of excise duties (same amount as of December 31, 2021).

Government grants recorded as a decrease of property, plant and equipment amounted to €115 million (€105 million at December 31, 2021).

Contractual commitments related to the purchase of property, plant and equipment are disclosed in note 28 – Guarantees, commitments and risks — Liquidity risk.

Property, plant and equipment under concession arrangements are described in note 28 – Guarantees, commitments and risks.

## 13 Right-of-use assets and lease liabilities

| (€ million) | Floating production storage and offloading vessels (FPSO) | Drilling rig | Naval facilities and related logistic bases for oil and gas transportation | Motorway concessions and service stations | Oil and gas distribution facilities | Office buildings | Vehicles | Other | Total |
|---|---|---|---|---|---|---|---|---|---|
| **2022** | | | | | | | | | |
| **Net carrying amount - beginning of the year** | **2,667** | **183** | **575** | **454** | **14** | **618** | **48** | **262** | **4,821** |
| Additions | 1,342 | 189 | 530 | 76 | 28 | 108 | 21 | 110 | 2,404 |
| Depreciation(*) | (226) | (197) | (303) | (70) | (13) | (130) | (21) | (53) | (1,013) |
| Impairments | | | (5) | | (5) | | (1) | (7) | (18) |
| Reversals | | | 14 | | | | | | 14 |
| Currency translation differences | 239 | 12 | 10 | 3 | | 3 | | | 267 |
| Changes in the scope of consolidaion | (1,878) | (34) | (39) | | | (1) | | 73 | (1,879) |
| Other changes | (2) | (5) | (100) | (6) | (5) | (3) | (5) | (24) | (150) |
| **Net carrying amount - end of the year** | **2,142** | **148** | **682** | **457** | **19** | **595** | **42** | **361** | **4,446** |
| Gross carrying amount - end of the year | 2,507 | 516 | 1,360 | 734 | 87 | 1,010 | 86 | 562 | 6,862 |
| Provisions for depreciation and impairment | 365 | 368 | 678 | 277 | 68 | 415 | 44 | 201 | 2,416 |
| **2021** | | | | | | | | | |
| **Net carrying amount - beginning of the year** | **2,672** | **244** | **446** | **424** | **11** | **652** | **32** | **162** | **4,643** |
| Additions | | 215 | 583 | 104 | 23 | 34 | 40 | 105 | 1,104 |
| Depreciation(*) | (217) | (170) | (274) | (63) | (11) | (122) | (22) | (49) | (928) |
| Impairments | | | (25) | (6) | (14) | | | (14) | (59) |
| Currency translation differences | 213 | 12 | 11 | 3 | | 8 | | 6 | 253 |
| Changes in the scope of consolidaion | | | | | | (6) | | 116 | 110 |
| Other changes | (1) | (118) | (166) | (8) | 5 | 52 | (2) | (64) | (302) |
| **Net carrying amount - end of the year** | **2,667** | **183** | **575** | **454** | **14** | **618** | **48** | **262** | **4,821** |
| Gross carrying amount - end of the year | 3,366 | 572 | 1,268 | 666 | 66 | 948 | 84 | 433 | 7,403 |
| Provisions for depreciation and impairment | 699 | 389 | 693 | 212 | 52 | 330 | 36 | 171 | 2,582 |

(*) Before capitalization of depreciation of tangible assets.

Right-of-use assets (RoU) of €4,446 million related: (i) for €2,653 million (€3,195 million at December 31, 2021) to the Exploration & Production segment and mainly comprised leases of certain FPSO vessels hired in connection with operations at offshore development projects in Ghana (OCTP) and Area 1 in Mexico with an expected term ranging between 17 and 18 years, including a renewal option as well as multi-year leases of offshore drilling rigs; (ii) for €800 million (€765 million at December 31, 2021) to the Refining & Marketing and Chemical segment relating to highways concessions to market fuels, land leases, leases of service stations for the sale of oil products, leasing of vessels for shipping activities and the car fleet dedicated to the car sharing business; (iii) for €548 million (€541 million at December 31, 2021) to the Corporate and other activities segment mainly regarding property rental contracts.

The increase recorded in 2022 mainly referred to: (i) the Exploration & Production segment for €1,835 million relating to the start of operations of the FPSO vessel operating Area 1 offshore Mexico (€1,342 million), vessels and related logistics equipments for Oil & Gas transport (€223 million) and the rental of drilling rigs (€189 million); (ii) the Refining & Marketing business line for €357 million, relating in particular to the lease of vessels for shipping and storage activities of Eni Trade & Biofuels SpA (€252 million), new contracts and extension of existing contracts relating motorway concessions, land leases, service station leases and the car fleet dedicated to the car sharing business (€83 million); (iii) to the Corporate and other activities segment for €91 million relating to a new aircraft sold and repurchased through the leaseback agreement (€54 million) and leasing of assets for staff activities (company cars, IT, real estate) (€33 million); (iv) the Global Gas & LNG Portfolio sector for €82 million relating to LNG transport vessels (€78 million).

Changes in the scope of consolidation referred for €1,952 million to the derecognition of the Angolan companies transferred to the JV Azule Energy Holdings Ltd and positive €73 million to the consolidation of the companies acquired from the Plenitude business line.

The main leasing contracts signed for which the asset is not yet available concern: (i) a contract with a nominal value of €437 million relating to leasing of office buildings with an expiry date of 20 years including an extension option of 6 years; (ii) storage capacity and time charter vessels rental contracts of €268 million; (iii) contracts relating to new drilling rigs for €188 million.

Main future cash outflows potentially due not reflected in the measurements of lease liabilities related to: (i) options for the extension or termination of lease for office buildings of €1,180 million; (ii) extension options related to service stations for the sale of oil products of €121 million; (iii) other extension options related to ancillary assets in the upstream business for €168 million.

Liabilities for leased assets were as follows:

| (€ million) | Current portion of long-term lease liabilities | Long-term lease liabilities | Total |
|---|---|---|---|
| **2022** | | | |
| **Carrying amount - beginning of the year** | **948** | **4,389** | **5,337** |
| Additions | | 2,401 | 2,401 |
| Decreases | (980) | (14) | (994) |
| Currency translation differences | 43 | 242 | 285 |
| Changes in the scope of consolidation | (299) | (1,654) | (1,953) |
| Other changes | 1,172 | (1,297) | (125) |
| **Carrying amount - end of the year** | **884** | **4,067** | **4,951** |
| **2021** | | | |
| **Carrying amount - beginning of the year** | **849** | **4,169** | **5,018** |
| Additions | | 1,102 | 1,102 |
| Decreases | (934) | (5) | (939) |
| Currency translation differences | 38 | 231 | 269 |
| Changes in the scope of consolidation | 14 | 89 | 103 |
| Other changes | 981 | (1,197) | (216) |
| **Carrying amount - end of the year** | **948** | **4,389** | **5,337** |

Lease liabilities related for €494 million (€1,684 million at December 31, 2021) to the portion of the liabilities attributable to joint operators in Eni-led projects which will be recovered through the mechanism of the cash calls.
Total cash outflows for leases consisted of the following: (i) cash payments for the principal portion of the lease liability for €994 million; (ii) cash payments for the interest portion of €315 million.
Lease liabilities stated in U.S. dollars and euro amounted to €3,296 million and €1,491 million, respectively.

Other changes in right-of-use assets and lease liabilities essentially related to early termination or renegotiation of lease contracts.

Liabilities for leased assets with related parties are described in note 36 — Transactions with related parties.

The amounts recognised in the profit and loss account consist of the following:

| (€ million) | 2022 | 2021 | 2020 |
|---|---|---|---|
| **Other income and revenues** | | | |
| Income from remeasurement of lease liabilities | 6 | 18 | 12 |
| | **6** | **18** | **12** |
| **Purchases, services and other** | | | |
| Short-term leases | 113 | 85 | 67 |
| Low-value leases | 27 | 31 | 37 |
| Variable lease payments not included in the measurement of lease liabilities | 14 | 14 | 7 |
| Capitalized direct cost associated with self-constructed assets - tangible assets | (5) | (4) | (2) |
| | **149** | **126** | **109** |
| **Depreciation and impairments** | | | |
| Depreciation of RoU leased assets | 1,013 | 928 | 928 |
| Capitalized direct cost associated with self-constructed assets - tangible assets | (186) | (110) | (96) |
| Impairments of RoU leased assets | 18 | 59 | 47 |
| Reversals of RoU leased assets | (14) | | |
| | **831** | **877** | **879** |
| **Finance income (expense) from leases** | | | |
| Interests on lease liabilities | (315) | (304) | (347) |
| Capitalized finance expense of RoU leased assets - tangible assets | 8 | 5 | 7 |
| Net currency translation differences on lease liabilities | (4) | (34) | 24 |
| | **(311)** | **(333)** | **(316)** |

## 14 Intangible assets

| (€ million) | Exploration rights | Industrial patents and intellectual property rights | Other intangible assets with definite useful lives | Intangible assets with definite useful lives | Goodwill | Other intangible assets with indefinite useful lives | Total |
|---|---|---|---|---|---|---|---|
| **2022** | | | | | | | |
| **Net carrying amount - beginning of the year** | **913** | **155** | **845** | **1,913** | **2,862** | **24** | **4,799** |
| Additions | 53 | 28 | 275 | 356 | | | 356 |
| Amortization | (12) | (74) | (224) | (310) | | | (310) |
| Impairments | | | (14) | (14) | (153) | | (167) |
| Write-off | (13) | | | (13) | | | (13) |
| Changes in the scope of consolidation | (200) | | 391 | 191 | 482 | | 673 |
| Currency translation differences | 54 | | 1 | 55 | 11 | | 66 |
| Other changes | (2) | 67 | 120 | 185 | (64) | | 121 |
| **Net carrying amount - end of the year** | **793** | **176** | **1,394** | **2,363** | **3,138** | **24** | **5,525** |
| Gross carrying amount - end of the year | 1,428 | 1,806 | 3,705 | 6,939 | | | |
| Provisions for amortization and impairment | 635 | 1,630 | 2,311 | 4,576 | | | |
| **2021** | | | | | | | |
| **Net carrying amount - beginning of the year** | **888** | **162** | **589** | **1,639** | **1,297** | | **2,936** |
| Additions | 12 | 28 | 244 | 284 | | | 284 |
| Amortization | (30) | (89) | (168) | (287) | | | (287) |
| Impairment | | (2) | (14) | (16) | (22) | | (38) |
| Reversals | 21 | | | 21 | | | 21 |
| Write-off | (35) | | | (35) | | | (35) |
| Changes in the scope of consolidation | | 11 | 226 | 237 | 1,574 | 24 | 1,835 |
| Currency translation differences | 57 | | 2 | 59 | 13 | | 72 |
| Other changes | | 45 | (34) | 11 | | | 11 |
| **Net carrying amount - end of the year** | **913** | **155** | **845** | **1,913** | **2,862** | **24** | **4,799** |
| Gross carrying amount - end of the year | 1,707 | 1,709 | 4,843 | 8,259 | | | |
| Provisions for amortization and impairment | 794 | 1,554 | 3,998 | 6,346 | | | |

Exploration rights comprised the residual book value of signature bonuses and acquisition costs of exploration licenses relating to areas with proved reserves, which are amortized based on UOP criteria and are regularly reviewed for impairment. The costs of licenses with unproved reserves are also in this item and are suspended pending a final determination of the success of the exploration activity or until management confirms its commitment to the initiative. Additions for the year related to signature bonuses paid for the acquisition of new exploration acreage in Egypt, Mozambique, United Arab Emirates, Ivory Coast and Gabon.
The breakdown of exploration rights by type of asset was as follows:

| (€ million) | December 31, 2022 | December 31, 2021 |
|---|---|---|
| Proved licence and leasehold property acquisition costs | 104 | 236 |
| Unproved licence and leasehold property acquisition costs | 689 | 677 |
| | 793 | 913 |

Industrial patents and intellectual property rights mainly regarded the acquisition and internal development of software and rights for the use of production processes and software.
Write-offs of €13 million related to the abandonment of underlying initiatives.
Changes in the scope of consolidation of assets with a finite useful life concerned: (i) for €200 million the deconsolidation of the companies Eni Angola SpA, Eni Angola Exploration BV and Eni Angola Production BV which were transferred to the joint venture Azule Energy Holdings Ltd; (ii) for €391 million the acquisitions made in relation to renewables activities of Plenitude, in particular to PLT (PLT Energia Srl and SEF Srl) (€217 million) and Energía Eólica Boreas SLU (€153 million).
Other changes relating to intangible assets with a finite useful life related for €277 million to the definitive purchase price allocation of acquisitions made in 2021 with a corresponding decrease in goodwill (further information is provided in note 27 – Other information) and for €115 million the decrease relating to the reclassification to assets held for sale of the trasportation rights of natural gas imported from Algeria following the agreement with Snam SpA relating to the sale of 49.9% of the consolidated company Eni Corridor Srl (further information is disclosed in note 25 – Assets held for sale and liabilities directly associated with assets held for sale).
Other intangible assets comprised: (i) concessions, licenses, trademarks and similar items for €692 million (€139 million at December 31, 2021), of which €615 million relating to Plenitude business line, mainly for activities related to renewable energy; (ii) customer acquisition costs relating to Plenitude business line for €358 million (€348 million at December 31, 2021); (iii) customer relationship for €101 million recognized following the acquisition of Finproject group (€109 million at December 31, 2021).
The main amortization rates used were substantially unchanged from the previous year and ranged as follows:

| (%) | |
|---|---|
| Exploration rights | UOP |
| Other concessions, licenses, trademarks and similar items | 3 - 33 |
| Industrial patents and intellectual property rights | 20 - 33 |
| Capitalized costs for customer acquisition | 17 - 33 |
| Other intangible assets | 3 - 20 |

Cumulative impairments charges of goodwill at the end of the year amounted to €2,662 million. The breakdown of goodwill by segment and business line is provided below:

| (€ million) | December 31, 2022 | December 31, 2021 |
|---|---|---|
| Plenitude | 2,927 | 2,446 |
| Refining & Marketing | 102 | 173 |
| Exploration & Production | | 139 |
| Chemical | 93 | 93 |
| Corporate and Other activities | 16 | 11 |
| | 3,138 | 2,862 |

The impairment loss of goodwill for 2022 was essentially recorded in relation to the Exploration & Production segment.
Changes in the scope of consolidation of goodwill related: (i) for €412 million to the acquisition of 100% of PLT Energia Srl and SEF Srl; (ii) for €52 million to the acquisition of 100% of SKGR Energy Single Member SA (now Eni Plenitude Renewables Hellas Single Member SA); (iii) for €18 million to the acquisition of 100% of the company Energía Eólica Boreas SLU.
Information about the allocations of goodwill deriving from business combinations are provided in note 5 – Business combinations and other significant transactions.
Goodwill acquired through business combinations has been allocated to the CGUs that are expected to benefit from the synergies of the acquisition.
The Plenitude business line engaged in the retail sale of natural gas and electricity, in the electricity generation from renewable sources and in installing and managing a network of charging point for electric vehicles. Plenitude has closed several acquisitions in past reporting years and in 2022, those latter commented in note 5 – Business combinations and other significant transactions, leading to the recognition of significant amounts of goodwill in each of those activities.
Goodwill allocated to the activity of retail sale of natural gas and electricity amounted to €1,214 million and to test its recoverability has been allocated to a single CGU encompassing all European retail markets, where Plenitude is operating, considering the significant cross-market synergies and geographic integration. The impairment review performed at the balance sheet date confirmed the recoverability of the carrying amount of this CGU comprising the book value of the allocated goodwill.
The impairment review of the CGU Retail, including goodwill, was performed by comparing the carrying amount to the value in use of the CGU, which was estimated based on the cash flows of the four-year plan approved by management and on a terminal value calculated as the perpetuity of the cash flow of the last year of the plan by assuming a nominal long-term growth rate equal to zero, unchanged from the previous year. These cash flows were discounted by using the post-tax WACC of the retail business adjusted considering the country risks of operation comprised in a range of 4.2% - 4.3%. There are no reasonable assumptions of changes in the discount rate, growth rate, profitability or volumes that would lead to zeroing the headroom amounting to about €7 billion of the value in use of the CGU Retail with respect to its book value, including the allocated goodwill.
In the renewable business of Plenitude, the CGUs have been identified at a significant project level, in some cases grouped at company level for projects/plants characterized by relevant synergies. Cash flows included both those relating to existing assets (acquired or build internally) and those associated with the repowering process in the case of acquired assets. For the acquisitions of 2022, the impairment was assessed by updating the valuation model used for the acquisition which confirmed the recoverability of the goodwill allocated to the complex of the CGUs.
Goodwill allocated to the business of renewables amounted to €995 million and related to the business combinations made in Italy and in other European markets where operations are being developed (Spain, France, Greece) in the latest two years. To test its recoverability a single CGU has been defined to which the entire goodwill has been allocated.
The impairment test was performed based on the discounted cash flows which comprised the financial projections of the four-year industrial plan approved by management and subsequently the cash flows associated with the useful lives of the plants. Cash flows have been discounted at sector and country-specific WACC, which were comprised in a range of 5.2% - 5.8%. This test confirmed the recoverability of the book values of the complex of plants generating renewable electricity, including the allocated goodwill. The headroom of €250 million is being zeroed in case of a one percentage point increase in the WACC.
Goodwill of the E-mobility business of Plenitude of €718 million recognized in connection with the acquisition in 2021 of the entire share capital of Be Power SpA, which through the subsidiary Be Charge is the second Italian operator in the segment of charging infrastructures for electric mobility, was assessed by updating the valuation model of the operation. The recoverability of the allocated goodwill was tested based on the discounted cash flows of the activity, which comprised the financial projections of the four-year industrial plan approved by management and subsequently the perpetuity of the final year of the plan discounted at a WACC of 10.7% and a growth rate reflecting forecasts for the adoption of EVs. This test confirmed the recoverability of the allocated goodwill and showed a headroom of about €1 billion which would go to zero under no reasonable assumption.

## 15 Reversals (Impairments) of tangible and intangible assets and right-of-use assets. Sensitivity of outcomes to alternative scenarios.

The recoverability test of carrying amounts of Oil & Gas cash genenerating units (CGUs) is the most important of the critical accounting estimates in the preparation of Eni's consolidated financial statements. This owes to the relative weight of the invested capital in the sector on total consolidated assets.
Future expected cash flows associated with the use of Oil & Gas assets are based on management's judgment and subjective evaluation about highly uncertain matters like future hydrocarbons prices, assets' useful lives, projections of future operating and capital expenditures, including $CO_2$ emission costs relating to geographies where legal obligations are present, the volumes of reserves that will ultimately be recovered and costs of decommissioning Oil & Gas assets at the end of their useful lives.
Forecasts of hydrocarbons prices adopted by Eni are based on the review of the fundamentals of supply and demand in the long term, considering the possible evolution of the global energy mix by 2050 in relation to the decarbonisation commitments of the countries and the EU in view of the achievement of the goals of

the Paris Agreement, the pace of the energy transition, global economic and demographic growth, the evolution of technologies and the evolution in consumers' preferences. These assumptions are reflected in the corporate strategies and investment decisions, as well as being used in recoverability assessments of the carrying amount of oil & gas projects.

In the short term, market forward prices are also considered as well as projections made by investment banks and other market observatories.

Eni recognizes and fully endorses the transition of the economy towards a low carbon development model and the goals of the Paris COP21 agreements and based on this, has designed a strategy to achieve the decarbonization of the Company's products and industrial processes targeting carbon neutrality by 2050. Consistent with this long-term path and with the progressive evolution of the Company's product portfolio, management is assuming a mid-cycle scenario for the price of the Brent crude oil and other price benchmarks, which assumes a balance between global supply and demand, a moderation in economic growth and inflationary pressures and a gradual reduction in the consumption of crude oil in view of achieving the goals of the Paris agreement. The forecast prices of the mid-cycle scenario represent management's best estimate and form the basis for investment decisions, operational plans and recoverability tests of Eni's Oil & Gas assets.

Below are the main price assumptions for assessing the recoverability of Oil & Gas assets, expressed in 2021 real terms.

| | 2023 | 2025 | 2030 | 2040 | 2050 |
|---|---|---|---|---|---|
| Brent \$/bbl | 73 | 63 | 62 | 53 | 43 |
| TTF natural gas price \$mmBtu | 23.5 | 13.5 | 6.0 | 6.0 | 5.3 |

This scenario does not differ significantly from the one adopted in the previous reporting year.

The discount rate of the future cash flows of the CGUs was estimated as the weighted average cost of equity (Ke) and net borrowings, based on the Capital Asset Pricing Model methodology. Specifically, the cost of equity considers both a premium for the non-diversifiable market risk measured on the basis of the long-term returns of the S&P500, and an additional premium that considers exposure to operational risks of the countries of activity and the risks of the energy transition. For 2022, a Group cost of capital ("WAAC") of approximately 7% was estimated unchanged compared to 2021 due to a lower cost of equity as a consequence of the reduction in the company's financial risk as a result of the deleveraging process carried out, which offset the increased yields on risk-free assets. The Group WACC is adjusted to account for the specific operational risks of each geography against the average portfolio, where Oil & Gas activities are conducted, by adding a corrective factor (WACC adjusted on a country-by-country basis).

The impairment test was performed at all of the Group's Oil & Gas CGUs based on the price scenario of the management and the country WACCs described above, which substantially confirmed the carrying amounts of the properties, with the exception of few assets which were marked to their lower recoverable values due to downward reserves revisions and costs updates, recognizing €432 million of net impairment losses. The impaired assets were mainly located in Congo, Egypt, USA and Algeria, in this latter case due to the release of a concession. Furthermore, a residual goodwill amount was written-off in UK. The post-tax discount rates were comprised in a 6.2% - 11.1% range.

The value in use (VIU) of the Oil & Gas CGUs under the management's scenario assumptions displayed a headroom (difference between VIU and book values) of approximately 100% of the assets' carrying amounts, also discounting the expected expenses associated with the purchase of carbon credits as part of the Company's strategy to decarbonize its Oil & Gas operations through participation in forestry conservation projects, which belong to the REDD+ framework defined by the United Nations.

Considering the subjectivity of the assumptions underlying the estimates of the VIU, management has elaborated the following sensitivity analysis of the Oil & Gas CGUs values to different scenarios: (i) a linear cut of -10% of hydrocarbon prices in all the years of the cash flows projections; (ii) the projections of hydrocarbon prices and $CO_2$ costs of the decarbonization scenario Net Zero Emission 2050 (NZE 2050) elaborated by IEA. Those sensitivity analysis included assets of all consolidated entities, joint ventures and associates, excluding Vår Energi ASA, Azule Energy Holdings Ltd and an asset under arbitration procedure.

The results of the sensitivity test in terms of changes in the cumulated headroom of Oil & Gas CGUs and potential pre-tax income statement impacts are provided below:

| | Value in use of the O&G CGUs Headroom vs. Carrying amounts | | Assumption at 2050 in real terms USD 2021 | | |
|---|---|---|---|---|---|
| | tax-deductible $CO_2$ charges | non tax-deductible $CO_2$ charges | Brent price | European gas price | Cost of $CO_2$ |
| **Eni's scenario** | >100% | - | 43 \$/bbl | 5.3 \$/mmBTU | $CO_2$ costs projections in the EU/ETS + projections of forestry costs |
| **10% haircut of Eni's prices assumptions** | 80% | - | 39 \$/bbl | 4.8 \$/mmBTU | $CO_2$ costs projections in the EU/ETS + projections of forestry costs |
| **IEA NZE 2050 scenario** | 55% | 49% | 24 \$/bbl | 3.8 \$/mmBTU | 250-180\$ per tonne of $CO_2$ (*) |

(*) Prices relating to advanced/emerging economies.

**Sensitivity - 10% to Eni prices assumptions**

| (€ billion) | Sensitivity |
|---|---|
| Exploration & Production assets | (0.7) |

**Hydrocarbon prices and $CO_2$ costs of the IEA NZE 2050 scenario**

| | Sensitivity | |
|---|---|---|
| (€ billion) | Tax-deductible $CO_2$ charges | Non tax-deductible $CO_2$ charges |
| Exploration & Production assets | (2.1) | (2.8) |

These sensitivities do not consider possible actions to mitigate a changed price environment, such as rescheduling and/or cancellation of planned development activities, contractual renegotiations, costs efficiencies or actions aimed at accelerating the pay-back period. The sensitivity was not applied to the Chemical business and to the gas-fired power generation business considering the immateriality of the residual book values of property, plant and equipment (€595 million and €690 million, respectively) and of economic-technical lives, while no impact can be associated for refineries considering that their book values have been completely impaired in past reporting periods.

# 16 Investments

## EQUITY-ACCOUNTED INVESTMENTS

| | 2022 | | | | 2021 | | | |
|---|---|---|---|---|---|---|---|---|
| (€ million) | Investments in unconsolidated entities controlled by Eni | Joint Venture | Associates | Total | Investments in unconsolidated entities controlled by Eni | Joint Venture | Associates | Total |
| **Carrying amount - beginning of the year** | **44** | **2,057** | **3,786** | **5,887** | **80** | **2,832** | **3,837** | **6,749** |
| Additions and subscriptions | 21 | 900 | 686 | 1,607 | 1 | 558 | 103 | 662 |
| Divestments and reimbursements | (2) | (1) | (477) | (480) | (21) | (231) | (133) | (385) |
| Share of profit of equity-accounted investments | 5 | 474 | 1,684 | 2,163 | 6 | 31 | 165 | 202 |
| Share of loss of equity-accounted investments | (6) | (197) | (82) | (285) | (3) | (910) | (381) | (1,294) |
| Deduction for dividends | (3) | (483) | (708) | (1,194) | (25) | (586) | (16) | (627) |
| Changes in the scope of consolidation | 5 | (710) | (1,122) | (1,827) | 5 | 355 | | 360 |
| Currency translation differences | 2 | (231) | 230 | 1 | 2 | 83 | 296 | 381 |
| Other changes | (16) | 5,256 | 980 | 6,220 | (1) | (75) | (85) | (161) |
| **Carrying amount - end of the year** | **50** | **7,065** | **4,977** | **12,092** | **44** | **2,057** | **3,786** | **5,887** |

Acquisitions and share capital increases mainly related for: (i) €624 million to the capital increase of Saipem SpA; (ii) for €306 million to the partnership agreement for the purchase of a 25% stake in the joint venture Qatar Liquefied Gas Company Limited (9) (Eni's interest 25%) which holds a 12.5% interest in the North Field East project (NFE) to ensure Eni a 3.125% stake in the project for the development of the country's natural gas reserves by building a multi-train liquefaction plant with a combined capacity of 32 MTPA; (iii) for €161 million to the acquisition from Equinor and SSE Renewables of a 20% stake in Doggerbank Offshore Wind Farm Project 3 Holdco Ltd which is developing the homonymous offshore wind project in the British North Sea. In 2022, the interest was contributed to the Norwegian joint venture Vårgrønn AS (Eni's interest 65%).

Divestments and reimbursement related to: (i) a capital repayment made by Angola LNG Ltd for €375 million; (ii) the

sale of a 6% in Vår Energi ASA with a book value of €91 million following the listing through an IPO at the Oslo Stock Exchange and a subsequent private placement among insitutional investors.
Eni's share of the results of entities accounted for under the equity method mainly comprised profit at: (i) Vår Energi ASA for €691 million; (ii) Azule Energy Holdings Ltd for €455 million; (iii) Abu Dhabi Oil Refining Company (TAKREER) for €359 million; (iv) Angola LNG Ltd of €290 million; (v) ADNOC Global Trading Ltd for €170 million; (vi) Coral FLNG SA for €140 million.
Losses of equity-accounted investments included: (i) Saipem SpA for €82 million; (ii) Mozambique Rovuma Venture SpA for €72 million; (iii) Novamont SpA for €53 million.
Reduction for dividends related for €475 million to Azule Energy Holdings Ltd, for €469 million to Vår Energi ASA, for €142 million to Abu Dhabi Oil Refining Company (TAKREER) and for €54 million to ADNOC Global Trading Ltd.
Changes in the scope of consolidation referred for €1,122 million to Angola LNG Ltd, which was contributed to Azule Energy Holdings Ltd and for €731 million to Dogger Bank (A, B and C) which were contributed to the Vårgrønn AS joint venture. Business combinations are commented on in note 5 – Business combinations and other significant transactions.
Other changes included the inclusion of the joint venture Azule Energy Holdings Ltd for €5,352 million and the joint venture Vårgrønn AS for €374 million.
Net carrying amounts related to the following companies:

| (€ million) | December 31, 2022 | | December 31, 2021 | |
|---|---|---|---|---|
| | Net carrying amount | % of the investment | Net carrying amount | % of the investment |
| **Investments in unconsolidated entities controlled by Eni** | | | | |
| Eni BTC Ltd | 1 | 100.00 | 2 | 100.00 |
| Other | 49 | | 42 | |
| | **50** | | **44** | |
| **Joint ventures** | | | | |
| Azule Energy Holdings Ltd | 5,073 | 50.00 | | |
| Saipem SpA | 645 | 31.20 | 137 | 31.20 |
| Cardón IV SA | 433 | 50.00 | 279 | 50.00 |
| Vårgrønn AS | 370 | 65.00 | 3 | 69.60 |
| Mozambique Rovuma Venture SpA | 308 | 35.71 | 355 | 35.71 |
| GreenIT SpA | 74 | 51.00 | 9 | 51.00 |
| Lotte Versalis Elastomers Co Ltd | 41 | 50.00 | 54 | 50.00 |
| Hergo Renewables SpA | 33 | 65.00 | | |
| Società Oleodotti Meridionali - SOM SpA | 29 | 70.00 | 27 | 70.00 |
| Vår Energi AS | | | 645 | 69.85 |
| Doggerbank Offshore Wind Farm Project 1 Holdco Ltd | | | 246 | 20.00 |
| Doggerbank Offshore Wind Farm Project 2 Holdco Ltd | | | 238 | 20.00 |
| Other | 59 | | 64 | |
| | **7,065** | | **2,057** | |
| **Associates** | | | | |
| Abu Dhabi Oil Refining Company (Takreer) | 2,497 | 20.00 | 2,151 | 20.00 |
| Vår Energi ASA | 763 | 63.08 | | |
| Coral FLNG SA | 330 | 25.00 | 156 | 25.00 |
| Qatar Liquefied Gas Company Limited (9) | 302 | 25.00 | | |
| Novamont SpA | 255 | 35.00 | | |
| ADNOC Global Trading Ltd | 158 | 20.00 | 42 | 20.00 |
| Novis Renewables Holdings Llc | 74 | 49.00 | 75 | 49.00 |
| Bluebell Solar Class A Holdings II Llc | 73 | 99.00 | 71 | 99.00 |
| United Gas Derivatives Co | 72 | 33.33 | 75 | 33.33 |
| Angola LNG Ltd | | | 1,084 | 13.60 |
| Other | 453 | | 132 | |
| | **4,977** | | **3,786** | |
| | **12,092** | | **5,887** | |

The stake held in Vår Energi ASA was reclassified from joint venture to associate following the listing through an IPO at the Oslo stock exchange. The investment in Novamont SpA was reclassified from other investment to associate following the agreement reached between Eni and Novamont which settled all pending disputes over the management of the Matrìca joint venture, engaged in the development of renewable chemical feedstocks, with an increase in Eni equity investment in Novamont.

The results of equity-accounted investments by segment are disclosed in note 35 – Segment information and information by geographical area.

The carrying amounts of equity-accounted investments included differences between the purchase price of acquired interests and their underlying book value of net assets amounting to €74 million.

As at December 31, 2022, the book and market values of Saipem SpA and Vår Energi ASA, listed on the Italian and the Norwegian stock exchange, respectively, were as follows:

| | Saipem SpA | Vår Energi ASA |
|---|---|---|
| Number of ordinary shares held | 622,476,192 | 1,574,616,035 |
| % of the investment | 31.20 | 63.08 |
| Share price (€) | 1.12750 | 3.19470 |
| Market value (€ million) | 702 | 5,030 |
| Book value (€ million) | 645 | 763 |

At December 31, 2022, the market capitalization of Saipem share is higher than the book value of the investment by €57 million, in line with the corresponding fraction of the investee's book equity.

At December 31, 2022, the market capitalization of the Vår Energi ASA share for Eni's stake is €4,267 million higher than the book value of the investment.

Additional information is included in note 37 – Other information about investments.

## Other investments

| (€ million) | 2022 | 2021 |
|---|---|---|
| **Carrying amount - beginning of the year** | **1,294** | **957** |
| Additions and subscriptions | 68 | 175 |
| Change in the fair value with effect to OCI | 56 | 105 |
| Currency translation differences | 42 | 57 |
| Other changes | (258) | |
| **Carrying amount - end of the year** | **1,202** | **1,294** |

The fair value of the main non-controlling interests in non-listed investees on regulated markets, classified within level 3 of the fair value hierarchy, was estimated based on a methodology that combines future expected earnings and the sum-of-the-parts methodology (so-called residual income approach) and takes into account, inter alia, the following inputs: (i) expected net profits, as a gauge of the future profitability of the investees, derived from the business plans, but adjusted, where appropriate, to include the assumptions that market participants would incorporate; (ii) the cost of capital, adjusted to include the risk premium of the specific country in which each investee operates. A stress test based on a 1% change in the cost of capital considered in the valuation did not produce significant changes at the fair value valuation.

Dividend income from these investments is disclosed in note 32 – Income (expense) from investments.

Other changes comprised the reclassification to associates of Novamont SpA for €220 million.

The investment book value as of December 31, 2022 primarily related to Nigeria LNG Ltd for €668 million (€637 million at December 31, 2021) and Saudi European Petrochemical Co "IBN ZAHR" for €108 million (€124 million at December 31, 2021).

Investments in subsidiaries, joint arrangements and associates as of December 31, 2022 are presented separately in the annex "List of companies owned by Eni SpA as of December 31, 2022".

## 17 Other financial assets

| | December 31, 2022 | | December 31, 2021 | |
|---|---|---|---|---|
| (€ million) | Current | Non-current | Current | Non-current |
| Long-term financing receivables held for operating purposes | 11 | 1,911 | 17 | 1,832 |
| Short-term financing receivables held for operating purposes | 8 | | 39 | |
| | **19** | **1,911** | **56** | **1,832** |
| Financing receivables held for non-operating purposes | 1,485 | | 4,252 | |
| | **1,504** | **1,911** | **4,308** | **1,832** |
| Securities held for operating purposes | | 56 | | 53 |
| | **1,504** | **1,967** | **4,308** | **1,885** |

Changes in allowance for doubtful accounts were as follows:

| (€ million) | 2022 | 2021 |
|---|---|---|
| **Carrying amount at the beginning of the year** | **403** | **352** |
| Additions | 13 | 41 |
| Deductions | (43) | (15) |
| Currency translation differences | 21 | 25 |
| Other changes | (3) | |
| **Carrying amount at the end of the year** | **391** | **403** |

Financing receivables held for operating purposes related principally to funds provided to joint ventures and associates in the Exploration & Production segment (€1,823 million) to execute capital projects of interest to Eni. These receivables are long-term interests in the initiatives funded. The main exposure is towards: (i) the joint venture Mozambique Rovuma Venture SpA (Eni's interest 35,71%) for €1,187 million (€1,008 million at December 31, 2021); (ii) Coral FLNG SA (Eni's interest 25%) for €356 million (€383 million at December 31, 2021); (iii) the joint venture Cardón IV SA (Eni's interest 50%), in Venezuela, against which a financing receivable of €20 million (€199 million at December 31, 2021) is outstanding, valued using the same method as the trade receivables owed to Eni by PDVSA.
Financing receivables held for operating purposes due beyond five years amounted to €164 million (€399 million at December 31, 2021).
The fair value of non-current financing receivables held for operating purposes of €1,911 million has been estimated based on the present value of expected future cash flows discounted at rates ranging from 1.8% to 5.1% (-0.3% and 1.7% at December 31, 2021).
The recoverability of other long-term financial assets was assessed by considering the expected probability default in the next twelve months only, as the creditworthiness suffered no significant deterioration in the reporting period.
Financing receivables held for non-operating purposes related for €1,266 million (€4,233 million at December 31, 2021) restricted deposits in escrow to guarantee transactions on derivative contracts mainly referred to Global Gas & LNG Portfolio segment.
Financing receivables were denominated in euro and U.S. dollar for €1,329 million and €2,038 million, respectively.
Securities held for operating purposes related to listed bonds issued by sovereign states.
Securities for €20 million (same amount at December 31, 2021) were pledged as guarantee of the deposit for gas cylinders as provided for by the Italian law.

The following table analyses securities per issuing entity:

| | Amortized cost (€ million) | Nominal value (€ million) | Fair Value (€ million) | Nominal rate of return (%) | Maturity date | Rating - Moody's | Rating - S&P |
|---|---|---|---|---|---|---|---|
| **Sovereign states** | | | | | | | |
| ***Fixed rate bonds*** | | | | | | | |
| Italy | 20 | 20 | 18 | from 0.00 to 2.65 | from 2022 to 2031 | Baa3 | BBB |
| Others(*) | 24 | 25 | 23 | from 0.00 to 0.20 | from 2023 to 2026 | from Aa1 to Baa1 | from AA+ to A- |
| ***Floating rate bonds*** | | | | | | | |
| Italy | 12 | 12 | 12 | from 1.51 to 2.96 | from 2024 to 2026 | Baa3 | BBB |
| **Total sovereign states** | **56** | **57** | **53** | | | | |

(*) Amounts included herein are lower than €10 million.

All securities have maturity within five years.
The fair value of securities was derived from quoted market prices.
Receivables with related parties are described in note 36 – Transactions with related parties.

## 18 Trade and other payables

| (€ million) | December 31, 2022 | December 31, 2021 |
|---|---|---|
| Trade payables | 19,527 | 16,795 |
| Down payments and advances from joint ventures in exploration & production activities | 606 | 552 |
| Payables for purchase of non-current assets | 2,561 | 1,732 |
| Payables due to partners in exploration & production activities | 1,235 | 1,188 |
| Other payables | 1,780 | 1,453 |
| | 25,709 | 21,720 |

The increase in trade payables of €2,732 million refers to Global Gas & LNG Portfolio segment for €1,281 million and to Refining & Marketing and Chemical segment for €1,248 million.
Other payables included: (i) the amounts still due to the triggering of the take-or-pay clause of the long-term supply contracts for €284 million (€185 million at December 31, 2021); (ii) payroll payables for €255 million (€328 million at December 31, 2021); (iii) payables to factoring companies in relation to the derecognition of Eni's tax credits for €246 million; (iv) payables for social security contributions for €100 million (€112 million at December 31, 2021). The remaining amount of €895 million is composed of miscellaneous items, none of which is of material amount.
Trade and other payables were denominated in euro for €14,970 million and in U.S. dollar for €10,048 million.
Because of the short-term maturity and conditions of remuneration of trade payables, the fair values approximated the carrying amounts.
Trade and other payables due to related parties are described in note 36 – Transactions with related parties.

## 19 Finance debt

| | December 31, 2022 | | | | December 31, 2021 | | | |
|---|---|---|---|---|---|---|---|---|
| (€ million) | Short-term debt | Current portion of long-term debt | Long-term debt | Total | Short-term debt | Current portion of long-term debt | Long-term debt | Total |
| Banks | 3,645 | 851 | 1,999 | 6,495 | 362 | 347 | 4,650 | 5,359 |
| Ordinary bonds | | 2,140 | 16,372 | 18,512 | | 913 | 18,049 | 18,962 |
| Convertible bonds | | | | | | 399 | | 399 |
| Sustainability-Linked Bond | | 2 | 996 | 998 | | 2 | 996 | 998 |
| Commercial papers | 34 | | | 34 | 836 | | | 836 |
| Other financial institutions | 767 | 104 | 7 | 878 | 1,101 | 120 | 19 | 1,240 |
| | 4,446 | 3,097 | 19,374 | 26,917 | 2,299 | 1,781 | 23,714 | 27,794 |

Finance debt decreased by €877 million as disclosed in table "Changes in liabilities arising from financing activities" detailed at the end of this paragraph.
As of December 31, 2022, finance debt included €1,300 million of sustainability-linked financial contracts with leading banking institutions which provide for an adjustment mechanism of the funding cost linked to the achievement of certain sustainability targets.
Eni entered into long-term borrowing facilities with the European Investment Bank. These borrowing facilities are subject to the retention of a minimum level of credit rating. According to the agreements, should the Company lose the minimum credit rating, new guarantees could be required to be agreed upon with the European Investment Bank. At December 31, 2022, debts subjected to restrictive covenants amounted to €862 million (€899 million at December 31, 2021). Eni was in compliance with those covenants.
Eni has in place a program for the issuance of Euro Medium Term Notes up to €20 billion, of which €15.8 billion were drawn as of December 31, 2022.
Ordinary bonds consisted of bonds issued within the Euro Medium Term Notes Program for a total of €14,953 million and other bonds for a total of €3,559 million.
As of December 31, 2022, ordinary bonds maturing within 18 months amounted to €2,723 million. During 2022, Eni did not issue new ordinary bonds.

The following table provides a breakdown of ordinary bonds by issuing entity, maturity date, interest rate and currency as of December 31, 2022:

| (€ million) | Amount | Discount on bond issue and accrued expense | Total | Currency | Maturity | | Rate % | |
|---|---|---|---|---|---|---|---|---|
| | | | | | from | to | from | to |
| **Issuing entity** | | | | | | | | |
| *Euro Medium Term Notes* | | | | | | | | |
| Eni SpA | 1,200 | 15 | 1,215 | EUR | | 2025 | | 3.750 |
| Eni SpA | 1,000 | 29 | 1,029 | EUR | | 2029 | | 3.625 |
| Eni SpA | 1,000 | 15 | 1,015 | EUR | | 2023 | | 3.250 |
| Eni SpA | 1,000 | 11 | 1,011 | EUR | | 2026 | | 1.500 |
| Eni SpA | 1,000 | 10 | 1,010 | EUR | | 2031 | | 2.000 |
| Eni SpA | 1,000 | 3 | 1,003 | EUR | | 2026 | | 1.250 |
| Eni SpA | 1,000 | 3 | 1,003 | EUR | | 2030 | | 0.625 |
| Eni SpA | 900 | | 900 | EUR | | 2024 | | 0.625 |
| Eni SpA | 800 | 2 | 802 | EUR | | 2028 | | 1.625 |
| Eni SpA | 750 | 11 | 761 | EUR | | 2024 | | 1.750 |
| Eni SpA | 750 | 8 | 758 | EUR | | 2027 | | 1.500 |
| Eni SpA | 750 | (3) | 747 | EUR | | 2034 | | 1.000 |
| Eni SpA | 650 | 4 | 654 | EUR | | 2025 | | 1.000 |
| Eni SpA | 600 | (2) | 598 | EUR | | 2028 | | 1.125 |
| Eni Finance International SA | 1,639 | 6 | 1,645 | USD | 2026 | 2027 | | variable |
| Eni Finance International SA | 795 | 7 | 802 | EUR | 2025 | 2043 | 1.275 | 5.441 |
| | 14,834 | 119 | 14,953 | | | | | |
| *Other bonds* | | | | | | | | |
| Eni SpA | 937 | 10 | 947 | USD | | 2023 | | 4.000 |
| Eni SpA | 937 | 5 | 942 | USD | | 2028 | | 4.750 |
| Eni SpA | 937 | 1 | 938 | USD | | 2029 | | 4.250 |
| Eni SpA | 328 | 1 | 329 | USD | | 2040 | | 5.700 |
| Eni USA Inc | 375 | | 375 | USD | | 2027 | | 7.300 |
| PLT Wind 2022 SpA | 18 | | 18 | EUR | | 2031 | | variable |
| SEF Srl | 10 | | 10 | USD | | 2026 | | 7.000 |
| | 3,542 | 17 | 3,559 | | | | | |
| | 18,376 | 136 | 18,512 | | | | | |

As part of the Euro Medium-Term Notes program, during 2021 Eni issued a sustainability-linked bond for a nominal amount of €1 billion linked to the achievement of the following sustainability targets: (i) net carbon footprint upstream (GHG emission Scope 1 and 2) equal to or less than 7.4 million tons of $CO_2$ equivalent by 2024; (ii) renewable energy installed capacity of at least or more than 5 GW by 2025. If one of the targets is not achieved, a step-up mechanism will be applied, increasing the interest rate.

Information relating to the sustainability-linked bonds issued by Eni SpA is as follows:

| (€ million) | Amount | Discount on bond issue and accrued expense | Total | Currency | Maturity | Rate (%) |
|---|---|---|---|---|---|---|
| Eni SpA | 1,000 | (2) | 998 | EUR | 2028 | 0.375 |

The following table provides a breakdown by currency of finance debt and the related weighted average interest rates:

| | December 31, 2022 | | | | December 31, 2021 | | | |
|---|---|---|---|---|---|---|---|---|
| | Short-term debt (€ million) | Average rate (%) | Long-term debt and current portion of long-term debt (€ million) | Average rate (%) | Short-term debt (€ million) | Average rate (%) | Long-term debt and current portion of long-term debt (€ million) | Average rate (%) |
| Euro | 3,994 | 0.9 | 17,171 | 1.8 | 1,356 | | 20,399 | 1.5 |
| U.S. dollar | 337 | 2.2 | 5,298 | 5.1 | 928 | 0.2 | 5,096 | 3.8 |
| Other currencies | 115 | | 2 | 2.4 | 15 | (0.3) | | |
| **Total** | **4,446** | | **22,471** | | **2,299** | | **25,495** | |

As of December 31, 2022, Eni retained committed borrowing facilities of €8,298 million. Those facilities bore interest rates reflecting prevailing conditions in the marketplace. The breakdown of committed borrowing facilities are as follows:

| (€ million) | December 31, 2022 | December 31, 2021 |
|---|---|---|
| Undrawn long-term sustainability-linked credit facilities | 8,100 | 2,800 |
| Other undrawn long-term borrowing facilities | 2 | 20 |
| Drawn long-term sustainability-linked credit facilities | | 2,050 |
| Other drawn long-term borrowing facilities | 70 | 162 |
| **Long-term borrowing facilities** | **8,172** | **5,032** |
| Other undrawn short-term borrowing facilities | 43 | 15 |
| Other drawn short-term borrowing facilities | 83 | 67 |
| **Short-term borrowing facilities** | **126** | **82** |
| | **8,298** | **5,114** |

As of December 31, 2022, Eni was in compliance with covenants and other contractual provisions in relation to borrowing facilities.

Fair value of long-term debt, including the current portion of long-term debt is described below:

| (€ million) | December 31, 2022 | December 31, 2021 |
|---|---|---|
| Ordinary bonds and Sustainability-Linked Bond | 18,167 | 23,070 |
| Convertible bonds | | 513 |
| Banks | 2,733 | 5,029 |
| Other financial institutions | 111 | 138 |
| | **21,011** | **28,750** |

Fair value of finance debts was calculated by discounting the expected future cash flows at discount rates ranging from 1.8% to 5.1% (-0.3% and 1.7% at December 31, 2021).

Because of the short-term maturity and conditions of remuneration of short-term debt, the fair value approximated the carrying amount.

## Changes in liabilities arising from financing activities

| (€ million) | Long-term debt and current portion of long-term debt | Short-term debt | Long-term and current portion of long-term lease liabilietis | Total |
|---|---|---|---|---|
| **Carrying amount at December 31, 2021** | **25,495** | **2,299** | **5,337** | **33,131** |
| Cash flows | (3,944) | 1,375 | (994) | **(3,563)** |
| Currency translation differences | 208 | 547 | 289 | **1,044** |
| Changes in the scope of consolidation | 477 | (95) | (1,953) | **(1,571)** |
| Other non-monetary changes | 235 | 320 | 2,272 | **2,827** |
| **Carrying amount at December 31, 2022** | **22,471** | **4,446** | **4,951** | **31,868** |
| | | | | |
| **Carrying amount at December 31, 2020** | **23,804** | **2,882** | **5,018** | **31,704** |
| Cash flows | 666 | (910) | (939) | (1,183) |
| Currency translation differences | 255 | 153 | 303 | **711** |
| Changes in the scope of consolidation | 545 | 160 | 103 | **808** |
| Other non-monetary changes | 225 | 14 | 852 | **1,091** |
| **Carrying amount at December 31, 2021** | **25,495** | **2,299** | **5,337** | **33,131** |

Changes in the scope of consolidation referred to the Exploration & Production segment for €2,013 million and to the Plenitude business line for €580 million.
Other non-monetary changes include €2,401 million of lease liabilities assumptions (€1,102 million at December 31, 2021).

Lease liabilities are described in note 13 – Right-of-use assets and lease liabilities.
Transactions with related parties are described in note 36 – Transactions with related parties.

## 20 Information on net borrowings

The analysis of net borrowings, as defined in the "Financial Review", was as follows:

| (€ million) | December 31, 2022 | December 31, 2021 |
|---|---|---|
| A. Cash | 3,351 | 2,758 |
| B. Cash equivalents | 6,804 | 5,496 |
| C. Other current financial assets | 9,736 | 10,553 |
| **D Liquidity (A+B+C)** | **19,891** | **18,807** |
| E. Current financial debt | 6,588 | 3,613 |
| F. Current portion of non-current financial debt | 1,839 | 1,415 |
| **G. Current financial indebtedness (E+F)** | **8,427** | **5,028** |
| **H. Net current financial indebtedness (G-D)** | **(11,464)** | **(13,779)** |
| I. Non-current financial debt | 6,073 | 9,058 |
| J. Debt instruments | 17,368 | 19,045 |
| K. Non current trade and other payables | | |
| **L. Non-current financial indebtedness (I+J+K)** | **23,441** | **28,103** |
| **M. Total financial indebtedness (H+L)** | **11,977** | **14,324** |

Cash and cash equivalents include approximately €97 million subject to foreclosure measures and payment guarantees. Other current financial assets include: (i) financial assets at fair value through profit or loss, disclosed in note 7 – Financial assets at fair value through profit or loss; (ii) financing receivables,disclosed in note 17 – Other financial assets. Finance debts are disclosed in note 19 – Finance debts. Current portion of non-current financial debt and non-current financial debt include lease liabilities of €884 million and €4,067 million (€948 million and €4,389 million at December 31, 2021, respectively) of which €494 million (€1,684 million at December 31, 2021) related to the share of joint operators in upstream projects operated by Eni which will be recovered through a partner cash-call billing process. More information on lease liabilities is reported in note 13 – Right-of-use assets and lease liabilities.

## 21 Provisions

| (€ million) | Provisions for site restoration, abandonment and social projects | Environmental provisions | Provisions for litigations | Provisions for taxes other than income taxes | Loss adjustments and actuarial provisions for Eni's insurance companies | Provisions for losses on investments | Provisions for Everen (ex OIL) insurance coverage | Other | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Carrying amount at December 31, 2021** | **9,621** | **2,206** | **452** | **211** | **295** | **195** | **93** | **520** | **13,593** |
| New or increased provisions | 381 | 1,923 | 552 | 54 | 115 | 37 | 4 | 320 | **3,386** |
| Initial recognition and changes in estimates | (80) | | | | | | | | **(80)** |
| Accretion discount | 218 | (18) | | | | | | (1) | **199** |
| Reversal of utilized provisions | (567) | (364) | (24) | (8) | (95) | | | (160) | **(1,218)** |
| Reversal of unutilized provisions | (5) | (223) | (51) | (2) | | | | (21) | **(302)** |
| Currency translation differences | 303 | 3 | 16 | 10 | | 3 | | 9 | **344** |
| Changes in scope of consolidation | (553) | | | (66) | | | | 1 | **(618)** |
| Other changes | 4 | (24) | 2 | 20 | 12 | (46) | | (5) | **(37)** |
| **Carrying amount at December 31, 2022** | **9,322** | **3,503** | **947** | **219** | **327** | **189** | **97** | **663** | **15,267** |

Provisions for site restoration, abandonment and social projects include: (i) for €7,757 million the present value of the estimated costs that the Company expects to incur for dismantling oil and natural gas production facilities at the end of the producing lives of fields, well-plugging, site clean-up and restoration; (ii) for €1,060 million the estimated costs for social projects in the Exploration & Production segment, referring for €664 million to the estimate of the costs for social projects to be incurred following the commitments between Eni SpA and the Basilicata region in relation to the oil development program in the Val d'Agri concession area; (iii) for €475 million the estimated abandonment costs of production lines and auxiliary logistics structures of the Refining & Marketing business. In 2022, the site restoration and abandonment provision related to the demolition and removal of production lines and auxiliary refining logistics structures for which management assessed the absence of economic prospects in the current scenario of refined products, as well as the non-feasibility of reconversion or reuse options in decarbonisation processes, in line with Eni's strategy of progressive disengagement from the sector. Initial recognition and change in estimate includes the effect of discounting future decommissioning costs of oil & gas plants, net of cost revision estimates of the initial recognition of new projects. The unwinding of discount recognized through profit and loss was determined based on discount rates ranging from -0.3% to 6.1% (from -0.4% to 3.8% at December 31, 2021). Changes in the scope of consolidation mainly refer to the deconsolidation of the Angolan companies merged into JV Azule Energy Holdings Ltd for €561 million. Main expenditures associated with decommissioning operations are expected to be incurred over a fifty-year period.

Provisions for environmental risks included the estimated costs for environmental clean-up and remediation of soil and groundwater in areas owned or under concession where the Group performed in the past industrial operations that were progressively divested, shut down, dismantled or restructured. The provision was accrued because at the balance sheet date there is a legal or constructive obligation for Eni to carry out environmental clean-up and remediation and the expected costs can be estimated reliably. The provision included the expected charges associated with strict liability related to obligations of cleaning up and remediating polluted areas that met the parameters set by law at the time when the pollution occurred but presently are no more in compliance with current environmental laws and regulations, or because Eni assumed the liability borne by other operators when the Company acquired or otherwise took over site operations. Those environmental provisions are recognized when an environmental project is approved by or filed with the relevant administrative authorities or a constructive obligation has arisen whereby the Company commits itself to performing certain cleaning-up and restoration projects and a reliable cost estimation is available. In 2022, a provision of €1,245 million was recognized relating to current groundwater remediation activities at brownfield sites in Italy, estimated on the basis of management experience and accumulated know-how on the scope, extent and timing of implementation of the activities and a more certain regulatory framework which made it possible to reliably determine future charges. At December 31, 2022, environmental provision primarily related to Eni Rewind SpA for €2,391 million and to the Refining & Marketing business line for €705 million.

Litigation provisions comprised expected liabilities associated with legal proceedings and other matters arising from contractual claims, including arbitrations, fines and penalties due to antitrust proceedings and administrative matters. The provision was allocated on the basis of the best estimate of the existing liability at the balance sheet date and refers to the Global Gas & LNG Portfolio segment for €371 million and to the Exploration & Production segment for €315 million.

Provisions for uncertain taxes matters related to the estimated losses that the Company expects to incur to settle tax litigations and tax claims pending with tax authorities in relation to uncertainties in applying rules in force were in respect of the Exploration & Production segment for €194 million.

Loss adjustments and actuarial provisions of Eni's insurance company Eni Insurance DAC represented the estimated liabilities accrued on the basis for third party claims. Against such liability was recorded receivables of €78 million recognized towards insurance companies for reinsurance contracts.

Provisions for losses on investments included provisions relating to investments whose loss exceeds the equity and primarily related to Industria Siciliana Acido Fosforico - ISAF - SpA (in liquidation) for €154 million.

Provisions for Everen (ex OIL) insurance coverage included insurance premiums which will be charged to Eni in the next five years by the mutual insurance company in which Eni participates together with other oil companies.

## 22 Provisions for employee benefits

| (€ million) | December 31, 2022 | December 31, 2021 |
|---|---|---|
| Italian defined benefit plans | 177 | 227 |
| Foreign defined benefit plans | 142 | 129 |
| FISDE, foreign medical plans and other | 126 | 162 |
| **Defined benefit plans** | **445** | **518** |
| Other benefit plans | 341 | 301 |
| **Provision for employee benefits** | **786** | **819** |

The liability relating to Eni's commitment to cover the healthcare costs of personnel is determined based on the contributions paid by the Company.
Other employee benefit plans related to deferred monetary incentive plans for €115 million, isopensione plans (a post retirement benefit plan applicable to a specific category of employees) of Eni Plenitude SpA Società Benefit for €99 million, contratti di espansione (agreed redundancy plans for workers) for €85 million, Jubilee Awards for €26 million and other long-term plans for €16 million.
Present value of employee benefits, estimated by applying actuarial techniques, consisted of the following:

| | 2022 | | | | | | 2021 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| (€ million) | Italian defined benefit plans | Foreign defined benefit plans | FISDE, foreign medical plans and other | Defined benefit plans | Other benefit plans | Total | Italian defined benefit plans | Foreign defined benefit plans | FISDE, foreign medical plans and other | Defined benefit plans | Other benefit plans | Total |
| **Present value of benefit liabilities at beginning of year** | 227 | 761 | 162 | 1,150 | 301 | 1,451 | 258 | 1,140 | 182 | 1,580 | 268 | 1,848 |
| Current service cost | 1 | 11 | 3 | 15 | 52 | 67 | 1 | 16 | 3 | 20 | 49 | 69 |
| Interest cost | 2 | 24 | 2 | 28 | 1 | 29 | 1 | 24 | 1 | 26 | | 26 |
| Remeasurements: | (26) | (118) | (33) | (177) | (22) | (199) | | (118) | (6) | (124) | (11) | (135) |
| *- actuarial (gains) losses due to changes in demographic assumptions* | | *9* | | *9* | *(2)* | *7* | *(1)* | *(3)* | *(4)* | *(8)* | *(1)* | *(9)* |
| *- actuarial (gains) losses due to changes in financial assumptions* | *(34)* | *(144)* | *(35)* | *(213)* | *(15)* | *(228)* | *(1)* | *(111)* | *3* | *(109)* | *2* | *(107)* |
| *- experience (gains) losses* | *8* | *17* | *2* | *27* | *(5)* | *22* | *2* | *(4)* | *(5)* | *(7)* | *(12)* | *(19)* |
| Past service cost and (gain) loss on settlements | | | | | 127 | 127 | | | | | 107 | 107 |
| Plan contributions: | | 1 | | 1 | | 1 | | 1 | | 1 | | 1 |
| *- employee contributions* | | *1* | | *1* | | *1* | | *1* | | *1* | | *1* |
| Benefits paid | (28) | (30) | (8) | (66) | (87) | (153) | (36) | (39) | (8) | (83) | (56) | (139) |
| Currency translation differences and other changes | 1 | (5) | | (4) | (31) | (35) | 3 | (263) | (10) | (270) | (56) | (326) |
| **Present value of benefit liabilities at end of year (a)** | 177 | 644 | 126 | 947 | 341 | 1,288 | 227 | 761 | 162 | 1,150 | 301 | 1,451 |
| **Plan assets at beginning of year** | | 633 | | 633 | | 633 | | 648 | | 648 | | 648 |
| Interest income | | 18 | | 18 | | 18 | | 12 | | 12 | | 12 |
| Return on plan assets | | (117) | | (117) | | (117) | | (5) | | (5) | | (5) |
| Past service cost and (gains) losses settlements | | (1) | | (1) | | (1) | | | | | | |
| Plan contributions: | | 14 | | 14 | | 14 | | 15 | | 15 | | 15 |
| *- employee contributions* | | *1* | | *1* | | *1* | | *1* | | *1* | | *1* |
| *- employer contributions* | | *13* | | *13* | | *13* | | *14* | | *14* | | *14* |
| Benefits paid | | (21) | | (21) | | (21) | | (28) | | (28) | | (28) |
| Currency translation differences and other changes | | (23) | | (23) | | (23) | | (9) | | (9) | | (9) |
| **Plan assets at end of year (b)** | | 503 | | 503 | | 503 | | 633 | | 633 | | 633 |
| **Asset ceiling at beginning of year** | | 1 | | 1 | | 1 | | 1 | | 1 | | 1 |
| Change in asset ceiling | | | | | | | | | | | | |
| **Asset ceiling at end of year (c)** | | 1 | | 1 | | 1 | | 1 | | 1 | | 1 |
| **Net liability recognized at end of year (a-b+c)** | 177 | 142 | 126 | 445 | 341 | 786 | 227 | 129 | 162 | 518 | 301 | 819 |

Employee benefit plans included the actuarial liability, net of plan assets, attributable to partners operating in exploration and production activities of €22 million (€1 million at December 31, 2021). Eni recorded a receivable for an amount equivalent to such liability.

Costs charged to the profit and loss account, valued using actuarial assumptions, consisted of the following:

| (€ million) | Italian defined benefit plans | Foreign defined benefit plans | FISDE, foreign medical plans and other | Defined benefit plans | Other benefit plans | Total |
|---|---|---|---|---|---|---|
| **2022** | | | | | | |
| Current service cost | 1 | 11 | 3 | **15** | 52 | **67** |
| Past service cost and (gains) losses on settlements | | | | | 127 | **127** |
| Interest cost (income), net: | | | | | | |
| *- interest cost on liabilities* | *2* | *24* | *2* | ***28*** | 1 | ***29*** |
| *- interest income on plan assets* | | *(18)* | | ***(18)*** | | ***(18)*** |
| Total interest cost (income), net | 2 | 6 | 2 | **10** | 1 | **11** |
| *- of which recognized in "Payroll and related cost"* | | | | | *1* | ***1*** |
| *- of which recognized in "Financial income (expense)"* | *2* | *6* | *2* | ***10*** | | ***10*** |
| Remeasurements for long-term plans | | | | | (22) | **(22)** |
| Administrative fees paid | | 1 | | **1** | | **1** |
| **Total** | **3** | **18** | **5** | **26** | **158** | **184** |
| *- of which recognized in "Payroll and related cost"* | *1* | *12* | *3* | ***16*** | *158* | ***174*** |
| *- of which recognized in "Financial income (expense)"* | *2* | *6* | *2* | ***10*** | | ***10*** |
| | | | | | | |
| **2021** | | | | | | |
| Current service cost | 1 | 16 | 3 | **20** | 49 | **69** |
| Past service cost and (gains) losses on settlements | | | | | 107 | **107** |
| Interest cost (income), net: | | | | | | |
| *- interest cost on liabilities* | *1* | *24* | *1* | ***26*** | | ***26*** |
| *- interest income on plan assets* | | *(12)* | | ***(12)*** | | ***(12)*** |
| Total interest cost (income), net | 1 | 12 | 1 | **14** | | **14** |
| *- of which recognized in "Payroll and related cost"* | | | | | | |
| *- of which recognized in "Financial income (expense)"* | *1* | *12* | *1* | ***14*** | | ***14*** |
| Remeasurements for long-term plans | | | | | *(11)* | ***(11)*** |
| **Total** | **2** | **28** | **4** | **34** | **145** | **179** |
| *- of which recognized in "Payroll and related cost"* | *1* | *16* | *3* | ***20*** | *145* | ***165*** |
| *- of which recognized in "Financial income (expense)"* | *1* | *12* | *1* | ***14*** | | ***14*** |

Costs of defined benefit plans recognized in other comprehensive income consisted of the following:

| | 2022 | | | | 2021 | | | |
|---|---|---|---|---|---|---|---|---|
| (€ million) | Italian defined benefit plans | Foreign defined benefit plans | FISDE, foreign medical plans and other | Total | Italian defined benefit plans | Foreign defined benefit plans | FISDE, foreign medical plans and other | Total |
| **Remeasurements:** | | | | | | | | |
| Actuarial (gains)/losses due to changes in demographic assumptions | | 9 | | **9** | (1) | (3) | (4) | **(8)** |
| Actuarial (gains)/losses due to changes in financial assumptions | (34) | (144) | (35) | **(213)** | (1) | (111) | 3 | **(109)** |
| Experience (gains) losses | 8 | 17 | 2 | **27** | 2 | (4) | (5) | **(7)** |
| Return on plan assets | | 117 | | **117** | | 5 | | **5** |
| | **(26)** | **(1)** | **(33)** | **(60)** | | **(113)** | **(6)** | **(119)** |

Plan assets consisted of the following:

| (€ million) | Cash and cash equivalents | Equity securities | Debt securities | Real estate | Derivatives | Investment funds | Assets held by insurance company | Other | Total |
|---|---|---|---|---|---|---|---|---|---|
| **December 31, 2022** | | | | | | | | | |
| Plan assets with a quoted market price | 23 | 25 | 260 | 11 | 4 | 4 | 26 | 146 | **499** |
| Plan assets without a quoted market price | | | | | | | 4 | | **4** |
| | 23 | 25 | 260 | 11 | 4 | 4 | 30 | 146 | **503** |
| **December 31, 2021** | | | | | | | | | |
| Plan assets with a quoted market price | 95 | 43 | 299 | 8 | 3 | 1 | 23 | 157 | **629** |
| Plan assets without a quoted market price | | | | | | | 4 | | **4** |
| | 95 | 43 | 299 | 8 | 3 | 1 | 27 | 157 | **633** |

The main actuarial assumptions used in the measurement of the liabilities at year-end and in the estimate of costs expected for 2023 consisted of the following:

| | | Italian defined benefit plans | Foreign defined benefit plans | FISDE, foreign medical plans and other | Other benefit plans |
|---|---|---|---|---|---|
| **2022** | | | | | |
| Discount rate | (%) | 3.7 | 2.2-15.4 | 3.7 | 3.4-3.7 |
| Rate of compensation increase | (%) | 3.4 | 1.9-12.5 | | |
| Rate of price inflation | (%) | 2.4 | 1.2-11.5 | 2.4 | 2.4 |
| Life expectations on retirement at age 65 | (years) | | 13-24 | 24 | |
| **2021** | | | | | |
| Discount rate | (%) | 1.0 | 0.3-15.3 | 1.0 | 0.0-1.0 |
| Rate of compensation increase | (%) | 2.8 | 1.5-12.5 | | |
| Rate of price inflation | (%) | 1.8 | 0.7-13.3 | 1.8 | 1.8 |
| Life expectations on retirement at age 65 | (years) | | 13-25 | 24 | |

The following is an analysis by geographical area related to the main actuarial assumptions used in the valuation of the principal foreign defined benefit plans:

| | | Euro area | Rest of Europe | Africa | Other areas | Foreign defined benefit plans |
|---|---|---|---|---|---|---|
| **2022** | | | | | | |
| Discount rate | (%) | 3.5-3.8 | 2.2-4.8 | 3.8-15.4 | 7.0 | 2.2-15.4 |
| Rate of compensation increase | (%) | 1.9-3.0 | 3.0-4.0 | 1.9-12.5 | 5.0 | 1.9-12.5 |
| Rate of price inflation | (%) | 1.9-2.2 | 1.2-3.5 | 3.0-11.5 | 3.0 | 1.2-11.5 |
| Life expectations on retirement at age 65 | (years) | 21-22 | 23-24 | 13-17 | | 13-24 |
| **2021** | | | | | | |
| Discount rate | (%) | 0.9-1.2 | 0.3-1.9 | 3.0-15.3 | 6.7 | 0.3-15.3 |
| Rate of compensation increase | (%) | 1.5-3.0 | 2.5-4.0 | 1.9-12.5 | 5.0 | 1.5-12.5 |
| Rate of price inflation | (%) | 1.5-1.9 | 0.7-3.5 | 3.0-13.3 | 3.0 | 0.7-13.3 |
| Life expectations on retirement at age 65 | (years) | 21-23 | 23-25 | 13-15 | | 13-25 |

The effects of a possible change in the main actuarial assumptions at the end of the year are listed below:

| | Discount rate | | Rate of price inflation | Rate of increases in pensionable salaries | Healthcare cost trend rate | Rate of increases to pensions in payment |
|---|---|---|---|---|---|---|
| (€ million) | 0.5% Increase | 0.5% Decrease | 0.5% Increase | 0.5% Increase | 0.5% Increase | 0.5% Increase |
| **December 31, 2022** | | | | | | |
| Italian defined benefit plans | (6) | 7 | 4 | | | |
| Foreign defined benefit plans | (33) | 34 | 19 | 10 | | 13 |
| FISDE, foreign medical plans and other | (6) | 7 | | | 6 | |
| Other benefit plans | (3) | 3 | 1 | | | |
| **December 31, 2021** | | | | | | |
| Italian defined benefit plans | (9) | 9 | 6 | | | |
| Foreign defined benefit plans | (49) | 55 | 34 | 11 | | 28 |
| FISDE, foreign medical plans and other | (10) | 11 | | | 10 | |
| Other benefit plans | (4) | 1 | 1 | | | |

The sensitivity analysis was performed based on the results for each plan through assessments calculated considering modified parameters.
The amount of contributions expected to be paid for employee benefit plans in the next year amounted to €134 million, of which €40 million related to defined benefit plans.
The following is an analysis by maturity date of the liabilities for employee benefit plans and their relative weighted average duration:

| (€ million) | | Italian defined benefit plans | Foreign defined benefit plans | FISDE, foreign medical plans and other | Other benefit plans |
|---|---|---|---|---|---|
| **December 31, 2022** | | | | | |
| 2023 | | 14 | 29 | 7 | 94 |
| 2024 | | 13 | 28 | 7 | 95 |
| 2025 | | 14 | 26 | 7 | 85 |
| 2026 | | 17 | 35 | 7 | 30 |
| 2027 | | 15 | 31 | 7 | 16 |
| 2028 and thereafter | | 104 | (7) | 91 | 21 |
| | | | | | |
| **Weighted average duration (years)** | (years) | **7.5** | **13.2** | **11.5** | **2.5** |
| | | | | | |
| **December 31, 2021** | | | | | |
| 2022 | | 16 | 23 | 9 | 83 |
| 2023 | | 16 | 24 | 7 | 80 |
| 2024 | | 18 | 29 | 7 | 69 |
| 2025 | | 20 | 24 | 7 | 25 |
| 2026 | | 20 | 25 | 7 | 11 |
| 2027 and thereafter | | 137 | 4 | 125 | 33 |
| | | | | | |
| **Weighted average duration (years)** | (years) | **9.8** | **17.6** | **13.6** | **3.1** |

## 23 Deferred tax assets and liabilities

| (€ million) | December 31, 2022 | December 31, 2021 |
|---|---|---|
| Deferred tax liabilities before offsetting | 9,315 | 10,668 |
| Deferred tax assets available for offset | (4,221) | (5,833) |
| **Deferred tax liabilities** | **5,094** | **4,835** |
| Deferred tax assets before offsetting (net of accumulated write-down provisions) | 8,790 | 8,546 |
| Deferred tax liabilities available for offset | (4,221) | (5,833) |
| **Deferred tax assets** | **4,569** | **2,713** |

The most significant temporary differences giving rise to net deferred tax assets and liabilities are disclosed below:

| (€ million) | Carrying amount at December 31, 2022 | Carrying amount at December 31, 2021 |
|---|---|---|
| **Deferred tax liabilities** | | |
| - accelerated tax depreciation | 6,707 | 7,346 |
| - derivative financial instruments | 788 | 916 |
| - difference between the fair value and the carrying amount of assets acquired | 288 | 408 |
| - site restoration and abandonment (tangible assets) | 276 | 166 |
| - leasing | 162 | 1,076 |
| - application of the weighted average cost method in evaluation of inventories | 52 | 87 |
| - other | 1,042 | 669 |
| | **9,315** | **10,668** |
| **Deferred tax assets, gross** | | |
| - carry-forward tax losses | (6,752) | (7,374) |
| - site restoration and abandonment (provisions for contingencies) | (1,986) | (2,400) |
| - timing differences on depreciation and amortization | (1,710) | (2,354) |
| - impairment losses | (1,490) | (1,095) |
| - accruals for impairment losses and provisions for contingencies | (1,246) | (1,417) |
| - leasing | (182) | (1,091) |
| - employee benefits | (161) | (155) |
| - unrealized intercompany profits | (68) | (71) |
| - derivative financial instruments | (60) | (343) |
| - over/Under lifting | (59) | (219) |
| - other | (1,246) | (631) |
| | **(14,960)** | **(17,150)** |
| **Accumulated write-downs of deferred tax assets** | **6,170** | **8,604** |
| **Deferred tax assets, net** | **(8,790)** | **(8,546)** |

The following table summarizes the changes in deferred tax liabilities and assets:

| (€ million) | Deferred tax liabilities before offsetting | Deferred tax assets before offsetting, gross | Accumulated write-downs of deferred tax assets | Deferred tax assets before offsetting net of accumulated write-down provisions |
|---|---|---|---|---|
| **Carrying amount at December 31, 2021** | **10,668** | **(17,150)** | **8,604** | **(8,546)** |
| Additions | 1,176 | (2,215) | 464 | (1,751) |
| Deductions | (1,351) | 2,532 | (2,409) | 123 |
| Changes with effect to OCI | 382 | (147) | | (147) |
| Currency translation differences | 611 | (610) | 165 | (445) |
| Changes in scope of consolidation | (1,951) | 2,279 | (549) | 1,730 |
| Other changes | (220) | 351 | (105) | 246 |
| **Carrying amount at December 31, 2022** | **9,315** | **(14,960)** | **6,170** | **(8,790)** |
| | | | | |
| **Carrying amount at December 31, 2020** | **8,581** | **(16,231)** | **9,065** | **(7,166)** |
| Additions | 1,977 | (1,783) | 270 | (1,513) |
| Deductions | (765) | 1,804 | (863) | 941 |
| Currency translation differences | 683 | (682) | 186 | (496) |
| Other changes | 192 | (258) | (54) | (312) |
| **Carrying amount at December 31, 2021** | **10,668** | **(17,150)** | **8,604** | **(8,546)** |

Carry-forward tax losses amounted to €25,932 million, of which €19,656 million can be carried forward indefinitely. Carry-forward tax losses were €14,000 million and €11,932 million at Italian subsidiaries and foreign subsidiaries, respectively. Deferred tax assets gross of accumulated write-downs recognized on these losses amounted to €3,360 million and €3,392 million, respectively.
Italian taxation law allows the carry-forward of tax losses indefinitely. Foreign taxation laws generally allow the carry-forward of tax losses over a period longer than five years, and in many cases, indefinitely. A tax rate of 24% was applied to tax losses of Italian subsidiaries to determine the portion of the carry-forwards tax losses. The corresponding average rate for foreign subsidiaries was 28.4%.
Accumulated write-downs of deferred tax assets related to Italian companies for €3,951 million and non-Italian companies for €2,219 million.
The reduction of accumulated write-downs of €2,434 million was driven by an improved profitability outlook at Italian subsidiaries leading to the recognition of higher deferred tax assets in connection with expected higher taxable earnings.
Taxes are also described in note 33 – Income taxes.

# 24 Derivative financial instruments and hedge accounting

| | December 31, 2022 | | | December 31, 2021 | | |
|---|---|---|---|---|---|---|
| (€ million) | Fair value asset | Fair value liability | Level of Fair value | Fair value asset | Fair value liability | Level of Fair value |
| **Non-hedging derivatives** | | | | | | |
| *Derivatives on exchange rate* | | | | | | |
| - Currency swap | 110 | 132 | 2 | 113 | 39 | 2 |
| - Interest currency swap | 1 | 144 | 2 | 30 | 7 | 2 |
| - Outright | 3 | 12 | 2 | 3 | 11 | 2 |
| | **114** | **288** | | **146** | **57** | |
| *Derivatives on interest rate* | | | | | | |
| - Interest rate swap | 137 | 58 | 2 | 13 | 43 | 2 |
| | **137** | **58** | | **13** | **43** | |
| *Derivatives on commodities* | | | | | | |
| - Over the counter | 9,571 | 8,663 | 2 | 12,152 | 12,060 | 2 |
| - Future | 6,886 | 5,764 | 1 | 7,158 | 5,498 | 1 |
| - Options | | 2 | 1 | | | |
| - Other | | 80 | 2 | 1 | 55 | 2 |
| | **16,457** | **14,509** | | **19,311** | **17,613** | |
| | **16,708** | **14,855** | | **19,470** | **17,713** | |
| **Cash flow hedge derivatives** | | | | | | |
| *Derivatives on commodities* | | | | | | |
| - Over the counter | | | | 7 | 735 | 2 |
| - Future | 339 | 192 | 1 | 193 | 1,672 | 1 |
| | **339** | **192** | | **200** | **2,407** | |
| *Derivatives on interest rate* | | | | | | |
| - Interest rate swap | 21 | | 2 | | 3 | 2 |
| | **21** | | | | **3** | |
| | **360** | **192** | | **200** | **2,410** | |
| | | | | | | |
| **Options** | | | | | | |
| - Other options | | 144 | 3 | | 62 | 3 |
| | | **144** | | | **62** | |
| **Gross amount** | **17,068** | **15,191** | | **19,670** | **20,185** | |
| Offsetting | (5,863) | (5,863) | | (7,159) | (7,159) | |
| **Net amount** | **11,205** | **9,328** | | **12,511** | **13,026** | |
| Of which: | | | | | | |
| - current | 11,076 | 9,042 | | 12,460 | 12,911 | |
| - non-current | 129 | 286 | | 51 | 115 | |

Eni is exposed to the market risk, which is the risk that changes in prices of energy commodities, exchange rates and interest rates could reduce the expected cash flows or the fair value of the assets. Eni enters into financial and commodities derivatives traded on organized markets (like MTF and OTF) and into commodities derivatives traded over the counter (swaps, forward, contracts for differences and options on commodities) to reduce this risk in relation to the underlying commodities, currencies or interest rates and, to a limited extent, in compliance with internal authorization thresholds, with speculative purposes to profit from expected market trends.
Derivatives fair values were estimated based on market quotations provided by primary info-provider or, alternatively, appropriate valuation techniques generally adopted in the marketplace.
Fair values of non-hedging derivatives essentially comprised forward sale contracts of natural gas for physical delivery which were not entitled to the own use exemption, as well as derivatives for proprietary trading activities.
Fair value of cash flow hedge derivatives essentially related to commodity hedges were entered into by the Global Gas & LNG Portfolio segment. These derivatives were entered into to hedge variability in future cash flows associated with highly probable future trade transactions of gas or electricity or on already contracted trades due to different indexation mechanisms of supply costs versus selling prices. A similar scheme applies to exchange rate hedging derivatives. The existence of a relationship between the hedged item and the hedging derivative is checked at inception to verify eligibility for hedge accounting by observing the offset in changes of the fair values at both the underlying commodity and the derivative. The hedging relationship is also stress-tested against the level of credit risk of the counterparty in the derivative transaction. The hedge ratio is defined consistently with the Company's risk management objectives, under a defined risk management strategy. The hedging relationship is discontinued when it ceases to meet the qualifying criteria and the risk management objectives on the basis of which hedge accounting has initially been applied.
The effects of the measurement at fair value of cash flow hedge derivatives are given in note 26 – Equity. Information on hedged risks and hedging policies is disclosed in note 28 – Guarantees, commitments and risks - Risk factors.
During 2021, Eni entered into sustainability-linked interest currency swaps with leading banking institutions which provide for a cost adjustment mechanism linked to the achievement of certain sustainability targets. At December 31, 2022, the fair value of these contracts amounted to positive €39 million.
In 2022, the exposure to the exchange rate risk deriving from securities denominated in U.S. dollars included in the strategic liquidity portfolio amounting to €2,723 million was hedged by using, in a fair value hedge relationship, negative exchange differences for €107 million resulting on a portion of bonds denominated in U.S. dollars amounting to €2,684 million.
The offsetting of financial derivatives related to Eni Global Energy Markets SpA.
During 2022, there were no transfers between the different hierarchy levels of fair value.
Hedging derivative instruments are disclosed below:

| | December 31, 2022 | | | December 31, 2021 | | |
|---|---|---|---|---|---|---|
| (€ million) | Nominal amount of the hedging instrument | Change in fair value (effective hedge) | Change in fair value (ineffective hedge) | Nominal amount of the hedging instrument | Change in fair value (effective hedge) | Change in fair value (ineffective hedge) |
| **Cash flow hedge derivatives** | | | | | | |
| *Derivatives on commodity* | | | | | | |
| - Over the counter | 83 | (4) | | (461) | (2,016) | (46) |
| - Future | 1,350 | (3,912) | 275 | (364) | 534 | (5) |
| - Other | | 9 | | | | |
| | **1,433** | **(3,907)** | **275** | **(825)** | **(1,482)** | **(51)** |
| *Derivatives on interest rate* | | | | | | |
| - Interest rate swap | 127 | 24 | | 84 | 3 | |
| | **127** | **24** | | **84** | **3** | |
| | **1,560** | **(3,883)** | **275** | **(741)** | **(1,479)** | **(51)** |

The breakdown of the underlying asset or liability by type of risk hedged under cash flow hedge is provided below:

| (€ million) | December 31, 2022 | | | December 31, 2021 | | |
|---|---|---|---|---|---|---|
| | Change of the underlying asset used for the calculation of hedging ineffectiveness | CFH reserve | Reclassification adjustments | Change of the underlying asset used for the calculation of hedging ineffectiveness | CFH reserve | Reclassification adjustments |
| **Cash flow hedge derivatives** | | | | | | |
| *Commodity price risk* | | | | | | |
| - Planned sales | 4,059 | (499) | (4,666) | 86 | (1,272) | (215) |
| | **4,059** | **(499)** | **(4,666)** | **86** | **(1,272)** | **(215)** |
| *Derivatives on interest rate* | | | | | | |
| - hedged flows | (15) | 16 | (11) | (3) | 3 | |
| | **(15)** | **16** | **(11)** | **(3)** | **3** | |
| | **4,044** | **(483)** | **(4,677)** | **83** | **(1,269)** | **(215)** |

More information is reported in note 28 — Guarantees, Commitments and Risks — Financial risks.

## Effects recognized in other operating profit (loss)

Other operating profit (loss) related to derivative financial instruments on commodity was as follows:

| (€ million) | 2022 | 2021 | 2020 |
|---|---|---|---|
| Net income (loss) on cash flow hedging derivatives | 275 | (51) | (1) |
| Net income (loss) on other derivatives | (2,011) | 954 | (765) |
| | **(1,736)** | **903** | **(766)** |

Net income (loss) on cash flow hedging derivatives related to the ineffective portion of the hedging relationship on commodity derivatives was recognized through profit and loss.
Net income (loss) on other derivatives included the fair value measurement and settlement of commodity derivatives which could not be elected for hedge accounting under IFRS because they related to net exposure to commodity risk and derivatives for trading purposes and proprietary trading.

## Effects recognized in finance income (loss)

| (€ million) | 2022 | 2021 | 2020 |
|---|---|---|---|
| Derivatives on exchange rate | (70) | (322) | 391 |
| Derivatives on interest rate | 81 | 16 | (40) |
| Options | 2 | | |
| | **13** | **(306)** | **351** |

Net financial income from derivative financial instruments was recognized in connection with the fair value valuation of certain derivatives which lacked the formal criteria to be treated in accordance with hedge accounting under IFRS, as they were entered into for amounts equal to the net exposure to exchange rate risk and interest rate risk, and as such, they cannot be referred to specific trade or financing transactions. Exchange rate derivatives were entered into in order to manage exposures to foreign currency exchange rates arising from the pricing formulas of commodities.
More information is disclosed in note 36 – Transactions with related parties.

# 25 Assets held for sale and liabilities directly associated with assets held for sale

As of December 31, 2022, assets held for sale of €264 million (€263 million at 31 December 2021) and directly associated liabilities of €108 million (€124 million at 31 December 2021) mainly related to: (i) the agreement with Snam SpA relating to the sale of 49.9% stake in the consolidated subsidiary Eni Corridor Srl which owns (directly and indirectly) the stakes in the companies that manage the two groups of international pipelines linking Algeria to Italy, in particular onshore pipelines which extend from the Algerian and Tunisian border to the Tunisian coast (the so-called TTPC pipeline), and the offshore pipelines linking the Tunisian coast to Italy (the so-called TMPC pipeline). The consolidated entities covered by the agreement are Eni Corridor Srl, Trans Tunisian Pipeline Co SpA, Société pour la Construction du Gazoduc Transtunisien SA - Scogat SA, Société de Service du Gazoduc Transtunisien SA - Sergaz SA and Transmediterranean Pipeline Co Ltd. The carrying amount of assets held for sale and liabilities directly associated amounted to €211 million (of which current assets €72 million) and €98 million (of which current liabilities €86 million); (ii) the agreement for the sale of the exploration activities in Gabon conducted by the consolidated entity Eni Gabon SA with non-significant carrying amounts.

During the year, assets indicated in the 2021 financial statements have been sold, and related to: (i) assets in Pakistan described in note 5 – Business combinations and other significant transactions; (ii) the investment Gas Distribution Company of Thessaloniki – Thessaly SA (EDA Thess) operating in the gas distribution business in Greece, sold to Depa Infrastructure, a company of Italgas Group for €165 million with a capital gain of €30 million.

# 26 Equity

## Non-controlling interest

| (€ million) | Net Profit | | Equity | |
|---|---|---|---|---|
| | 2022 | 2021 | December 31, 2022 | December 31, 2021 |
| EniPower Group | 54 | 7 | 373 | 30 |
| Others | 20 | 12 | 98 | 52 |
| | 74 | 19 | 471 | 82 |

## Equity attributable to equity holders of Eni

| (€ million) | December 31, 2022 | December 31, 2021 |
|---|---|---|
| Share capital | 4,005 | 4,005 |
| Retained earnings | 23,455 | 22,750 |
| Cumulative currency translation differences | 7,564 | 6,530 |
| Other reserves and equity instruments: | | |
| - Perpetual subordinated bonds | 5,000 | 5,000 |
| - Legal reserve | 959 | 959 |
| - Reserve for treasury shares | 2,937 | 958 |
| - Reserve for OCI on cash flow hedging derivatives net of tax effect | (342) | (896) |
| - Reserve for OCI on defined benefit plans net of tax effect | (58) | (117) |
| - Reserve for OCI on equity-accounted investments | 46 | 54 |
| - Reserve for OCI on other investments valued at fair value | 53 | 141 |
| - Other reserves | 190 | 190 |
| Treasury shares | (2,937) | (958) |
| Profit for the year | 13,887 | 5,821 |
| | 54,759 | 44,437 |

## Share capital

As of December 31, 2022, the parent company's issued share capital consisted of €4,005,358,876 (same amount as of December 31, 2021) represented by 3,571,487,977 ordinary shares without nominal value (3,605,594,848 ordinary shares at December 31, 2021).
On May 11, 2022, Eni's Shareholders' Meeting resolved: (i) to distribute a dividend of €0.43 per share, with the exclusion of treasury shares held at the ex-dividend date, in full settlement of the 2021 dividend of €0.43 per share, for a total dividend per share of the year 2021 of €0.86; (ii) the cancellation of 34,106,871 treasury shares, keeping the amount of the share capital unchanged and proceeding with the reduction of the related reserve by an amount of €400 million (same amount of the book value of the canceled shares); (iii) to empower the Board of Directors to execute a buy-back program of Eni's shares up to 10% of ordinary shares outstanding, expiring on April 2023, for a total amount up to €2.5 billion. In execution of this resolution, in 2022 195,550,084 shares were acquired at a cost of €2.4 billion.

## Retained earnings

Retained earnings included the interim dividend distribution for 2022 amounting to €1,500 million corresponding to €0.44 per share. The Board of Directors in accordance with Article 2433-bis, paragraph 5 of the Italian Civil Code, resolved: (i) on July 28, 2022, to pay the first tranche of dividend 0f €0.22 for each outstanding share at the ex-dividend date of the September 19, 2022, with payment due on September 21, 2022; (ii) on October 27, 2022, to distribute to shareholders the second tranche of the 2022 dividend of €0.22 for each outstanding share on the ex-dividend date of November 21, 2022, with payment on November 23, 2022; (iii) on February 22, 2023 to distribute to shareholders the third (of four) tranche of the 2022 dividend, out of the available reserves, of €0.22 for each outstanding share, with the exclusion of treasury shares in portfolio at the dividend date.

## Cumulative foreign currency translation differences

The cumulative foreign currency translation differences arose from the translation of financial statements denominated in currencies other than euro.

## Perpetual subordinated hybrid bonds

The hybrid bonds are governed by English law and are traded on the regulated market of the Luxembourg Stock Exchange. As of December 31, 2022, hybrid bonds amounted to €5 billion (same amount as at December 31, 2021).
The key characteristics of the two bonds are: (i) an issue of €1.5 billion perpetual 5.25-year subordinated non-call hybrid notes with a re-offer price of 99.403% and an annual fixed coupon of 2.625% until the first reset date of January 13, 2026. As from such date, unless it has been redeemed in whole on or before the first reset date, which is the last day for the first optional redemption, the bond will bear interest per annum determined according to the relevant 5-year Euro Mid Swap rate plus an initial spread of 316.7 basis points, increased by an additional 25 basis points as from January 13, 2031 and a subsequent increase of additional 75 basis points as from January 13, 2046; (ii) an issue of €1.5 billion perpetual 9-year subordinated non-call hybrid notes with a re-offer price of 100% and an annual fixed coupon of 3.375% until the first reset date of October 13, 2029. As from such date, unless it has been redeemed in whole on or before the first reset date, which is the last day for the first optional redemption, the bond will bear interest per annum determined according to the relevant 5-year Euro Mid Swap rate plus an initial spread of 364.1 basis points, increased by additional 25 basis points as from October 13, 2034 and a subsequent increase of additional 75 basis points as from October 13, 2049; (iii) an issue of €1 billion perpetual 6-year subordinated non-call hybrid notes with a re-offer price of 100% and an annual fixed coupon of 2.000% until the first reset date of May 11, 2027. As from such date, unless it has been redeemed in whole on or before the first reset date, which is the last day for the first optional redemption, the bond will bear interest per annum determined according to the relevant 5-year Euro Mid Swap rate plus an initial spread of 220.4 basis points, increased by additional 25 basis points as from May 11, 2032 and a subsequent increase of additional 75 basis points as from May 11, 2047; (iv) an issue of €1 billion perpetual 9-year subordinated non-call hybrid notes with a re-offer price of 99.607% and an annual fixed coupon of 2.750% until the first

reset date of May 11, 2030. As from such date, unless it has been redeemed in whole on or before the first reset date, which is the last day for the first optional redemption, the bond will bear interest per annum determined according to the relevant 5-year Euro Mid Swap rate plus an initial spread of 277.1 basis points, increased by additional 25 basis points as from May 11, 2035 and a subsequent increase of additional 75 basis points as from May 11, 2050.

## Legal reserve

This reserve represents earnings restricted from the payment of dividends pursuant to Article 2430 of the Italian Civil Code. The legal reserve has reached the maximum amount required by the Italian Law.

## Reserve for treasury shares

The reserve for treasury shares represents the reserve that was established in previous reporting periods to repurchase the Company shares in accordance with resolutions at Eni's Shareholders' Meetings.

## Reserves for Other Comprehensive Income

| | Reserve for OCI on cash flow hedge derivatives | | | Reserve for OCI on defined benefit plans | | | | |
|---|---|---|---|---|---|---|---|---|
| (€ million) | Gross reserve | Deferred tax liabilities | Net reserve | Gross reserve | Deferred tax liabilities | Net reserve | Reserve for OCI on equity-accounted investments(*) | Reserve for OCI on investments valued at fair value |
| **Reserve as of December 31, 2021** | **(1,269)** | **373** | **(896)** | **(84)** | **(33)** | **(117)** | **54** | **141** |
| Changes of the year | (3,883) | 1,133 | (2,750) | 60 | (5) | 55 | 92 | 56 |
| Currency translation differences | | | | 1 | | 1 | | |
| Reversal to inventories adjustments | (8) | 2 | (6) | | | | | |
| Reclassification to retained earnings | | | | | | | | (144) |
| Changes in scope of consolidation | | | | 3 | | 3 | 1 | |
| Reclassification adjustments | 4,677 | (1,367) | 3,310 | | | | (101) | |
| **Reserve as of December 31, 2022** | **(483)** | **141** | **(342)** | **(20)** | **(38)** | **(58)** | **46** | **53** |
| | | | | | | | | |
| **Reserve as of December 31, 2020** | **(7)** | **2** | **(5)** | **(205)** | **47** | **(158)** | **85** | **36** |
| Changes of the year | (1,479) | 434 | (1,045) | 119 | (77) | 42 | (32) | 105 |
| Currency translation differences | | | | 2 | (3) | (1) | 1 | |
| Reversal to inventories adjustments | 2 | (1) | 1 | | | | | |
| Reclassification adjustments | 215 | (62) | 153 | | | | | |
| **Reserve as of December 31, 2021** | **(1,269)** | **373** | **(896)** | **(84)** | **(33)** | **(117)** | **54** | **141** |

(*) Reserve for OCI on equity-accounted investments at December 31, 2022 includes €1 million relating to defined benefit plans (€-4 million at December 31, 2021).

## Other reserves

Other reserves related to a reserve of €190 million representing the increase in equity attributable to Eni associated with a business combination under common control, whereby the parent company Eni SpA divested its subsidiaries.

## Treasury shares

A total of 226,097,834 of Eni's ordinary shares (65,838,173 at December 31, 2021) were held in treasury for a total cost of €2,937 million (€958 million at December 31, 2021). During 2022, 195,550,084 shares were acquired, for a total value of €2,400 million, 34,106,871 treasury shares have been cancelled for a total value of €400 million and 1,183,552 treasury shares were assigned free of charge to Eni executives, following the conlcusion of the Vesting Period as required by the "Long-Term Monetary Incentive Plan 2017-2019" approved by Eni's Shareholders' Meeting of April 13, 2017. On May 13, 2022, the Shareholders Meeting approved the Long-Term Monetary Incentive Plan 2020-2022 and empowered the Board of Directors to execute the Plan by authorizing it to dispose up to a maximum of 20 million of treasury shares in service of the Plan.

## Distributable reserves

As of December 31, 2022, equity attributable to Eni included distributable reserves of approximately €45 billion.

## Reconciliation of profit and equity of the parent company Eni SpA to the consolidated profit and equity

| | Profit | | Shareholders' equity | |
|---|---|---|---|---|
| (€ million) | 2022 | 2021 | December 31, 2022 | December 31, 2021 |
| **As recorded in Eni SpA's Financial Statements** | **5,403** | **7,675** | **52,520** | **51,039** |
| Excess of net equity stated in the separate accounts of consolidated subsidiaries over the corresponding carrying amounts of the parent company | 7,375 | (3,324) | (1,302) | (9,910) |
| Consolidation adjustments: | | | | |
| - difference between purchase cost and underlying carrying amounts of net equity | | | 153 | 153 |
| - adjustments to comply with Group accounting policies | 797 | 1,855 | 4,468 | 4,266 |
| - elimination of unrealized intercompany profits | 124 | (176) | (533) | (654) |
| - deferred taxation | 262 | (190) | (76) | (375) |
| | **13,961** | **5,840** | **55,230** | **44,519** |
| Non-controlling interest | (74) | (19) | (471) | (82) |
| **As recorded in Consolidated Financial Statements** | **13,887** | **5,821** | **54,759** | **44,437** |

# 27 Other information

## Supplemental cash flow information

| (€ million) | 2022 | 2021 | 2020 |
|---|---|---|---|
| **Investment in consolidated subsidiaries and businesses** | | | |
| Current assets | 147 | 262 | 15 |
| Non-current assets | 2,463 | 2,698 | 193 |
| Net borrowings | (541) | (486) | (64) |
| Current and non-current liabilities | (366) | (349) | (17) |
| **Net effect of investments** | **1,703** | **2,125** | **127** |
| Fair value of investments held before the acquisition of control | (21) | (99) | |
| Non-controlling interests | (15) | (4) | (15) |
| **Purchase price** | **1,667** | **2,022** | **112** |
| less: | | | |
| *Cash and cash equivalents acquired* | *(31)* | *(121)* | *(3)* |
| **Consolidated subsidiaries and businesses net of cash and cash equivalent acquired** | **1,636** | **1,901** | **109** |
| | | | |
| **Disposal of consolidated subsidiaries and businesses** | | | |
| Current assets | 1,377 | 2 | |
| Non-current assets | 8,618 | | |
| Net borrowings | (2,085) | | |
| Current and non-current liabilities | (2,351) | | |
| **Net effect of disposals** | **5,559** | **2** | |
| Current value of the stake held for business combinations | (5,726) | | |
| Reclassification among other items of OCI | (918) | | |
| Gain on disposal of business combinations | 2,704 | | |
| Credits for divestments | (1,609) | | |
| **Selling price** | **10** | **2** | |
| less: | | | |
| *Cash and cash equivalents sold* | *(70)* | | |
| **Consolidated subsidiaries and businesses net of cash and cash equivalent disposed of** | **(60)** | **2** | |
| | | | |
| **Business combination Unión Fenosa Gas** | | | |
| **Investment in Unión Fenosa Gas sold** | | **232** | |
| less: | | | |
| **Investments and businesses acquired** | | | |
| Current assets | | 370 | |
| Non-current assets | | 378 | |
| Net borrowings | | (128) | |
| Long-term and short-term liabilities | | (420) | |
| **Total investments and businesses acquired** | | **200** | |
| **Total net disposals** | | **32** | |
| less: | | | |
| *Cash and cash equivalents acquired* | | *42* | |
| **Business combination Unión Fenosa Gas net of cash and cash equivalent acquired** | | **74** | |
| **Consolidated subsidiaries and businesses net of cash and cash equivalent disposed of** | **(60)** | **76** | |

Investments and disposals in 2022 are disclosed in note 5 – Business Combinations and other significant transactions.
Investments in 2021 concerned: (i) the acquisition of a 100% stake of Aldro Energía y Soluciones SLU (now Eni Plenitude Iberia SLU) active in the market for the sale of power, gas and services in the retail business with a portfolio of around 250 thousand customers mainly in Spain and Portugal; (ii) the acquisition of a 100% stake of the company FRI-EL Biogas Holding (now EniBioCh4in SpA) active in the sector of power production from bioenergy with 21 plants each with a nominal power of 2 megawatts. The acquired assets include a plant for the treatment of OFMSW - the Organic Fraction of Municipal Solid Waste; (iii) the acquisition from Glennmont Partners and PGGM Infrastructure Fund of a portfolio of thirteen operating onshore wind farms, with a total capacity of 315 MW; (iv) the acquisition of Dhamma Energy Group, owner of a pipeline of photovoltaic plant in France and Spain at various stages of maturity of approximately 3 GW, as well as plants in operation or under construction with a capacity of approximately 120 MW; (v) the acquisition from Azora Capital of a portfolio of nine renewable energy projects consisting of three wind farms in operation and one under construction for a total of 234 MW and five photovoltaic projects in an advanced stage of development for approximately 0.9 GW; (vi) the acquisition of control of Finproject by exercising the call option on the remaining 60% of the share capital, after the initial investment of 40% made in 2020; (vii) a 100% stake in Be Power, acquired by Zouk Capital and Aretex, companies active in the segment of charging infrastructure for power mobility with about 6,000 charging points, the second largest operator in Italy, with which it was a co-branding agreement for the Be Charge charging stations is in place.
Disposals in 2021 related to the restructuring of the joint venture Unión Fenosa Gas SA following the agreements with the authorities of the Arab Republic of Egypt (ARE) and the Spanish partner Naturgy for the resolution of all outstanding issues of the joint venture with Egyptian partners which resulted in an overall cash adjustment for the benefit of Eni, represented in the disposals.
Investments in 2020 related to the acquisition by Eni gas e luce SpA Società Benefit (now Eni Plenitude SpA Società Benefit) of a 70% controlling stake in Evolvere, a group operating in the business of distributed generation from renewable sources for €97 million, net of acquired cash of €3 million, and to the acquisition by Eni New Energy SpA of the whole capital of three companies holding authorization rights for the construction of three wind projects in Puglia for €12 million.

## Business combinations and other significant transactions

The provisional and definitive price allocation of the net assets acquired in 2021 is shown below:

| (€ million) | FRI EL Biogas Holding (now EniBioCh4in SpA) Provisional allocation | FRI EL Biogas Holding (now EniBioCh4in SpA) Definitive allocation | Portfolio of thirteen on-shore wind facilities Provisional allocation | Portfolio of thirteen on-shore wind facilities Definitive allocatio | Dhamma Energy Group Provisional allocation | Dhamma Energy Group Definitive allocation | Portfolio of nine renewable energy projects Provisional allocation | Portfolio of nine renewable energy projects Definitive allocation | Be Power Provisional allocation | Be Power Definitive allocation |
|---|---|---|---|---|---|---|---|---|---|---|
| Current assets | 23 | 23 | 32 | 31 | 2 | 3 | 7 | 7 | 22 | 22 |
| Property, plant and equipement | 38 | 144 | 423 | 209 | 119 | 94 | 57 | 21 | 29 | 29 |
| Goodwill | 80 | 9 | 302 | 307 | 120 | 124 | 81 | 79 | 728 | 718 |
| Current and non current assets | 15 | 15 | 43 | 252 | 15 | 33 | 25 | 68 | 10 | 22 |
| Cash and cash equivalent (Net borrowings) | (14) | (14) | (215) | (214) | (101) | (97) | (32) | (38) | 9 | 10 |
| Current and non current liabilities | (9) | (44) | (100) | (100) | (12) | (11) | (20) | (21) | (34) | (37) |
| **Net effects of investments** | **133** | **133** | **485** | **485** | **143** | **146** | **118** | **116** | **764** | **764** |
| Non-controlling interests | (1) | (1) | | | (3) | (3) | | | | |
| **Total purchase price** | **132** | **132** | **485** | **485** | **140** | **143** | **118** | **116** | **764** | **764** |

Following the definitive allocation of the 2021 Business Combinations, financial statements were not restated taking into account the irrelevance of the changes.

# 28 Guarantees, commitments and risks

## Guarantees

| (€ million) | December 31, 2022 | December 31, 2022 |
|---|---|---|
| Consolidated subsidiaries | 7,082 | 6,432 |
| Unconsolidated subsidiaries | 202 | 190 |
| Joint ventures and associates | 9,802 | 3,358 |
| Others | 477 | 180 |
| | **17,563** | **10,160** |

Guarantees issued on behalf of consolidated subsidiaries primarily consisted of: (i) autonomous guarantee contracts given to third parties relating to bid bonds and performance bonds for €3,282 million (€3,601 million at December 31, 2021); (ii) autonomous guarantee contracts issued by the Exploration & Production segment primarily in relation to oil & gas activities for €1,098 million (€943 million at December 31, 2021); (iii) autonomous guarantee contracts issued to cover the sale of gas stored, gas transportation and potential exposures to the gas system in Italy for €388 million (€16 million at December 31, 2021); autonomous guarantee contracts issued to third parties for the purchase of equity investments for €252 million (€913 million at December 31, 2021). At December 31, 2022, the underlying commitment issued on behalf of consolidated subsidiaries covered by these guarantees was €7,003 million (€6,267 million at December 31, 2021).
Guarantees issued on behalf of joint ventures and associates primarily consisted of: (i) autonomous guarantee contracts and other personal guarantees given to the Azule Group for €3,164 million relating to leasing contracts of FPSO vessels to be used as part of the development projects in Angola; (ii) autonomous guarantee contracts and other personal guarantees given to third parties relating to bid bonds and performance bonds for €1,891 million (€1,764 million at December 31, 2021), of which €1,378 million (€1,260 million at December 31, 2021) related to guarantees issued towards the contractors who were building a floating vessel for gas liquefaction and exportation (FLNG) as part of the Coral development project offshore Mozambique; (iii) autonomous guarantee contracts issued towards banks and other lending institutions for €1,499 million (€1,413 million at December 31, 2021) in relation to loans and credit lines received as part of the Coral development project offshore Mozambique with respect to the financing agreements of the project with Export Credit Agencies and banks; (iv) autonomous guarantee contracts issued in favor to third parties for the investment in the offshore wind project of Dogger Bank for €1,259 million (€494 million at December 31, 2021). In 2022, the consolidated company Eni North Sea Wind Ltd, owner of the 20% stake in the Dogger Bank A, B and C projects was conferred to the Norwegian joint venture Vårgrønn AS (Eni's interest 65%). At December 31, 2022, the underlying commitment issued on behalf of joint ventures and associates covered by these guarantees was €6,859 million (€1,816 million at December 31, 2021).
As provided by the contract that regulates the petroleum activities in Area 4 offshore Mozambique, Eni SpA in its capacity as parent company of the operator has provided concurrently with the approval of the development plan of the reserves which are located exclusively within the concession area, an irrevocable and unconditional parent company guarantee in respect of any possible claims or any contractual breaches in connection with the petroleum activities to be carried out in the contractual area, including those activities in charge of the special purpose entities like Coral FLNG SA, to the benefit of the Government of Mozambique and third parties. The obligations of the guarantor towards the Government of Mozambique are unlimited (non-quantifiable commitments), whereas they provide a maximum liability of €1,405 million in respect of third-parties claims. This guarantee will be effective until the completion of any decommissioning activity related to both the development plan of Coral as well as any development plan to be executed within Area 4 (particularly the Mamba project). This parent company guarantee issued by Eni covering 100% of the aforementioned obligations was taken over by the other concessionaires (Kogas, Galp and ENH) and by ExxonMobil and CNPC shareholders of the joint venture Mozambique Rovuma Venture SpA, in proportion to their respective participating interest in Area 4.
Guarantees issued on behalf of third parties consisted of: (i) a guarantee issued in favor of Gulf LNG Energy and Gulf LNG Pipeline on behalf of Angola LNG Supply Service Llc (Eni's interest 13.60%) to cover contractual commitments of paying re-gasification fees for €190 million (€179 million at December 31, 2021). During 2022, the company Angola LNG Supply Service Llc was conferred to Azule Energy Holdings Ltd (Eni's interest 50%); (ii) related for €167 million (€157 million at December 31, 2021) to the share of the guarantee attributable to the State oil Company of Mozambique ENH, which was assumed by Eni in favor of the consortium financing the construction of the Coral project FLNG vessel. At December 31, 2022, the underlying commitment issued on behalf of third parties covered by these guarantees was €323 million (€124 million at December 31, 2021).

## Commitments and risks

| (€ million) | December 31, 2022 | December 31, 2022 |
|---|---|---|
| Commitments | 77,481 | 75,201 |
| Risks | 1,228 | 934 |
| | 78,709 | 76,135 |

Commitments related to: (i) parent company guarantees that were issued in connection with certain contractual commitments for hydrocarbon exploration and production activities and quantified, based on the capital expenditures to be incurred, to be €73,334 million (€70,039 million at December 31, 2021). The increase was primarily determined by exchange rate differences; (ii) a parent company guarantee of €3,748 million (€3,532 million at December 31, 2021) given on behalf of Eni Abu Dhabi Refining & Trading BV following the Share Purchase Agreement to acquire from Abu Dhabi National Oil Company (ADNOC) a 20% equity interest in ADNOC Refining and the set-up of ADNOC Global Trading Ltd dedicated to marketing petroleum products. The parent company guarantee still outstanding has been issued to guarantee the obligations set out in the Shareholders Agreements and will remain in force as long as the investment is maintained; (iii) commitments of the Plenitude business line for the purchase of renewable energy projects in Spain, United States and Italy for €210 million.
Risks relate to potential risks associated with: (i) contractual assurances given to acquirers of certain investments and businesses of Eni for €262 million (€246 million at December 31, 2021); (ii) assets of third parties under the custody of Eni for €957 million (€688 million at December 31, 2021).

## Other commitments and risks

A parent company guarantee was issued on behalf of Cardón IV SA (Eni's interest 50%), a joint venture operating the Perla gas field located in Venezuela, for the supply to PDVSA GAS of the volumes of gas produced by the field until the end of the concession agreement (2036). In case of failure on part of the operator to deliver the contractual gas volumes out of production, the claim under the guarantee will be determined by applying the local legislation. Eni's share (50%) of the contractual volumes of gas to be delivered to PDVSA GAS amounted to a total of around €13 billion. Notwithstanding this amount does not properly represent the guarantee exposure, nonetheless such amount represents the maximum financial exposure at risk for Eni. A similar guarantee was issued by PDVSA on behalf of Eni for the fulfillment of the purchase commitments of the gas volumes by PDVSA GAS.
Other commitments include the agreements entered into for forestry initiatives, implemented within the low carbon strategy defined by the Company, concerning the commitments for the purchase, until 2038, of carbon credits produced and certified according to international standards by subjects specialized in forest conservation programs.
On February 5, 2021, EniServizi SpA (EniServizi) signed on behalf of Eni SpA (Eni) an addendum to the lease contract of a property to be built signed between Eni and the management company of the real estate investment fund owner of the new complex under construction in San Donato Milanese (the Property), including the postponement of the delivery date of the property from July 28, 2020 to December 31, 2021. As of December 31, 2022, the real estate complex was not yet available to Eni which, therfore, claimed penalties for late delivery of approximately €18 million to the landlord, as provided for in the lease agreement and supported by a first demand guarantee. In this context, the landlord complained that the delays would not be entirely attributable to itself because of the following reasons: (i) effects of the pandemic crisis; (ii) alleged defects found in relation to the preparatory works for the sale of the area; (iii) alleged design defects. Also on the basis of these complaints, the landlord expressed its intention to charge EniServizi and/or Eni at least part of the claims made against the owner. In this regard, confirming the complete impartiality and neutrality of Eni and EniServizi with respect to the contractual relationships between the landlord and its contractor (confirmed in several communications), the Company reaffirmed that the delays relating to points (i) and (ii) have already been object of a settlement in the aforementioned agreement of February 5, 2021 and therefore comprised in the updated delivery date of December 31, 2021. With regard to point (iii), the landlord in the purchase contract of the area declared to accept the project without any reservation or exception assuming all the consequent risks and responsibilities, as well as to not to be entitled to any higher payment, compensation or extension of terms for errors, omissions or other defects in the project. The above concerns out-of-court communications between the parties, as no litigation has been initiated to date. At the moment, therefore, it is not known what could be the object, the reasons or the probative allegations of a possible legal action brought by the counterparty.
In addition, Eni, subsequent to the divestiture of certain Eni assets, including businesses and investments, is liable for certain non-quantifiable risks related to contractual guarantees against certain contingent liabilities deriving from tax, social security contributions, environmental issues and other matters applicable to periods during which such assets were operated by Eni or as a result of the loss of control in subsidiaries. Eni believes such matters will not have a material adverse effect on Eni's results of operations and cash flow.

## Risk factors

The following is the description of financial risks and their management and control. With reference to the issues related to credit risk, the parameters adopted for the determination of expected losses and the estimates of the probability of default and the loss given default have been updated to take into account the impacts associated with the conflict between Russia and Ukraine and the current energy crisis.
As of December 31, 2022, the Company retains liquidity reserves that management deems enough to meet the financial obligations due in the next eighteen months.

### Financial risks

Financial risks are managed in respect of the guidelines issued by the Board of Directors of Eni SpA in its role of directing and setting the risk limits, targeting to align and centrally coordinate Group companies' policies on financial risks ("Guidelines on financial risks management and control"). The "Guidelines" define for each financial risk the key components of the management and control process, such as the target of the risk management, the valuation methodology, the structure of limits, the relationship model and the hedging and mitigation instruments.

### Market risk

Market risk is the possibility that changes in currency exchange rates, interest rates or commodity prices will adversely affect the value of the Group's financial assets, liabilities or expected future cash flows. The Company actively manages market risk in accordance with a set of policies and guidelines that provide a centralized model of handling finance, treasury and risk management transactions based on the Company's departments of operational finance: the parent company's (Eni SpA) finance department, Eni Finance International SA and Banque Eni SA, which is subject to certain bank regulatory restrictions preventing the Group's exposure to concentrations of credit risk, and Eni Trade & Biofuels SpA and Eni Global Energy Markets SpA that are in charge to execute certain activities relating to commodity derivatives. In particular, Eni Corporate finance department and Eni Finance International SA manage subsidiaries' financing requirements in and outside Italy, respectively, covering funding requirements and using available surpluses. All transactions concerning currencies and derivative contracts on interest rates and currencies different from commodities of Eni are managed by Eni Corporate finance department, while Eni Trade & Biofuels SpA and Eni Global Energy Markets SpA execute the negotiation of commodity derivatives over the market. Eni SpA, Eni Trade & Biofuels SpA and Eni Global Energy Markets SpA (also through the subsidiary Eni Trading & Shipping Inc) perform trading activities in financial derivatives on external trading venues, such as European and non-European regulated markets, Multilateral Trading Facility (MTF), Organized Trading Facility (OTF), or similar and brokerage platforms (i.e. SEF), and over the counter on a bilateral basis with external counterparties. Other legal entities belonging to Eni that require financial derivatives enter into these transactions through Eni Trade & Biofuels SpA, Eni Global Energy Markets SpA and Eni SpA based on the relevant asset class expertise. Eni uses derivative financial instruments (derivatives) in order to minimize exposure to market risks related to fluctuations in exchange rates relating to those transactions denominated in a currency other than the functional currency (the euro) and interest rates, as well as to optimize exposure to commodity prices fluctuations taking into account the currency in which commodities are quoted. Eni monitors every activity in derivatives classified as risk-reducing directly or indirectly related to covered industrial assets, so as to effectively optimize the risk profile to which Eni is exposed or could be exposed. If the result of the monitoring shows those derivatives should not be considered as risk reducing, these derivatives are reclassified in proprietary trading. As proprietary trading is considered separately from the other activities in specific portfolios of Eni Trade & Biofuels SpA and Eni Global Energy Markets SpA, their exposure is subject to specific controls, both in terms of Value at Risk (VaR) and Stop Loss and in terms of nominal gross value. For Eni, the gross nominal value of proprietary trading activities is compared with the limits set by the relevant international standards. The framework defined by Eni's policies and guidelines provides that the valuation and control of market risk is performed on the basis of maximum tolerable levels of risk exposure defined in terms of limits of Stop Loss, which expresses the maximum tolerable amount of losses associated with a certain portfolio of assets over a pre-defined time horizon; limits of revision strategy, which consist in the triggering of a revision process of the strategy in the event of exceeding the level of profit and loss given and VaR, which measures the maximum potential loss of the portfolio, given a certain confidence level and holding period, assuming adverse changes in market variables and taking into account the correlation among the different positions held in the portfolio. Eni's finance department defines the maximum tolerable levels of risk exposure to changes in interest rates and foreign currency exchange rates in terms of VaR, pooling Group companies' risk positions maximizing, when possible, the benefits of the netting activity. Eni's calculation and valuation techniques for interest rate and foreign currency exchange rate risks are in accordance with banking standards, as established by the Basel Committee for bank activities surveillance. Tolerable levels of risk are based on a conservative approach, considering the industrial nature of the Company. Eni's guidelines prescribe that Eni Group companies minimize such kinds of market risks by transferring risk exposure to the parent company finance department. Eni's guidelines define rules to manage the commodity risk aiming at optimizing core activities and pursuing preset targets of stabilizing industrial and commercial margins. The maximum tolerable level of risk exposure is defined in terms of VaR, limits of revision strategy, Stop Loss and volumes in connection with exposure deriving from commercial activities, as well as exposure deriving from proprietary trading, exclusively managed

by Eni Trade & Biofuels SpA and Eni Global Energy Markets SpA. Internal mandates to manage the commodity risk provide for a mechanism of allocation of the Group maximum tolerable risk level to each business unit. In this framework, Eni Trade & Biofuels SpA and Eni Global Energy Markets SpA, in addition to managing risk exposure associated with their own commercial activity and proprietary trading, pool the requests for negotiating commodity derivatives and execute them in the marketplace.
According to the targets of financial structure included in the financial plan approved by the Board of Directors, Eni decided to retain a cash reserve to face any extraordinary requirement. Eni's finance department, with the aim of optimizing the efficiency and ensuring maximum protection of capital, manages such reserve and its immediate liquidity within the limits assigned. The management of strategic cash is part of the asset management pursued through transactions on own risk in view of optimizing financial returns, while respecting authorized risk levels, safeguarding the Company's assets and retaining quick access to liquidity. The four different market risks, whose management and control have been summarized above, are described below.

### Market risk - Exchange rate

Exchange rate risk derives from the fact that Eni's operations are conducted in currencies other than euro (mainly U.S. dollar). Revenues and expenses denominated in foreign currencies may be significantly affected by exchange rate fluctuations due to conversion differences on single transactions arising from the time lag existing between execution and definition of relevant contractual terms (economic risk) and conversion of foreign currency-denominated trade and financing payables and receivables (transactional risk). Exchange rate fluctuations affect the Group's reported results and net equity as financial statements of subsidiaries denominated in currencies other than euro are translated from their functional currency into euro. Generally, an appreciation of U.S. dollar versus euro has a positive impact on Eni's results of operations, and vice versa. Eni's foreign exchange risk management policy is to minimize transactional exposures arising from foreign currency movements and to optimize exposures arising from commodity risk. Eni does not undertake any hedging activity for risks deriving from the translation of foreign currency denominated profits or assets and liabilities of subsidiaries, which prepare financial statements in a currency other than euro, except for single transactions to be evaluated on a case-by-case basis.
Effective management of exchange rate risk is performed within Eni's finance departments, which pool Group companies' positions, hedging the Group net exposure by using certain derivatives, such as currency swaps, forwards and options. Such derivatives are evaluated at fair value based on market prices provided by specialized info-providers. The VaR techniques are based on variance/covariance simulation models and are used to monitor the risk exposure arising from possible future changes in market values over a 24-hour period within a 99% confidence level and a 20-day holding period.

### Market risk - Interest rate

Changes in interest rates affect the market value of financial assets and liabilities of the Company and the level of finance charges.
Eni's interest rate risk management policy is to minimize risk with the aim to achieve financial structure objectives defined and approved in management's "Finance plan". The Group's central departments pool borrowing requirements of the Group companies in order to manage net positions and fund portfolio developments consistent with management plan, thereby maintaining a level of risk exposure within prescribed limits. Eni enters into interest rate derivative transactions, in particular interest rate swaps, to effectively manage the balance between fixed and floating rate debt. Such derivatives are evaluated at fair value based on market prices provided from specialized sources. VaR deriving from interest rate exposure is measured daily based on a variance/covariance model, with a 99% confidence level and a 20-day holding period.

### Market risk - Commodity

Price risk of commodities is identified as the possibility that fluctuations in the price of materials and basic products produce significant changes in Eni's operating margins, determining an impact on the economic result such as to compromise the targets defined in the four-year plan and in the budget. The commodity price risk arises in connection with the following exposures: (i) strategic exposure: exposures directly identified by the Board of Directors as a result of strategic investment decisions or outside the planning horizon of risk management. These exposures include, for example, exposures associated with the program for the production of Oil & Gas reserves, long-term gas supply contracts for the portion not balanced by sales contracts (already stipulated or expected), the margin deriving from the chemical transformation process, the refining margin and long-term storage functional to the logistic-industrial activities; (ii) commercial exposure: concerns the exposures related to components underlying the contractual arrangements of industrial and commercial (contracted exposure) activities normally related to the time horizon of the four-year plan and budget, components not yet under contract but which will be with reasonable certainty (commitment exposure) and the relevant activities of risk management. Commercial exposures are characterized by a systematic risk management activity conducted based on risk/return assumptions by implementing one or more strategies and subjected to specific risk limits (VaR, revision strategy limits and Stop Loss). In particular, the commercial exposures include exposures subjected to asset-backed hedging activities, arising from the flexibility/optionality of assets; (iii) proprietary trading exposure: transactions carried out autonomously for speculative purposes in the short term and normally not aimed at delivery with the intention of exploiting favorable price movements, spreads and/or volatility implemented autonomously and carried out regardless of the exposures of the commercial portfolio or physical and contractual assets. They are usually carried out in the short-term, not necessarily aimed at the delivery and carried out by using financial or similar instruments in accordance with specific limits of authorized risk (VaR, Stop Loss). Strategic risk is not subject to systematic activity of management/ coverage that is eventually carried out only in case of specific market or business conditions. Because of the extraordinary nature, hedging activities related to strategic risks are delegated to the top management, previously authorized by the Board of Directors. With prior authorization from the Board of Directors, the exposures related to strategic risk can be used in combination with other commercial exposures in order to exploit opportunities for natural compensation between the risks (natural hedge) and consequently reduce the use of financial derivatives (by activating logics of internal market). With regard to exposures of a commercial nature, Eni's risk management target is to optimize the "core" activities and preserve the economic/ financial results. Eni manages the commodity risk through the trading units (Eni Trade & Biofuels SpA and Eni Global Energy Markets SpA) and the exposure to commodity prices through the Group's finance departments by using financial derivatives traded on the regulated markets MTF, OTF and financial derivatives traded over the counter (swaps, forward, contracts for differences and options on commodities) with the underlying commodities being crude oil, gas, refined products, power or emission certificates. Such financial derivatives are valued at fair value based on market prices provided from specialized sources or, absent market prices, based on estimates provided by brokers or suitable valuation techniques. VaR deriving from commodity exposure is measured daily based on a historical simulation technique, with a 95% confidence level and a one-day holding period.

## Market risk - Strategic liquidity

Market risk deriving from liquidity management is identified as the possibility that changes in prices of financial instruments (bonds, money market instruments and mutual funds) affect the value of these instruments in case of sale or when they are valued at fair value in the financial statements. The setting up and maintenance of the liquidity reserve are mainly aimed to guarantee a proper financial flexibility. Liquidity should allow Eni to fund any extraordinary need (such as difficulty in access to credit, exogenous shock, macroeconomic environment, as well as merger and acquisitions) and must be dimensioned to provide a coverage of short-term debts and of medium and long-term finance debts due within a time horizon of 24 months. In order to manage the investment activity of the strategic liquidity, Eni defined a specific investment policy with aims and constraints in terms of financial activities and operational boundaries, as well as governance guidelines regulating management and control systems. In particular, strategic liquidity management is regulated in terms of VaR (measured based on a parametrical methodology with a one-day holding period and a 99% confidence level), Stop Loss and other operating limits in terms of concentration, issuing entity, business segment, country of emission, duration, ratings and type of investing instruments in portfolio, aimed to minimize market and liquidity risks. Financial leverage or short selling is not allowed. Activities in terms of strategic liquidity management started in the second half of the year 2013 (Euro portfolio) and throughout the course of the year 2017 (U.S. dollar portfolio). As at 31 December 2022, the rating of the Strategic liquidity investment portfolio was A/A-, showing a slightly improving compared to 2021.

The following tables show amounts in terms of VaR, recorded in 2022 (compared with 2021), relating to interest rate and exchange rate risks in the first section and commodity risk (aggregated by type of exposure). Regarding the management of strategic liquidity, the table reports the sensitivity to changes in interest rate.

(Value at Risk - parametric method variance/covariance; holding period: 20 days; confidence level: 99%)

| | 2022 | | | | 2021 | | | |
|---|---|---|---|---|---|---|---|---|
| (€ million) | High | Low | Average | At year end | High | Low | Average | At year end |
| Interest rate[(a)] | 9.05 | 2.61 | 5.19 | 3.22 | 11.04 | 1.29 | 3.32 | 3.66 |
| Exchange rate[(a)] | 0.95 | 0.09 | 0.29 | 0.34 | 0.28 | 0.11 | 0.18 | 0.12 |

(a) Value at risk deriving from interest and exchange rates exposures include the following finance departments: Eni Corporate Finance Department, Eni Finance International SA and Banque Eni SA.

(Value at Risk - Historic simulation method; holding period: 1 day; confidence level: 95%)

| | 2022 | | | | 2021 | | | |
|---|---|---|---|---|---|---|---|---|
| (€ million) | High | Low | Average | At year end | High | Low | Average | At year end |
| Commercial exposures - Management Portfolio[(a)] | 800.39 | 30.65 | 261.41 | 30.65 | 42.76 | 2.91 | 23.80 | 2.91 |
| Trading[(b)] | 1.63 | 0.01 | 0.36 | 0.04 | 1.03 | 0.12 | 0.37 | 0.20 |

(a) Refers to Global Gas & LNG Portfolio business area, Power Generation & Marketing, Green/Traditional Refining & Marketing, Plenitude, Eni Trading & Biofuels, Eni Global Energy Markets (commercial portfolio). VaR is calculated on the so-called Statutory view, with a time horizon that coincides with the year considering all the volumes delivered in the year and the relevant financial hedging derivatives. Consequently, during the year the VaR pertaining to GGP, Power G&M, GTR&M and Plenitude during the year presents a decreasing trend following the progressive reaching of the maturity of the positions within the annual horizon.
(b) Cross-commodity proprietary trading, through financial instruments, refers to Eni Trading & Biofuels SpA and Eni Global Energy Markets SpA (London-Bruxelles-Singapore) and Eni Trading & Shipping Inc (Houston).

(Sensitivity - Dollar Value of 1 basis point - DVBP)

| | 2022 | | | | 2021 | | | |
|---|---|---|---|---|---|---|---|---|
| (€ million) | High | Low | Average | At year end | High | Low | Average | At year end |
| Strategic liquidity - € Portfolio[(a)] | 0.30 | 0.16 | 0.23 | 0.16 | 0.40 | 0.29 | 0.33 | 0.30 |

(a) Management of strategic liquidity portfolio starting from July 2013.

(Sensitivity - Dollar Value of 1 basis point - DVBP)

| | 2022 | | | | 2021 | | | |
|---|---|---|---|---|---|---|---|---|
| ($ million) | High | Low | Average | At year end | High | Low | Average | At year end |
| Strategic liquidity - US dollar Portfolio[(a)] | 0.13 | 0.04 | 0.08 | 0.04 | 0.14 | 0.05 | 0.11 | 0.13 |

(a) Management of strategic liquidity portfolio in US dollar currency starting from August 2017.

## Credit risk

Credit risk is the potential exposure of the Group to losses in case counterparties fail to perform or pay amounts due. Eni defined credit risk management policies consistent with the nature and characteristics of the counterparties of commercial and financial transactions regarding the centralized finance model.
The Company adopted a model to quantify and control the credit risk-based on the evaluation of the expected loss which represents the probability of default and the capacity to recover credits in default that is estimated through the so-called Loss Given Default.
In the credit risk management and control model, credit exposures are distinguished by commercial nature, in relation to sales contracts on commodities related to Eni's businesses, and by financial nature, in relation to the financial instruments used by Eni, such as deposits, derivatives and securities.

## Credit risk for commercial exposures

Credit risk arising from commercial counterparties is managed by the business units and by the specialized corporate finance and dedicated administration departments and is operated based on formal procedures for the assessment of commercial counterparties, the monitoring of credit exposures, credit recovery activities and disputes. At a corporate level, the general guidelines and methodologies for quantifying and controlling customer risk are defined, in particular the riskiness of commercial counterparties is assessed through an internal rating model that combines different default factors deriving from economic variables, financial indicators, payment experiences and information from specialized primary info providers. The probability of default related to State Entities or their closely related counterparties (e.g. National Oil Company), essentially represented by the probability of late payments, is determined by using the country risk premiums adopted for the purposes of the determination of the WACCs for the impairment of non-financial assets. Finally, for retail positions without specific ratings, risk is determined by distinguishing customers in homogeneous risk clusters based on historical series of data relating to payments, periodically updated.

## Credit risk for financial exposures

With regard to credit risk arising from financial counterparties deriving from current and strategic use of liquidity, derivative contracts and transactions with underlying financial assets valued at fair value, Eni has established internal policies providing exposure control and concentration through maximum credit risk limits corresponding to different classes of financial counterparties defined by the Company's Board of Directors and based on ratings provided for by primary credit rating agencies. Credit risk arising from financial counterparties is managed by the Eni's operating finance departments, Eni Global Energy Markets SpA (EGEM), Eni Trade & Biofuels SpA (ETB) and Eni Trading & Shipping Inc (ETS Inc) specifically for commodity derivatives transactions, as well as by companies and business areas limitedly to physical transactions with financial counterparties, consistently with the Group centralized finance model. Eligible financial counterparties are closely monitored by each counterpart and by group of belonging to check exposures against the limits assigned daily and the expected loss analysis and the concentration periodically.

### Liquidity risk

Liquidity risk is the risk that suitable sources of funding for the Group may not be available, or the Group is unable to sell its assets in the marketplace in order to meet short-term finance requirements and to settle obligations. Such a situation would negatively affect Group results, as it would result in the Company incurring higher borrowing expenses to meet its obligations or under the worst of conditions the inability of the Company to continue as a going concern.
Eni's risk management targets include the maintaining of an adequate level of financial resources readily available to deal with external shocks (drastic changes in the scenario, restrictions on access to capital markets, etc.) or to ensure an adequate level of operational flexibility for the development projects of the Company. The strategic liquidity reserve is employed in short-term marketable financial assets, favoring investments with very low risk profile. At present, the Group believes to have access to more than sufficient funding to meet the current foreseeable borrowing requirements due to available cash on hand financial assets and lines of credit and the access to a wide range of funding opportunities which can be activated through the credit system and capital markets.
Due to the increased volatility of commodity markets and the related higher financial commitment linked to the margin of commodity derivatives, Eni has further strengthened its financial flexibility through the activation of new financing lines.
Eni has in place a program for the issuance of Euro Medium-Term Notes up to €20 billion, of which €15.8 billion were drawn as of December 31, 2022 (€13.4 billion drawn by Eni SpA). The Group has credit ratings of A- outlook Stable and A-2, respectively, for long and short-term debt, assigned by Standard & Poor's; Baa1 outlook Negative and P-2, respectively, for long and short-term debt, assigned by Moody's; A- outlook Stable and F1, respectively for long and short-term debt, assigned by Fitch. Eni's credit rating is linked, in addition to the Company's industrial fundamentals and trends in the trading environment, to the sovereign credit rating of Italy. Based on the methodologies used by the credit rating agencies, a downgrade of Italy's credit rating may trigger a potential knock-on effect on the credit rating of Italian issuers such as Eni. During 2022, Moody's revised Eni's outlook from stable to negative, due to the worsening of the Italian outlook.
During 2022 Eni renegotiated and expanded its portfolio of committed credit lines through the stipulation of a sustainability-linked bond facility agreed with a pool of banks for €6.0 billion. At December 31, 2022 the available committed borrowing facility amounted to €8.1 billion.

## Expected payments for financial debts and lease liabilities

The table below summarizes the Group main contractual obligations for finance debt and lease liability repayments, including expected payments for interest charges and liabilities for derivative financial instruments.

| | Maturity year | | | | | | |
|---|---|---|---|---|---|---|---|
| (€ million) | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 and thereafter | Total |
| **December 31, 2022** | | | | | | | |
| Non-current financial liabilities (including the current portion) | 2,883 | 2,339 | 2,640 | 3,298 | 1,927 | 9,246 | **22,333** |
| Current financial liabilities | 4,446 | | | | | | **4,446** |
| Lease liabilities | 851 | 584 | 445 | 365 | 347 | 2,312 | **4,904** |
| Fair value of derivative instruments | 9,042 | 1 | 51 | 54 | | 180 | **9,328** |
| | **17,222** | **2,924** | **3,136** | **3,717** | **2,274** | **11,738** | **41,011** |
| Interest on finance debt | 590 | 494 | 459 | 365 | 284 | 716 | **2,908** |
| Interest on lease liabilities | 235 | 209 | 184 | 165 | 147 | 685 | **1,625** |
| | **825** | **703** | **643** | **530** | **431** | **1,401** | **4,533** |
| Financial guarantees | 1,668 | | | | | | **1,668** |

| | Maturity year | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 and thereafter | Total |
| **December 31, 2021** | | | | | | | |
| Non-current financial liabilities (including the current portion) | 1,903 | 4,339 | 2,272 | 2,616 | 3,910 | 10,668 | **25,708** |
| Current financial liabilities | 2,299 | | | | | | **2,299** |
| Lease liabilities | 920 | 688 | 565 | 508 | 481 | 2,147 | **5,309** |
| Fair value of derivative instruments | 12,911 | 3 | 61 | | 23 | 28 | **13,026** |
| | **18,033** | **5,030** | **2,898** | **3,124** | **4,414** | **12,843** | **46,342** |
| Interest on finance debt | 475 | 462 | 386 | 359 | 286 | 905 | **2,873** |
| Interest on lease liabilities | 282 | 247 | 214 | 184 | 155 | 681 | **1,763** |
| | **757** | **709** | **600** | **543** | **441** | **1,586** | **4,636** |
| Financial guarantees | 1,599 | | | | | | **1,599** |

Liabilities for leased assets including interest charges for €760 million (€2,370 million at December 31, 2021) pertained to the share of joint operators participating in unincorporated joint operation operated by Eni which will be recovered through a partner-billing process.

## Expected payments for trade and other payables

The table below presents the timing of the expenditures for trade and other payables.

| | Maturity year | | | |
|---|---|---|---|---|
| (€ million) | 2023 | 2024-2027 | 2028 and thereafter | Total |
| **December 31, 2022** | | | | |
| Trade payables | 19,527 | | | **19,527** |
| Other payables and advances | 6,182 | 77 | 110 | **6,369** |
| | **25,709** | **77** | **110** | **25,896** |

| | Maturity year | | | |
|---|---|---|---|---|
| (€ million) | 2022 | 2023-2026 | 2027 and thereafter | Total |
| **December 31, 2021** | | | | |
| Trade payables | 16,795 | | | **16,795** |
| Other payables and advances | 4,925 | 112 | 109 | **5,146** |
| | **21,720** | **112** | **109** | **21,941** |

## Expected payments under contractual obligations[27]

In addition to lease, financial, trade and other liabilities represented in the balance sheet, the Company is subject to non-cancellable contractual obligations or obligations, the cancellation of which requires the payment of a penalty. These obligations will require cash settlements in future reporting periods. These liabilities are valued based on the net cost for the company to fulfill the contract, which consists of the lowest amount between the costs for the fulfillment of the contractual obligation and the contractual compensation/penalty in the event of non-performance.
The Company's main contractual obligations at the balance sheet date comprise take-or-pay clauses contained in the Company's gas supply contracts or shipping arrangements, whereby the Company obligations consist of off-taking minimum quantities of product or service or, in case of failure, paying the corresponding cash amount that entitles the Company the right to collect the product or the service in future years. The amounts due were calculated on the basis of the assumptions for gas prices and services included in the four-year industrial plan approved by the Company's management and for subsequent years on the basis of management's long-term assumptions.
The table below summarizes the Group principal contractual obligations for the main existing contractual obligations as of the balance sheet date, shown on an undiscounted basis. Amounts expected to be paid in 2023 for decommissioning oil & gas assets and for environmental clean-up and remediation are based on management's estimates and do not represent financial obligations at the closing date.

| | Maturity year | | | | | | |
|---|---|---|---|---|---|---|---|
| (€ million) | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 and thereafter | Total |
| **Decommissioning liabilities[(a)]** | **685** | **440** | **376** | **376** | **485** | **11,622** | **13,984** |
| **Environmental liabilities** | **591** | **507** | **408** | **317** | **306** | **1,388** | **3,517** |
| **Purchase obligations[(b)]** | **44,715** | **39,516** | **25,737** | **18,980** | **14,056** | **64,976** | **207,980** |
| - Gas | | | | | | | |
| - take-or-pay contracts | 40,628 | 38,547 | 25,250 | 18,717 | 13,926 | 64,698 | **201,766** |
| - ship-or-pay contracts | 915 | 506 | 419 | 250 | 121 | 249 | **2,460** |
| - Other purchase obligations | 3,172 | 463 | 68 | 13 | 9 | 29 | **3,754** |
| | | | | | | | |
| **Other obligations** | **1** | | | | | | **1** |
| - Memorandum of Intent - Val d'Agri | 1 | | | | | | **1** |
| **Total** | **45,992** | **40,463** | **26,521** | **19,673** | **14,847** | **77,986** | **225,482** |

(a) Represents the estimated future costs for the decommissioning of oil and natural gas production facilities at the end of the producing lives of fields, well-plugging, abandonment and site restoration.
(b) Represents any agreement to purchase goods or services that is enforceable and legally binding and that specifies all significant terms.

## Capital investment and capital expenditure commitments

In the next four years, Eni expects capital investments and capital expenditures of €37 billion. The table below summarizes Eni's full-life capital expenditure commitments for property, plant and equipment and capital projects at the closing date. A project is considered to be committed when it has received the appropriate level of internal management approval and for which procurement contracts have usually already been awarded or are being awarded.
The amounts shown in the table below include committed expenditures to execute certain environmental projects.

| | Maturity year | | | | | |
|---|---|---|---|---|---|---|
| (€ million) | 2023 | 2024 | 2025 | 2026 | 2027 and thereafter | Total |
| Committed projects | 8,080 | 6,093 | 3,845 | 2,047 | 3,785 | **23,850** |

(27) Contractual obligations related to employee benefits are indicated in note 22 - Provisions for employee benefits.

## Other information about financial instruments

| (€ million) | 2022 | | | 2021 | | |
|---|---|---|---|---|---|---|
| | | Income (expense) recognized in | | | Income (expense) recognized in | |
| | Carrying amount | Profit and loss account | OCI | Carrying amount | Profit and loss account | OCI |
| **Financial instruments at fair value with effects recognized in profit and loss account** | | | | | | |
| Financial assets at fair value through profit or loss[(a)] | 8,251 | (55) | | 6,301 | 11 | |
| Non-hedging and trading derivatives[(b)] | 2,006 | (1,723) | | (611) | 597 | |
| **Other investments valued at fair value[(c)]** | **1,202** | **351** | **56** | **1,294** | **230** | **105** |
| **Receivables and payables and other assets/liabilities valued at amortized cost** | | | | | | |
| Trade receivables and other[(d)] | 21,396 | 31 | | 19,124 | (226) | |
| Financing receivables[(e)] | 3,415 | (16) | | 6,140 | 39 | |
| Securities[(a)] | 56 | | | 53 | | |
| Trade payables and other[(a)] | 25,897 | 53 | | 21,941 | (80) | |
| Financing payables[(f)] | 26,917 | (692) | | 27,794 | (250) | |
| **Net assets (liabilities) for hedging derivatives[(g)]** | **(129)** | **(4,677)** | **794** | **96** | **(215)** | **(1,264)** |

(a) Income or expense were recognized in the profit and loss account within "Finance income (expense)".
(b) In the profit and loss account, economic effects were recognized as loss within "Other operating income (loss)" for €1,736 million (income for €903 million in 2021) and as income within "Finance income (expense)" for €13 million (expense for €306 million in 2021).
(c) Income or expense were recognized in the profit and loss account within "Income (expense) from investments - Dividends".
(d) Income or expense were recognized in the profit and loss account as net reversals within "Net (impairments) reversals of trade and other receivables" for €47 million (net impairments for €279 million in 2021) and as expense within "Finance income (expense)" for €16 million (income for €53 million in 2021), including interest income calculated on the basis of the effective interest rate of €15 million (interest income for €18 million in 2021).
(e) In the profit and loss account, income or expense were recognized as income within "Finance income (expense)", including interest income calculated on the basis of the effective interest rate of €86 million (interest income for €53 million in 2021) and net impairments for €111 million (net impairments for €25 million in 2021).
(f) In the profit and loss account, income or expense were recognized as expense within "Finance income (expense)", including interest expense calculated on the basis of the effective interest rate of €568 million (€487 million in 2021).
(g) In the profit and loss account, income or expense were recognized within "Sales from operations" and "Purchase, services and other".

## Disclosures about the offsetting of financial instruments

| (€ million) | Gross amount of financial assets and liabilities | Gross amount of financial assets and liabilities subject to offsetting | Net amount of financial assets and liabilities |
|---|---|---|---|
| **December 31, 2022** | | | |
| **Financial assets** | | | |
| Trade and other receivables | 23,546 | 2,706 | 20,840 |
| Other current assets | 18,684 | 5,863 | 12,821 |
| Other non-current assets | 2,236 | | 2,236 |
| **Financial liabilities** | | | |
| Trade and other liabilities | 28,415 | 2,706 | 25,709 |
| Other current liabilities | 18,336 | 5,863 | 12,473 |
| Other non-current liabilities | 3,234 | | 3,234 |
| **December 31, 2021** | | | |
| **Financial assets** | | | |
| Trade and other receivables | 20,461 | 1,611 | 18,850 |
| Other current assets | 20,791 | 7,157 | 13,634 |
| Other non-current assets | 1,031 | 2 | 1,029 |
| **Financial liabilities** | | | |
| Trade and other liabilities | 23,331 | 1,611 | 21,720 |
| Other current liabilities | 22,913 | 7,157 | 15,756 |
| Other non-current liabilities | 2,248 | 2 | 2,246 |

The offsetting of financial assets and liabilities related to: (i) receivables and payables pertaining to the Exploration & Production segment towards state entities for €2,651 million (€1,540 million at December 31, 2021) and trade receivables and trade payables pertaining to Eni Trading & Shipping Inc for €55 million (€71 million at December 31, 2021); (ii) other current and non-current assets and liabilities for derivative financial instruments of €5,863 million (€7,159 million at December 31, 2021).

## Legal Proceedings

Eni is a party in a number of civil actions and administrative arbitral and other judicial proceedings arising in the ordinary course of business. Based on information available to date, taking into account the existing risk provisions disclosed in note 21 — Provisions and that in some instances it is not possible to make a reliable estimate of contingency losses, Eni believes that the foregoing will likely not have a material adverse effect on the Group Consolidated Financial Statements.

In addition to proceedings arising in the ordinary course of business referred to above, Eni is party to other proceedings, and a description of the most significant proceedings currently pending is provided in the following paragraphs. Generally, and unless otherwise indicated, these legal proceedings have not been provisioned because Eni believes a negative outcome to be unlikely or because the amount of the provision cannot be estimated reliably.

### 1. Environment, health and safety

#### 1.1 Criminal proceedings in the matters of environment, health and safety

i) **Eni Rewind SpA (company incorporating EniChem Agricoltura SpA — Agricoltura SpA in liquidation — EniChem Augusta Industriale Srl — Fosfotec Srl) — Proceeding about the industrial site of Crotone.** In 2010 a criminal proceeding started before the Public Prosecutor of Crotone relating to allegations of environmental disaster, poisoning of substances used in the food chain and omitted clean-up due to the activity at a landfill site which was taken over by Eni in 1991. Subsequently to Eni's takeover, any activity for waste conferral was stopped.

The defendants are certain managers of Eni Group companies, that have managed the landfill since 1991. The Municipality of Crotone is acting as plaintiff. In March 2019, the public prosecutor requested the acquittal of all defendants. The proceeding is ongoing. Although the public prosecutor requested the acquittal of all the defendants, on January 17, 2020, the Court asked the Public Prosecutor to amend the charges in order to clarify the modalities and timing of each alleged conduct. At the preliminary hearing of July 1, 2020, the Court acquitted all the defendants, some for not having committed the alleged crime and others for expiration of the statute of limitations. The Company has decided to appeal the decision to obtain an acquittal on the merits. The decision on the appeal is pending.

ii) **Eni Rewind SpA – Crotone omitted clean-up.** In April 2017, a new criminal case was opened by the Public Prosecutor of Crotone relating to reclamation activities at the Crotone site. Meanwhile, in the first half of 2018, the new clean-up project presented by the Company was deemed feasible by the Italian Ministry for the Environment. Pending the decision of the Public Prosecutor, a defense brief was filed to summarize the activity carried out by the subsidiary Eni Rewind SpA (former Syndial SpA) in terms of reclamation, pointing to willingness of executing a decisive plan of action, and to obtain the dismissal of the criminal proceedings. On March 3, 2020, the Ministerial Decree approving the POB Phase 2 was issued. The Public Prosecutor has submitted a filing request and the judge for the preliminary investigations has set a chamber hearing. By a court order of January 10, 2022, the judge of the preliminary hearing of Crotone ordered the execution of a CTU following which it was ascertained how Eni Rewind carried out the environmental activities in its own areas in compliance with the authorizations. A decision of the Public Prosecutor is awaiting following the filing of this supplementary consultancy.

iii) **Eni Rewind SpA and Versalis SpA — Porto Torres dock.** In 2012, following a request of the Public Prosecutor of Sassari, an Italian court ordered presentation of evidence relating to the functioning of the hydraulic barrier of Porto Torres site (ran by Eni Rewind SpA) and its capacity to avoid the dispersion of contamination released by the site into the nearby sea. Eni Rewind and Versalis were notified that its chief executive officers and certain other managers were being investigated. The Public Prosecutor of the Municipality of Sassari requested that these individuals stand trial. The plaintiffs, the Ministry for Environment and the Sardinia Region claimed environmental damage in an amount of €1.5 billion. Other parties referred to the judge's equitable assessment. At a hearing in July 2016, the court acquitted all defendants of Eni Rewind and Versalis with respect to the crimes of environmental disaster. Three Eni Rewind managers were found guilty of environmental disaster relating to the period limited to August 2010 - January 2011 and sentenced to one-year prison, with a suspended sentence. Eni Rewind filed an appeal against this decision. The trial before the Second Instance Court of Cagliari ended on December 14, 2021, with the confirmation of the sentence against the three defendants to one-year prison for the crime of environmental disaster, as well as the consequent civil rulings. Due to the omitted assessment during the sentence of the scientific arguments put forward by the technical consultants of the defense in a technical report filed in court, which demonstrated the total absence of a danger to public safety in the area, an appeal is pending against the Third Instance Court pending the date of the hearing.

iv) **Eni Rewind SpA – The illegal landfill in Minciaredda area, Porto Torres site.** The Court of Sassari, on request of the Public Prosecutor, seized the Minciaredda landfill area, near the western border of the Porto Torres site (Minciaredda area). All the indicted have been served a notice of investigation for alleged crimes of carrying out illegal waste disposal and environmental disaster. The seizure order also involved Eni Rewind pursuant to Legislative Decree No. 231/01, whereby companies are liable for the crimes committed by their employees when performing their duties. The court determined that Eni Rewind can be sued for civil liability and resolved that all defendants and the Eni subsidiary be put on trial before the Court of Sassari. Upon start of the trial, the Italian Ministry for Energy Transition (MITE) was allowed to enter the judgment as plaintiff and the Court, partially accepting the grievances of the defense, declared invalid the indictment decree against Eni Rewind as entity liable pursuant to Legislative Decree No. 231/01, returning the case to the judge, who subsequently proceeded to celebrate a new preliminary hearing. In the following hearing held on March 31, 2022, Eni Rewind was acquitted due to the inability to proceed with the action against it pursuant to Legislative Decree No. 231/01 and definitively excluded from the criminal trial.

In the context of the criminal proceedings against the managers of Eni Rewind, however, on November 13, 2022, the Court of Sassari pronounced an acquittal sentence for the non-existence of the crime of illegal waste and for not having committed the crime of environmental disaster.

Due to the effects of the acquittal, the requests for compensation made by the civil parties against the defendants and Eni Rewind were not accepted as plaintiff. Since the public prosecutor and the civil parties have filed an appeal against the first instance sentence, the judgment is still pending against the Second Instance Court.

v) **Eni Rewind SpA — The Phosphate deposit at Porto Torres site.** In 2015, the Court of Sassari, accepting a request of the Public Prosecutor of Sassari, seized — as a preventive measure — the area of "Palte Fosfatiche" (phosphates deposit) located on the territory of Porto Torres site, in relation to alleged crimes of environmental disaster, carrying out of unauthorized disposal of hazardous wastes and other environmental crimes. Eni Rewind SpA is being investigated pursuant to Legislative Decree No. 231/01. In November 2019, a request for referral to trial was served on the Eni subsidiary. The preliminary hearing was held on September 9, 2020. At the outcome of the preliminary hearing, during which the municipality of Porto Torres filed a civil action, the Judge pronounced against all the defendants a sentence of no place to proceed due to the statute of limitation in relation to the crimes of unauthorized management of landfills and disposal of hazardous wastes as well as against Eni Rewind SpA in relation to the liability pursuant to Legislative Decree No. 231/01. The Judge also ordered the indictment of the defendants before the Court of Sassari in 2021, limited to the alleged crime of environmental disaster. Upon start of the trial, the MITE was allowed to enter the judgement as plaintiff. The Court, accepting the defense's objections, declared the indictment invalid and returned the case that is ongoing to the judge of the preliminary hearing of Sassari, identified as the competent judge to decide.

vi) **Raffineria di Gela SpA and Eni Mediterranea Idrocarburi SpA — Alleged environmental disaster.** A criminal proceeding is pending in relation to crimes allegedly committed by the managers of the Raffineria di Gela SpA and Eni Mediterranea Idrocarburi SpA relating to environmental disaster, unauthorized waste disposal and unauthorized spill of industrial wastewater. The Gela Refinery has been prosecuted for administrative offence pursuant to Legislative Decree No. 231/01. This criminal proceeding initially regarded soil pollution allegedly caused by spills from 14 tanks of the refinery storage, which had not been provided with double bottoms, and pollution of the sea water near the coastal area adjacent to the site due to the failure of the barrier system implemented as part of the clean-up activities conducted at the site. At the closing of the preliminary investigation, the Public Prosecutor of Gela merged into this proceeding the other investigations related to the pollution that occurred at the other sites of the Gela refinery as well as hydrocarbon spills at facilities of Eni Mediterranea Idrocarburi SpA. The proceeding is still ongoing.

vii) **Eni SpA — Val d'Agri.** In March 2016, the Public Prosecutors of Potenza started a criminal investigation into alleged illegal handling of waste material produced at the Viggiano oil center (COVA), part of the Eni operated Val d'Agri oil complex. After a two-year investigation, the Prosecutors ordered the house arrest of 5 Eni employees and the seizure of certain plants functional to the production activity of the Val d'Agri complex which, consequently, was shut down. From the commencement of the investigation, Eni has carried out several technical and environmental surveys, with the support of independent experts of international standing, who found a full compliance of the plant and the industrial process with the requirements of the applicable laws, as well as with best available technologies and international best practices. The Company implemented certain corrective measures to upgrade plants which were intended to address the claims made by the Public Prosecutor about an alleged

operation of blending which would have occurred during normal plant functioning. Those corrective measures were favorably reviewed by the Public Prosecutor. The Company restarted the plant in August 2016. In relation to the criminal proceeding, the Public Prosecutor's Office requested the indictment of all the defendants for alleged illegal trafficking of waste, violation of the prohibition of mixing waste, unauthorized management of waste and other violations, and the Company for administrative offenses pursuant to Legislative Decree No. 231/01. The trial started in November 2017. At the conclusion of the preliminary hearings, the Court of Potenza, on March 10, 2021, acquitted all the defendants in relation to the allegation of false statements in an administrative deed, while in relation to the alleged administrative offenses, the Court found that there was no need to proceed due to the statute of limitations. Finally, in relation to the alleged crime of illegal trafficking of waste, the Court acquitted two former employees of the Southern District for not having committed the crime, convicted six former officials of the same District with suspension of the sentence and sentenced Eni pursuant to Legislative Decree No. 231/01 to pay a fine of €700,000, with the contextual confiscation of a sum of €44,248,071 deemed to constitute the unfair profit obtained from the crime, from which Eni will deduct the amount incurred for the plant upgrade carried out in 2016.
Following the filing of the merits of the sentence by the Court, an appeal was promptly filed against all the condemnations. An analysis was carried out on the profiles of the first instance sentence, concluding, in agreement with the lawyers in charge, for the reasonable expectation in the subsequent revocation of the sentence itself; the setting of the appeal judgment is pending.

viii) **Eni SpA - Health investigation related to the COVA center.** Beside the criminal proceeding for illegal trafficking of waste, the Public Prosecutor of Potenza started another investigation in relation to alleged health violations. The Public Prosecutor requested the formal opening of an investigation with respect to nine people in relation to alleged violations of the rules providing for the preparation of a Risk Assessment Document of the working conditions at the Val d'Agri Oil Center (COVA). In March 2017, following the request of the consultant of the Prosecutor, the Labor Inspectorate of Potenza issued a fine against the employers of the COVA for omitted and incomplete assessment of the chemical risks for the COVA center. In October 2017, the Prosecutor's Office changed the criminal allegations to disaster, murder and negligent personal injury, also alleging breaches of health and safety regulations. The proceeding is ongoing.

ix) **Proceeding Val d'Agri — Tank spill.** In February 2017, the Italian police department of Potenza found a stream of water contaminated by hydrocarbon traces of unknown origin, flowing inside a small shaft located outside the COVA. Eni carried out activities at the COVA aimed at determining the origin of the contamination and identified the cause in a failure of a tank (the "D" tank) outside of the COVA, that presented a risk of extension of the contamination in the downstream area of the plant. In executing these activities, Eni performed all the communications provided for by Legislative Decree No. 152/06 and started certain emergency safe-keeping operations at the areas subject to potential contamination outside the COVA. Furthermore, the characterization plan of the areas inside and outside the COVA was approved by the relevant authorities, to which the Risk Analysis document was subsequently submitted. Following this event, a criminal investigation was initiated in order to ascertain whether there had been illegal environmental disaster by the former COVA officers, the Operation Managers in charge since 2011 and the HSE Manager in charge at the time of the accident, and also against Eni in relation to the same offense pursuant to Legislative Decree No. 231/01 and of some public officials belonging to local administrations for official misconduct, false and fraudulent public statements committed in 2014 and of the crime for environmental disaster and of culpable conduct committed in February 2017. The Company has paid damages of an immaterial amount almost to all the landlords of areas close to the COVA, which were affected by a spillover. Discussions are ongoing with other claimants. The likely disbursements relating to these transactions have been provisioned. Furthermore, Eni is carrying out all the necessary remediation and safety measures.
In February 2018, Eni contested the reports presented in October and in December 2017 by the Italian Fire Department stating that it does not consider itself obliged to carry out the integration required, considering that the data acquired in the area affected by the event indicate, according to Eni's assessments, that the loss was promptly and efficiently controlled and there were no situations of serious danger to human health and the environment. In April 2019, precautionary measures were ordered against three Eni employees at the COVA which, following an appeal, were canceled by the Third Instance Court. In September 2019, the Public Prosecutor requested one of those employees to be put on trial with expedited proceeding, accepted by the Judge for preliminary investigations. The judgment is currently pending in the preliminary stages of the hearing.
As part of the concomitant procedure against the remaining employees and Eni as the legal entity being

held liable pursuant to Legislative Decree No. 231/01, the Public Prosecutor, after issuing a notice of conclusion of the preliminary investigations, made a request for indictment. At the outcome of the preliminary hearing, with reference to the imputation to Eni pursuant to Legislative Decree No. 231/01, the judge of the preliminary issued a sentence not to prosecute the Company for the events up to 2015 because the fact was not envisaged by the law as a crime to claim a legal entity liable for. With reference to the events subsequent to 2015, the judge acknowledged the nullity of the request for indictment, thus returning the documents to the Public Prosecutor.
Finally, the judge of the preliminary hearing approved to put on trial two Eni employees before the Court of Potenza, with the allegation of unnamed disaster, rejecting the request of the Public Prosecutor for qualifying the alleged crime as a new type of legal offence (environmental disaster).In the context of this proceeding, several parties filed an application to bring a civil action and, pending assessment of the requests for exclusion presented by the defense with respect to the latter, the Court issued a summons decree from Eni, as civil liability. The proceedings against natural persons, both pending in the preliminary stages of the hearing, will be combined by the Court in a single hearing process. With regards to Eni SpA as entity pursuant to Legislative Decree No. 231/01, the Public Prosecutor has issued a new notice of conclusion of the preliminary investigations.

x) **Raffineria di Gela SpA and Eni Mediterranea Idrocarburi SpA — Waste management of the landfill Camastra.** In June 2018, the Public Prosecutor of Palermo (Sicily) notified Eni's subsidiaries Raffineria di Gela SpA and Eni Mediterranea Idrocarburi SpA of a criminal proceeding relating to allegations of unlawful disposal of industrial waste resulting from the reclaiming activities of soil, which were discharged at a landfill owned by a third party. The Prosecutor charged the then chief executive officers of the two subsidiaries, and the legal entities have been charged with the liability pursuant to Legislative Decree No. 231/01. The alleged wrongdoing related to the willful falsification of the waste certification for purpose of discharging at the landfill. The charges against the CEO of the Refinery of Gela SpA and the company itself were dismissed, while a request to put on trial the CEO of Eni Mediterranea Idrocarburi SpA and the company was approved. The proceeding is in progress before the Court of Agrigento, to which the proceeding has been transferred due to territorial jurisdiction.

xi) **Versalis SpA — Preventive seizure at the Priolo Gargallo plant.** In February 2019, the Court of Syracuse at the request of the Public Prosecutor of Siracusa ordered the seizure of the Priolo/Gargallo plant as part of an ongoing investigation concerning the offenses of dangerous disposal of materials and environmental pollution, by the former plant manager of Versalis, pursuant to Legislative Decree No. 231/01. The Public Prosecutor's thesis, according to the consultants, is that the seized plants have points of emissions that do not comply with the Best Available Techniques (BAT), therefore resulting in violation of the applicable legislation. Versalis has already implemented certain plant upgrades designed to comply with measures requested by the Public Prosecutor and its consultants. Based on this, an appeal was filed against the measure of precautionary seizure of the plant, which determined the revocation of the seizure of the plants on March 26, 2019. In March 2021, a notice of conclusion of the preliminary investigations was notified, with the formulation by the Public Prosecutor of the allegations already previously stated.

xii) **Versalis SpA. Seizure of the treatment plant managed by IAS SpA- Priolo Gargallo.** On 3 February 2022, Versalis was notified of a request to extend the deadline for the preliminary investigations by the Public Prosecutor of Syracuse which - in relation to the industrial waste discharge system of the Versalis plant in the Priolo treatment plant managed by IAS SpA - hypothesized the crimes of environmental disaster and violation of the legislation on discharges, against two former directors of the Versalis plant in Priolo, as well as an employee of Versalis, having then a managerial role in Priolo Servizi.
Similar disputes were hypothesized against other employees of the companies co-located at the industrial site of Priolo Gargallo as well as of IAS SpA, while the legal entities Versalis, Priolo Servizi and the other co-located companies were under investigation pursuant to Legislative Decree 231/01.
On June 15, 2022, the order for a precautionary measure and the preventive seizure decree were notified with which the Judge for Preliminary Investigations ordered the seizure of the purification plant and the company shares of IAS SpA, with the appointment of a judicial administrator of the assets subject to seizure.
With the same deed, the interdictive measure of the ban on carrying out duties in the companies involved in the investigations as well as in competing companies or in any case operating in the same production sector was also ordered against various subjects under investigation, including a former Versalis director of the Priolo plant and the former Technical Director of Priolo Servizi, for a 12-month period, subsequently revoked. In the same date, Versalis was also notified of a "Request for Delivery" issued by the Public Prosecutor's Office in relation to the implementation protocols of the organizational models

as well as any relevant related documentation on the subject of Legislative Decree 231/01; Versalis promptly delivered the required documents. The company presented a technical note demonstrating that Versalis SpA's contribution to the purification plant managed by IAS was fully compliant with the regulations and in any case irrelevant with respect to the indictment.
On September 23, 2022, a request for an evidentiary hearing was notified by the Public Prosecutor of Syracuse, extended to the current Director of the Versalis plant and to the CEO of Priolo Servizi. The assignment is ongoing.
On October 31, 2022, Versalis appealed the AIA issued to IAS before the Regional Administrative Court for the part in which the provision is interpreted as imposing new and different limits on discharges with respect to those contained in the authorizations in head of the company. In the meantime, the AIA issued for the management, by IAS, of the purifier has been suspended by the Region. The judgment is still pending in the investigation stage.

xiii) **Eni SpA - Fatal accident Ancona offshore platform.** On March 5, 2019, a fatal accident occurred at the Barbara F platform in the offshore of Ancona. During the unloading phase of a tank from the platform to a supply vessel, there was a sudden failure of a part of the structure on which a crane was installed, causing the death of an Eni employee who was inside the control cabin of the crane and injuries to two other workers. Two contract workers and the family of the Eni employee were all fully compensated. The Public Prosecutor of Ancona initially opened an investigation against unknown persons and ordered further technical appraisals relating to the crane. As part of the technical assessment of the incident, the Public Prosecutor resolved to put under investigation two Eni employees who were in charge of safety standards at the involved facility. Also, the Company has been put under investigation as entity liable pursuant to Legislative Decree No. 231/01, and two employees of the contractor company that owned the boat. In May 2021 the Public Prosecutor Office of Ancona issued a notice of conclusion of the preliminary investigations and, following the subsequent formulation of the request for indictment, a preliminary hearing was set. At the outcome of the preliminary hearing, the Judge ordered the indictment for all the defendants and Eni as an entity pursuant to Legislative Decree No. 231/01 before the Court of Ancona for the hearing on February 6, 2023. The proceeding is currently pending in the preliminary hearing phase.

xiv) **Raffineria di Gela SpA and Eni Rewind SpA - Groundwater pollution survey and reclamation process of the Gela site.** Following complaints made by former contractors, the Public Prosecutor of Gela ordered an inspection and seizure of the area called Isola 32 within the refinery of Gela, where old and new monitored landfills are located. The proceeding concerns criminal allegations of environmental pollution, omitted clean-up, negligent personal injury and illegal waste management, as part of the execution of clean-up of soil and groundwater as well as decommissioning activities in the area currently managed by Eni Rewind SpA, also on behalf of the companies Raffineria di Gela SpA, ISAF SpA (in liquidation) and Versalis SpA with respect to the efficiency and efficacy of the barrier system. The Public Prosecutor acquired documents and evidence at the Syndial office in Gela and at the refinery of Gela, which, during the period January 1, 2017 – March 20, 2019, managed the facilities involved in cleaning up the groundwater area (TAF Syndial, site TAF-TAS and pumping wells and hydraulic barrier). Subsequently a decree was issued for the seizure of 11 piezometers of the hydraulic barrier system with contextual guarantee notice, issued by the Public Prosecutor of Gela against nine employees of the Gela Refinery and four employees of Syndial SpA. Upon conclusion of unrepeatable technical investigations and analyses both on the piezometers placed under seizure, and on the TAF and TAS plants, on October 11, 2021, a preventive seizure order was notified by the judge of the preliminary investigations of Gela, at the request of the Public Prosecutor's Office, with reference to the plants used for the remediation of the site's underground water (groundwater extraction wells and TAF treatment) managed today by Eni Rewind as well as the plant areas intended for the implementation of the groundwater remediation project. A judicial administrator was appointed to manage those facilities. Eni companies are collaborating with the Judge to continue the remediation activities and to provide a clear picture of the correctness of their actions.
The Public Prosecutor's Office of Gela also served the notice of conclusion of the preliminary investigations, challenging the suspects only with the crime of failure to clean up. At the same time, the judicial administrator in charge filed an initial technical report in which he confirms that the clean-up activities are continuing in compliance with the legislation and with a series of implementation improvements by the company in agreement with other parties in charge. The Public Prosecutor's Office also issued the summons decree and the proceeding is now pending in the hearing phase.

xv) **Eni Rewind SpA and Versalis SpA - Mantua.** Environmental crime investigation. With regard to the Mantua site, the company is proceeding with all the appropriate environmental activities. In August and September

2020, the Public Prosecutor notified the conclusion of the preliminary investigations relating to several criminal proceedings. Several employees of the Eni's subsidiaries Versalis SpA and Eni Rewind SpA as well as of the third-party company Edison SpA were notified of being under investigation. Furthermore, the above-mentioned entities were being investigated pursuant to Legislative Decree No. 231/01. The Public Prosecutor is alleging, with respect to some specific areas related to the Mantua industrial hub, the crimes of unauthorized waste management, environmental damage and pollution, omitted communication of environmental contamination and omitted clean-up. Following the filing of defense briefs addressed to the investigating authority, the case has been dismissed against some individuals and archived. The Public Prosecutor's Office then requested the indictment of the remaining defendants. During the Preliminary Hearing, the MITE, the Province of Mantua, the Municipality of Mantua and Mincio Regional Park were allowed in the trial as plaintiffs, while the companies Eni Rewind, Versalis and Edison were instead sued as civil parties and therefore they appeared in court. The Preliminary Hearing Phase ended with the provision of GUP, which ordered the indictment of all the defendants and of the abovementioned companies, with the exception of a former employee of Versalis and of two Edison employees. The proceeding is on the trial phase.

xvi) **Eni SpA R&M Depot of Civitavecchia - Criminal proceedings for groundwater pollution.** In the period in which Eni was in charge of the Civitavecchia storage hub (2008-2018), pending the approval of a characterization plan of the environmental status of the site, the Company, in coordination with public authorities, adopted measures to preserve the safety of the groundwaters and to pursue the clean-up process of the site until its disposal.
The Public Prosecutor of Civitavecchia issued a notice of conclusion of the preliminary investigations, contesting, among others, the former manager of the Eni fuel storage hub of Civitavecchia, the alleged crime of environmental pollution in relation to the mismanagement of the hydraulic barrier placed over the site aimed at putting under emergency safety the contaminated groundwater, as part of the clean-up process in progress. This circumstance would have been reported by officials of a local authority (ARPA), to whom technical feedback has been provided several times over the years. Eni is under investigation pursuant to Legislative Decree No. 231/01. The prosecutor made a request for indictment.
At the preliminary hearing a procedural defect was detected, and the documents were again sent to the Public Prosecutor's Office. Following the renewed preliminary hearing, the judge ordered the indictment of the people involved, setting the hearing for June 2023, and declared the nullity of the request for indictment for legal persons, due to lack of notification committal for trial, thus returning the documents to the Public Prosecutor for its renewal.

xvii) **Eni SpA R&M Refinery of Livorno - Criminal proceedings for accidents at work.** On October 20, 2020, a notice was served at the Livorno refinery for Eni as entity subjected to preliminary investigations in the context of a criminal proceeding pending before the Public Prosecutor's Office of Livorno, in relation to an accident at work occurred in summer of 2019 at an electrical substation of the Refinery and as consequence two employees were injured. The company provided compensation to the employee who suffered the greatest consequences of the accident. The allegation is of aggravated personal injury while the Company is accused of being the entity liable pursuant to Legislative Decree No. 231/01.
The Judicial Police, delegated by the Public Prosecutor's Office, has made requests for documentary presentation in order to acquire useful elements for assessing whether the company has adopted a suitable 231 model with the related procedures and management and organization systems to prevent the alleged crime.
The Company collected and promptly provided the required documentation. In September 2021, the Public Prosecutor's Office issued a notice of conclusion of the preliminary investigations. Subsequently, the summons order was notified and the proceeding is now pending in the hearing phase.

xviii) **Eni SpA R&M Genoa Pegli depot - Criminal proceeding for crude oil spill September 2022.** Following the incidental event that occurred at the Genoa Pegli depot on September 27, 2022, an event which generated the loss of crude oil from a pipeline inside the depot itself and which partly also affected areas outside the production site, the Public Prosecutor's Office of Genoa instituted criminal proceedings in which was initially ordered the seizure of part of the plant subjected to the disservice, subsequently released. On October 12, 2022, the notice of unrepeatable technical investigations was served, aimed at ascertaining the causes and dynamics of the accident. In the context of the proceeding, the crime being prosecuted is that of a culpable environmental disaster, charged against four Eni employees, while the Company is charged with an administrative offense pursuant Legislative Decree No. 231/01. The proceeding is pending in the preliminary investigation phase.

## 1.2 Civil and administrative proceedings in the matters of environment, health and safety

i) **Eni Rewind SpA — Versalis SpA — Eni SpA (R&M) — Augusta Harbor.** The Italian Ministry for the Environment with various administrative acts required companies that were operating plants in the petrochemical site of Priolo to perform safety and environmental remediation works in the Augusta harbor. Companies involved include Eni subsidiaries Versalis, Eni Rewind and Eni's Refining & Marketing Division. Pollution has been detected in this area primarily due to a high mercury concentration that is allegedly attributed to the industrial activity of the Priolo petrochemical site. The above-mentioned companies contested these administrative actions, objecting in particular to the nature of the remediation works decided and the methods whereby information on the pollutant's concentration has been gathered. A number of administrative proceedings started on this matter were subsequently merged before the Regional Administrative Court. In October 2012, the Court ruled in favor of Eni's subsidiaries against the Ministry's requirements for the removal of the pollutants and the construction of a physical barrier. In September 2017, the Ministry served all the companies involved with a formal notice for the start of remediation and environmental restoration of the Augusta harbor within 90 days, basing its request on an alleged ascertainment of liability on the basis of the 2012 provision of Regional Administrative Court. In June 2019, the Italian Ministry for the Environment set up a permanent technical committee to review the matter of the clean-up and reclamation of the Augusta harbor. The report, recalling the warning of 2017, confirmed the thesis of the parties on the responsibility of the companies co-located for the contamination of the Rada and affirmed a breach of the aforementioned warning by the companies, also communicated to the Public Prosecutor's Office. In agreement with all the other companies involved, this report and other parallel internal technical investigations were challenged for defensive purposes. Eni's subsidiaries proposed to the Italian Environmental Ministry to start a collaboration with other interested parties to find remediation measures based on new available environmental data collected by independent agencies, without prejudice to the need for the parties to correctly identify the legal entity responsible for the contamination detected. In the meantime, the Company requested, in full compliance with applicable environmental laws, to establish a roadmap for identifying the companies accountable for the environmental pollution and their respective shares of responsibility in order to implement a clean-up and remediation project.
In September 2020, the Company took part in the Investigation Services Conference convened by the Ministry of the Environment on the results of the technical investigations and exhibited, together with its consultants, the in-depth analyzes on the environmental state of the Rada and its observations to the report which would lead to the exclusion of any involvement of the Group companies in the contamination detected. On September 23, 2020, the company took part to a preliminary investigation with the Italian MITE and the competent bodies, and presented, together with the technical consultants in charge, important insights on the issue of the environmental state of the Augusta harbor. In January 2021, the Company, having received communication of the calling of a second environmental review of the same subject to the first scheduled for February 10, 2021, requested also to take part to this second review and to be able to view the technical documents subject to discussion.
However, in February 2021, the General Directorate for Environmental Remediation of the Ministry deemed the request unacceptable. Following a decision-making conference, in April 2021, the Ministry decided that it could intervene in the procedure aimed at identifying any reclamation and clean-up activities to be carried out in the harbor which costs are to be charged to the companies operating in the area, on the basis of questionable assumptions, such as the alleged non-compliance of those companies with the formal notice of September 7, 2017 which had ordered those companies to commence reclamation and clean-up activities. The company filed an appeal and urged the Free Consortium of Syracuse (LCCS) to start the process of identifying the responsible for the pollution, which, in June 2022, was found, postponing the investigation until the conclusion of the technical investigations on the contamination.

ii) **Eni SpA – Eni Rewind SpA – Priolo – Malformation civil lawsuits.** In February 2022 Eni Rewind received two writs of summons from two citizens of Augusta, who, stating that they were born with serious malformations due to mercury spills deriving from the mercury cell chlor-alkali plant in Priolo, summoned the company before the Court of Syracuse, asking for the liability of the latter and, as a result, the sentence to pay damages quantified in a total of €800,000 for each of the plaintiffs.
Eni Rewind filed an appearance in court filing a claim and indemnification against Edison, taking into account that the chlor-soda plant was received by Eni group as part of the Enimont transaction, therefore in a period following the alleged exposure to the mercury by the actors, which necessarily occurred between 1972 and 1975 (years of birth of the actors). The proceeding is pending.

iii) **Eni SpA – Eni Rewind SpA (former Syndial SpA) – Raffineria di Gela SpA – Claim for preventive technical inquiry and judgments on the merits.** In February 2012, Eni's subsidiaries Raffineria di Gela SpA and Eni Rewind SpA and the parent company Eni SpA (involved in this matter through the operations of the Refining & Marketing Division) were notified of a claim issued by the parents of children with birth defects in the Municipality of Gela between 1992 and 2007. The claim called for an inquiry aimed at determining any causality between the birth defects suffered by these children and any environmental pollution caused by the Gela site, quantifying the alleged damages suffered and eventually identifying the terms and conditions to settle the claim. The same issue was the subject of previous criminal proceedings, of which one closed without determining any illegal behavior on the part of Eni or its subsidiaries, while a further criminal proceeding is still pending. In December 2015, the three companies involved were sued in relation to a total of 30 cases of compensation for damages in civil proceedings. In May 2018, the Court issued a first instance judgment concerning one case. The Judge rejected the claim for damages, acknowledging the arguments of the defendant companies in relation to the absence of evidence concerning the existence of a causal link between the birth defects and the alleged industrial pollution. The judgment has been appealed by the claimants.
In June 2021 the Civil Court of Gela issued a second judgment rejecting the claim for compensation, recognizing the validity of the arguments of the defendant companies regarding the lack of evidence on the existence of a cause between the pathology and the alleged industrial pollution. The counterparties filed an appeal and a hearing was set for March 17, 2022, then postponed to April 20, 2022. The trial was postponed to October 31, 2024, for the clarification of the conclusions.

iv) **Environmental claim relating to the Municipality of Cengio.** Since 2008 a brought by the Italian Ministry for the Environment and the Delegated Commissioner for Environmental Emergency in the territory of the Municipality of Cengio is pending before the Court of Genoa. Those parties summoned Eni Rewind before a Civil Court and demanded that Eni's subsidiary compensate for the environmental damage relating to the site of Cengio. The request for environmental damage amounted to €250 million plus an additional amount for health damage to be quantified during the proceeding. The plaintiffs accused Eni Rewind of negligence in performing the clean-up and remediation of the site.
Between 2014 and 2021, Eni and the Ministry of the Environment tried to settle the proceeding, without however reaching a definitive agreement. The Judge restarted the proceeding with the filing, on December 30, 2021, of the definitive technical review from an appointed consultant. This review is particularly positive for Eni Rewind as it highlighted the story of the contamination, setting the baseline at 1989/1990 (date of Enimont transfer) and considering there was no subsequent deterioration. The appraisal, among other things, highlighted the Ministry's negligence towards the settlement proposals advanced by Eni and which would have brought benefits to the territory. At the hearing of February 24, 2022, following a request for filing of documentation received by the plaintiff, the judge ordered the admission of part of the documentation and withheld the case for decision, allowing the parties 60 days for the filing of final briefs and 20 days for the reply notes.
With a sentence of June 21, 2022, the Court of Genoa rejected all the plaintiffs' claims, fully accepting the defense's arguments and ordering the plaintiffs to compensate the company for the costs of the litigation. In particular, the sentence excludes that Eni Rewind can be identified as the successor of Enimont, then owner of the Cengio site.
In October 2022, the Ministry filed an appeal against the sentence. Eni Rewind will appeal the judgement.

v) **Val d'Agri - Eni / Vibac.** In September 2019 a claim was brought in the Court of Potenza against Eni. The plaintiffs are 80 people, living in different municipalities of the Val d'Agri area, who are complaining of economic, non-economic, biological and moral damages, all deriving from the presence of Eni's oil facilities in the territory. In particular, the claim refers to certain events which allegedly caused damage to the local community and the territory (such as a 2017 spill, flaring events since 2014, smelly and noisy emissions). The Judge has been asked to ascertain Eni's responsibility for causing emissions of polluting substances into the atmosphere. The plaintiffs have also requested that Eni be ordered to interrupt any polluting activity and be allowed to resume industrial activities on condition that all the necessary remediation measures be implemented to eliminate all of the alleged dangerous situations. Finally, they are asking that Eni compensate all direct and indirect property damages, current and future, to an extent that will be quantified in the course of the case. At the end of the trial phase, the Judge submitted to the parties the proposal for an extra-judicial settlement, fixing a deadline to present further proposals on the matter.
The parties did not adhere to the conciliatory proposal. During the last hearing on February 19, 2021, the Judge set the hearing for the clarification of the conclusions on June 30, 2023.

vi) **Eni SpA - Climate change.** In 2017 and 2018, local government authorities and a fishing association brought in the courts of the State of California seven proceedings against Eni subsidiary Eni Oil & Gas Inc. and other companies. These proceedings claim compensation for the damages attributable to the increase in sea level and temperature, as well as to hydrogeological instability. The cases have been transferred, by request of the defendants, from the State Courts to the Federal Courts. A specific request has been filed, highlighting the lack of jurisdiction of the State Courts.
In 2019, the Federal Court referred the cases to the State Courts. The defendants then appealed to the Ninth Circuit Court of Appeals, challenging the order for postponement. All proceedings were suspended pending the appeal before the Ninth Circuit Court. On May 26, 2020, the proceedings resumed in the State Courts. On July 9, 2020, Eni Oil & Gas Inc, together with other defendants, signed a petition for rehearing "en banc" to request a review of the postponement decision by the competent 9th Circuit Court. The dispute was suspended until a decision is made on the petition for rehearing. The Court rejected the petition for rehearing en banc but, at the request of the defendants, granted a suspension of the proceedings for 120 days (until January 2021) to allow the defendants to present a petition for certiorari to the Supreme Court of the United States in order to obtain the revision of the rejection. The petition was then presented in January 2021. The Supreme Court, accepting the petition, ordered the Ninth Circuit Court to reconsider the question of jurisdiction by evaluating all the legal arguments in favor of federal jurisdiction.
In June 2021, defendants filed a motion ("Consent Motion") in the Ninth Circuit Court setting out arguments in favor of federal jurisdiction in addition to the initial defenses.
In early July 2021, Consent Motion was rejected by the Ninth Circuit Court which, in April 2022, then confirmed its previous referral order to the Court. Eni Oil & Gas Inc., together with the other defendants, therefore presented another petition for rehearing en banc to the same Ninth Circuit in May 2022, in order to request the revision of the postponement decision. In June 2022, the Ninth Circuit Court rejected the petition. The defendants therefore presented to the Ninth Circuit Court a so-called 'Motion to Stay', trying to suspend the referral order to state courts. With orders of June 30, 2022, and August 31, 2022, a suspension was granted until November 24, 2022, for the purpose of filing a petition for certiorari to the Supreme Court for further review of the decision, which was followed on February 14, 2023, by the filing of a further brief in support of their positions. The proceeding is ongoing.

vii) **Eni Rewind SpA / Province of Vicenza – Clean-up process for Trissino site.** On May 7, 2019, the Province of Vicenza issued a warning, imposing on certain individuals and companies as MITENI SpA in bankruptcy, Mitsubishi and ICI the obligation to clean-up the Trissino site where MITENI carried out its industrial activity. Based on the analysis carried out by administrative parties, significant concentrations of substances considered highly toxic and carcinogenic were allegedly discovered in groundwater and in surface water at this site. The analysis carried out by the Province of Vicenza with the direct involvement of the Istituto Superiore di Sanità reported the presence of these substances in the blood of about 53,000 people in the area. The action of health analysis and monitoring by the institutions is expected to increase. The Province warned some individuals, including a former employee who served between 1988 and 1996 as CEO of a company that was subsequently acquired by Eni Rewind.
In an initial phase of the administrative procedure, there were no references to former company EniChem Synthesis, which Eni Rewind acquired, therefore the legal assistance and the defense strategy were concentrated supporting only the persons involved. However, Eni Rewind was called into question as the "successor" of EniChem in several appeals before the Regional Administrative Court as the majority shareholder of MITENI. In February 2020, the Province extended the proceeding also to Eni Rewind, which filed a counterclaim for having its position taken out of the procedure.
However, on October 5, 2020, the Province summoned Eni Rewind to take part in the remediation interventions on the site, including participation in technical meetings and at the conferences that would be convened by the public entities in relation to the site remediation activities. Eni Rewind appealed to a Regional Administrative Court against the Province claims and orders. Eni Rewind is participating in these meetings, carrying out the environmental interventions and has made itself available to carry out - as part of the project approved by the territorial administrations in charge- further anti-pollution interventions on a voluntary basis and without giving any acquiescence with respect to the liability charges for the pollution by chemical agents.

## 2. Proceedings concerning criminal/administrative corporate responsibility

i) **Block OPL 245 — Nigeria.** A first-degree judgment of acquittal was issued by a tribunal in Milan in March 2021 in a criminal case pending against certain of Eni's employees and the Company itself as entity liable as per Italian Legislative Decree No. 231/01 for alleged international corruption in connection with the acquisition in 2011 of the OPL 245 exploration block in Nigeria. The

case dates back to July 2014, when the Public Prosecutor of Milan served Eni with a notice of investigation pursuant to Italian Legislative Decree No. 231/01. The proceeding was commenced following a claim filed by NGO ReCommon relating to alleged corruptive practices which, according to the Public Prosecutor, allegedly involved the Resolution Agreement made on April 29, 2011, relating to the so-called Oil Prospecting License of the offshore oilfield that was discovered in OPL 245. Eni fully cooperated with the Public Prosecutor and promptly filed the requested documentation. Furthermore, Eni voluntarily reported the matter to the US Department of Justice ("DoJ") and the US SEC. In July 2014, Eni's Board of Statutory Auditors jointly with the Eni Watch Structure resolved to engage an independent, US-based law firm, expert in anticorruption, to conduct a forensic, independent review of the matter, upon informing the Judicial Authorities. After reviewing the matter, the US lawyers concluded that they detected no evidence of wrongdoing by Eni in relation to the 2011 transaction with the Nigerian government for the acquisition of the OPL 245 license.
In December 2016, the Public Prosecutor of Milan notified Eni of the conclusion of the preliminary investigation and requested Eni's CEO, the Chief Development, Operations and Technology Officer and the Executive Vice President for international negotiations to stand trial, as well as Eni's former CEO and Eni SpA, pursuant to Italian Legislative Decree No. 231/01.
Upon the notification to Eni of the conclusion of the preliminary investigation by the Public Prosecutor, the independent US-based law firm was requested to assess whether the new documentation made available from Italian prosecutors could modify the conclusions of the prior review. The US law firm was also provided with the documentation filed in the Nigerian proceeding mentioned below. The independent US law firm concluded that the reappraisal of the matter in light of the new documentation available did not alter the outcome of the prior review. In September 2019, the DoJ notified Eni that based on the information it currently possessed, the DoJ was closing its investigation of Eni in connection with OPL 245 without the filing of any charges. In December 2017, the Judge for preliminary investigation ordered the indictment of all the parties mentioned above, and other parties under investigation by the Public Prosecutor, before the Court of Milan. The request of the Federal Government of Nigeria (FGN) for admission as a civil claimant in the proceedings was granted in July 2018. The first instance trial of the Milan Prosecutor's OPL 245 charges began before the Court of Milan on June 20, 2018. Following the discussion of the parties, in response to the Milan Prosecutor's request for conviction for all of the individuals and companies involved, at the hearing of March 17, 2021, the judge fully acquitted all the defendants, on the ground that there was no case.
In June 2021, the Second Instance Court of Milan also acquitted on the same ground certain third-party defendant unrelated to Eni who had opted for a shortened procedure and had been convicted in the first acquittal. This latter decision has become final.
On July 29, 2021, the Public Prosecutor of Milan and the plaintiff, Government of Nigeria, filed an appeal against the first-degree acquittal of March 17, 2021.
At the hearing of July 19, 2022, the Attorney General withdrew the appeal of the first instance sentence. Consequently, the acquittal due to baseless allegations has become definitive for all the defendants, individuals and legal entities. The first instance judgment has therefore become final.
On November 11, 2022, the Second Instance Court confirmed the first instance acquittal, thus rejecting the FGN's appeal of its civil claims. On March 24, 2023, the FGN appealed the abovementioned sentence before a Third Instance Court with a view of pursuing the claim of damage compensation. Furthermore, only pending proceeding against Eni or any of its affiliates regarding OPL 245 that remains pending is a proceeding in Nigeria which is discussed next.
On January 20, 2020, Eni's subsidiary in Nigeria ("NAE") was notified of the beginning of a new criminal case before the Federal High Court of Abuja.
The proceeding, mainly focused on the accusations against Nigerian individuals (including the Minister of Justice in office in 2011, at the time of the disputed facts), has involved NAE and SNEPCO as co-holders of the OPL 245 license. These Nigerian individuals were accused in 2011 of illicit corruption, which NAE and SNEPCO allegedly unlawfully facilitated. The beginning of the trial, originally scheduled for the end of March 2020, was postponed as a result of the closure of judicial offices in Nigeria due to the COVID-19 emergency and resumed at the beginning of 2021 The proceeding is pending.

### 3. Other proceedings concerning criminal matters

i) **Eni SpA (R&M) — Criminal proceedings on fuel excise tax.** A criminal proceeding is currently pending, relating to alleged evasion of excise taxes in the context of retail sales in the fuel market. In particular, the claim states that the quantity of oil products marketed by Eni was larger than the quantity subjected to the excise tax. This proceeding (No. 7320/2014 RGNR) concerns the combination of distinct investigations: (i) a first proceeding, opened by the Public Prosecutor's Office of Frosinone involved a company (Turrizziani Petroli) purchaser of Eni's fuel. This investigation was subsequently extended to Eni. The Company fully cooperated and provided all data and information concerning the excise tax obligations for the quantities of fuel coming from the storage sites of Gaeta, Naples and Livorno. Such proceeding referred to quantities of oil products sold by Eni, allegedly larger than the quantity subjected to the excise tax; (ii) a second proceeding concerning an investigation by the Public Prosecutor's Office of Prato, commenced in regard to the deposit of Calenzano and relates to abduction of fuel through manipulation of the fuel dispensers, subsequently extended also to the Refinery of Stagno (Livorno); (iii) a third proceeding, opened by the Public Prosecutor's Office of Rome, concerns alleged missing payment of excise tax on the surplus of the unloading products, as the quantity of such products was larger than he quantity reported in the supporting fiscal documents. This proceeding represents a development of the first proceeding mentioned above and substantially concerns similar facts presenting, however, some differences with regard to the nature of the alleged crimes and the responsibility.

The Public Prosecutor's Office of Rome has alleged the existence of a criminal conspiracy aimed at habitual abduction of oil products at all of the 22 storage sites which are operated by Eni in Italy. Eni is cooperating with the Prosecutor in order to defend the correctness of its operation. In September 2014, a search was conducted at the office of the former chief of the R&M Division in Rome. The reasons for the search are the same as the above-mentioned proceeding as the ongoing investigations also relate to a period of time when the officer was in charge at Eni's R&M Division. In March 2015, the Prosecutor of Rome ordered a search at all the storage sites of Eni's network in Italy as part of the same proceeding. The search was intended to verify the existence of fraudulent practices aimed at tampering with measuring systems functional to the tax compliance of excise duties in relation to fuel handling at the storage sites. In September 2015, the Public Prosecutor of Rome requested a one-off technical appraisal aimed to verify the compliance of the software installed at certain metric heads previously seized with those lodged by the manufacturer at the Ministry for Economic Development. The technical appraisal verified the compliance of the software tested. The proceeding was then extended to a large number of employees and former employees of the Company. Eni has continued to provide full cooperation to the authorities.

During 2018, as part of the proceeding no. 7320/2014, the Public Prosecutor of Rome notified the conclusion of the preliminary investigations in relation to the criminal proceeding concerning the Calenzano, Pomezia, Naples, Gaeta and Ortona storage sites and the Livorno and Sannazzaro refineries. Based on the outcome of the investigations, as far as Eni is concerned, the proceeding involves former managers and directors of the logistic sites and refineries indicated above concerning alleged aggravated and continuous non-payment of excise duties, alteration and removal of seals, use and possession of false measures and weights instruments. In addition, for the Calenzano site, three employees and their manager of the storage site were accused of alleged procedural fraud.

In September 2018, Eni received, as injured party, the notification of the schedule of hearing issued by the Court of Rome, in relation to criminal association and other minor claims, against numerous persons under investigation — including over forty Eni employees — subject of a separated proceeding (No. 22066/17 RGNR), for which, in May 2017, the Public Prosecutor's Office had requested the dismissal. At the end of the hearing in December 2018, the Judge accepted the request for dismissal for several persons under investigation, including 13 Eni employees. The Judge also initially rejected the request of indictment for criminal association relating to 28 Eni employees (including the former managers of the R&M Division). Following the preliminary hearing, a sentence not to prosecute was achieved in December 2019 for all the defendants.

During 2019, also in relation to tax pending, a definition was reached, and Eni made the payments for the higher excise duties and other taxes for which it was not possible to reconstruct the related justification.

For the main proceedings (no.7320/2014 RGNR), in 2019 a detailed preliminary hearing was held before the Judge of the preliminary hearing of Rome who, following the outcome of the discussions, ordered the indictment for all the defendants.

Since 2020, the first instance judgment has been held before the Monocratic Court of Rome for offenses relating to excise duties, forgery, and procedural fraud.

At the hearing of November 21, 2022, the Court ordered the early closure of the ongoing hearing, ascertaining the statute of limitations, requesting a ruling not to proceed with an immediate extinction of the offence. For a single position of Eni, while not renouncing the statute of limitation, the defense requested acquittal on the merits. At the hearing of January 31, 2023, the Monocratic Court of Rome issued an acquittal sentence, acknowledging the statute of limitations against all employees and former employees of Eni accused in the proceeding. At the same time, the judge ordered the release from seizure of all assets still subject to the precautionary bond for probative purposes.

ii) **Eni SpA (R&M) – Taranto Refinery - Criminal proceedings for breach of excise assessment.** The proceeding relates to the alleged lack of tax assessment of an

energy product moved, under excise duty suspension, from a tank of the Taranto refinery.
At the end of the preliminary investigation phase, the former manager of the refinery and three other employees resulted under investigation for an alleged continued hypothesis of subtraction from the assessment of excise duties, due to multiple movements that took place in the period from June 30 to September 9, 2021, from the tank under investigation, the meter of which has been seized since October 13, 2021. The proceeding is in ongoing.

iii) **Eni SpA — Public Prosecutor of Milan — Criminal proceeding no. 12333/2017.** In February 2018, Eni was notified of a search and seizure decree in relation to allegations of associative crime aimed at slander and at reporting false information to a Public Prosecutor. In the decree, the Prosecutor of Milan included, among the other persons under investigation, a former external lawyer and a former Eni manager, at the time of the facts holding a strategic position with the Company. According to the decree, the association was allegedly aimed at interfering with the judicial activity in certain criminal proceedings involving, among others, Eni and some of its directors and managers. Eni's Control and Risks Committee, having consulted the Board of Statutory Auditors, and together with the Watch Structure, agreed to engage an auditing firm to perform an internal audit of relevant facts and circumstances and records and documentation relating to the matter with respect to the events of the aforementioned proceeding, including a forensic review. The final report, submitted to the Control and Risks Committee, the Watch Structure and the Board of Statutory Auditors on September 12, 2018, concluded that following the review carried out with respect to the allegations made by the Public Prosecutor of Milan, there was not sufficient factual evidence to prove the involvement of the aforementioned former manager of Eni in the alleged crimes. On April 19, 2018, the Board of Directors appointed two external consultants, a criminal lawyer and a civil lawyer to provide independent legal advice in relation to the facts under investigation. Their report, dated November 22, 2018, did not find facts that could suggest any involvement of any Eni employees in the crimes alleged by the Public Prosecutor. On June 4, 2018, Consob, the Italian markets regulator, requested to be informed about the above-mentioned proceeding. The request was addressed to the Company and to its Board of Statutory Auditors.
Specifically, Consob asked about the outcome of the forensic review and to be updated about any other audit action taken in relation to the matter by the Company and by its Board of Statutory Auditors. The Board of Statutory Auditors was also requested to report about the findings of the additional audit program agreed with an external auditor regarding the matter and to keep Consob updated about any further initiatives adopted. The Company answered the request on June 11, 2018. Subsequently, the Company finalized its response by sending further documentation including the final report of the independent third party and the reports of the consultants of the Board of Directors. The Board of Statutory Auditors has periodically updated Consob on the initiatives taken as part of the Board's monitoring responsibilities with several communications, the last of which was on July 25, 2018. On June 13, 2018, Eni was notified of a request from the Prosecutor's Office to transmit certain documentation in accordance with the Italian Code of Criminal Procedure. The request targeted evidence and documents relating to the internal audit performed by the Company and any possible external review concerning certain tasks that had been assigned to the former external lawyer with respect to Eni. This lawyer appears to be under investigation as part of this proceeding. The reports of the independent third party and of the consultant of the Board of Directors were also sent to the Public Prosecutor.
In May and June 2019, in the context of the same proceeding, the Court of Milan notified Eni and three of its subsidiaries (ETS SpA, Versalis SpA, Ecofuel SpA) of various requests for documentation in accordance with the Italian Code of Criminal Procedure. At the same time, on May 23, 2019, Eni was served a notice that the Company was being investigated for administrative offences pursuant to Legislative Decree No. 231/01, with reference to the crime sanctioned by the Italian Penal Code concerning "inducement not to make statements or to make false statements to the judicial authority".
The object of the aforementioned requests particularly concerned the relations with two business partners, access to Eni offices of certain third parties, also on behalf of one of the above-mentioned business partners, the mailbox of some employees and former employees, the documentation concerning the relations (and the interruption of those relations) with the former external lawyer investigated in the proceeding, the internal audit reports and the reports of the Company's bodies that dealt with assessing these relationships. Following internal audits, on June 21, 2019, the Company sued for fraud a former employee at its subsidiary ETS, who was fired on May 28, 2019, and also filed a complaint before the Judicial Authority to ascertain possible complicity in fraud of other third parties. On August 14, 2019, the Italian tax police sent a new request for information to Eni, concerning the economic relations between Eni Group companies and an external professional.
In November 2019, Eni received a notice of extension of the preliminary investigations. The notice also covered the investigations of the alleged breach by

Eni of certain provisions of Legislative Decree No. 231/01 until May 2020. Furthermore, certain former Eni employees have been charged with various criminal allegations. Those employees were a former manager of Eni's legal department, the former Chief Upstream Officer of Eni and an employee that was fired in 2013. A number of third parties have also been indicted, among them, two former legal consultants of Eni. On January 23, 2020, a search decree and an indictment were notified to the Company's Chief Services & Stakeholder Relations Officer, the Senior Vice President for Security and a manager of the legal department. Following the requests for review of the aforementioned decree, the material deposited by the Public Prosecutor's Office was made available to the Company, which requested its examination by the same consultants appointed in 2018 to examine the documentation. Subsequently, in June, July and September 2020, Eni was notified by the Public Prosecutor of Milan of several requests for documentation concerning, in particular: the results of the inquiries carried out by the internal audit department following an anonymous report relating to a hospitality event in 2017; some clarifications regarding an invoice issued by an external law firm; the internal audit report on relations with a commercial third party; work commitments of the Chief Services & Stakeholder Relations Officer relating to certain dates of 2014 and 2016; and the documentation concerning the dismissal of a former Eni employee. All the required documentation has been produced over time to the Judicial Authority.
On November 9, 2020, the Company was informed that Eni's CEO was notified about his right to participate, through its technical consultant, in the scheduled technical review of the content of a telephone device seized from a former Eni employee. In relation to what was previously requested by the Judicial Authorities in July 2020 and to supplement the already produced information, in the period January - March 2021 all the additional documentation concerning an ongoing dispute with a commercial counterpart was delivered over time.
On December 10, 2021, a notice of conclusion of the preliminary investigations was sent against twelve individuals and five companies. A former Eni executive fired in 2013 and a former external Eni lawyer are accused of having slandered the Chief Executive Officer and the Human Capital Director & Procurement Coordination of Eni. The Chief Executive Officer, the Human Capital Director & Procurement Coordination, the Senior Vice President for Security and Eni SpA itself, however, do not appear in the request for indictment. The Eni subsidiary ETS SpA (ETS), has been charged as entity liable in connection with the crime of inducement at omitting to provide information and/or rendering misleading information to the judicial authority, for which also the former top manager is being investigated. ETS has already been placed in voluntary liquidation with a resolution of Eni's Board of Directors of July 2020 which became effective on January 1, 2021.
With respect to the Public Prosecutor's allegations against ETS SpA (ETS) of administrative responsibility pursuant to Legislative Decree No. 231/01, ETS and the Public Prosecutor negotiated a settlement of a penalty and a hearing was set for October 2022 for the assessment of the settlement terms.
As a result of the delayed discovery of further investigative documents, not known at the time of the request for a settlement, ETS's counsel filed an application for revocation of the settlement, in view of the hearing. At the hearing of October 5, 2022, the Judge consequently rejected the plea deal.
On June 30, 2022, the Public Prosecutor requested the excerpted dismissal of the proceeding, in favor of the Chief Executive Officer, the Human Capital Director & Procurement Coordination, the Senior Vice President for Security and the legal entity Eni SpA, the latter for its alleged liability of legal entities in relation to the crimes committed by employees as per Legislative Decree 231/01. The Public Prosecutor's confirmed the non-involvement of the above-mentioned individuals and entities in the disputes as already stated in the notice of conclusions of the investigations of December 2021. A request of dismissal was filed in relation to the allegations of corruption between private parties relating to Eni representatives and to some external lawyers who had been registered following Piero Amara's statements.
Subsequently the proceeding was transferred to the Public Prosecutor's Office of Brescia following the decision of the General Prosecutor at the Third Instance Court on the basis of the request presented by certain suspects' defense counsel. The Public Prosecutor of Brescia, having received the documents, ordered the dismissal of allegations of slander and defamation and sent the proceeding back to the Milan Public Prosecutor for jurisdiction about the remaining allegations. The Public Prosecutor's Office requested the dismissal in favor of the Chief Executive Officer, the Human Capital Director & Procurement Coordination and the Senior Vice President for Security and also requested the dismissal of the Company, ordering the other plaintiffs to stand trial.
The dismissal decree of Eni SpA defined that the alleged inducement to make false statements by Vincenzo Armanna in the context of the criminal proceeding "OPL 245" was based solely on personal statements (Mr. Amara, Mr. Armanna and Mr. Calafiore) who lacked independence and whose statements had been proved to be groundless. Therefore, their statements were found to be false, leading to the indictment of the aforementioned natural persons due to the statements made against the Chief Executive Officer and the Human Capital Director & Procurement Coordination of the Company.

## 4. Tax proceedings

i) **Dispute for omitted payment of a property tax for some oil offshore platforms located in territorial waters.** Tax disputes are pending with some Italian local authorities regarding whether oil&gas offshore platforms located within territorial boundaries should be subject to a property tax in the period 2016-2019.

In 2016 the tax regulatory framework changed due to enactment of Law No. 208/2015, which excluded from the scope of the property tax the value of plants instrumental to specific production processes. In addition, the Finance Department recognized that offshore platforms met the requirements for classification as instrumental plants and consequently are excluded from the scope of the property tax (resolution no. 3 of June 1, 2016). Based on this interpretation, Eni did not pay any property tax for the years 2016-2019. However, the ruling of the Department of Finance is not binding for local authorities with taxing powers as recognized by the Third Instance Court and some of these have issued assessment notices for 2016-2019. The Company filed an appeal against these notices. Although Eni believes that oil platforms located in the territorial sea should be excluded from the tax base of the property tax on the base of the interpretation of the law in the light of the resolution of the Department of Finance, having assessed the risks of losing in pending disputes, the Company accrued a risk provision, the amount of which excludes fines since Eni's conduct was based on the administrative resolution, as well as taking into account the reduction of the tax base excluding the "plant component" as provided by the law. The proceeding is still ongoing.

Law Decree 124/19 (enacted with Law 157/19) has established, starting from 2020, that marine platforms are subject to a new property tax that will replace and supersede any other ordinary local property tax eventually levied on these plants up to 2019. This rule has therefore sanctioned, starting from 2020, the existence of the tax requirement for these plants.

## 5. Settled proceedings

i) **Congo.** The proceeding concerned investigations by the Public Prosecutor's of Milan into alleged crimes of international corruption in relation to Eni's oil activities in Congo, with reference to the contracts awarded in the years 2013-2015. The proceeding involved some former Eni employees. The Company was investigated pursuant to Legislative Decree no.231/01. As part of the proceedings, the prosecution had also made a request for restrictive measures relating to the activities covered by oil contracts under investigation. Following the reclassification of the hypothesis of international corruption into the statute of undue induction to give or promise benefits, in 2021 Eni approved a settlement amounting to €11.8 million and the revocation of the request for restrictive measures. A second investigation related an alleged conflict of interest in the assignment of contracts to third-party suppliers of Eni Congo involving the Chief Executive Officer.

In March 2023, following the dismissal request presented by the Public Prosecutor's Office, the GUP ordered the dismissal of the proceedings for all natural persons under investigation. The dismissal concerned both the hypothesis of undue induction to give or promise benefits, which had concerned, among others, the former Chief Development, Operations & Technology Officer of Eni; and the hypothesis of omitted declaration of a conflict of interest. The Judge excluded any evidence of a potential interest of the CEO with reference to the commercial transactions between (not Eni SpA but) the subsidiaries of Eni SpA and the third-party supplier, since the CEO is not in any position of conflict of interests which could give rise to the obligation to report at the time he assumed the position of Chief Executive Officer of Eni in May 2014.

ii) **Eni Rewind SpA — Proceeding relating to the asbestos at the Ravenna site.** A criminal proceeding is pending before the Tribunal of Ravenna relating to the crimes of culpable manslaughter, injuries and environmental disaster, which have been allegedly committed by former Eni Rewind employees at the site of Ravenna. The site was acquired by Eni Rewind following a number of corporate mergers and acquisitions. The alleged crimes date back to 1991. In the proceeding there are 75 alleged victims. The plaintiffs include relatives of the alleged victims, various local administrations, and other institutional bodies, including local trade unions. Eni Rewind asserted the statute of limitations as a defense to the instance of environmental disaster for certain instances of diseases and deaths. The court at Ravenna decided that all defendants would stand trial and held that the statute of limitations only applied with reference to certain instances of crime of culpable injury. Eni Rewind reached some settlements. In November 2016, the Judge acquitted the defendants in all the contested cases except for one, an asbestos case, for which a conviction was handed down. The defendants, the Prosecutor and the plaintiffs appealed the decision; the second instance judge ordered a complex inquiry. Eni's defenders recused a member of the expert panel who conducted the inquiry, and the Second Instance Court rejected the request for recusal with an order subsequently canceled by the Third Instance Court. On

the referral, at the request of Eni's lawyers, the Court of Appeals of Bologna, given the different composition of the judging panel, ordered the renewal of the appeal trial and, consequently, the subsequent revocation of the order with which it had initially ordered the inquiry. On May 25, 2020, the Court acquitted the defendants and the persons sued for damages in relation to 74 cases of mesothelioma, lung cancer, pleural plaques and asbestosis, took note of the res judicata with regards to the acquittal for the disaster complaint while confirming the conviction for one case of asbestosis. The Court also declared inadmissible the appeal of several claimants. The Company filed an appeal with the Third Instance Court against the conviction for asbestosis; some claimants challenged the acquittal for the other pathologies.
On November 24, 2021, the Third Instance Court: (i) annulled, without postponement, the contested sentence against a defendant for extinction of the crime; (ii) annulled without referral to the criminal effects the sentence contested for the crime of negligent injury in relation to the case of asbestosis because it fell under statute of limitations, rejecting the appeals of Eni's lawyers for civil purposes; (iii) rejected the appeals of the civil parties. Therefore, the criminal proceeding is closed. At the moment there is no information on the activation of any civil disputes.

iii) **Versalis SpA– Brindisi - criminal proceedings on plant factory flares and odor emissions.** On May 18, 2018, the manager of the Versalis plant in Brindisi and two other employees were summoned in order to provide information regarding two episodes that occurred in April 2018 which led to the activation of the plant torches. The company cooperated with the judicial authorities to provide information and exclude that such events had a negative impact on air quality.
At the end of May 2020, in conjunction with a scheduled shutdown of the plant, anomalous concentrations of benzene and toluene were detected; on that basis, the mayor of Brindisi ordered the plant shutdown. From these events, a criminal case was instituted, as a result of which the two pro-tempore directors of the plant and the Operations manager for the crimes referred to the disposal of hazardous wastes.
On May 19, 2022, the judge, in acceptance of the request made by the Public Prosecutor's Office, ordered the dismissal of the proceeding, highlighting that the lighting of torches that took place starting from 2018 were due to disservices or momentary failures, again in compliance with the AIA requirements and specifying that the consultants' assessments did not reveal any violations of the constraints imposed by the legislation in force.

## Assets under concession arrangements

Eni operates under concession arrangements mainly in the Exploration & Production segment and the Refining & Marketing business line. In the Exploration & Production segment, contractual clauses governing mineral concessions, licenses and exploration permits regulate the access of Eni to hydrocarbon reserves. Such clauses can differ in each country. In particular, mineral concessions, licenses and permits are granted by the legal owners and, generally, entered into with government entities, State oil companies and, in some legal contexts, private owners. Pursuant to the assignment of mineral concessions, Eni sustains all the operational risks and costs related to the exploration and development activities and it is entitled to the productions realized. In respect of the mining concessions received, Eni pays royalties in accordance with the tax legislation in force in the country and is required to pay the income taxes deriving from the exploitation of the concession. In production sharing agreement and service contracts, realized productions are defined based on contractual agreements with State oil companies, which hold the concessions. Such contractual agreements regulate the recovery of costs incurred for the exploration, development and operating activities (Cost Oil) and give entitlement to the own portion of the realized productions (Profit Oil). In the Refining & Marketing business line, several service stations and other auxiliary assets of the distribution service are located in the motorway areas and they are granted by the motorway concession operators following a public tender for the sub-concession of the supplying of oil products distribution service and other auxiliary services. In exchange for the granting of the services described above, Eni provides to the motorway companies fixed and variable royalties based on quantities sold. At the end of the concession period, all non-removable assets are transferred to the grantor of the concession for no consideration.

## Environmental regulations

In the future, Eni will sustain significant expenses in relation to compliance with environmental, health and safety laws and regulations and for reclaiming, safety and remediation works of areas previously used for industrial production and dismantled sites. In particular, regarding the environmental risk, management does not currently expect any material adverse effect upon Eni's Consolidated Financial Statements, taking account of ongoing remediation actions, existing insurance policies and the environmental risk provision accrued in the Consolidated Financial Statements. However, management believes that it is possible that Eni may incur material losses and liabilities in future years in connection with environmental matters due to: (i) the possibility of as yet unknown contamination; (ii) the results of ongoing surveys and other possible effects of statements required by Legislative Decree 152/2006; (iii) new developments in environmental regulation (i.e. Law No. 68/2015 on crimes against the environment and European Directive 2015/2193 on medium combustion plants);

(iv) the effect of possible technological changes relating to future remediation; and (v) the possibility of litigation and the difficulty of determining Eni's liability, if any, as against other potentially responsible parties with respect to such litigation and the possible insurance recoveries.

## Emission trading

From 2021, the fourth phase of the European Union Emissions Trading Scheme (EU-ETS) came in force. The award of free emission allowances is performed based on emission benchmarks defined at European level specific to each industrial segment, except for the electric power generation sector that is not eligible for allocations for no consideration. This regulatory scheme implies for Eni's plants subject to emission trading a lower assignment of emission permits compared to the emissions recorded in the relevant year and, consequently, the necessity of covering the amounts in excess by purchasing the relevant emission allowances on the open market. In 2022, the emissions of carbon dioxide from Eni's plants were higher than the free allowances assigned to Eni. Against emissions of carbon dioxide amounting to approximately 16.73 million tonnes, Eni was awarded free emission allowances of 4.98 million tonnes, determining a deficit of 11.75 million tonnes. This deficit was entirely covered through the purchase of emission allowances in the open market.

# 29 Revenues and other income

## Sales from operations

| (€ million) | Exploration & Production | Global Gas & LNG Portfolio | Refining & Marketing and Chemical | Plenitude & Power | Corporate and Other activities | Total |
|---|---|---|---|---|---|---|
| **2022** | | | | | | |
| **Sales from operations** | **12.896** | **41.230** | **58.470** | **19.726** | **190** | **132.512** |
| **Products sales and service revenues** | | | | | | |
| Sales of crude oil | 5.438 | | 20.839 | | | 26.277 |
| Sales of oil products | 1.070 | | 29.700 | | | 30.770 |
| Sales of natural gas and LNG | 6.108 | 40.840 | 65 | 5.571 | | 52.584 |
| Sales of petrochemical products | | | 6.241 | | 3 | 6.244 |
| Sales of power | | | | 12.448 | | 12.448 |
| Sales of other products | 68 | | 411 | 223 | 2 | 704 |
| Services | 212 | 390 | 1.214 | 1.484 | 185 | 3.485 |
| **Products sales and service revenues** | **12.896** | **41.230** | **58.470** | **19.726** | **190** | **132.512** |
| **Transfer of goods/services** | | | | | | |
| Goods/Services transferred in a specific moment | 12.592 | 41.047 | 58.145 | 19.599 | 58 | 131.441 |
| Goods/Services transferred over a period of time | 304 | 183 | 325 | 127 | 132 | 1.071 |
| **2021** | | | | | | |
| **Sales from operations** | **8.846** | **16.973** | **40.051** | **10.517** | **188** | **76.575** |
| **Products sales and service revenues** | | | | | | |
| Sales of crude oil | 3.573 | | 14.710 | | | 18.283 |
| Sales of oil products | 885 | | 18.739 | | | 19.624 |
| Sales of natural gas and LNG | 4.122 | 16.608 | 34 | 3.245 | | 24.009 |
| Sales of petrochemical products | | | 5.652 | | 7 | 5.659 |
| Sales of power | | | | 5.104 | | 5.104 |
| Sales of other products | 40 | 6 | 132 | 212 | 1 | 391 |
| Services | 226 | 359 | 784 | 1.956 | 180 | 3.505 |
| | 8.846 | 16.973 | 40.051 | 10.517 | 188 | 76.575 |
| **Transfer of goods/services** | | | | | | |
| Goods/Services transferred in a specific moment | 8.506 | 16.823 | 39.836 | 10.517 | 72 | 75.754 |
| Goods/Services transferred over a period of time | 340 | 150 | 215 | | 116 | 821 |
| **2020** | | | | | | |
| **Sales from operations** | **6.359** | **5.362** | **24.937** | **7.135** | **194** | **43.987** |
| **Products sales and service revenues** | | | | | | |
| Sales of crude oil | 1.969 | | 9.024 | | | 10.993 |
| Sales of oil products | 517 | | 11.852 | | | 12.369 |
| Sales of natural gas and LNG | 3.505 | 5.000 | 20 | 2.741 | | 11.266 |
| Sales of petrochemical products | | | 3.277 | | 19 | 3.296 |
| Sales of power | | | | 2.345 | | 2.345 |
| Sales of other products | 113 | (2) | 36 | 21 | 2 | 170 |
| Services | 255 | 364 | 728 | 2.028 | 173 | 3.548 |
| | **6.359** | **5.362** | **24.937** | **7.135** | **194** | **43.987** |
| **Transfer of goods/services** | | | | | | |
| Goods/Services transferred in a specific moment | 5.896 | 5.239 | 24.639 | 7.135 | 78 | 42.987 |
| Goods/Services transferred over a period of time | 463 | 123 | 298 | | 116 | 1.000 |

| (€ million) | 2022 | 2021 | 2020 |
|---|---|---|---|
| Revenues associated with contract liabilities at the beginning of the period | 157 | 658 | 818 |
| Revenues associated with performance obligations totally or partially satisfied in previous years | 1 | 30 | |

Sales from operations by industry segment and geographical area of destination are disclosed in note 35 – Segment information and information by geographical area.
Sales from operations with related parties are disclosed in note 36 – Transactions with related parties.

### Other income and revenues

| (€ million) | 2022 | 2021 | 2020 |
|---|---|---|---|
| Gains from sale of assets and businesses | 48 | 107 | 10 |
| Other proceeds | 1,127 | 1,089 | 950 |
| | **1,175** | **1,196** | **960** |

Other proceeds include €204 million (€281 million and €357 million in 2021 and 2020, respectively) related to the recovery of the cost share of right-of-use assets pertaining to partners of unincorporated joint operations operated by Eni.
Other income and revenues with related parties are disclosed in note 36 – Transactions with related parties.

## 30 Costs

### Purchase, services and other charges

| (€ million) | 2022 | 2021 | 2020 |
|---|---|---|---|
| Production costs - raw, ancillary and consumable materials and goods | 85,139 | 41,174 | 21,432 |
| Production costs - services | 10,303 | 10,646 | 9,710 |
| Lease expense and other | 2,301 | 1,233 | 876 |
| Net provisions for contingencies | 2,985 | 707 | 349 |
| Other expenses | 2,069 | 1,983 | 1,317 |
| | **102,797** | **55,743** | **33,684** |
| less: | | | |
| - capitalized direct costs associated with self-constructed assets - tangible assets | (246) | (185) | (128) |
| - capitalized direct costs associated with self-constructed assets - intangible assets | (22) | (9) | (5) |
| | **102,529** | **55,549** | **33,551** |

Purchase, services and other charges included prospecting costs, geological and geophysical studies of exploration activities for €220 million (€194 million and €196 million in 2021 and 2020, respectively).
Costs incurred in connection with research and development activities expensed through profit and loss, as they did not meet the requirements to be recognized as long-lived assets, amounted to €164 million (€177 million and €157 million in 2021 and 2020, respectively).

Royalties on the extraction rights of hydrocarbons amounted to €1,570 million (€946 million and €673 million in 2021 and 2020, respectively).
Additions to provisions net of reversal of unused provisions related to net additions for environmental liabilities amounting to €1,700 million (net additions of €279 million and net reversals of €15 million in 2021 and 2020, respectively) and net additions for litigations amounting to €501 million (net additions of €162 million and €76 million in 2021 and 2020, respectively). More information

is provided in note 21 – Provisions. Net additions to provisions by segment are disclosed in note 35 – Segment information and information by geographical area.

Information about leases is disclosed in note 13 – Right-of-use assets and lease liabilities.

## Payroll and related costs

| (€ million) | 2022 | 2021 | 2020 |
|---|---|---|---|
| Wages and salaries | 2,311 | 2,182 | 2,193 |
| Social security contributions | 465 | 455 | 458 |
| Cost related to employee benefit plans | 174 | 165 | 102 |
| Other costs | 194 | 204 | 239 |
| | 3,144 | 3,006 | 2,992 |
| less: | | | |
| - capitalized direct costs associated with self-constructed assets - tangible assets | (120) | (111) | (118) |
| - capitalized direct costs associated with self-constructed assets - intangible assets | (9) | (7) | (11) |
| | 3,015 | 2,888 | 2,863 |

Other costs comprised provisions for redundancy incentives of €78 million (€94 million and €105 million in 2021 and 2020, respectively) and costs for defined contribution plans of €103 million (€97 million and €96 million in 2021 and 2020, respectively).

Cost related to employee benefit plans are described in note 22 – Provisions for employee benefits.
Costs with related parties are disclosed in note 36 – Transactions with related parties.

## Average number of employees

The Group average number and breakdown of employees by category is reported below:

| | 2022 | | 2021 | | 2020 | |
|---|---|---|---|---|---|---|
| (number) | Subsidiaries | Joint operation | Subsidiaries | Joint operation | Subsidiaries | Joint operation |
| Senior managers | 957 | 19 | 966 | 18 | 993 | 17 |
| Junior managers | 9,084 | 80 | 9,143 | 78 | 9,280 | 73 |
| Employees | 15,517 | 420 | 15,747 | 380 | 15,995 | 349 |
| Workers | 6,074 | 288 | 5,476 | 284 | 4,780 | 287 |
| | 31,632 | 807 | 31,332 | 760 | 31,048 | 726 |

The average number of employees was calculated as the average between the number of employees at the beginning and the end of the period. The average number of senior managers included managers employed in foreign countries, whose position is comparable to a senior manager's status.

## Long-term monetary incentive plan for the managers of Eni

On April 13, 2017 and on May 13, 2020, the Shareholders Meeting approved the Long-Term Monetary Incentive Plan 2017-2019 and 2020-2022 and empowered the Board of Directors to execute the Plan by authorizing it to dispose up to a maximum of 11 million of treasury shares in service of the plan 2017-2019 and 20 million in service of the plan 2020-2022.

The Long-Term Monetary Incentive plans provide for three annual awards (2017, 2018 and 2019 and 2020, 2021 and 2022, respectively) and are intended for the Chief Executive Officer of Eni and for the managers of Eni and its subsidiaries who qualify as "senior managers deemed critical for the business", selected among those who are in charge of tasks directly linked to the

Group results or of strategic clout to the business. The Plans provide the granting of Eni shares for no consideration to eligible managers after a three-year vesting period under the condition that they would remain in office until vesting. Considering that these incentives fall within the category of employee compensation, in accordance with IFRS, the cost of the plans is determined based on the fair value of the financial instruments awarded to the beneficiaries and the number of shares that are granted at the end of the vesting period; the cost is accruing along the vesting period.
With reference to the 2017-2019 Plan, the number of shares that will be granted at the end of the vesting period will depend: (i) for 50%, on the market condition in terms of Total Shareholder Return (TSR) of the Eni share compared to the TSR of the FTSE Mib index of the Italian Stock Exchange Market, and to a group of Eni's competitors ("Peer Group")[27] and the TSR of their corresponding stock exchange market[28]; (ii) for 50%, on the growth in the Net Present Value (NPV) of proved reserves benchmarked against the Peer Group.
With reference to the 2020-2022 Plan, the number of shares that will be granted at the end of the vesting period will depend on the aiming of the following objectives defined over a three-year performance period, as follows: (i) for 25% on a market objective measured with reference to the the Eni's group of competitors (Peer Group) as the difference between the Total Shareholder Return (TSR) of Eni Shares and the TSR of the FTSE Mib Index of the Italian Stock Exchange, adjusted with Eni's correlation index, compared with the benchmark stock index; (ii) for 20% on an industrial objective measured with respect to the Peer Group in terms of annual unit value ($/boe) of the Net Present Value of Proven Reserves (NPV); (iii) for 20% on an economic-financial objective measured as the Organic Free Cash Flow accumulated in the three-year reference period, compared to the value provided for by the Strategic Plan; (iv) for 35% on an environmental sustainability and energy transition objective in a three-year period consisting of three objectives measured with respect to the Strategic Plan as follows: (a) for 15% to Upstream Scope 1 and Scope 2 $CO_2$eq. equity emissions ($tCO_2$eq./kboe); (b) for 10% on the installed capacity of power generation from renewable sources; (c) for 10% from the progress of three projects of circular economy.
Depending on the performance of the parameters mentioned above, the number of shares that will vest free of charge after three years may range between 0% and 180% of the initial award. Furthermore, a 50% of these is subject to a lock-up clause of one year after the vesting date.
The number of shares awarded at the grant date was: (i) 2,069,685 shares in 2022; with a weighted average fair value of €9.20 per share; (ii) 2,365,581 shares in 2021, with a weighted average fair value of €8.15 per share; (iii) 2,922,749 shares in 2020, with a weighted average fair value of €4.67 per share.
The estimation of the fair value was calculated by adopting specific valuation techniques regarding the different performance parameters provided by the plan (the stochastic method for the component related to the TSR and the Black-Scholes model for the component related to the NPV of the reserves, for the 2017-2019 Plan; the stochastic method for the 2020-2022 Plan), taking into account the fair value of the Eni share at the grant date (between €12.918 and €14.324 depending on the grant date in relation to the 2022 award; between €11.642 and €12.164 depending on the grant date in relation to the 2021 award; between €5.885 and €8.303 depending on the grant date in relation to the 2020 award), reduced by dividends expected along the vesting period (between 6.1% and 6.8% of the share price at vesting date in 2022; 7.1% and 7.4% of the share price at vesting date in 2021; 7.1% and 10% of the share price at vesting date in 2020), considering the volatility of the stock (between 30% and 31% in relation to the 2022 award; between 44% and 45% in relation to the 2021 award; 41% and 44% in relation to the 2020 award), the forecasts for the performance parameters, as well as the lower value attributable to the shares considering the lock-up period at the end of the vesting period.
In 2022, the costs related to the Long-Term Monetary Incentive Plan, recognized as a component of the payroll cost, amounted to €18 million (€16 million and €7 million in 2021 and 2020, respectively) with a contra-entry to equity reserves.

## Compensation of key management personnel

Compensation, including contributions and collateral expenses, of personnel holding key positions in planning, directing and controlling the Eni Group subsidiaries, including executive and non-executive officers, general managers and managers with strategic responsibilities in office during the year consisted of the following:

| (€ million) | 2022 | 2021 | 2020 |
|---|---|---|---|
| Wages and salaries | 37 | 29 | 30 |
| Post-employment benefits | 3 | 3 | 2 |
| Other long-term benefits | 17 | 15 | 12 |
| Indemnities upon termination of employment | 9 | | 21 |
| | **66** | **47** | **65** |

(27) The Peer Group consists of the following oil companies: Apache, bp, Chevron, ConocoPhillips, Equinor, ExxonMobil, Marathon Oil, Occidental, Royal Dutch Shell and Total.
(28) The performance condition connected with the TSR in accordance with the international accounting standards represents a so-called market condition.

## Compensation of Directors and Statutory Auditors of Eni SpA

Compensation of Directors amounted to €11.12 million, €10.13 million and €7.54 million in 2022, 2021 and 2020, respectively. Compensation of Statutory Auditors amounted to €0.589 million, €0.550 million and €0.571 million in 2022, 2021 and 2020, respectively.

Compensation included emoluments and social security benefits due for the office as Director or Statutory Auditor held at the parent company Eni SpA or other Group subsidiaries, which was recognized as a cost to the Group, even if not subject to personal income tax.

# 31 Finance income (expense)

| (€ million) | 2022 | 2021 | 2020 |
|---|---|---|---|
| Finance income | 8,450 | 3,723 | 3,531 |
| Finance expense | (9,333) | (4,216) | (4,958) |
| Net finance income (expense) from financial assets at fair value through profit or loss | (55) | 11 | 31 |
| Income (expense) from derivative financial instruments | 13 | (306) | 351 |
| **Finance income (expense)** | **(925)** | **(788)** | **(1,045)** |

The analysis of finance income (expense) was as follows:

| (€ million) | 2022 | 2021 | 2020 |
|---|---|---|---|
| **Finance income (expense) related to net borrowings** | | | |
| - Interest and other finance expense on ordinary bonds | (507) | (475) | (517) |
| - Net finance income (expense) on financial assets held for trading | (53) | 11 | 31 |
| - Net expenses on other financial assets valued at fair value with effects on profit and loss | (2) | | |
| - Interest and other expense due to banks and other financial institutions | (128) | (94) | (102) |
| - Interest on lease liabilities | (315) | (304) | (347) |
| - Interest from banks | 57 | 4 | 10 |
| - Interest and other income on financial receivables and securities held for non-operating purposes | 9 | 9 | 12 |
| | **(939)** | **(849)** | **(913)** |
| **Exchange differences** | **238** | **476** | **(460)** |
| **Income (expense) from derivative financial instruments** | **13** | **(306)** | **351** |
| **Other finance income (expense)** | | | |
| - Interest and other income on financing receivables and securities held for operating purposes | 128 | 67 | 97 |
| - Capitalized finance expense | 38 | 68 | 73 |
| - Finance expense due to the passage of time (accretion discount)[a] | (199) | (144) | (190) |
| - Other finance income (expense) | (204) | (100) | (3) |
| | **(237)** | **(109)** | **(23)** |
| | **(925)** | **(788)** | **(1,045)** |

(*) The item related to the increase in provisions for contingencies that are shown at present value in non-current liabilities.

Information about leases is disclosed in note 13 – Right-of-use assets and lease liabilities.
The analysis of derivative financial income (expense) is disclosed in note 24 – Derivative financial instruments and hedge accounting.
Finance income (expense) with related parties are disclosed in note 36 – Transactions with related parties.

# 32 Income (expense) from investments

## Share of profit (loss) of equity-accounted investments

More information is provided in note 16 – Investments.
Share of profit or loss of equity accounted investments by industry segment is disclosed in note 35 – Segment information and information by geographical area.

## Other gain (loss) from investments

| (€ million) | 2022 | 2021 | 2020 |
|---|---|---|---|
| Dividends | 351 | 230 | 150 |
| Net gain (loss) on disposals | 483 | 1 | |
| Other net income (expense) | 2,789 | (8) | (75) |
| | **3,623** | **223** | **75** |

Dividend income primarily related to Nigeria LNG Ltd for €247 million (€144 million in 2021 and €113 million in 2020) and to Saudi European Petrochemical Co "IBN ZAHR" for €77 million (€54 million in 2021 and €28 million in 2020).

Gains on disposals referred for €448 million to the capital gains realized following the listing, through an IPO on the Oslo Stock Exchange, of the investee Vår Energi ASA and subsequent sales made on the market.
Other net income refers for €2,542 million to the capital gain from the fair value measurement of the business combination between Eni and bp with the establishment of the joint venture Azule Energy Holdings Ltd and includes realized exchange differences on translation of €764 million.

# 33 Income taxes

| (€ million) | 2022 | 2021 | 2020 |
|---|---|---|---|
| **Current taxes:** | | | |
| - Italian subsidiaries | 1,920 | 439 | 199 |
| - subsidiaries of the Exploration & Production segment - outside Italy | 7,027 | 3,609 | 1,517 |
| - other subsidiaries - outside Italy | 944 | 157 | 84 |
| | **9,891** | **4,205** | **1,800** |
| **Net deferred taxes:** | | | |
| - Italian subsidiaries | (2,191) | (45) | 672 |
| - subsidiaries of the Exploration & Production segment - outside Italy | 713 | 552 | 73 |
| - other subsidiaries - outside Italy | (325) | 133 | 105 |
| | **(1,803)** | **640** | **850** |
| | **8,088** | **4,845** | **2,650** |

Current income taxes payable by Italian subsidiaries include foreign taxes for €69 million.
Income taxes included to an extraordinary solidarity tax for the year 2022 (€1,036 million) enacted in Italy by Law No. 51/2022, a similar tax enacted in Germany (€163 million) as well as the UK Energy profit levy. The total 2022 income taxes included an extraordinary contribution as enacted by Law No. 197/2022 (Italian 2023 Budget Law) calculated on the 2022 taxable income, determined considering the distribution of certain revaluation reserves of the parent company.

The reconciliation between the statutory tax charge calculated by applying the Italian statutory tax rate of 24% (same amount in 2021 and 2020) and the effective tax charge is the following:

| (€ million) | 2022 | 2021 | 2020 |
|---|---|---|---|
| **Profit (loss) before taxation** | **22,049** | **10,685** | **(5,978)** |
| Tax rate (IRES) (%) | 24.0 | 24.0 | 24.0 |
| **Statutory corporation tax charge (credit) on profit or loss** | **5,292** | **2,564** | **(1,435)** |
| Increase (decrease) resulting from: | | | |
| - higher tax charges related to subsidiaries outside Italy | 3,388 | 2,301 | 1,980 |
| - extraordinary contribution effect for Italian companies in energy sector | 1,971 | | |
| - impact pursuant to foreign tax effects of italian entities | 66 | 108 | 108 |
| - effect of the valuation of the investments under the equity method | 50 | 180 | 97 |
| - effect due to the tax regime provided for intercompany dividends | 11 | 54 | 96 |
| - Italian regional income tax (IRAP) | (18) | 140 | 107 |
| - tax effects related to previous years | (19) | 52 | (30) |
| - effect of reversals (impairments) of deferred tax assets | (241) | | |
| - impact pursuant to (reversal) impairment of deferred tax assets | (2,087) | (666) | 1,785 |
| - other adjustments | (325) | 112 | (58) |
| | **2,796** | **2,281** | **4,085** |
| **Effective tax charge** | **8,088** | **4,845** | **2,650** |

The higher tax charges at non-Italian subsidiaries related to the Exploration & Production segment for €2,940 million (€2,040 million and €1,777 million in 2021 and 2020, respectively).
In 2020, the Group incurred income taxes, despite a pre-tax loss of €5,978 million, due to the economic crisis caused by the COVID-19 having an enduring impact on the hydrocarbons demand and by the revision of the long-term prices and of future cash flows in Eni's activities. The lower projections of future taxable income had two impacts: the recognition of tax charges due to a write-down of deferred tax assets and a reduced capacity to recognize deferred taxes on the losses of the period.

## 34 Earnings (loss) per share

Basic earnings (loss) per ordinary share are calculated by dividing net profit (loss) for the period attributable to Eni's shareholders by the weighted average number of ordinary shares issued and outstanding during the period, excluding treasury shares.
Diluted earnings (loss) per share are calculated by dividing the net profit (loss) of the period attributable to Eni's shareholders by the weighted average number of shares fully-diluted, excluding treasury shares, and including the number of potential shares to be issued.
As of December 31, 2022, the shares that could be potentially issued related the estimation of new shares that will vest in connection with the 2020-2022 Long-Term Monetary Incentive Plans.
In determining basic and diluted earnings (loss) per share, the net profit (loss) for the period attributable to Eni is adjusted to take into account the remuneration of perpetual subordinated bonds, net of tax effect, calculated by using the amortized cost method.
Reconciliation of the weighted average number of shares used for the calculation for both basic and diluted earnings (loss) per share was as follows:

| | | 2022 | 2021 | 2020 |
|---|---|---|---|---|
| **Weighted average number of shares used for basic earnings (loss) per share** | | **3,483,633,816** | **3,565,973,883** | **3,572,549,651** |
| Potential shares to be issued for ILT incentive plan | | 6,319,989 | 7,598,593 | |
| **Weighted average number of shares used for diluted earnings (loss) per share** | | **3,489,953,805** | **3,573,572,476** | **3,572,549,651** |
| | | | | |
| **Eni's profit (loss)** | (€ million) | **13,887** | **5,821** | **(8,635)** |
| Remuneration of subordinated perpetual bonds net of tax effect | (€ million) | (109) | (95) | |
| **Eni's profit (loss) for basic and diluted earnings (loss) per share** | (€ million) | **13,778** | **5,726** | **(8,635)** |
| | | | | |
| Basic earnings (loss) per share | (€ per share) | 3.96 | 1.61 | (2.42) |
| Diluted earnings (loss) per share | (€ per share) | 3.95 | 1.60 | (2.42) |

# 35 Segment information and information by geographic area

## Segment information

Eni's segmental reporting reflects the Group's operating segments, whose results are regularly reviewed by the Chief Operating Decision Maker (the CEO) to assess segment performance and to make decisions about resources to be allocated to each segment.
The organization is based on two General Departments:
- Natural Resources, to build up the value of Eni's Oil & Gas upstream portfolio, with the objective of reducing its carbon footprint by scaling up energy efficiency and expanding production in the natural gas business, and its position in the wholesale market. Furthermore, it will focus its actions on the development of carbon capture and compensation projects. The General Department incorporates the Company's Oil & Gas exploration, development and production activities, natural gas wholesale via pipeline and LNG, forests conservation (REDD+) and $CO_2$ storage projects;
- Energy Evolution, focused on the evolution of the businesses of power generation, transformation and marketing of products from fossil to bio and blue. The responsibility of this Department include the growth of power generation from renewable energy and biomethane, the coordination of the bio and circular evolution of the Company's refining system and chemical business, and the development of Eni's retail portfolio, providing increasingly more decarbonized products for mobility, household consumption and small enterprises. The General Department incorporates the activities of power generation from natural gas and renewables, the refining and chemicals businesses, Retail Gas & Power and mobility Marketing. The companies Versalis (chemical products), Eni Rewind (environmental activities) and Eni Plenitude, in their current structure, are consolidated in this General Department.

In relation to financial reporting purposes, management evaluated that the components of the Company whose operating results are regularly reviewed by the Chief Operating Decision Maker (CEO) to make decisions about the allocation of resources and to assess performances would continue being the single business units which are comprised in the two newly-established General Departments, rather than the two groups themselves. Therefore, in order to comply with the provisions of the international reporting standard that regulates the segment reporting (IFRS 8), the new reportable segments of Eni, substantially confirming the pre-existing setup, are identified as follows:
**Exploration & Production**: research, development and production of oil, condensates and natural gas, forestry conservation (REDD+) and $CO_2$ capture and storage projects;
**Global Gas & LNG Portfolio (GGP)**: supply and sale of wholesale natural gas via pipeline, international transport and purchase and marketing of LNG. It includes gas trading activities finalized to hedging and stabilizing the trade margins, as well as optimising the gas asset portfolio;
**Refining & Marketing and Chemicals**: supply, processing, distribution and marketing of fuels and chemicals. The results of the Chemicals segment were aggregated with the Refining & Marketing performance in a single reportable segment, because these two operating segments have similar economic returns. It comprises the activities of trading oil and products with the aim to execute the transactions on the market in order to balance the supply and stabilize and cover the commercial margins;
**Plenitude & Power**: retail sales of gas, electricity and related services, production and wholesale sales of electricity from thermoelectric and renewable plants, services for E-mobility. It includes trading activities of $CO_2$ emission certificates and forward sale of electricity with a view to hedging/optimising the margins of the electricity;
**Corporate and Other activities**: includes the main business support functions, in particular holding, central treasury, IT, human resources, real estate services, captive insurance activities, research and development, new technologies, business digitalization and the environmental activity developed by the subsidiary Eni Rewind.
Segment information presented to the CEO (i.e. the Chief Operating Decision Maker, ex IFRS 8) includes: revenues, operating profit and directly attributable assets and liabilities.

## Segment Information

| (€ million) | Exploration & Production | Global Gas & LNG Portfolio | Refining & Marketing and Chemicals | Plenitude & Power | Corporate and Other activities | Adjustments of intragroup profits | Total |
|---|---|---|---|---|---|---|---|
| **2022** | | | | | | | |
| Sales from operations including intersegment sales | 31,200 | 48,586 | 59,178 | 20,883 | 1,879 | | |
| Less: intersegment sales | (18,304) | (7,356) | (708) | (1,157) | (1,689) | | |
| Sales from operations | 12,896 | 41,230 | 58,470 | 19,726 | 190 | | 132,512 |
| Operating profit | 15,908 | 3,730 | 460 | (825) | (1,901) | 138 | 17,510 |
| Net provisions for contingencies | (147) | (393) | (1,110) | (14) | (1,340) | 19 | (2,985) |
| Depreciation and amortization | (6,018) | (217) | (506) | (358) | (139) | 33 | (7,205) |
| Impairments of tangible and intangible assets and right-of-use assets | (613) | (6) | (752) | (125) | (71) | | (1,567) |
| Reversals of tangible and intangible assets and right-of-use assets | 181 | 18 | 35 | 162 | 31 | | 427 |
| Write-off of tangible and intangible assets and right-of-use assets | (596) | (1) | (2) | | | | (599) |
| Share of profit (loss) of equity-accounted investments | 1,526 | 4 | 446 | (20) | (115) | | 1,841 |
| Identifiable assets(a) | 60,473 | 12,282 | 14,925 | 11,987 | 1,491 | (472) | 100,686 |
| Unallocated assets(b) | | | | | | | 51,444 |
| Equity-accounted investments | 7,314 | 1 | 3,084 | 663 | 1,030 | | 12,092 |
| Identifiable liabilities(a) | 17,385 | 12,572 | 9,011 | 4,787 | 4,416 | (68) | 48,103 |
| Unallocated liabilities(b) | | | | | | | 48,797 |
| Capital expenditure in tangible and intangible assets | 6,362 | 23 | 878 | 631 | 166 | (4) | 8,056 |
| **2021** | | | | | | | |
| Sales from operations including intersegment sales | 21,742 | 20,843 | 40,374 | 11,187 | 1,698 | | |
| Less: intersegment sales | (12,896) | (3,870) | (323) | (670) | (1,510) | | |
| Sales from operations | 8,846 | 16,973 | 40,051 | 10,517 | 188 | | 76,575 |
| Operating profit | 10,066 | 899 | 45 | 2,355 | (816) | (208) | 12,341 |
| Net provisions for contingencies | (221) | (139) | (137) | (1) | (186) | (23) | (707) |
| Depreciation and amortization | (5,976) | (174) | (512) | (286) | (148) | 33 | (7,063) |
| Impairments of tangible and intangible assets and right-of-use assets | (194) | (28) | (1,342) | (132) | (27) | | (1,723) |
| Reversals of tangible and intangible assets | 1,438 | 2 | | 112 | 4 | | 1,556 |
| Write-off of tangible and intangible assets | (384) | | (2) | (1) | | | (387) |
| Share of profit (loss) of equity-accounted investments | 8 | | (333) | | (766) | | (1,091) |
| Identifiable assets(a) | 61,753 | 10,022 | 13,326 | 8,343 | 1,439 | (591) | 94,292 |
| Unallocated assets(b) | | | | | | | 43,473 |
| Equity-accounted investments | 2,639 | 17 | 2,366 | 667 | 198 | | 5,887 |
| Identifiable liabilities(a) | 17,046 | 10,072 | 6,796 | 3,786 | 3,338 | (49) | 40,989 |
| Unallocated liabilities(b) | | | | | | | 52,257 |
| Capital expenditure in tangible and intangible assets | 3,861 | 19 | 728 | 443 | 187 | (4) | 5,234 |
| **2020** | | | | | | | |
| Sales from operations including intersegment sales | 13,590 | 7,051 | 25,340 | 7,536 | 1,559 | | |
| Less: intersegment sales | (7,231) | (1,689) | (403) | (401) | (1,365) | | |
| Sales from operations | 6,359 | 5,362 | 24,937 | 7,135 | 194 | | 43,987 |
| Operating profit | (610) | (332) | (2,463) | 660 | (563) | 33 | (3,275) |
| Net provisions for contingencies | (98) | (64) | (118) | 2 | (26) | (45) | (349) |
| Depreciation and amortization | (6,273) | (125) | (575) | (217) | (146) | 32 | (7,304) |
| Impairments of tangible and intangible assets and right-of-use assets | (2,170) | (2) | (1,605) | (56) | (22) | | (3,855) |
| Reversals of tangible and intangible assets | 282 | | 334 | 55 | 1 | | 672 |
| Write-off of tangible and intangible assets | (322) | | | (7) | | | (329) |
| Share of profit (loss) of equity-accounted investments | (980) | (15) | (363) | 6 | (381) | | (1,733) |
| Identifiable assets(a) | 59,439 | 4,020 | 10,716 | 4,387 | 1,444 | (402) | 79,604 |
| Unallocated assets(b) | | | | | | | 30,044 |
| Equity-accounted investments | 2,680 | 259 | 2,605 | 217 | 988 | | 6,749 |
| Identifiable liabilities(a) | 17,501 | 3,785 | 5,460 | 2,426 | 3,316 | (83) | 32,405 |
| Unallocated liabilities(b) | | | | | | | 39,750 |
| Capital expenditure in tangible and intangible assets | 3,472 | 11 | 771 | 293 | 107 | (10) | 4,644 |

(a) Include assets/liabilities directly associated with the generation of operating profit.
(b) Include assets/liabilities not directly associated with the generation of operating profit.

## Information by geographical area

Identifiable assets and investments by geographical area of origin

| (€ million) | Italy | Other European Union | Rest of Europe | Americas | Asia | Africa | Other areas | Total |
|---|---|---|---|---|---|---|---|---|
| **2022** | | | | | | | | |
| Identifiable assets(*) | 29,195 | 7,689 | 6,564 | 8,892 | 18,653 | 28,167 | 1,526 | **100,686** |
| Capital expenditure in tangible and intangible assets | 1,475 | 415 | 205 | 1,266 | 1,390 | 3,163 | 142 | **8,056** |
| **2021** | | | | | | | | |
| Identifiable assets(*) | 23,718 | 6,902 | 6,114 | 5,718 | 17,483 | 33,499 | 858 | **94,292** |
| Capital expenditure in tangible and intangible assets | 1,333 | 199 | 202 | 659 | 1,203 | 1,604 | 34 | **5,234** |
| **2020** | | | | | | | | |
| Identifiable assets(*) | 17,228 | 4,159 | 3,174 | 4,485 | 16,360 | 33,341 | 857 | **79,604** |
| Capital expenditure in tangible and intangible assets | 1,198 | 152 | 119 | 441 | 1,267 | 1,443 | 24 | **4,644** |

(*) Include assets directly associated with the generation of operating profit.

Sales from operations by geographical area of destination.

| (€ million) | 2022 | 2021 | 2020 |
|---|---|---|---|
| Italy | 60,090 | 29,968 | 14,717 |
| Other European Union | 25,413 | 14,671 | 9,508 |
| Rest of Europe | 21,748 | 12,470 | 8,191 |
| Americas | 6,929 | 4,420 | 2,426 |
| Asia | 9,062 | 7,891 | 4,182 |
| Africa | 9,191 | 7,040 | 4,842 |
| Other areas | 79 | 115 | 121 |
| | **132,512** | **76,575** | **43,987** |

## 36 Transactions with related parties

In the ordinary course of its business, Eni enters into transactions mainly regarding:

(a) purchase/supply of goods and services and the provision of financing to joint ventures, associates and non-consolidated subsidiaries;

b) purchase/supply of goods and services to entities controlled by the Italian Government;

c) purchase/supply of goods and services to companies related to Eni SpA through members of the Board of Directors. Most of these transactions are exempt from the application of the Eni internal procedure "Transactions involving interests of Directors and Statutory Auditors and transactions with related parties" pursuant to the Consob Regulation, since they relate to ordinary transactions conducted at market or standard conditions, or because they fall below the materiality threshold provided for by the procedure;

d) contributions to non-profit entities correlated to Eni with the aim to develop solidarity, culture and research initiatives. In particular these related to: (i) Eni Foundation, established by Eni as a non-profit entity with the aim of pursuing exclusively solidarity initiatives in the fields of social assistance, health, education, culture and environment, as well as scientific and technological research; and (ii) Eni Enrico Mattei Foundation, established by Eni with the aim of enhancing, through studies, research and training initiatives, knowledge enrichment in the fields of economics, energy and environment, both at the national and international level.

Transactions with related parties were conducted in the interest of Eni companies and, with exception of those with entities whose aim is to develop charitable, cultural and research initiatives, are related to the ordinary course of Eni's business.

Investments in subsidiaries, joint arrangements and associates as of December 31, 2022 are presented in the annex "List of companies owned by Eni SpA as of December 31, 2022".

## TRANSACTIONS AND BALANCES WITH RELATED PARTIES

| Name (€ million) | December 31, 2022 | | | 2022 | | |
|---|---|---|---|---|---|---|
| | Receivables and other assets | Payables and other liabilities | Guarantees | Revenues | Revenues | Other operating (expense) income |
| **Joint ventures and associates** | | | | | | |
| Agiba Petroleum Co | 17 | 71 | | | 224 | |
| Angola LNG Ltd | | | | | 79 | |
| Coral FLNG SA | 10 | | 1,378 | 12 | | |
| Azule Group | 320 | 517 | 3,268 | 46 | 1,152 | |
| Saipem Group | 3 | 195 | 9 | 9 | 452 | |
| Vårgrønn Group | | | 1,259 | | | |
| Karachaganak Petroleum Operating BV | 27 | 251 | | | 1,347 | |
| Mellitah Oil & Gas BV | 58 | 144 | | 9 | 234 | |
| Petrobel Belayim Petroleum Co | 33 | 595 | | | 944 | |
| Société Centrale Electrique du Congo SA | 47 | | | 74 | | |
| Società Oleodotti Meridionali SpA | 6 | 433 | | 16 | 14 | |
| Vår Energi ASA | 58 | 722 | 2,378 | 84 | 4,085 | (597) |
| Other(*) | 127 | 76 | 9 | 167 | 338 | |
| | **706** | **3,004** | **8,301** | **417** | **8,869** | **(597)** |
| **Unconsolidated entities controlled by Eni** | | | | | | |
| Eni BTC Ltd | | | 190 | | | |
| Industria Siciliana Acido Fosforico - ISAF SpA (in liquidation) | 139 | 4 | 1 | 15 | | |
| Other | 8 | 10 | 11 | 7 | 15 | |
| | **147** | **14** | **202** | **22** | **15** | |
| | **853** | **3,018** | **8,503** | **439** | **8,884** | **(597)** |
| **Entities controlled by the Government** | | | | | | |
| Cassa Depositi e Prestiti Group | 2 | 47 | | 3 | 86 | |
| Enel Group | 438 | 264 | | 97 | 275 | 484 |
| Italgas Group | 218 | 8 | | 84 | | |
| Snam Group | 763 | 25 | | 1,767 | 873 | |
| Terna Group | 119 | 159 | | 612 | 701 | (18) |
| GSE - Gestore Servizi Energetici | 207 | 225 | | 7,786 | 4,039 | 3,437 |
| ITA Airways - Italia Trasporto Aereo SpA | 3 | | | 179 | | |
| Other | 12 | 35 | | 27 | 33 | |
| | **1,762** | **763** | | **10,555** | **6,007** | **3,903** |
| **Other related parties** | | **2** | | **1** | **39** | |
| **Groupement Sonatrach – Eni "GSE"** | **179** | **114** | | **33** | **417** | |
| **Total** | **2,794** | **3,897** | **8,503** | **11,028** | **15,347** | **3,306** |

(*) Each individual amount included herein was lower than €50 million.

| Name (€ million) | December 31, 2021 | | | 2021 | | |
|---|---|---|---|---|---|---|
| | Receivables and other assets | Payables and other liabilities | Guarantees | Revenues | Costs | Other operating (expense) income |
| **Joint ventures and associates** | | | | | | |
| Agiba Petroleum Co | 13 | 57 | | | 189 | |
| Angola LNG Ltd | | | | | 73 | |
| Angola LNG Supply Services Llc | | | 179 | | | |
| Coral FLNG SA | 17 | | 1,260 | 43 | | |
| Saipem Group | 4 | 134 | 9 | 28 | 174 | |
| Karachaganak Petroleum Operating BV | 24 | 213 | | | 989 | |
| Mellitah Oil & Gas BV | 65 | 290 | | 3 | 263 | |
| Petrobel Belayim Petroleum Co | 24 | 391 | | 2 | 651 | |
| Société Centrale Electrique du Congo SA | 50 | | | 66 | | |
| Societa' Oleodotti Meridionali SpA | 6 | 396 | | 18 | 12 | |
| Vår Energi AS | 62 | 526 | 495 | 104 | 2,224 | (409) |
| Other(*) | 137 | 53 | 2 | 95 | 234 | |
| | **402** | **2,060** | **1,945** | **359** | **4,809** | **(409)** |
| **Unconsolidated entities controlled by Eni** | | | | | | |
| Eni BTC Ltd | | | 179 | | | |
| Industria Siciliana Acido Fosforico - ISAF SpA (in liquidation) | 124 | 1 | 1 | 13 | | |
| Other | 10 | 5 | 10 | 8 | 10 | |
| | **134** | **6** | **190** | **21** | **10** | |
| | **536** | **2,066** | **2,135** | **380** | **4,819** | **(409)** |
| **Entities controlled by the Government** | | | | | | |
| Enel Group | 583 | 461 | | 41 | 417 | 373 |
| Italgas Group | 1 | 49 | | 3 | 560 | |
| Snam Group | 160 | 152 | | 159 | 1,013 | 1 |
| Terna Group | 51 | 85 | | 203 | 309 | 4 |
| GSE - Gestore Servizi Energetici | 311 | 125 | | 2,216 | 1,238 | 766 |
| Other(*) | 10 | 33 | | 20 | 60 | |
| | **1,116** | **905** | | **2,642** | **3,597** | **1,144** |
| **Other related parties** | | **2** | | | **33** | |
| **Groupement Sonatrach - Agip “GSA” and Organe Conjoint des Opérations “OC SH/FCP”** | **170** | **79** | | **30** | **222** | |
| **Total** | **1,822** | **3,052** | **2,135** | **3,052** | **8,671** | **735** |

(*) Each individual amount included herein was lower than €50 million.

| | December 31, 2020 | | | 2020 | | |
|---|---|---|---|---|---|---|
| Name (€ million) | Receivables and other assets | Payables and other liabilities | Guarantees | Revenues | Revenues | Other operating (expense) income |
| **Joint ventures and associates** | | | | | | |
| Agiba Petroleum Co | 6 | 52 | | | 201 | |
| Angola LNG Supply Services Llc | | | 165 | | | |
| Coral FLNG SA | 6 | | 1,079 | 49 | | |
| Gas Distribution Company of Thessaloniki - Thessaly SA | | 13 | | | 52 | |
| Saipem Group | 87 | 254 | 509 | 18 | 350 | |
| Karachaganak Petroleum Operating BV | 25 | 141 | | | 816 | |
| Mellitah Oil & Gas BV | 54 | 250 | | 2 | 156 | |
| Petrobel Belayim Petroleum Co | 65 | 467 | | | 556 | |
| Societa Oleodotti Meridionali SpA | 3 | 399 | | 20 | 15 | |
| Société Centrale Electrique du Congo SA | 48 | | | 57 | | |
| Unión Fenosa Gas SA | 11 | 4 | 57 | 9 | | (3) |
| Vår Energi AS | 39 | 190 | 456 | 85 | 1,126 | (118) |
| Other(*) | 72 | 24 | 1 | 66 | 167 | |
| | **416** | **1,794** | **2,267** | **306** | **3,439** | **(121)** |
| **Unconsolidated entities controlled by Eni** | | | | | | |
| Eni BTC Ltd | | | 165 | | | |
| Industria Siciliana Acido Fosforico - ISAF SpA (in liquidation) | 112 | 1 | 1 | 11 | | |
| Other | 5 | 23 | 10 | 4 | 9 | |
| | **117** | **24** | **176** | **15** | **9** | |
| | **533** | **1,818** | **2,443** | **321** | **3,448** | **(121)** |
| **Entities controlled by the Government** | | | | | | |
| Enel Group | 104 | 165 | | 51 | 551 | 86 |
| Italgas Group | 1 | 177 | | 3 | 714 | |
| Snam Group | 189 | 211 | | 45 | 1,012 | |
| Terna Group | 46 | 62 | | 152 | 225 | 8 |
| GSE - Gestore Servizi Energetici | 52 | 37 | | 586 | 309 | 40 |
| Other(*) | 8 | 49 | | 20 | 63 | |
| | **400** | **701** | | **857** | **2,874** | **134** |
| **Other related parties** | **1** | **4** | | **2** | **53** | |
| **Groupement Sonatrach - Agip "GSA" and Organe Conjoint des Opérations "OC SH/FCP"** | **87** | **52** | | **19** | **262** | |
| **Total** | **1,021** | **2,575** | **2,443** | **1,199** | **6,637** | **13** |

(*) Each individual amount included herein was lower than €50 million.

The most significant transactions with joint ventures, associates and unconsolidated subsidiaries concerned:

- Eni's share of expenses incurred to develop oil fields from Agiba Petroleum Co, Karachaganak Petroleum Operating BV, Mellitah Oil & Gas BV, Petrobel Belayim Petroleum Co, Groupement Sonatrach - Agip "GSE" and, only for Karachaganak Petroleum Operating BV, purchase of crude oil by Eni Trade & Biofuels SpA; services charged to Eni's associates are invoiced on the basis of incurred costs;
- purchase of LNG from Angola LNG Ltd;
- supply of upstream specialist services and a guarantee issued on a pro-quota basis granted to Coral FLNG SA on behalf of the Consortium TJS for the contractual obligations assumed following the award of the EPCIC contract for the construction of a floating gas liquefaction plant (for more information see note 28 – Guarantees, commitments and risks);
- receivables for divestment activities linked to the contribution of Eni's former subsidiaries in Angola, in exchange of a participating interest in Azule Holdings, the purchase of crude oils and the issue of guarantees against leasing contracts of FPSO vessels from the Azule Group;
- engineering, construction and drilling services by Saipem Group mainly for the Exploration & Production segment;
- a guarantee issued to Vårgrønn Group in relation to the participation in the Dogger Bank offshore wind project;
- the sale of gas to Société Centrale Electrique du Congo SA;

- advances received from Società Oleodotti Meridionali SpA for the infrastructure upgrade of the crude oil transport system at the Taranto refinery;
- guarantees issued in compliance with contractual agreements in the interest of Vår Energi ASA, the supply of upstream specialist services and maritime transport, the purchase of crude oil, condensates and gas and the realized part of the forward contracts for the purchase of gas;
- a guarantee issued in relation to Eni BTC Ltd for the construction of an oil pipeline; and
- services for environmental restoration to Industria Siciliana Acido Fosforico - ISAF SpA (in liquidation).

The most significant transactions with entities controlled by the Italian Government concerned:

- activities aimed at guaranteeing the operation, upgrading and efficiency of the plants for the Ansaldo Group of Cassa Depositi e Prestiti;
- sale of fuel, sale and purchase of gas, purchase of LNG, acquisition of power distribution services and fair value of derivative financial instruments with Enel Group;
- acquisition of natural gas transportation, distribution and storage services with Snam Group and Italgas Group on the basis of the tariffs set by the Italian Regulatory Authority for Energy, Networks and Environment and purchase and sale with Snam Group of natural gas for granting the system balancing on the basis of prices referred to the quotations of the main energy commodities;
- acquisition of domestic electricity transmission service and sale and purchase of electricity for granting the system balancing based on prices referred to the quotations of the main energy commodities, and derivatives on commodities entered to hedge the price risk related to the utilization of transport capacity rights with Terna Group;
- sale and purchase of electricity, gas, environmental certificates, fair value of derivative financial instruments, sale of oil products and storage capacity with GSE - Gestore Servizi Energetici for the setting-up of a specific stock held by the Organismo Centrale di Stoccaggio Italiano (OCSIT) according to the Legislative Decree No. 249/12; the contribution to cover the charges deriving from the performance of OCSIT functions and activities and the contribution paid to GSE for the use of biomethane and other advanced biofuels in the transport sector;
- the sale of jet fuel to ITA Airways - Italia Trasporto Aereo SpA.

Transactions with other related parties concerned:

- provisions to pension funds managed by Eni of €29 million;
- contributions and service provisions to Eni Enrico Mattei Foundation for €5 million and to Eni Foundation for €5 million.

## FINANCING TRANSACTIONS AND BALANCES WITH RELATED PARTIES

| | December 31, 2022 | | | 2022 | | |
|---|---|---|---|---|---|---|
| Name (€ million) | Receivables and cash and cash equivalents | Payables | Guarantees | Finance incomes and derivative financial instruments | Finance Expenses | Gain on disposals |
| **Joint ventures and associates** | | | | | | |
| Coral FLNG SA | 356 | | | | 140 | |
| Coral South FLNG DMCC | | | 1,499 | 1 | 1 | |
| Mozambique Rovuma Venture SpA | 1,187 | 57 | | 48 | 5 | |
| Saipem Group | | 100 | | 16 | 3 | |
| Other(*) | 96 | 28 | 2 | 91 | 10 | |
| | **1,639** | **185** | **1,501** | **156** | **159** | |
| **Unconsolidated entities controlled by Eni** | | | | | | |
| Other | 8 | 31 | | 5 | 4 | |
| | **8** | **31** | | **5** | **4** | |
| **Entities controlled by the Government** | | | | | | |
| Enel Group | | 176 | | | | |
| Italgas Group | | | | | | 30 |
| Other | 10 | 40 | | 1 | 1 | |
| | **10** | **216** | | **1** | **1** | **30** |
| **Total** | **1,657** | **432** | **1,501** | **162** | **164** | **30** |

(*) Each individual amount included herein was lower than €50 million.

| Name | (€ million) | December 31, 2021 Receivables and cash and cash equivalents | Payables | Guarantees | 2021 Finance incomes | Finance Expenses |
|---|---|---|---|---|---|---|
| **Joint ventures and associates** | | | | | | |
| Cardón IV SA | | 199 | 2 | | 37 | |
| Coral FLNG SA | | 383 | | | 4 | 1 |
| Coral South FLNG DMCC | | | | 1,413 | 2 | |
| Mozambique Rovuma Venture SpA | | 1,008 | 72 | | | |
| Other(*) | | 70 | 43 | | 35 | 43 |
| | | **1,660** | **117** | **1,413** | **78** | **44** |
| **Unconsolidated entities controlled by Eni** | | | | | | |
| Other | | 38 | 34 | | 1 | 1 |
| | | **38** | **34** | | **1** | **1** |
| **Entities controlled by the Government** | | | | | | |
| Enel Group | | | 109 | | | |
| Other | | 2 | 17 | | | 1 |
| | | **2** | **126** | | | **1** |
| **Total** | | **1,700** | **277** | **1,413** | **79** | **46** |

(*) Each individual amount included herein was lower than €50 million.

| Name | (€ million) | December 31, 2020 Receivables | Payables | Guarantees | 2020 Finance Incomes | Finance expenses |
|---|---|---|---|---|---|---|
| **Joint ventures and associates** | | | | | | |
| Angola LNG Ltd | | | | 228 | | |
| Cardón IV SA | | 383 | | | 57 | |
| Coral FLNG SA | | 288 | | | 22 | 1 |
| Coral South FLNG DMCC | | | | 1,304 | | |
| Saipem Group | | 2 | 167 | | | 6 |
| Société Centrale Electrique du Congo SA | | 83 | | | 7 | |
| Other | | 15 | 12 | 1 | 27 | 18 |
| | | **771** | **179** | **1,533** | **113** | **25** |
| **Unconsolidated entities controlled by Eni** | | | | | | |
| Other | | 36 | 28 | | 1 | |
| | | **36** | **28** | | **1** | |
| **Entities controlled by the Government** | | | | | | |
| Other | | | 11 | | | 1 |
| | | | **11** | | | **1** |
| | | **807** | **218** | **1,533** | **114** | **26** |

The most significant transactions with joint ventures, associates and unconsolidated subsidiaries concerned:

- the financing loan granted to Coral FLNG SA for the construction of a floating gas liquefaction plant in Area 4 offshore Mozambique;
- a bank debt guarantee issued on behalf of Coral South FLNG DMCC as part of the project financing of the Coral FLNG development project (for more information see note 28 – Guarantees, commitments and risks);
- the loan granted to Mozambique Rovuma Venture SpA for the development of gas reserves offshore Mozambique;
- liabilities for leased assets towards Saipem Group related to long-term contracts for the use of drilling rigs.

The most significant transactions with entities controlled by the Italian Government concerned:

- financial debts towards Enel Group for margins on derivative contracts;
- capital gain from the sale of the Gas Distribution Company of Thessaloniki - Thessaly SA to the Italgas Group.

## Impact of transactions and positions with related parties on the balance sheet, profit and loss account and statement of cash flows

The impact of transactions and positions with related parties on the balance sheet accounts consisted of the following:

| | December 31, 2022 | | | December 31, 2021 | | |
|---|---|---|---|---|---|---|
| (€ million) | Total | Related parties | Impact % | Total | Related parties | Impact % |
| Cash and cash equivalents | 10,155 | 10 | 0.10 | 8,254 | 2 | 0.02 |
| Other current financial assets | 1,504 | 16 | 1.06 | 4,308 | 53 | 1.23 |
| Trade and other receivables | 20,840 | 2,427 | 11.65 | 18,850 | 1,301 | 6.90 |
| Other current assets | 12,821 | 341 | 2.66 | 13,634 | 492 | 3.61 |
| Other non-current financial assets | 1,967 | 1,631 | 82.92 | 1,885 | 1,645 | 87.27 |
| Other non-current assets | 2,236 | 26 | 1.16 | 1,029 | 29 | 2.82 |
| Short-term debt | 4,446 | 307 | 6.91 | 2,299 | 233 | 10.13 |
| Current portion of long-term debt | 3,097 | 36 | 1.16 | 1,781 | 21 | 1.18 |
| Current portion of non-current lease liabilities | 884 | 35 | 3.96 | 948 | 17 | 1.79 |
| Trade and other payables | 25,709 | 3,203 | 12.46 | 21,720 | 2,298 | 10.58 |
| Other current liabilities | 12,473 | 232 | 1.86 | 15,756 | 339 | 2.15 |
| Long-term debt | 19,374 | 26 | 0.13 | 23,714 | 5 | 0.02 |
| Non-current lease liabilities | 4,067 | 28 | 0.69 | 4,389 | 1 | 0.02 |
| Other non-current liabilities | 3,234 | 462 | 14.29 | 2,246 | 415 | 18.48 |

The impact of transactions with related parties on the profit and loss accounts consisted of the following:

| | 2022 | | | 2021 | | | 2020 | | |
|---|---|---|---|---|---|---|---|---|---|
| (€ million) | Total | Related parties | Impact % | Total | Related parties | Impact % | Total | Related parties | Impact % |
| Sales from operations | 132,512 | 10,872 | 8.20 | 76,575 | 3,000 | 3.92 | 43,987 | 1,164 | 2.65 |
| Other income and revenues | 1,175 | 156 | 13.28 | 1,196 | 52 | 4.35 | 960 | 35 | 3.65 |
| Purchases, services and other | (102,529) | (15,327) | 14.95 | (55,549) | (8,644) | 15.56 | (33,551) | (6,595) | 19.66 |
| Net (impairments) reversals of trade and other receivables | 47 | (2) | .. | (279) | (6) | 2.15 | (226) | (6) | 2.65 |
| Payroll and related costs | (3,015) | (18) | 0.60 | (2,888) | (21) | 0.73 | (2,863) | (36) | 1.26 |
| Other operating income (expense) | (1,736) | 3,306 | .. | 903 | 735 | 81.40 | (766) | 13 | .. |
| Finance income | 8,450 | 160 | 1.89 | 3,723 | 79 | 2.12 | 3,531 | 114 | 3.23 |
| Finance expense | (9,333) | (164) | 1.76 | (4,216) | (46) | 1.09 | (4,958) | (26) | 0.52 |
| Derivative financial instruments | 13 | 2 | 15.38 | (306) | | | 351 | | |
| Other income (expense) from investments | 3,623 | 30 | 0.83 | 223 | | | 75 | | |

Main cash flows with related parties are provided below:

| (€ million) | 2022 | 2021 | 2020 |
|---|---|---|---|
| Revenues and other income | 11,028 | 3,052 | 1,199 |
| Costs and other expenses | (13,749) | (7,814) | (5,789) |
| Other operating income (loss) | 3,306 | 735 | 13 |
| Net change in trade and other receivables and payables | (431) | (342) | (136) |
| Net interests | 69 | 38 | 73 |
| **Net cash provided from operating activities** | **223** | **(4,331)** | **(4,640)** |
| Capital expenditure in tangible and intangible assets | (1,596) | (851) | (842) |
| Disposal of investments | 165 | | |
| Net change in accounts payable and receivable in relation to investments | 1,480 | (20) | (370) |
| Change in financial receivables | (81) | (105) | (160) |
| **Net cash used in investing activities** | **(32)** | **(976)** | **(1,372)** |
| Change in financial and lease liabilities | (88) | (13) | 164 |
| **Net cash used in financing activities** | **(88)** | **(13)** | **164** |
| Change in cash and cash equivalents | 8 | 2 | |
| **Total financial flows to related parties** | **111** | **(5,318)** | **(5,848)** |

The impact of cash flows with related parties consisted of the following:

| | 2022 | | | 2021 | | | 2020 | | |
|---|---|---|---|---|---|---|---|---|---|
| (€ million) | Total | Related parties | Impact % | Total | Related parties | Impact % | Total | Related parties | Impact % |
| Net cash provided from operating activities | 17,460 | 223 | 1.28 | 12,861 | (4,331) | .. | 4,822 | (4,640) | .. |
| Net cash used in investing activities | (7,018) | (32) | 0.46 | (12,022) | (976) | 8.12 | (4,587) | (1,372) | 29.91 |
| Net cash used in financing activities | (8,542) | (88) | 1.03 | (2,039) | (13) | 0.64 | 3,253 | 164 | 5.04 |

# 37 Other information about investments[29]

## Information on Eni's consolidated subsidiaries with significant non-controlling interest

The following section provides information about economic, equity and financial data, gross of intragroup elisions, relating to the Enipower group 51% owned by Eni. The ownership of the non controlling interest corresponds to voting rights. In 2021, Eni did not have subsidiaries with significant third-party interests.

| (€ million) | 2022 |
|---|---|
| | Enipower Group |
| Non controlling interest (%) | 49% |
| Current assets | 547 |
| Non-current assets | 812 |
| Current liabilities | 587 |
| Non-current liabilities | 34 |
| | |
| Revenues | 1,636 |
| Profit | 171 |
| Total comprehensive income | 171 |
| | |
| Net cash provided by operating activities | 228 |
| Net cash used in investing activities | (52) |
| Net cash used in financing activities | (11) |
| Net increase (decrease) in cash and cash equivalents | (192) |
| Profit attributable to non-controlling interest | 54 |
| Dividends paid to minority interest | 59 |

Equity pertaining to non-controlling interests as of December 31, 2022, amounted to €471 million (€82 million December 31, 2021).

## Changes in the ownership interest without loss of control

In 2022, 49% of the capital of the subsidiary Enipower SpA was sold with a gain of €542 million.
In 2021 Eni did not report any changes in ownership interest without loss or acquisition of control.

(29) Investments in subsidiaries, joint arrangements and associates as of December 31, 2022 are presented in the annex "List of companies owned by Eni SpA as of December 31, 2022".

## Principal joint ventures, joint operations and associates as of December 31, 2022

| Company name | Registered office | Country of operation | Segment | % ownership | % equity ratio |
|---|---|---|---|---|---|
| **Joint venture** | | | | | |
| Azule Energy Holdings Ltd | London (United Kingdom) | United Kingdom | Exploration & Production | 50.00 | 50.00 |
| Cardón IV SA | Caracas (Venezuela) | Venezuela | Exploration & Production | 50.00 | 50.00 |
| Mozambique Rovuma Venture SpA | San Donato Milanese (MI) (Italy) | Mozambique | Exploration & Production | 35.71 | 35.71 |
| Saipem SpA | Milan (Italy) | Italy | Corporate and financial companies | 31.19 | 31.20 |
| Vårgrønn AS | Stavanger (Norway) | Norway | Plenitude | 65.00 | 65.00 |
| **Joint Operation** | | | | | |
| Damietta LNG (DLNG) SAE | Damietta (Egypt) | Egypt | Global Gas & LNG Portfolio | 50.00 | 50.00 |
| GreenStream BV | Amsterdam (Netherlands) | Libya | Global Gas & LNG Portfolio | 50.00 | 50.00 |
| Raffineria di Milazzo ScpA | Milazzo (ME) (Italy) | Italy | Refining & Marketing | 50.00 | 50.00 |
| **Associates** | | | | | |
| ADNOC Global Trading Ltd | Abu Dhabi (United Arab Emirates) | United Arab Emirates | Refining & Marketing | 20.00 | 20.00 |
| Abu Dhabi Oil Refining Company (Takreer) | Abu Dhabi (United Arab Emirates) | United Arab Emirates | Refining & Marketing | 20.00 | 20.00 |
| Coral FLNG SA | Maputo (Mozambique) | Mozambique | Exploration & Production | 25.00 | 25.00 |
| Novamont SpA | Novara (Italy) | Italy | Chemical | 35.00 | 35.00 |
| Qatar Liquefied Gas Company Limited (9) | Doha (Qatar) | Qatar | Exploration & Production | 25.00 | 25.00 |
| Vår Energi ASA | Sandnes (Norway) | Norway | Exploration & Production | 63.08 | 63.08 |

Main line items of profit and loss and balance sheet related to the principal joint ventures, represented by the amounts included in the reports accounted under IFRS of each company, are provided in the table below:

| | 2022 | | | |
|---|---|---|---|---|
| (€ million) | Azule Energy Holdings Ltd | Cardón IV SA | Saipem SpA | Other joint ventures |
| Current assets | 3,869 | 425 | 7,627 | 741 |
| *- of which cash and cash equivalent* | *966* | *7* | *2,052* | *219* |
| Non-current assets | 21,281 | 1,812 | 4,770 | 13,639 |
| **Total assets** | **25,150** | **2,237** | **12,397** | **14,380** |
| Current liabilities | 2,635 | 431 | 6,932 | 1,764 |
| *- current financial liabilities* | *159* | *3* | *1,040* | *1,278* |
| Non-current liabilities | 12,369 | 940 | 3,352 | 10,740 |
| *- non-current financial liabilities* | *4,403* | *43* | *1,993* | *10,146* |
| **Total liabilities** | **15,004** | **1,371** | **10,284** | **12,504** |
| **Net equity** | **10,146** | **866** | **2,113** | **1,876** |
| Eni's % of the investment | 50.00 | 50.00 | 31.20 | |
| **Book value of the investment** | **5,073** | **433** | **645** | **915** |
| | | | | |
| Revenues and other income | 2,422 | 942 | 9,991 | 526 |
| Operating expense | (956) | (679) | (9,455) | (463) |
| Other operating profit (loss) | | | 7 | 25 |
| Depreciation, amortization and impairments | (1,099) | (127) | (445) | (258) |
| **Operating profit (loss)** | **367** | **136** | **98** | **(170)** |
| Finance income (expense) | (142) | | (195) | (167) |
| Income (expense) from investments | 718 | | (65) | (4) |
| **Profit (loss) before income taxes** | **943** | **136** | **(162)** | **(341)** |
| Income taxes | (33) | (122) | (153) | 62 |
| Profit (loss) - discontinued operations | | | 106 | |
| **Profit (loss)** | **910** | **14** | **(209)** | **(279)** |
| Other comprehensive income (loss) | (516) | 30 | 24 | 119 |
| **Total other comprehensive income (loss)** | **394** | **44** | **(185)** | **(160)** |
| **Profit (loss) attributable to Eni** | **455** | **7** | **(82)** | **7** |
| | | | | |
| **Dividends received from the joint venture** | **475** | | | **8** |

The results for the year and the comprehensive income of the significant joint ventures are shown below:

| | 2022 | |
|---|---|---|
| (€ million) | Mozambique Rovuma Venture SpA | Vårgrønn AS |
| **Profit (loss)** | **(202)** | **(17)** |
| Other comprehensive income (loss) | 72 | (7) |
| **Total other comprehensive income (loss)** | **(130)** | **(24)** |

| | 2021 | | | |
|---|---|---|---|---|
| (€ million) | Cardón IV SA | Saipem SpA | Vår Energi AS | Altre non rilevanti |
| Current assets | 285 | 6,819 | 1,382 | 868 |
| *- of which cash and cash equivalent* | *3* | *1,632* | *198* | *199* |
| Non-current assets | 1,947 | 4,723 | 16,589 | 7,765 |
| **Total assets** | **2,232** | **11,542** | **17,971** | **8,633** |
| Current liabilities | 373 | 6,844 | 2,148 | 1,169 |
| *- current financial liabilities* | *4* | *1,256* | *390* | *300* |
| Non-current liabilities | 1,301 | 4,347 | 14,900 | 5,682 |
| *- non-current financial liabilities* | *430* | *2,679* | *4,160* | *5,167* |
| **Total liabilities** | **1,674** | **11,191** | **17,048** | **6,851** |
| **Net equity** | **558** | **351** | **923** | **1,782** |
| Eni's % of the investment | 50.00 | 31.20 | 69.85 | |
| **Book value of the investment** | **279** | **137** | **645** | **996** |
| | | | | |
| Revenues and other income | 686 | 6,880 | 5,191 | 341 |
| Operating expense | (546) | (8,532) | (1,207) | (315) |
| Other operating profit (loss) | | 2 | (51) | 4 |
| Depreciation, amortization and impairments | (98) | (616) | (1,825) | (39) |
| **Operating profit (loss)** | **42** | **(2,266)** | **2,108** | **(9)** |
| Finance income (expense) | (67) | (140) | (350) | (24) |
| Income (expense) from investments | | 9 | | |
| **Profit (loss) before income taxes** | **(25)** | **(2,397)** | **1,758** | **(33)** |
| Income taxes | (131) | (70) | (1,729) | (3) |
| **Profit (loss)** | **(156)** | **(2,467)** | **29** | **(36)** |
| Other comprehensive income (loss) | 39 | (117) | 61 | 27 |
| **Total other comprehensive income (loss)** | **(117)** | **(2,584)** | **90** | **(9)** |
| **Profit (loss) attributable to Eni** | **(78)** | **(752)** | **20** | **(97)** |
| | | | | |
| **Dividends received from the joint venture** | | | **561** | **25** |

| | 2021 | |
|---|---|---|
| (€ million) | Doggerbank Offshore Wind Farm Project 1 Holdco Ltd | Doggerbank Offshore Wind Farm Project 2 Holdco Ltd |
| **Profit (loss)** | **(1)** | **(1)** |
| Other comprehensive income (loss) | 31 | (9) |
| **Total other comprehensive income (loss)** | **30** | **(10)** |

Main line items of profit and loss and balance sheet related to the principal associates represented by the amounts included in the reports accounted under IFRS of each company are provided in the table below:

| | 2022 | | | |
|---|---|---|---|---|
| (€ million) | Abu Dhabi Oil Refining Company (TAKREER) | Vår Energi ASA | Coral FLNG SA | Other associates |
| Current assets | 3,730 | 1,612 | 578 | 4,828 |
| *- of which cash and cash equivalent* | *150* | *417* | *25* | *284* |
| Non-current assets | 17,896 | 15,821 | 7,386 | 8,830 |
| **Total assets** | **21,626** | **17,433** | **7,964** | **13,658** |
| Current liabilities | 2,681 | 3,044 | 695 | 4,220 |
| *- current financial liabilities* | | *561* | *1* | *411* |
| Non-current liabilities | 6,458 | 13,179 | 5,949 | 4,220 |
| *- non-current financial liabilities* | *5,366* | *2,404* | *5,926* | *4,056* |
| **Total liabilities** | **9,139** | **16,223** | **6,644** | **8,440** |
| **Net equity** | **12,487** | **1,210** | **1,320** | **5,218** |
| Eni's % of the investment | 20.00 | 63.08 | 25.00 | |
| **Book value of the investment** | **2,497** | **763** | **330** | **1,381** |
| | | | | |
| Revenues and other income | 36,240 | 9,520 | 59 | 37,846 |
| Operating expense | (32,916) | (1,280) | (49) | (36,754) |
| Other operating income (expense) | (702) | | | (10) |
| Depreciation, amortization and impairments | (741) | (1,881) | (4) | (247) |
| **Operating profit (loss)** | **1,881** | **6,359** | **6** | **835** |
| Finance income (expense) | (83) | (495) | 553 | (14) |
| Income (expense) from investments | | | | 3 |
| **Profit (loss) before income taxes** | **1,798** | **5,864** | **559** | **824** |
| Income taxes | | (4,768) | 1 | (26) |
| **Profit (loss)** | **1,798** | **1,096** | **560** | **798** |
| Other comprehensive income (loss) | 646 | (144) | 29 | (81) |
| **Total other comprehensive income (loss)** | **2,444** | **952** | **589** | **717** |
| **Profit (loss) attributable to Eni** | **360** | **691** | **140** | **411** |
| | | | | |
| **Dividends received from the joint venture** | **142** | **469** | | **97** |

The results for the year and the comprehensive income of the significant associates are shown below:

| | 2022 | | |
|---|---|---|---|
| (€ million) | Qatar Liquefied Gas Company Limited (9) | Novamont SpA | ADNOC Global Trading Ltd |
| **Profit (loss)** | | **(152)** | **849** |
| Other comprehensive income (loss) | (16) | (107) | 5 |
| **Total other comprehensive income (loss)** | **(16)** | **(259)** | **854** |

| (€ million) | 2021 | | | |
|---|---|---|---|---|
| | Abu Dhabi Oil Refining Company (TAKREER) | Angola LNG Ltd | Coral FLNG SA | Other associates |
| Current assets | 3,070 | 1,234 | 88 | 2,855 |
| *- of which cash and cash equivalent* | *153* | *808* | *8* | *419* |
| Non-current assets | 16,936 | 9,736 | 6,320 | 4,842 |
| **Total assets** | **20,006** | **10,970** | **6,408** | **7,697** |
| Current liabilities | 3,042 | 1,061 | 391 | 2,577 |
| *- current financial liabilities* | | *122* | *1* | *139* |
| Non-current liabilities | 6,208 | 1,935 | 5,392 | 3,857 |
| *- non-current financial liabilities* | *5,164* | *696* | *5,384* | *3,632* |
| **Total liabilities** | **9,250** | **2,996** | **5,783** | **6,434** |
| **Net equity** | **10,756** | **7,974** | **625** | **1,263** |
| Eni's % of the investment | 20.00 | 13.60 | 25.00 | |
| **Book value of the investment** | **2,151** | **1,084** | **156** | **393** |
| | | | | |
| Revenues and other income | 21,758 | 2,739 | | 20,098 |
| Operating expense | (20,429) | (2,316) | | (19,785) |
| Other operating income (expense) | | | | (117) |
| Depreciation, amortization and impairments | (3,054) | 307 | | (40) |
| **Operating profit (loss)** | **(1,725)** | **730** | | **156** |
| Finance income (expense) | (85) | (61) | | (5) |
| Income (expense) from investments | | | | 52 |
| **Profit (loss) before income taxes** | **(1,810)** | **669** | | **203** |
| Income taxes | | | | (16) |
| **Profit (loss)** | **(1,810)** | **669** | | **187** |
| Other comprehensive income (loss) | 892 | 623 | 46 | 74 |
| **Total other comprehensive income (loss)** | **(918)** | **1,292** | **46** | **261** |
| **Profit (loss) attributable to Eni** | **(362)** | **90** | | **52** |
| | | | | |
| **Dividends received from the joint venture** | | | | **16** |

# 38 Public contributions - Italian Law No. 124/2017 and subsequent modifications

Under art. 1, paragraphs 125 and 126, of the Italian Law No. 124/2017 and subsequent modifications, the disclosures about: (i) contributions received by Eni SpA and its consolidated subsidiaries from Italian public authorities and entities with the exclusion of listed public controlled companies and their subsidiaries; (ii) contributions granted by Eni SpA and by its fully consolidated subsidiaries to companies, persons and public and private entities[30], are provided below.

Furthermore, it should be underlined that when Eni acts as operator[31] of unincorporated joint ventures[32], a type of joint venture constituted for the management of oil projects, each consideration made directly by Eni is reported in its full amount, regardless of whether Eni is reimbursed proportionally by the non-operating partners through the mechanism of the cash calls.

The following disclosure requirements do not apply to: (i) incentives/subventions granted to all those entitled in accordance with a general assistance aid scheme; (ii) consideration in exchange for supplied goods/services, included sponsorships; (iii) reimbursements and indemnities paid to persons engaged in professional and orientation trainings; (iv) continuous training contributions to companies granted by inter-professional funds established in the legal form of association; (v) membership fees for the participation to industry trade and territorial associations, as well as to foundations or similar organizations, which perform activities linked with the Company's business; (vi) costs incurred with reference to social projects linked to the investing activities of the Company.

Contributions are identified on a cash basis[33]. The disclosure includes assistance equal or exceeding €10,000, even though they are granted through several payments during 2022. Under Art. 1, subsection 125-quinquies of Law No. 124/2017, for received contributions see the information included in the Italian State aid Register, prepared in accordance with the Art. 52 of the Italian Law 24 December 2012, No. 234.

Granted contributions provided herein are mainly referred to foundations, associations and other entities for reputational purposes, donations and support for charitable and solidarity initiatives:

| Granted subject | Amount paid (€) |
|---|---|
| Fondazione Eni  Enrico Mattei (FEEM) | 4,750,000 |
| Eni Foundation | 4,670,000 |
| Fondazione Teatro alla Scala | 3,202,992 |
| Ajuda de Desenvolvimento de Povo para Povo (ADPP) | 865,695 |
| Fondazione Giorgio Cini | 500,000 |
| Caritas Italiana | 498,000 |
| Associazione della Croce Rossa Italiana | 421,577 |
| Ministero della Salute dell'Angola (MINSA) | 394,435 |
| Protezione Civile Italiana | 310,091 |
| WEF - World Economic Forum | 303,567 |
| Fabbrica di San Pietro | 180,600 |
| Ara Pacis Initiative For Peace ONLUS | 180,000 |
| Banco dell'energia Ente Filantropico | 100,000 |
| Atlantic Council | 95,717 |
| World Business Council for Sustainable Development | 85,825 |
| Lebanese Armed Forces (LAF) | 74,253 |
| Council on Foreign Relations | 66,216 |
| Extractive Industries Transparency Initiative (EITI) | 52,715 |
| Associazione Pionieri e Veterani Eni | 52,000 |

(30) The following disclosures do not include contribution granted by foreign subsidiaries to foreign beneficiaries. In case of non-monetary economic benefits, the cash basis must be assumed substantially referring to the year in which the benefit was enjoyed.
(31) In the oil projects, the operator is the subject who in accordance with the contractual agreements manages the exploration activities and in this role fulfills the payments due.
(32) "Unincorporated joint ventures" mean a grouping of companies that operate jointly within the project in accordance with a contract.
(33) In case of non-monetary economic benefits, the cash basis must be assumed substantially referring to the year in which the benefit was enjoyed.

| Granted subject | Amount paid (€) |
|---|---|
| Bruegel | 50,000 |
| Cotec - Fondazione per l'Innovazione Tecnologica | 50,000 |
| IFRI - Institut Français des Relations Internationales | 50,000 |
| Parrocchia di Santa Barbara - San Donato Milanese | 50,000 |
| La Semente - Società Agricola Cooperativa Sociale | 45,000 |
| Carnegie Endowment for International Peace (CEIP) | 43,720 |
| Aspen Institute Italia | 35,000 |
| E4Impact Foundation | 35,000 |
| Italiadecide | 35,000 |
| Center for Strategic and International Studies | 31,759 |
| Ospedale "Santo Spirito" e ASL di Pescara | 30,000 |
| Global Reporting Initiative | 27,500 |
| Fondazione Centro Studi Investimenti Sociali - CENSIS | 25,000 |
| AMICAL | 21,091 |
| Associazione CILLA Liguria | 21,000 |
| Associazione Amici della Luiss | 20,000 |
| Centro Studi Americani | 20,000 |
| GCNI - Fondazione Global Compact Network Italia | 17,000 |
| Comitato Nazionale del Welfare della Gente di Mare | 15,000 |
| Voluntary Principles Association (VPA) | 12,798 |
| Harvard University | 11,415 |
| Fondazione il Talento all'opera Onlus | 10,000 |
| FONDAZIONE SERICS | 10,000 |
| Parks - Liberi e Uguali | 10,000 |
| Associazione di Volontariato e di promozione Sociale Pro Loco Sannazzaro | 10,000 |

## 39 Significant non-recurring events and operations

In 2022, in 2021 and 2020, Eni did not report any non-recurring events and operations.

## 40 Positions or transactions deriving from atypical and/or unusual operations

In 2022, in 2021 and 2020, no transactions deriving from atypical and/or unusual operations were reported.

## 41 Subsequent events

Extraordinary solidarity contributions levied in 2022 on energy companies are disclosed in note 33 – Income taxes.
Apart from being a systemic risk the Russia-Ukraine war does not pose specific risks to the Company going forward in addition to what has been already disclosed in these notes.
On March 28, 2023, the so-called Law Decree "Energy" was approved by the Italian Government, which has established a change to the taxable income for the purpose of determining the solidarity contribution enacted by Law 197/2022 (the Italian 2023 Budget Law), to partially exclude the effects related to the utilization of the revaluations reserves of the parent company. This change will determine a reduction in the amount of the levy accrued in the 2022 consolidated financial statements, which will be recognized in the 2023 accounts for an amount which is currently being determined.

# Supplemental Oil & Gas information (unaudited)

The following information prepared in accordance with “International Financial Reporting Standards” (IFRS) is presented based on the disclosure rules of the FASB Extractive Activities - Oil and Gas (Topic 932). Amounts related to minority interests are immaterial.

## Capitalized costs

Capitalized costs represent the total expenditures for proved and unproved mineral properties and related support equipment and facilities utilized in oil and gas exploration and production activities, together with related accumulated depreciation, depletion and amortization. Capitalized costs by geographical area consist of the following:

| (€ million) | Italy | Rest of Europe | North Africa | Egypt | Sub - Saharan Africa | Kazakhstan | Rest of Asia | America | Australia and Oceania | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **2022** | | | | | | | | | | |
| **Consolidated subsidiaries** | | | | | | | | | | |
| Proved property | 18,687 | 6,629 | 17,490 | 22,969 | 29,784 | 13,705 | 12,846 | 19,192 | 1,480 | 142,782 |
| Unproved property | 22 | 330 | 613 | 44 | 2,411 | 7 | 1,462 | 931 | 204 | 6,024 |
| Support equipment and facilities | 309 | 24 | 1,645 | 270 | 1,128 | 132 | 13 | 24 | 12 | 3,557 |
| Incomplete wells and other | 767 | 237 | 1,282 | 543 | 1,970 | 936 | 1,457 | 379 | 115 | 7,686 |
| **Gross Capitalized Costs** | **19,785** | **7,220** | **21,030** | **23,826** | **35,293** | **14,780** | **15,778** | **20,526** | **1,811** | **160,049** |
| Accumulated depreciation, depletion and amortization | (15,677) | (6,214) | (15,949) | (16,212) | (25,024) | (4,147) | (10,133) | (15,341) | (1,001) | (109,698) |
| **Net Capitalized Costs consolidated subsidiaries[(a)]** | **4,108** | **1,006** | **5,081** | **7,614** | **10,269** | **10,633** | **5,645** | **5,185** | **810** | **50,351** |
| **Equity-accounted entities** | | | | | | | | | | |
| Proved property | | 7,387 | 118 | | 27,959 | | 287 | 2,100 | | 37,851 |
| Unproved property | | 996 | | | 91 | | | | | 1,087 |
| Support equipment and facilities | | 31 | 8 | | 262 | | | 8 | | 309 |
| Incomplete wells and other | | 3,872 | 9 | | 1,530 | | 48 | 241 | | 5,700 |
| **Gross Capitalized Costs** | | **12,286** | **135** | | **29,842** | | **335** | **2,349** | | **44,947** |
| Accumulated depreciation, depletion and amortization | | (3,492) | (68) | | (20,280) | | | (1,466) | | (25,306) |
| **Net Capitalized Costs equity-accounted entities[(a)(b)]** | | **8,794** | **67** | | **9,562** | | **335** | **883** | | **19,641** |
| **2021** | | | | | | | | | | |
| **Consolidated subsidiaries** | | | | | | | | | | |
| Proved property | 18,644 | 6,953 | 16,218 | 21,125 | 43,947 | 12,606 | 12,947 | 16,407 | 1,413 | 150,260 |
| Unproved property | 20 | 322 | 492 | 34 | 2,306 | 11 | 1,518 | 878 | 193 | 5,774 |
| Support equipment and facilities | 308 | 22 | 1,552 | 248 | 1,342 | 121 | 38 | 21 | 12 | 3,664 |
| Incomplete wells and other | 735 | 133 | 1,293 | 237 | 1,562 | 958 | 1,073 | 719 | 53 | 6,763 |
| **Gross Capitalized Costs** | **19,707** | **7,430** | **19,555** | **21,644** | **49,157** | **13,696** | **15,576** | **18,025** | **1,671** | **166,461** |
| Accumulated depreciation, depletion and amortization | (15,506) | (6,194) | (14,244) | (14,209) | (36,317) | (3,514) | (10,443) | (13,874) | (902) | (115,203) |
| **Net Capitalized Costs consolidated subsidiaries[(a)]** | **4,201** | **1,236** | **5,311** | **7,435** | **12,840** | **10,182** | **5,133** | **4,151** | **769** | **51,258** |
| **Equity-accounted entities** | | | | | | | | | | |
| Proved property | | 11,483 | 128 | | 1,517 | | | 1,987 | | 15,115 |
| Unproved property | | 2,235 | | | | | 12 | | | 2,247 |
| Support equipment and facilities | | 36 | 8 | | 3 | | | 7 | | 54 |
| Incomplete wells and other | | 3,179 | 9 | | 1,323 | | | 227 | | 4,738 |
| **Gross Capitalized Costs** | | **16,933** | **145** | | **2,843** | | **12** | **2,221** | | **22,154** |
| Accumulated depreciation, depletion and amortization | | (7,387) | (63) | | (313) | | | (1,324) | | (9,087) |
| **Net Capitalized Costs equity-accounted entities[(a)]** | | **9,546** | **82** | | **2,530** | | **12** | **897** | | **13,067** |

(a) The amounts include net capitalized financial charges totalling €725 million in 2022 and €767 million in 2021 for the consolidates subsidiaries and €565 million in 2022 and €360 million in 2021 for equity-accounted entities.
(b) Includes allocation at fair value of the assets of Azule Energy Holdings Ltd.

# Costs incurred

Costs incurred represent amounts both capitalized and expensed in connection with oil and gas producing activities. Costs incurred by geographical area consist of the following:

| (€ million) | Italy | Rest of Europe | North Africa | Egypt | Sub - Saharan Africa | Kazakhstan | Rest of Asia | America | Australia and Oceania | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **2022** | | | | | | | | | | |
| **Consolidated subsidiaries** | | | | | | | | | | |
| Proved property acquisitions | 4 | | 51 | | | | | 82 | | 137 |
| Unproved property acquisitions | 2 | | 111 | | 11 | | | | | 124 |
| Exploration | 12 | 101 | 68 | 179 | 295 | 4 | 253 | 26 | 1 | 939 |
| Development[(a)] | 216 | (129) | 343 | 795 | 1,458 | 277 | 835 | 1,292 | 117 | 5,204 |
| **Total costs incurred consolidated subsidiaries** | **234** | **(28)** | **573** | **974** | **1,764** | **281** | **1,088** | **1,400** | **118** | **6,404** |
| **Equity-accounted entities** | | | | | | | | | | |
| Proved property acquisitions | | | | | | | 291 | | | 291 |
| Unproved property acquisitions | | | | | | | | | | |
| Exploration | | 73 | | | 13 | | | | | 86 |
| Development[(b)] | | 1,690 | (8) | | 125 | | 49 | (9) | | 1,847 |
| **Total costs incurred equity-accounted entities** | | **1,763** | **(8)** | | **138** | | **340** | **(9)** | | **2,224** |
| **2021** | | | | | | | | | | |
| **Consolidated subsidiaries** | | | | | | | | | | |
| Proved property acquisitions | | | | | | | | 8 | | 8 |
| Unproved property acquisitions | | | 6 | | | | | 3 | | 9 |
| Exploration | 16 | 96 | 33 | 57 | 136 | 3 | 188 | 83 | 1 | 613 |
| Development[(a)] | 182 | | 497 | 452 | 842 | 185 | 785 | 657 | 27 | 3,627 |
| **Total costs incurred consolidated subsidiaries** | **198** | **96** | **536** | **509** | **978** | **188** | **973** | **751** | **28** | **4,257** |
| **Equity-accounted entities** | | | | | | | | | | |
| Proved property acquisitions | | | | | | | | | | |
| Unproved property acquisitions | | | | | | | | | | |
| Exploration | | 92 | | | | | | | | 92 |
| Development[(b)] | | 936 | 59 | | 4 | | | 2 | | 1,001 |
| **Total costs incurred equity-accounted entities** | | **1,028** | **59** | | **4** | | | **2** | | **1,093** |
| **2020** | | | | | | | | | | |
| **Consolidated subsidiaries** | | | | | | | | | | |
| Proved property acquisitions | | | | | | | | | | |
| Unproved property acquisitions | | | 55 | 2 | | | | | | 57 |
| Exploration | 19 | 20 | 69 | 67 | 61 | 7 | 176 | 63 | 1 | 483 |
| Development[(a)] | 472 | 235 | 278 | 422 | 620 | 196 | 1,024 | 437 | 10 | 3,694 |
| **Total costs incurred consolidated subsidiaries** | **491** | **255** | **402** | **491** | **681** | **203** | **1,200** | **500** | **11** | **4,234** |
| **Equity-accounted entities** | | | | | | | | | | |
| Proved property acquisitions | | | | | | | | | | |
| Unproved property acquisitions | | | | | | | | | | |
| Exploration | | 47 | | | | | | | | 47 |
| Development[(b)] | | 1,481 | 3 | | 6 | | | 14 | | 1,504 |
| **Total costs incurred equity-accounted entities** | | **1,528** | **3** | | **6** | | | **14** | | **1,551** |

(a) Includes the abandonment decrease of the assets for €307 million in 2022, costs €62 million in 2021 and costs €516 million in 2020.
(b) Includes the abandonment decrease of the assets for €111 million in 2022, decrease for €464 million in 2021 and costs for €424 million in 2020.

# Results of operations from oil and gas producing activities

Results of operations from oil and gas producing activities represent only those revenues and expenses directly associated with such activities, including operating overheads. These amounts do not include any allocation of interest expenses or general corporate overheads and, therefore, are not necessarily indicative of the contributions to consolidated net earnings of Eni. Related income taxes are calculated by applying the local income tax rates to the pre-tax income from production activities. Eni is party to certain Production Sharing Agreements (PSAs), whereby a portion of Eni's share of oil and gas production is withheld and sold by its joint venture partners which are state owned entities, with proceeds being remitted to the state to fulfil Eni's PSA related tax liabilities. Revenue and income taxes include such taxes owed by Eni but paid by state-owned entities out of Eni's share of oil and gas production.

Results of operations from oil and gas producing activities by geographical area consist of the following:

| (€ million) | Italy | Rest of Europe | North Africa | Egypt | Sub - Saharan Africa | Kazakhstan | Rest of Asia | America | Australia and Oceania | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **2022** | | | | | | | | | | |
| **Consolidated subsidiaries** | | | | | | | | | | |
| Revenues: | | | | | | | | | | |
| - sales to consolidated entities | 1,952 | 1,854 | 2,095 | | 4,434 | 1,602 | 2,982 | 1,683 | 3 | 16,605 |
| - sales to third parties | 329 | 23 | 3,946 | 4,897 | 1,216 | 1,001 | 837 | 307 | 72 | 12,628 |
| **Total revenues** | **2,281** | **1,877** | **6,041** | **4,897** | **5,650** | **2,603** | **3,819** | **1,990** | **75** | **29,233** |
| Production costs | (387) | (189) | (486) | (484) | (871) | (241) | (326) | (410) | (21) | (3,415) |
| Transportation costs | (3) | (42) | (50) | (5) | (29) | (147) | (3) | (16) | | (295) |
| Production taxes | (286) | | (330) | | (478) | | (421) | (63) | | (1,578) |
| Exploration expenses | (11) | (25) | (162) | (106) | (150) | (6) | (123) | (21) | (1) | (605) |
| D.D. & A. and Provision for abandonment[(a)] | (449) | (158) | (839) | (1,156) | (1,488) | (434) | (727) | (707) | (90) | (6,048) |
| Other income (expenses) | (1,987) | (98) | 1,955 | (378) | (196) | (127) | (292) | 2 | (4) | (1,125) |
| **Pretax income from producing activities** | **(842)** | **1,365** | **6,129** | **2,768** | **2,438** | **1,648** | **1,927** | **775** | **(41)** | **16,167** |
| Income taxes | 337 | (665) | (2,740) | (1,192) | (979) | (524) | (1,457) | (41) | 47 | (7,214) |
| **Results of operations from E&P activities of consolidated subsidiaries** | **(505)** | **700** | **3,389** | **1,576** | **1,459** | **1,124** | **470** | **734** | **6** | **8,953** |
| **Equity-accounted entities** | | | | | | | | | | |
| Revenues: | | | | | | | | | | |
| - sales to consolidated entities | | 2,937 | | | 572 | | | | | 3,509 |
| - sales to third parties | | 3,039 | 14 | | 1,327 | | | 533 | | 4,913 |
| **Total revenues** | | **5,976** | **14** | | **1,899** | | | **533** | | **8,422** |
| Production costs | | (567) | (6) | | (244) | | | (24) | | (841) |
| Transportation costs | | (131) | (1) | | (9) | | | | | (141) |
| Production taxes | | | (2) | | (15) | | | (123) | | (140) |
| Exploration expenses | | (44) | | | (7) | | (13) | | | (64) |
| D.D. & A. and Provision for abandonment | | (1,121) | (6) | | (628) | | (1) | (63) | | (1,819) |
| Other income (expenses) | | (64) | | | (271) | | 1 | (234) | | (568) |
| **Pretax income from producing activities** | | **4,049** | **(1)** | | **725** | | **(13)** | **89** | | **4,849** |
| Income taxes | | (3,076) | 3 | | (21) | | | (105) | | (3,199) |
| **Results of operations from E&P activities of equity-accounted entities** | | **973** | **2** | | **704** | | **(13)** | **(16)** | | **1,650** |

(a) Includes asset net impairment amounting to €279 million.

| (€ million) | Italy | Rest of Europe | North Africa | Egypt | Sub - Saharan Africa | Kazakhstan | Rest of Asia | America | Australia and Oceania | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **2021** | | | | | | | | | | |
| **Consolidated subsidiaries** | | | | | | | | | | |
| Revenues: | | | | | | | | | | |
| - sales to consolidated entities | 1,680 | 790 | 1,133 | | 3,782 | 1,391 | 2,020 | 734 | 4 | 11,534 |
| - sales to third parties | | 36 | 2,602 | 3,637 | 930 | 704 | 380 | 351 | 108 | 8,748 |
| **Total revenues** | **1,680** | **826** | **3,735** | **3,637** | **4,712** | **2,095** | **2,400** | **1,085** | **112** | **20,282** |
| Production costs | (326) | (147) | (581) | (399) | (816) | (211) | (251) | (288) | (17) | (3,036) |
| Transportation costs | (4) | (35) | (45) | (10) | (20) | (150) | (5) | (11) | | (280) |
| Production taxes | (128) | | (192) | | (379) | | (230) | (28) | | (957) |
| Exploration expenses | (16) | (72) | (27) | (47) | (238) | (1) | (135) | (21) | (1) | (558) |
| D.D. & A. and Provision for abandonment[a] | (31) | (196) | (357) | (990) | (1,468) | (431) | (665) | (243) | (69) | (4,450) |
| Other income (expenses) | (395) | 11 | 557 | (310) | (330) | (120) | (173) | (132) | (2) | (894) |
| **Pretax income from producing activities** | **780** | **387** | **3,090** | **1,881** | **1,461** | **1,182** | **941** | **362** | **23** | **10,107** |
| Income taxes | (198) | (156) | (1,450) | (848) | (708) | (394) | (739) | (17) | (15) | (4,525) |
| **Results of operations from E&P activities of consolidated subsidiaries** | **582** | **231** | **1,640** | **1,033** | **753** | **788** | **202** | **345** | **8** | **5,582** |
| **Equity-accounted entities** | | | | | | | | | | |
| Revenues: | | | | | | | | | | |
| - sales to consolidated entities | | 1,831 | | | | | | | | 1,831 |
| - sales to third parties | | 1,756 | 12 | | 365 | | | 367 | | 2,500 |
| **Total revenues** | | **3,587** | **12** | | **365** | | | **367** | | **4,331** |
| Production costs | | (388) | (6) | | (25) | | | (15) | | (434) |
| Transportation costs | | (140) | (1) | | (12) | | | | | (153) |
| Production taxes | | | (2) | | (112) | | | (88) | | (202) |
| Exploration expenses | | (35) | | | | | | | | (35) |
| D.D. & A. and Provision for abandonment | | (879) | (3) | | 42 | | | (154) | | (994) |
| Other income (expenses) | | (287) | | | (158) | | (1) | (197) | | (643) |
| **Pretax income from producing activities** | | **1,858** | | | **100** | | **(1)** | **(87)** | | **1,870** |
| Income taxes | | (1,237) | | | | | | (66) | | (1,303) |
| **Results of operations from E&P activities of equity-accounted entities** | | **621** | | | **100** | | **(1)** | **(153)** | | **567** |

(a) Includes asset net reversal amounting to €1,263 million.

| (€ million) | Italy | Rest of Europe | North Africa | Egypt | Sub - Saharan Africa | Kazakhstan | Rest of Asia | America | Australia and Oceania | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **2020** | | | | | | | | | | |
| **Consolidated subsidiaries** | | | | | | | | | | |
| Revenues: | | | | | | | | | | |
| - sales to consolidated entities | 799 | 334 | 616 | | 2,315 | 788 | 1,333 | 434 | 1 | 6,620 |
| - sales to third parties | | 53 | 1,610 | 2,478 | 784 | 547 | 179 | 204 | 109 | 5,964 |
| **Total revenues** | **799** | **387** | **2,226** | **2,478** | **3,099** | **1,335** | **1,512** | **638** | **110** | **12,584** |
| Production costs | (332) | (139) | (371) | (367) | (782) | (246) | (236) | (272) | (17) | (2,762) |
| Transportation costs | (4) | (30) | (39) | (11) | (21) | (164) | (4) | (12) | | (285) |
| Production taxes | (111) | | (135) | | (295) | | (133) | (13) | | (687) |
| Exploration expenses | (19) | (14) | (124) | (56) | (77) | (3) | (104) | (112) | (1) | (510) |
| D.D. & A. and Provision for abandonment[(a)] | (1,149) | (252) | (1,158) | (848) | (2,187) | (454) | (1,070) | (678) | (65) | (7,861) |
| Other income (expenses) | (255) | (45) | (360) | (204) | 25 | (153) | (90) | (71) | 6 | (1,147) |
| **Pretax income from producing activities** | **(1,071)** | **(93)** | **39** | **992** | **(238)** | **315** | **(125)** | **(520)** | **33** | **(668)** |
| Income taxes | 219 | 69 | (671) | (519) | (33) | (134) | (193) | 86 | (11) | (1,187) |
| **Results of operations from E&P activities of consolidated subsidiaries** | **(852)** | **(24)** | **(632)** | **473** | **(271)** | **181** | **(318)** | **(434)** | **22** | **(1,855)** |
| **Equity-accounted entities** | | | | | | | | | | |
| Revenues: | | | | | | | | | | |
| - sales to consolidated entities | | 862 | | | | | | | | 862 |
| - sales to third parties | | 782 | 10 | | 131 | | | 307 | | 1,230 |
| **Total revenues** | | **1,644** | **10** | | **131** | | | **307** | | **2,092** |
| Production costs | | (350) | (7) | | (23) | | | (18) | | (398) |
| Transportation costs | | (161) | (1) | | (11) | | | | | (173) |
| Production taxes | | | (2) | | (3) | | | (76) | | (81) |
| Exploration expenses | | (35) | | | | | | | | (35) |
| D.D. & A. and Provision for abandonment | | (1,163) | (1) | | (69) | | | (50) | | (1,283) |
| Other income (expenses) | | (90) | (1) | | (35) | | (2) | (146) | | (274) |
| **Pretax income from producing activities** | | **(155)** | **(2)** | | **(10)** | | **(2)** | **17** | | **(152)** |
| Income taxes | | 469 | 1 | | | | | (29) | | 441 |
| **Results of operations from E&P activities of equity-accounted entities** | | **314** | **(1)** | | **(10)** | | **(2)** | **(12)** | | **289** |

(a) Includes asset net impairment amounting to €1,865 million.

## Proved reserves of oil and natural gas

Eni's criteria concerning evaluation and classification of proved developed and undeveloped reserves comply with Regulation S-X 4-10 of the U.S. Securities and Exchange Commission and have been disclosed in accordance with FASB Extractive Activities - Oil and Gas (Topic 932).
Proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible, from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations, prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time. Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. The price shall be the average price during the 12-month period prior to the ending date of the period covered by the report, determined as an un-weighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions.
In 2022, the average price for the marker Brent crude oil was $101 per barrel. Net proved reserves exclude interests and royalties owned by others.
Proved reserves are classified as either developed or undeveloped. Developed oil and gas reserves are reserves that can be expected to be recovered through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well. Undeveloped oil and gas reserves are reserves of any category that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion. Eni has its proved reserves evaluted on a rotational basis by independent oil engineering companies[35]. The description of qualifications of the person primarily responsible of the reserves audit is included in the third-party audit report[36]. In the preparation of their reports, independent evaluators rely, without independent verification, upon data furnished by Eni with respect to property interest, production, current costs of operation and development, sale agreements, prices and other factual information and data that were accepted as represented by the independent evaluators. These data, equally used by Eni in its internal process, include logs, directional surveys, core and PVT (Pressure Volume Temperature) analysis, maps, oil/gas/water production/injection data of wells, reservoir studies and technical analysis relevant to field performance, long-term development plans, future capital and operating costs.
In order to calculate the economic value of Eni equity reserves, actual prices applicable to hydrocarbon sales, price adjustments required by applicable contractual arrangements, and other pertinent information are provided. In 2022, Ryder Scott Company and Sproule provided an independent evaluation of about 27% of Eni's total proved reserves as of December 31, 2022, confirming, as in previous years, the reasonableness of Eni's internal evaluations[37].
In the three-year period from 2020 to 2022, 90% of Eni's total proved reserves were subject to independent evaluation. As of December 31, 2022, the principal assets which did not undergo an independent evaluation in the last three years were Nené e Litchendjli in Congo.
Eni operates under production sharing agreements in several of the foreign jurisdictions where it has oil and gas exploration and production activities. Reserves of oil and natural gas to which Eni is entitled under PSA arrangements are shown in accordance with Eni's economic interest in the volumes of oil and natural gas estimated to be recoverable in future years. Such reserves include estimated quantities allocated to Eni for recovery of costs, income taxes owed by Eni but settled by its joint venture partners (which are state-owned entities) out of Eni's share of production and Eni's net equity share after cost recovery. Proved oil and gas reserves associated with PSAs represented 54%, 58% and 57% of total proved reserves as of December 31, 2022, 2021 and 2020 respectively, on an oil-equivalent basis. Similar effects as PSAs apply to service contracts; proved reserves associated with such contracts represented 2%, 3%, and 4% of total proved reserves on an oil-equivalent basis as of December 31, 2022, 2021 and 2020, respectively.
Oil and gas reserves quantities include: (i) oil and natural gas quantities in excess of cost recovery which the company has an obligation to purchase under certain PSAs with governments or authorities, whereby the company serves as producer of reserves. Reserves volumes associated with oil and gas deriving from such obligation represent 3%, 4% and 3% of total proved reserves as of December 31, 2022, 2021 and 2020, respectively, on an oil equivalent basis; (ii) volumes of proved reserves of natural gas to be consumed in operations amounted to approximately 2,389 BCF at 2022 year-end (2,335 BCF and 2,337 BCF respectively

(35) For the past three years we have availed of the independent certification service of DeGolyer and Mac Naughton, Ryder Scott, Société Générale de Surveillance and Sproule.
(36) The reports of independent engineers are available on Eni website eni.com section Publications/Annual Report 2022.
(37) Includes Eni's share of proved reserves of equity accounted entities.

at 2021 and 2020 year-end); (iii) the quantities of hydrocarbons related to the Angola LNG plant owned by the JV Azule set up 50% with bp during the year.
Numerous uncertainties are inherent in estimating quantities of proved reserves, in projecting future productions and development costs. The accuracy of any reserve estimate is a function of the quality of available data and engineering and geological interpretation and evaluation. The results of drilling, testing and production after the date of the estimate may require substantial upward or downward revisions. In addition, changes in oil and natural gas prices have an effect on the quantities of Eni's proved reserves since estimates of reserves are based on prices and costs relevant to the date when such estimates are made. Consequently, the evaluation of reserves could also significantly differ from actual oil and natural gas volumes that will be produced.

## Proved undeveloped reserves

Proved undeveloped reserves as of December 31, 2022 totalled 2,423 mmboe, of which 1,104 mmbbl of liquids and 6,943 BCF of natural gas particularly located in Africa and Asia. Proved undeveloped reserves of consolidated subsidiaries amounted to 727 mmbbl of liquids and 4,759 BCF of natural gas. Changes in proved undeveloped reserves were as follows:

| (mmboe) | |
|---|---|
| **Proved undeveloped reserves as of December 31, 2021** | **2,020** |
| Transfer to proved developed reserves | (317) |
| Extensions and discoveries | 152 |
| Revisions of previous estimates | 227 |
| Improved recovery | 4 |
| Portfolio | 337 |
| **Proved undeveloped reserves as of December 31, 2022** | **2,423** |

In 2022, total proved undeveloped reserves increased by 403 mmboe (proved undeveloped reserves of consolidated companies increased by 76 mmboe, while those of joint ventures and associates increased by 327 mmboe).
Main changes derived from:

i) proved undeveloped reserves matured to proved developed reserves amounted to -317 mmboe, and were driven by progress in development activities, production start-ups and project revisions. The main reclassifications to proved developed reserves related to the Coral in Mozambique (-172 mmboe), to Snorre of Vår Energi in Norway (-22 mmboe), to Kashagan in Kazakhstan (-19 mmboe) as well as to the Amoca project in Mexico (-15 mmboe);
ii) new discoveries and extensions of 152 mmboe: (i) an increase of 121 million barrels of liquids, mainly related to the investment decision for the Baleine projects in Ivory Coast (59 mmboe), and in the Azule company in Angola (54 mmboe); (ii) and from an increase of 165 BCF of gas, mainly related to Baleine in Ivory Coast;
iii) revisions of previous estimates were positive for 227 mmboe, of which 37 mmbbl of oil and 995 BCF of natural gas. Positive revisions mainly related to the advancement of development activities at Zohr in Egypt (131 mmboe), Nené in Congo (85 mmboe) and in Structure E in Libya (+51 mmboe). Negative revisions mainly in Nigeria (-126 million boe) and Iraq (-24 million boe). Azule and Vår Energi contributed +51 mmboe and +13 mmboe, respectively;
iv) improved recoveries of 4 mmboe referred to Azule in Angola.

## Proved reserves of crude oil (including condensate and natural gas liquids)

| (million barrels) | Italy | Rest of Europe | North Africa | Egypt | Sub - Saharan Africa | Kazakhstan | Rest of Asia | America | Australia and Oceania | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **2022** | | | | | | | | | | |
| **Consolidated subsidiaries** | | | | | | | | | | |
| Reserves at December 31, 2021 | 197 | 34 | 393 | 210 | 589 | 710 | 476 | 237 | 1 | 2,847 |
| *of which: developed* | *146* | *34* | *225* | *164* | *435* | *641* | *262* | *164* | *1* | *2,072* |
| *undeveloped* | *51* | | *168* | *46* | *154* | *69* | *214* | *73* | | *775* |
| Purchase of Minerals in Place | 1 | | 17 | | | | | 2 | | 20 |
| Revisions of Previous Estimates | 3 | 6 | (8) | (16) | (62) | (34) | (15) | 13 | | (113) |
| Improved Recovery | | | 2 | | | | | 4 | | 6 |
| Extensions and Discoveries | | 3 | 5 | 1 | 61 | | | | | 70 |
| Production | (13) | (7) | (45) | (28) | (51) | (32) | (28) | (22) | | (226) |
| Sales of Minerals in Place | | | | | (170) | | | | | (170) |
| **Reserves at December 31, 2022** | **188** | **36** | **364** | **167** | **367** | **644** | **433** | **234** | **1** | **2,434** |
| **Equity-accounted entities** | | | | | | | | | | |
| Reserves at December 31, 2021 | | 378 | 9 | | 21 | | | 6 | | 414 |
| *of which: developed* | | *175* | *9* | | *9* | | | *6* | | *199* |
| *undeveloped* | | *203* | | | *12* | | | | | *215* |
| Purchase of Minerals in Place | | | | | 132 | | 100 | | | 232 |
| Revisions of Previous Estimates | | 38 | | | 37 | | | 22 | | 97 |
| Improved Recovery | | | | | 4 | | | | | 4 |
| Extensions and Discoveries | | 4 | | | 54 | | | | | 58 |
| Production | | (33) | (1) | | (13) | | | (1) | | (48) |
| Sales of Minerals in Place | | (37) | | | | | | | | (37) |
| **Reserves at December 31, 2022** | | **350** | **8** | | **235** | | **100** | **27** | | **720** |
| **Reserves at December 31, 2022** | **188** | **386** | **372** | **167** | **602** | **644** | **533** | **261** | **1** | **3,154** |
| **Developed** | **139** | **205** | **209** | **135** | **347** | **585** | **231** | **198** | **1** | **2,050** |
| consolidated subsidiaries | 139 | 32 | 201 | 135 | 212 | 585 | 231 | 171 | 1 | 1,707 |
| equity-accounted entities | | 173 | 8 | | 135 | | | 27 | | 343 |
| **Undeveloped** | **49** | **181** | **163** | **32** | **255** | **59** | **302** | **63** | | **1,104** |
| consolidated subsidiaries | 49 | 4 | 163 | 32 | 155 | 59 | 202 | 63 | | 727 |
| equity-accounted entities | | 177 | | | 100 | | 100 | | | 377 |

| (million barrels) | Italy | Rest of Europe | North Africa | Egypt | Sub - Saharan Africa | Kazakhstan | Rest of Asia | America | Australia and Oceania | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **2021** | | | | | | | | | | |
| **Consolidated subsidiaries** | | | | | | | | | | |
| Reserves at December 31, 2020 | 178 | 34 | 383 | 227 | 624 | 805 | 579 | 224 | 1 | 3,055 |
| *of which: developed* | *146* | *31* | *243* | *172* | *469* | *716* | *297* | *143* | *1* | *2,218* |
| *undeveloped* | *32* | *3* | *140* | *55* | *155* | *89* | *282* | *81* | | *837* |
| Purchase of Minerals in Place | | | | | | | | 1 | | 1 |
| Revisions of Previous Estimates | 32 | 8 | 49 | 11 | 21 | (58) | (74) | 21 | | 10 |
| Improved Recovery | | | | | 2 | | | 10 | | 12 |
| Extensions and Discoveries | | (1) | 6 | 2 | 16 | | | | | 23 |
| Production | (13) | (7) | (45) | (30) | (72) | (37) | (29) | (19) | | (252) |
| Sales of Minerals in Place | | | | | (2) | | | | | (2) |
| **Reserves at December 31, 2021** | **197** | **34** | **393** | **210** | **589** | **710** | **476** | **237** | **1** | **2,847** |
| **Equity-accounted entities** | | | | | | | | | | |
| Reserves at December 31, 2020 | | 400 | 12 | | 18 | | | 30 | | 460 |
| *of which: developed* | | *176* | *12* | | *15* | | | *30* | | *233* |
| *undeveloped* | | *224* | | | *3* | | | | | *227* |
| Purchase of Minerals in Place | | | | | | | | | | |
| Revisions of Previous Estimates | | 17 | (2) | | 4 | | | (23) | | (4) |
| Improved Recovery | | | | | | | | | | |
| Extensions and Discoveries | | 2 | | | | | | | | 2 |
| Production | | (41) | (1) | | (1) | | | (1) | | (44) |
| Sales of Minerals in Place | | | | | | | | | | |
| **Reserves at December 31, 2021** | | **378** | **9** | | **21** | | | **6** | | **414** |
| **Reserves at December 31, 2021** | **197** | **412** | **402** | **210** | **610** | **710** | **476** | **243** | **1** | **3,261** |
| **Developed** | **146** | **209** | **234** | **164** | **444** | **641** | **262** | **170** | **1** | **2,271** |
| consolidated subsidiaries | 146 | 34 | 225 | 164 | 435 | 641 | 262 | 164 | 1 | 2,072 |
| equity-accounted entities | | 175 | 9 | | 9 | | | 6 | | 199 |
| **Undeveloped** | **51** | **203** | **168** | **46** | **166** | **69** | **214** | **73** | | **990** |
| consolidated subsidiaries | 51 | | 168 | 46 | 154 | 69 | 214 | 73 | | 775 |
| equity-accounted entities | | 203 | | | 12 | | | | | 215 |

| (million barrels) | Italy | Rest of Europe | North Africa | Egypt | Sub - Saharan Africa | Kazakhstan | Rest of Asia | America | Australia and Oceania | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **2020** | | | | | | | | | | |
| **Consolidated subsidiaries** | | | | | | | | | | |
| Reserves at December 31, 2019 | 194 | 41 | 468 | 264 | 694 | 746 | 491 | 225 | 1 | 3,124 |
| *of which: developed* | *137* | *37* | *301* | *149* | *519* | *682* | *245* | *148* | *1* | *2,219* |
| *undeveloped* | *57* | *4* | *167* | *115* | *175* | *64* | *246* | *77* | | *905* |
| Purchase of Minerals in Place | | | | | | | | | | |
| Revisions of Previous Estimates | 1 | 1 | (44) | (14) | 10 | 100 | 114 | 16 | | 184 |
| Improved Recovery | | | | | | | 5 | | | 5 |
| Extensions and Discoveries | | | | | | | 1 | 4 | | 5 |
| Production | (17) | (8) | (41) | (23) | (80) | (41) | (32) | (21) | | (263) |
| Sales of Minerals in Place | | | | | | | | | | |
| **Reserves at December 31, 2020** | **178** | **34** | **383** | **227** | **624** | **805** | **579** | **224** | **1** | **3,055** |
| **Equity-accounted entities** | | | | | | | | | | |
| Reserves at December 31, 2019 | | 424 | 12 | | 10 | | | 31 | | 477 |
| *of which: developed* | | *219* | *12* | | *7* | | | *31* | | *269* |
| *undeveloped* | | *205* | | | *3* | | | | | *208* |
| Purchase of Minerals in Place | | | | | | | | | | |
| Revisions of Previous Estimates | | (11) | | | 9 | | | | | (2) |
| Improved Recovery | | | | | | | | | | |
| Extensions and Discoveries | | 30 | | | | | | | | 30 |
| Production | | (43) | | | (1) | | | (1) | | (45) |
| Sales of Minerals in Place | | | | | | | | | | |
| **Reserves at December 31, 2020** | | **400** | **12** | | **18** | | | **30** | | **460** |
| **Reserves at December 31, 2020** | **178** | **434** | **395** | **227** | **642** | **805** | **579** | **254** | **1** | **3,515** |
| **Developed** | **146** | **207** | **255** | **172** | **484** | **716** | **297** | **173** | **1** | **2,451** |
| consolidated subsidiaries | 146 | 31 | 243 | 172 | 469 | 716 | 297 | 143 | 1 | 2,218 |
| equity-accounted entities | | 176 | 12 | | 15 | | | 30 | | 233 |
| **Undeveloped** | **32** | **227** | **140** | **55** | **158** | **89** | **282** | **81** | | **1,064** |
| consolidated subsidiaries | 32 | 3 | 140 | 55 | 155 | 89 | 282 | 81 | | 837 |
| equity-accounted entities | | 224 | | | 3 | | | | | 227 |

Main changes in proved reserves of crude oil (including condensates and natural gas liquids) reported in the tables above for the period 2022, 2021 and 2020 are discussed below.

## Consolidated subsidiaries

### PURCHASE OF MINERALS IN PLACE

In 2020, no purchases were made.
In 2021, there are two acquisitions (totaling 1 mmboe) of Lucius fields in the U.S. and Conwy in the U.K.
In 2022, 20 mmbbl were booked, mainly for the acquisition of the BHP share in Algeria and a share in some fields in the United States Gulf of Mexico.

### REVISIONS OF PREVIOUS ESTIMATES

In 2020, revisions of previous estimates amounted to an increase of 184 mmbbl. Positive revisions of 100 mmbbl reported in Kazakhstan were driven by higher entitlements and progress in development activities. In the rest of Asia, positive revisions of 114 mmbbl were due to higher entitlements in Iraq (74 mmbbl) and progress at a few projects, among which the most important was the Umm Shaif/Nasr concession in the United Arab Emirates. In the Sub-Saharan Africa positive revisions of 10 mmbbl were due to higher entitlements in Nigeria (14 mmbbl), Angola (8 mmbbl ) and Ghana (3 mmbbl), partly offset by negative revisions due to the debooking of the Loango and Zatchi fields reserves in Congo (-18 mmbbl). In America, positive revisions of 16 mmbbl were due to higher entitlements in Mexico (25 mmbbl), partially offset by the removal of uneconomic reserves at various fields in the United States. In Egypt, negative revisions of 14 mmbbl were mainly due to the Abu Rudeis project. In North Africa negative revisions of 44 mmbbl were driven by price effects and capital expenditures curtailments in Libya (-30 mmbbl) and Algeria (-17 mmbbl).
In 2021, revisions of previous estimates were 10 mmbbl detailed as follows. In Italy there were positive revisions of 32 mmbbl mainly due to the Val d'Agri project. In the Rest of Europe 8 mmbbl of positive revisions were registered, mainly in the United Kingdom. In the Rest of North Africa revisions totaled 49 mmbbl, comprising positive revisions (+62 mmbbl) of which +42 mmbbl in Libya (mainly in Area D) and +18 mmbbl in Algeria (BRN +5 mmbbl and other minor fields) and negative revisions (-13 mmbbl) mainly in Algeria (BRW -4 mmbbl) and other minor fields. In Egypt there were revisions of 11 mmbbl, consisting of positive revisions (21 mmbbl) mainly in Meleiha and negative revisions (-10 mmbbl) mainly in Belayim. In Sub-Saharan Africa, revisions totaled +21 mmbbl, consisting of positive revisions (+74 mmbbl) primarily in Nigeria (+42 mmbbl) and Angola (+22 mmbbl) and negative revisions (-53 mmbbl) including -23 mmbbl in Congo and -13 mmbbl in Nigeria. In Kazakhstan, revisions were negative 58 mmbbl, mainly related to the Karachaganak field. In the Rest of Asia revisions (-74 mmbbl) were due to positive revisions (+21 mmbbl) in the United Arab Emirates and negative revisions (-95 mmbbl) mainly in Iraq. In the Americas there were total revisions of 21 mmbbl, comprising positive revisions (+38 mmbbl) in the United States and negative revisions (-17 mmbbl) in Mexico.
In 2022, revisions of previous estimates were negative of 113 mmbbl. The main positive revisions were in the United Arab Emirates (+23 mmbbl) particularly of the Umm Shaif field (19 mmbbl), the United States (+16 mmbbl) mainly at the Triton and Allegheny fields, and Libya (15 mmbbl) at the Wafa and Structure E fields. The main negative changes were in Nigeria (-70 mmbbl), Iraq (-39 mmbbl) and Kazakhstan (-34 mmbbl) due to price effect and Algeria (-23 mmbbl).

### IMPROVED RECOVERY

In 2020, improved recoveries of 5 mmbbl related to the Burun project in Turkmenistan.
In 2021, 12 mmbbl were totaled from recovery-assisted improvements primarily on the Oooguruk field in the U.S.
In 2022, 6 mmbbl were booked due to improved recovery mainly at the Mizton field in Mexico and the BRW field in Algeria.

### EXTENSIONS AND DISCOVERIES

In 2020, new discoveries and extensions added 5 mmbbl related to the Pegasus and Front Runner fields in the United States and the Mahani field in the United Arab Emirates.
In 2021, new discoveries and extensions total 23 million barrels, primarily related to Cuica and Ndungu in Block 15/06 and the New Gas Consortium project in Angola and the BKNEP, Zas and Ret projects in Algeria.
In 2022, 70 mmbbl of new discoveries and extensions are realized mainly due to the final investment decision on the development of the Baleine field in Ivory Coast (59 mmbbl), the NAHE project in Algeria, and the Talbot field in the United Kingdom.

### SALES OF MINERALS IN PLACE

In 2020, no sales of oil properties were reported.
In 2021, there was a sale of OML 17 in Nigeria for 2 mmbbl.
In 2022, 170 mmbbl were de-booked in connection to the contribution of Eni's assets in Angola to the JV Azule set up 50% with bp and the sale of OML 11 in Nigeria.

## Equity-accounted entities

### PURCHASE OF MINERALS IN PLACE

In 2020 and 2021, no purchases of proved reserves were made.
In 2022, acquisitions amounted to 232 mmbbl due to the acquisition of a 50% stake in the JV Azule in Angola (132 mmbbl) and to Eni's joining the NFE project in Qatar (100 mmbbl).

### REVISIONS OF PREVIOUS ESTIMATES

In 2020, negative revisions of previous estimates amounted to 2 mmbbl. In the Rest of Europe negative revisions for 11

mmbbl were reported mainly at the Ringhorne East and Ekofisk fields in Norway driven by price effects. These were partially offset by positive revisions reported in the Sub-Saharan Africa up by 9 mmbbl driven by an improved performance at the Angola LNG project.
In 2021, revisions were negative 4 mmbbl, mainly located in the Rest of Europe (+17 mmbbl) in Norway and the Americas (-23 mmbbl in Venezuela). Minor revisions in Angola, Tunisia and Mozambique.
In 2022, revisions were a positive 97 mmbbl, located mainly in Azule in Angola (+38 mmbbl), Vår Energi in Norway (+37 mmbbl) and Venezuela (+21 mmbbl).

**EXTENSIONS AND DISCOVERIES**

In 2020, extensions and new discoveries of 30 mmbbl were reported as a result of the final investment decision for the Bredaiblikk project in Norway.
In 2021, extensions and new discoveries total 2 mmbbl and were located in Norway.
In 2022, extensions and new discoveries of 58 mmbbl were reported by Azule in Angola and Vår Energi in Norway.

**SALES OF MINERALS IN PLACE**

In 2020 and 2021, no sales of proved reserves were made.
In 2022, sales of 37 mmbbl related to the IPO of Vår Energi in Norway.

## Proved reserves of natural gas

| (billion cubic feet) | Italy | Rest of Europe | North Africa | Egypt | Sub - Saharan Africa | Kazakhstan | Rest of Asia | America | Australia and Oceania | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **2022** | | | | | | | | | | |
| **Consolidated subsidiaries** | | | | | | | | | | |
| Reserves at December 31, 2021 | 918 | 247 | 2,272 | 4,152 | 2,953 | 1,705 | 1,522 | 274 | 428 | 14,471 |
| *of which: developed* | *729* | *242* | *781* | *3,656* | *1,759* | *1,705* | *971* | *210* | *266* | *10,319* |
| *undeveloped* | *189* | *5* | *1,491* | *496* | *1,194* | | *551* | *64* | *162* | *4,152* |
| Purchase of Minerals in Place | | | 6 | | | | | 2 | | 8 |
| Revisions of Previous Estimates | 39 | 15 | 280 | 193 | (285) | (73) | (53) | 17 | (1) | 132 |
| Improved Recovery | | | 1 | | | | | | | 1 |
| Extensions and Discoveries | | 7 | 37 | 52 | 154 | | | | | 250 |
| Production[a] | (88) | (46) | (273) | (516) | (176) | (72) | (185) | (29) | (19) | (1,404) |
| Sales of Minerals in Place | | | | | (305) | | (3) | | | (308) |
| **Reserves at December 31, 2022** | **869** | **223** | **2,323** | **3,881** | **2,341** | **1,560** | **1,281** | **264** | **408** | **13,150** |
| **Equity-accounted entities** | | | | | | | | | | |
| Reserves at December 31, 2021 | | 654 | 10 | | 1,285 | | | 1,460 | | 3,409 |
| *of which: developed* | | *457* | *10* | | *165* | | | *1,460* | | *2,092* |
| *undeveloped* | | *197* | | | *1,120* | | | | | *1,317* |
| Purchase of Minerals in Place | | | | | 194 | | 1,490 | | | 1,684 |
| Revisions of Previous Estimates | | 144 | | | 127 | | | (10) | | 261 |
| Improved Recovery | | | | | | | | | | |
| Extensions and Discoveries | | 19 | | | | | | | | 19 |
| Production[b] | | (108) | (1) | | (44) | | | (95) | | (248) |
| Sales of Minerals in Place | | (63) | | | | | | | | (63) |
| **Reserves at December 31, 2022** | | **646** | **9** | | **1,562** | | **1,490** | **1,355** | | **5,062** |
| **Reserves at December 31, 2022** | **869** | **869** | **2,332** | **3,881** | **3,903** | **1,560** | **2,771** | **1,619** | **408** | **18,212** |
| **Developed** | **695** | **658** | **679** | **2,732** | **2,376** | **1,560** | **796** | **1,550** | **223** | **11,269** |
| consolidated subsidiaries | 695 | 214 | 670 | 2,732 | 1,306 | 1,560 | 796 | 195 | 223 | 8,391 |
| equity-accounted entities | | 444 | 9 | | 1,070 | | | 1,355 | | 2,878 |
| **Undeveloped** | **174** | **211** | **1,653** | **1,149** | **1,527** | | **1,975** | **69** | **185** | **6,943** |
| consolidated subsidiaries | 174 | 9 | 1,653 | 1,149 | 1,035 | | 485 | 69 | 185 | 4,759 |
| equity-accounted entities | | 202 | | | 492 | | 1,490 | | | 2,184 |

(a) It includes production volumes consumed in operations equal to 208 Bcf.
(b) It includes production volumes consumed in operations equal to 27 Bcf.

| (billion cubic feet) | Italy | Rest of Europe | North Africa | Egypt | Sub - Saharan Africa | Kazakhstan | Rest of Asia | America | Australia and Oceania | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **2021** | | | | | | | | | | |
| **Consolidated subsidiaries** | | | | | | | | | | |
| Reserves at December 31, 2020 | 348 | 208 | 2,201 | 4,692 | 3,864 | 2,003 | 1,589 | 175 | 474 | 15,554 |
| *of which: developed* | *280* | *194* | *1,014* | *4,511* | *1,751* | *2,003* | *674* | *109* | *315* | *10,851* |
| *undeveloped* | *68* | *14* | *1,187* | *181* | *2,113* | | *915* | *66* | *159* | *4,703* |
| Purchase of Minerals in Place | | | | | | | | 1 | | 1 |
| Revisions of Previous Estimates | 661 | 78 | 321 | (2) | (903) | (213) | 120 | 125 | (15) | 172 |
| Improved Recovery | | | | | | | | | | |
| Extensions and Discoveries | | 5 | 13 | | 186 | | 2 | | | 206 |
| Production[a] | (91) | (44) | (263) | (538) | (179) | (85) | (189) | (27) | (31) | (1,447) |
| Sales of Minerals in Place | | | | | (15) | | | | | (15) |
| **Reserves at December 31, 2021** | **918** | **247** | **2,272** | **4,152** | **2,953** | **1,705** | **1,522** | **274** | **428** | **14,471** |
| **Equity-accounted entities** | | | | | | | | | | |
| Reserves at December 31, 2020 | | 510 | 14 | | 364 | | | 1,559 | | 2,447 |
| *of which: developed* | | *415* | *14* | | *170* | | | *1,559* | | *2,158* |
| *undeveloped* | | *95* | | | *194* | | | | | *289* |
| Purchase of Minerals in Place | | | | | | | | | | |
| Revisions of Previous Estimates | | 234 | (3) | | 952 | | | (12) | | 1,171 |
| Improved Recovery | | | | | | | | | | |
| Extensions and Discoveries | | 28 | | | | | | | | 28 |
| Production[b] | | (118) | (1) | | (31) | | | (87) | | (237) |
| Sales of Minerals in Place | | | | | | | | | | |
| **Reserves at December 31, 2021** | | **654** | **10** | | **1,285** | | | **1,460** | | **3,409** |
| **Reserves at December 31, 2021** | **918** | **901** | **2,282** | **4,152** | **4,238** | **1,705** | **1,522** | **1,734** | **428** | **17,880** |
| **Developed** | **729** | **699** | **791** | **3,656** | **1,924** | **1,705** | **971** | **1,670** | **266** | **12,411** |
| consolidated subsidiaries | 729 | 242 | 781 | 3,656 | 1,759 | 1,705 | 971 | 210 | 266 | 10,319 |
| equity-accounted entities | | 457 | 10 | | 165 | | | 1,460 | | 2,092 |
| **Undeveloped** | **189** | **202** | **1,491** | **496** | **2,314** | | **551** | **64** | **162** | **5,469** |
| consolidated subsidiaries | 189 | 5 | 1,491 | 496 | 1,194 | | 551 | 64 | 162 | 4,152 |
| equity-accounted entities | | 197 | | | 1,120 | | | | | 1,317 |

(a) It includes production volumes consumed in operations equal to 208 Bcf.
(b) It includes production volumes consumed in operations equal to 15 Bcf.

| (billion cubic feet) | Italy | Rest of Europe | North Africa | Egypt | Sub - Saharan Africa | Kazakhstan | Rest of Asia | America | Australia and Oceania | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **2020** | | | | | | | | | | |
| **Consolidated subsidiaries** | | | | | | | | | | |
| Reserves at December 31, 2019 | 752 | 262 | 2,738 | 5,191 | 4,103 | 1,969 | 1,349 | 240 | 507 | 17,111 |
| *of which: developed* | *657* | *242* | *1,374* | *4,777* | *1,858* | *1,969* | *685* | *186* | *322* | *12,070* |
| *undeveloped* | *95* | *20* | *1,364* | *414* | *2,245* | | *664* | *54* | *185* | *5,041* |
| Purchase of Minerals in Place | | | | | | | | | | |
| Revisions of Previous Estimates | (288) | 5 | (259) | (65) | 9 | 138 | 356 | (33) | | (137) |
| Improved Recovery | | | | | | | | | | |
| Extensions and Discoveries | | | | 6 | | | 54 | 4 | | 64 |
| Production[a] | (116) | (59) | (278) | (440) | (248) | (104) | (170) | (36) | (33) | (1,484) |
| Sales of Minerals in Place | | | | | | | | | | |
| **Reserves at December 31, 2020** | **348** | **208** | **2,201** | **4,692** | **3,864** | **2,003** | **1,589** | **175** | **474** | **15,554** |
| **Equity-accounted entities** | | | | | | | | | | |
| Reserves at December 31, 2019 | | 772 | 14 | | 287 | | | 1,648 | | 2,721 |
| *of which: developed* | | *597* | *14* | | *88* | | | *1,648* | | *2,347* |
| *undeveloped* | | *175* | | | *199* | | | | | *374* |
| Purchase of Minerals in Place | | | | | | | | | | |
| Revisions of Previous Estimates | | (128) | 1 | | 113 | | | (12) | | (26) |
| Improved Recovery | | | | | | | | | | |
| Extensions and Discoveries | | | | | | | | | | |
| Production[b] | | (134) | (1) | | (36) | | | (77) | | (248) |
| Sales of Minerals in Place | | | | | | | | | | |
| **Reserves at December 31, 2020** | | **510** | **14** | | **364** | | | **1,559** | | **2,447** |
| **Reserves at December 31, 2020** | **348** | **718** | **2,215** | **4,692** | **4,228** | **2,003** | **1,589** | **1,734** | **474** | **18,001** |
| **Developed** | **280** | **609** | **1,028** | **4,511** | **1,921** | **2,003** | **674** | **1,668** | **315** | **13,009** |
| consolidated subsidiaries | 280 | 194 | 1,014 | 4,511 | 1,751 | 2,003 | 674 | 109 | 315 | 10,851 |
| equity-accounted entities | | 415 | 14 | | 170 | | | 1,559 | | 2,158 |
| **Undeveloped** | **68** | **109** | **1,187** | **181** | **2,307** | | **915** | **66** | **159** | **4,992** |
| consolidated subsidiaries | 68 | 14 | 1,187 | 181 | 2,113 | | 915 | 66 | 159 | 4,703 |
| equity-accounted entities | | 95 | | | 194 | | | | | 289 |

(a) It includes production volumes consumed in operations equal to 223 Bcf.
(b) It includes production volumes consumed in operations equal to 16 Bcf.

Main changes in proved reserves of natural gas reported in the tables above for the period 2020, 2021 and 2022 are discussed below.

## Consolidated subsidiaries

### PURCHASE OF MINERALS IN PLACE

In 2020, no purchases were made.
In 2021, 1 BCF of acquisition related to the Lucius field in the United States is recorded.
In 2022, acquistions of 8 BCF cubic meters were made mainly for the acquisition of the BHP share in Algeria (6 BCF) and a share in some fields in the United States Gulf of Mexico.

### REVISIONS OF PREVIOUS ESTIMATES

In 2020, revisions of previous estimates were a net negative of 137 BCF. In Italy, 288 BCF of negative revisions were reported mainly at the Hera Lacina-Linda, Cervia-Arianna, Luna, Annamaria, Val d'Agri and Porto Garibaldi-Agostino projects and other gas fields in the Adriatic sea due to price effects. In North Africa, 259 BCF of negative revisions were driven by price effects in Libya (-287 BCF) in particular at Bahr Essalam and Area E fields and in various fields in Algeria (+18 BCF). In Egypt, 65 BCF of negative revisions were recorded at the Tuna due to performance revision and at Zohr field due to price effect. In America, 33 BCF of negative revision were due to price effects at various US gas fields (-78 BCF), mainly Alliance fields, partially offset by Area 1 in Mexico (46 BCF ). Revisions were positive for 356 BCF in the Rest of Asia driven by a better performance at the Merakes projects in Indonesia (227 BCF) and at the Zubair field in Iraq (97 BCF) due to improved production expectations. In Kazakhstan, positive revisions of 138 BCF were reported at the Karachaganak project due to technical appraisal and higher entitlements.
In 2021, total revisions were 172 BCF as follows: Italy (661 BCF) mainly due to recovery of non-economic cutoffs; Rest of Europe (78 BCF) in the United Kingdom mainly due to recovery of non-economic cutoffs; Rest of North Africa (321 BCF) mainly in Libya due to price effect; Egypt (-2 BCF), consisting of positive revisions of 110 BCF meters mainly in Baltim SW and negative revisions 112 BCF mainly in Port Fouad; Sub-Saharan Africa total revisions of -903 BCF, primarily linked to the reclassification of the Mozambique project from a consolidated company to a equity-accounted company (-993 BCF) and positive revisions of 274 BCF, primarily in Nigeria. In Kazakhstan, reductions of 213 BCF were recorded mainly in Karachaganak due to the PSA effect; in the Rest of Asia, positive revisions of 120 BCF meters were mainly located in Indonesia (Merakes); in the Americas, revisions of 125 BCF occurred mainly in the United States due to the recovery of non-economic cutoffs; in Australia and Oceania, revisions totaled -15 BCF mainly related to the Blacktip project.
In 2022, total revisions were 132 BCF. The main positive revisions were in Congo (469 BCF) mainly at the Nené field, Libya (357 BCF) and Egypt (193 BCF). The main negative revisions were in Nigeria (-764 BCF), Algeria (-74 BCF) and Kazakhstan (-73 BCF).

### IMPROVED RECOVERY

In 2020 and 2021, no material improved recoveries were recorded.
In 2022, we had 1 BCF of improved recoveries in Algeria on the BRW and BKNE Alpha fields.

### EXTENSIONS AND DISCOVERIES

In 2020, new discoveries and extensions of 64 BCF mainly related to the Rest of Asia (with an upward revision of 54 BCF) following the final investment decision for the Mahani field in the United Arab Emirates, with production started-up in January 2021, and Egypt for the near-field discoveries in the Bashrush and Abu Madi West concessions.
In 2021, new discoveries and extensions totaled 206 BCF and related primarily to the New Gas Consortium project in Angola and to a lesser extent the Berkine North project in Algeria.
In 2022, new discoveries and extensions amounted to 250 BCF and mainly related to the final investment decision in Baleine in Ivory Coast and Bashrush in Egypt.

### SALES OF MINERALS IN PLACE

In 2020, no sales were made.
In 2021, there were divestments of 15 BCF related to the exit from OML 17 in Nigeria.
In 2022, sales were 308 BCF in relation to the contribution of Eni's assets in Angola to the JV Azule and 3 BFC related to Pakistan.

## Equity-accounted entities

### PURCHASE OF MINERALS IN PLACE

In 2020, no sales were made.
In 2021, there were divestments of 15 BCF related to the exit from OML 17 in Nigeria.
In 2022, we had acquisition for 1,684 BCF due to Eni's entry into the NFE project in Qatar and the acquisition of a 50% stake in the JV Azule in Angola.

### REVISIONS OF PREVIOUS ESTIMATES

In 2020, negative revisions of previous estimates of 26 BCF essentially related to the Rest of Europe (128 BCF) mainly in relation to the Grane and Midgard projects in Norway. In Sub-Saharan Africa, 113 BCF of positive revisions were reported at Azule in relation to the Angola LNG project due to a better performance.
In 2021, revisions to previous estimates were 1,171 BCF, primarily due to the reclassification of the Mozambique project from a consolidated company to a equity-accounted company.
In 2022, revisions of previous estimates are 261 BCF, mainly

due to Azule in Angola, Vår Energi in Norway, and Coral in Mozambique.

#### EXTENSIONS AND DISCOVERIES

In 2020, there were no extensions or new relevant discoveries.
In 2021, 28 BCF of extensions and new discoveries were recorded, mainly due to the investment decision in Tommeliten Alpha in Norway.
In 2022, extensions and new discoveries were 19 BCF due to Vår Energi in Norway.

#### SALES OF MINERALS IN PLACE

In 2020 and 2021, no sales were made.
In 2022, sales of 63 BCF were due to the IPO of Vår Energi in Norway.

## Standardized measure of discounted future net cash flows

Estimated future cash inflows represent the revenues that would be received from production and are determined by applying the year-end average prices during the years ended.
Future price changes are considered only to the extent provided by contractual arrangements. Estimated future development and production costs are determined by estimating the expenditures to be incurred in developing and producing the proved reserves at the end of the year. Neither the effects of price and cost escalations nor expected future changes in technology and operating practices have been considered.
The standardized measure is calculated as the excess of future cash inflows from proved reserves less future costs of producing and developing the reserves, future income taxes and a yearly 10% discount factor.
Future production costs include the estimated expenditures related to the production of proved reserves plus any production taxes without consideration of future inflation. Future development costs include the estimated costs of drilling development wells and installation of production facilities, plus the net costs associated with dismantlement and abandonment of wells and facilities, under the assumption that year-end costs continue without considering future inflation. Future income taxes were calculated in accordance with the tax laws of the countries in which Eni operates.
The standardized measure of discounted future net cash flows, related to the preceding proved oil and gas reserves, is calculated in accordance with the requirements of FASB Extractive Activities - Oil and Gas (Topic 932). The standardized measure does not purport to reflect realizable values or fair market value of Eni's proved reserves. An estimate of fair value would also take into account, among other things, hydrocarbon resources other than proved reserves, anticipated changes in future prices and costs and a discount factor representative of the risks inherent in the oil and gas exploration and production activity.
The standardized measure of discounted future net cash flows by geographical area consists of the following:

| (€ million) | Italy | Rest of Europe | North Africa | Egypt | Sub - Saharan Africa | Kazakhstan | Rest of Asia | America | Australia and Oceania | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **December 31, 2022** | | | | | | | | | | |
| **Consolidated subsidiaries** | | | | | | | | | | |
| Future cash inflows | 38,968 | 7,609 | 50,838 | 34,198 | 48,292 | 53,529 | 45,179 | 21,233 | 1,525 | 301,371 |
| Future production costs | (10,267) | (1,752) | (6,675) | (11,171) | (15,823) | (7,844) | (12,181) | (5,950) | (230) | (71,893) |
| Future development and abandonment costs | (4,484) | (1,296) | (4,894) | (2,941) | (10,057) | (1,873) | (4,562) | (3,063) | (377) | (33,547) |
| **Future net inflow before income tax** | **24,217** | **4,561** | **39,269** | **20,086** | **22,412** | **43,812** | **28,436** | **12,220** | **918** | **195,931** |
| Future income tax | (6,388) | (3,087) | (23,766) | (7,119) | (7,990) | (11,568) | (21,227) | (4,903) | (81) | (86,129) |
| **Future net cash flows** | **17,829** | **1,474** | **15,503** | **12,967** | **14,422** | **32,244** | **7,209** | **7,317** | **837** | **109,802** |
| 10% discount factor | (7,141) | (344) | (7,176) | (4,562) | (6,456) | (16,087) | (2,980) | (3,443) | (357) | (48,546) |
| **Standardized measure of discounted future net cash flows** | **10,688** | **1,130** | **8,327** | **8,405** | **7,966** | **16,157** | **4,229** | **3,874** | **480** | **61,256** |
| **Equity-accounted entities** | | | | | | | | | | |
| Future cash inflows | | 50,468 | 265 | | 42,450 | | 33,075 | 8,133 | | 134,391 |
| Future production costs | | (7,628) | (123) | | (10,579) | | (9,749) | (2,083) | | (30,162) |
| Future development and abandonment costs | | (6,458) | (57) | | (3,508) | | (560) | (178) | | (10,761) |
| **Future net inflow before income tax** | | **36,382** | **85** | | **28,363** | | **22,766** | **5,872** | | **93,468** |
| Future income tax | | (27,333) | (3) | | (8,117) | | (19,393) | (2,469) | | (57,315) |
| **Future net cash flows** | | **9,049** | **82** | | **20,246** | | **3,373** | **3,403** | | **36,153** |
| 10% discount factor | | (2,501) | (15) | | (9,058) | | (2,462) | (1,416) | | (15,452) |
| **Standardized measure of discounted future net cash flows** | | **6,548** | **67** | | **11,188** | | **911** | **1,987** | | **20,701** |
| **Total consolidated subsidiaries and equity-accounted entities** | **10,688** | **7,678** | **8,394** | **8,405** | **19,154** | **16,157** | **5,140** | **5,861** | **480** | **81,957** |

| (€ million) | Italy | Rest of Europe | North Africa | Egypt | Sub - Saharan Africa | Kazakhstan | Rest of Asia | America | Australia and Oceania | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **December 31, 2021** | | | | | | | | | | |
| **Consolidated subsidiaries** | | | | | | | | | | |
| Future cash inflows | 18,933 | 4,679 | 33,142 | 31,344 | 40,929 | 36,430 | 32,594 | 13,607 | 1,511 | 213,169 |
| Future production costs | (6,929) | (1,496) | (6,325) | (9,726) | (13,196) | (7,343) | (9,578) | (4,189) | (251) | (59,033) |
| Future development and abandonment costs | (4,104) | (865) | (4,688) | (2,036) | (5,117) | (1,750) | (4,278) | (2,298) | (288) | (25,424) |
| **Future net inflow before income tax** | **7,900** | **2,318** | **22,129** | **19,582** | **22,616** | **27,337** | **18,738** | **7,120** | **972** | **128,712** |
| Future income tax | (2,037) | (1,001) | (12,345) | (6,736) | (8,372) | (6,301) | (12,899) | (2,386) | (75) | (52,152) |
| **Future net cash flows** | **5,863** | **1,317** | **9,784** | **12,846** | **14,244** | **21,036** | **5,839** | **4,734** | **897** | **76,560** |
| 10% discount factor | (2,112) | (170) | (4,516) | (4,211) | (5,608) | (10,703) | (2,295) | (1,980) | (350) | (31,945) |
| **Standardized measure of discounted future net cash flows** | **3,751** | **1,147** | **5,268** | **8,635** | **8,636** | **10,333** | **3,544** | **2,754** | **547** | **44,615** |
| **Equity-accounted entities** | | | | | | | | | | |
| Future cash inflows | | 28,037 | 230 | | 8,884 | | | 5,971 | | 43,122 |
| Future production costs | | (8,316) | (120) | | (1,590) | | | (1,454) | | (11,480) |
| Future development and abandonment costs | | (6,566) | (85) | | (95) | | | (77) | | (6,823) |
| **Future net inflow before income tax** | | **13,155** | **25** | | **7,199** | | | **4,440** | | **24,819** |
| Future income tax | | (8,591) | (9) | | (1,286) | | | (1,309) | | (11,195) |
| **Future net cash flows** | | **4,564** | **16** | | **5,913** | | | **3,131** | | **13,624** |
| 10% discount factor | | (1,462) | 16 | | (3,498) | | | (1,399) | | (6,343) |
| **Standardized measure of discounted future net cash flows** | | **3,102** | **32** | | **2,415** | | | **1,732** | | **7,281** |
| **Total consolidated subsidiaries and equity-accounted entities** | **3,751** | **4,249** | **5,300** | **8,635** | **11,051** | **10,333** | **3,544** | **4,486** | **547** | **51,896** |

| (€ million) | Italy | Rest of Europe | North Africa | Egypt | Sub - Saharan Africa | Kazakhstan | Rest of Asia | America | Australia and Oceania | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **December 31, 2020** | | | | | | | | | | |
| **Consolidated subsidiaries** | | | | | | | | | | |
| Future cash inflows | 6,120 | 1,737 | 19,780 | 26,003 | 26,901 | 21,519 | 22,528 | 6,638 | 1,599 | 132,825 |
| Future production costs | (3,587) | (753) | (5,431) | (7,515) | (10,909) | (6,224) | (7,241) | (3,382) | (265) | (45,307) |
| Future development and abandonment costs | (1,925) | (756) | (4,378) | (1,638) | (4,257) | (1,743) | (4,511) | (1,786) | (246) | (21,240) |
| **Future net inflow before income tax** | **608** | **228** | **9,971** | **16,850** | **11,735** | **13,552** | **10,776** | **1,470** | **1,088** | **66,278** |
| Future income tax | (170) | (61) | (4,946) | (5,320) | (2,988) | (2,313) | (6,774) | (441) | (140) | (23,153) |
| **Future net cash flows** | **438** | **167** | **5,025** | **11,530** | **8,747** | **11,239** | **4,002** | **1,029** | **948** | **43,125** |
| 10 % discount factor | (33) | 108 | (2,413) | (4,101) | (3,714) | (6,040) | (1,681) | (482) | (383) | (18,739) |
| **Standardized measure of discounted future net cash flows** | **405** | **275** | **2,612** | **7,429** | **5,033** | **5,199** | **2,321** | **547** | **565** | **24,386** |
| **Equity-accounted entities** | | | | | | | | | | |
| Future cash inflows | | 15,306 | 251 | | 1,253 | | | 6,291 | | 23,101 |
| Future production costs | | (5,942) | (98) | | (982) | | | (1,641) | | (8,663) |
| Future development and abandonment costs | | (6,244) | (29) | | (46) | | | (137) | | (6,456) |
| **Future net inflow before income tax** | | **3,120** | **124** | | **225** | | | **4,513** | | **7,982** |
| Future income tax | | (576) | (54) | | (3) | | | (1,375) | | (2,008) |
| **Future net cash flows** | | **2,544** | **70** | | **222** | | | **3,138** | | **5,974** |
| 10 % discount factor | | (1,055) | (43) | | (110) | | | (1,460) | | (2,668) |
| **Standardized measure of discounted future net cash flows** | | **1,489** | **27** | | **112** | | | **1,678** | | **3,306** |
| **Total consolidated subsidiaries and equity-accounted entities** | **405** | **1,764** | **2,639** | **7,429** | **5,145** | **5,199** | **2,321** | **2,225** | **565** | **27,692** |

## Changes in standardized measure of discounted future net cash flows

Changes in standardized measure of discounted future net cash flows for the years ended December 31, 2022, 2021 and 2020, are as follows:

| (€ million) | Consolidated subsidiaries | Equity-accounted entities | Total |
|---|---|---|---|
| **2022** | | | |
| **Standardized measure of discounted future net cash flows at December 31, 2021** | **44,615** | **7,281** | **51,896** |
| Increase (decrease): | | | |
| - sales, net of production costs | (25,987) | (4,912) | (30,899) |
| - net changes in sales and transfer prices, net of production costs | 56,002 | 24,343 | 80,345 |
| - extensions, discoveries and improved recovery, net of future production and development costs | 1,519 | 2,139 | 3,658 |
| - changes in estimated future development and abandonment costs | (7,046) | (3,169) | (10,215) |
| - development costs incurred during the period that reduced future development costs | 3,821 | 2,000 | 5,821 |
| - revisions of quantity estimates | (1,295) | 7,134 | 5,839 |
| - accretion of discount | 7,226 | 1,510 | 8,736 |
| - net change in income taxes | (18,393) | (21,676) | (40,069) |
| - purchase of reserves in-place | 765 | 10,200 | 10,965 |
| - sale of reserves in-place | (6,436) | | (6,436) |
| - changes in production rates (timing) and other | 6,465 | (4,149) | 2,316 |
| **Net increase (decrease)** | **16,641** | **13,420** | **30,061** |
| **Standardized measure of discounted future net cash flows at December 31, 2022** | **61,256** | **20,701** | **81,957** |

| (€ million) | Consolidated subsidiaries | Equity-accounted entities | Total |
| --- | --- | --- | --- |
| **2021** | | | |
| **Standardized measure of discounted future net cash flows at December 31, 2020** | **24,386** | **3,306** | **27,692** |
| Increase (decrease): | | | |
| - sales, net of production costs | (16,402) | (3,381) | (19,783) |
| - net changes in sales and transfer prices, net of production costs | 40,864 | 9,256 | 50,120 |
| - extensions, discoveries and improved recovery, net of future production and development costs | 1,304 | 142 | 1,446 |
| - changes in estimated future development and abandonment costs | (2,737) | (734) | (3,471) |
| - development costs incurred during the period that reduced future development costs | 2,877 | 1,385 | 4,262 |
| - revisions of quantity estimates | 1,963 | 1,665 | 3,628 |
| - accretion of discount | 3,810 | 514 | 4,324 |
| - net change in income taxes | (14,022) | (5,216) | (19,238) |
| - purchase of reserves in-place | 27 | | 27 |
| - sale of reserves in-place | (28) | | (28) |
| - changes in production rates (timing) and other | 2,573 | 344 | 2,917 |
| **Net increase (decrease)** | **20,229** | **3,975** | **24,204** |
| **Standardized measure of discounted future net cash flows at December 31, 2021** | **44,615** | **7,281** | **51,896** |

| (€ million) | Consolidated subsidiaries | Equity-accounted entities | Total |
| --- | --- | --- | --- |
| **2020** | | | |
| **Standardized measure of discounted future net cash flows at December 31, 2019** | **45,487** | **5,410** | **50,897** |
| Increase (decrease): | | | |
| - sales, net of production costs | (10,046) | (1,490) | (11,536) |
| - net changes in sales and transfer prices, net of production costs | (34,188) | (5,324) | (39,512) |
| - extensions, discoveries and improved recovery, net of future production and development costs | 123 | 142 | 265 |
| - changes in estimated future development and abandonment costs | 792 | (834) | (42) |
| - development costs incurred during the period that reduced future development costs | 4,147 | 1,192 | 5,339 |
| - revisions of quantity estimates | 36 | (285) | (249) |
| - accretion of discount | 7,136 | 1,065 | 8,201 |
| - net change in income taxes | 13,336 | 3,814 | 17,150 |
| - purchase of reserves in-place | | | |
| - sale of reserves in-place | | | |
| - changes in production rates (timing) and other | (2,437) | (384) | (2,821) |
| **Net increase (decrease)** | **(21,101)** | **(2,104)** | **(23,205)** |
| **Standardized measure of discounted future net cash flows at December 31, 2020** | **24,386** | **3,306** | **27,692** |

# Certification pursuant to rule 154-bis, paragraph 5 of the Legislative Decree No. 58/1998 (Testo Unico della Finanza)

1. The undersigned Claudio Descalzi and Francesco Esposito, in their quality as Chief Executive Officer and Officer responsible for the preparation of financial reports of Eni, also pursuant to article 154-bis, paragraphs 3 and 4 of Legislative Decree No. 58 of February 24, 1998, certify that internal controls over financial reporting in place for the preparation of the consolidated financial statements as of December 31, 2022 and during the period covered by the report, were:
- adequate to the Company structure, and
- effectively applied during the process of preparation of the report.

2. Internal controls over financial reporting in place for the preparation of the 2022 consolidated financial statements have been defined and the evaluation of their effectiveness has been assessed based on principles and methodologies adopted by Eni in accordance with the Internal Control-Integrated Framework Model issued by the Committee of Sponsoring Organizations of the Treadway Commission, which represents an internationally-accepted framework for the internal control system.

3. The undersigned officers also certify that:

3.1 2022 consolidated financial statements:
   a) have been prepared in accordance with applicable international accounting standards adopted by the European Community pursuant to Regulation (CE) n. 1606/2002 of the European Parliament and European Council of July 19, 2002;
   b) correspond to the accounting books and entries;
   c) fairly and truly represent the financial position, the performance and the cash flows of the issuer and the companies included in the consolidation as of, and for, the period presented in this report.

3.2 The operating and financial review provides a reliable analysis of business trends and results, including trend analysis of the issuer and the companies included in the consolidation, as well as a description of the main risks and uncertainties to which they are exposed.

March 16, 2023

/s/ Claudio Descalzi
Claudio Descalzi
Chief Executive Officer

/s/ Francesco Esposito
Francesco Esposito
Head of Accounting
and Financial Statements

# 3

# ANNEX

# ANNEX TO THE NOTES ON CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2022

## Investments owned by Eni SpA as of December 31, 2022

In accordance with the provisions of articles 38 and 39 of the Legislative Decree No. 127/1991 and Consob communication No. DEM/6064293 of July 28, 2006, the list of subsidiaries, joint arrangements and associates and significant investments owned by Eni SpA as of December 31, 2022, is presented below. Companies are divided by business segment and, within each segment, they are ordered between Italy and outside Italy and alphabetically. For each company are indicated: company name, registered head office, operating office, share capital, shareholders and percentage of ownership; for consolidated subsidiaries is indicated the equity ratio attributable to Eni; for unconsolidated investments owned by consolidated companies is indicated the valuation method. In the footnotes are indicated which investments are quoted in the Italian regulated markets or in other regulated markets of the European Union and the percentage of the ordinary voting rights entitled to shareholders if different from the percentage of ownership. The currency codes indicated are reported in accordance with the International Standard ISO 4217.
As of December 31, 2022, the breakdown of the companies owned by Eni is provided in the table below:

| | Subsidiaries | | | Joint arrangements and associates | | | Other significant investments[a] | | |
|---|---|---|---|---|---|---|---|---|---|
| | Italy | Outside Italy | Total | Italy | Outside Italy | Total | Italy | Outside Italy | Total |
| **Fully consolidated subsidiaries** | **118** | **240** | **358** | | | | | | |
| **Consolidated joint operations** | | | | **3** | **7** | **10** | | | |
| | | | | | | | | | |
| **Investments owned by consolidated companies[b]** | | | | | | | | | |
| Equity-accounted investments | 3 | 31 | 34 | 29 | 54 | 83 | | | |
| Investments at cost net of impairment losses | 5 | 3 | 8 | 3 | 25 | 28 | | | |
| Investments at fair value | | | | | | | 3 | 21 | 24 |
| | **8** | **34** | **42** | **32** | **79** | **111** | **3** | **21** | **24** |
| **Investments owned by unconsolidated companies** | | | | | | | | | |
| Owned by controlled companies | | 1 | 1 | | 4 | 4 | | | |
| Owned by joint arrangements | | | | 1 | 8 | 9 | | | |
| | | **1** | **1** | **1** | **12** | **13** | | | |
| **Total** | **126** | **275** | **401** | **36** | **98** | **134** | **3** | **21** | **24** |

(a) Relates to investments other than subsidiaries, joint arrangements and associates with an ownership interest greater than 2% for listed companies or 10% for unlisted companies.
(b) Investments in subsidiaries accounted for using the equity method and at cost net of impairment losses relate to non-significant companies.

### SUBSIDIARIES AND JOINT ARRANGEMENTS RESIDENT IN STATES OR TERRITORY WITH A PRIVILEGED TAX REGIME

The Legislative Decree of November 29, 2018, No. 241, enforcing the EU Directive rules in the matter of tax avoidance practices, modified the definition of a State or territory with a privileged tax regime pursuant to art. 47-bis of the D.P.R. December 22, 1986, No. 917. Following the aforementioned amendments and the amendments to art. 167 of the D.P.R. December 22, 1986, No. 917, the provisions regarding foreign subsidiaries, CFC, are applied if the non-resident controlled entities jointly present the following conditions: a) they are subject to an effective taxation of less than half to which they would have been subject if they were resident in Italy; b) more than one third of the proceeds fall into one or more of the following categories: interests, royalties, dividends, financial leasing income, income from insurance and banking activities, income and sale from intra-group services with low or zero added economic value.
As of December 31, 2022, Eni controls 6 companies that benefit from a privileged tax regime.
These 6 companies are subject to taxation in Italy because they are included in Eni's tax return.
No subsidiary that benefits from a privileged tax regime has issued financial instruments. All the financial statements for 2022 are subject to external audit.

# PARENT COMPANY

| Company name | Registered office | Country of operation | Currency | Share Capital | Shareholders | % Ownership |
|---|---|---|---|---|---|---|
| Eni SpA(#) | Rome | Italy | EUR | 4,005,358,876 | Cassa Depositi e Prestiti SpA<br>Ministero dell'Economia e delle Finanze<br>Eni SpA<br>Altri Soci | 26.21<br>4.41<br>6.33<br>63.05 |

# SUBSIDIARIES

## Exploration & Production

### IN ITALY

| Company name | Registered office | Country of operation | Currency | Share Capital | Shareholders | % Ownership | % Equity ratio | Consolidation or valutation method(*) |
|---|---|---|---|---|---|---|---|---|
| Eni Mediterranea Idrocarburi SpA | Gela (CL) | Italy | EUR | 5,200,000 | Eni SpA | 100.00 | 100.00 | F.C. |
| Eni Mozambique SpA | San Donato Milanese (MI) | Mozambique | EUR | 200,000 | Eni SpA | 100.00 | 100.00 | F.C. |
| Eni Natural Energies SpA | San Donato Milanese (MI) | Italy | EUR | 100,000 | Eni SpA | 100.00 | 100.00 | F.C. |
| Eni Timor Leste SpA | San Donato Milanese (MI) | East Timor | EUR | 4,386,849 | Eni SpA | 100.00 | 100.00 | F.C. |
| Eni West Africa SpA | San Donato Milanese (MI) | Angola | EUR | 1,000,000 | Eni SpA | 100.00 | | Eq. |
| Floaters SpA | San Donato Milanese (MI) | Italy | EUR | 200,120,000 | Eni SpA | 100.00 | 100.00 | F.C. |
| Ieoc SpA | San Donato Milanese (MI) | Egypt | EUR | 7,518,000 | Eni SpA | 100.00 | 100.00 | F.C. |
| Società Petrolifera Italiana SpA | San Donato Milanese (MI) | Italy | EUR | 8,034,400 | Eni SpA<br>Third parties | 99.96<br>0.04 | 99.96 | F.C. |

(*) F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value.
(#) Company with shares quoted on regulated market of Italy or of other EU countries.

## OUTSIDE ITALY

| Company name | Registered office | Country of operation | Currency | Share Capital | Shareholders | % Ownership | % Equity ratio | Consolidation or valutation method(*) |
|---|---|---|---|---|---|---|---|---|
| Agip Caspian Sea BV | Amsterdam (Netherlands) | Kazakhstan | EUR | 20,005 | Eni International BV | 100.00 | 100.00 | F.C. |
| Agip Energy and Natural Resources (Nigeria) Ltd | Abuja (Nigeria) | Nigeria | NGN | 5,000,000 | Eni International BV<br>Eni Oil Holdings BV | 95.00<br>5.00 | 100.00 | F.C. |
| Agip Karachaganak BV | Amsterdam (Netherlands) | Kazakhstan | EUR | 20,005 | Eni International BV | 100.00 | 100.00 | F.C. |
| Burren Energy (Bermuda) Ltd(1) | Hamilton (Bermuda) | United Kingdom | USD | 12,002 | Burren Energy Plc | 100.00 | 100.00 | F.C. |
| Burren Energy (Egypt) Ltd | London (United Kingdom) | Egypt | GBP | 2 | Burren Energy Plc | 100.00 | | Eq. |
| Burren Energy Congo Ltd(2) | Tortola (British Virgin Islands) | Republic of the Congo | USD | 50,000 | Burren En. (Berm) Ltd | 100.00 | 100.00 | F.C. |
| Burren Energy India Ltd | London (United Kingdom) | United Kingdom | GBP | 2 | Burren Energy Plc | 100.00 | 100.00 | F.C. |
| Burren Energy Plc | London (United Kingdom) | United Kingdom | GBP | 28,819,023 | Eni UK Holding Plc<br>Eni UK Ltd | 99.99<br>(..) | 100.00 | F.C. |
| Burren Shakti Ltd(1) | Hamilton (Bermuda) | United Kingdom | USD | 213,138 | Burren En. India Ltd | 100.00 | 100.00 | F.C. |
| Eni Abu Dhabi BV(3) | Amsterdam (Netherlands) | United Arab Emirates | EUR | 20,000 | Eni International BV | 100.00 | 100.00 | F.C. |
| Eni Albania BV | Amsterdam (Netherlands) | Albania | EUR | 20,000 | Eni International BV | 100.00 | 100.00 | F.C. |
| Eni Algeria Exploration BV | Amsterdam (Netherlands) | Algeria | EUR | 20,000 | Eni International BV | 100.00 | 100.00 | F.C. |
| Eni Algeria Ltd Sàrl | Luxembourg (Luxembourg) | Algeria | USD | 20,000 | Eni Oil Holdings BV | 100.00 | 100.00 | F.C. |
| Eni Algeria Production BV | Amsterdam (Netherlands) | Algeria | EUR | 20,000 | Eni International BV | 100.00 | 100.00 | F.C. |
| Eni Ambalat Ltd | London (United Kingdom) | Indonesia | GBP | 1 | Eni Indonesia Ltd | 100.00 | 100.00 | F.C. |
| Eni America Ltd | Dover (USA) | USA | USD | 72,000 | Eni UHL Ltd | 100.00 | 100.00 | F.C. |
| Eni Argentina Exploración y Explotación SA | Buenos Aires (Argentina) | Argentina | ARS | 31,997,266 | Eni International BV<br>Eni Oil Holdings BV | 95.00<br>5.00 | 100.00 | F.C. |
| Eni Arguni I Ltd | London (United Kingdom) | Indonesia | GBP | 1 | Eni Indonesia Ltd | 100.00 | 100.00 | F.C. |
| Eni Australia BV | Amsterdam (Netherlands) | Australia | EUR | 20,000 | Eni International BV | 100.00 | 100.00 | F.C. |
| Eni Australia Ltd | London (United Kingdom) | Australia | GBP | 20,000,000 | Eni International BV | 100.00 | 100.00 | F.C. |
| Eni Bahrain BV | Amsterdam (Netherlands) | Bahrain | EUR | 20,000 | Eni International BV | 100.00 | 100.00 | F.C. |
| Eni BB Petroleum Inc | Dover (USA) | USA | USD | 1,000 | Eni Petroleum Co Inc | 100.00 | 100.00 | F.C. |

(*) F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value.
(1) Company that benefits from a privileged tax regime pursuant to art. 167, paragraph 4 of the D.P.R. of December 22, 1986, n. 917: the income attributable to the Group is subject to taxation in Italy.
(2) Company that does not benefit from a privileged tax regime pursuant to art. 167, paragraph 4 of the D.P.R. of December 22, 1986, n. 917: the company operates with permanent establishment in Congo and the tax rate is not lower than 50% of that current in Italy.
3) Company that does not benefit from a privileged tax regime pursuant to art. 167, paragraph 4 of the D.P.R. of December 22, 1986, n. 917: the company operates with permanent establishment in the United Arab Emirates and the nominal tax rate is not lower than 50% of that current in Italy.

| Company name | Registered office | Country of operation | Currency | Share Capital | Shareholders | % Ownership | % Equity ratio | Consolidation or valutation method(*) |
|---|---|---|---|---|---|---|---|---|
| Eni BTC Ltd | London (United Kingdom) | (United Kingdom) | GBP | 1 | Eni International BV | 100.00 | | Eq. |
| Eni Bukat Ltd | (United Kingdom) | Indonesia | GBP | 1 | Eni Indonesia Ltd | 100.00 | 100.00 | F.C. |
| Eni Canada Holding Ltd | Calgary (Canada) | Canada | USD | 3,938,200,001 | Eni International BV | 100.00 | 100.00 | F.C. |
| Eni CBM Ltd | London (United Kingdom) | Indonesia | USD | 2,210,728 | Eni Lasmo Plc | 100.00 | | Eq. |
| Eni China BV | Amsterdam (Netherlands) | China | EUR | 20,000 | Eni International BV | 100.00 | 100.00 | F.C. |
| Eni Congo SA | Pointe-Noire (Republic of the Congo) | Republic of the Congo | USD | 500,000 | Eni E&P Holding BV | 100.00 | 100.00 | F.C. |
| Eni Côte d'Ivoire Ltd | London (United Kingdom) | Ivory Coast | GBP | 1 | Eni Lasmo Plc | 100.00 | 100.00 | F.C. |
| Eni Cyprus Ltd | Nicosia (Cyprus) | Cyprus | EUR | 2,009 | Eni International BV | 100.00 | 100.00 | F.C. |
| Eni do Brasil Investimentos em Exploração e Produção de Petróleo Ltda | Rio de Janeiro (Brazil) | Brazil | BRL | 1,593,415,000 | Eni International BV<br>Eni Oil Holdings BV | 99.99<br>(..) | | Eq. |
| Eni East Ganal Ltd | London (United Kingdom) | Indonesia | GBP | 1 | Eni Indonesia Ltd | 100.00 | 100.00 | F.C. |
| Eni East Sepinggan Ltd | London (United Kingdom) | Indonesia | GBP | 1 | Eni Indonesia Ltd | 100.00 | 100.00 | F.C. |
| Eni Elgin/Franklin Ltd | London (United Kingdom) | United Kingdom | GBP | 100 | Eni UK Ltd | 100.00 | 100.00 | F.C. |
| Eni Energy Russia BV | Amsterdam (Netherlands) | Netherlands | EUR | 20,000 | Eni International BV | 100.00 | 100.00 | F.C. |
| Eni Exploration & Production Holding BV | Amsterdam (Netherlands) | Netherlands | EUR | 29,832,777.12 | Eni International BV | 100.00 | 100.00 | F.C. |
| Eni Gabon SA | Libreville (Gabon) | Gabon | XAF | 57,088,000,000 | Eni International BV | 100.00 | 100.00 | F.C. |
| Eni Ganal Ltd | London (United Kingdom) | Indonesia | GBP | 2 | Eni Indonesia Ltd | 100.00 | 100.00 | F.C. |
| Eni Gas & Power LNG Australia BV | Amsterdam (Netherlands) | Australia | EUR | 1,013,439 | Eni International BV | 100.00 | 100.00 | F.C. |
| Eni Ghana Exploration and Production Ltd | Accra (Ghana) | Ghana | GHS | 21,412,500 | Eni International BV | 100.00 | 100.00 | F.C. |
| Eni Hewett Ltd | Aberdeen (United Kingdom) | United Kingdom | GBP | 3,036,000 | Eni UK Ltd | 100.00 | 100.00 | F.C. |
| Eni Hydrocarbons Venezuela Ltd | London (United Kingdom) | Venezuela | GBP | 8,050,500 | Eni Lasmo Plc | 100.00 | | Eq. |
| Eni India Ltd | London (United Kingdom) | India | GBP | 44,000,000 | Eni Lasmo Plc | 100.00 | | Eq. |
| Eni Indonesia Ltd | London (United Kingdom) | Indonesia | GBP | 100 | Eni ULX Ltd | 100.00 | 100.00 | F.C. |

(*) F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value.
(4) Company that does not benefit from a privileged tax regime pursuant to art. 167, paragraph 4 of the D.P.R. of December 22, 1986, n. 917: the company is fiscally resident in the United Kingdom and operates with a permanent establishment in Indonesia with a tax rate not lower than 50% of that current in Italy.

| Company name | Registered office | Country of operation | Currency | Share Capital | Shareholders | % Ownership | % Equity ratio | Consolidation or valutation method(*) |
|---|---|---|---|---|---|---|---|---|
| **Eni Indonesia Ots 1 Ltd**[(4)] | Grand Cayman (Cayman Islands) | Indonesia | USD | 1.01 | Eni Indonesia Ltd | 100.00 | 100.00 | F.C. |
| **Eni International NA NV Sàrl** | Luxembourg (Luxembourg) | United Kingdom | USD | 25,000 | Eni International BV | 100.00 | 100.00 | F.C. |
| **Eni Investments Plc** | London (United Kingdom) | United Kingdom | GBP | 750,050,000 | Eni SpA<br>Eni UK Ltd | 99.99<br>(..) | 100.00 | F.C. |
| **Eni Iran BV** | Amsterdam (Netherlands) | Iran | EUR | 20,000 | Eni International BV | 100.00 | | Eq. |
| **Eni Iraq BV** | Amsterdam (Netherlands) | Iraq | EUR | 20,000 | Eni International BV | 100.00 | 100.00 | F.C. |
| **Eni Ireland BV** | Amsterdam (Netherlands) | Ireland | EUR | 20,000 | Eni International BV | 100.00 | 100.00 | F.C. |
| **Eni Isatay BV** | Amsterdam (Netherlands) | Kazakhstan | EUR | 20,000 | Eni International BV | 100.00 | 100.00 | F.C. |
| **Eni JPDA 03-13 Ltd** | London (United Kingdom) | Australia | GBP | 250,000 | Eni International BV | 100.00 | 100.00 | F.C. |
| **Eni JPDA 06-105 Pty Ltd** | Perth (Australia) | Australia | AUD | 80,830,576 | Eni International BV | 100.00 | 100.00 | F.C. |
| **Eni JPDA 11-106 BV** | Amsterdam (Netherlands) | Australia | EUR | 50,000 | Eni International BV | 100.00 | 100.00 | F.C. |
| **Eni Kenya BV** | Amsterdam (Netherlands) | Kenya | EUR | 20,000 | Eni International BV | 100.00 | 100.00 | F.C. |
| **Eni Krueng Mane Ltd** | London (United Kingdom) | Indonesia | GBP | 2 | Eni Indonesia Ltd | 100.00 | 100.00 | F.C. |
| **Eni Lasmo Plc** | London (United Kingdom) | United Kingdom | GBP | 337,638,724.25 | Eni Investments Plc<br>Eni UK Ltd | 99.99<br>(..) | 100.00 | F.C. |
| **Eni Lebanon BV** | Amsterdam (Netherlands) | Lebanon | EUR | 20,000 | Eni International BV | 100.00 | 100.00 | F.C. |
| **Eni Liverpool Bay Operating Co Ltd** | London (United Kingdom) | United Kingdom | GBP | 1 | Eni UK Ltd | 100.00 | | Eq. |
| **Eni LNS Ltd** | London (United Kingdom) | United Kingdom | GBP | 1 | Eni UK Ltd | 100.00 | 100.00 | F.C. |
| **Eni Marketing Inc** | Dover (USA) | USA | USD | 1,000 | Eni Petroleum Co Inc | 100.00 | 100.00 | F.C. |
| **Eni Maroc BV** | Amsterdam (Netherlands) | Marocco | EUR | 20,000 | Eni International BV | 100.00 | 100.00 | F.C. |
| **Eni México S. de RL de CV** | Mexico City (Mexico) | Mexico | MXN | 3,000 | Eni International BV<br>Eni Oil Holdings BV | 99.90<br>0.10 | 100.00 | F.C. |
| **Eni Middle East Ltd** | London (United Kingdom) | United Kingdom | GBP | 1 | Eni ULT Ltd | 100.00 | 100.00 | F.C. |
| **Eni MOG Ltd** (in liquidation) | London (United Kingdom) | United Kingdom | GBP | 0[(a)] | Eni Lasmo Plc<br>Eni LNS Ltd | 99.99<br>(..) | 100.00 | F.C. |
| **Eni Montenegro BV** | Amsterdam (Netherlands) | Republic of Montenegro | EUR | 20,000 | Eni International BV | 100.00 | 100.00 | F.C. |
| **Eni Mozambique Engineering Ltd** | London (United Kingdom) | United Kingdom | GBP | 1 | Eni Lasmo Plc | 100.00 | | Eq. |
| **Eni Mozambique LNG Holding BV** | Amsterdam (Netherlands) | Netherlands | EUR | 20,000 | Eni International BV | 100.00 | 100.00 | F.C. |

(*) F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value.
(a) Shares without nominal value.

| Company name | Registered office | Country of operation | Currency | Share Capital | Shareholders | % Ownership | % Equity ratio | Consolidation or valutation method(*) |
|---|---|---|---|---|---|---|---|---|
| Eni Muara Bakau BV | Amsterdam (Netherlands) | Indonesia | EUR | 20,000 | Eni International BV | 100.00 | 100.00 | F.C. |
| Eni Myanmar BV | Amsterdam (Netherlands) | Myanmar | EUR | 20,000 | Eni International BV | 100.00 | 100.00 | F.C. |
| Eni New Energy Egypt SAE | Cairo (Egypt) | Egypt | EGP | 250,000 | Eni International BV<br>Ieoc Exploration BV<br>Ieoc Production BV | 99.98<br>0.01<br>0.01 | | Eq. |
| Eni North Africa BV | Amsterdam (Netherlands) | Libya | EUR | 20,000 | Eni International BV | 100.00 | 100.00 | F.C. |
| Eni North Ganal Ltd | London (United Kingdom) | Indonesia | GBP | 1 | Eni Indonesia Ltd | 100.00 | 100.00 | F.C. |
| Eni Oil & Gas Inc | Dover (USA) | USA | USD | 100,800 | Eni America Ltd | 100.00 | 100.00 | F.C. |
| Eni Oil Algeria Ltd | London (United Kingdom) | Algeria | GBP | 1,000 | Eni Lasmo Plc | 100.00 | 100.00 | F.C. |
| Eni Oil Holdings BV | Amsterdam (Netherlands) | Netherlands | EUR | 450,000 | Eni ULX Ltd | 100.00 | 100.00 | F.C. |
| Eni Oman BV | Amsterdam (Netherlands) | Oman | EUR | 20,000 | Eni International BV | 100.00 | 100.00 | F.C. |
| Eni Petroleum Co Inc | Dover (USA) | USA | USD | 156,600,000 | Eni SpA<br>Eni International BV | 63.86<br>36.14 | 100.00 | F.C. |
| Eni Petroleum US Llc | Dover (USA) | USA | USD | 1,000 | Eni BB Petroleum Inc | 100.00 | 100.00 | F.C. |
| Eni Qatar BV | Amsterdam (Netherlands) | Qatar | EUR | 20,000 | Eni International BV | 100.00 | 100.00 | F.C. |
| Eni RAK BV(5) | Amsterdam (Netherlands) | United Arab Emirates | EUR | 20,000 | Eni International BV | 100.00 | 100.00 | F.C. |
| Eni Rapak Ltd | London (United Kingdom) | Indonesia | GBP | 2 | Eni Indonesia Ltd | 100.00 | 100.00 | F.C. |
| Eni RD Congo SA | Kinshasa (Democratic Republic of the Congo) | Democratic Republic of the Congo | CDF | 750,000,000 | Eni International BV<br>Eni Oil Holdings BV | 99.99<br>(..) | | Eq. |
| Eni Rovuma Basin BV | Amsterdam (Netherlands) | Mozambique | EUR | 20,000 | Eni Mozambique LNG H. BV | 100.00 | 100.00 | F.C. |
| Eni Sharjah BV(5) | Amsterdam (Netherlands) | United Arab Emirates | EUR | 20,000 | Eni International BV | 100.00 | 100.00 | F.C. |
| Eni South Africa BV | Amsterdam (Netherlands) | Republic of South Africa | EUR | 20,000 | Eni International BV | 100.00 | | Eq. |
| Eni South China Sea Ltd Sàrl | Luxembourg (Luxembourg) | China | USD | 20,000 | Eni International BV | 100.00 | | Eq. |
| Eni TNS Ltd | Aberdeen (United Kingdom) | United Kingdom | GBP | 1,000 | Eni UK Ltd | 100.00 | 100.00 | F.C. |
| Eni Tunisia BV | Amsterdam (Netherlands) | Tunisia | EUR | 20,000 | Eni International BV | 100.00 | 100.00 | F.C. |
| Eni Turkmenistan Ltd(6) | Hamilton (Bermuda) | Turkmenistan | USD | 20,000 | Burren En. (Berm) Ltd | 100.00 | 100.00 | F.C. |

(*) F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value.
(5) Company that does not benefit from a privileged tax regime pursuant to art. 167, paragraph 4 of the D.P.R. of December 22, 1986, n.917: the company operates with a permanent establishment in the United Arab Emirates and carries out an effective economic activity.
(6) Company that does not benefit from a privileged tax regime pursuant to art. 167, paragraph 4 of the D.P.R. of December 22, 1986, n. 917: the company operates with permanent establishment in Turkmenistan and the nominal tax rate is not lower than 50% of that current in Italy.

| Company name | Registered office | Country of operation | Currency | Share Capital | Shareholders | % Ownership | % Equity ratio | Consolidation or valuation method(*) |
|---|---|---|---|---|---|---|---|---|
| Eni UHL Ltd | London (United Kingdom) | United Kingdom | GBP | 1 | Eni ULT Ltd | 100.00 | 100.00 | F.C. |
| Eni UK Holding Plc | London (United Kingdom) | United Kingdom | GBP | 424,050,000 | Eni Lasmo Plc<br>Eni UK Ltd | 99.99<br>(..) | 100.00 | F.C. |
| Eni UK Ltd | London (United Kingdom) | United Kingdom | GBP | 50,000,000 | Eni International BV | 100.00 | 100.00 | F.C. |
| Eni UKCS Ltd | London (United Kingdom) | United Kingdom | GBP | 100 | Eni UK Ltd | 100.00 | 100.00 | F.C. |
| Eni Ukraine Holdings BV | Amsterdam (Netherlands) | Netherlands | EUR | 20,000 | Eni International BV | 100.00 | | Eq. |
| Eni Ukraine Llc (in liquidation) | Kiev (Ukraine) | Ukraine | UAH | 98,419,627.51 | Eni Ukraine Hold. BV<br>Eni International BV | 99.99<br>0.01 | | |
| Eni ULT Ltd | London (United Kingdom) | United Kingdom | GBP | 93,215,492.25 | Eni Lasmo Plc | 100.00 | 100.00 | F.C. |
| Eni ULX Ltd | London (United Kingdom) | United Kingdom | GBP | 200,010,000 | Eni ULT Ltd | 100.00 | 100.00 | F.C. |
| Eni US Operating Co Inc | Dover (USA) | USA | USD | 1,000 | Eni Petroleum Co Inc | 100.00 | 100.00 | F.C. |
| Eni USA Gas Marketing Llc | Dover (USA) | USA | USD | 10,000 | Eni Marketing Inc | 100.00 | 100.00 | F.C. |
| Eni USA Inc | Dover (USA) | USA | USD | 1,000 | Eni Oil & Gas Inc | 100.00 | 100.00 | F.C. |
| Eni Venezuela BV | Amsterdam (Netherlands) | Venezuela | EUR | 20,000 | Eni Venezuela E&P H. | 100.00 | 100.00 | F.C. |
| Eni Venezuela E&P Holding SA | Bruxelles (Belgium) | Belgium | USD | 254,443,200 | Eni International BV<br>Eni Oil Holdings BV | 99.99<br>(..) | 100.00 | F.C. |
| Eni Vietnam BV | Amsterdam (Netherlands) | Vietnam | EUR | 20,000 | Eni International BV | 100.00 | 100.00 | F.C. |
| Eni West Ganal Ltd | London (United Kingdom) | Indonesia | GBP | 1 | Eni Indonesia Ltd | 100.00 | 100.00 | F.C. |
| Eni West Timor Ltd | London (United Kingdom) | Indonesia | GBP | 1 | Eni Indonesia Ltd | 100.00 | 100.00 | F.C. |
| Eni Yemen Ltd | London (United Kingdom) | United Kingdom | GBP | 1,000 | Burren Energy Plc | 100.00 | | Eq. |
| Eurl Eni Algérie | Algeri (Algeria) | Algeria | DZD | 1,000,000 | Eni Algeria Ltd Sàrl | 100.00 | | Eq. |
| Export LNG Ltd | Hong Kong (Hong Kong) | Republic of the Congo | USD | 322,325,000 | Eni SpA | 100.00 | 100.00 | F.C. |
| First Calgary Petroleums LP | Wilmington (USA) | Algeria | USD | 1 | Eni Canada Hold. Ltd<br>FCP Partner Co ULC | 99.99<br>0.01 | 100.00 | F.C. |
| First Calgary Petroleums Partner Co ULC | Calgary (Canada) | Canada | CAD | 10 | Eni Canada Hold. Ltd | 100.00 | 100.00 | F.C. |
| Ieoc Exploration BV | Amsterdam (Netherlands) | Egypt | EUR | 20,000 | Eni International BV | 100.00 | | Eq. |
| Ieoc Production BV | Amsterdam (Netherlands) | Egypt | EUR | 20,000 | Eni International BV | 100.00 | 100.00 | F.C. |
| Lasmo Sanga Sanga Ltd(7) | Hamilton (Bermuda) | Indonesia | USD | 12,000 | Eni Lasmo Plc | 100.00 | 100.00 | F.C. |

(*) F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value.
(7) Company that does not benefit from a privileged tax regime pursuant to art. 167, paragraph 4 of the D.P.R. of December 22, 1986, n. 917: the company is fiscally resident in the United Kingdom and operates with permanent establishment in Indonesia and the nominal tax rate is not lower than 50% of that current in Italy.

| Company name | Registered office | Country of operation | Currency | Share Capital | Shareholders | % Ownership | % Equity ratio | Consolidation or valutation method(*) |
|---|---|---|---|---|---|---|---|---|
| Liverpool Bay CCS Ltd | London (United Kingdom) | United Kingdom | GBP | 10,000 | Eni UK Ltd | 100.00 | | Eq. |
| Liverpool Bay Ltd | London (United Kingdom) | United Kingdom | USD | 1 | Eni ULX Ltd | 100.00 | | Eq. |
| LLC "Eni Energhia" | Moscow (Russia) | Russia | RUB | 2,000,000 | Eni Energy Russia BV<br>Eni Oil Holdings BV | 99.90<br>0.10 | | Eq. |
| Mizamtec Operating Company S. de RL de CV | Mexico City (Mexico) | Mexico | MXN | 3,000 | Eni US Op. Co Inc<br>Eni Petroleum Co Inc | 99.90<br>0.10 | | Eq. |
| Nigerian Agip CPFA Ltd | Lagos (Nigeria) | Nigeria | NGN | 1,262,500 | NAOC Ltd<br>Agip En Nat Res. Ltd<br>Nigerian Agip E. Ltd | 98.02<br>0.99<br>0.99 | | Co. |
| Nigerian Agip Exploration Ltd | Abuja (Nigeria) | Nigeria | NGN | 5,000,000 | Eni International BV<br>Eni Oil Holdings BV | 99.99<br>0.01 | 100.00 | F.C. |
| Nigerian Agip Oil Co Ltd | Abuja (Nigeria) | Nigeria | NGN | 1,800,000 | Eni International BV<br>Eni Oil Holdings BV | 99.89<br>0.11 | 100.00 | F.C. |
| Zetah Congo Ltd(8) | Nassau (Bahamas) | Republic of the Congo | USD | 300 | Eni Congo SA<br>Burren En. Congo Ltd | 66.67<br>33.33 | | Co. |
| Zetah Kouilou Ltd(8) | Nassau (Bahamas) | Republic of the Congo | USD | 2,000 | Eni Congo SA<br>Burren En. Congo Ltd<br>Third parties | 54.50<br>37.00<br>8.50 | | Co. |

(*) F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value.
(8) Company that benefits from a privileged tax regime pursuant to art. 167, paragraph 4 of the D.P.R. of December 22, 1986, n. 917: the income attributable to the Group is subject to taxation in Italy.

# Global Gas & LNG Portfolio

## IN ITALY

| Company name | Registered office | Country of operation | Currency | Share Capital | Shareholders | % Ownership | % Equity ratio | Consolidation or valutation method(*) |
|---|---|---|---|---|---|---|---|---|
| Eni Corridor Srl | San Donato Milanese (MI) | Italy | EUR | 100,000,000 | Eni SpA | 100.00 | 100.00 | F.C. |
| Eni Gas Transport Services Srl | San Donato Milanese (MI) | Italy | EUR | 120,000 | Eni SpA | 100.00 | | Co. |
| Eni Global Energy Markets SpA | Rome | Italy | EUR | 41,233,720 | Eni SpA | 100.00 | 100.00 | F.C. |
| LNG Shipping SpA | San Donato Milanese (MI) | Italy | EUR | 240,900,000 | Eni SpA | 100.00 | 100.00 | F.C. |
| Trans Tunisian Pipeline Co SpA | San Donato Milanese (MI) | Tunisia | EUR | 1,098,000 | Eni Corridor Srl | 100.00 | 100.00 | F.C. |

## OUTSIDE ITALY

| Company name | Registered office | Country of operation | Currency | Share Capital | Shareholders | % Ownership | % Equity ratio | Consolidation or valutation method(*) |
|---|---|---|---|---|---|---|---|---|
| Eni España Comercializadora de Gas SAU | Madrid (Spain) | Spain | EUR | 2,340,240 | Eni SpA | 100.00 | 100.00 | F.C. |
| Eni G&P Trading BV | Amsterdam (Netherlands) | Turkey | EUR | 70,000 | Eni International BV | 100.00 | 100.00 | F.C. |
| Eni Gas Liquefaction BV | Amsterdam (Netherlands) | Netherlands | EUR | 20,000 | Eni International BV | 100.00 | 100.00 | F.C. |
| Société de Service du Gazoduc Transtunisien SA - Sergaz SA | Tunis (Tunisia) | Tunisia | TND | 99,000 | Eni Corridor Srl<br>Third parties | 66.67<br>33.33 | 66.67 | F.C. |
| Société pour la Construction du Gazoduc Transtunisien SA - Scogat SA | Tunis (Tunisia) | Tunisia | TND | 200,000 | Eni Corridor Srl<br>Trans Tunis. P. Co SpA | 99.95<br>0.05 | 100.00 | F.C. |

(*) F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value.

# Refining & Marketing and Chemical

## Refining & Marketing

### IN ITALY

| Company name | Registered office | Country of operation | Currency | Share Capital | Shareholders | % Ownership | % Equity ratio | Consolidation or valutation method(*) |
|---|---|---|---|---|---|---|---|---|
| Ecofuel SpA | San Donato Milanese (MI) | Italy | EUR | 52,000,000 | Eni SpA | 100.00 | 100.00 | F.C. |
| EniBioCh4in Alexandria Srl Società Agricola | San Donato Milanese (MI) | Italy | EUR | 50,000 | EniBioCh4in SpA<br>Third parties | 70.00<br>30.00 | 70.00 | F.C. |
| EniBioCh4in Aprilia Srl | San Donato Milanese (MI) | Italy | EUR | 10,000 | EniBioCh4in SpA | 100.00 | 100.00 | F.C. |
| EniBioCh4in Grupellum Società Agricola Srl | San Donato Milanese (MI) | Italy | EUR | 100,000 | EniBioCh4in SpA<br>Third parties | 98.00<br>2.00 | 98.00 | F.C. |
| EniBioCh4in Jonica Srl | San Donato Milanese (MI) | Italy | EUR | 20,000 | EniBioCh4in SpA | 100.00 | 100.00 | F.C. |
| EniBioCh4in Momo Società Agricola Srl | San Donato Milanese (MI) | Italy | EUR | 20,000 | EniBioCh4in SpA<br>Third parties | 95.00<br>5.00 | 95.00 | F.C. |
| EniBioCh4in Pannellia BioGas Srl Società Agricola | San Donato Milanese (MI) | Italy | EUR | 50,000 | EniBioCh4in SpA | 100.00 | 100.00 | F.C. |
| EniBioCh4in Quadruvium Srl Società Agricola | San Donato Milanese (MI) | Italy | EUR | 100,000 | EniBioCh4in SpA | 100.00 | 100.00 | F.C. |
| EniBioCh4in Service BioGas Srl | San Donato Milanese (MI) | Italy | EUR | 50,000 | EniBioCh4in SpA | 100.00 | 100.00 | F.C. |
| EniBioCh4in Società Agricola Il Bue Srl | San Donato Milanese (MI) | Italy | EUR | 10,000 | EniBioCh4in SpA | 100.00 | 100.00 | F.C. |
| EniBioCh4in SpA | San Donato Milanese (MI) | Italy | EUR | 2,500,000 | Eni Sust. Mobility SpA | 100.00 | 100.00 | F.C. |
| Eni Fuel SpA | Rome | Italy | EUR | 59,944,310 | Eni SpA | 100.00 | 100.00 | F.C. |
| Eni Sustainable Mobility SpA (ex Eni4Cities SpA) | Rome | Italy | EUR | 39,450,000 | Eni SpA | 100.00 | 100.00 | F.C. |
| Eni Trade & Biofuels SpA | Rome | Italy | EUR | 22,568,759 | Eni SpA | 100.00 | 100.00 | F.C. |
| Petroven Srl | Genova | Italy | EUR | 918,520 | Ecofuel SpA | 100.00 | 100.00 | F.C. |
| Po' Energia Srl Società Agricola | Bolzano | Italy | EUR | 10,000 | EniBioCh4in SpA | 100.00 | 100.00 | F.C. |
| Raffineria di Gela SpA | Gela (CL) | Italy | EUR | 15,000,000 | Eni SpA | 100.00 | 100.00 | F.C. |
| SeaPad SpA | Genova | Italy | EUR | 12,400,000 | Ecofuel SpA<br>Third parties | 80.00<br>20.00 | | Eq. |
| Servizi Fondo Bombole Metano SpA | Rome | Italy | EUR | 13,580,000.20 | Eni SpA | 100.00 | | Co. |

(*) F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value.

## OUTSIDE ITALY

| Company name | Registered office | Country of operation | Currency | Share Capital | Shareholders | % Ownership | % Equity ratio | Consolidation or valutation method(*) |
|---|---|---|---|---|---|---|---|---|
| Eni Abu Dhabi Refining & Trading BV | Amsterdam (Netherlands) | Netherlands | EUR | 20,000 | Eni International BV | 100.00 | 100.00 | F.C. |
| Eni Abu Dhabi Refining & Trading Services BV | Amsterdam (Netherlands) | United Arab Emirates | EUR | 20,000 | Eni Abu Dhabi R&T BV | 100.00 | | Eq. |
| Eni Austria GmbH | Wien (Austria) | Austria | EUR | 78,500,000 | Eni Sust. Mobility SpA<br>Eni Deutsch. GmbH | 75.00<br>25.00 | 100.00 | F.C. |
| Eni Benelux BV | Rotterdam (Netherlands) | Netherlands | EUR | 1,934,040 | Eni Sust. Mobility SpA | 100.00 | 100.00 | F.C. |
| Eni Deutschland GmbH | Munich (Germany) | Germany | EUR | 90,000,000 | Eni International BV<br>Eni Oil Holdings BV | 89.00<br>11.00 | 100.00 | F.C. |
| Eni Ecuador SA | Quito (Ecuador) | Ecuador | USD | 103,142.08 | Eni International BV<br>Esain SA | 99.93<br>0.07 | 100.00 | F.C. |
| Eni Energy (Shanghai) Co Ltd | Shanghai (China) | China | EUR | 5,000,000 | Eni International BV | 100.00 | 100.00 | F.C. |
| Eni France Sàrl | Lione (France) | France | EUR | 56,800,000 | Eni International BV | 100.00 | 100.00 | F.C. |
| Eni Iberia SLU | Alcobendas (Spain) | Spain | EUR | 17,299,100 | Eni Sust. Mobility SpA | 100.00 | 100.00 | F.C. |
| Eni Marketing Austria GmbH | Wien (Austria) | Austria | EUR | 19,621,665.23 | Eni Mineralölh. GmbH<br>Eni Sust. Mobility SpA | 99.99<br>(..) | 100.00 | F.C. |
| Eni Mineralölhandel GmbH | Wien (Austria) | Austria | EUR | 34,156,232.06 | Eni Austria GmbH | 100.00 | 100.00 | F.C. |
| Eni Schmiertechnik GmbH | Wurzburg (Germany) | Germany | EUR | 2,000,000 | Eni Deutsch. GmbH | 100.00 | 100.00 | F.C. |
| Eni Suisse SA | Losanna (Switzerland) | Switzerland | CHF | 102,500,000 | Eni International BV | 100.00 | 100.00 | F.C. |
| Eni Trading & Shipping Inc | Dover (USA) | USA | USD | 1,000,000 | ET&B SpA | 100.00 | 100.00 | F.C. |
| Eni Transporte y Suministro México S. de RL de CV | Mexico City (Mexico) | Mexico | MXN | 3,000 | Eni International BV<br>Eni Oil Holdings BV | 99.90<br>0.10 | 100.00 | F.C. |
| Eni USA R&M Co Inc | Wilmington (USA) | USA | USD | 11,000,000 | Eni International BV | 100.00 | | Eq. |
| Esacontrol SA | Quito (Ecuador) | Ecuador | USD | 60,000 | Eni Ecuador SA<br>Third parties | 87.00<br>13.00 | | Eq. |
| Esain SA | Quito (Ecuador) | Ecuador | USD | 30,000 | Eni Ecuador SA<br>Tecnoesa SA | 99.99<br>(..) | 100.00 | F.C. |
| Oléoduc du Rhône SA | Bovernier (Switzerland) | Switzerland | CHF | 7,000,000 | Eni International BV | 100.00 | | Eq. |
| Tecnoesa SA | Quito (Ecuador) | Ecuador | USD | 36,000 | Eni Ecuador SA<br>Esain SA | 99.99<br>(..) | | Eq. |

(*) F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value.

# Chemical

## IN ITALY

| Company name | Registered office | Country of operation | Currency | Share Capital | Shareholders | % Ownership | % Equity ratio | Consolidation or valutation method(*) |
|---|---|---|---|---|---|---|---|---|
| **Versalis SpA** | San Donato Milanese (MI) | Italy | EUR | 446,050,728.65 | Eni SpA | 100.00 | 100.00 | F.C. |
| **Finproject SpA** | Morrovalle (MC) | Italy | EUR | 18,500,000 | Versalis SpA | 100.00 | 100.00 | F.C. |

## OUTSIDE ITALY

| Company name | Registered office | Country of operation | Currency | Share Capital | Shareholders | % Ownership | % Equity ratio | Consolidation or valutation method(*) |
|---|---|---|---|---|---|---|---|---|
| **Asian Compounds Ltd** | Hong Kong (Hong Kong) | Hong Kong | HKD | 1,000 | Finproject Asia Ltd | 100.00 | 100.00 | F.C. |
| **Dunastyr Polisztirolgyártó Zártkörûen Mûködõ Részvénytársaság** | Budapest (Hungary) | Hungary | HUF | 1,577,971,200 | Versalis SpA<br>Versalis Deutschland GmbH<br>Versalis International SA | 96.34<br>1.83<br>1.83 | 100.00 | F.C. |
| **Finproject Asia Ltd**(9) | Hong Kong (Hong Kong) | Hong Kong | USD | 1,000 | Finproject SpA | 100.00 | 100.00 | F.C. |
| **Finproject Brasil Industria De Solados Eireli** | Franca (Brazil) | Brazil | BRL | 1,000,000 | Finproject SpA | 100.00 | 100.00 | F.C. |
| **Finproject Guangzhou Trading Co Ltd** | Guangzhou (China) | China | USD | 180,000 | Finproject SpA | 100.00 | 100.00 | F.C. |
| **Finproject India Pvt Ltd** | Jaipur (India) | India | INR | 100,000,000 | Asian Compounds Ltd<br>Finproject Asia Ltd | 99.00<br>1.00 | 100.00 | F.C. |
| **Finproject Romania Srl** | Valea Lui Mihai (Romania) | Romania | RON | 67,730 | Finproject SpA | 100.00 | 100.00 | F.C. |
| **Finproject Singapore Pte Ltd** | Singapore (Singapore) | Singapore | SGD | 100 | Finproject Asia Ltd | 100.00 | 100.00 | F.C. |
| **Finproject Viet Nam Company Limited** | Hai Phong (Vietnam) | Vietnam | VND | 19,623,250,000 | Finproject Asia Ltd | 100.00 | 100.00 | F.C. |
| **Foam Creations (2008) Inc** | Quebec City (Canada) | Canada | CAD | 1,215,000 | Finproject SpA | 100.00 | 100.00 | F.C. |
| **Foam Creations México SA de CV** | León (Mexico) | Mexico | MXN | 19,138,165 | Foam Creations (2008)<br>Finproject SpA | 99.99<br>(..) | 100.00 | F.C. |

(*) F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value.
(9) Company that benefits from a privileged tax regime pursuant to art. 167, paragraph 4 of the D.P.R. of December 22, 1986, n. 917: the income attributable to the Group is subject to taxation in Italy.

| Company name | Registered office | Country of operation | Currency | Share Capital | Shareholders | % Ownership | % Equity ratio | Consolidation or valutation method(*) |
|---|---|---|---|---|---|---|---|---|
| **Padanaplast America Llc** | Wilmington (USA) | USA | USD | 70,000 | Finproject SpA | 100.00 | 100.00 | F.C. |
| **Padanaplast Deutschland GmbH** | Hannover (Germany) | Germany | EUR | 25,000 | Finproject SpA | 100.00 | 100.00 | F.C. |
| **Versalis Americas Inc** | Dover (USA) | USA | USD | 100,000 | Versalis International SA | 100.00 | 100.00 | F.C. |
| **Versalis Congo Sarlu** | Pointe-Noire (Republic of the Congo) | Republic of the Congo | XAF | 1,000,000 | Versalis International SA | 100.00 | 100.00 | F.C. |
| **Versalis Deutschland GmbH** | Eschborn (Germany) | Germany | EUR | 100,000 | Versalis SpA | 100.00 | 100.00 | F.C. |
| **Versalis France SAS** | Mardyck (France) | France | EUR | 126,115,582.90 | Versalis SpA | 100.00 | 100.00 | F.C. |
| **Versalis International SA** | Bruxelles (Belgium) | Belgium | EUR | 15,449,173.88 | Versalis SpA<br>Versalis Deutsch. GmbH<br>Dunastyr Zrt<br>Versalis France | 59.00<br>23.71<br>14.43<br>2.86 | 100.00 | F.C. |
| **Versalis Kimya Ticaret Limited Sirketi** | Istanbul (Turkey) | Turkey | TRY | 20,000 | Versalis International SA | 100.00 | 100.00 | F.C. |
| **Versalis México S. de RL de CV** | Mexico City (Mexico) | Mexico | MXN | 1,000 | Versalis International SA<br>Versalis SpA | 99.00<br>1.00 | 100.00 | F.C. |
| **Versalis Pacific (India) Private Ltd** | Mumbai (India) | India | INR | 238,700 | Versalis Singapore P. Ltd<br>Third parties | 99.99<br>(..) | | Eq. |
| **Versalis Pacific Trading (Shanghai) Co Ltd** | Shanghai (China) | China | CNY | 15,237,236 | Versalis SpA | 100.00 | 100.00 | F.C. |
| **Versalis Singapore Pte Ltd** | Singapore (Singapore) | Singapore | SGD | 80,000 | Versalis SpA | 100.00 | 100.00 | F.C. |
| **Versalis UK Ltd** | London (United Kingdom) | United Kingdom | GBP | 4,004,042 | Versalis SpA | 100.00 | 100.00 | F.C. |
| **Versalis Zeal Ltd** | Tokoradi (Ghana) | Ghana | GHS | 5,650,000 | Versalis International SA<br>Third parties | 80.00<br>20.00 | 80.00 | F.C. |

(*) F.C. = consolidamento integrale, J.O. = joint operation, Eq. = valutazione al patrimonio netto, Co. = valutazione al costo, F.V. = valutazione al fair value.

# Plenitude & Power

## Plenitude

### IN ITALY

| Company name | Registered office | Country of operation | Currency | Share Capital | Shareholders | % Ownership | % Equity ratio | Consolidation or valutation method(*) |
|---|---|---|---|---|---|---|---|---|
| **4Energia Srl** | Milan | Italy | EUR | 400,000 | Eni Plenitude SpA SB | 100.00 | 100.00 | F.C. |
| **Agrikroton Srl - Società Agricola** | Cesena (FC) | Italy | EUR | 10,000 | SEF Solar Srl | 100.00 | 100.00 | F.C. |
| **Be Charge Srl** | Milan | Italy | EUR | 500,000 | Be Power SpA | 100.00 | 100.00 | F.C. |
| **Be Charge Valle d'Aosta Srl** | Milan | Italy | EUR | 10,000 | Be Charge Srl | 100.00 | 100.00 | F.C. |
| **Be Power SpA** | Milan | Italy | EUR | 698,251 | Eni Plenitude SpA SB<br>Third parties | 99.19[a]<br>0.81 | 100.00 | F.C. |
| **Borgia Wind Srl** | Cesena (FC) | Italy | EUR | 100,000 | PLT Wind 2020 Srl | 100.00 | 100.00 | F.C. |
| **CEF 3 Wind Energy SpA** | Milan | Italy | EUR | 101,000 | Eni New Energy SpA | 100.00 | 100.00 | F.C. |
| **CGDB Enrico Srl** | San Donato Milanese (MI) | Italy | EUR | 10,000 | Eni New Energy SpA | 100.00 | 100.00 | F.C. |
| **CGDB Laerte Srl** | San Donato Milanese (MI) | Italy | EUR | 10,000 | Eni New Energy SpA | 100.00 | 100.00 | F.C. |
| **Corridonia Energia Srl** | Cesena (FC) | Italy | EUR | 20,000 | SEF Srl | 100.00 | 100.00 | F.C. |
| **Dynamica Srl** | Cesena (FC) | Italy | EUR | 50,000 | PLT Wind 2022 SpA | 100.00 | 100.00 | F.C. |
| **Ecoener Srl** | Cesena (FC) | Italy | EUR | 10,000 | PLT Energia Srl | 100.00 | 100.00 | F.C. |
| **Elettro Sannio Wind 2 Srl** | Cesena (FC) | Italy | EUR | 1,225,000 | PLT Wind 2022 SpA | 100.00 | 100.00 | F.C. |
| **Enerkall Srl** | Cesena (FC) | Italy | EUR | 10,000 | PLT Energia Srl | 100.00 | 100.00 | F.C. |
| **Eni New Energy SpA** | San Donato Milanese (MI) | Italy | EUR | 9,296,000 | Eni Plenitude SpA SB | 100.00 | 100.00 | F.C. |
| **Eni Plenitude SpA Società Benefit (ex Eni gas e luce SpA Società Benefit)** | San Donato Milanese (MI) | Italy | EUR | 770,000,000 | Eni SpA | 100.00 | 100.00 | F.C. |
| **Eolica Pietramontecorvino Srl** | Cesena (FC) | Italy | EUR | 100,000 | PLT Energia Srl | 100.00 | 100.00 | F.C. |
| **Eolica Wind Power Srl** | Cesena (FC) | Italy | EUR | 10,000 | PLT Wind 2022 SpA | 100.00 | 100.00 | F.C. |
| **Eolo Energie - Corleone - Campofiorito Srl** | Cesena (FC) | Italy | EUR | 10,000 | PLT Wind 2020 Srl | 100.00 | 100.00 | F.C. |
| **Evolvere SpA Società Benefit** | Milan | Italy | EUR | 1,130,000 | Eni Plenitude SpA SB<br>Third parties | 70.52<br>29.48 | 70.52 | F.C. |
| **Evolvere Venture SpA** | Milan | Italy | EUR | 50,000 | Evolvere SpA Soc. Ben. | 100.00 | 70.52 | F.C. |

(*) F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value.
(a) Controlling interest: Eni Plenitude SpA SB 100.00.

| Company name | Registered office | Country of operation | Currency | Share Capital | Shareholders | % Ownership | % Equity ratio | Consolidation or valutation method(*) |
|---|---|---|---|---|---|---|---|---|
| **Faren Srl** | Cesena (FC) | Italy | EUR | 10,000 | SEF Green Srl | 100.00 | 100.00 | F.C. |
| **FAS Srl** | Cesena (FC) | Italy | EUR | 119,000 | PLT Energia Srl | 100.00 | 100.00 | F.C. |
| **Finpower Wind Srl** | Milan | Italy | EUR | 10,000 | Eni New Energy SpA | 100.00 | 100.00 | F.C. |
| **Fotovoltaica Pietramontecorvino Srl** | Cesena (FC) | Italy | EUR | 100,000 | SEF Srl | 100.00 | 100.00 | F.C. |
| **FV4P Srl** | Forlì (FC) | Italy | EUR | 10,000 | SEF Srl | 100.00 | 100.00 | F.C. |
| **Gemsa Solar Srl** | Cesena (FC) | Italy | EUR | 10,000 | SEF Srl | 100.00 | 100.00 | F.C. |
| **GPC Uno Srl** | Cesena (FC) | Italy | EUR | 25,000 | SEF Srl | 100.00 | 100.00 | F.C. |
| **GPC Due Srl** | Cesena (FC) | Italy | EUR | 12,000 | SEF Srl | 100.00 | 100.00 | F.C. |
| **Green Parity Srl** | Cesena (FC) | Italy | EUR | 10,000 | PLT Energia Srl | 100.00 | 100.00 | F.C. |
| **Lugo Società Agricola Srl** | Cesena (FC) | Italy | EUR | 10,000 | SEF Solar Srl | 100.00 | 100.00 | F.C. |
| **Lugo Solar Tech Srl** | Cesena (FC) | Italy | EUR | 100,000 | SEF Solar Srl | 100.00 | 100.00 | F.C. |
| **Marano Solar Srl** | Cesena (FC) | Italy | EUR | 10,000 | SEF Solar Srl | 100.00 | 100.00 | F.C. |
| **Marano Solare Srl** | Cesena (FC) | Italy | EUR | 10,000 | SEF Srl | 100.00 | 100.00 | F.C. |
| **Marcellinara Wind Srl** | Cesena (FC) | Italy | EUR | 35,000 | PLT Wind 2022 SpA | 100.00 | 100.00 | F.C. |
| **Micropower Srl** | Cesena (FC) | Italy | EUR | 30,000 | PLT Wind 2020 Srl | 100.00 | 100.00 | F.C. |
| **Molinetto Srl** | Cesena (FC) | Italy | EUR | 10,000 | Faren Srl | 100.00 | 100.00 | F.C. |
| **Montefano Energia Srl** | Cesena (FC) | Italy | EUR | 20,000 | SEF Srl | 100.00 | 100.00 | F.C. |
| **Monte San Giusto Solar Srl** | Cesena (FC) | Italy | EUR | 10,000 | SEF Srl | 100.00 | 100.00 | F.C. |
| **Olivadi Srl** | Cesena (FC) | Italy | EUR | 100,000 | PLT Wind 2020 Srl | 100.00 | 100.00 | F.C. |
| **Parco Eolico di Tursi e Colobraro Srl** | Cesena (FC) | Italy | EUR | 31,000 | PLT Wind 2022 SpA | 100.00 | 100.00 | F.C. |
| **Pescina Wind Srl** | Cesena (FC) | Italy | EUR | 50,000 | PLT Wind 2020 Srl | 100.00 | 100.00 | F.C. |
| **Pieve5 Srl** | Cesena (FC) | Italy | EUR | 10,000 | SEF Solar Srl | 100.00 | 100.00 | F.C. |
| **PLT Energia Srl** | Cesena (FC) | Italy | EUR | 3,865,474 | Eni New Energy SpA | 100.00 | 100.00 | F.C. |
| **PLT Engineering Srl** | Cesena (FC) | Italy | EUR | 10,000 | PLT Energia Srl | 100.00 | 100.00 | F.C. |
| **PLT Puregreen SpA** | Cesena (FC) | Italy | EUR | 500,000 | PLT Energia Srl | 100.00 | 100.00 | F.C. |

(*) F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value.

| Company name | Registered office | Country of operation | Currency | Share Capital | Shareholders | % Ownership | % Equity ratio | Consolidation or valutation method(*) |
|---|---|---|---|---|---|---|---|---|
| **PLT Wind 2020 Srl** | Cesena (FC) | Italy | EUR | 1,000,000 | PLT Energia Srl | 100.00 | 100.00 | F.C. |
| **PLT Wind 2022 SpA** | Cesena (FC) | Italy | EUR | 1,000,000 | PLT Energia Srl | 100.00 | 100.00 | F.C. |
| **Pollenza Sole Srl** | Cesena (FC) | Italy | EUR | 32,500 | SEF Srl | 100.00 | 100.00 | F.C. |
| **Ravenna 1 FTV Srl** | Cesena (FC) | Italy | EUR | 10,000 | SEF Srl | 100.00 | 100.00 | F.C. |
| **RF-AVIO Srl** | Cesena (FC) | Italy | EUR | 10,000 | SEF Srl | 100.00 | 100.00 | F.C. |
| **RF-Cavallerizza Srl** | Cesena (FC) | Italy | EUR | 10,000 | SEF Srl | 100.00 | 100.00 | F.C. |
| **Ruggiero Wind Srl** | Cesena (FC) | Italy | EUR | 10,000 | PLT Energia Srl | 100.00 | 100.00 | F.C. |
| **SAV - Santa Maria Srl** | Cesena (FC) | Italy | EUR | 10,000 | PLT Wind 2022 SpA | 100.00 | 100.00 | F.C. |
| **SEA SpA** | L'Aquila | Italy | EUR | 100,000 | Eni Plenitude SpA SB | 100.00 | 100.00 | F.C. |
| **SEF Green Srl** | Cesena (FC) | Italy | EUR | 500 | SEF Srl | 100.00 | 100.00 | F.C. |
| **SEF Miniwind Srl** | Cesena (FC) | Italy | EUR | 50,000 | SEF Srl | 100.00 | 100.00 | F.C. |
| **SEF Solar Abruzzo Srl** | Cesena (FC) | Italy | EUR | 10,000 | SEF Srl | 100.00 | 100.00 | F.C. |
| **SEF Solar II Srl** | Cesena (FC) | Italy | EUR | 1,000 | SEF Srl | 100.00 | 100.00 | F.C. |
| **SEF Solar Srl** | Cesena (FC) | Italy | EUR | 120,000 | SEF Srl | 100.00 | 100.00 | F.C. |
| **SEF Srl** | Cesena (FC) | Italy | EUR | 25,000 | Eni New Energy SpA | 100.00 | 100.00 | F.C. |
| **Società Agricola Agricentro Srl** | Cesena (FC) | Italy | EUR | 10,000 | SEF Solar Srl | 100.00 | 100.00 | F.C. |
| **Società Agricola Casemurate Srl** | Cesena (FC) | Italy | EUR | 10,000 | SEF Srl | 100.00 | 100.00 | F.C. |
| **Società Agricola Forestale Pianura Verde Srl** | Cesena (FC) | Italy | EUR | 100,000 | Soc. Agr. Agricentro Srl | 100.00 | 100.00 | F.C. |
| **Società Agricola Isola d'Agri Srl** | Cesena (FC) | Italy | EUR | 10,000 | SEF Solar Srl | 100.00 | 100.00 | F.C. |
| **Società Agricola L'Albero Azzurro Srl** | Cesena (FC) | Italy | EUR | 100,000 | Soc. Agr. Agricentro Srl | 100.00 | 100.00 | F.C. |
| **Società Agricola SEF Bio Srl** | Cesena (FC) | Italy | EUR | 10,000 | SEF Srl | 100.00 | 100.00 | F.C. |
| **Società Energie Rinnovabili 1 SpA** | Rome | Italy | EUR | 120,000 | SER SpA<br>CEF 3 Wind Energy | 96.00<br>4.00 | 100.00 | F.C. |
| **Società Energie Rinnovabili SpA** | Palermo | Italy | EUR | 121,636 | CEF 3 Wind Energy | 100.00 | 100.00 | F.C. |
| **Timpe Muzzunetti 2 Srl** | Cesena (FC) | Italy | EUR | 2,500 | PLT Energia Srl<br>Third parties | 70.00<br>30.00 | 70.00 | F.C. |
| **Vivaro FTV Srl** | Cesena (FC) | Italy | EUR | 10,000 | SEF Srl | 100.00 | 100.00 | F.C. |

(*) F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value.

| Company name | Registered office | Country of operation | Currency | Share Capital | Shareholders | % Ownership | % Equity ratio | Consolidation or valutation method(*) |
|---|---|---|---|---|---|---|---|---|
| **VRG Wind 127 Srl** | Cesena (FC) | Italy | EUR | 10,000 | PLT Energia Srl | 100.00 | 100.00 | F.C. |
| **VRG Wind 149 Srl** | Cesena (FC) | Italy | EUR | 10,000 | PLT Wind 2022 SpA | 100.00 | 100.00 | F.C. |
| **W-Energy Srl** | Cesena (FC) | Italy | EUR | 93,000 | PLT Energia Srl | 100.00 | 100.00 | F.C. |
| **Wind Park Laterza Srl** | San Donato Milanese (MI) | Italy | EUR | 10,000 | Eni New Energy SpA | 100.00 | 100.00 | F.C. |
| **Wind Salandra Srl** | Cesena (FC) | Italy | EUR | 100,000 | PLT Wind 2020 Srl | 100.00 | 100.00 | F.C. |
| **Windsol Srl** | Cesena (FC) | Italy | EUR | 3,250,000 | PLT Wind 2020 Srl | 100.00 | 100.00 | F.C. |
| **Wind Turbines Engineering 2 Srl** | Cesena (FC) | Italy | EUR | 5,450,000 | PLT Wind 2020 Srl | 100.00 | 100.00 | F.C. |

(*) F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value.

## OUTSIDE ITALY

| Company name | Registered office | Country of operation | Currency | Share Capital | Shareholders | % Ownership | % Equity ratio | Consolidation or valutation method(*) |
|---|---|---|---|---|---|---|---|---|
| **Adriaplin Podjetje za distribucijo zemeljskega plina doo Ljubljana** | Ljubljana (Slovenia) | Slovenia | EUR | 12,956,935 | Eni Plenitude SpA SB<br>Third parties | 51.00<br>49.00 | 51.00 | F.C. |
| **Aleria Solar SAS** | Bastia (France) | France | EUR | 100 | Eni Plen. Op. Fr. SAS | 100.00 | 100.00 | F.C. |
| **Alpinia Solar SLU** | Madrid (Spain) | Spain | EUR | 3,000 | Eni Plen. Ren. Lux. Sàrl | 100.00 | 100.00 | F.C. |
| **Anberia Invest SLU** | Madrid (Spain) | Spain | EUR | 3,000 | PLT Eng. Spain SLU | 100.00 | 100.00 | F.C. |
| **Argon SAS** | Argenteuil (France) | France | EUR | 180,000 | Eni Plen. Op. Fr. SAS | 100.00 | 100.00 | F.C. |
| **Arm Wind Llp** | Astana (Kazakhstan) | Kazakhstan | KZT | 19,069,100,000 | Eni Energy Solutions BV | 100.00 | 100.00 | F.C. |
| **Athies-Samoussy Solar PV1 SAS** | Argenteuil (France) | France | EUR | 68,000 | Krypton SAS | 100.00 | 100.00 | F.C. |
| **Athies-Samoussy Solar PV2 SAS** | Argenteuil (France) | France | EUR | 40,000 | Krypton SAS | 100.00 | 100.00 | F.C. |
| **Athies-Samoussy Solar PV3 SAS** | Argenteuil (France) | France | EUR | 36,000 | Krypton SAS | 100.00 | 100.00 | F.C. |
| **Athies-Samoussy Solar PV4 SAS** | Argenteuil (France) | France | EUR | 14,000 | Xenon SAS | 100.00 | 100.00 | F.C. |
| **Athies-Samoussy Solar PV5 SAS** | Argenteuil (France) | France | EUR | 14,000 | Xenon SAS | 100.00 | 100.00 | F.C. |
| **Belle Magiocche Solaire SAS** | Bastia (France) | France | EUR | 10,000 | Eni Plen. Op. Fr. SAS | 100.00 | 100.00 | F.C. |
| **Bonete Solar SLU** | Madrid (Spain) | Spain | EUR | 3,000 | Eni Plen. Ren. Lux. Sàrl | 100.00 | 100.00 | F.C. |
| **Brazoria Class B Member Llc** | Dover (USA) | USA | USD | 1,000 | Eni New Energy US Inc | 100.00 | 100.00 | F.C. |
| **Brazoria County Solar Project Llc** | Dover (USA) | USA | USD | 1,000 | Brazoria HoldCo Llc | 100.00 | 89.27 | F.C. |
| **Brazoria HoldCo Llc** | Dover (USA) | USA | USD | 206,355,897.15 | Brazoria Class B<br>Third parties | 89.27<br>10.73 | 89.27 | F.C. |
| **Camelia Solar SLU** | Madrid (Spain) | Spain | EUR | 3,000 | Eni Plen. Ren. Lux. Sàrl | 100.00 | 100.00 | F.C. |
| **Celtis Solar SLU** | Madrid (Spain) | Spain | EUR | 3,000 | Eni Plen. Ren. Lux. Sàrl | 100.00 | 100.00 | F.C. |
| **Corazon Energy Class B Llc** | Dover (USA) | USA | USD | 100 | Eni New Energy US Inc | 100.00 | 100.00 | F.C. |
| **Corazon Energy Llc** | Dover (USA) | USA | USD | 100 | Corazon Tax Eq. Part. Llc | 100.00 | 91.74 | F.C. |
| **Corazon Energy Services Llc** | Dover (USA) | USA | USD | 100 | Eni New Energy US Inc | 100.00 | 100.00 | F.C. |
| **Corazon Tax Equity Partnership Llc** | Dover (USA) | USA | USD | 199,142,207.16 | Corazon En. Class B Llc<br>Third parties | 91.74<br>8.26 | 91.74 | F.C. |
| **Corlinter 5000 SLU** | Madrid (Spain) | Spain | EUR | 3,000 | PLT Eng. Spain SLU | 100.00 | 100.00 | F.C. |
| **Desarrollos Empresariales Illas SL** | Madrid (Spain) | Spain | EUR | 3,000 | Eni Plen. Ren. Lux. Sàrl | 100.00 | 100.00 | F.C. |
| **Desarrollos Energéticos Riojanos SLU** | Villarcayo de Merindad de Castilla la Vieja (Spain) | Spain | EUR | 876,042 | Eni Plenitude SpA SB<br>Energías Amb. Outes | 60.00<br>40.00 | 100.00 | F.C. |

(*) F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value.

| Company name | Registered office | Country of operation | Currency | Share Capital | Shareholders | % Ownership | % Equity ratio | Consolidation or valutation method(*) |
|---|---|---|---|---|---|---|---|---|
| Ecovent Parc Eolic SAU | Madrid (Spain) | Spain | EUR | 1,037,350 | Eni Plenitude SpA SB | 100.00 | 100.00 | F.C. |
| Ekain Renovables SLU | Madrid (Spain) | Spain | EUR | 3,000 | PLT Eng. Spain SLU | 100.00 | 100.00 | F.C. |
| Energía Eólica Boreas SLU | Madrid (Spain) | Spain | EUR | 3,000 | Eni Plenitude SpA SB | 100.00 | 100.00 | F.C. |
| Energías Ambientales de Outes SLU | Madrid (Spain) | Spain | EUR | 643,451.49 | Eni Plenitude SpA SB | 100.00 | 100.00 | F.C. |
| Energías Alternativas Eolicas Riojanas SL | Logroño (Spain) | Spain | EUR | 2,008,901.71 | Eni Plenitude SpA SB<br>Desarrollos Energéticos | 57.50<br>42.50 | 100.00 | F.C. |
| Eni Energy Solutions BV | Amsterdam (Netherlands) | Netherlands | EUR | 20,000 | Eni Plenitude SpA SB | 100.00 | 100.00 | F.C. |
| Eni Gas & Power France SA | Levallois Perret (France) | France | EUR | 239,500,800 | Eni Plenitude SpA SB<br>Third parties | 99.99<br>(..) | 100.00 | F.C. |
| Eni New Energy Australia Pty Ltd | Perth (Australia) | Australia | AUD | 4 | Eni Plenitude SpA SB | 100.00 | 100.00 | F.C. |
| Eni New Energy Batchelor Pty Ltd | Perth (Australia) | Australia | AUD | 1 | Eni New En. Aus. Pty Ltd | 100.00 | 100.00 | F.C. |
| Eni New Energy Katherine Pty Ltd | Perth (Australia) | Australia | AUD | 1 | Eni New En. Aus. Pty Ltd | 100.00 | 100.00 | F.C. |
| Eni New Energy Manton Dam Pty Ltd | Perth (Australia) | Australia | AUD | 1 | Eni New En. Aus. Pty Ltd | 100.00 | 100.00 | F.C. |
| Eni New Energy US Holding Llc | Dover (USA) | USA | USD | 100 | Eni New Energy US Inc<br>Eni New Energy US Inv. Inc | 99.00<br>1.00 | 100.00 | F.C. |
| Eni New Energy US Inc | Dover (USA) | USA | USD | 100 | Eni Plenitude SpA SB | 100.00 | 100.00 | F.C. |
| Eni New Energy US Investing Inc | Dover (USA) | USA | USD | 1,000 | Eni New Energy US Inc | 100.00 | 100.00 | F.C. |
| Eni Plenitude Iberia SLU (ex Aldro Energía y Soluciones SLU) | Santander (Spain) | Spain | EUR | 3,192,000 | Eni Plenitude SpA SB | 100.00 | 100.00 | F.C. |
| Eni Plenitude Operations France SAS (ex Dhamma Energy SAS) | Argenteuil (France) | France | EUR | 1,116,489.72 | Eni Plen. Ren. Lux. Sàrl | 100.00 | 100.00 | F.C. |
| Eni Plenitude Renewables France SAS (ex Dhamma Energy Development SAS) | Argenteuil (France) | France | EUR | 51,000 | Eni Plen. Ren. Lux. Sàrl | 100.00 | 100.00 | F.C. |
| Eni Plenitude Renewables Hellas Single Member SA | Atene (Greece) | Greece | EUR | 627,464 | Eni Plenitude SpA SB | 100.00 | 100.00 | F.C. |
| Eni Plenitude Renewables Luxembourg Sàrl (ex Dhamma Energy Group Sàrl) | Dudelange (Luxembourg) | Luxembourg | EUR | 10,253,560 | Eni Plenitude SpA SB | 100.00 | 100.00 | F.C. |
| Eni Plenitude Renewables Spain SLU (ex Dhamma Energy Management SLU) | Madrid (Spain) | Spain | EUR | 6,680 | Eni Plen. Ren. Lux. Sàrl | 100.00 | 100.00 | F.C. |
| Eni Plenitude Rooftop France SAS (ex Dhamma Energy Rooftop SAS) | Argenteuil (France) | France | EUR | 40,000 | Eni Plen. Ren. Lux. Sàrl | 100.00 | 100.00 | F.C. |
| Eolica Cuellar de la Sierra SLU | Madrid (Spain) | Spain | EUR | 110,999.77 | PLT Spain SL | 100.00 | 51.00 | F.C. |
| Estanque Redondo Solar SLU | Madrid (Spain) | Spain | EUR | 3,000 | Eni Plen. Ren. Lux. Sàrl | 100.00 | 100.00 | F.C. |
| Fotovoltaica Escudero SLU | Valencia (Spain) | Spain | EUR | 3,000 | Eni Plen. Ren. Lux. Sàrl | 100.00 | 100.00 | F.C. |
| Gas Supply Company Thessaloniki - Thessalia SA | Thessaloniki (Greece) | Greece | EUR | 13,761,788 | Eni Plenitude SpA SB | 100.00 | 100.00 | F.C. |
| Guajillo Energy Storage Llc | Dover (USA) | USA | USD | 100 | Eni New Energy US H. Llc | 100.00 | 100.00 | F.C. |
| Guilleus Consulting SLU | Madrid (Spain) | Spain | EUR | 3,000 | PLT Eng. Spain SLU | 100.00 | 100.00 | F.C. |

(*) F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value.

| Company name | Registered office | Country of operation | Currency | Share Capital | Shareholders | % Ownership | % Equity ratio | Consolidation or valutation method(*) |
|---|---|---|---|---|---|---|---|---|
| **Holding Lanas Solar Sàrl** | Argenteuil (France) | France | EUR | 100 | Eni Plen. Op. Fr. SAS | 100.00 | 100.00 | F.C. |
| **Inveese SAS** | Bogotá (Colombia) | Colombia | COP | 100,000,000 | PLT Colombia SAS<br>Third parties | 75.00<br>25.00 | 38.25 | F.C. |
| **Ixia Solar SLU** | Madrid (Spain) | Spain | EUR | 3,000 | Eni Plen. Ren. Lux. Sàrl | 100.00 | 100.00 | F.C. |
| **Krypton SAS** | Argenteuil (France) | France | EUR | 180,000 | Eni Plen. Op. Fr. SAS | 100.00 | 100.00 | F.C. |
| **Lanas Solar SAS** | Argenteuil (France) | France | EUR | 100 | Holding Lanas Solar | 100.00 | 100.00 | F.C. |
| **Membrio Solar SLU** | Madrid (Spain) | Spain | EUR | 3,000 | Eni Plen. Ren. Lux. Sàrl | 100.00 | 100.00 | F.C. |
| **Miburia Trade SLU** | Madrid (Spain) | Spain | EUR | 3,000 | PLT Eng. Spain SLU | 100.00 | 100.00 | F.C. |
| **Olea Solar SLU** | Madrid (Spain) | Spain | EUR | 3,000 | Eni Plen. Ren. Lux. Sàrl | 100.00 | 100.00 | F.C. |
| **Opalo Solar SLU** | Madrid (Spain) | Spain | EUR | 3,000 | Eni Plen. Ren. Lux. Sàrl | 100.00 | 100.00 | F.C. |
| **Pistacia Solar SLU** | Madrid (Spain) | Spain | EUR | 3,000 | Eni Plen. Ren. Lux. Sàrl | 100.00 | 100.00 | F.C. |
| **PLT Colombia SAS** | Bogotá (Colombia) | Colombia | COP | 510,840,000 | PLT Energia Srl<br>Third parties | 51.00<br>49.00 | 51.00 | F.C. |
| **PLT Engineering Colombia SAS** | Bogotá (Colombia) | Colombia | COP | 1,000,000 | PLT Engineering Srl<br>Third parties | 60.00<br>40.00 | 60.00 | F.C. |
| **PLT Engineering Romania Srl** | Cluj-Napoca (Romania) | Romania | RON | 4,400 | PLT Engineering Srl<br>Micropower Srl | 95.00<br>5.00 | 100.00 | F.C. |
| **PLT Engineering Spain SLU** | Madrid (Spain) | Spain | EUR | 3,000 | PLT Engineering Srl | 100.00 | 100.00 | F.C. |
| **PLT Spain SL** | Madrid (Spain) | Spain | EUR | 100,000 | PLT Energia Srl<br>Third parties | 51.00<br>49.00 | 51.00 | F.C. |
| **POP Solar SAS** | Argenteuil (France) | France | EUR | 1,000 | Eni Plen. Ren. Lux. Sàrl | 100.00 | 100.00 | F.C. |
| **Punes Trade SLU** | Madrid (Spain) | Spain | EUR | 3,000 | PLT Eng. Spain SLU | 100.00 | 100.00 | F.C. |
| **SKGRPV1 Single Member Private Company** | Atene (Greece) | Greece | EUR | 14,600 | Eni Plen. Renew. Hellas | 100.00 | 100.00 | F.C. |
| **SKGRPV2 Single Member Private Company** | Atene (Greece) | Greece | EUR | 14,600 | Eni Plen. Renew. Hellas | 100.00 | 100.00 | F.C. |
| **SKGRPV3 Single Member Private Company** | Atene (Greece) | Greece | EUR | 14,600 | Eni Plen. Renew. Hellas | 100.00 | 100.00 | F.C. |
| **SKGRPV4 Single Member Private Company** | Atene (Greece) | Greece | EUR | 13,600 | Eni Plen. Renew. Hellas | 100.00 | 100.00 | F.C. |
| **SKGRPV5 Single Member Private Company** | Atene (Greece) | Greece | EUR | 13,600 | Eni Plen. Renew. Hellas | 100.00 | 100.00 | F.C. |
| **SKGRPV6 Single Member Private Company** | Atene (Greece) | Greece | EUR | 19,300 | Eni Plen. Renew. Hellas | 100.00 | 100.00 | F.C. |
| **SKGRPV7 Single Member Private Company** | Atene (Greece) | Greece | EUR | 31,000 | Eni Plen. Renew. Hellas | 100.00 | 100.00 | F.C. |
| **SKGRPV8 Single Member Private Company** | Atene (Greece) | Greece | EUR | 19,200 | Eni Plen. Renew. Hellas | 100.00 | 100.00 | F.C. |
| **SKGRPV9 Single Member Private Company** | Atene (Greece) | Greece | EUR | 19,200 | Eni Plen. Renew. Hellas | 100.00 | 100.00 | F.C. |

(*) F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value.

| Company name | Registered office | Country of operation | Currency | Share Capital | Shareholders | % Ownership | % Equity ratio | Consolidation or valutation method(*) |
|---|---|---|---|---|---|---|---|---|
| **SKGRPV10 Single Member Private Company** | Atene (Greece) | Greece | EUR | 18,800 | Eni Plen. Renew. Hellas | 100.00 | 100.00 | F.C. |
| **SKGRPV11 Single Member Private Company** | Atene (Greece) | Greece | EUR | 25,300 | Eni Plen. Renew. Hellas | 100.00 | 100.00 | F.C. |
| **SKGRPV12 Single Member Private Company** | Atene (Greece) | Greece | EUR | 19,000 | Eni Plen. Renew. Hellas | 100.00 | 100.00 | F.C. |
| **SKGRPV13 Single Member Private Company** | Atene (Greece) | Greece | EUR | 30,900 | Eni Plen. Renew. Hellas | 100.00 | 100.00 | F.C. |
| **SKGRPV14 Single Member Private Company** | Atene (Greece) | Greece | EUR | 39,900 | Eni Plen. Renew. Hellas | 100.00 | 100.00 | F.C. |
| **SKGRPV15 Single Member Private Company** | Atene (Greece) | Greece | EUR | 19,000 | Eni Plen. Renew. Hellas | 100.00 | 100.00 | F.C. |
| **SKGRPV16 Single Member Private Company** | Atene (Greece) | Greece | EUR | 19,000 | Eni Plen. Renew. Hellas | 100.00 | 100.00 | F.C. |
| **SKGRPV17 Single Member Private Company** | Atene (Greece) | Greece | EUR | 10,200 | Eni Plen. Renew. Hellas | 100.00 | 100.00 | F.C. |
| **SKGRPV18 Single Member Private Company** | Atene (Greece) | Greece | EUR | 5,200 | Eni Plen. Renew. Hellas | 100.00 | 100.00 | F.C. |
| **SKGRPV19 Single Member Private Company** | Atene (Greece) | Greece | EUR | 12,200 | Eni Plen. Renew. Hellas | 100.00 | 100.00 | F.C. |
| **SKGRPV20 Single Member Private Company** | Atene (Greece) | Greece | EUR | 12,200 | Eni Plen. Renew. Hellas | 100.00 | 100.00 | F.C. |
| **Tebar Solar SLU** | Madrid (Spain) | Spain | EUR | 3,000 | Eni Plen. Ren. Lux. Sàrl | 100.00 | 100.00 | F.C. |
| **Xenon SAS** | Argenteuil (France) | France | EUR | 1,500,100 | Eni Plen. Op. Fr. SAS<br>Third parties | 0.01(a)<br>99.99 | 100.00 | F.C. |
| **Zinnia Solar SLU** | Madrid (Spain) | Spain | EUR | 3,000 | Eni Plen. Ren. Lux. Sàrl | 100.00 | 100.00 | F.C. |

(*) F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value.
(a) Controlling interest: Eni Plenitude Operations France SAS 100.00.

# Power

## IN ITALY

| Company name | Registered office | Country of operation | Currency | Share Capital | Shareholders | % Ownership | % Equity ratio | Consolidation or valutation method(*) |
|---|---|---|---|---|---|---|---|---|
| **EniPower Mantova SpA** | San Donato Milanese (MI) | Italy | EUR | 144,000,000 | EniPower SpA<br>Third parties | 86.50<br>13.50 | 44.12 | F.C. |
| **EniPower SpA** | San Donato Milanese (MI) | Italy | EUR | 200,000,000 | Eni SpA<br>Third parties | 51.00<br>49.00 | 51.00 | F.C. |

(*) F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value.

# Corporate and Other activities

## Corporate and financial companies

### IN ITALY

| Company name | Registered office | Country of operation | Currency | Share Capital | Shareholders | % Ownership | % Equity ratio | Consolidation or valutation method(*) |
|---|---|---|---|---|---|---|---|---|
| Agenzia Giornalistica Italia SpA | Rome | Italy | EUR | 2,000,000 | Eni SpA | 100.00 | 100.00 | F.C. |
| D-Share SpA | Milan | Italy | EUR | 121,719.25 | AGI SpA | 100.00 | 100.00 | F.C. |
| Eni Corporate University SpA | San Donato Milanese (MI) | Italy | EUR | 3,360,000 | Eni SpA | 100.00 | 100.00 | F.C. |
| Eni Energia Italia Srl | San Donato Milanese (MI) | Italy | EUR | 50,000 | Eni SpA | 100.00 | | Co. |
| Eni Trading & Shipping SpA (in liquidation) | Rome | Italy | EUR | 334,171 | Eni SpA | 100.00 | | Co. |
| EniProgetti SpA | Venezia Marghera (VE) | Italy | EUR | 2,064,000 | Eni SpA | 100.00 | 100.00 | F.C. |
| EniServizi SpA | San Donato Milanese (MI) | Italy | EUR | 13,427,419.08 | Eni SpA | 100.00 | 100.00 | F.C. |
| Eniverse Ventures Srl (ex Eni Nuova Energia Srl) | San Donato Milanese (MI) | Italy | EUR | 50,000 | Eni SpA | 100.00 | | Co. |
| Serfactoring SpA (in liquidation) | San Donato Milanese (MI) | Italy | EUR | 5,160,000 | Eni SpA | 100.00 | 100.00 | F.C. |
| Servizi Aerei SpA | San Donato Milanese (MI) | Italy | EUR | 48,205,536 | Eni SpA | 100.00 | 100.00 | F.C. |

### OUTSIDE ITALY

| Company name | Registered office | Country of operation | Currency | Share Capital | Shareholders | % Ownership | % Equity ratio | Consolidation or valutation method(*) |
|---|---|---|---|---|---|---|---|---|
| Banque Eni SA | Bruxelles (Belgium) | Belgium | EUR | 50,000,000 | Eni International BV<br>Eni Oil Holdings BV | 99.90<br>0.10 | 100.00 | F.C. |
| Eni Finance International SA | Bruxelles (Belgium) | Belgium | USD | 1,480,365,336 | Eni International BV<br>Eni SpA | 66.39<br>33.61 | 100.00 | F.C. |
| Eni Finance USA Inc | Dover (USA) | USA | USD | 2,500,000 | Eni Petroleum Co Inc | 100.00 | 100.00 | F.C. |
| Eni Insurance DAC | Dublin (Ireland) | Ireland | EUR | 500,000,000 | Eni SpA | 100.00 | 100.00 | F.C. |
| Eni International BV | Amsterdam (Netherlands) | Netherlands | EUR | 641,683,425 | Eni SpA | 100.00 | 100.00 | F.C. |
| Eni International Resources Ltd | London (United Kingdom) | United Kingdom | GBP | 50,000 | Eni SpA<br>Eni UK Ltd | 99.99<br>(..) | 100.00 | F.C. |
| Eni Next Llc | Dover (USA) | USA | USD | 100 | Eni Petroleum Co Inc | 100.00 | 100.00 | F.C. |
| EniProgetti Egypt Ltd | Cairo (Egypt) | Egypt | EGP | 50,000 | EniProgetti SpA<br>Eni SpA | 99.00<br>1.00 | | Eq. |

(*) F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value.

# Other activities

## IN ITALY

| Company name | Registered office | Country of operation | Currency | Share Capital | Shareholders | % Ownership | % Equity ratio | Consolidation or valutation method(*) |
|---|---|---|---|---|---|---|---|---|
| **Eni Rewind SpA** | San Donato Milanese (MI) | Italy | EUR | 101,950,844.46 | Eni SpA<br>Third parties | 99.99<br>(..) | 100.00 | F.C. |
| **Industria Siciliana Acido Fosforico - ISAF - SpA** (in liquidation) | Gela (CL) | Italy | EUR | 1,300,000 | Eni Rewind SpA<br>Third parties | 52.00<br>48.00 | | Eq. |

## OUTSIDE ITALY

| Company name | Registered office | Country of operation | Currency | Share Capital | Shareholders | % Ownership | % Equity ratio | Consolidation or valutation method(*) |
|---|---|---|---|---|---|---|---|---|
| **Eni Rewind International BV** | Amsterdam (Netherlands) | Netherlands | EUR | 20,000 | Eni International BV | 100.00 | | Eq. |
| **Oleodotto del Reno SA** | Coira (Switzerland) | Switzerland | CHF | 1,550,000 | Eni Rewind SpA | 100.00 | | Eq. |

(*) F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value.

# JOINT ARRANGEMENTS AND ASSOCIATES

## Exploration & Production

### IN ITALY

| Company name | Registered office | Country of operation | Currency | Share Capital | Shareholders | % Ownership | % Equity ratio | Consolidation or valutation method(*) |
|---|---|---|---|---|---|---|---|---|
| **Agri-Energy Srl(†)** | Jolanda di Savoia (FE) | Italy | EUR | 50,000 | Eni Natural Energies SpA<br>Third parties | 50.00<br>50.00 | | Eq. |
| **Azule Energy Angola SpA (ex Eni Angola SpA)** | San Donato Milanese (MI) | Angola | EUR | 20,200,000 | Azule Energy Hold. Ltd | 100.00 | | |
| **Mozambique Rovuma Venture SpA(†)** | San Donato Milanese (MI) | Mozambique | EUR | 20,000,000 | Eni SpA<br>Third parties | 35.71<br>64.29 | | Eq. |

### OUTSIDE ITALY

| Company name | Registered office | Country of operation | Currency | Share Capital | Shareholders | % Ownership | % Equity ratio | Consolidation or valutation method(*) |
|---|---|---|---|---|---|---|---|---|
| **Agiba Petroleum Co(†)** | Cairo (Egypt) | Egypt | EGP | 20,000 | Ieoc Production BV<br>Third parties | 50.00<br>50.00 | | Co. |
| **Angola JVCO Ltd** | Sunbury-On-Thames (United Kingdom) | Angola | USD | 1,000 | Azule Energy Hold. Ltd | 100.00 | | |
| **Ashrafi Island Petroleum Co** (in liquidation) | Cairo (Egypt) | Egypt | EGP | 20,000 | Ieoc Production BV<br>Third parties | 25.00<br>75.00 | | Co. |
| **Azule Energy Gas Supply Services Inc** | Houston (USA) | USA | USD | 1,000 | Azule Energy Hold. Ltd | 100.00 | | |
| **Azule Energy Holdings Ltd(†)** | London (United Kingdom) | United Kingdom | USD | 1,000,000 | Eni International BV<br>Third parties | 50.00<br>50.00 | | Eq. |
| **Barentsmorneftegaz Sàrl(†)** | Luxembourg (Luxembourg) | Russia | USD | 20,000 | Eni Energy Russia BV<br>Third parties | 33.33<br>66.67 | | Eq. |
| **BP Angola (Block 18) BV** | Rotterdam (Netherlands) | Angola | EUR | 2,275,625.42 | Angola JVCO Ltd | 100.00 | | |
| **BP Exploration Angola (Kwanza Benguela) Ltd** | Sunbury-On-Thames (United Kingdom) | Angola | USD | 1 | Angola JVCO Ltd | 100.00 | | |
| **BP Exploration (Angola) Ltd** | Sunbury-On-Thames (United Kingdom) | Angola | USD | 1,000,000 | Angola JVCO Ltd | 100.00 | | |
| **BP Gas Supply (Angola) LLc** | Wilmington (USA) | Angola | USD | 12,800,000 | Azule En. Gas Sup. S. Inc | 100.00 | | |
| **Cabo Delgado Gas Development Limitada(†)** | Maputo (Mozambique) | Mozambique | MZN | 2,500,000 | Eni Mozambique LNG H. BV<br>Third parties | 50.00<br>50.00 | | Co. |

(*) F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value.
(†) Jointly controlled entity.

| Company name | Registered office | Country of operation | Currency | Share Capital | Shareholders | % Ownership | % Equity ratio | Consolidation or valutation method(*) |
|---|---|---|---|---|---|---|---|---|
| Cardón IV SA(†) | Caracas (Venezuela) | Venezuela | VED | 0 | Eni Venezuela BV<br>Third parties | 50.00<br>50.00 | | Eq. |
| Compañia Agua Plana SA | Caracas (Venezuela) | Venezuela | VED | 0 | Eni Venezuela BV<br>Third parties | 26.00<br>74.00 | | Co. |
| Coral FLNG SA | Maputo (Mozambique) | Mozambique | MZN | 100,000,000 | Eni Mozambique LNG H. BV<br>Third parties | 25.00<br>75.00 | | Eq. |
| Coral South FLNG DMCC | Dubai (United Arab Emirates) | United Arab Emirates | AED | 500,000 | Eni Mozambique LNG H. BV<br>Third parties | 25.00<br>75.00 | | Eq. |
| East Delta Gas Co (in liquidation) | Cairo (Egypt) | Egypt | EGP | 20,000 | Ieoc Production BV<br>Third parties | 37.50<br>62.50 | | Co. |
| East Kanayis Petroleum Co(†) | Cairo (Egypt) | Egypt | EGP | 20,000 | Ieoc Production BV<br>Third parties | 50.00<br>50.00 | | Co. |
| East Obaiyed Petroleum Co(†) | Cairo (Egypt) | Egypt | EGP | 20,000 | Ieoc Production BV<br>Third parties | 50.00<br>50.00 | | Co. |
| El Temsah Petroleum Co | Cairo (Egypt) | Egypt | EGP | 20,000 | Ieoc Production BV<br>Third parties | 25.00<br>75.00 | | Co. |
| El-Fayrouz Petroleum Co(†) (in liquidation) | Cairo (Egypt) | Egypt | EGP | 20,000 | Ieoc Exploration BV<br>Third parties | 50.00<br>50.00 | | |
| Eni Angola Exploration BV | Amsterdam (Netherlands) | Angola | EUR | 20,000 | Azule Energy Hold. Ltd | 100.00 | | |
| Eni Angola Production BV | Amsterdam (Netherlands) | Angola | EUR | 20,000 | Azule Energy Hold. Ltd | 100.00 | | |
| Fedynskmorneftegaz Sàrl(†) | Luxembourg (Luxembourg) | Russia | USD | 20,000 | Eni Energy Russia BV<br>Third parties | 33.33<br>66.67 | | Eq. |
| Isatay Operating Company Llp(†) | Astana (Kazakhstan) | Kazakhstan | KZT | 400,000 | Eni Isatay<br>Third parties | 50.00<br>50.00 | | Co. |
| Karachaganak Petroleum Operating BV | Amsterdam (Netherlands) | Kazakhstan | EUR | 20,000 | Agip Karachaganak BV<br>Third parties | 29.25<br>70.75 | | Co. |
| Khaleej Petroleum Co Wll | Safat (Kuwait) | Kuwait | KWD | 250,000 | Eni Middle E. Ltd<br>Third parties | 49.00<br>51.00 | | Eq. |
| Liberty National Development Co Llc | Wilmington (USA) | USA | USD | 0(a) | Eni Oil & Gas Inc<br>Third parties | 32.50<br>67.50 | | Eq. |
| Mediterranean Gas Co | Cairo (Egypt) | Egypt | EGP | 20,000 | Ieoc Production BV<br>Third parties | 25.00<br>75.00 | | Co. |
| Meleiha Petroleum Company(†) | Cairo (Egypt) | Egypt | EGP | 20,000 | Ieoc Production BV<br>Third parties | 50.00<br>50.00 | | Co. |
| Mellitah Oil & Gas BV(†) | Amsterdam (Netherlands) | Libia | EUR | 20,000 | Eni North Africa BV<br>Third parties | 50.00<br>50.00 | | Co. |
| Nile Delta Oil Co Nidoco | Cairo (Egypt) | Egypt | EGP | 20,000 | Ieoc Production BV<br>Third parties | 37.50<br>62.50 | | Co. |
| Norpipe Terminal HoldCo Ltd | London (United Kingdom) | Norway | GBP | 55.69 | Eni SpA<br>Third parties | 14.20<br>85.80 | | Eq. |
| North Bardawil Petroleum Co (in liquidation) | Cairo (Egypt) | Egypt | EGP | 20,000 | Ieoc Exploration BV<br>Third parties | 30.00<br>70.00 | | |
| North El Burg Petroleum Co | Cairo (Egypt) | Egypt | EGP | 20,000 | Ieoc Production BV<br>Third parties | 25.00<br>75.00 | | Co. |
| Petrobel Belayim Petroleum Co(†) | Cairo (Egypt) | Egypt | EGP | 20,000 | Ieoc Production BV<br>Third parties | 50.00<br>50.00 | | Co. |
| PetroBicentenario SA(†) | Caracas (Venezuela) | Venezuela | VED | 0 | Eni Lasmo Plc<br>Third parties | 40.00<br>60.00 | | Eq. |

(*) F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value.
(†) Jointly controlled entity.
(a) Shares without nominal value.

| Company name | Registered office | Country of operation | Currency | Share Capital | Shareholders | % Ownership | % Equity ratio | Consolidation or valutation method(*) |
|---|---|---|---|---|---|---|---|---|
| PetroJunín SA(†) | Caracas (Venezuela) | Venezuela | VED | 0.02 | Eni Lasmo Plc<br>Third parties | 40.00<br>60.00 | | Eq. |
| PetroSucre SA | Caracas (Venezuela) | Venezuela | VED | 0 | Eni Venezuela BV<br>Third parties | 26.00<br>74.00 | | Eq. |
| Pharaonic Petroleum Co | Cairo (Egypt) | Egypt | EGP | 20,000 | Ieoc Production BV<br>Third parties | 25.00<br>75.00 | | Co. |
| Port Said Petroleum Co(†) | Cairo (Egypt) | Egypt | EGP | 20,000 | Ieoc Production BV<br>Third parties | 50.00<br>50.00 | | Co. |
| Qatar Liquefied Gas Company Limited (9) | Doha (Qatar) | Qatar | USD | 1,175,885,000 | Eni Qatar BV<br>Third parties | 25.00<br>75.00 | | Eq. |
| Raml Petroleum Co | Cairo (Egypt) | Egypt | EGP | 20,000 | Ieoc Production BV<br>Third parties | 22.50<br>77.50 | | Co. |
| Ras Qattara Petroleum Co | Cairo (Egypt) | Egypt | EGP | 20,000 | Ieoc Production BV<br>Third parties | 37.50<br>62.50 | | Co. |
| Rovuma LNG Investment (DIFC) Ltd | Dubai (United Arab Emirates) | Mozambique | USD | 50,000 | Eni Mozambique LNG H. BV<br>Third parties | 25.00<br>75.00 | | Eq. |
| Rovuma LNG SA | Maputo (Mozambique) | Mozambique | MZN | 100,000,000 | Eni Mozambique LNG H. BV<br>Third parties | 25.00<br>75.00 | | Eq. |
| Shorouk Petroleum Company | Cairo (Egypt) | Egypt | EGP | 20,000 | Ieoc Production BV<br>Third parties | 25.00<br>75.00 | | Co. |
| Société Centrale Electrique du Congo SA | Pointe-Noire (Republic of the Congo) | Republic of the Congo | XAF | 44,732,000,000 | Eni Congo SA<br>Third parties | 20.00<br>80.00 | | Eq. |
| Société Italo Tunisienne d'Exploitation Pétrolière SA(†) | Tunis (Tunisia) | Tunisia | TND | 5,000,000 | Eni Tunisia BV<br>Third parties | 50.00<br>50.00 | | Eq. |
| Sodeps - Société de Developpement et d'Exploitation du Permis du Sud SA(†) | Tunis (Tunisia) | Tunisia | TND | 100,000 | Eni Tunisia BV<br>Third parties | 50.00<br>50.00 | | Co. |
| Solenova Ltd(†) | London (United Kingdom) | Angola | USD | 1,580,000 | Eni E&P Holding BV<br>Third parties | 50.00<br>50.00 | | Co. |
| Thekah Petroleum Co (in liquidation) | Cairo (Egypt) | Egypt | EGP | 20,000 | Ieoc Exploration BV<br>Third parties | 25.00<br>75.00 | | |
| United Gas Derivatives Co | New Cairo (Egypt) | Egypt | USD | 153,000,000 | Eni International BV<br>Third parties | 33.33<br>66.67 | | Eq. |
| Vår Energi ASA(#) | Sandnes (Norway) | Norway | NOK | 399,425,000 | Eni International BV<br>Third parties | 63.08<br>36.92 | | Eq. |
| VIC CBM Ltd(†) | London (United Kingdom) | Indonesia | USD | 52,315,912 | Eni Lasmo Plc<br>Third parties | 50.00<br>50.00 | | Eq. |
| Virginia Indonesia Co CBM Ltd(†) | London (United Kingdom) | Indonesia | USD | 25,631,640 | Eni Lasmo Plc<br>Third parties | 50.00<br>50.00 | | Eq. |
| West Ashrafi Petroleum Co(†) (in liquidation) | Cairo (Egypt) | Egypt | EGP | 20,000 | Ieoc Exploration BV<br>Third parties | 50.00<br>50.00 | | |

(*) F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value.
(#) Company with shares quoted on regulated market of extra-EU countries.
(†) Jointly controlled entity.

# Global Gas & LNG Portfolio

## IN ITALY

| Company name | Registered office | Country of operation | Currency | Share Capital | Shareholders | % Ownership | % Equity ratio | Consolidation or valutation method(*) |
|---|---|---|---|---|---|---|---|---|
| **Mariconsult SpA**(†) | Milan | Italy | EUR | 120,000 | Eni Corridor Srl<br>Third parties | 50.00<br>50.00 | | Eq. |
| **Transmed SpA**(†) | Milan | Italy | EUR | 240,000 | Eni Corridor Srl<br>Third parties | 50.00<br>50.00 | | Eq. |

## OUTSIDE OF ITALY

| Company name | Registered office | Country of operation | Currency | Share Capital | Shareholders | % Ownership | % Equity ratio | Consolidation or valutation method(*) |
|---|---|---|---|---|---|---|---|---|
| **Blue Stream Pipeline Co BV**(†) | Amsterdam (Netherlands) | Russia | USD | 22,000 | Eni International BV<br>Third parties | 50.00<br>50.00 | 74.62(a) | J.O. |
| **Damietta LNG (DLNG) SAE**(†) | Damietta (Egypt) | Egypt | USD | 375,000,000 | Eni Gas Liquef. BV<br>Third parties | 50.00<br>50.00 | 50.00 | J.O. |
| **DLNG Service SAE**(†) **(ex SEGAS Services SAE)** | Damietta (Egypt) | Egypt | USD | 1,000,000 | Damietta LNG<br>Eni Gas Liquef. BV<br>Third parties | 98.00<br>1.00<br>1.00 | 50.00 | J.O. |
| **GreenStream BV**(†) | Amsterdam (Netherlands) | Libia | EUR | 200,000,000 | Eni North Africa BV<br>Third parties | 50.00<br>50.00 | 50.00 | J.O. |
| **Premium Multiservices SA** | Tunis (Tunisia) | Tunisia | TND | 200,000 | Sergaz SA<br>Third parties | 49.99<br>50.01 | | Eq. |
| **SAMCO Sagl** | Lugano (Switzerland) | Switzerland | CHF | 20,000 | Transmed. Pip. Co Ltd<br>Eni Corridor Srl<br>Third parties | 90.00<br>5.00<br>5.00 | | Eq. |
| **Société Energies Renouvelables Eni-ETAP SA**(†) | Tunis (Tunisia) | Tunisia | TND | 1,000,000 | Eni International BV<br>Third parties | 50.00<br>50.00 | | Eq. |
| **Transmediterranean Pipeline Co Ltd**(†)(10) | St. Helier (Jersey) | Jersey | USD | 10,310,000 | Eni Corridor Srl<br>Third parties | 50.00<br>50.00 | 50.00 | J.O. |

(*) F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value.
(†) Jointly controlled entity.
(a) Equity ratio equal to the Eni's working interest.
(10) Company that benefits from a privileged tax regime pursuant to art. 167, paragraph 4 of the D.P.R. of December 22, 1986, n. 917: the company is subjected to taxation in Italy because it is included in Eni's tax return. The company is considered as a controlled entity pursuant to art. 167, paragraph 2 of the TUIR.

# Refining & Marketing and Chemical

## Refining & Marketing

### IN ITALY

| Company name | Registered office | Country of operation | Currency | Share Capital | Shareholders | % Ownership | % Equity ratio | Consolidation or valutation method(*) |
|---|---|---|---|---|---|---|---|---|
| **Arezzo Gas SpA(†)** | Arezzo | Italy | EUR | 394,000 | Ecofuel SpA<br>Third parties | 50.00<br>50.00 | | Eq. |
| **CePIM Centro Padano Interscambio Merci SpA** | Fontevivo (PR) | Italy | EUR | 6,642,928.32 | Ecofuel SpA<br>Third parties | 44.78<br>55.22 | | Eq. |
| **Consorzio Operatori GPL di Napoli** | Napoli | Italy | EUR | 102,000 | Ecofuel SpA<br>Third parties | 25.00<br>75.00 | | Co. |
| **Costiero Gas Livorno SpA(†)** | Livorno | Italy | EUR | 26,000,000 | Ecofuel SpA<br>Third parties | 65.00<br>35.00 | 65.00 | J.O. |
| **Disma SpA** | Segrate (MI) | Italy | EUR | 2,600,000 | Ecofuel SpA<br>Third parties | 25.00<br>75.00 | | Eq. |
| **Porto Petroli di Genova SpA** | Genova | Italy | EUR | 2,068,000 | Ecofuel SpA<br>Third parties | 40.50<br>59.50 | | Eq. |
| **Raffineria di Milazzo ScpA(†)** | Milazzo (ME) | Italy | EUR | 171,143,000 | Eni SpA<br>Third parties | 50.00<br>50.00 | 50.00 | J.O. |
| **Seram SpA** | Fiumicino (RM) | Italy | EUR | 852,000 | Eni SpA<br>Third parties | 25.00<br>75.00 | | Eq. |
| **Sigea Sistema Integrato Genova Arquata SpA** | Genova | Italy | EUR | 3,326,900 | Ecofuel SpA<br>Third parties | 35.00<br>65.00 | | Eq. |
| **Società Oleodotti Meridionali - SOM SpA(†)** | Rome | Italy | EUR | 3,085,000 | Eni SpA<br>Third parties | 70.00<br>30.00 | | Eq. |
| **South Italy Green Hydrogen Srl(†)** | Rome | Italy | EUR | 10,000 | Eni SpA<br>Third parties | 50.00<br>50.00 | | Eq. |

### OUTSIDE ITALY

| Company name | Registered office | Country of operation | Currency | Share Capital | Shareholders | % Ownership | % Equity ratio | Consolidation or valutation method(*) |
|---|---|---|---|---|---|---|---|---|
| **Abu Dhabi Oil Refining Company (TAKREER)** | Abu Dhabi (United Arab Emirates) | United Arab Emirates | AED | 500,000,000 | Eni Abu Dhabi R&T<br>Third parties | 20.00<br>80.00 | | Eq. |
| **ADNOC Global Trading Ltd** | Abu Dhabi (United Arab Emirates) | United Arab Emirates | USD | 100,000,000 | Eni Abu Dhabi R&T<br>Third parties | 20.00<br>80.00 | | Eq. |
| **AET - Raffineriebeteiligungsgesellschaft mbH(†)** | Schwedt (Germany) | Germany | EUR | 27,000 | Eni Deutsch. GmbH<br>Third parties | 33.33<br>66.67 | | Eq. |
| **Bayernoil Raffineriegesellschaft mbH(†)** | Vohburg (Germany) | Germany | EUR | 10,226,000 | Eni Deutsch. GmbH<br>Third parties | 20.00<br>80.00 | 20.00 | J.O. |
| **City Carburoil SA(†)** | Monteceneri (Switzerland) | Switzerland | CHF | 6,000,000 | Eni Suisse SA<br>Third parties | 49.91<br>50.09 | | Eq. |

(*) F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value.
(†) Jointly controlled entity.

| Company name | Registered office | Country of operation | Currency | Share Capital | Shareholders | % Ownership | % Equity ratio | Consolidation or valutation method(*) |
|---|---|---|---|---|---|---|---|---|
| **Egyptian International Gas Technology Co** | New Cairo (Egypt) | Egypt | EGP | 100,000,000 | Eni International BV<br>Third parties | 40.00<br>60.00 | | Eq. |
| **ENEOS Italsing Pte Ltd** | Singapore (Singapore) | Singapore | SGD | 12,000,000 | Eni International BV<br>Third parties | 22.50<br>77.50 | | Eq. |
| **Fuelling Aviation Services GIE** | Tremblay-en-France (France) | France | EUR | 0 | Eni France Sàrl<br>Third parties | 25.00<br>75.00 | | Co. |
| **Mediterranée Bitumes SA** | Tunis (Tunisia) | Tunisia | TND | 1,000,000 | Eni International BV<br>Third parties | 34.00<br>66.00 | | Eq. |
| **Routex BV** | Amsterdam (Netherlands) | Netherlands | EUR | 67,500 | Eni Sust. Mobility SpA<br>Routex BV<br>Third parties | 20.00(a)<br>20.00<br>60.00 | | Eq. |
| **Saraco SA** | Meyrin (Switzerland) | Switzerland | CHF | 420,000 | Eni Suisse SA<br>Third parties | 20.00<br>80.00 | | Co. |
| **Supermetanol CA(†)** | Jose Puerto La Cruz (Venezuela) | Venezuela | VED | 0 | Ecofuel SpA<br>Supermetanol CA<br>Third parties | 34.51<br>30.07<br>35.42 | 50.00(b) | J.O. |
| **TBG Tanklager Betriebsgesellschaft GmbH(†)** | Salisburgo (Austria) | Austria | EUR | 43,603.70 | Eni Marketing A. GmbH<br>Third parties | 50.00<br>50.00 | | Eq. |
| **Weat Electronic Datenservice GmbH** | Düsseldorf (Germany) | Germany | EUR | 409,034 | Eni Deutsch. GmbH<br>Third parties | 20.00<br>80.00 | | Eq. |

(*) F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value.
(†) Jointly controlled entity.
(a) Controlling interest: Eni Sustainable Mobility SpA 25.00
Third parties 75.00
(b) Equity ratio equal to the Eni's working interest.

# Chemical

## IN ITALY

| Company name | Registered office | Country of operation | Currency | Share Capital | Shareholders | % Ownership | % Equity ratio | Consolidation or valutation method(*) |
|---|---|---|---|---|---|---|---|---|
| **Brindisi Servizi Generali Scarl** | Brindisi | Italy | EUR | 1,549,060 | Versalis SpA<br>Eni Rewind SpA<br>EniPower SpA<br>Third parties | 49.00<br>20.20<br>8.90<br>21.90 | | Eq. |
| **IFM Ferrara ScpA** | Ferrara | Italy | EUR | 5,304,464 | Versalis SpA<br>Eni Rewind SpA<br>S.E.F. Srl<br>Third parties | 19.61<br>11.51<br>10.63<br>58.25 | | Eq. |
| **Matrìca SpA(†)** | Porto Torres (SS) | Italy | EUR | 37,500,000 | Versalis SpA<br>Third parties | 50.00<br>50.00 | | Eq. |
| **Novamont SpA** | Novara | Italy | EUR | 20,000,000 | Versalis SpA<br>Third parties | 35.00<br>65.00 | | Eq. |
| **Priolo Servizi ScpA** | Melilli (SR) | Italy | EUR | 28,100,000 | Versalis SpA<br>Eni Rewind SpA<br>Third parties | 37.22<br>5.65<br>57.13 | | Eq. |
| **Ravenna Servizi Industriali ScpA** | Ravenna | Italy | EUR | 5,597,400 | Versalis SpA<br>EniPower SpA<br>Ecofuel SpA<br>Third parties | 42.13<br>30.37<br>1.85<br>25.65 | | Eq. |
| **Servizi Porto Marghera Scarl** | Venezia Marghera (VE) | Italy | EUR | 8,695,718 | Versalis SpA<br>Eni Rewind SpA<br>Third parties | 48.44<br>38.39<br>13.17 | | Eq. |

## OUTSIDE ITALY

| Company name | Registered office | Country of operation | Currency | Share Capital | Shareholders | % Ownership | % Equity ratio | Consolidation or valutation method(*) |
|---|---|---|---|---|---|---|---|---|
| **Lotte Versalis Elastomers Co Ltd(†)** | Yeosu (South Korea) | South Korea | KRW | 551,800,000,000 | Versalis SpA<br>Third parties | 50.00<br>50.00 | | Eq. |
| **Versalis Chem-invest Llp(†)** | Uralsk City (Kazakhstan) | Kazakhstan | KZT | 64,194,000 | Versalis International SA<br>Third parties | 49.00<br>51.00 | | Eq. |
| **VPM Oilfield Specialty Chemicals Llc(†)** | Abu Dhabi (United Arab Emirates) | United Arab Emirates | AED | 1,000,000 | Versalis International SA<br>Third parties | 49.00<br>51.00 | | Eq. |

(*) F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value.
(†) Jointly controlled entity.

# Plenitude & Power

## Plenitude

### IN ITALY

| Company name | Registered office | Country of operation | Currency | Share Capital | Shareholders | % Ownership | % Equity ratio | Consolidation or valutation method(*) |
|---|---|---|---|---|---|---|---|---|
| **Bettercity SpA** | Bergamo | Italy | EUR | 50,000 | Eni Plenitude SpA SB<br>Third parties | 50.00<br>50.00 | | Eq. |
| **E-Prosume Srl**(†)<br>(in liquidation) | Milan | Italy | EUR | 100,000 | Evolvere Venture SpA<br>Third parties | 50.00<br>50.00 | | Eq. |
| **Evogy Srl Società Benefit** | Seriate (BG) | Italy | EUR | 11,785.71 | Evolvere Venture SpA<br>Third parties | 45.45<br>54.55 | | Eq. |
| **GreenIT SpA**(†) | San Donato Milanese (MI) | Italy | EUR | 50,000 | Eni Plenitude SpA SB<br>Third parties | 51.00<br>49.00 | | Eq. |
| **Hergo Renewables SpA**(†) | Milan | Italy | EUR | 50,000 | Eni Plenitude SpA SB<br>Third parties | 65.00<br>35.00 | | Eq. |
| **Renewable Dispatching Srl** | Milan | Italy | EUR | 200,000 | Evolvere Venture SpA<br>Third parties | 40.00<br>60.00 | | Eq. |
| **Siel Agrisolare Srl**(†) | Cesena (FC) | Italy | EUR | 10,000 | SEF Srl<br>Third parties | 51.00<br>49.00 | | Eq. |
| **Tate Srl** | Bologna | Italy | EUR | 408,509.29 | Evolvere Venture SpA<br>Third parties | 36.00<br>64.00 | | Eq. |

### OUTSIDE ITALY

| Company name | Registered office | Country of operation | Currency | Share Capital | Shareholders | % Ownership | % Equity ratio | Consolidation or valutation method(*) |
|---|---|---|---|---|---|---|---|---|
| **Bluebell Solar Class A Holdings II Llc** | Wilmington (USA) | USA | USD | 82,351,634 | Eni New Energy US Inc<br>Third parties | 99.00<br>1.00 | | Eq. |
| **Clarensac Solar SAS** | Meyreuil (France) | France | EUR | 25,000 | Eni Plen. Op. Fr. SAS<br>Third parties | 40.00<br>60.00 | | Eq. |
| **Enera Conseil SAS**(†) | Clichy (France) | France | EUR | 9,690 | Eni G&P France SA<br>Third parties | 51.00<br>49.00 | | Eq. |
| **EnerOcean SL**(†) | Malaga (Spain) | Spain | EUR | 409,784 | Eni Plenitude SpA SB<br>Third parties | 25.00<br>75.00 | | Eq. |
| **Novis Renewables Holdings Llc** | Wilmington (USA) | USA | USD | 100 | Eni New Energy US Inc<br>Third parties | 49.00<br>51.00 | | Eq. |

(*) F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value.
(†) Jointly controlled entity.

| Company name | Registered office | Country of operation | Currency | Share Capital | Shareholders | % Ownership | % Equity ratio | Consolidation or valutation method(*) |
|---|---|---|---|---|---|---|---|---|
| **Novis Renewables Llc(†)** | Wilmington (USA) | USA | USD | 100 | Eni New Energy US Inc<br>Third parties | 50.00<br>50.00 | | Eq. |
| **POW - Polish Offshore Wind-Co Sp zoo(†)** | Warsaw (Poland) | Polonia | PLN | 5,000 | Eni En. Solutions BV<br>Third parties | 95.00<br>5.00 | | Eq. |
| **Vårgrønn AS(†)** | Stavanger (Norway) | Norway | NOK | 400,000 | Eni En. Solutions BV<br>Third parties | 65.00<br>35.00 | | Eq. |

(*) F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value.
(†) Jointly controlled entity.

# Power

## IN ITALY

| Company name | Registered office | Country of operation | Currency | Share Capital | Shareholders | % Ownership | % Equity ratio | Consolidation or valutation method(*) |
|---|---|---|---|---|---|---|---|---|
| **Società EniPower Ferrara Srl(†)** | San Donato Milanese (MI) | Italy | EUR | 140,000,000 | EniPower SpA<br>Third parties | 51.00<br>49.00 | 26.01 | J.O. |

(*) F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value.
(†) Jointly controlled entity.

# Corporate and Other activities

## Corporate and financial companies

### IN ITALY

| Company name | Registered office | Country of operation | Currency | Share Capital | Shareholders | % Ownership | % Equity ratio | Consolidation or valutation method(*) |
|---|---|---|---|---|---|---|---|---|
| **Consorzio per l'attuazione del Progetto Divertor Tokamak Test DTT Scarl**(†) | Frascati (RM) | Italy | EUR | 1,000,000 | Eni SpA<br>Third parties | 25.00<br>75.00 | | Co. |
| **Saipem SpA**(#)(†) | Milan | Italy | EUR | 501,669,790.83 | Eni SpA<br>Saipem SpA<br>Third parties | 31.19(a)<br>0.02<br>68.79 | | Eq. |

### OUTSIDE ITALY

| Company name | Registered office | Country of operation | Currency | Share Capital | Shareholders | % Ownership | % Equity ratio | Consolidation or valutation method(*) |
|---|---|---|---|---|---|---|---|---|
| **Avanti Battery Company**(b) | Natick (USA) | USA | USD | 683 | Eni Next Llc<br>Third parties | | | Eq. |
| **Commonwealth Fusion Systems Llc**(b) | Wilmington (USA) | USA | USD | 890 | Eni Next Llc<br>Third parties | | | Eq. |
| **Cool Planet Technologies Ltd**(b) | London (United Kingdom) | United Kingdom | GBP | 1,000 | Eni Next Llc<br>Third parties | | | Eq. |
| **CZero Inc**(b) | Wilmington (USA) | USA | USD | 334 | Eni Next Llc<br>Third parties | | | Eq. |
| **Form Energy Inc**(b) | Somerville (USA) | USA | USD | 1,129 | Eni Next Llc<br>Third parties | | | Eq. |
| **M2X Energy Inc**(b) **(ex Obantarla Corp.)** | Wilmington (USA) | USA | USD | 99 | Eni Next Llc<br>Third parties | | | Eq. |
| **sHYp BV PBC**(b) | Wilmington (USA) | USA | USD | 86 | Eni Next Llc<br>Third parties | | | Eq. |
| **Tecninco Engineering Contractors Llp**(†) | Aksai (Kazakhstan) | Kazakhstan | KZT | 29,478,455 | EniProgetti SpA<br>Third parties | 49.00<br>51.00 | | Eq. |
| **Thiozen Inc**(b) | Wilmington (USA) | USA | USD | 351 | Eni Next Llc<br>Third parties | | | Eq. |

(*) F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value.
(#) Company with shares quoted on regulated market of Italy or of other EU countries.
(†) Jointly controlled entity.
(a) Controlling interest: Eni SpA 31.20
Third parties 68.80
(b) The information relating to the share capital refers to ordinary shares.

# Other activities

## IN ITALY

| Company name | Registered office | Country of operation | Currency | Share Capital | Shareholders | % Ownership | % Equity ratio | Consolidation or valutation method(*) |
|---|---|---|---|---|---|---|---|---|
| **HEA SpA**(†) | Bologna | Italy | EUR | 50,000 | Eni Rewind SpA<br>Third parties | 50.00<br>50.00 | | Co. |
| **Progetto Nuraghe Scarl** | Porto Torres (SS) | Italy | EUR | 10,000 | Eni Rewind SpA<br>Third parties | 48.55<br>51.45 | | Eq. |

(*) F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value.
(†) Jointly controlled entity.

# Other significant investments

## Exploration & Production

### IN ITALY

| Company name | Registered office | Country of operation | Currency | Share Capita | Shareholders | % Ownership | Consolidation or valutation method(*) |
|---|---|---|---|---|---|---|---|
| BF SpA(#) | Jolanda di Savoia (FE) | Italy | EUR | 187,059,565 | Eni Natural Energies SpA<br>Third parties | 3.32<br>96.68 | F.V. |
| Consorzio Universitario in Ingegneria per la Qualità e l'Innovazione | Pisa | Italy | EUR | 138,000 | Eni SpA<br>Third parties | 16.67<br>83.33 | F.V. |

### OUTSIDE ITALY

| Company name | Registered office | Country of operation | Currency | Share Capita | Shareholders | % Ownership | Consolidation or valutation method(*) |
|---|---|---|---|---|---|---|---|
| Administradora del Golfo de Paria Este SA | Caracas (Venezuela) | Venezuela | VED | 0 | Eni Venezuela BV<br>Third parties | 19.50<br>80.50 | F.V. |
| Brass LNG Ltd | Lagos (Nigeria) | Nigeria | USD | 1,000,000 | Eni Int. NA NV Sàrl<br>Third parties | 20.48<br>79.52 | F.V. |
| Darwin LNG Pty Ltd | West Perth (Australia) | Australia | AUD | 187,569,921.42 | Eni G&P LNG Aus. BV<br>Third parties | 10.99<br>89.01 | F.V. |
| New Liberty Residential Co Llc | West Trenton (USA) | USA | USD | 0(a) | Eni Oil & Gas Inc<br>Third parties | 17.50<br>82.50 | F.V. |
| Nigeria LNG Ltd | Port Harcourt (Nigeria) | Nigeria | USD | 1,138,207,000 | Eni Int. NA NV Sàrl<br>Third parties | 10.40<br>89.60 | F.V. |
| North Caspian Operating Co NV | The Hauge (Netherlands) | Kazakhstan | EUR | 128,520 | Agip Caspian Sea BV<br>Third parties | 16.81<br>83.19 | F.V. |
| Petrolera Güiria SA | Caracas (Venezuela) | Venezuela | VED | 0 | Eni Venezuela BV<br>Third parties | 19.50<br>80.50 | F.V. |
| Torsina Oil Co | Cairo (Egypt) | Egypt | EGP | 20,000 | Ieoc Production BV<br>Third parties | 12.50<br>87.50 | F.V. |

(*) F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value.
(#) Company with shares quoted on regulated market of Italy or of other EU countries.
(a) Shares without nominal value.

# Global Gas & LNG Portfolio

## OUTSIDE ITALY

| Company name | Registered office | Country of operation | Currency | Share Capita | Shareholders | % Ownership | Consolidation or valutation method(*) |
|---|---|---|---|---|---|---|---|
| Norsea Gas GmbH | Friedeburg-Etzel (Germany) | Germany | EUR | 1,533,875.64 | Eni International BV<br>Third parties | 13.04<br>86.96 | F.V. |

(*) F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value.

# Refining & Marketing and Chemical

## Refining & Marketing

### OUTSIDE ITALY

| Company name | Registered office | Country of operation | Currency | Share Capita | Shareholders | % Ownership | Consolidation or valutation method(*) |
|---|---|---|---|---|---|---|---|
| BFS Berlin Fuelling Services GbR | Berlin (Germany) | Germany | EUR | 89,199 | Eni Deutsch. GmbH<br>Third parties | 12.50<br>87.50 | F.V. |
| Compañia de Economia Mixta "Austrogas" | Cuenca (Ecuador) | Ecuador | USD | 6,863,493 | Eni Ecuador SA<br>Third parties | 13.38<br>86.62 | F.V. |
| Dépôt Pétrolier de la Côte d'Azur SAS | Nanterre (France) | France | EUR | 207,500 | Eni France Sàrl<br>Third parties | 18.00<br>82.00 | F.V. |
| Dépôts Pétroliers de Fos SA | Fos-Sur-Mer (France) | France | EUR | 3,954,196.40 | Eni France Sàrl<br>Third parties | 16.81<br>83.19 | F.V. |
| Joint Inspection Group Ltd | Cambourne (United Kingdom) | United Kingdom | GBP | 0[(a)] | Eni SpA<br>Third parties | 12.50<br>87.50 | F.V. |
| Saudi European Petrochemical Co "IBN ZAHR" | Al Jubail (Saudi Arabia) | Saudi Arabia | SAR | 1,200,000,000 | Ecofuel SpA<br>Third parties | 10.00<br>90.00 | F.V. |
| S.I.P.G. Société Immobilière Pétrolière de Gestion Snc | Tremblay-en-France (France) | France | EUR | 40,000 | Eni France Sàrl<br>Third parties | 12.50<br>87.50 | F.V. |
| Sistema Integrado de Gestion de Aceites Usados | Madrid (Spain) | Spain | EUR | 175,713 | Eni Iberia SLU<br>Third parties | 15.45<br>84.55 | F.V. |
| Tanklager - Gesellschaft Tegel (TGT) GbR | Amburgo (Germany) | Germany | EUR | 4,953 | Eni Deutsch. GmbH<br>Third parties | 12.50<br>87.50 | F.V. |
| TAR - Tankanlage Ruemlang AG | Ruemlang (Switzerland) | Switzerland | CHF | 3,259,500 | Eni Suisse SA<br>Third parties | 16.27<br>83.73 | F.V. |
| Tema Lube Oil Co Ltd | Accra (Ghana) | Ghana | GHS | 258,309 | Eni International BV<br>Third parties | 12.00<br>88.00 | F.V. |

(*) F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value.
(a) Shares without nominal value.

# Corporate and Other activities

## Corporate and financial companies

### OUTSIDE ITALY

| Company name | Registered office | Country of operation | Currency | Share Capita | Shareholders | % Ownership | Consolidation or valutation method(*) |
|---|---|---|---|---|---|---|---|
| New Energy One Acquisition Corporation Plc(#) | London (United Kingdom) | United Kingdom | GBP | 71,875 | Eni International BV<br>Third parties | 3.92<br>96.08 | F.V. |

## Other activities

### IN ITALY

| Company name | Registered office | Country of operation | Currency | Share Capita | Shareholders | % Ownership | Consolidation or valutation method(*) |
|---|---|---|---|---|---|---|---|
| Ottana Sviluppo ScpA (in bankruptcy) | Nuoro | Italy | EUR | 516,000 | Eni Rewind SpA<br>Third parties | 30.00<br>70.00 | F.V. |

(*) F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value.
(#) Company with shares quoted on regulated market of Italy or of other EU countries.

# Changes in the scope of consolidation for 2022

## Fully consolidated subsidiaries

### COMPANIES INCLUDED (No. 113)

| | | | |
|---|---|---|---|
| Agrikroton Srl - Società Agricola | Cesena (FC) | Plenitude | Acquisition |
| Anberia Invest SLU | Madrid | Plenitude | Acquisition |
| Borgia Wind Srl | Cesena (FC) | Plenitude | Acquisition |
| Brazoria Class B Member Llc | Dover | Plenitude | Relevancy |
| Brazoria HoldCo Llc | Dover | Plenitude | Relevancy |
| Corazon Energy Class B Llc | Dover | Plenitude | Acquisition |
| Corazon Energy Llc | Dover | Plenitude | Acquisition |
| Corazon Tax Equity Partnership Llc | Dover | Plenitude | Acquisition |
| Corlinter 5000 SLU | Madrid | Plenitude | Acquisition |
| Corridonia Energia Srl | Cesena (FC) | Plenitude | Acquisition |
| Dynamica Srl | Cesena (FC) | Plenitude | Acquisition |
| Ecoener Srl | Cesena (FC) | Plenitude | Acquisition |
| Ekain Renovables SLU | Madrid | Plenitude | Acquisition |
| Elettro Sannio Wind 2 Srl | Cesena (FC) | Plenitude | Acquisition |
| Energía Eólica Boreas SLU | Madrid | Plenitude | Acquisition |
| Enerkall Srl | Cesena (FC) | Plenitude | Acquisition |
| Eni Corridor Srl | San Donato Milanese (MI) | Global Gas & LNG Portfolio | Relevancy |
| Eni New Energy Australia Pty Ltd | Perth | Plenitude | Relevancy |
| Eni New Energy Batchelor Pty Ltd | Perth | Plenitude | Relevancy |
| Eni New Energy Katherine Pty Ltd | Perth | Plenitude | Relevancy |
| Eni New Energy Manton Dam Pty Ltd | Perth | Plenitude | Relevancy |
| Eni Plenitude Renewables Hellas Single Member SA | Athens | Plenitude | Acquisition |
| Eni Qatar BV | Amsterdam | Exploration & Production | Relevancy |
| Eni Sustainable Mobility SpA | Rome | Refining & Marketing | Relevancy |
| Eni Transporte y Suministro México S. de RL de CV | Mexico City | Refining & Marketing | Relevancy |
| Eolica Cuellar de la Sierra SLU | Madrid | Plenitude | Acquisition |
| Eolica Pietramontecorvino Srl | Cesena (FC) | Plenitude | Acquisition |
| Eolica Wind Power Srl | Cesena (FC) | Plenitude | Acquisition |
| Eolo Energie - Corleone - Campofiorito Srl | Cesena (FC) | Plenitude | Acquisition |
| Export LNG Ltd | Hong Kong | Exploration & Production | Acquisition |
| Faren Srl | Cesena (FC) | Plenitude | Acquisition |
| FAS Srl | Cesena (FC) | Plenitude | Acquisition |
| Fotovoltaica Escudero SLU | Valencia | Plenitude | Acquisition of control |
| Fotovoltaica Pietramontecorvino Srl | Cesena (FC) | Plenitude | Acquisition |
| FV4P Srl | Forlì (FC) | Plenitude | Acquisition |
| Gemsa Solar Srl | Cesena (FC) | Plenitude | Acquisition |
| GPC Uno Srl | Cesena (FC) | Plenitude | Acquisition |

| | | | |
|---|---|---|---|
| GPC Due Srl | Cesena (FC) | Plenitude | Acquisition |
| Green Parity Srl | Cesena (FC) | Plenitude | Acquisition |
| Guajillo Energy Storage Llc | Dover | Plenitude | Acquisition |
| Guilleus Consulting SLU | Madrid | Plenitude | Acquisition |
| Inveese SAS | Bogotá | Plenitude | Acquisition |
| Lugo Società Agricola Srl | Cesena (FC) | Plenitude | Acquisition |
| Lugo Solar Tech Srl | Cesena (FC) | Plenitude | Acquisition |
| Marano Solar Srl | Cesena (FC) | Plenitude | Acquisition |
| Marano Solare Srl | Cesena (FC) | Plenitude | Acquisition |
| Marcellinara Wind Srl | Cesena (FC) | Plenitude | Acquisition |
| Miburia Trade SLU | Madrid | Plenitude | Acquisition |
| Micropower Srl | Cesena (FC) | Plenitude | Acquisition |
| Molinetto Srl | Cesena (FC) | Plenitude | Acquisition |
| Monte San Giusto Solar Srl | Cesena (FC) | Plenitude | Acquisition |
| Montefano Energia Srl | Cesena (FC) | Plenitude | Acquisition |
| Olivadi Srl | Cesena (FC) | Plenitude | Acquisition |
| Parco Eolico di Tursi e Colobraro Srl | Cesena (FC) | Plenitude | Acquisition |
| Pescina Wind Srl | Cesena (FC) | Plenitude | Acquisition |
| Pieve5 Srl | Cesena (FC) | Plenitude | Acquisition |
| PLT Colombia SAS | Bogotá | Plenitude | Acquisition |
| PLT Energia Srl | Cesena (FC) | Plenitude | Acquisition |
| PLT Engineering Colombia SAS | Bogotá | Plenitude | Acquisition |
| PLT Engineering Romania Srl | Cluj-Napoca | Plenitude | Acquisition |
| PLT Engineering Spagna SLU | Madrid | Plenitude | Acquisition |
| PLT Engineering Srl | Cesena (FC) | Plenitude | Acquisition |
| PLT Puregreen SpA | Cesena (FC) | Plenitude | Acquisition |
| PLT Spagna SL | Madrid | Plenitude | Acquisition |
| PLT Wind 2020 Srl | Cesena (FC) | Plenitude | Acquisition |
| PLT Wind 2022 SpA | Cesena (FC) | Plenitude | Acquisition |
| Pollenza Sole Srl | Cesena (FC) | Plenitude | Acquisition |
| Punes Trade SLU | Madrid | Plenitude | Acquisition |
| Ravenna 1 FTV Srl | Cesena (FC) | Plenitude | Acquisition |
| RF-AVIO Srl | Cesena (FC) | Plenitude | Acquisition |
| RF-Cavallerizza Srl | Cesena (FC) | Plenitude | Acquisition |
| Ruggiero Wind Srl | Cesena (FC) | Plenitude | Acquisition |
| SAV - Santa Maria Srl | Cesena (FC) | Plenitude | Acquisition |
| SEF Green Srl | Cesena (FC) | Plenitude | Acquisition |

| | | | |
|---|---|---|---|
| SEF Miniwind Srl | Cesena (FC) | Plenitude | Acquisition |
| SEF Solar Abruzzo Srl | Cesena (FC) | Plenitude | Acquisition |
| SEF Solar II Srl | Cesena (FC) | Plenitude | Acquisition |
| SEF Solar Srl | Cesena (FC) | Plenitude | Acquisition |
| SEF Srl | Cesena (FC) | Plenitude | Acquisition |
| SKGRPV1 Single Member Private Company | Athens | Plenitude | Acquisition |
| SKGRPV2 Single Member Private Company | Athens | Plenitude | Acquisition |
| SKGRPV3 Single Member Private Company | Athens | Plenitude | Acquisition |
| SKGRPV4 Single Member Private Company | Athens | Plenitude | Acquisition |
| SKGRPV5 Single Member Private Company | Athens | Plenitude | Acquisition |
| SKGRPV6 Single Member Private Company | Athens | Plenitude | Acquisition |
| SKGRPV7 Single Member Private Company | Athens | Plenitude | Acquisition |
| SKGRPV8 Single Member Private Company | Athens | Plenitude | Acquisition |
| SKGRPV9 Single Member Private Company | Athens | Plenitude | Acquisition |
| SKGRPV10 Single Member Private Company | Athens | Plenitude | Acquisition |
| SKGRPV11 Single Member Private Company | Athens | Plenitude | Acquisition |
| SKGRPV12 Single Member Private Company | Athens | Plenitude | Acquisition |
| SKGRPV13 Single Member Private Company | Athens | Plenitude | Acquisition |
| SKGRPV14 Single Member Private Company | Athens | Plenitude | Acquisition |
| SKGRPV15 Single Member Private Company | Athens | Plenitude | Acquisition |
| SKGRPV16 Single Member Private Company | Athens | Plenitude | Acquisition |
| SKGRPV17 Single Member Private Company | Athens | Plenitude | Acquisition |
| SKGRPV18 Single Member Private Company | Athens | Plenitude | Acquisition |
| SKGRPV19 Single Member Private Company | Athens | Plenitude | Acquisition |
| SKGRPV20 Single Member Private Company | Athens | Plenitude | Acquisition |
| Società Agricola Agricentro Srl | Cesena (FC) | Plenitude | Acquisition |
| Società Agricola Casemurate Srl | Cesena (FC) | Plenitude | Acquisition |
| Società Agricola Forestale Pianura Verde Srl | Cesena (FC) | Plenitude | Acquisition |
| Società Agricola Isola d'Agri Srl | Cesena (FC) | Plenitude | Acquisition |
| Società Agricola L'Albero Azzurro Srl | Cesena (FC) | Plenitude | Acquisition |
| Società Agricola SEF Bio Srl | Cesena (FC) | Plenitude | Acquisition |
| Timpe Muzzunetti 2 Srl | Cesena (FC) | Plenitude | Acquisition |
| Vivaro FTV Srl | Cesena (FC) | Plenitude | Acquisition |
| VRG Wind 127 Srl | Cesena (FC) | Plenitude | Acquisition |
| VRG WIND 149 Srl | Cesena (FC) | Plenitude | Acquisition |
| W-Energy Srl | Cesena (FC) | Plenitude | Acquisition |
| Wind Salandra Srl | Cesena (FC) | Plenitude | Acquisition |
| Wind Turbines Engineering 2 Srl | Cesena (FC) | Plenitude | Acquisition |
| Windsol Srl | Cesena (FC) | Plenitude | Acquisition |

## COMPANIES EXCLUDED (No. 30)

| | | | |
|---|---|---|---|
| EniBioCh4in Annia Srl Società Agricola | San Donato Milanese (MI) | Refining & Marketing | Fusion |
| EniBioCh4in Appia Srl Società Agricola | San Donato Milanese (MI) | Refining & Marketing | Fusion |
| EniBioCh4in Briona Srl Società Agricola | San Donato Milanese (MI) | Refining & Marketing | Fusion |
| EniBioCh4in Calandre Energia Srl Società Agricola | San Donato Milanese (MI) | Refining & Marketing | Fusion |
| EniBioCh4in Gardilliana Società Agricola Srl | San Donato Milanese (MI) | Refining & Marketing | Fusion |
| EniBioCh4in Maddalena Società Agricola Srl | San Donato Milanese (MI) | Refining & Marketing | Fusion |
| EniBioCh4in Medea Srl Società Agricola | San Donato Milanese (MI) | Refining & Marketing | Fusion |
| EniBioCh4in Mortara Società Agricola Srl | San Donato Milanese (MI) | Refining & Marketing | Fusion |
| EniBioCh4in Plovera Società Agricola Srl | San Donato Milanese (MI) | Refining & Marketing | Fusion |
| EniBioCh4in Rhodigium Società Agricola Srl | San Donato Milanese (MI) | Refining & Marketing | Fusion |
| EniBioCh4in San Benedetto Po Srl Società Agricola | San Donato Milanese (MI) | Refining & Marketing | Fusion |
| EniBioCh4in Vigevano Srl Società Agricola | San Donato Milanese (MI) | Refining & Marketing | Fusion |
| EniBioCh4in Villacidro Agricole Società Agricola a responsabilità limitata | San Donato Milanese (MI) | Refining & Marketing | Fusion |
| Eni AEP Ltd | London | Exploration & Production | Sale |
| Eni Angola SpA | San Donato Milanese (MI) | Exploration & Production | Loss of control |
| Eni Angola Exploration BV | Amsterdam | Exploration & Production | Loss of control |
| Eni Angola Production BV | Amsterdam | Exploration & Production | Loss of control |
| Eni New Energy Pakistan (Private) Ltd | Karachi | Exploration & Production | Sale |
| Eni North Sea Wind Ltd | London | Plenitude | Loss of control |
| Eni Mozambique Engineering Ltd | London | Exploration & Production | Irrelevancy |
| Eni Pakistan Ltd | London | Exploration & Production | Sale |
| Eni Pakistan (M) Ltd Sàrl | Luxembourg | Exploration & Production | Sale |
| Eni South Africa BV | Amsterdam | Exploration & Production | Irrelevancy |
| Eni West Africa SpA | San Donato Milanese (MI) | Exploration & Production | Irrelevancy |
| Eolica Lucana Srl | Milan | Plenitude | Fusion |
| Green Energy Management Services Srl | Rome | Plenitude | Fusion |
| Ing. Luigi Conti Vecchi SpA | Assemini (CA) | Others activities | Sale |
| Instalaciones Martínez Díez SLU | Torrelavega | Plenitude | Fusion |
| Mizamtec Operating Company S. de RL de CV | Mexico City | Exploration & Production | Irrelevancy |
| Padanaplast Srl | Roccabianca (PR) | Chemical | Fusion |

# Independent auditor's report on the consolidated non-financial statement

**ENI SPA**

**INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED NON-FINANCIAL STATEMENT PURSUANT TO ARTICLE 3, PARAGRAPH 10, OF LEGISLATIVE DECREE NO. 254/2016 AND ARTICLE 5 OF CONSOB REGULATION NO. 20267 OF JANUARY 2018**

**YEAR ENDED DECEMBER 31, 2022**

# *Independent auditor's report on the consolidated non-financial statement*

*pursuant to article 3, paragraph 10, of Legislative Decree No. 254/2016 and article 5 of CONSOB Regulation no. 20267 of January 2018*

To the Board of Directors of Eni SpA

Pursuant to article 3, paragraph 10, of Legislative Decree No. 254 of December 30, 2016 (the "Decree") and article 5 of CONSOB Regulation No. 20267/2018, we have undertaken a limited assurance engagement on the consolidated non-financial statement of Eni SpA and its subsidiaries (the "Group") for the year ended December 31, 2022 prepared in accordance with article 4 of the Decree, presented in the specific section of the report on operations and approved by the Board of Directors on March 16, 2023 (hereinafter the "NFS").

Our review does not extend to the information set out in the "European Taxonomy" paragraph of the NFS, required by article 8 of European Regulation 2020/852.

## *Responsibilities of the Directors and the Board of Statutory Auditors for the NFS*

The Directors are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree and with the "Global Reporting Initiative Sustainability Reporting Standards" defined in 2016, and subsequent versions, by the GRI - Global Reporting Initiative (the "GRI Standards"), disclosed in the chapter "Reporting principles and criteria" of the NFS, identified by them as the reporting standards.

The Directors are also responsible, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of a NFS that is free from material misstatement, whether due to fraud or error.

Moreover, the Directors are responsible for identifying the content of the NFS, within the matters mentioned in article 3, paragraph 1, of the Decree, considering the activities and characteristics of the Group and to the extent necessary to ensure an understanding of the Group's activities, its performance, its results and related impacts.

Finally, the Directors are responsible for defining the business and organisational model of the Group and, with reference to the matters identified and reported in the NFS, for the policies adopted by the Group and for the identification and management of risks generated and/or faced by the Group.

The Board of Statutory Auditors is responsible for overseeing, in the terms prescribed by law, compliance with the Decree.

## *Auditor's Independence and Quality Control*

We are independent in accordance with the principles of ethics and independence set out in the Code of Ethics for Professional Accountants published by the International Ethics Standards Board for Accountants, which are based on the fundamental principles of integrity, objectivity, competence and professional diligence, confidentiality and professional behaviour. Our audit firm adopts International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains an overall quality control system which includes processes and procedures for compliance with ethical and professional principles and with applicable laws and regulations.

### *Auditor's responsibilities*

We are responsible for expressing a conclusion, on the basis of the work performed, regarding the compliance of the NFS with the Decree and the GRI Standards. We conducted our work in accordance with *International Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ("ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. The standard requires that we plan and apply procedures in order to obtain limited assurance that the NFS is free of material misstatement. The procedures performed in a limited assurance engagement are less in scope than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not provide us with a sufficient level of assurance that we have become aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

The procedures performed on the NFS were based on our professional judgement and consisted in interviews, primarily of company personnel responsible for the preparation of the information presented in the NFS, analyses of documents, recalculations and other procedures designed to obtain evidence considered useful.

In detail, we performed the following procedures:

1. analysis of the relevant matters reported in the NFS relating to the activities and characteristics of the Group, in order to assess the reasonableness of the selection process used, in accordance with article 3 of the Decree and with the reporting standard adopted;
2. analysis and assessment of the criteria used to identify the consolidation area, in order to assess their compliance with the Decree;
3. comparison of the financial information reported in the NFS with the information reported in the Eni Group's consolidated financial statements for the year ended December 31, 2022;
4. understanding of the following matters:
   a) business and organizational model of the Group with reference to the management of the matters specified in article 3 of the Decree;
   b) policies adopted by the Group with reference to the matters specified in article 3 of the Decree, actual results and related key performance indicators;
   c) key risks generated or faced by the Group with reference to the matters specified in article 3 of the Decree.

   With reference to those matters, we compared the information obtained with the information presented in the NFS and carried out the procedures described under point 5 a) below;

5. understanding of the processes underlying the preparation, collection and management of the significant qualitative and quantitative information included in the NFS.

   In detail, we held meetings and interviews with the management of Eni SpA and we performed limited analyses of documentary evidence, to gather information about the processes and procedures for the collection, consolidation, processing and submission of the non-financial information to the function responsible for the preparation of the NFS.

   Moreover, for material information, considering the activities and characteristics of the Group:

   - at a holding level,

a) with reference to the qualitative information included in the NFS, and in particular to the business model, the policies adopted and the main risks, we carried out interviews and acquired supporting documentation to verify its consistency with available evidence;
b) with reference to quantitative information, we performed analytical procedures as well as limited tests, in order to assess, on a sample basis, the accuracy of consolidation of the information.

- for the following companies and sites, Eni Australia BV (Blacktip YGP site), Eni Tunisia BV (Tazerka site), Nigerian Agip Oil Co Ltd (OB/OB plant), Versalis SpA (Brindisi plant), Eni New Energy SpA (Assemini plant), Eni Rewind SpA (Porto Torres plant) and Eni SpA (GTR&M - Robassomero plant), which were selected on the basis of their activities, their contribution to the performance indicators at a consolidated level and their location, we carried out on-site visits during which we discussed with local management and gathered supporting documentation regarding the correct application of the procedures and calculation methods used for the key performance indicators.

***Conclusion***

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of the Eni Group for the year ended December 31, 2022 is not prepared, in all material respects, in accordance with articles 3 and 4 of the Decree and with the GRI Standards.

Our conclusions on the NFS of the Eni Group do not extend to the information set out in the "European Taxonomy" paragraph of the NSF, required by article 8 of European Regulation 2020/852.

Rome, April 5, 2023

PricewaterhouseCoopers SpA

*Signed by*

Massimo Rota
(Partner)

Paolo Bersani
(Authorised signatory)

*This report has been translated from the Italian original solely for the convenience of international readers. We have not performed any controls on the NFS 2022 translation.*

# Independent auditor's report on the consolidated financial statements

pwc

## *Independent auditor's report*

*in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014*

### *Eni SpA*

### *Consolidated Financial Statements as of December 31, 2022*

pwc

# *Independent auditor's report*

*in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014*

To the shareholders of
Eni SpA

## *Report on the Audit of the Consolidated Financial Statements*

### *Opinion*

We have audited the consolidated financial statements of Eni Group (the Group), which comprise the consolidated balance sheet as of December 31, 2022, the consolidated profit and loss account, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of December 31, 2022, and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05.

### *Basis for Opinion*

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of this report. We are independent of Eni SpA (the Company) pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| *Key Audit Matters* | *Auditing procedures performed in response to key audit matters* |
|---|---|
| **Evaluation of hydrocarbon reserves, measurement of mineral assets and of other financial statement line items related thereto, also considering the impacts of the energy transition and climate changes**<br><br>*Note 1 "Significant accounting policies, estimates and judgements", Note 12 "Property, plant and equipment", Note 13 "Right-of-use assets and lease liabilities", Note 14 "Intangible assets", Note 15 "Reversals (Impairments) of tangible and intangible assets and right-of-use assets. Sensitivity of outcomes to alternative scenarios", Note 16 "Investments" and Note 21 "Provisions" of the consolidated financial statements* | |
| The items "Property, plant and equipment", "Right-of-use assets" and "Intangible assets" include significant amounts related to mineral assets, more specifically referring to "E&P wells, plant and machinery" in an amount of Euro 40,492 million, "E&P exploration assets and appraisal" amounting to Euro 1,395 million, "E&P tangible assets in progress" equal to Euro 7,627 million, right-of-use assets amounting to Euro 2,653 million, "Exploration rights" in an amount of Euro 793 million.<br><br>The carrying amount of the mineral assets also comprises estimated costs for decommissioning and restoration costs and social projects, the provision of which amounted to Euro 8,817 million at December 31, 2022.<br><br>Furthermore, the Group holds investments in the E&P segment, accounted for under the equity method, for a total amount of Euro 7,314 million at December 31, 2022.<br><br>Mineral assets are depreciated according to the unit of production method (also UOP method) based on the units produced during the year and the estimated hydrocarbon reserves that can be produced. At December 31, 2022 depreciation of mineral assets related to the E&P segment amounted to Euro 6,018 million. | Our audit procedures consisted in the comprehension, assessment and verification of the operating effectiveness of relevant controls implemented by management in respect of the measurement of hydrocarbon reserves, the measurement of mineral assets, of investments in the E&P segment accounted for under the equity method and of additional financial statement items related thereto.<br><br>The audit procedures on the estimate of the hydrocarbon reserves included, *inter alia*, the analysis of the movements in reserves during the year also compared to the year in which these reserves were set up, an understanding of the main assumptions and verification of their reasonableness.<br><br>With reference to the estimate of abandonment costs, the following audit procedures were also carried out:<br>(i) understanding of the legislative and regulatory framework and of the underlying mineral arrangements;<br>(ii) comparison between the costs and related timing of expenses at year-end with the previous year's forecasts and, when significant, investigating the differences identified and verifying the consistency of the expected expenses and timing in comparison with actual data. |

| *Key Audit Matters* | *Auditing procedures performed in response to key audit matters* |
|---|---|
| At year-end, in accordance with IAS 36 "Impairment of assets", the mineral assets recognised in the consolidated financial statements are subject to specific tests on their recoverable value ("impairment test"), if changes or circumstances have highlighted that (i) their carrying value may no longer be recoverable and/or (ii) impairments recognised in previous years have ceased to exist or their amount has changed. The recoverable amount of mineral assets is generally taken as being equal to their value in use and determined discounting the expected future cash flows from the use of the assets. | Regarding the valuation of exploration rights and exploration activities and E&P appraisal, we discussed the prospects of the main exploration projects with management, for which we verified the consistency with the planned investment provided in the Group's forecast plans including, among others, the achievement of the decarbonization targets in 2050, also through interim targets by 2030 and 2040, established by the Group and reflected in the 2023-2026 Strategic Plan. |
| As at December 31, 2022 impairments, net of reversals, of tangible and intangible assets and right-of-use assets related to the E&P segment, amounted to Euro 432 million. | The audit procedures relating to depreciation and amortization also included verifying the use of the UOP rates resulting from the valuation of the reserves and re-calculations, on a sample basis, of amortization/depreciation charges. |
| The estimate of hydrocarbon reserves and the determination of the value of mineral assets and of the related items are based on a series of factors, assumptions and variables, including: | With regard to the impairment test the following audit procedures were also carried out: |
| (i) the accuracy of the estimate of the reserves which depends on the quality of the available geological, technical and economic data, as well as the related interpretation and evaluation by the Group's internal and external experts;<br>(ii) the estimate of future production units and related flows of income, operating costs, including within the charges for carbon offset relating to the geographical areas where there are legal obligations, development and abandonment costs, as well as the timing when these costs are incurred;<br>(iii) changes in the tax legislation, in administrative regulations and changes in the underlying contract types;<br>(iv) long-term hydrocarbon price projections, developed on the basis of the analysis of long-term supply and demand fundamentals, considering the possible evolution of the global energy mix to 2050 in relation to the decarbonization commitments by the countries and the EU with a view to achieving the objectives of the Paris | (i) We verified the consistency of the method used by the Group with the requirements of IAS 36 and particularly the appropriateness of the cash flows used and related consistency with the Group's forecast plans;<br>(ii) For a sample of cash generating units (CGUs), we verified the reasonableness of the assumptions used by management to estimate cash flows and we checked they were in line with the estimated reserves and site abandonment and restoration costs and that they were, taken as a whole, consistent with the strategic decarbonization objectives;<br>(iii) We verified the sensitivity analysis performed by the Group which include assumptions on the projected hydrocarbon prices and $CO_2$ costs in the decarbonization scenario "Net Zero Emissions 2050" (NZE 2050) elaborated by the IEA;<br>(iv) We held specific meetings with management to discuss the main assumptions used to prepare the impairment exercises consistent with |

| *Key Audit Matters* | *Auditing procedures performed in response to key audit matters* |
|---|---|
| Agreement, the speed of the energy transition process, economic and demographic growth, the evolution of technologies and the change in consumer preferences that may lead, in the medium to long term, to a structural decline in demand for hydrocarbons, an increase in operating costs as well as an increased risk of non-producible reserves; these variables have been considered in the context of the Group's strategy to achieve carbon neutrality in 2050 through interim targets by 2030 and 2040;<br>(v) the production of oil and natural gas actually extracted and subsequent reservoir analyses, which can entail significant revisions; and<br>(vi) the discount rate used.<br><br>In consideration of the significance and subjectivity of the aforementioned assumptions, Eni management carried out sensitivity analyses of the oil & gas asset values which take into account: (i) a 10% linear cut in hydrocarbon prices in all years of the cash flow projections, (ii) projected hydrocarbon prices and $CO_2$ costs in the decarbonization scenario, compatible with keeping global warming within the 1.5° C threshold, called Net Zero Emissions 2050 (NZE 2050) elaborated by the IEA (International Energy Agency).<br><br>We paid special attention to the risk of incorrect quantification of the estimates carried out by management in relation to the valuation of hydrocarbon reserves and the measurement of mineral assets and the other financial statement line items related thereto considering (i) the high degree of uncertainty of the estimates and measurements (ii) the technical complexity of the valuation models used and (iii) the materiality of the related financial statement line items. | the Group's 2023-2026 Strategic Plan and medium/long-term objectives.<br><br>We evaluated the technical expertise and objectivity of the Group's internal and external experts involved in the valuation process, as well as the methods used by them.<br><br>Our Valuations & Economics experts and those of the Enterprise Risk Management function supported us in the verification of the consistency of the assumptions contained in the 2023 – 2026 Strategic Plan with the changed macroeconomic perspectives of the E&P segment, and in particular (i) the examination of the different valuation models used, (ii) the verification of the methods adopted to estimate a sample of medium/long-term prices of commodities including the verification of the consistency of such prices with the most recent market consensus, (iii) the verification of inflation rates, also in comparison with the market prices and those expressed by sector analysts, and (iv) the examination of the different discount rates adopted.<br>Moreover, we checked the reasonableness and accuracy of the costs the Group will incur to reach the reduction in net $CO_2$ emissions in line with the decarbonization strategy in 2050, through interim targets by 2030 and 2040, set by the Group and reflected in the 2023-2026 Strategic Plan.<br><br>Finally, we verified the disclosures provided in the notes to the financial statements on all the above-reported matters relating to mineral assets and the other financial statement line items related thereto, as well as their consistency, where applicable, with the information contained in the consolidated non-financial disclosure on the achievement of carbon neutrality and the related climate risks, including energy transition. |

***Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements***

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Group's ability to continue as a going concern and, in preparing the consolidated financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the consolidated financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate Eni SpA or to cease operations or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Group's financial reporting process.

***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required

to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- We evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- We obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate the related risks, or safeguards applied.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

### *Additional Disclosures required by Article 10 of Regulation (EU) No. 537/2014*

On May 10, 2018, the shareholders of Eni SpA in general meeting engaged us to perform the legal audit of the stand-alone and consolidated financial statements for the years ending December 31, 2019 to December 31, 2027.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) No. 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

## *Report on Compliance with other Laws and Regulations*

### *Opinion on compliance with the provisions of Commission Delegated Regulation (EU) 2019/815*

The directors of Eni SpA are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 concerning regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (hereinafter, the "Commission Delegated Regulation") to the consolidated financial statements as of December 31, 2022, to be included in the annual report.

We have performed the procedures specified in auditing standard (SA Italia) No. 700B in order to express an opinion on the compliance of the consolidated financial statements with the provisions of the Commission Delegated Regulation.

In our opinion, the consolidated financial statements as of December 31, 2022, have been prepared in the XHTML format and have been marked up, in all significant respects, in compliance with the provisions of the Commission Delegated Regulation.

Due to certain technical limitations, some information included in the notes to the consolidated financial statements when extracted from the XHTML format to an XBRL instance may not be reproduced in an identical manner with respect to the corresponding information presented in the consolidated financial statements in the XHTML format.

### *Opinion in accordance with Article 14, paragraph 2, letter e), of Legislative Decree No. 39/10 and Article 123-bis, paragraph 4, of Legislative Decree No. 58/98*

The directors of Eni SpA are responsible for preparing a report on operations and a report on the corporate governance and ownership structure of the Eni Group as of December 31, 2022, including their consistency with the relevant consolidated financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98, with the consolidated financial statements of the Eni Group as of December 31, 2022 and on their compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure mentioned above are consistent with the consolidated financial statements of Eni Group as of December 31, 2022 and are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

***Statement in accordance with article 4 of Consob's Regulation implementing Legislative Decree No. 254 of 30 December 2016***

The directors of Eni SpA are responsible for the preparation of the non-financial disclosure pursuant to Legislative Decree No. 254 of 30 December 2016.

We have verified that the directors approved the non-financial disclosure.

Pursuant to article 3, paragraph 10, of Legislative Decree No. 254 of 30 December 2016, the non-financial disclosure is the subject of a separate attestation of compliance issued by ourselves.

Rome, April 5, 2023

PricewaterhouseCoopers SpA

Signed *by*

Massimo Rota
(Partner)

*As disclosed by the Directors, the accompanying consolidated financial statements of Eni SpA constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.*

**Eni SpA**

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Capital Stock as of December 31, 2022: € 4,005,358,876.00 fully paid
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