Eni

Annual Report
2021

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.

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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 2021 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.

ESEF (*European Single Electronic Format*) requirements

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.

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3. ANNEX 346

beyond
32,000
our employees

operating in
69
Countries

ENI'S ACTIVITIES IN THE WORLD

42
exploration & production

24
global gas & lng portfolio

40
refining & marketing and chemicals

11
plenitude & power

Activities

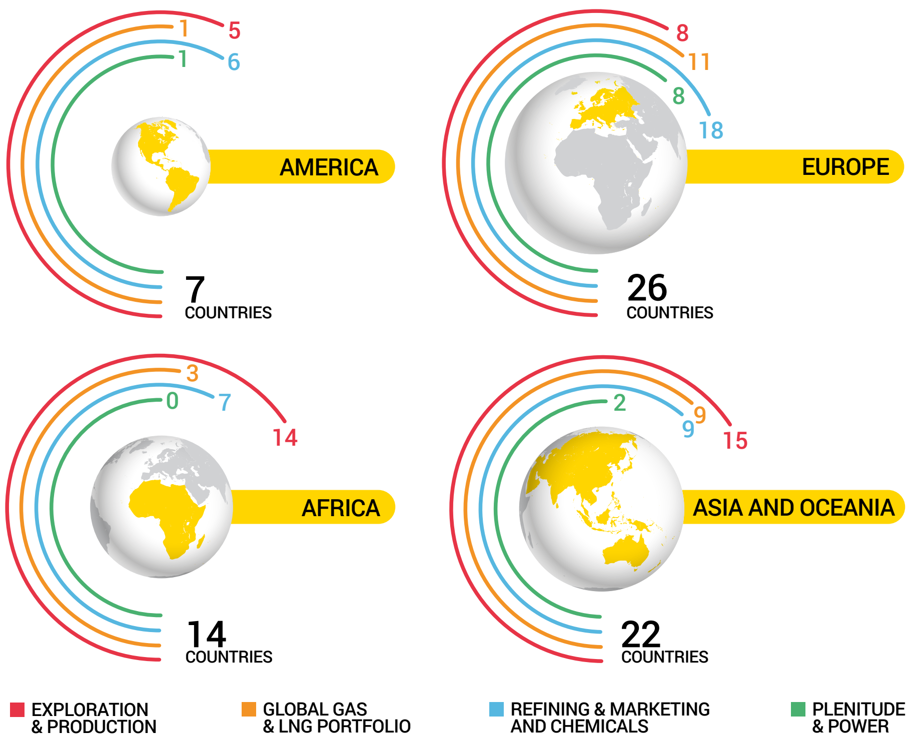
Eni is a global energy company with a high technological content, engaged in the entire value chain: from the exploration, development and extraction of oil and natural gas, to the generation of electricity from cogeneration and renewable sources, traditional and bio refining and chemical, and the development of circular economy processes. Eni extends its reach to end markets, marketing gas, power and products to local markets and to retail and business customers also offering services of energy efficiency and sustainable mobility. Both CO_2 capture and storage and Natural Climate Solutions initiatives will be implemented to absorb residual emissions.

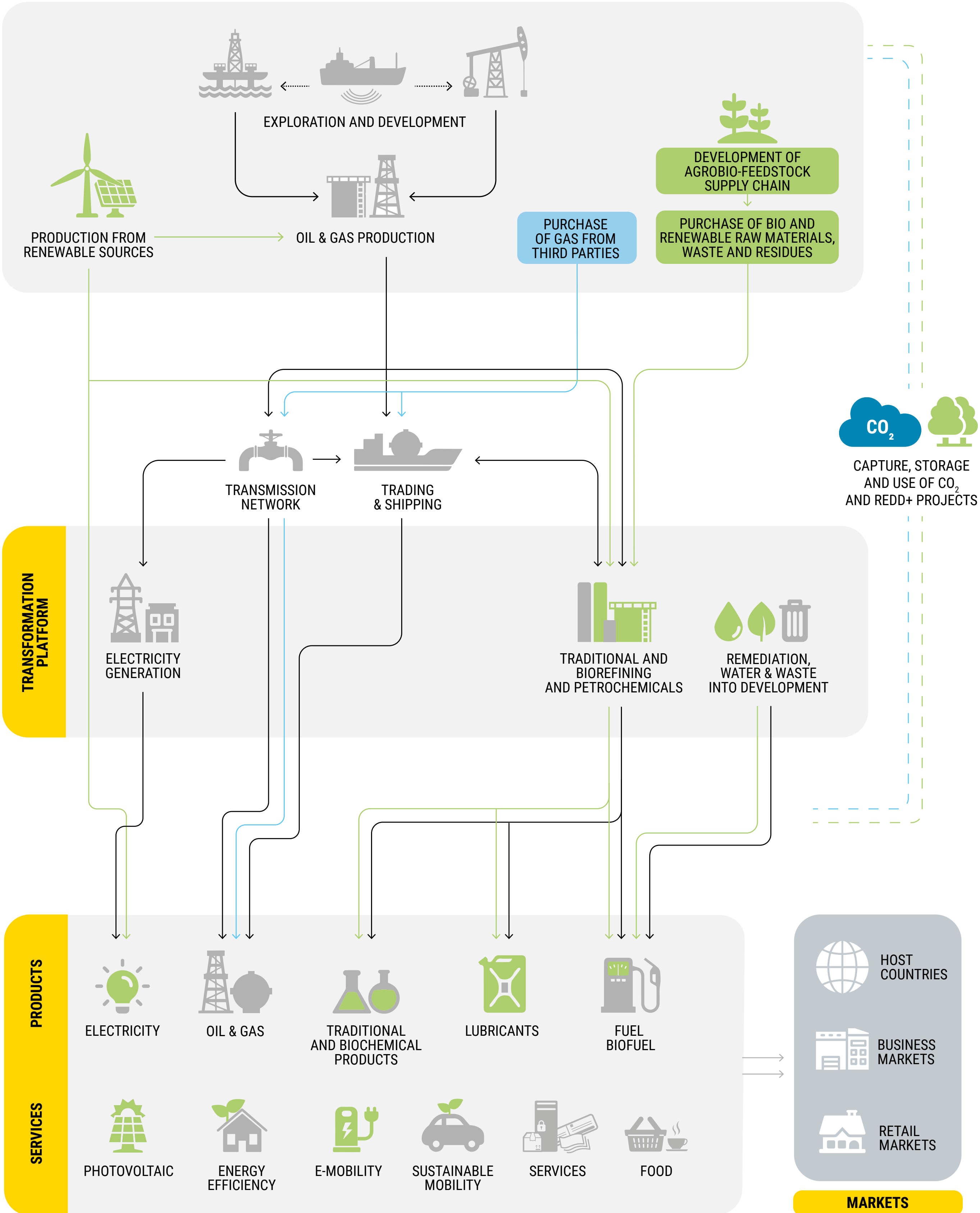
Consolidated expertise, technologies and geographical distribution of assets are Eni levers to strengthen its presence along the value chain.

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

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

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




EXPLORATION AND DEVELOPMENT
PRODUCTION FROM RENEWABLE SOURCES
OIL & GAS PRODUCTION
PURCHASE OF GAS FROM THIRD PARTIES
DEVELOPMENT OF AGROBIO-FEEDSTOCK SUPPLY CHAIN
PURCHASE OF BIO AND RENEWABLE RAW MATERIALS, WASTE AND RESIDUES
CO_2
CAPTURE, STORAGE AND USE OF CO_2 AND REDD+ PROJECTS
TRANSMISSION NETWORK
TRADING & SHIPPING
TRANSFORMATION PLATFORM
ELECTRICITY GENERATION
TRADITIONAL AND BIOREFINING AND PETROCHEMICALS
REMEDIATION, WATER & WASTE INTO DEVELOPMENT
PRODUCTS
ELECTRICITY
OIL & GAS
TRADITIONAL AND BIOCHEMICAL PRODUCTS
LUBRICANTS
FUEL BIOFUEL
SERVICES
PHOTOVOLTAIC
ENERGY EFFICIENCY
E-MOBILITY
SUSTAINABLE MOBILITY
SERVICES
FOOD
HOST COUNTRIES
BUSINESS MARKETS
RETAIL MARKETS
MARKETS

Business Model

Value creation
for stakeholders

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

OPERATIONAL EXCELLENCE

1. Eni business is constantly focused on **operational excellence**. This translates into an ongoing commitment to valuing people, safeguarding both the health and safety of people and asset integrity, protecting the environment, integrity and respect for human rights, resilience and diversification of activities and ensuring sound financial discipline. These elements allow the company to seize the opportunities related to the possible evolutions of the energy market and to continue on the path of transformation.

CARBON NEUTRALITY BY 2050

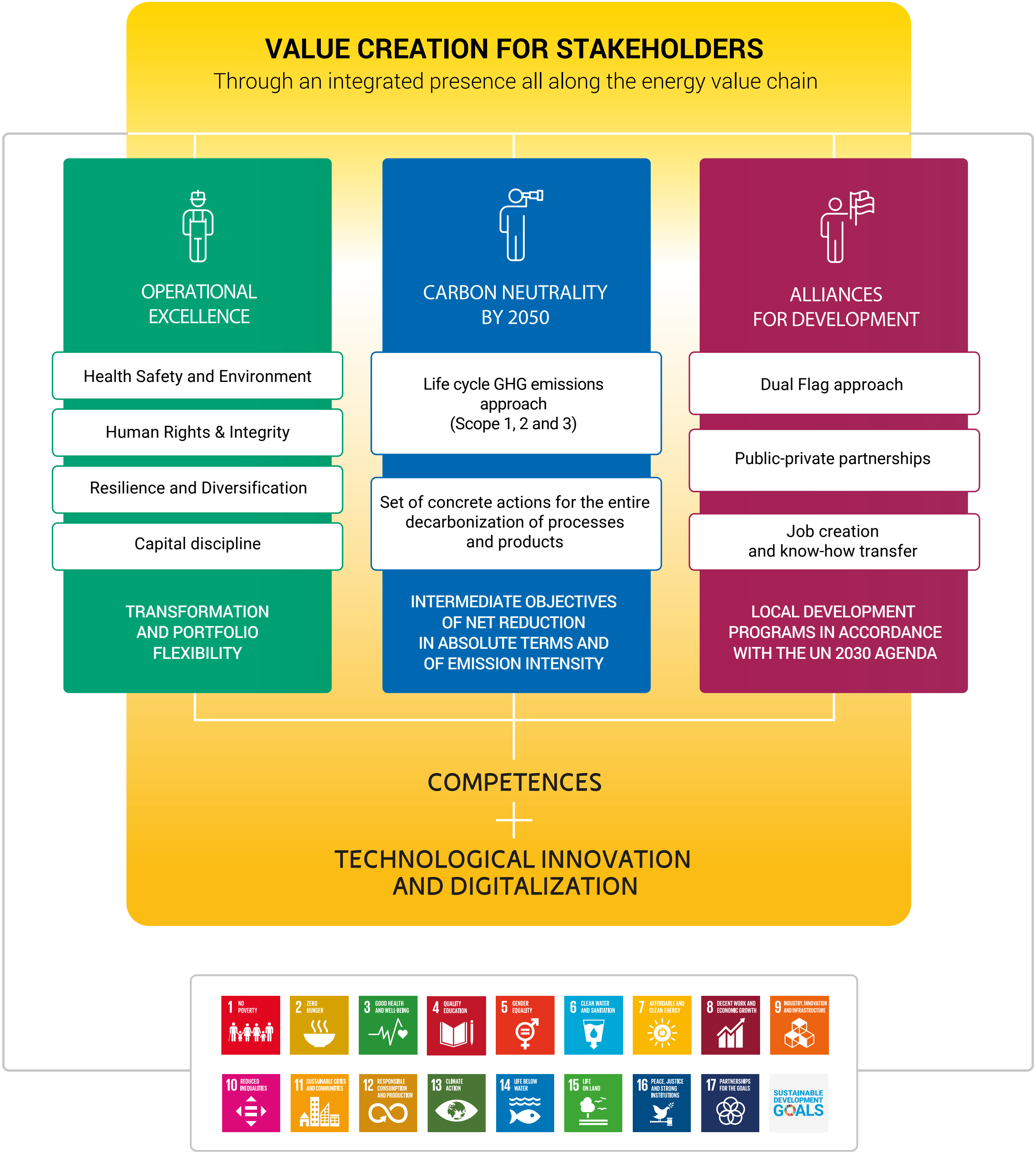
2. Eni's business model envisages a decarbonization path towards **carbon neutrality by 2050** based on an approach oriented to emissions generated throughout the life cycle of energy products and on a set of actions that will lead to the total decarbonization of processes and products by 2050. This path, achieved through existing technologies, will allow Eni to totally reduce its carbon footprint, both in terms of net emissions and in terms of net carbon intensity.

ALLIANCES FOR DEVELOPMENT

3. The third guideline refers to **Alliances for the promotion of development** through the enhancement of the resources of the Countries where it operates, promoting access to electricity and promoting Local Development Programmes (LDPs) with a broad portfolio of initiatives in favour of communities. This distinctive approach, referred to as Dual Flag, is based on collaborations with other internationally recognized players in order to identify the needs of communities in line with the National Development Plans and the United Nations 2030 Agenda. Eni is also committed to creating job opportunities and transferring its know-how and expertise to its local partners.

Competences,
technological innovation
and digitalization

Eni's business model is developed along these three pillars by leveraging internal expertise, the development and application of innovative technologies and the digitalization process.
A fundamental element of the business model is the Corporate Governance system, inspired by the principles of transparency and integrity, outlined further in the "Governance" section.


VALUE CREATION FOR STAKEHOLDERS
Through an integrated presence all along the energy value chain
OPERATIONAL EXCELLENCE
Health Safety and Environment
Human Rights & Integrity
Resilience and Diversification
Capital discipline
TRANSFORMATION AND PORTFOLIO FLEXIBILITY
CARBON NEUTRALITY BY 2050
Life cycle GHG emissions approach (Scope 1, 2 and 3)
Set of concrete actions for the entire decarbonization of processes and products
INTERMEDIATE OBJECTIVES OF NET REDUCTION IN ABSOLUTE TERMS AND OF EMISSION INTENSITY
ALLIANCES FOR DEVELOPMENT
Dual Flag approach
Public-private partnerships
Job creation and know-how transfer
LOCAL DEVELOPMENT PROGRAMS IN ACCORDANCE WITH THE UN 2030 AGENDA
COMPETENCES
+
TECHNOLOGICAL INNOVATION AND DIGITALIZATION
SUSTAINABLE DEVELOPMENT GOALS

Responsible and Sustainable Approach

		COMMITMENTS
CARBON NEUTRALITY BY 2050	COMBAT CLIMATE CHANGE	Eni has defined a medium-long term plan to take full advantage of the opportunities offered by the energy transition and progressively reduce the carbon footprint of its activities, committing to achieve total decarbonization of all its products and processes by 2050. SDGs: 7 9 12 13 15 17
OPERATIONAL EXCELLENCE	PEOPLE	Eni is committed to supporting the "Just Transition" process by consolidating and developing skills, enhancing every (professional and non-professional) dimension of its people and recognising the values of diversity and inclusion of all diversities. SDGs: 3 4 5 8 10
	HEALTH	Eni considers the protection of the health of its people, families and communities in the Countries where it operates to be a fundamental requirement and promotes their physical, psychological and social well-being. SDGs: 2 3 6 8 17
	SAFETY	Eni considers workplace safety an essential value to be shared among employees, contractors and local stakeholders and it is committed to reduce incidents down to zero and to preserve assets integrity. SDGs: 3 8
	RESPECT FOR THE ENVIRONMENT	Eni promotes the efficient management of natural resources and the safeguard of protected and relevant to biodiversity areas through actions aimed at improving energy efficiency and the transition to a circular economy and identifying potential impacts and mitigation actions. SDG: 3 6 9 11 12 14 15
	HUMAN RIGHTS	Eni is committed to respecting Human Rights (HRs) in its activities and to promoting their respect with partners and stakeholders. This commitment is based on the dignity of every human being and the responsibility of businesses to contribute to the well-being of individuals and local communities. SDGs: 1 2 3 4 6 8 10 16 17
	SUPPLIERS	Develop a sustainable supply chain, generating and transferring value to all stakeholders through the Sustainable Procurement Programme. SDGs: 3 5 7 8 9 10 12 13 17
	TRANSPARENCY, ANTI-CORRUPTION AND TAX STRATEGY	Eni carries out its business activities with loyalty, fairness, transparency, honesty, integrity and in compliance with the laws. SDGs: 16 17
ALLIANCES FOR DEVELOPMENT	COOPERATION MODEL	The cooperation model integrated into the business model is a distinctive feature of Eni, which aims to support Countries in achieving their development goals. SDGs: 1 2 3 4 5 6 7 8 9 10 13 15 17
CROSS-CUTTING THEMES	TECHNOLOGICAL INNOVATION	For Eni, research, development and rapid implementation of new technologies are an important strategic lever to drive business transformation. SDGs: 7 9 12 13 17

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

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

MAIN RESULTS 2021	MAIN TARGETS
• -25% GHG emission intensity index UPS vs. 2014 • -31% volumes of hydrocarbons sent for routine flaring vs. 2014 • -92% UPS fugitive methane emissions vs. 2014 (target achieved) • -26% UPS Net Carbon Footprint vs. 2018 • -10% Net GHG Lifecycle Emissions vs. 2018 • -2% Net Carbon Intensity vs. 2018	• -43% GHG emission intensity index upstream in 2025 vs. 2014 • Zero routine flaring in 2025 • -80% UPS fugitive methane emissions in 2025 vs. 2014 • Net Zero Carbon Footprint UPS in 2030 and Eni in 2035 • Net Zero GHG Lifecycle Emissions and Carbon Intensity in 2050
• 31,888 employees in service at 31 December (reported +3.6% vs. 2020) • +1.6 percentage point increase in women hired (26.2% in 2021) • ~1.04 mln hours of training (-0,3% compared to 2020) • 1,500 professional profiles mapped	• Increase by 3 percentage points vs. 2020 of women employees by 2030 • increase in the replacement rate with target >1 to 2025 • age diversity: +5 p.p. vs. 2021 of the population under 30 by 2025 • +20% hours of training in 2025 vs. 2021
• 379,481 health services provided • 158,784 registrations to health promotion initiatives • 11 agreements signed with local communities, 8 of which for health crisis management	• Digital initiatives for monitoring and improving the healthiness of indoor working environments • Improving access to community well-being and health • Development of initiatives to promote correct lifestyles for employees
• TRIR= 0.34; LTIF[(a)] = 0.23; FATALITY INDEX = 0 • 114 real emergency drills carried out with the involvement of personnel and operational vehicles • Over 60 courses on behavioural safety delivered (> 15,000 hours) • Process Safety: awareness raised for over 14,000 employees and 10,000 contractors	• TRIR < 0.40; 0 fatal accidents • Extension of digital initiatives in the field of safety to contracting companies and digitalization of HSE processes • Focus on behavioural safety and the human factor
• 91% reuse of fresh water • +10% fresh water withdrawn vs. 2020 • +19% waste generated from production activities vs. 2020 • -35% barrels spilled from operational oil spills vs. 2020 • Extension of biodiversity mapping to renewable energy plants	• Commitment to minimise fresh water withdrawals in areas under water stress • Reuse of fresh water in line with the trend of the last 5 years • Re-injected production water in line with the trend of the last 5 years net of the operating structure • Development of new technologies for waste recovery and implementation on an industrial scale
• 23,893 hours of training provided in the year on HRs • 100% of the professional procurement family trained on HRs • Reinforced clauses on HRs included since May 2021 in all contracts with suppliers in the tender documentation and in all contractual standards • Processing and roll out of the work-related HRs Due Diligence Model • 98% of security contracts with HRs clauses	• Completion of the three-year business and HRs training programme • Continue in the process of developing specific analysis on 100% of new projects with HRs risks, including agro-business projects • Keep 100% of new suppliers assessed according to social criteria
• Subscription of 2,500 qualified Eni suppliers to Open-es, in a path of growth • ~1,000 suppliers invited to cyber-security training and self assessment • Application of sustainability safeguards in procurement procedures from April • Launch of the Sustainable Energy Basket Bond • Sustainability requirements in procurement procedures for ~ €2.5 bln	• Assessment of the sustainable development path for all Eni strategic suppliers by 2025
• 9 Countries where Eni supports EITI[(b)] Multi stakeholder Groups at local level • 20 internal audits conducted with anti-corruption checks • ISO 37001:2016 surveillance audit passed • Anti-Corruption and Anti-Money Laundering module introduced to the new e-learning course "Code of Ethics, Anti-Corruption and Corporate Responsibility" • Update of the Anti-Corruption MSG	• Provision to all employees of the new course "Code of Ethics, Anti-Corruption and Corporate Social Responsibility" • ISO 37001:2016 certification maintained • Continuous improvement of the Anti-Corruption Compliance Program
• €105.3 mln invested in local development • Cooperation agreements signed including UNDP (United Nations Development Programme), AICS (Italian Agency for Cooperation and Development) and civil society organizations	• By 2025 ensure access: to energy for ~290K people; to education for ~72K students; to water services for ~95K people; to economic diversification initiatives for ~17K[(c)] people; to health services for ~296K people
• €177 million invested in research and development • 30 new applications for first patent filings, of which 11 related to renewable sources	• Guarantee that 70% of investment in research and development is spent on decarbonization issues

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

Letter to shareholders

Lucia Calvosa
Presidente

Claudio Descalzi
Chief Executive Officer
and General Manager

Dear Shareholders,
Eni is following with great attention and deep condolences the dramatic events of the conflict in Ukraine and participates in the pain of people involved. Since 2014, when the international sanctions regime against Russia was applied, we have implemented a policy of progressive disengagement from upstream activities in the Country. Our current activities in Russia are immaterial, limited to the interest in the Blue Stream pipeline for the export of Russian gas to Turkey, of which we announced the divestment. In a context characterized by a geopolitical crisis of such a magnitude and potential huge "disruptions" in the raw material markets, we are making great efforts with institutions and our partners to ensure the security of energy supplies to Italy and our customers around the world in order to guarantee the normal course of civil life and the economy.
In recent months, international gas supplies have run uninterrupted thanks also to our diversified portfolio; in any case, our company is preparing to manage possible extreme scenarios, leveraging on the flexibility of gas supplies in our portfolio, on the availability of infrastructures and important volumes of LNG, on the long-term relations with producing Countries overlooking the Mediterranean area.

Looking at our results and what happened in 2021, our Company reacted quickly and decisively to the deep social and economic crisis caused by COVID-19 pandemic, accelerating the transformation of its business model in order to become a leader in the energy transition and pursue the carbon neutrality strategy by 2050.
Strong attention has been paid to safeguarding capital and financial solidity through discipline and redefinition of priorities in capital allocation.
With the mitigation of the health emergency due to COVID-19 pandemic, the strong macroeconomic restart of 2021, progressively extended from Asia to Western countries, has driven the recovery of global oil & gas demand, rebounded synchronously in all the geographies.
This generated tensions on unresponsive supply due to lower investments in the upstream sector in the latest years, reproposing in all the critical issue of energy security.
In this framework, hydrocarbon prices reported a wide shoot with natural gas prices at an all-time high and at four-fold increases compared to 2020, while Brent prices increased by 70%.
Leveraging on selective capex spending, cost reduction and portfolio optimizations, Eni has been able to seize the strengthening of the scenario, reporting excellent operational and financial results.

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

Eni will continue to focus on financial discipline to limit cash neutrality currently at a Brent of 40 $/bbl to cover organic capex and dividends, leveraging on technology to accelerate decarbonisation and exploit value from the portfolio restructuring, considering the imminent IPO of Plenitude's retail & renewable business.
The upstream portfolio is confirmed to be an important lever of value creation for the energy

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

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

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

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

In the United Kingdom, the Eni-led HyNet integrated project for the transport, capture and storage of CO_2, operated by a consortium of companies, has been granted access to priority public funding by the UK government as part of the Country's decarbonization plans. The start of activities is expected by 2025, allowing the access to a tariff-regulated business model.

The development of biofuels is one of the drivers of Eni's energy transition path based on the circular economy. This target leverages on our two distinctive biorefineries in Gela and Venice, characterized by cutting-edge proprietary technologies and steady product and process improvements.
In 2021, started the production of sustainable aviation fuels "SAF" from "UCO" raw materials (waste oils and other waste) not in competition with the food chain, by applying the proprietary technologies of traditional refining.
The production of SAF is expected to ramp-up with about 10 thousand tons/year through co-feeding of the oil-loaded plants with UCO, until the start-up in 2024 of the Eni Biojet project at the Gela biorefinery. This latter will allow to sale additional 150 thousand tons/year of SAF, being entirely produced from organic raw materials, able to meet the potential obligation of the Italian market for 2025.
We confirm our commitment for palm-free biofuels by 2023, thanks to our continuous process innovations and the entry into operation of the BTU unit at Gela which will enable to significantly expand the flexibility of feedstock processing chain. In 2021 we reduced by a third the incidence of palm oil.

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

foster local development. In addition, these projects will be supported by Eni research, also by leveraging on the agreement with the Bonifiche Ferraresi Group, aimed at establishing an equal joint venture for the development of agricultural research and experimentation projects of oil plant seeds to be used as feedstock in Eni's biorefineries.
The sustainability of industrial operations is combined with financial sustainability.
In 2021 we adopted a set of guidelines on sustainable funding on the capital market (Sustainability-Linked Financing Framework), the first in the world in the energy sector, providing for future financing contracts and derivative instruments a reward mechanism, where possible, according to the achievement of one or more decarbonization targets.
In application of this framework, in May 2021 we issued the first sustainability-linked bond in our sector, worth €1 billion at a very competitive cost, linked to the achievement of Net Carbon Footprint Upstream objectives (Scope 1 and 2) and the renewable installed capacity. The success of this operation reflects the credibility of our emission targets and our ability to create value through the energy transition.

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

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

Exploration activity is a driver of growth and value creation for Eni. In 2021, we discovered 700 million boe of new resources at a competitive cost of 1.3 $/boe. The main success of the year was the discovery of the giant Baleine in the deep offshore of the Ivory Coast, with a mineral potential of over 2 billion barrels of oil in place and about 2.4 trillion cubic feet (TCF) of associated gas.
It is set to be developed with a phased fast-track approach and will be the first development in Africa at net zero emissions (Scope 1 and 2). The importance of this discovery underpins any opportunities for early monetization through the application of the dual-exploration model. Exploration in areas close to producing assets (ILX – Infrastructure Led Exploration) continued to generate excellent returns in particular in Angola in Block 15/06 with a sequence of satellite discoveries, in 2021 those of Cabaca N and Cuica, able to maintain the plateau of the FPSO N'Goma operating the area, extending the useful life and cash flows. Other important proximity discoveries were those of Sayulita in Mexico's offshore Block 10, which boosts the area's commercial prospects, Eban, located offshore Ghana, CTP 4 block near the Sankofa production hub, and Maha's appraisal offshore Indonesia.

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

Eni's significant progress in reducing the time-to-market of reserves is underpinned by our Coral South flagship project, approved in 2017 just thirty-six months after the finalization of the exploratory campaign and now close to completion with the launch of the FLNG (Floating Liquefied Natural Gas) unit, the first floating LNG plant, whose construction started in 2018 is aligned to the time schedules and budgets, despite the pandemic. The FLNG has reached the Rovuma Basin, off the coast of Mozambique, where it will be connected to underwater production wells by the second half of 2022 for first gas. The project will generate significant revenues for the country, and will create more than 800 new jobs during the operational period.

We intend to exploit value from our upstream portfolio through the set up with selected partners of autonomous corporate vehicles, with strategic value able to grow and generate returns for shareholders.
Vår Energi, the JV established in 2018 by Eni and HitecVision, the largest independent company in the E&P sector in Norway records the validity and robustness of our model.
The JV has grown by about 30% since 2018, currently producing 245,000 boe and distributing a stable flow of dividends to shareholders.
The IPO on the Oslo Stock Exchange in February 2022 allowed us to monetize part of that unexpressed value. On the basis of the Vår Energi model we are progressing terms for establishing a JV with BP in Angola, which will combine the two partners' assets and will become the top player in the Country.

The Global Gas/LNG portfolio "GGP" segment also recorded a record year with an EBIT of almost €600 million, against the backdrop of a very complex scenario characterized by a tight supply of gas at a global level triggering unprecedented increases in spot prices at continental hubs, but with adverse trends as highlighted by the reversal of the spreads between the price of Italian gas compared to European prices. In this extreme volatile environment, the sector leveraged portfolio flexibilities and contractual renegotiations that underpinned the excellent 2021 performance.
The set-up of a JV with a strategic partner such as Snam for the management of supply backbones from Algeria is part of our strategy to exploit value from our asset portfolio by freeing up resources for the energy transition.

The R&M business faced one of the most challenging refining scenarios in history with negative margins throughout the year due to the delay in post-COVID recovery at key segments such as jet fuel and the significant increase in CO_2 costs. The good performance of the marketing activity and plants optimization allowed us to achieve a substantial breakeven. Thanks to the acquisition of the Italian operator FRI-EL, Eni entered the bioenergy sector and leveraging on the upgrading of the acquired assets, we expect to produce biomethane.

The Chemical business, through Versalis, reported a solid performance with an EBIT of about €200 million compared to a loss of the same amount in 2020, due to the increase in plant utilization rate granting greater availability of product in a phase of strong recovery of the petrochemical cycle with periods of tension on the supply side and very strong commodity margins.
We continued our strategy of repositioning the production mix reducing oil-linked petrochemicals by increasing exposure to the specialty and green chemical segments. In this context, we acquired the control of Finproject, consolidating our position in the field of applications of high-performance formulated polymers and compounding, less subject to commodity fluctuations, and acquired technologies and plants of Ecoplastic, a specialized company in the recovery chain of used plastics, with the aim of accelerating the growth of advanced mechanical recycling and expanding the range of polymers for recycling Versalis Revive®.

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

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

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

Strategy and 2022-2025 industrial plan

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

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

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

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

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

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

In line with these guidelines, the E&P segment will be managed to maximize operating cash flow while respecting financial discipline, to generate resources needed to fund the growth of the transition businesses and to remunerate shareholders, while developing solutions for capture and storage of CO_2 and Natural Climate Solutions initiatives to accelerate the achievement of the net zero target (Scope 1+2) of the business.
Exploration is a strategic pillar of Eni's decarbonization path. It plays a dual role: replacing produced

reserves and granting energy supplies that Eni will need in the transition phase and aligning our portfolio of resources to the production mix target and to medium/long-term emission profiles consistent with our net zero target by 2050.
The initiatives will be very selective to comply with the constraints of capital discipline with an average annual spending of about €0.4 billion of which 90% related to near-field initiatives with fast economic reward, while the remaining 10% allocated to selected high risk/high reward themes with a high share of operatorship to be monetized in case of significant successes through our dual exploration model.

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

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

Referring to CO_2 capture projects, in 2025 is expected the start-up of the HyNet cluster located in Liverpool Bay in the UK, the completion of the testing phase at Ravenna hub in 2023 and the evaluation/feasibility study of other storage hubs.

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

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

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

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

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

Versalis will continue its transformation strategy to become a leading, diversified and sustainable chemical company, applying proprietary technologies for reconversion and growth. The traditional plant set up will be optimized and more efficient; the Porto Marghera hub will be converted into a production hub for mechanical recycling plastics thanks to the integration of Ecoplastic, as well as in an incubator of new businesses with the construction of the hydrogen IPA plant.
The specialization of Versalis portfolio will allow us to benefit from the strong growth expected in important segments for the energy transition (premium elastomers for EV, polyethylene grades for photovoltaics) and will be enhanced by the solid positioning in compounding, thanks to the integration of Finproject that we fully acquired last year.

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

Other actions concern circular economy, with the launch of the HOOP plant for the chemical recycling of otherwise non-reusable plastics, the conversion of the wet fraction of waste into energy products (waste-to-fuels/chemicals/hydrogen), the application of the proprietary PROESA technology for the enhancement of forest biomass through conversion into bioethanol or biogas and new renewable technologies, such as wave-energy exploitation (ISWEC), CO_2 capture through biofixation by algae (mineralisation) and potential developments in the thermoelectric energy production with intrinsic capture of CO_2. The R&D expenditure plan is about €1 billion over the four-year period.

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

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

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

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

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

Rome, March 17, 2022

On behalf of the Board of Directors

Lucia Calvosa
Chairman

Claudio Descalzi
Chief Executive Officer
and General Manager

Eni at a glance

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

Claudio Descalzi CEO Eni

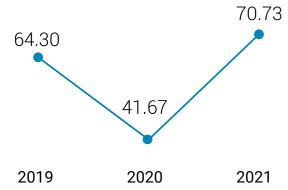
In 2021 Eni achieved one of the best economic and financial performance of the last ten years and accelerated the transformation strategy towards an offer of decarbonized products and services. In 2021, once the emergency overcome, the macroeconomic recovery, progressively expanded from Asia to Western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

Outstanding results: Thanks to the spending selectivity, cost reduction and portfolio optimizations, Eni was able to capture the strengthening of the scenario, reporting an excellent set of operating and financial results with an adjusted operating profit of €9.7 bln (an increase of €7.8 bln vs. 2020, up by 400%). Cash flow from operations of €12.7 bln financed net capex of €5.8 bln. Organic free cash flow of €7.6 bln funded the payment of dividends and the buy-back (overall €2.8 bln) and the portfolio operations to support the transition business (€2.1 bln). The capital structure remains solid and robust, reaching pre-crisis levels with a reduction in net debt to €9 bln and the leverage ratio at 0.20 vs. 0.31 reported at the end of 2020.

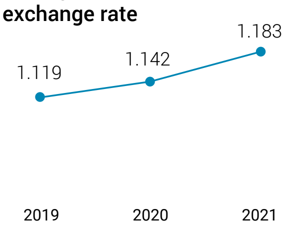
Portfolio valorization: Eni implemented initiatives targeted to extract value from the portfolio restructuring, through the creation of independent and focused vehicles able to attract capital, create value and accelerate growth. As part of this strategy, launched the listing process of Plenitude, Eni's subsidiary which integrates gas & power retail activities, renewables and electric mobility with the target of decarbonizing Eni's customers portfolio. On February 16, 2022, was listed at the Norwegian stock market a share of about 11.2% of Vår Energi (including the share of the greenshoe option), representing the largest IPO in the European O&G sector for over a decade, enabling Eni to enhance the investments made so far and ensuring the growth of the company thanks to new possible capital contribution. On March 11, 2022, signed the agreement with BP in Angola for the establishment of Azule Energy, a new controlled business combination aimed at accelerate the development of assets in the country.

Business transformation: the transformation of our business model was accelerated in 2021. The target of "Net Zero Scope 1+2+3 to 2050" will allow Eni's customers to move towards an offer of decarbonised products. Achieved a level of Group's installed capacity from renewables of approximately 1.2 GW, more than tripled in 2021, exceeding the target of more than 2 GW of installed capacity including assets under construction. In biorefining and production of related bio-feestocks have been achieved important results, reducing the incidence of palm oil in the production of biodiesel. In Africa in collaboration with the governments of Kenya, Angola, Congo, Benin, Ivory Coast, Mozambique and Rwanda made progress in biofuel projects through the creation of an integrated agro-biofeedstock supply chains not in competition with the food chain to supply Eni's biorefineries and decarbonize the local energy mix. The expertise gained over the years have enabled Eni to achieve solid results and to implement the transformation, ensuring excellent HSE performance in health, safety and asset integrity.

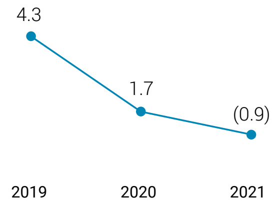
Average Brent dated price ($/BBL)



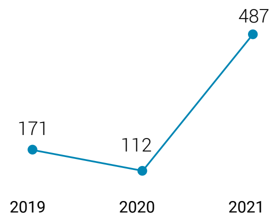
Average EUR/USD exchange rate



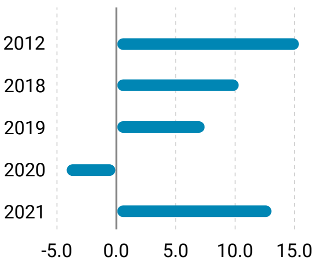
SERM ($/BBL)



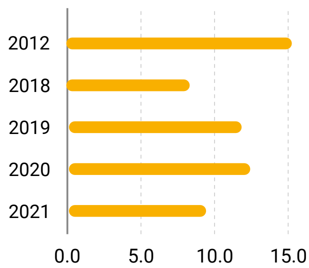
PSV (€/kcm)



Reported operating profit (€bln)



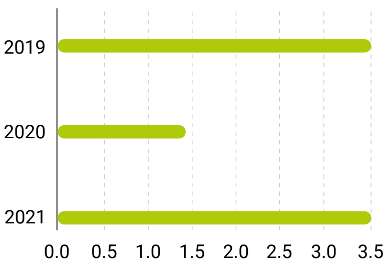
Net borrowings (€bln)



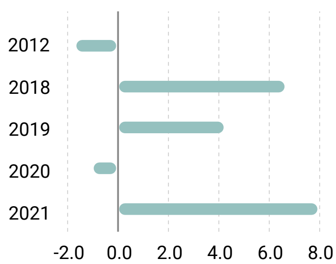
0.20
leverage

-2% vs. 2020
Net Carbon Intensity of energy products sold

Shareholders remuneration (€bln)



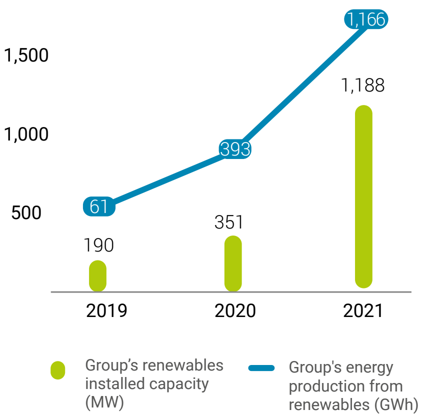
Organic free cash flow (€bln)

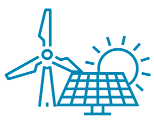


0.34
TRIR
(Total Recordable Injury Rate)

11 bln tons CO_2 eq.
Net Carbon Footprint upstream

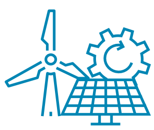
Development in renewables business





1,166 GWh
Energy production from renewables

585 ktons
production of biofuels



>2 GW
Renewables installed capacity included asset under construction

1.1 mln ton
Group's renewables installed capacity (MW)

FINANCIAL HIGHLIGHTS

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

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

SUMMARY FINANCIAL DATA

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

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

EMPLOYEES

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

INNOVATION

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

HEALTH, SAFETY AND ENVIRONMENT[a]

		2021	2020	2019
TRIR (Total Recordable Injury Rate)	(total recordable injuries/ worked hours) x 1,000,000	0.34	0.36	0.34
employees		*0.40*	*0.37*	*0.21*
contractors		*0.32*	*0.35*	*0.39*
Direct GHG emissions (Scope 1)	(mmtonnes CO_2eq.)	40.1	37.8	41.2
Indirect GHG emissions (Scope 2)		0.81	0.73	0.69
Indirect GHG emissions (Scope 3) from use of sold products[b]		176	185	204
Net GHG Lifecycle Emissions (Scope 1+2+3)[c]		456	439	501
Net Carbon Intensity (Scope 1+2+3)[c]	(gCO_2eq./MJ)	67	68	68
Net carbon footprint upstream (Scope 1+2)[c]	(mmtonnes CO_2eq.)	11.0	11.4	14.8
Net carbon footprint Eni (Scope 1+2)[c]		33.6	33.0	37.6
Direct GHG emissions (Scope 1)/operated hydrocarbon gross production (upstream)	(tonnes CO_2eq./kboe)	20.2	20.0	19.6
Carbon efficiency index Group		32.0	31.6	31.4
Methane fugitive emissions (upstream)	(ktonnes CH_4)	9.2	11.2	21.9
Volumes of hydrocarbon sent to routine flaring	(billion Sm^3)	1.2	1.0	1.2
Total volume of oil spills (> 1 barrel)	(barrels)	4,406	6,824	7,265
of which: due to sabotage		*3,051*	*5,866*	*6,232*
operational		*1,355*	*958*	*1,033*
Freshwater withdrawals	(mmcm)	125	113	128
Re-injected production water	(%)	58	53	58

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

OPERATING DATA

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

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

Stakeholder engagement activities

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

STAKEHOLDER CATEGORIES	MAIN STAKEHOLDER ENGAGEMENT ACTIVITIES DURING THE YEAR
PEOPLE AND NATIONAL AND INTERNATIONAL UNIONS	▸ Professional and training paths on emerging skills related to business strategies and expansion of skills mapping. ▸ Training initiatives to support inclusion and recognition of the value of all kinds of diversity and international initiatives supporting team building and innovation.
FINANCIAL COMMUNITY	▸ Capital Markets Day (strategic plan 2021-24 and long term plan to 2050) and virtual Road-Show in major financial centers and Capital Markets Day for Plenitude presentation. ▸ Road-Shows with investors and proxy advisors on executive compensation 2021.
LOCAL COMMUNITIES AND COMMUNITY BASED ORGANIZATIONS	▸ Mapping of over 770 local communities (including indigenous ones) in the host countries and definition of local engagement initiatives. ▸ Consultations of local authorities and communities for new exploratory activities and/or for the development of new projects, as well as for the planning and management of local development projects.
CONTRACTORS, SUPPLIERS AND COMMERCIAL PARTNERS	▸ Involvement of suppliers in the energy transition path through 15 thematic workshops and participation in conferences and events. ▸ Development and launch of Open-es, the platform open to all for the sustainable development of companies through training and engagement initiatives (measurement of CO2 and drafting of the sustainability report).
CUSTOMERS AND CONSUMERS	▸ Meetings and workshops with Presidents, General Secretaries and Energy Managers of national and local Consumer Associations (AdC) on topics such as sustainability, circular economy, remediation, environmental restoration, energy transition, energy saving, customer service and new business initiatives.
DOMESTIC, EUROPEAN AND INTERNATIONAL INSTITUTIONS	▸ Meetings and working tables with political and institutional representatives and local, national, European and international organizations on energy, climate, energy transition, environment, sustainable development, research and innovation, digitalization and the circular economy. ▸ Participation in discussions on energy and environmental issues promoted by the italian Government and Parliament, the european institutions, international bodies and foreign national institutions.
UNIVERSITIES AND RESEARCH CENTRES	▸ Meetings with universities, Research centres and public bodies, consortia and third-party companies with which Eni collaborates for the development of innovative technologies. ▸ Agreements and collaborations with the Polytechnic of Milan and Turin, University of Bologna, Naples (Federico II), Pavia, Padua, Milan Bicocca, MIT, CNR, INSTM, ENEA, RSE and INGV[(a)]. ▸ Collaborations with a) University of Basilicata to support the Master Geoscience for Energy Transitions b) Enna Kore University for business training contributions for academic courses.
VOLUNTARY ADVOCACY AND CATEGORY ORGANIZATIONS AND INDUSTRY ASSOCIATIONS	▸ Membership and participation in OGCI, IPIECA, WBCSD, UN GLOBAL COMPACT, EITI[(b)]; collaboration with IHRB[(c)] and other international human rights institutions. ▸ Conferences, debates, events and training initiatives on sustainability issues (energy, circular economy, remediation, corporate social responsibility); implementation of guidelines and sharing of best practices. ▸ Meetings with associations and participation in working groups on strategic issues, monitoring any legislative developments.
ORGANIZATIONS FOR COOPERATION AND DEVELOPMENT	▸ Consolidation, through collaboration/partnership agreements, of the development activities carried out together with international organizations. Agreements developed with United Nations Development Programme – UNDP, United Nations Industrial Development Organization – UNIDO, World Bank.

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

- Occupational Health and Safety
- Transparency, anti-corruption and tax strategy
- Combat climate change/reduce GHG emissions
- Reduce environmental impacts
- Local development
- Protection of human rights
- Biodiversity
- People and the Development of Human Capital
- Innovation
- Digitalization and Cyber Security
- Relations with customers and consumers
- Responsible Supply Chain Management
- Diversity, inclusion and work-life balance
- Local Content
- Energy access
- Circular economy

MAIN TOPICS ADDRESSED

	Circular economy	Energy access	Local Content	Diversity, inclusion and work-life balance	Responsible Supply Chain Management	Relations with customers and consumers	Digitalization and Cyber Security	Innovation	People and the Development of Human Capital	Biodiversity	Protection of human rights	Local development	Reduce environmental impacts	Combat climate change/reduce GHG emissions	Transparency, anti-corruption and tax strategy	Occupational Health and Safety
‣ Signing of the new agreement for smart working in Italy with new corporate welfare measures. ‣ Agreement for integration into the GFA - of ILO Convention No.190 and ILO Recommendation No.206 on eliminating violence and harassment in the workplace. ‣ Expansion contract signed with the Trade Unions to promote generational turnover and initiatives for skills updating.				●					●		●				●	●
‣ Conference call on quarterly results. ‣ Participation of Top Management in thematic conferences organized by banks. ‣ Participation in ESG thematic conferences.				●						●	●			●	●	
‣ Management of requests and grievances expressed by the local communities. ‣ Consultations with communities in countries where Human Rights Impact Assessments have been conducted.			●								●	●	●		●	
‣ Due Diligence on Human rights: application of the risk-based model on the respect of human rights along the procurement process. ‣ “Basket Bond - Sustainable Energy” program, an innovative finance tool targeting Eni qualified suppliers and the energy chain, designed to allow companies engaged in energy transition to implement projects and investments aimed at sustainable development.					●						●		●	●		●
‣ Sponsorship of consumer association initiatives on sustainability and circular economy. ‣ Territorial meetings with the regional consumer associations of the National Council of Consumers and Users	●					●	●	●						●		
‣ Representation of Eni’s position on energy transition and decarbonization in the main international multilateral fora (e.g., G20, B20, COP26). ‣ Activities of engagement and institutional dialogue within the partnership/membership with think tanks and national, european and international associated bodies and with international organisms and/or promoted by European institutions on energy transition and related geopolitical issues.	●	●						●				●		●		
‣ Establishment with the CNR of 4 research centres in Southern Italy for sustainable environmental and economic development in Italy and worldwide. ‣ With the Polytechnic of Milan: activated collaborations for the development of impact assessment models (Local Content and SDGs) and for new editions of the Master Energy Innovation; joined the Joint Hydrogen Research Platform “Hydrogen-JRP”; established a Joint Centre for “Acceleration of the Energy Transition in the field of Technologies for the Environment and Energy”.								●				●	●	●		
‣ Meetings with Local Business Associations on the Eni Sustainable Supply Chain system and the company’s energy issues. ‣ Presidency of the Action Council “Sustainability & Global Emergencies” within the B20 Italy 2021 organized by Confindustria. ‣ Signing of: a) a collaboration agreement concerning the Confindustria Best Performer of the Circular Economy Competition; b) “Work and Energy Manifesto for a sustainable transition” between Confindustria Energia and Trade Unions.	●							●					●	●		
‣ Agreements with Italian and European institutions, development banks, the private sector, cooperation bodies and agencies, faith-based organizations and civil society organisations: Cassa Depositi e Prestiti - CDP, Standard Bank, Italian Agency for Development Cooperation - AICS, USAID, Ajuda de Desenvolvimento de Povo para Povo - ADPP, AVSI, CUAMM, VIS, E4Impact Foundation, Banco Alimentare, Don Bosco Institute of Maputo.	●	●							●			●		●		

(b) Oil and Gas Climate Initiative; International Petroleum Industry Environmental Conservation Association; World Business Council for Sustainable Development; Interministerial Committee on Human Rights; Extractive Industries Transparency Initiative.
(c) Institute for Human Rights and Business.

Strategy

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

Claudio Descalzi, Eni CEO

Accelerated emissions reduction

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

New Energy Solutions

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

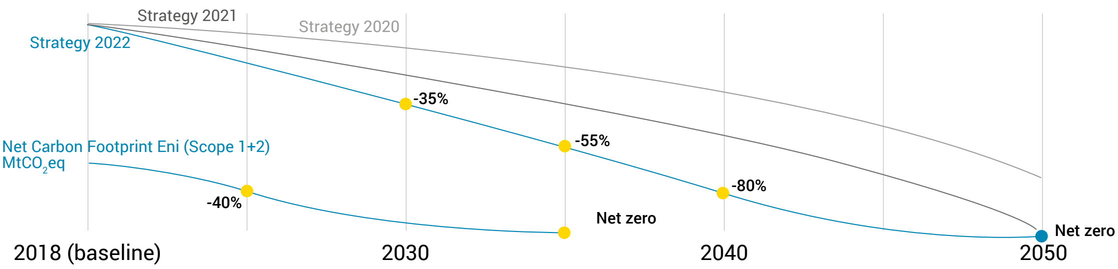
Disciplined financial plan

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

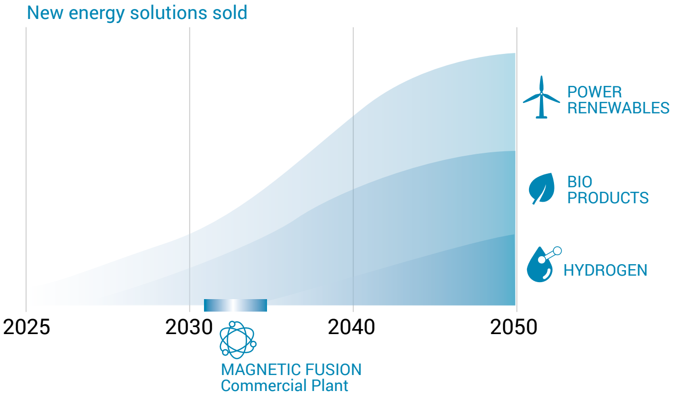
Value creation for shareholders

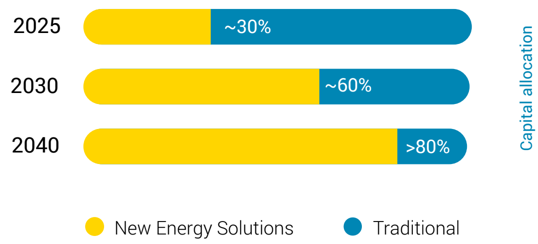
- Annual total dividend: **€0.88** per share, based on the Brent reference between **80-90 $/bbl**
- Dividend payment: **four equal quarterly instalments** in September and November 2022, March and May 2023
- Share **buyback** program equal to **€1.1 bln** in 2022 at the Brent reference price
- In July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

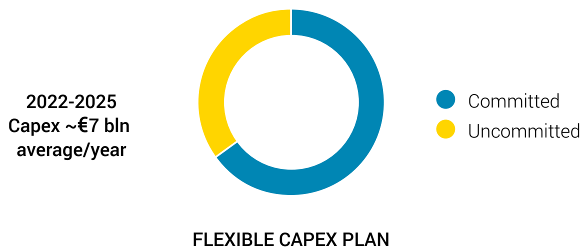
Net Absolute GHG Emissions (Scope 1+2+3)
$MtCO_2eq$



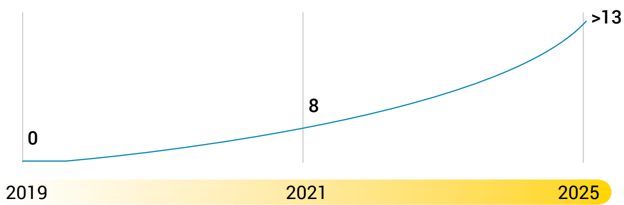
New energy solutions sold







SUSTAINABLE INSTRUMENTS* € bln



*Include bonds, loans, bank credit lines and rate derivatives.

VALUE CREATION FOR SHAREHOLDERS

2022 DISTRIBUTION

€0.88 dividend per share
€1.1 bln buyback

Brent reference price @ **80 $/bbl**

UPSIDE

Additional buyback **30%**
of incremental FCF for Brent above > **90 $/bbl**

(New price assessment in July and October)

RESILIENCE

Simplified, enhanced dividend per share sliding scale

vs. previous policy

DIVIDEND PAID ON A QUARTERLY BASIS STARTING 3Q 2022

Strategic Plan 2022-2025

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

In the long-term, the price of crude oil is expected to grow in line with inflation until 2035, then decline following the progression of the energy transition. This scenario is subject to continuous monitoring due to the unpredictable evolution of the crisis between Russia and Ukraine. Financial discipline and spending selectivity, cost control and margins expansion will allow Eni to further contain cash neutrality and generate significant operating cash surplus at Eni's conservative scenario Brent assumptions, which will be used to accelerate the growth of green businesses and keep solid asset ratios.
In the four-year period, Eni's management foresees an investment plan of €28 billion (on average about €7 billion/year) which will be implemented according to the parameters of financial and operational discipline of the Group, in compliance with minimum profitability thresholds, ensuring the consistency of emission profiles with long-term decarbonisation objectives and full coverage through flow of operating cash. The organic free cash flow and gains from the disposals, in particular Plenitude and Vår Energi IPOs on the stock exchange will allow to maintain a solid capital structure and to ensure competitive returns to shareholders.

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

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

EXPLORATION & PRODUCTION

Eni's upstream strategy, in compliance with the target of footprint carbon reduction, aims at the maximization of returns and cash generation, leveraging on the enhancement of an optimized asset portfolio, exclusively based on conventional assets, characterized by project modularity, accelerated time-to-market and limited exposure over the medium-term. The evolution of the production mix foresees the gas component at 60% in 2030 and over 90% after the 2040. Net Scope 1 and 2 emissions of upstream assets calculated on the basis of equity output are expected to zeroing in 2030, leveraging, in addition to energy efficiency, on Natural Climate Solutions that will ensure the compensation of residual emissions. Other driver for the achievement of the Group's decarbonization objectives are the projects for CO_2 capture and storage geological with a target of about 10 mmtons per year by 2030 (Eni's share).

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

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

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

GLOBAL GAS & LNG PORTFOLIO

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

REFINING & MARKETING

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

The 2022-25 Plan provides:

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

CHEMICAL

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

The 2022-25 Plan provides:

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

PLENITUDE

The main medium/long-term strategic lines aim to the development in synergy of the renewable installed capacity with targets of 15 GW by 2030 and 45 GW by 2050 and the retail customers portfolio up to exceed 20 million contracts by 2050 through the selection of areas of renewables expansion linked to the presence of our customers as well as the development of activities in areas where Eni already operates. In 2040, decarbonized products from Eni's portfolio (energy from renewables and biomethane) and new energy services will be offered to retail customers.

The 2022-25 plan provides:
- Plenitude's IPO and the creation of a unique business model which combines production from renewables, energy sales and energy services to retail customers and a widespread network recharging points for electric vehicles; the operation is one of the strategic steps towards zero Scope 3 GHG emissions associated with our retail customers;
- the installation of more than 6 GW of installed capacity by 2025;
- growth of the customer portfolio with the aim of exceeding 11 million of delivery points by 2025, leveraging on the international development and growth of the power customer portfolio;
- the focus on business related to energy efficiency and distributed photovoltaic generation and the development of the E-Mobility market with the aim of reaching around 30,000 recharging points by 2025.

POWER

The 2022-25 Plan provides:
- the maximization of results, thanks to the flexibility and efficiency of the plants and targeted investments;
- the identification and development of new technological solutions with low carbon impact.

CAPEX PLAN

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

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

REMUNERATION POLICY

Eni's management is committed to guarantee competitive shareholders' return by executing a progressive shareholder remuneration policy, that is reflective of the volatility of crude oil prices. It has been established a floor dividend of €0.36 per share that is paid with a Brent price of at least 43 $/bbl. The floor dividend is complemented by a variable dividend which size progresses alongside the rise in crude oil prices till 80 $/bbl, according to a preset scale of amounts at various Brent prices ranges.
For 2022, having assessed the progress of the Company in executing its strategy, a solid financial position and an improved outlook for crude oil prices, the management expects to increase the annual total dividend to €0.88 per share, based on the assumption of a Brent reference price of $80/bbl for the year and to activate share buy-back for €1.1 billion.
Furthermore, in case of crude oil prices above 90 $/bbl, management is expected to reassess by July and again in October, the oil scenario. In case of an upward revision to the Brent reference price assumption for the year, it will activate incremental buy-backs amounting to 30% of the excess cash from operations deriving from the updated Brent price.

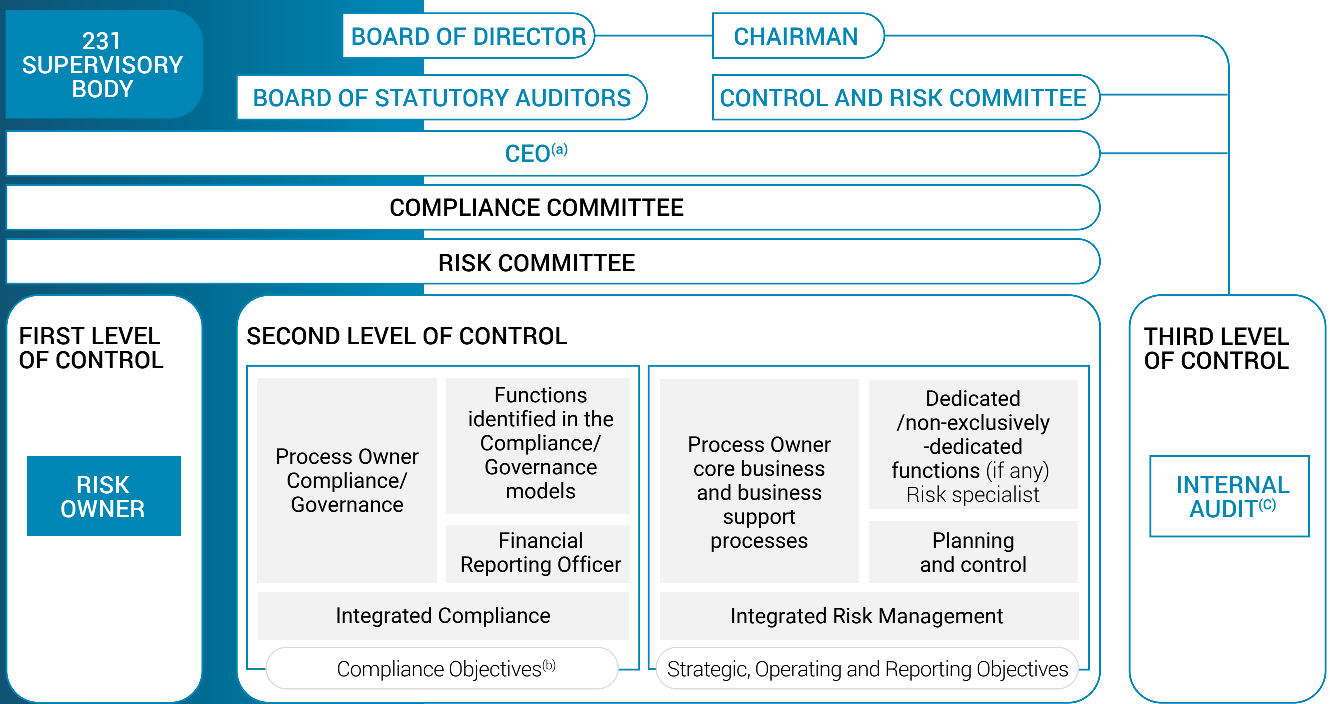
Integrated Risk Management

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

Integrated Risk Management Model

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

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



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

Integrated Risk Management Process

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

Risk Governance, methodologies and tools

Risk Strategy

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

Integrated Risk Management

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

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

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

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

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

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

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

Risk Knowledge, training and communication

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

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

Targets, risks and treatment measures

STRATEGIC RISK

SCENARIO

MAIN RISK EVENTS

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

TREATMENT MEASURES

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

CLIMATE CHANGE

MAIN RISK EVENTS

Climate change referred to the possibility of change in scenario/climatic conditions which may generate 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 indicated in the medium and long-term plan;
- assessment of the resilience of the portfolio through stress tests based on low carbon scenarios;
- flexibility of strategy and investments;
- diversification with the development of new business/products;
- short-term and long-term management incentive plans that include objectives related to the "climate strategy" consistent with the guidelines defined in the Strategic Plan;
- leadership in disclosure and adherence to international initiatives;
- key role of low carbon research and technological development.

EXPOSURE TO LONG-TERM CONTRACTS

(LONG-TERM SUPPLY GAS CONTRACTS)

MAIN RISK EVENTS

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

TREATMENT MEASURES

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

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

STRATEGIC RISK

DECREASING DEMAND/ COMPETITIVE ENVIRONMENT

MAIN RISK EVENTS

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

TREATMENT MEASURES

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

EXTERNAL RISK

BIOLOGICAL

MAIN RISK EVENTS

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

TREATMENT MEASURES

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

GEOPOLITICAL

MAIN RISK EVENTS

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

TREATMENT MEASURES

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

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

EXTERNAL RISK

COUNTRY

MAIN RISK EVENTS

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

TREATMENT MEASURES

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

ENERGY SECTOR REGULATION

MAIN RISK EVENTS

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

TREATMENT MEASURES

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

STAKEHOLDER

MAIN RISK EVENTS

Relationships with local **stakeholders** on Oil & Gas industry activities.

TREATMENT MEASURES

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

PERMITTING

MAIN RISK EVENTS

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

TREATMENT MEASURES

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

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 impact on company profitability and reputation.

TREATMENT MEASURES

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

CYBER SECURITY

MAIN RISK EVENTS

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

TREATMENT MEASURES

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

INVESTIGATIONS AND PROCEEDINGS

MAIN RISK EVENTS

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

TREATMENT MEASURES

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

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

Governance

Integrity and transparency are the principles that have inspired Eni in designing its corporate governance system[1], a key pillar of the Company's business model. The governance system, flanking our business strategy, is intended to support the relationship of trust between Eni and its stakeholders and to help achieve business goals, creating sustainable value for the long-term. Eni is committed to building a corporate governance system founded on excellence in our open dialogue with the market and all stakeholders.
Starting from January 1st, 2021, Eni applies the recommendations of the 2020 Corporate Governance Code, which Eni's Board of Directors adopted on December 23, 2020.
The Corporate Governance Code identifies "sustainable success" as the objective that must guide the action of the management body and which takes the form of creating long-term value for shareholders, taking into account the interests of other relevant stakeholders.

Eni, however, has been considering the interest of stakeholders other than shareholders as one of the necessary elements Directors must evaluate in making informed decisions since 2006.
With this in mind, we consider ongoing, transparent communication with stakeholders an essential tool for better understanding their needs. It is part of our efforts to ensure the effective exercise of shareholders' rights. In 2021 Eni continued to pursue a dialogue with the market on matters of governance and to seize the opportunities deriving from studies and experience at the international level, in spite of the complications associated with the health emergency which prevented more immediate contacts, in particular with reference to the shareholders' meeting. In any case, shareholders were granted all legal rights and additional information tools in order to allow the greatest possible involvement.
Furthermore, in line with the principles defined by the Board of Directors, Eni is committed to creating a Corporate Governance system inspired by criteria of excellence, also participating in initiatives to improve it. Initiatives in 2021 in particular include the participation in working groups for in-depth study of issues related to the application of the new Code, including the Observatory on engagement policies, set up by Assonime (the Association of Italian joint stock companies) to offer a permanent forum for discussion between listed companies called upon to define a policy of dialogue with shareholders, as required by the Corporate Governance Code. The in-depth study of the issue, also through the analysis of engagement policies adopted by institutional investors and asset managers as well as by representative trade associations, led to the development of an engagement policy approved on March 8, 2022 by Eni's Board of Directors, upon proposal of the Chairman, in agreement with the Chief Executive Officer.

The Eni Corporate Governance

Eni Corporate Governance model

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

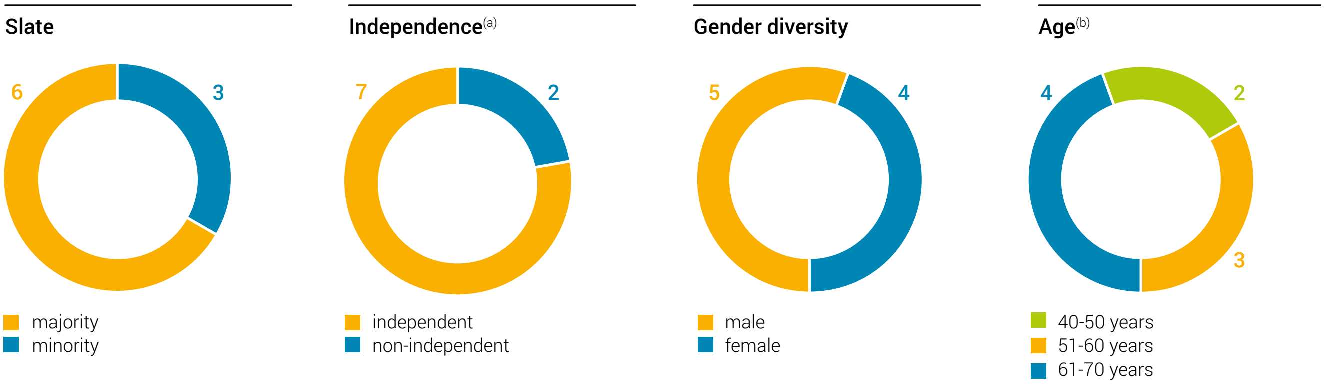
Appointment and composition of corporate bodies

Eni's Board of Directors and Board of Statutory Auditors, and their respective Chairmen, are elected by the Shareholders' Meeting. To ensure the presence of Directors and Statutory Auditors selected by non-controlling shareholders a slate voting mechanism is used. Eni's Board of Directors and Board of Statutory 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, are elected

(1) For more detailed information on the Eni Corporate Governance system, please see the Corporate Governance and Shareholding Structure Report drafted in accordance with Article 123-bis of Legislative Decree no. 58/1998 and published on the Company's website in the Governance section.
(2) Following the resignation of a standing Statutory Auditor on September 1, 2020, replaced by an alternate Auditor, the Shareholders' Meeting of May 12, 2021 appointed a Statutory Auditor and an alternate Auditor for the duration of the term of the Board of Statutory Auditors in office, to restore full membership of the Board of Statutory Auditors.

by non-controlling shareholders, thereby giving minority shareholders a larger number of representatives than that provided for under law. In deciding the composition of the Board of Directors, the Shareholders' Meeting was able to take account of the guidance provided to investors by the previous Board with regard to diversity, professionalism, experience and competence, also with reference to corporate strategies, the Company's transformation and energy transition. The outcome was a balanced and diversified Board of Directors. The Board of Statutory Auditors also prepared new shareholders' advice providing indications on the composition of the body in relation to the tasks it is called upon to perform. The composition of the Board of Directors and of the Board of Statutory Auditors is also more diversified in gender terms, in accordance with the provisions of applicable law and the By-laws. The latter was promptly amended to be compliant with the law in February 2020 in view of the renewal of the corporate bodies. In particular, for 6 consecutive terms the management and control bodies shall be composed of at least 2/5 of the less represented gender. Furthermore, based on the assessments most recently carried out on February 17, 2022, the number of independent directors on the Board of Directors (7[3] of the 9 serving, of whom 8 are non-executive directors including the Chairwoman) remains greater than the number provided for in the Bylaws and by corporate governance best practices.

COMPOSITION OF THE BOARD OF DIRECTORS



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

The structure of the Board of Directors

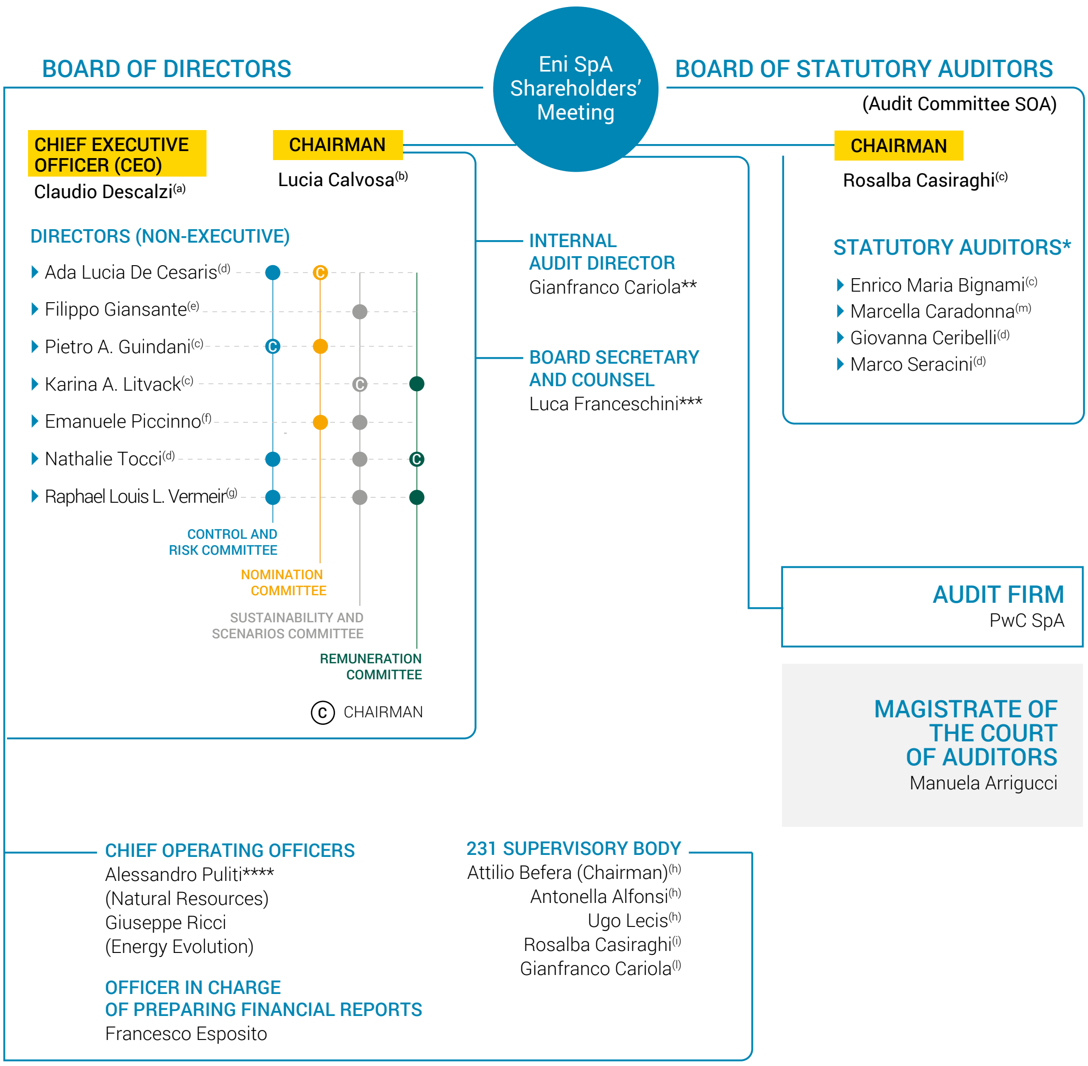
The Board of Directors appointed a Chief Executive Officer on May 14, 2020 and established four internal committees with advisory and recommendation functions: the Control and Risk Committee[4], the Remuneration Committee[5],the Nomination Committee and the Sustainability and Scenarios Committee. The Committees report, through their Chairmen, on the main issues they address at each meeting of the Board of Directors.

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

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

appointment, revocation and remuneration of its Head and the resources available to it, without prejudice to the support to the Board of the Control and Risks Committee and the Nomination Committee, to the extent of their competences, and having heard the Board of Statutory Auditors, and also directly manages relations with the unit on behalf of the Board of Directors (without prejudice to the unit's functional reporting to the Control and Risk Committee and the Chief Executive Officer, as the director in charge of the internal control and risk management system). The Chairman is also involved in the appointment of the primary Eni officers responsible for internal controls and risk management, including the officer in charge of preparing financial reports, the members of the Watch Structure, the Head of Integrated Risk Management and the Head of Integrated Compliance.
Finally, the Board of Directors, acting on a recommendation of the Chairman, appoints the Secretary, charged with providing assistance and advice to the Chairman, the Board of Directors and the individual directors[6]. In view of this role, the Secretary, who reports to the Board of Directors and, on its behalf, to the Chairman, must also meet professional requirements, as provided for in the Corporate Governance Code, while the Chairman oversees his independence.

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

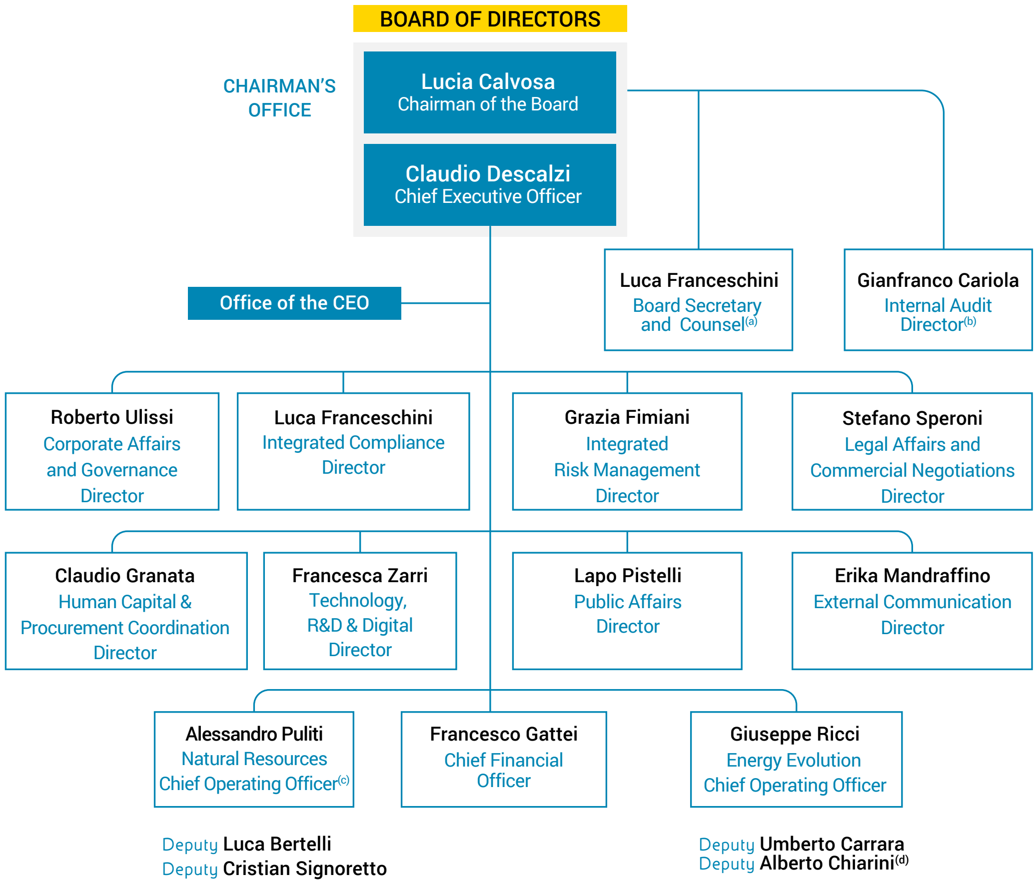


(a) Member appointed from the majority list.
(b) Member appointed from the majority list non-executive and independent pursuant to law and, from April 1, 2021, pursuant to Corporate Governance Code.
(c) Member appointed from the minority list and independent pursuant to law and Corporate Governance Code.
(d) Member appointed from the majority list and independent pursuant to law and Corporate Governance Code.
(e) Member appointed from the majority list, non-executive.
(f) Member appointed from the majority list, independent pursuant to law, and from February 17, 2022, pursuant to Corporate Governance Code.
(g) Member appointed from the minority list and independent pursuant to law and Corporate Governance Code. From April 29, 2021 he's lead independent director.
(h) External member.
(i) Chairman of the Board of Statutory Auditors.
(l) Internal Audit Director.
(m) Member appointed on May 12, 2021 on the proposal of the Ministry of Economy and Finance, independent pursuant to law and Corporate Governance Code.

* 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.
** From April 1, 2021.
*** Also Integrated Compliance Director.
**** From February 7, 2022, the Chief Operating Officer Natural Resources is Guido Brusco.

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

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



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

Decision making

The Board of Directors entrusts the management of the Company to the Chief Executive Officer, while retaining key strategic, operational and organizational powers for itself, especially as regards governance, sustainability[7], internal control and risk management.

Organizational arrangements

In recent years, the Board of Directors has devoted special attention to the Company's organizational arrangements, including a number of important measures being taken with regard to the internal control and risk management system and compliance.
More specifically, the Board decided that the Integrated Risk Management function reports directly to the Chief Executive Officer and created an Integrated Compliance function, also reporting to the Chief Executive Officer, separate from the Legal unit. Furthermore, in June 2020, the Board redefined the organizational structure of the Company with the establishment of two General Departments (Energy Evolution and Natural Resources), launching a new structure consistent with the corporate mission and functional to the achievement of strategic objectives.
Among the Board of Directors' most important duties is the appointment of people to key management and control positions in the Company, such as the officer in charge of preparing financial reports, the Head of Internal Audit, the members of the Watch Structure. In performing these duties, the Board of Directors is supported by the Nomination Committee.

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

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

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

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

In 2021, the self-assessment was carried out in continuity with the previous financial year, taking inspiration from the results of the 2020 board review, as well as from the evaluations and proposals for improvement of the Board activity included in the action plan. In the year 2021 it was decided not to carry out the peer review.
The self-assessment process was carried out through questionnaires and interviews which concerned in particular: (i) the size, functioning and composition of the Board and the Committees, also taking into account elements such as professional characteristics, experience, including in management, and diversity, including gender, of its members, as well as their seniority in office; (ii) the strategic and Plan monitoring role, including ESG issues and the internal control and risk management system. The self-assessment activity carried out for 2021 ended in the meeting of February 17, 2022, with the presentation of the results of the process, as illustrated by the consultant, confirming both the positive elements, already emerged from the previous 2020 board review, and the realization of the improvement initiatives expressed in the action plan, and a further, very positive evolution of all the issues subject to analysis and evaluation.
In addition, in determining the procedures for the performance of the Board Review, the Eni Board also assesses whether to perform a Peer Review of the Directors, in which each director expresses

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

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

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

The governance of sustainability

Eni's governance structure reflects the Company's willingness to integrate sustainability, including in the form of "sustainable success" as outlined in the Corporate Governance Code, into its business model. The Board of Directors has a central role in defining sustainability policies and strategies, acting upon proposal of the CEO, in the identification of annual, four-year and long-term objectives shared between functions and subsidiaries and in verifying the related results, which are also presented to the Shareholders' Meeting. In detail, a central theme in which the Board of Directors plays a key role is challenge related to the process of energy transition to a low carbon future[9].

In this regard, it should be noted that the self-assessment process relating to 2021, carried out with the support of an independent external consultant and completed in February 2022[10], provided the Directors with the opportunity to reflect specifically on ESG issues and their implementation in internal policies, the energy transition plan and strategy, climate change, and sustainability in general, issues on which the Board expressed extremely positive opinions. Furthermore, it should be noted that even in the self-assessment process relating to 2020, which ended on May 27, 2021, ESG issues had represented a specific point of attention, and, in particular, there was a positive opinion by the Board on the understanding and attention to these themes, which will be continuously deepened and detailed.

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

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

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

Another central issue of interest for the Board of Directors is respect for Human Rights: in 2021 Eni continued the path undertaken, that led to the approval of the Eni Declaration on respect for human rights by Eni's Board of Directors in December 2018, also implementing a management model aimed at ensuring the performance of the due diligence process according to the United Nations Guiding Principles on Business and Human Rights (UNGP).
Furthermore, continuing on the path of transformation, in September 2019 Eni's Board of Directors approved a new corporate mission, which takes inspiration from the 17 United Nations Sustainable Development Goals (SDGs) and highlights Eni's values related to climate, the environment, access to energy, cooperation and partnerships for development, respect for people and human rights. The mission highlights the principles that underpin the Company's business model aimed at integrating sustainability into all Company's activities, having regard not only for climate and environment but also for the development, enhancement and training of human resources, considering diversity as an opportunity.

THE MAIN SUSTAINABILITY ISSUES ADDRESSED BY THE BOARD IN 2021

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

Thanks to the growing commitment to transparency and to the business model built by Eni in recent years to create long-term sustainable value, Eni's stock has achieved the top positions in the most popular ESG ratings and confirmed its presence in the main ESG indices[11]. In particular, in 2021 Eni was included in the MIB® ESG index, the new Borsa Italiana index dedicated to blue chips that excel in ESG performance.

The Sustainability and Scenarios Committee

In performing its duties in the field of sustainability, the Board is supported by the Sustainability and Scenarios Committee, established for the first time in 2014 by the Board itself, which provides advice and recommendations on scenario and sustainability issues. The Committee plays a key role in addressing the sustainability issues integrated into the Company's business model[12].

(11) For timely updates on ESG indices and ratings of relevance to the financial markets, please refer to the Shareholder Relations page of the 2021 Corporate Governance Report and to the Investor Relations page of the site.
(12) For more information on the Committee activities in 2020, please see the relevant section in the 2021 Corporate Governance Report.

Remuneration Policy

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

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

For this purpose, the remuneration of Eni's top management is established on the basis of the position and the responsibilities assigned, with due consideration given to market benchmarks for similar positions in national and international companies similar to Eni in business features, also in relation to the reference sector and company size, through specific pay comparison carried out with the support of international suppliers.
As part of Eni Remuneration Policy, considerable importance is given to the variable component, also on a per-share basis, which is linked to the achievement of certain results, through incentive plans connected to the fulfilment of preset, measurable and complementary targets which represent the main Company's priorities in line with the Company's Strategic Plan and the expectations of shareholders and stakeholders, in order to promote a strong focus on results and combine the operating, economic and financial soundness with social and environmental sustainability, coherently with the long-term nature of the business and the related risk profiles.

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

The 2020-2022 Long-Term Equity Incentive Plan includes a target related to environmental sustainability and energy transition (overall weight 35%), articulated on a series of goals linked to the processes of decarbonization and energy transition and to the circular economy.
The Remuneration Policy is described in the first section of the Remuneration Report, available on the Company's website (www.eni.com) and is presented for a binding vote at the Shareholders' Meeting, with the cadence required by its duration and in any case at least every three years or in the event of changes to it[13].

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

The internal control and risk management system[14]

Eni has adopted an integrated and comprehensive internal control and risk management system at different levels of the organizational and corporate structure, based on a set of rules, procedures and organizational structures aimed at allowing an effective identification, measurement, management and monitoring of the main risks, in order to contribute to the sustainable success of the Company.
The internal control and risk management system is also based on Eni's Code of Ethics, which sets out the rules of conduct for the appropriate management of the Company's business and which must be complied with by all the members of the Board, as well as of the other corporate bodies and all other third parties working with or in name or for the interest of Eni. Eni has adopted rules for the integrated governance of the internal control and risk management system, the guidelines of which were approved by the Board.

Furthermore, on adopting the new Corporate Governance Code, Eni's Board of Directors established various actions and application and improvement methods to comply with the recommendations on the internal control and risk management system (ICRMS), already generally accepted as in line with the best practices of corporate governance[15].
In this respect, in order to strengthen the integration between strategic planning and internal controls and risk management, upon the proposal of the Chief Executive Officer and with the support of the Control and Risks Committee, the Board of Directors has called for the definition of "operational" guidelines for the ICRMS, that exceed the ICRMS model contained in internal regulations, as part of the Strategic plan, in line with the strategies of the company.

It was also envisaged that the implementation of the operational guidelines of the ICRMS is subject to periodic monitoring on the basis of a report by the Chief Executive Officer.
Eni has also equipped itself with a reference model for Integrated Compliance, which together with Model 231 and the Code of Ethics, is aimed at ensuring that all Eni personnel who are contributing to the achievement of business objectives operate in full compliance with the rules of integrity and applicable laws and regulations in an increasingly complex national and international regulatory framework, defining a comprehensive process, developed using a risk-based approach, for managing activities to prevent non-compliance.

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

Furthermore, acting on the proposal of the Chief Executive Officer, having obtained a favourable opinion from the Control and Risk Committee, the Board of Directors of Eni approved the internal rules concerning the Market Information Abuse (Issuers). These, by updating the previous Eni rules for the aspects relating to "issuers", incorporate the amendments introduced by Regulation No. 596/2014/EU of April 16, 2014 and the associated implementing rules, as well as the national regulations, taking account of Italian and foreign institutional guidelines on the matter.
The updated internal rules lay down principles of conduct for the protection of confidentiality of corporate information in general, to promote maximum compliance, as also required by Eni's Code of Ethics and corporate security measures. Eni recognizes that information is a strategic asset to be managed in such a way as to ensure the protection of the interests of the Company, shareholders and the market.

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

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

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

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

Natural Resources

Exploration & Production

>700 mmboe

new exploration equity resources discovered at a competitive cost of 1.3 $/barrel

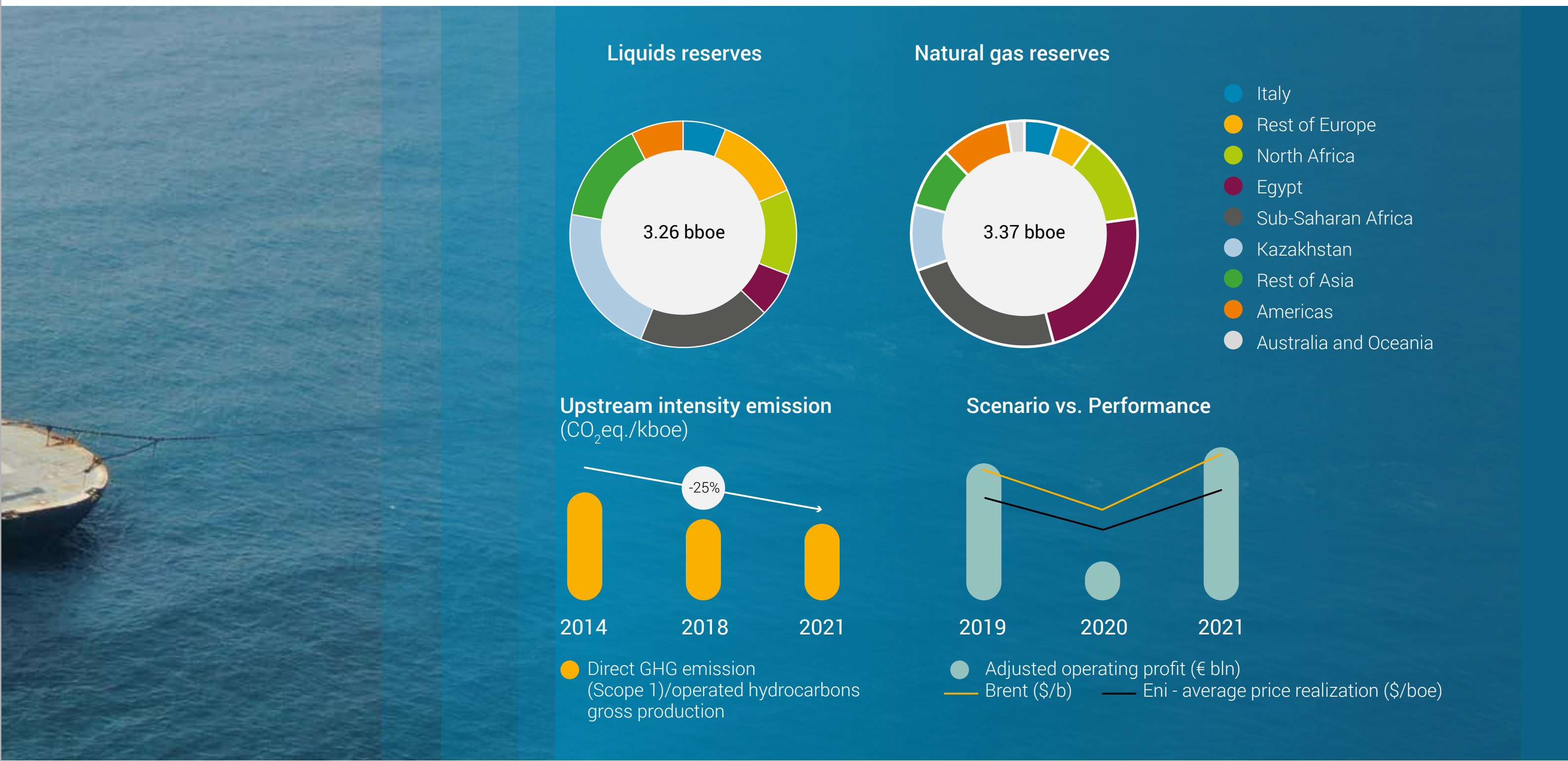
HyNet Project
for the CO_2 geological capture and storage in the UK. Signed 19 Memorandum of Understanding with local industries for the storage of their emissions

Net carbon footprint upstream -26% vs. 2018
In 2021 achieved progress in line with new target of -65% in 2025 and net zero in 2030

KEY PERFORMANCE INDICATORS

		2021	2020	2019
Total recordable incident rate (TRIR)[(a)]	(total recordable injuries/worked hours) X 1,000,000	**0.25**	0.28	0.33
of which: employees		**0.09**	*0.18*	*0.18*
contractors		**0.30**	*0.31*	*0.37*
Profit per boe[(b)(c)]	($/boe)	**4.8**	3.8	7.7
Opex per boe[(d)]		**7.5**	6.5	6.4
Cash flow per boe		**20.6**	9.8	18.6
Finding & Development cost per boe[(c)(d)]		**20.4**	17.6	15.5
Average hydrocarbon realization		**51.49**	28.92	43.54
Production of hydrocarbons[(d)]	(kboe/d)	**1,682**	1,733	1,871
Net proved reserves of hydrocarbons	(mmboe)	**6,628**	6,905	7,268
Reserves life index	(years)	**10.8**	10.9	10.6
Organic reserves replacement ratio	(%)	**55**	43	92
Employees at year end	(number)	**9,409**	9,815	10,272
of which outside Italy		**6,045**	*6,123*	*6,781*
Direct GHG emissions (Scope 1)[(a)]	(mmtonnes CO_2eq.)	**22.3**	21.1	22.8
Direct GHG emissions (Scope 1)/operated hydrocarbon gross production[(a)(e)]	(tonnes CO_2eq./kboe)	**20.2**	20.0	19.6
Methane fugitive emissions[(a)]	(ktonnes CH_4)	**9.2**	11.2	21.9
Volumes of hydrocarbon sent to routine flaring[(a)]	(billion Sm³)	**1.2**	1.0	1.2
Net carbon footprint upstream (Scope 1+2)[(f)]	(mmtonnes CO_2eq.)	**11.0**	11.4	14.8
Oil spills due to operations (>1 barrel)[(a)]	(barrels)	**436**	882	988
Re-injected production water[(a)]	(%)	**58**	53	58

(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 1,041 mmboe, 1,009 mmboe and 1,114 mmboe in 2021, 2020 and 2019, respectively.
(f) Calculated on equity bases and included carbon sink.



Performance of the year

- Total recordable injury rate (TRIR) was 0.25, down by 9%, confirming Eni's commitment to reduce injuries in each of its operations.
- Direct GHG emissions (Scope 1) of the operated assets reported an increase of 6% from 2020, mainly due to the resumption of activities.
- Direct GHG emissions (Scope 1)/operated hydrocarbon gross production was 20.2 tonnes CO_2 eq./ kboe, substantially in line with 2020.
- Methane fugitive emissions of the operated assets were down by 18% from 2020 mainly as result of the constant commitment to periodic on-site monitoring and the related maintenance activities.
- Net Carbon Footprint upstream (GHG emissions Scope 1 + Scope 2 accounted for on an equity basis net of carbon sink) slightly decrease from 2020.
- Volumes of hydrocarbon sent to routine flaring of the operated assets increased by 12% from 2020, mainly due to the resumption of activities at the Abu-Attifel and El Feel plants in Libya, shut down in 2020.
- Oil spills due to operations more than halved from 2020, leveraging on to the technical measures adopted in the operating activities.
- Re-injected production water increased from 2020 thanks to the complete recovery of the re-injection activities in Congo and Libya.
- Oil and natural gas production was 1.7 million boe/d before price effects. Growth was fueled by continued production ramp-ups at the giant Zohr in Egypt and Merakes (Indonesia) gas fields, with the latter achieving first gas in April. Performance was negative impacted by greater maintenance activity in Norway, Italy and the UK, lower activity in Nigeria and mature fields decline.
- Net proved reserves at December 31, 2021 amounted to 6.6 bboe based on a reference Brent price of 69 $/barrel. The all-sources replacement ratio was 55%; 73% three-year average all sources replacement ratio. The reserves life index was 10.8 years (10.9 years in 2020).

Decarbonization initiatives

- The projects of the CO_2 geological capture and sequestration using depleted fields as well as reusing in other production cycle are a key drivers of Eni transition strategy. In particular, the HyNet integrated project in the United Kingdom where Eni operates (100% interest) the transport and storage of CO_2 in depleted gas fields in the Liverpool Bay area. In October 2021 the project has been selected by UK authorities between the two priority CCS projects in the country and granted access to priority public funding by the UK government Carbon Capture Storage Infrastructure Fund (CCSIF) manage by BEIS (Business, Energy & Industrial Strategy department) to support with £1 billion the realization in the United Kingdom of at least 4 CCS hubs by 2030. The project will ensure significant support to the UK's decarbonisation process with 10 mmtonnes/year of CO_2 storage at full capacity compared to the recent ambition in the Net Zero Strategy (October 2021) of 20-30 mmtonnes/year of CO_2 storage capacity as well as with 80% to the 5 GW of low-carbon hydrogen, target set by the UK government for 2030. Other ongoing initiative concerned a plan to build a hub for the capture and storage of CO_2 in depleted fields off the coast of Ravenna which will be designed to store 500 mmtonnes. Leveraging on the development of CCS projects, the target is to reach a storage capacity of 7 mmtonnes/year net to Eni in 2030.
- 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. In particular, in 2021, Eni launched other projects in the Republic of Zambia and Tanzania, in addition to Luangwa Community Forest project. Eni continues to evaluate further initiatives in different Countries by means of partnerships with governments and international players in Africa, Latin America, and Asia. Planned and defined initiatives will ensure the offsetting of residual emissions in the Eni's decarbonization strategy.
- In Africa signed agreements with the government of Kenya, Angola, Congo, Ivory Coast, Benin, Mozambique and Rwanda for biofuel projects through the set-up of integrated agro-biofeedstock supply chains to supply renewable feedstock to Eni's biorefineries, without impacting the local food chain and to decarbonize the local energy mix. In particular, these projects aimed at the production of such feedstock ensure security and strategic supply of sustainable feedstock (Low ILUC) and de-risking with respect to market purchases. The development model of these initiatives also enhances environmental issues, as it contributes to the decarbonization of marketed products and allows the recovery of degraded land and tackle deforestation, as well as social issues with positive impacts on the country such as employment, rural income and market access for farmers. The model enhances human rights protections and promotes the health, food security and access rights to land of country populations.
- Finalized the agreement with the Bonifiche Ferraresi Group aimed at establishing an equal joint venture for the development of agricultural research and experimentation projects of oil plant seeds to be used as feedstock in Eni's biorefineries. Based on the agreement, Eni purchased a minority stake in the subsidiary of BF Bonifiche Ferraresi and in BF SpA.
- Solenova, a joint venture between Eni and Sonangol, reached the Final Investment Decision (FID) and signed the EPC contract for the first phase start-up of Caraculo's photovoltaic project, located in Namibe, Angola, to be launched in fourth quarter of 2022. The plant will have a total capacity of 50 MW and will be implemented by stages, the first set to reach a capacity of 25 MW.
- Signed a Memorandum of Understanding with the Australian company Santos to jointly seek cooperation opportunities within CO_2 capture and storage or utilization project and to enhance partnership in the hydrocarbon developments in northern Australia. Other agreements finalized in Egypt and Norway.

Exploration

- Exploration activity achieved excellent results in 2021 with the discovery of 700 mmboe of new resources at a competitive cost of 1.3 $/boe. Exploration is still a distinctive approach of Eni's upstream model, and the achieved results have allowed Eni to get the title of "explorer of the Year 2021" by the World Energy Capital Assembly.

- Exploration confirmed its track-record with the Baleine discovery in the CI-101 operated block, in the offshore Ivory Coast, which identified an estimated potential approximately 2 billion barrels of oil in place and 2.4 trillion cubic feet (TCF) of associated gas. The final investment decision for Phase I has been reached after five months from discovery. In particular, defined with the authorities of the Country the development plan of the Baleine discovery, through a phased fast-track development plan, with an expected start-up in early production in the first half of 2023 and a subsequent ramp-up. 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 improved cookstoves (sustainable development) and forest conservation (REDD+) initiatives. Baleine confirms Eni's commitment to generate high value while reducing the carbon footprint and focus to improve the time-to-market of exploration discoveries.
- Achieved near-field exploration successes in Angola, where the Cuica-1 oil discovery will ensure to extend the useful life of the FPSO which operates the block, in Ghana, with the Eban oil discovery in the CTP 4 operated block near to the Sankofa production hub, and in Mexico, with the oil discovery in the Sayuilta exploration prospect following the Saasken discovery made in 2020. Other significant exploration successes were made in Egypt, Indonesia, Norway and the United Kingdom.
- Reloading exploration portfolio with the addition of approximately 15,800 square kilometers of new leases in Angola, the Ivory Coast, Egypt, the UAE, Norway, the UK and Vietnam.
- In 2021 exploration expenses were €558 million (€510 million in 2020) and included the write-off of unsuccessful wells amounting to €364 million (€314 million in 2020), 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 €331 million mainly in Gabon, Montenegro, Myanmar, Bahrain, Egypt and Angola. Write-offs of €35 million are related to exploration licenses due mainly to exiting from marginal areas for geopolitical or environmental issues. In addition, 100 exploratory drilled wells are in progress at year-end (52.4 net to Eni).

Development

- Achieved production start-up of the following projects:
  - in Indonesia, in the operated East Seppingaan block (Eni's interest 65%) in the deep offshore eastern Kalimantan with the Merakes gas project;
  - in Angola, with the tie-in of the satellite discoveries of Cuica and Cabaca North in offshore operated Block 15/06, leveraging on the existing FPSO in the area;
  - in the onshore Sharjah Emirate, with start-up of the Mahani gas and condensate project in the Area B concession (Eni's interest 50%), just two years after signing the concession agreement and one year since discovery.
- In Angola signed with BP an agreement for establishing the Azule Energy, a new jointly controlled venture, which will combine the two partners' upstream portfolio in the Country to accelerate the assets development.
- Eni and the private equity fund HitecVision, shareholders of Vår Energi, have finalized the process of listing the investee at the Norwegian stock exchange placing about 11.2% interest.
- Development expenditure amounted to €3.4 billion, directed mainly outside Italy, in particular in Egypt, Angola, the United States, Mexico, the United Arab Emirates, Indonesia and Iraq.
- Eni progressed its commitment to initiatives and programs to promote local development through a distinctive approach that is also based on collaborations with other internationally recognized players as well as with public-private partnerships. In particular, in January 2022 signed an agreement with the United Nations Educational, Scientific and Cultural Organization (UNESCO) in Mexico to identify joint initiatives that contribute to the sustainable development of the domestic market; in February 2022 in collaboration with the European Union and UNICEF, launched a project in partnership with the Governorate of Basra in Iraq, aimed at improving water quality. In addition, initiatives advanced in Angola with Halo Trust, for the land demining in Benguela area, and the program with FAO to promote water access in Nigeria.
- In 2021, overall R&D expenditure amounted to €65 million (€59 million in 2020); a total of 6 new patents were filed.

RESERVES

OVERVIEW

The Company has adopted comprehensive classification criteria for the estimate of proved, proved developed and proved undeveloped oil and gas reserves in accordance with applicable US Securities and Exchange Commission (SEC) regulations, as provided for in Regulation S-X, Rule 4-10. Proved oil and 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 and gas reserves are inherently uncertain. Although authoritative guidelines exist regarding engineering criteria that have to be met before estimated oil and 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 under 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 has 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

(1) The reports of independent engineers are available on Eni website eni.com section Publications/Integrated Annual Report 2016.

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 "Politecnico di Torino" and received a Master of Science degree in Mining Engineering in 2000. He has more than 20 years of experience in the oil and gas industry.
Staff involved in the reserves evaluation process fulfil the professional qualifications requested by the role and comply 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 verifications 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 2021[3] Ryder Scott Company, DeGolyer and MacNaughton and Societé Generale de Surveillance provided an independent evaluation of approximately 27% of Eni's total proved reserves at December 31, 2021[4], confirming, as in previous years, the reasonableness of Eni internal evaluation.
In the 2019-2021 three-year period, 93%[5] of Eni total proved reserves were subject to an independent evaluation. As at December 31, 2021, Belayim in Egypt and Area 1 in Mexico were the main Eni property, which did not undergo an independent evaluation in the last three years.

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 2021 proved reserves were as follows:

	(mmboe)	Consolidated subsidiaries	Equity-accounted entities	Total
Estimated net proved reserves at December 31, 2020		**5,984**	**921**	**6,905**
Extensions, discoveries, revisions of previous estimates and improved recovery, excluding price effect		68	76	**144**
Price effect		48	148	**196**
Reserve additions, total		116	224	**340**
Portfolio		(3)		**(3)**
Production of the year		(526)	(88)	**(614)**
Estimated net proved reserves at December 31, 2021		**5,571**	**1,057**	**6,628**
Reserves replacement ratio, all sources	(%)			**55**

(2) From 1991 to 2002, DeGolyer and MacNaughton; from 2003, also Ryder Scott. In 2018 e 2021, the Societé Generale de Surveillance (SGS) Company also provided an independent certification.
(3) The reports of independent engineers are available on Eni website eni.com section Publications/Annual Report 2021.
(4) Includes Eni's share of proved reserves of equity accounted entities.
(5) The share of reserve subjected to independent evaluation increases to 94% also including the third-party evaluation provided by the Gaffney Cline company in 2020 on the reserves of the Angola LNG project (Eni's interest 13.6%) required by the shareholders of the consortium operating company.

ESTIMATED NET PROVED HYDROCARBONS RESERVES

	2021 Liquids (mmbbl)	2021 Natural gas (bcf)	2021 Hydrocarbons (mmboe)	2020 Liquids (mmbbl)	2020 Natural gas (bcf)	2020 Hydrocarbons (mmboe)	2019 Liquids (mmbbl)	2019 Natural gas (bcf)	2019 Hydrocarbons (mmboe)
Consolidated subsidiaries									
Italy	197	918	369	178	348	243	194	752	333
Developed	146	729	283	146	280	199	137	657	258
Undeveloped	51	189	86	32	68	44	57	95	75
Rest of Europe	34	247	81	34	208	73	41	262	89
Developed	34	242	80	31	194	68	37	242	82
Undeveloped		5	1	3	14	5	4	20	7
North Africa	393	2,272	820	383	2,201	798	468	2,738	974
Developed	225	781	373	243	1,014	434	301	1,374	553
Undeveloped	168	1,491	447	140	1,187	364	167	1,364	421
Egypt	210	4,152	992	227	4,692	1,110	264	5,191	1,225
Developed	164	3,656	852	172	4,511	1,022	149	4,777	1033
Undeveloped	46	496	140	55	181	88	115	414	192
Sub-Saharan Africa	589	2,953	1,145	624	3,864	1,352	694	4,103	1,453
Developed	435	1,759	766	469	1,751	799	519	1,858	863
Undeveloped	154	1,194	379	155	2,113	553	175	2,245	590
Kazakhstan	710	1,705	1,032	805	2,003	1,182	746	1,969	1,108
Developed	641	1,705	963	716	2,003	1093	682	1,969	1046
Undeveloped	69		69	89		89	64		62
Rest of Asia	476	1,522	762	579	1,589	879	491	1,349	742
Developed	262	971	445	297	674	424	245	685	372
Undeveloped	214	551	317	282	915	455	246	664	370
Americas	237	274	288	224	175	256	225	240	268
Developed	164	210	203	143	109	162	148	186	182
Undeveloped	73	64	85	81	66	94	77	54	86
Australia and Oceania	1	428	82	1	474	91	1	507	95
Developed	1	266	51	1	315	60	1	322	61
Undeveloped		162	31		159	31		185	34
Total consolidated subsidiaries	2,847	14,471	5,571	3,055	15,554	5,984	3,124	17,111	6,287
Developed	2,072	10,319	4,016	2,218	10,851	4,261	2,219	12,070	4,450
Undeveloped	775	4,152	1,555	837	4,703	1,723	905	5,041	1,837
Equity-accounted entities									
Rest of Europe	378	654	502	400	510	496	424	772	567
Developed	175	457	261	176	415	254	219	597	330
Undeveloped	203	197	241	224	95	242	205	175	237
North Africa	9	10	10	12	14	14	12	14	16
Developed	9	10	10	12	14	14	12	14	16
Undeveloped									
Sub-Saharan Africa	21	1,285	263	18	364	87	10	287	63
Developed	9	165	39	15	170	47	7	88	23
Undeveloped	12	1,120	224	3	194	40	3	199	40
Americas	6	1,460	282	30	1,559	324	31	1,648	335
Developed	6	1,460	282	30	1,559	324	31	1,648	335
Undeveloped									
Total equity-accounted entities	414	3,409	1,057	460	2,447	921	477	2,721	981
Developed	199	2,092	592	233	2,158	639	269	2,347	704
Undeveloped	215	1,317	465	227	289	282	208	374	277
Total including equity-accounted entities	3,261	17,880	6,628	3,515	18,001	6,905	3,601	19,832	7,268
Developed	2,271	12,411	4,608	2,451	13,009	4,900	2,488	14,417	5,154
Undeveloped	990	5,469	2,020	1,064	4,992	2,005	1,113	5,415	2,114

Net proved reserves as of December 31, 2021 were 6,628 mmboe, of which 5,571 mmboe of consolidated subsidiaries. Net additions to proved reserves were 340 mmboe and derived from: (i) revisions of previous estimates were up by 258 mmboe, and mainly derived from the E Structure fields in Libya, the Val d'Agri field in Italy, the Karachaganak field in Kazakhstan and the Zubair field in Iraq. Revisions to previous estimates include a positive price effect of 196 mmboe, mainly due to an increased Brent reference price (from 41 $/barrel in 2020 to 69 $/barrel in 2021) resulting in a recovery of volumes reserves which were uneconomical in the 2020 scenario partially offset by net lower reserves entitlements under PSA contracts; (ii) extensions and discoveries were up by 70 mmboe, mainly due to the final investment decision made for the New Gas Consortium project as well as the Cuica and the Ndungu projects in the operated Block 15/06 in Angola; the Tommeliten Alpha Development project in the PL044 license and other minor assets in Norway; and the BKNEP, Zas and Ret project in the Berkine North in Algeria; and (iii) improved recovery of 12 mmboe mainly related to the Oooguruk project in the United States.
Portfolio transactions include the disposal of the OML 17 block in Nigeria and acquisitions of the Lucius field in the United States and the Conwy field in the United Kingdom.
The organic[6] and all sources reserves replacement ratio was 55%. The reserves life index was 10.8 years (10.9 years in 2020).
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.

PROVED UNDEVELOPED RESERVES

Proved undeveloped reserves as of December 31, 2021 totaled 2,020 mmboe, of which 990 mmbbl of liquids mainly concentrated in Africa and Asia and 5,469 bcf of natural gas mainly located in Africa. Proved undeveloped reserves of consolidated subsidiaries amounted to 775 mmbbl of liquids and 4,152 bcf of natural gas.
Movements in Eni's 2021 proved undeveloped reserves were as follows:

(mmboe)	
Proved undeveloped reserves as of December 31, 2020	**2,005**
Additions	(232)
Extensions and discoveries	62
Revisions of previous estimates	174
Improved recovery	11
Proved undeveloped reserves as of December 31, 2021	**2,020**

In 2021, Eni matured 232 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 are related to the following fields/projects: Merakes in Indonesia, Mitzon in Mexico, as well as LNG project in Nigeria.
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 2021, capital expenditures amounted to approximately €4.8 billion.
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 complex nature of the 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 0.45 bboe of proved undeveloped reserves have remained undeveloped for five years or more at the balance sheet date

(6) 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.

and decreased from 2020. The proved undeveloped reserves that have remained undeveloped for five years or more at the balance sheet date mainly related to: (i) the Zubair field in Iraq (0.10 bboe), where development of PUDs area making continuing progress by means of drilling additional production wells that were hooked to the existing treatment facilities, which have been already dimensioned based on the expected full field production plateau of 700 kboe/d; (ii) certain Libyan gas fields (0.3 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 and (iii) other fields in Italy (0.05 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 623 mmbboe 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 93% of delivery commitments.
Eni has met all contractual delivery commitments as of December 31, 2021.

OIL AND GAS PRODUCTION

In 2021, oil and natural gas production averaged 1.682 mmboe/d, down by 2.2% from 2020, net of price effects, due to higher maintenance activity at fields in Norway, Italy and the United Kingdom, lower activity in Nigeria and mature fields decline. These decreases were partly offset by continuing production ramp-ups in Egypt and Indonesia at the flagship projects of Zohr and Merakes, in a context of strong global demand for gas and LNG and also thanks to the restart of the Damietta liquefaction plant, as well as the progressive easing of OPEC+ production quotas particularly in the United Arab Emirates and Kazakhstan.
Liquids production amounted to 813 kbbl/d, down by 4% from 2020. The price effects, the reduction in Nigeria and mature fields decline were partly offset by production growth in Egypt and the progressive easing of OPEC+ production quotas.
Natural gas production amounted to 4,613 mmcf/d down by 2% compared to 2020. Mature fields decline and lower production in Nigeria were partly offset by the ramp-ups at Zohr (Egypt) and Merakes (Indonesia) fields, boosted by strong global demand.
Oil and gas production sold amounted to 567 mmboe. The 47 mmboe difference over production (614 mmboe) mainly reflected volumes of natural gas consumed in operations (42 mmboe), changes in inventory levels and other variations. Approximately 63% of liquids production sold (295 mmbbl) was destined to Eni's Refining & Marketing business. About 16% of natural gas production sold (1,444 bcf) was destined to Eni's Global Gas & LNG Portfolio segment.

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

	2021			2020			2019		
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**	**92**	**30**	**17**	**116**	**39**	**19**	**137**	**45**
Rest of Europe	**7**	**43**	**15**	**8**	**58**	**19**	**8**	**64**	**20**
United Kingdom	7	43	15	8	58	19	8	64	20
North Africa	**45**	**263**	**95**	**41**	**278**	**93**	**61**	**419**	**138**
Algeria	20	60	31	19	56	30	23	41	30
Libya	24	198	62	21	218	61	37	374	106
Tunisia	1	5	2	1	4	2	1	4	2
Egypt	**30**	**538**	**131**	**24**	**440**	**106**	**27**	**551**	**129**
Sub-Saharan Africa	**73**	**179**	**106**	**80**	**249**	**127**	**91**	**227**	**133**
Angola	33	20	37	33	22	37	37	25	42
Congo	16	49	25	18	48	27	22	54	32
Ghana	8	31	13	9	32	15	9	36	15
Nigeria	16	79	31	20	147	48	23	112	44
Kazakhstan	**37**	**85**	**53**	**40**	**103**	**60**	**36**	**100**	**55**
Rest of Asia	**29**	**189**	**65**	**32**	**170**	**64**	**32**	**184**	**66**
China							1		1
Indonesia		117	23		91	17		113	21
Iraq	9	26	14	11	28	17	10	29	15
Pakistan		22	4		28	5		37	7
Timor Leste	1	16	3	1	17	4			
Turkmenistan	2	2	3	3	2	3	3	2	3
United Arab Emirates	17	6	18	17	4	18	18	3	19
Americas	**19**	**26**	**25**	**21**	**36**	**28**	**20**	**24**	**24**
Ecuador							2		2
Mexico	4	5	6	4	4	5	1	1	1
United States	15	21	19	17	32	23	17	23	21
Australia and Oceania		**31**	**6**		**33**	**6**	**1**	**51**	**10**
Australia		31	6		33	6	1	51	10
	253	**1,446**	**526**	**263**	**1,483**	**542**	**295**	**1,757**	**620**
Equity-accounted entities									
Angola	1	31	7	1	36	8	2	35	8
Norway	41	118	63	42	134	68	27	66	40
Tunisia	1	1	1	1	1	1	1	2	1
Venezuela	1	88	17	1	77	15	1	70	14
	44	**238**	**88**	**45**	**248**	**92**	**31**	**173**	**63**
Total	**297**	**1,684**	**614**	**308**	**1,731**	**634**	**326**	**1,930**	**683**

(a) Includes Eni's share of equity-accounted equities.
(b) Includes volumes of hydrocarbons consumed in operations (42, 45 and 45 mmboe in 2021, 2020 and 2019, respectively).

DAILY OIL AND NATURAL GAS PRODUCTION[(a)(b)]

Consolidated subsidiaries	2021 Liquids (mmbbl)	2021 Natural gas (bcf)	2021 Hydrocarbons (mmboe)	2020 Liquids (mmbbl)	2020 Natural gas (bcf)	2020 Hydrocarbons (mmboe)	2019 Liquids (mmbbl)	2019 Natural gas (bcf)	2019 Hydrocarbons (mmboe)
Italy	**36**	**251.0**	**83**	**47**	**316.6**	**107**	**53**	**376.4**	**123**
Rest of Europe	**19**	**119.3**	**41**	**23**	**159.1**	**52**	**23**	**174.6**	**55**
United Kingdom	19	119.3	41	23	159.1	52	23	174.6	55
North Africa	**124**	**720.1**	**259**	**112**	**758.4**	**255**	**166**	**1,149.2**	**379**
Algeria	54	165.1	85	53	152.5	81	62	111.8	83
Libya	67	541.7	168	56	594.4	168	101	1,025.8	291
Tunisia	3	13.3	6	3	11.5	6	3	11.6	5
Egypt	**82**	**1,474.8**	**360**	**64**	**1,203.0**	**291**	**75**	**1,509.0**	**354**
Sub-Saharan Africa	**198**	**489.5**	**291**	**218**	**679.0**	**345**	**249**	**621.2**	**363**
Angola	91	53.9	101	89	58.2	100	102	67.3	113
Congo	44	135.5	70	49	131.1	73	59	147.7	87
Ghana	20	83.8	36	24	87.6	41	24	97.9	42
Nigeria	43	216.3	84	56	402.1	131	64	308.3	121
Kazakhstan	**102**	**233.0**	**146**	**110**	**282.2**	**163**	**100**	**272.4**	**150**
Rest of Asia	**80**	**516.5**	**177**	**88**	**465.0**	**176**	**86**	**502.7**	**179**
China	1		1	1		1	1		1
Indonesia	1	321.2	61	1	248.5	48	2	308.1	59
Iraq	24	70.7	37	31	76.3	45	27	78.7	41
Pakistan		59.8	11		76.8	15		101.2	19
Timor Leste	1	42.5	9	2	46.8	10			
Turkmenistan	6	6.3	7	7	6.2	9	7	6.0	8
United Arab Emirates	47	16.0	51	46	10.4	48	49	8.7	51
Americas	**53**	**73.0**	**67**	**57**	**97.1**	**75**	**55**	**66.8**	**68**
Ecuador							6		6
Mexico	11	14.8	14	12	10.9	14	4	2.8	4
United States	42	58.2	53	45	86.2	61	45	64.0	58
Australia and Oceania		**85.0**	**16**		**91.0**	**17**	**2**	**139.6**	**28**
Australia		85.0	16		91.0	17	2	139.6	28
	694	**3,962.2**	**1,440**	**719**	**4,051.4**	**1,481**	**809**	**4,811.9**	**1,699**
Equity-accounted entities									
Angola	3	85.8	19	4	98.8	23	4	97.3	23
Norway	111	322.7	172	116	365.0	185	74	182.4	108
Tunisia	3	3.2	3	2	2.9	2	3	3.4	3
Venezuela	2	239.2	48	2	211.0	42	3	192.0	38
	119	**650.9**	**242**	**124**	**677.7**	**252**	**84**	**475.1**	**172**
Total	**813**	**4,613.1**	**1,682**	**843**	**4,729.1**	**1,733**	**893**	**5,287.0**	**1,871**

(a) Includes Eni's share of equity-accounted equities.
(b) Includes volumes of hydrocarbons consumed in operations (116, 124 and 124 kboe/d in 2021, 2020 and 2019, respectively).

PRODUCTIVE WELLS

In 2021, oil and gas productive wells were 8,100 (2,788.6 of which represented Eni's share). In particular, oil productive wells were 6,649 (2,157.8 of which represented Eni's share); natural gas productive wells amounted to 1,451 (630.8 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 OIL AND GAS WELLS[(a)]

	2021			
	Oil wells		Natural gas wells	
(units)	Gross	Net	Gross	Net
Italy	201.0	155.2	331.0	293.4
Rest of Europe	655.0	115.2	184.0	48.4
North Africa	620.0	262.2	132.0	71.2
Egypt	1,263.0	539.8	134.0	43.5
Sub-Saharan Africa	2,401.0	506.5	199.0	26.3
Kazakhstan	208.0	56.9	1.0	0.3
Rest of Asia	1043.0	388.6	183.0	63.7
Americas	258.0	133.4	285.0	82.0
Australia and Oceania			2.0	2.0
	6,649.0	2,157.8	1,451.0	630.8

(a) Includes 1,198 gross (315.1 net) 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 2021, a total of 31 new exploratory wells were drilled (17.4 of which represented Eni's share), as compared to 28 exploratory wells drilled in 2020 (13.8 of which represent Eni's share) and 31 exploratory wells drilled in 2019 (16.3 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 54% (49% net to Eni) as compared to 28% (30% net to Eni) in 2020 and 36% (47% net to Eni) in 2019.

EXPLORATORY WELL ACTIVITY

	Net wells completed[(a)]						Wells in progress at Dec. 31[(b)]	
	2021		2020		2019		2021	
(units)	productive	dry[(c)]	productive	dry[(c)]	productive	dry[(c)]	gross	net
Italy						0.5		
Rest of Europe	0.1	0.3	0.8	0.4	0.3	1.4	23.0	5.7
North Africa			0.5	1.5	0.5		11.0	8.5
Egypt	5.0	5.0	0.7	1.5	4.5	1.5	14.0	10.5
Sub-Saharan Africa	1.1	0.4	0.1	0.9	0.5	0.9	33.0	19.0
Kazakhstan				1.1				
Rest of Asia	0.7	1.0	0.8	0.9		1.7	15.0	6.5
Americas		0.7		0.6			3.0	1.9
Australia and Oceania						0.5	1.0	0.3
	7.0	7.4	2.9	6.9	5.8	6.5	100.0	52.4

(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 2021, a total of 154 development wells were drilled (47.7 of which represented Eni's share) as compared to 182 development wells drilled in 2020 (57.4 of which represented Eni's share) and 241 development wells drilled in 2019 (85.4 of which represented Eni's share). The drilling of 80 development wells (25.3 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[b]	
	2021		2020		2019		2021	
(units)	productive	dry[b]	productive	dry[b]	productive	dry[b]	gross	net
Italy					3.0			
Rest of Europe	4.8		2.8		3.3		28.0	5.5
North Africa	2.5		4.3		5.0	1.1	1.0	0.5
Egypt	17.0	0.8	23.2		33.5		9.0	3.8
Sub-Saharan Africa	3.8		1.2		7.0		6.0	1.2
Kazakhstan			0.3		0.9		1.0	0.3
Rest of Asia	14.9		23.2	0.4	27.3	2.2	31.0	10.0
Americas	3.9		2.0		2.1		4.0	4.0
Australia and Oceania								
	46.9	0.8	57.0	0.4	82.1	3.3	80.0	25.3

(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 2021, Eni performed its operations in forty-two Countries located in five continents. As of December 31, 2021, Eni's mineral right portfolio consisted of 771 exclusive or shared rights of exploration and development activities for a total acreage of 335,501 square kilometers net to Eni (336,449 square kilometers net to Eni as of December 31, 2020), of which 577 square kilometers related to the CCUS activities in the United Kingdom. Developed acreage was 27,697 square kilometers and undeveloped acreage was 307,804 square kilometers net to Eni.
In 2021, main changes derived from: (i) new leases were purchased or awarded in Vietnam, Angola, Norway, Ivory Coast, the United Kingdom, the United Arab Emirates and Egypt for a total increase in acreage of approximately 17,100 square kilometers; (ii) relinquishment for the year related mainly to Myanmar, Ivory Coast, Pakistan, Egypt, Norway, the United States, Italy and the United Kingdom covering an acreage of approximately 11,500 square kilometers; (iii) interest increases were reported mainly in Angola, Timor Leste, Italy and the United States for a total acreage of approximately 700 square kilometers; and (iv) partial relinquishment was reported mainly in Morocco, Kenya, Italy, the United Arab Emirates and Mozambique for approximately 7,250 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 Cyprus; (ii) Rest of Asia, in particular in Oman, Vietnam, Russia, the United Arab Emirates and Myanmar; (iii) North Africa, in particular in Morocco and Libya; (iv) Sub-Saharan Africa, in particular in Kenya, Mozambique and South Africa; 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, 2020	December 31, 2021						
	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	**39,841**	**308**	**14,224**	**65,679**	**79,903**	**8,246**	**31,612**	**39,858**
Italy	**13,632**	**123**	**8,087**	**6,810**	**14,897**	**6,786**	**5,332**	**12,118**
Rest of Europe	**26,209**	**185**	**6,137**	**58,869**	**65,006**	**1,460**	**26,280**	**27,740**
Albania	587	1		587	587		587	587
Cyprus	13,988	7		25,474	25,474		13,988	13,988
Greenland	1,909	2		4,890	4,890		1,909	1,909
Montenegro	614	1		1,228	1,228		614	614
Norway	6,253	138	5,218	22,709	27,927	836	6,436	7,272
United Kingdom	975	34	919	1,280	2,199	624	863	1,487
Other Countries	1,883	2		2,701	2,701		1,883	1,883
AFRICA	**129,167**	**277**	**48,879**	**233,042**	**281,921**	**12,896**	**115,290**	**128,186**
North Africa	**31,033**	**75**	**12,068**	**48,201**	**60,269**	**5,292**	**22,483**	**27,775**
Algeria	4,732	51	6,809	3,982	10,791	2,851	1,914	4,765
Libya	13,294	11	1,963	24,673	26,636	958	12,336	13,294
Morocco	10,755	1		16,730	16,730		7,529	7,529
Tunisia	2,252	12	3,296	2,816	6,112	1,483	704	2,187
Egypt	**7,384**	**56**	**4,983**	**13,729**	**18,712**	**1,782**	**4,994**	**6,776**
Sub-Saharan Africa	**90,750**	**146**	**31,828**	**171,112**	**202,940**	**5,822**	**87,813**	**93,635**
Angola	5,639	66	10,680	22,749	33,429	2,010	8,800	10,810
Congo	1,306	21	1,164	1,320	2,484	678	628	1,306
Gabon	2,931	3		2,931	2,931		2,931	2,931
Ghana	495	3	226	930	1,156	100	395	495
Ivory Coast	3,372	5		3,840	3,840		3,385	3,385
Kenya	43,948	6		50,677	50,677		41,892	41,892
Mozambique	4,349	10		24,782	24,782		4,171	4,171
Nigeria	6,439	31	19,758	8,206	27,964	3,034	3,340	6,374
South Africa	22,271	1		55,677	55,677		22,271	22,271
ASIA	**154,845**	**70**	**15,943**	**267,694**	**283,637**	**4,964**	**150,518**	**155,482**
Kazakhstan	**1,947**	**7**	**2,391**	**3,853**	**6,244**	**442**	**1,505**	**1,947**
Rest of Asia	**152,898**	**63**	**13,552**	**263,841**	**277,393**	**4,522**	**149,013**	**153,535**
Bahrain	2,858	1		2,858	2,858		2,858	2,858
China	11	3	62		62	10		10
Indonesia	14,184	13	4,778	16,499	21,277	2,441	11,743	14,184
Iraq	446	1	1,074		1,074	446		446
Lebanon	1,461	2		3,653	3,653		1,461	1,461
Myanmar	10,015	2		7,192	7,192		4,113	4,113
Oman	58,955	3		102,016	102,016		58,955	58,955
Pakistan	2,313	13	4,009		4,009	1,072		1,072
Russia	17,975	2		53,930	53,930		17,975	17,975
Timor Leste	1,620	4	412	2,200	2,612	122	1,806	1,928
Turkmenistan	180	1	200		200	180		180
United Arab Emirates	18,680	12	3,017	29,603	32,620	251	18,520	18,771
Vietnam	20,956	5		31,290	31,290		28,338	28,338
Other Countries	3,244	1		14,600	14,600		3,244	3,244
AMERICAS	**9,719**	**112**	**2,217**	**14,813**	**17,030**	**1,003**	**8,267**	**9,270**
Mexico	3,106	10	14	5,455	5,469	14	3,092	3,106
United States	1,198	90	942	520	1,462	492	259	751
Venezuela	1,066	6	1,261	1,543	2,804	497	569	1,066
Other Countries	4,349	6		7,295	7,295		4,347	4,347
AUSTRALIA AND OCEANIA	**2,877**	**4**	**728**	**2,608**	**3,336**	**588**	**2,117**	**2,705**
Australia	2,877	4	728	2,608	3,336	588	2,117	2,705
Total	**336,449**	**771**	**81,991**	**583,836**	**665,827**	**27,697**	**307,804**	**335,501**

(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 (45%), Giaurone (100%), Fiumetto (100%), Prezioso (100%) and Bronte (100%)
REST OF EUROPE	**Norway**[a]	(1965)	Operated		Goliat (45.40%), Marulk (13.97%), Balder & Ringhorne (62.87%) and Ringhorne East (48.88%)
			Non-operated		Åsgard (15.41%), Mikkel (33.79%), Great Ekofisk Area (8.65%), Snorre (12.96%), Ormen Lange (4.43%), Statfjord Unit (14.92%), Statfjord Satellites East (10.16%), Statfjord Satellites North (17.46%), Statfjord Satellites Sygna (14.67%), Grane (19.78%)
	United Kingdom	(1964)	Operated		Liverpool Bay (100%) and Hewett Area (89.3%)
			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%) and Block 405b (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%), Oued Zar (50%), Djebel Grouz (50%), 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%), Baltim (50%), Ras Qattara (El Faras and Zarif - 75%), West Abu Gharadig (Raml - 45%) and West Razzak (100%)
			Non-operated		Ras el Barr (Ha'py and Seth - 50%) and South Ghara (25%)
SUB-SAHARAN AFRICA	**Angola**	(1980)	Operated		Block 15/06 (36.84%)
			Non-operated		Block 0 (9.8%), Development Areas in the Block 3 and 3/05-A (12%), Development Areas in the Block 14 (20%), Lianzi Development Area in the Block 14 K/A IMI (10%) and Development Areas in the Block 15 (18%)
	Congo	(1968)	Operated		Néné-Banga Marine and Litchendjili (Block Marine XII, 65%), Zatchi (55.25%), Loango (42.5%), Ikalou (85%), Djambala (50%), Foukanda (58%), Mwafi (58%), Kitina (52%), Awa Paloukou (90%), M'Boundi (83%) and Kouakouala (75%)
			Non-operated		Yanga Sendji (29.75%) and Likouala (35%)
	Ghana	(2009)	Operated		Offshore Cape Three Points (44.44%)
	Nigeria	(1962)	Operated		OMLs 60, 61, 62 and 63 (20%) and OML 125 (100%)
			Non-operated[d]		OML 118 (12.5%)
KAZAKHSTAN[b]		(1992)	Operated[e]		Karachaganak (29.25%)
			Non-operated		Kashagan (16.81%)
REST OF ASIA	**United Arab Emirates**	(2018)	Non-operated		Lower Zakum (5%), Umm Shaif and Nasr (10%) and Area B - Sharjah (50%)
	Indonesia	(2001)	Operated		Jangkrik (55%) and Merakes (65%)
	Iraq	(2009)	Non-operated[f]		Zubair (41.56%)
	Pakistan	(2000)	Operated		Bhit/Bhadra (40%) and Kadanwari (18.42%)
			Non-operated		Latif (33.3%), Zamzama (17.75%) and Sawan (23.7%)
	Turkmenistan	(2008)	Operated		Burun (90%)
AMERICAS	**Mexico**	(2019)	Operated		Area 1 (100%)
	United States	(1968)	Operated	**Gulf of Mexico**	Allegheny (100%), Appaloosa (100%), Pegasus (85%), Longhorn (75%), Devils Towers (75%) and Triton (75%)
				Alaska	Nikaitchuq (100%) and Oooguruk (100%)
			Non-operated	**Golfo del Messico**	Europa (32%), Medusa (25%), Lucius (11.1%), K2 (13.4%), Frontrunner (37.5%) and Heidelberg (12.5%)
				Texas	Alliance area (27.5%)
	Venezuela	(1998)	Non-operated		Perla (50%), Corocoro (26%) and Junín 5 (40%)

(a) Assets held by the Var energy equity-accounted entities (Eni's interest 69.85%). Following the closing of the process of listing the investee on February 16, 2022, Eni's interest in the company is 64.255%.
(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 includes Eni's share of costs incurred on behalf of the first party accordingly to the terms of PSAs inforce in the Country.
(d) 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.
(e) Eni and Shell are co-operators.
(f) 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 PROJECTS

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

Within Eni's long-term 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 which will be designed to store 500 million tonnes of CO_2. The development program includes a pilot project with expected start-up in 2023, following all necessary authorizations. The development on an industrial scale is expected in the next phase. The planned activities will benefit on the expected synergies on development cost leveraging on the offshore infrastructure of depleted fields and in addition to be significant impacted on the technology and competence areas.
In the gas assets of the Adriatic Sea, development activities concerned: (i) maintenance and production

optimization at offshore gas fields Annalisa (Eni's interest 100%) and Calipso (Eni's interest 51%); and (ii) Decommissioning plan to plug-in depleted wells and to remove idle platforms progressed in the year in compliance with Italian Ministerial Decree 15 February 2019 "Linee guida nazionali per la dismissione mineraria delle piattaforme per la coltivazione in mare e delle infrastrutture connesse". A total of six offshore platforms to be removed are currently under the ministerial authorization process. In the circular economy initiatives, a program in collaboration with national research institutions was launched to redevelop asset in the decommissioning phase. Activities started up to convert an offshore platform into a marine science park.
In 2021 the IX Collaboration Agreement was signed with the Municipality of Ravenna. The agreement includes: (i) environmental projects by means of studies, monitoring program and environmental protection activities at the coastline areas; (ii) energy efficiency measures; (iii) professional training initiatives, programs to support local market and activities; and (iv) social projects and environmental education and sustainable development projects in collaboration with several local stakeholders.
During 2021 the Val d'Agri production plant was shut down, being executed mandatory maintenance activities to be performed every ten years, with the support of local stakeholders and in compliance with relevant regulations and health, safety, and environmental protection issues. The activities were related to inspections and maintenance as well as to execute intervention of improvement and upgrading of the production facilities. 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) in the agricultural rehabilitation programs with the "Agricultural Center for Experimentation and Training" project launched sustainable agricultural initiatives and the construction of agritech infrastructures; and (ii) start-up of biomonitoring programs with innovative techniques.
Within the strategic partnership with stakeholder, Eni, Shell and the Basilicata Region, have signed Preliminary Agreement to the Memorandum of Understanding of the Val d'Agri concession. The preliminary agreement, currently under negotiation, defines the main terms of a clearing programs linked to the concession work schedule in support of regional development, also by means of the action plan for the non-oil activities based on the sustainability principles.
In Sicily, following 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 started up at the Argo and Cassiopeia project development (Eni's interest 60%). The project will be developed in about 3 years with an investment of over €700 million. Natural gas production start-up is expected in the first half of 2024. The project, through a significant reduction of the environmental impact, expects to achieve the carbon neutrality target.
Within the local support communities' initiatives, the final framework agreement was ratified with Fondazione Banco Alimentare Onlus, Banco Alimentare della Sicilia Onlus and the Municipality of di Gela to create a food storage and distribution center for disadvantaged communities.

REST OF EUROPE

Norway Eni and the private equity fund HitecVision, shareholders of Vår Energi, have finalized the process of listing the investee at the local stock exchange placing about 11.2% interest.
In September 2021, a Cooperation Agreement was signed with others Oil & Gas operators in the area to asses the feasibility of the Barents Blu-Ammonia Project. The project provides for the monetization of gas production at the Goliath field by means of the blue ammonia production and commercialization. The CO_2 captured in the process will be transported and stored in a depleted offshore field.
Exploration activities yielded positive results with the offshore oil discovery of: (i) Isflak in the PL 532 license (Eni's interest, 21%) in Barents Sea. The discovery will be linked to the Johan Castberg production hub (Eni's interest, 20.96%) under development; (ii) Blasto in the PL 090/090I license (Eni's interest, 17%), located in the northern North Sea, near the facility production of the Fram project (Eni's interest, 17.46%); (iii) Garantiana West in the PL554 license (Eni's interest 21%) in the North Sea. The activities provide the joint development with the Garantiana field by means of the linkage to nearby facilities of the Snorre field (Eni's interest 12.99%); (iv) King and Prince in the PL027 license (Eni's interest 62.86%) near to the Balder field (Eni's interest 62.87%);

(v) Tyrihans North Ile in the PL073 license (Eni's interest 8.4%) in the North Sea; and (vi) the Rodhette oil and gas discovery in the PL901 license (Eni's interest 34.9%) in the Barents Sea, located in the north of the Goliat field (Eni's interest 45.4%).
Recent discoveries confirm the successfully Infrastucture Led Exploration ("ILX") strategy focused on additional reserve with high value and shortly time-to-market.
The mineral interest portfolio increases were as follows: (i) in 2021 eight exploration licenses were acquired as operator and five licenses in partnership, mainly located in the North Sea and the Barents Sea; and (ii) in January 2022, 5 exploration licenses were acquired as operator and five licenses in partnership. 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.
Development activities mainly concerned: (i) the Johan Castberg sanctioned project, with start-up expected in 2024; (ii) the Balder X sanctioned project (Eni operator with a 62.87% interest) 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 FPSO unit that will be relocated in the area. Production start-up is expected in 2023; (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; and (iv) the final investment decision (FID) was sanctioned for the Tommeliten Alpha Development gas and condensates project in the PL044 licenses (Eni's interest 6.38%), in the Norwegian section of the North Sea.

United Kingdom In January 2021, Eni was awarded a 100% interest and operatorship in the exploration license P2511 in the North Sea and later a 50% farm-out agreement was finalized.
In July 2021, Eni finalized the acquisition of 100% interest in the Conwy production field located in the Liverpool Bay area, near existing production facilities. This acquisition currently increases the production in the Country by leveraging on the operational synergies while in the next years during the abandonment phase this asset could be included in possible transitions to CO_2 storage projects.
Exploration activity yielded positive results with the Talbot Appraisal (Eni's interest 33%) and Jade South (Eni's interest 7%) wells. The development activities will leverage on the existing production facilities in the area.
Within 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: (i) in March 2021, the project received funding of £33 million by the UK Research and Innovation (UKRI), Country's authority for research and innovation through the Industrial Decarbonisation Challenge (IDC) fund, including £21 million to finance 50% of engineering studies for the transport and storage phase; (ii) in May 2021, Eni signed a framework agreement with the Progressive Energy Limited to accelerate the project. Based on the agreement, Eni will develop and operate both the onshore and offshore transportation and storage of CO_2 in its Liverpool Bay assets, while Progressive Energy will lead and coordinate the CO_2 capture and hydrogen production on behalf of the Hynet North West consortium, thereby linking the CO_2 emissions to Eni's transportation and storage infrastructure; (iii) in October 2021, the project has been selected by the UK authorities between the two priority CCS projects in the country and granted access to priority public funding; (iv) signed 19 Memorandum of Understanding with local industries ("Emitters") to ensure the CO_2 storage capacity of the project.
The HyNet North West project start-up is expected at the end of 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 2030; as well as also will contribute to the 80% production of the 5 GW low carbon hydrogen target at 2030, announced by the Country, for further decarbonization of transport, industry and household utilities in the area.
In addition, in November 2021, Eni submitted to the UK authority of Oil & Gas (OGA) in the Country a request to award a new license for possible realization of a CO_2 storage project in Eni's exhausted offshore fields in the Hewett license, where production ended in 2020, to future develop the Bacton area as an hydrogen production hub.
In 2021 Eni announced exiting the Net Zero Teesside (Eni's interest 20%) and the North Endurance Partnership (Eni's interest 16.7%) projects where development activities are ongoing with other oil and gas partners in the

area, following Eni's rationalization strategy of CCS projects in the United Kingdom based on focusing on its operated upstream assets.
Other development activities mainly concerned: (i) production optimization, maintenance and asset integrity programs at the Liverpool Bay operated field (Eni's interest 100%); (ii) drilling of infilling wells and maintenance activity at the Elgin/Franklin (Eni's interest 21.87%) and J-Area (Eni's interest 33%) fields; and (iii) decommissioning activity of the Hewett Area project.

NORTH AFRICA

Algeria In March 2022 exploration activity yielded positive results with the HDLE oil and associated gas discovery in the Zemlet el Arbi concession (Eni's interest 49%), in the Berkine North area.
During 2021 Eni and Sonatrach signed several agreements in the exploration and production, research and development as well as decarbonization initiatives. In particular: (i) upgrading exploration and development activities in the Berkine area, also planning for the construction of an oil and gas development hub in synergy with the existing MLE-CAFC facilities. In addition, in December 2021, a new PSA contract was signed for the southern part of the Berkine area (Eni's interest 75%), near operated production assets; (ii) signed a Memorandum of Understanding to jointly develop initiatives in new technologies, renewable energies, hydrogen, CCUS project, biorefining, and other fields in line with Eni's commitment to achieve carbon neutrality in 2050.
Development activities mainly concerned: (i) the Berkine North area (Eni's interest 49%) with the drilling and hook-up of an additional gas production well and three additional oil production wells as well as workover activities; (ii) production optimization at the Zea field in the Block 403 a/d (Eni's interest from 65% to 100%) and the BRN/BRW field in the Block 403 (Eni operator with a 50% interest) as well as the Block 405b (Eni operator with a 75% interest) and the Block 404 (Eni's interest 12.25%); and (iii) maintenance activity at the Block 208 (Eni's interest 12.5%).

EGYPT

In January 2022, Eni was awarded five exploration licenses, of which four as operator in the Egyptian offshore and onshore, following the successful participation in the Egypt International Bid Round for Petroleum Exploration and Exploitation 2021. The licenses are in mining basins of great interest to Eni: offshore East Mediterranean, the Western Desert and the Gulf of Suez, for a total acreage of about 8,410 square kilometers.
In June 2021, Eni signed with the Egyptian General Petroleum Corporation (EGPC) and Lukoil a unitization agreement and extension of exploitation rights until 2036 of the Meleiha and the Meleiha Deep contractual areas. The agreement includes an option of additional extension term to 2041.
The agreement will allow to enhance the significant resource in the area by means of improved contractual terms and adding new exploratory mineral potential. In addition, the construction of a new gas treatment plant, which will be linked to the existing production facilities, will ensure a further possible development of the reserves in the area.
In July 2021 an agreement was signed with the State energy, electricity and natural gas companies to assess the technical and commercial feasibility of projects for the blue and green hydrogen production also through the storage of CO_2 in depleted natural gas fields.
Exploration activities yielded positive results with near-field discoveries in: (i) the Sinai production concession (Eni operator with a 100% interest) with the BLSE 1 oil exploration well. The exploration well was started up by means of the linkage to the existing facilities; (ii) the Western Desert production concessions through eight oil and natural gas discovery wells and already in production.
The new discoveries confirm 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.
During 2021 development activities concerned: (i) the completion of drilling development activities and production start-up in the Sinai and Western Desert production concessions as well as production optimization programs by means of work-over activities; (ii) asset integrity program in the Sinai concession with certain activities to improve plant safety and to retain environmental standards; (iii) study activities start-up to develop a photovoltaic plant of 15 MW in the area of the Abu Rudeis operated field (Eni's interest 100%) in order to reduce

electricity expenses by the national grid and related CO_2 emissions. Start-up is expected by the end of 2022; (iv) a development drilling plan of the Baltim operated concession (Eni's interest 50%); and (iv) the pre-FID activities of the Meleiha Phase 2 project.
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 recovery 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 two additional production wells with start-up expected in 2022.
As of December 31, 2021, the aggregate development costs incurred by Eni for developing the Zohr project and capitalized in the financial statements amounted to $5.6 billion (€5 billion at the EUR/USD exchange rate of December 31, 2021). Development expenditure incurred in the year were €93 million. As of December 31, 2021, Eni's proved reserves booked at the Zohr field amounted to 706 mmboe.
Within the social responsibility initiatives, the programs defined by the Memorandum of Understanding signed in 2017 are currently to be implemented. The agreement, which supports the development activities of the Zohr project, defines two intervention projects to be implemented by the 2024. The first, already completed, included the renovation of the El Garabaa hospital, located nearby the onshore Zohr production facilities, and the supply of necessary medical equipment. The second project, for an overall expense of $20 million, includes socio-economic, health and training programs to support local communities. In particular: (i) launched the phase 2 of the program upon completion of the health care center in Port Said in 2021. Planned activities include hospital equipment, healthcare staff training and health awareness campaigns; (ii) with the completion of youth center in 2020, Eni's training programs has been implemented. In particular, the Zohr Applied Technology School has been launched in partnership with the El Sewedy Electric Foundation and in cooperation with the local authority. Civil infrastructure renovation activities started and then completed during the first months of 2022; and (iii) at the end of 2021, a technical education program was identified. Training activities is expected to be launched in 2022.

SUB-SAHARAN AFRICA

Angola In March 2022, Eni and BP signed an agreement to combine the respective upstream portfolios in the country, aiming at establishing a new jointly controlled venture, Azule Energy. The agreement follows the memorandum of understanding between the companies agreed in May 2021. In particular, the new venture will ensure significant operational synergies, targeting an ambitious investment plan and increasing the growth rate in the area. The transaction highlights both companies' commitment to continue developing the country's upstream potential and to support the energy transition by means of natural gas and renewable energy developments projects. The closing of the deal is subject to certain conditions precedent, including approval from the local authorities in charge.
In October 2021, Eni signed a Memorandum of Understanding with ANPG and Sonangol for joint development of the circular economy and decarbonization projects, in particular by promoting agricultural initiatives for the cultivation of oil plants to be used as feedstock for Eni's biorefineries, without impacting the local food chain.
In December 2021, Eni finalized a twenty-year extension of the offshore Block 0 (Eni 9.8%), with expiring date in 2050. Block 0 is located in the Cabinda area, in the north of the country.
In December 2021, the FID of Quiluma & Maboqueiro fields within the first development project of the New Gas Consortium (Eni's interest 25.6%) was sanctioned. The project includes two offshore platforms, an onshore gas processing plant and connection to A-LNG for the marketing of gas via LNG cargo, and condensates.
Exploration activities yielded positive results in the operated Block 15/06 (Eni 36.84%): (i) in 2021 through the Cuica-1 oil discovery in the Cabaça development area, so to extend the residual useful life of the FPSO which operates the block; and (ii) in March 2022 with the Ndungu-2 delineation well which allows to boost to 800-1,000 million boe in place the field resources.
In 2021 production start-up was achieved at the Cuica field, just four months after the discovery, and the Cabaça North field through the linkage to the Armada Olombendo FPSO targeting to increase and to support production plateau of the operated Block 15/06 development. In February 2022, in the operated Block 15/06, the Ndung Early Production project started up by means of linkage 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 also through upgrading plant implemented in 2021, in line with Eni's decarbonisation strategy to achieve net zero.

Production start-up confirms the success of the Infrastructure Led Exploration (ILX) campaign progressed in the Country also by means of a modular and simplified development approach ensuring a shortly time-to-market of the discoveries.
Other development activities in the operated Block 15/06 concerned the Agogo Early Production Phase 2 development project with start-up of construction activities relating to the planned offshore facilities. The full field development of the Agogo project provides for the construction of an additional FPSO. Concept definition studies and FEED activity were completed and started up the activities for the assigning main contracts.
On the non-operated blocks, development activities progressed in the Block 0 with: (i) the Sanha Lean Gas Connection and Booster Gas Compressor project increasing associated gas production to feed the A-LNG liquefaction plant; (ii) the Lifua-A development project. The offshore facilities were completed, and start-up is expected in 2022; (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.
Other development activities concerned: (i) the FEED activity of the Punja project in the Block 3/05-A (Eni's interest 12%); and (ii) reached the Final Investment Decision (FID) and signed the EPC contract for the first phase start-up of Caraculo's photovoltaic project, located in Namibe. The project follows the memorandum of understanding signed with Sonangol in 2019 with establishing a new jointly controlled venture, Solenova for the development of renewable energy projects. Start-up is expected in the fourth quarter of 2022. The plant will have a total capacity of 50 MW and will be implemented by stages, the first set to reach a capacity of 25 MW. The project will ensure to reduce diesel consumption for electricity generation and so the GHG emissions as well as supporting the Country's energy transition. Planned activities also include certain initiatives in the field of access to water, access to energy, health and education.
Local development programs and initiatives progressed during the year, in particular with: (i) the South West integrated project in Huila and Namibe area, to support local communities affected by drought; (ii) access to energy, with health centers electrification by means of solar panels installation; (iii) an agricultural development program in the Cabinda area in partnership with local institutions; (iv) ongoing support of the Halo Trust initiative for the f land demining in the Benguela province; and (v) several health initiatives in the Luanda, Cabinda and Zaire areas with healthcare staff training programs as well as medical equipment supplies.

Congo In October 2021, Eni signed a Memorandum of Understanding with the Country's authorities for joint development of the circular economy and decarbonization projects, in particular by promoting agricultural initiatives for the cultivation of oil plants to be used as feedstock for Eni's biorefineries, without impacting the local food chain.
In addition, during 2021: (i) Eni relinquished the Loango II (Enis' interest 42.5%) and Zatchi II (Eni's interest 55.25%) production assets, effective from 1 January 2022, in line with Eni's strategy of production portfolio rationalization; and (ii) the PSA contract of the Marine XII production block (Eni operator with a 65% interest) was amended to include a new tax regime dedicated to LNG projects. Ongoing studies provides for a fast-track development project to monetize the associated and non-associated gas in the area both for the domestic power generation and LNG export, also targeting to support zero routine flaring. The export project consists of two modular and in phases LNG liquefaction plants with a capacity of approximately 2 million tonnes/year at plateau. Start-up is expected in 2023.
Other development activities concerned: (i) the additional development phase of the Nené-Banga production field in the Marine XII block with a construction of a new production platform. Start-up is expected in the second half of 2022; (ii) in the cultural initiatives to support local community, the construction activities progressed at the Oyo research center which is expected to be opened and in operation in 2022; (iii) the second phase of the Project Integrated Hinda (PIH) progressed with initiatives to support the economic and agricultural development, access to water, education programs and sanitary service program development; and (iv) the CATREP program to support domestic agricultural economy with initiatives in the innovative agronomic techniques application aiming to integrate local producers into supply chain of agri-biofeedstock within Memorandum of Understanding signed in 2021.

Mozambique In February 2022, Eni signed with the Ministry of Agriculture and Rural Development of the Republic of Mozambique an agreement for cooperation and development of agricultural projects in the Country, promoting agricultural initiatives for the cultivation of oil plants to be used as feedstock for biofuels production.
The development activities of Area 4 offshore (Eni's interest 25%) concerned the Coral South gas project and the

gas discoveries of Mamba Complex where Eni is expected to coordinate the upstream phase and ExxonMobil midstream phase (natural gas liquefaction).
The sanctioned Coral South project includes the construction, installation and commissioning and of an FLNG vessel that will be linked to six subsea gas producing wells, where the gas will undergo treatment, liquefaction, storage and export, with a capacity of approximately 3.4 mmtonnes/y of LNG. The development activities are nearing completion. Production start-up is expected within 2022. The LNG produced will be sold by the Area 4 Concessionaires to BP under a long-term contract for a period of twenty years, with an option for an additional ten-year term.
Within the Mamba Complex discoveries, the Rovuma LNG project provides for the development of the straddled reserves of Area 1 according to its independent industrial plan, coordinated with the operator of Area 1 (TotalEnergies). The development project will include also a part of non-straddled reserves. The project provides the construction of two onshore LNG trains with capacity of approximately 7.6 mmtonnes/y each, fed by 24 subsea wells and facilities for storing and exporting LNG. In 2019, the plan of development (POD) was approved by the relevant Authorities. The Area 4 operators progressed with reassessment of the project, including maximizing synergies with Area 1, in order to optimize costs.
In 2021, Eni's programs to support the local communities of the Country progressed with: (i) programs to support primary and infant scholarship. In particular, in city of Pemba, the infrastructural planned activities are completed and launched training initiatives also with study grants; (ii) launched the second phase of access to energy program also by means of clean cooking projects; (iii) support to disadvantaged populations in particular in the Cabo Delgado area and in the Maputo area, also with food assistance; and (iv) within the Coral South project development, certain activities were launched also through suppliers engagement aiming to increase workforce of local small e medium-size companies.

Nigeria In January 2021, Eni and the partners divested the onshore production and development block OML 17 (Eni's interest 5%).
Exploration activities yielded positive results in the operated OML 61 block (Eni's interest 20%) with the Obiafu 42 gas and condensates exploration well.
Development activities concerned: (i) production optimization programs also with work-over activities at the operated OMLs 60, 61, 62 and 63 blocks (Eni's interest 20%), the Kolo Creek gas field in the OML 28 block (Eni's interest 5%), the Forkados Yokri oil field in the OML 43 Block (Eni's interest 5%) and at the OML 118 block (Eni's interest 12.5%); and (ii) drilling of four oil wells in the OML 79, 35 and 36 blocks (Eni's interest 5%) and of six gas wells in the OML 21 and 22 blocks (Eni's interest 5%) as well as in the Assa North and Enhwe fields.
In 2021 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. In particular, during the year, maintenance activities were completed to ensure sustainable use of infrastructures implemented. 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. 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. In addition, initiatives progressed with: (i) infrastructures projects with the realization of roads, schools, health centers, electrification and water works; (ii) training programs, also with study grants; (iii) access to energy programs; and (iv) the Green River Project to support local producers.
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 to approximately 1,250 bcf/y of feed gas. Natural gas supplies to the plant are currently provided under a gas supply agreement from the SPDC JV (Eni's interest 5%), TEPNG JV and the NAOC JV (Eni's interest 20%). In 2021, the Bonny liquefaction plant processed approximately 970 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 The development activities of the Kashagan field (Eni's interest 16.81%) concerned the phased expansion program of production capacity. The first development phase envisages increasing the production

capacity up to 450 kbbl/d by upgrading the existing associated gas compression handling. The ongoing activities, sanctioned in 2020, mainly concerned: (i) increasing gas reinjection capacity by means of upgrading the existing facilities; and (ii) delivering a part of gas volumes to a new onshore treatment unit operated by a third party, currently under construction.
In addition, during the year the redevelopment activity was completed with energy efficiency of a school in the Turkestan region, built in partnership with UNDP (United Nations Development Programme).
As of December 31, 2021, the aggregate costs incurred by Eni for the Kashagan project capitalized in the financial statements amounted to $10 billion (€8.9 billion at the EUR/USD exchange rate of December 31, 2021). This capitalized amount included: (i) $7.4 billion relating to expenditure 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 €66 million.
As of December 31, 2021, Eni's proved reserves booked for the Kashagan field amounted to 633 mmboe, decreasing from 2020 due to price effect.

Karachaganak Within the gas treatment expansion projects of the Karachaganak field, activities concerned: (i) the Karachaganak Debottlenecking project was completed. The construction of a fourth gas reinjection unit is currently being finalized; and (ii) the Karachaganak Expansion Project (KEP) to increase gas re-injection capacity progressed. The project is scheduled to be achieved in several phases. The development program of the first phase, sanctioned at the end of 2020, provides the construction of a sixth injection line, the drilling of three additional injection wells and of a new gas compression unit. Start-up is expected in 2024. The project includes an additional phase with the installation of a new treatment and compression units.
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, following the health emergency resulting from the COVID-19 pandemic.
As of December 31, 2021, the aggregate costs incurred by Eni for the Karachaganak project capitalized in the financial statements amounted to $4.4 billion (€3.9 billion at the EUR/USD exchange rate of December 31, 2021). Cost incurred in the year were €123 million.
As of December 31, 2021, Eni's proved reserves booked for the Karachaganak field amounted to 399 mmboe, decreasing from 2020 mainly due to price effect.

REST OF ASIA

Indonesia In June 2021, Eni signed a Memorandum of Understanding with the government entity SKK Migas for a partnership in hydrocarbons exploration in the Country. The agreement provides for the use of Eni's proprietary technologies, including the calculation and processing techniques of the Green DataCenter, for an exploration prospects interpretation data.
Exploration activities yielded positive results in the operated West Ganal block (Eni's interest 40%) with the Maha 2 delineation well, near the Jangkrik production field.
In 2021 production start-up was achieved at the offshore Merakes gas project in the operated East Sepinggan block (Eni's interest 65%), located in the deep offshore East Kalimantan. Production flows from five subsea wells which are tied-back to the Floating Production Unit (FPU) of the Jangkrik producing field (Eni operator with a 55% interest). Natural gas production is processed by the FPU and then delivered via pipeline to the onshore plant, which is connected to the East Kalimantan transport system to feed the Bontang liquefaction plant or sold to the domestic market.
Development activities comprised: (i) development program of the Merakes East and Maha projects with the completion of the concept selection activity and the start-up of the concept definition activity; and (ii) 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 (Eni's interest 41.56%), which will allow to achieve a production plateau

of 700 kbbl/d. The production capacity and main facilities to treat the production plateau target have already been installed; the field reserves will be progressively put into production by drilling additional productive wells over the next few years.
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) launched an integrated training program in the Zubair district, including specific training initiatives for school staff and establishing online educational platform following the COVID-19 pandemic impact; (ii) progressed construction activities of a new school in the Zubair area with completion expected in 2023, as well as renovation and material supply initiatives; (iii) pediatric training project, renovation and expansion of the Basra Cancer Children Hospital as well as the supply of specific medical oncology equipment; and (iv) upgrading activity at the Al Barjazia drinking water plant in the Zubair area as well as the construction of new plant in the Bassora area.

United Arab Emirates In 2022 exploration activities yielded positive results in the operated Block 2 (Eni's interest 70%) with the XF-002 well, in offshore Abu Dhabi. Drilling activities are ongoing, and upon completion expected in the second quarter of 2022 the size of the discovery will be evaluated.
In April 2021, Eni was awarded the operatorship of the Exploration Block 7 onshore Ras Al Khaimah with a 90% participating interest. Existing gas treatment facilities in the area with spare capacity will ensure to put in production any discoveries with shortly time-to-market.
In 2021, production start-up was achieved from the Mahani field located in the onshore Concession Area B (Eni's interest 50%) in the Emirate of Sharjah, just one year after Mahani 1 exploration well discovery and two years after signing the concession agreement. Development activities, sanctioned with the final investment decision, provide the progressive ramp-up with the tie-back of two additional productive wells.
During the year two development projects were sanctioned: the Dalma Gas Development in the offshore Gasha concession (Eni's interest 25%) and the Umm Shaif Long-Term Development Phase 1 in the Umm Shaif concession (Eni's interest 10%).

AMERICAS

Mexico 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.
Exploration activities yielded positive results with: (i) the Sayulita oil discovery in the offshore operated Block 10 (Eni's interest 65%) where the Saasken discovery was made in 2020. The new well identified 150-200 million barrels of oil in place that have boosted the commerciality prospects of the area; and (ii) the Yoti West oil discovery in the OBO AC12 block (Eni's interest 40%) with estimated resources in approximately 170 million barrels of oil in place.
The development activities in the year mainly concerned the full field development program of the operated license Area 1 (Eni's interest 100%), already in production. In particular: (i) the conversion and upgrading of an FPSO unit was completed including all linking facilities; (ii) the first production platform was installed in the Amoca field; and (iii) the development drilling activities progressed at the Mizton production field while the drilling activities started up in the Amoca field. The FPSO started operations on February 23, 2022 allowing the production ramp-up. Other development phase includes the construction and installation of two additional production platform at the Amoca and Teocalli field.
Within the cooperation agreement with the local Authorities to identify initiatives relating to health, education and environment, as well as economic diversification initiatives to support employment, during the year the activities concerned: (i) restructuring of school buildings and construction of roads; (ii) training and learning activities to support school programs; (iii) initiatives to improve socio-economic conditions of communities with development programs of fishing activity; (iv) completed the Human Rights Action Plan identifying activities plan; and (v) awareness campaigns in the field of access to energy.

FORESTRY PROJECTS

In Eni's decarbonization path, Natural Climate Solutions (NCS) area one of the levers in the residual emission reduction. Among these, in 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, like BioCarbon Partners, Terra Global, Peace Parks Foundation, First Climate, Carbonsink and Carbon Credits Consulting, which 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 the with highest standards for certification of the carbon emissions reduction and social and environmental effects (such as Verified Carbon Standard - VCS and Climate Community & Biodiversity Standards - CCB), internationally recognized and in line with the qualitative standards, target to be achieved by Eni.
Eni launched the forestry projects in 2019 by means of the agreement with BioCarbon Partners to became active member in the governance of the Luangwa Community Forests Project (LCFP) in Zambia. The LCFP covers an area of approximately 1 million hectares, involves approximately 200,000 beneficiaries, also with economic diversification initiatives, and is currently one of the largest REDD + projects in Africa. The LCFP achieved the CCB (Climate, Community and Biodiversity Standards) "triple gold" issued by international no-profit organization Verra, leader in the carbon credits certifying, for its outstanding social and environmental impact. Eni committed to purchase carbon credits generated by the LCFP project until 2038. During the year Eni finalized agreement to support the development of the Ntakata Mountains project in Tanzania and the Lower Zambezi project in Zambia, as well as launched the Amigos de Lakmul project in Mexico. In 2021 Eni achieved allowance of carbon credits by the projects to offset GHG emissions equivalent to over 2 million tonnes of CO_2.
Eni is currently considering further different initiatives in several countries, by means of partnerships with governments and international developers in Africa, Latin America, and Asia. The medium-long term target is a progressive growth of these initiatives and planned to reach a carbon credit portfolio on yearly basis to offset over 20 million tonnes of CO_2 in 2030.

AGRO-FEEDSTOCK PROJECTS

During the year Eni finalized agreement with the authorities of the Kenya, Congo, Angola, Rwanda and Ivory Coast as well as in Mozambique and Benin in 2022 aiming to decarbonize the local energy mix by means of biofuels value chain by promoting 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 is being evaluated in other countries with a model in analogy to the ones applied.
In particular, in the first step, industrial production start-up is expected in: (i) Kenya, where development program includes the construction of 20 agri ,hubs with start-up in 2022. In addition, the agreement provides

also 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; (ii) Congo with activities start-up expected in 2023.

The full capacity production is expected to achieve 350 ktonnes from 2026 with engagement of 300,000 farmers. The overall production is expected to subsequently reach a agro-feedstock volume of over 800 thousand tonnes by 2030 leveraging on additional initiatives in other countries.

Within these development initiatives, in November 2021 Eni finalized strategic partnership agreement with the Bonifiche Ferraresi Group aimed at establishing an equal joint venture. Based on the agreement, Eni purchased a minority stake in the subsidiary of BF Bonifiche Ferraresi. In addition, the agreement include: (i) research and experimentation projects of oil plant seeds to be used as feedstock in biorefineries; (ii) support in the countries where Eni will develop agro-feedstock projects by means of know-how transfer and agriculture seeds and products supplies.

Global Gas & LNG Portfolio

€ 580 mln
Adjusted operating profit
vs. 2020: +78%

70.45 bcm
Worldwide natural gas sales
vs. 2020: +8% thanks
to higher LNG sales

Agreement in Taiwan with
CPC Corporation
for the supply of a LNG cargo
certified carbon neutral
in accordance with PAS2060 standard

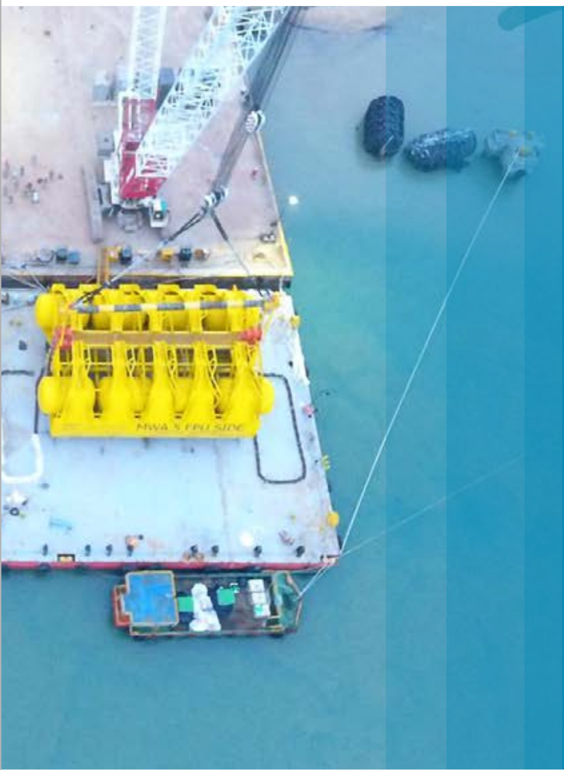
Achieved zero
injury target
in 2021

KEY PERFORMANCE INDICATORS		2021	2020	2019
TRIR (Total Recordable Injury Rate)[a]	(total recordable injuries/worked hours) x 1,000,000	0.00	1.15	0.56
of which: employees		*0.00*	*0.99*	*0.96*
contractors		*0.00*	*1.37*	*0.00*
Natural gas sales[b]	(bcm)	70.45	64.99	72.85
Italy		36.88	37.30	37.98
Rest of Europe		28.01	23.00	26.72
of which: Importers in Italy		*2.89*	*3.67*	*4.37*
European markets		*25.12*	*19.33*	*22.35*
Rest of world		5.56	4.69	8.15
LNG sales[c]		10.9	9.5	10.1
Employees at year end	(number)	847	700	711
of which outside Italy		*571*	*410*	*418*
Direct GHG emissions (Scope 1)[a]	(mmtonnes CO_2eq.)	1.01	0.36	0.25

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

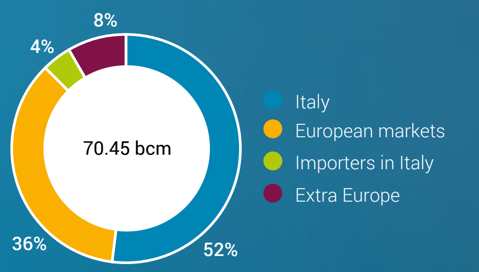
Performance of the year

- Achieved the zero-injury target for employees and contractors.
- Direct GHG emissions (Scope 1) equal to 1.01 million mmtonnes CO_2eq. reported an increase as a result of the growth in gas volumes transported by TTPC and TMPC pipelines and the consolidation of Damietta liquefaction plant.
- Eni worldwide gas sales amounted to 70.45 bcm, increased by 8% compared to 2020 (up by 5.46 bcm).
- LNG sales amounted to 10.9 bcm, representing an increase of 14.7% compared to 2020.

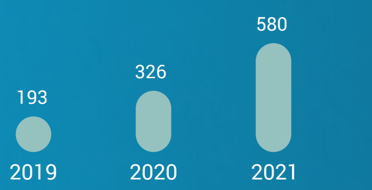


PSV-TTF trend

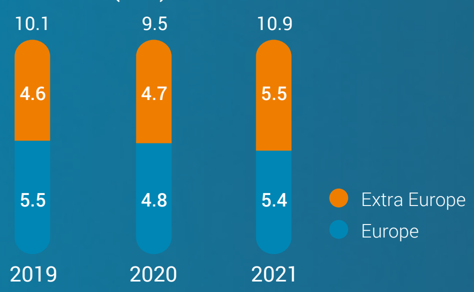
Gas sales by geographic area



Adjusted operating profit (€ mln)



LNG sales (bcm)



Business development

Signed an agreement with CPC Corporation, taiwanese utility, for the supply at the Yung An receiving terminal (Taiwan) of a LNG cargo certified carbon neutral according to the internationally recognized PAS2060 standard, sourced from the Bontang liquefaction terminal in Indonesia and supplied by the Jangkrik Eni's gas field.
The GHG emissions related to the entire value chain of the LNG cargo, including gas production, transmission, liquefaction, shipping, regasification, distribution and end use, were offset through the retirement of high quality nature based credits. In particular, the credits have been sourced from two projects REDD+: Luangwa Community Forest in Zambia and Kulera Landscape in Malawi.

As a part of the Eni's portfolio optimization strategy, aimed at growth in the areas related to the energy transition, was signed a sale agreement with Snam for the sale of 49.9% of Eni's stake (directly or indirectly) in the companies that manage the onshore gas pipelines running from the Algerian and Tunisian borders to Tunisia's coast (TTPC) and the offshore gas pipelines connecting the Tunisian coast to Italy (TMPC). The transaction includes the transfer of these investments to a JV of which a 49.9% share will be sold to Snam for approximately €385 million (Eni will continue to hold the remaining 50.1% stake). This operation allows to create synergies among the parties' expertise in gas transport on a strategic route for the security of the natural gas supply in Italy, enabling potential development initiatives within the hydrogen value chain from North Africa.

Announced by the management, the sale of 50% stake of Blue Stream gas pipeline, which carries the Russian gas marketed by Eni and Gazprom jointly, through Black Sea to Turkish State company Botas.

In march 2021 was completed the restructuring of Uniòn Fenosa Gas through the finalization of the agreements with the authorities of the Arab Republic of Egypt (ARE) and the Spanish partner Naturgy for the settlement of the Uniòn Fenosa Gas disputes with the Egyptian partners. The agreement included the 50% share recognition of Damietta's plant and the related liquefaction capacity, as well as the gas marketing activities in Spain held by UFG and the restart of Damietta liquefaction plant.

NATURAL GAS

SUPPLY OF NATURAL GAS

Eni's consolidated subsidiaries supplied 70.98 bcm of natural gas, increased by 8.82 bcm or by 14.2% from the full year 2020. Gas volumes supplied outside Italy from consolidated subsidiaries (67.39 bcm), imported in Italy or sold outside Italy, represented approximately 95% of total supplies, increased by 12.70 bcm or by 23% from the full year 2020. This mainly reflected higher volumes purchased in Russia (up by 7.72 bcm), in Algeria (up by 4.90 bcm), in the UK (up by 1.03 bcm) and in Indonesia (up by 0.66 bcm), partly offset by lower purchases in Libya (down by 1.26 bcm). Supplies in Italy (3.59 bcm) down by 51.9% from the full year 2020.

SUPPLY OF NATURAL GAS

(bcm)	2021	2020	2019	Change	% Ch.
ITALY	**3.59**	**7.47**	**5.57**	**(3.88)**	**(51.9)**
Russia	30.21	22.49	24.36	7.72	34.3
Algeria (including LNG)	10.12	5.22	6.66	4.90	93.9
Libya	3.18	4.44	5.86	(1.26)	(28.4)
Netherlands	1.41	1.11	4.12	0.30	27.0
Norway	7.52	7.19	6.43	0.33	4.6
United Kingdom	2.65	1.62	1.75	1.03	63.6
Indonesia (LNG)	1.81	1.15	1.58	0.66	57.4
Qatar (LNG)	2.30	2.47	2.79	(0.17)	(6.9)
Other supplies of natural gas	2.39	5.24	7.90	(2.85)	(54.4)
Other supplies of LNG	5.80	3.76	3.40	2.04	54.3
OUTSIDE ITALY	**67.39**	**54.69**	**64.85**	**12.70**	**23.2**
TOTAL SUPPLIES OF ENI'S CONSOLIDATED SUBSIDIARIES	**70.98**	**62.16**	**70.42**	**8.82**	**14.2**
Offtake from (input to) storage	(0.86)	0.52	0.08	(1.38)	(265.4)
Network losses, measurement differences and other changes	(0.04)	(0.03)	(0.22)	(0.01)	(33.3)
AVAILABLE FOR SALE BY ENI'S CONSOLIDATED SUBSIDIARIES	**70.08**	**62.65**	**70.28**	**7.43**	**11.9**
Available for sale by Eni's affiliates	**0.37**	**2.34**	**2.57**	**(1.97)**	**(84.2)**
TOTAL AVAILABLE FOR SALE	**70.45**	**64.99**	**72.85**	**5.46**	**8.4**

In 2021, main gas volumes from equity production derived from: (i) certain Eni fields located in the British and Norwegian sections of the North Sea (2.6 bcm); (ii) Italian gas fields (2.2 bcm); (iii) Indonesia (0.9 bcm); (iv) Libyan fields (0.7 bcm). Supplied gas volumes from equity production were 6.4 bcm representing around 9% of total volumes available for sale. The available for sale by Eni's affiliates amounted to 0.37 bcm (down by 84.2% compared to 2020) and mainly referred to supplied volumes from Spain and Oman.

SALES

European gas market was characterised by extreme conditions due to tight supplies and uncertainties supply flows from Russia. In this scenario the raising in demand has highlighted increase consumption about up by 7% and up by 6% in Italy and in the European Union, respectively, compared to 2020, natural gas sales amounted to 70.45 bcm (including Eni's own consumption, Eni's share of sales made by equity-accounted entities), increased by 5.46 bcm or 8.4% from the previous year due to higher sales in Turkey and higher volumes sales of LNG.

GAS SALES BY ENTITY

(bcm)	2021	2020	2019	Change	% Ch.
Total sales of subsidiaries	**69.99**	**62.58**	**70.17**	**7.41**	**11.8**
Italy (including own consumption)	36.88	37.30	37.98	(0.42)	(1.1)
Rest of Europe	27.69	21.54	25.21	6.15	28.6
Outside Europe	5.42	3.74	6.98	1.68	44.9
Total sales of Eni's affiliates (net to Eni)	**0.46**	**2.41**	**2.68**	**(1.95)**	**(80.9)**
Rest of Europe	0.32	1.46	1.51	(1.14)	(78.1)
Outside Europe	0.14	0.95	1.17	(0.81)	(85.3)
WORLDWIDE GAS SALES	**70.45**	**64.99**	**72.85**	**5.46**	**8.4**

Sales in Italy (36.88 bcm) decreased by 1.1% from 2020 mainly due to lower sales to hub and to thermoelectrical and industrial segments, partly offset by higher sales in wholesalers segment. Sales to importers in Italy (2.89 bcm) decreased by 21.3% from 2020 due to the lower availability of Libyan gas.
Sales in the European markets amounted to 25.12 bcm, an increase of 30% or 5.79 bcm from 2020.
Sales in the extra European markets of 5.56 bcm increased by 0.87 bcm or 18.6% from the previous year, due to higher volumes marketed in the Asian markets.

GAS SALES BY MARKET

(bcm)	2021	2020	2019	Change	% Ch.
ITALY	**36.88**	**37.30**	**37.98**	**(0.42)**	**(1.1)**
Wholesalers	13.37	12.89	13.08	0.48	3.7
Italian gas exchange and spot markets	12.13	12.73	12.13	(0.60)	(4.7)
Industries	4.07	4.21	4.62	(0.14)	(3.3)
Power generation	0.94	1.34	1.90	(0.40)	(29.9)
Own consumption	6.37	6.13	6.25	0.24	3.9
INTERNATIONAL SALES	**33.57**	**27.69**	**34.87**	**5.88**	**21.2**
Rest of Europe	**28.01**	**23.00**	**26.72**	**5.01**	**21.8**
Importers in Italy	2.89	3.67	4.37	(0.78)	(21.3)
European markets:	25.12	19.33	22.35	5.79	30.0
Iberian Peninsula	*3.75*	*3.94*	*4.22*	*(0.19)*	*(4.8)*
Germany/Austria	*0.69*	*0.35*	*2.19*	*0.34*	*97.1*
Benelux	*3.47*	*3.58*	*3.78*	*(0.11)*	*(3.1)*
United Kingdom	*2.65*	*1.62*	*1.75*	*1.03*	*63.6*
Turkey	*8.50*	*4.59*	*5.56*	*3.91*	*85.2*
France	*5.80*	*5.01*	*4.47*	*0.79*	*15.8*
Other	*0.26*	*0.24*	*0.38*	*0.02*	*8.3*
Extra European markets	**5.56**	**4.69**	**8.15**	**0.87**	**18.6**
WORLDWIDE GAS SALES	**70.45**	**64.99**	**72.85**	**5.46**	**8.4**

LNG

LNG SALES

(bcm)	2021	2020	2019	Change	% Ch.
Europe	5.4	4.8	5.5	0.6	12.5
Outside Europe	5.5	4.7	4.6	0.8	17.0
TOTAL LNG SALES	**10.9**	**9.5**	**10.1**	**1.4**	**14.7**

In 2021, LNG sales (10.9 bcm, included in the worldwide gas sales) increased by 14.7% from 2020 and mainly concerned LNG from Egypt, Qatar, Indonesia and Nigeria and marketed in Europe and Asia.

INTERNATIONAL TRANSPORT ACTIVITY

Eni, as shipper, 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 Company participates to both entities which operate the pipelines and entities which manage transport rights. The main international pipelines currently participated or operated by Eni 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 (520-kilometer long); and (iv) Eni holds an interest in the Blue Stream underwater pipeline linking the Russian coast to the Turkish coast of the Black Sea.

Energy Evolution

Refining & Marketing and Chemicals

1.1 mmtonnes/y
Biorefinery capacity

€**152** mln
Adjusted operating profit
vs. 2020: +€146 mln

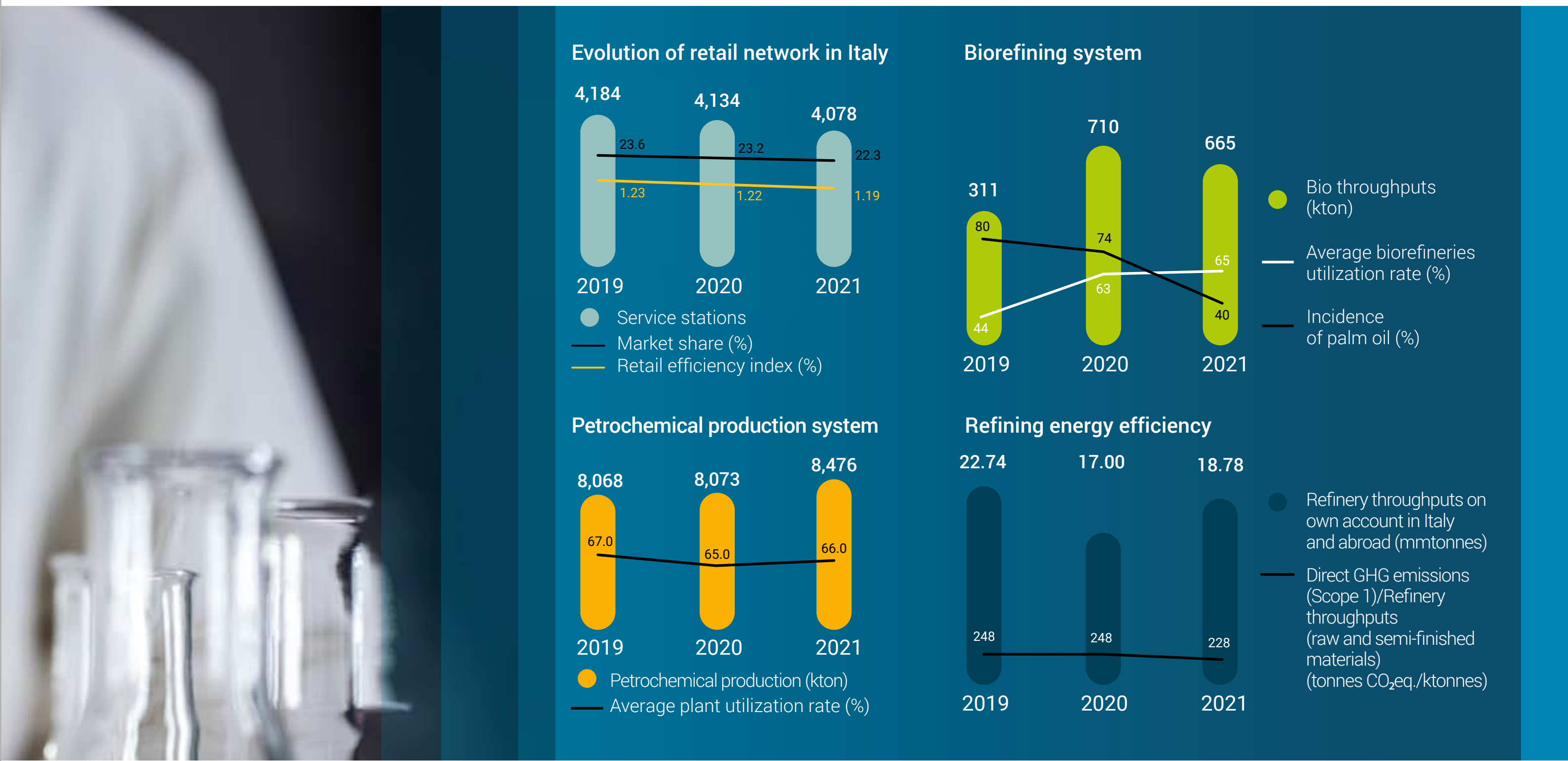
4.5 mmtonnes
Sales of petrochemical products vs. 2020: +3% thanks to the recover in demand

228
tonnes CO_2eq./ktonnes
Direct GHG emissions (Scope 1)/Refinery throughputs (raw and semi-finished materials)
vs. 2020: -8%

KEY PERFORMANCE INDICATORS

		2021	2020	2019
TRIR (Total Recordable Injury Rate)[(a)]	(total recordable injuries/worked hours) x 1,000,000	0.80	0.80	0.27
of which: employees		*1.13*	*1.17*	*0.24*
contractors		*0.49*	*0.48*	*0.29*
Bio throughputs	(ktonnes)	665	710	311
Capacity of biorefineries	(mmtonnes/year)	1.1	1.1	1.1
Average biorefineries utilization rate	(%)	65	63	44
Conversion index of oil refineries		49	54	54
Average oil refineries utilization rate		76	69	88
Retail sales of petroleum products in Europe	(mmtonnes)	7.23	6.61	8.25
Service stations in Europe at year end	(number)	5,314	5,369	5,411
Average throughput per service station in Europe	(kliters)	1,521	1,390	1,766
Retail efficiency index	(%)	1.19	1.22	1.23
Production of petrochemical products	(ktonnes)	8,476	8,073	8,068
Sale of petrochemical products		4,451	4,339	4,295
Average petrochemical plant utilization rate	(%)	66	65	67
Employees at year end	(number)	13,072	11,471	11,626
of which: outside Italy		*4,044*	*2,556*	*2,591*
Direct GHG emissions (Scope 1)[(a)]	(mmtonnes CO_2eq.)	6.72	6.65	7.97
Direct GHG emissions (Scope 1)/Refinery throughputs (raw and semi-finished materials)	(tonnes CO_2 eq./ktonnes)	228	248	248

(a) Calculated on 100% operated assets.



Performance of the year

- Total recordable injury rate (TRIR) of the workforce amounted to 0.80, substantially in line compared to the previous year.
- Direct GHG emissions (Scope 1) increased by 1% compared to 2020, following the resumption of activities mainly in the chemical business.
- Direct GHG emissions (Scope 1)/refining throughputs (raw and semi-finished materials) were down by 8% compared to the previous year, despite the increase of commodities processed at the Sannazzaro and Livorno sites.
- In 2021 Eni's refining throughputs on own account amounted to 18.78 mmtonnes (excluding the ADNOC Refining) up by 10.5% from 2020, benefitting from the 2021 economic recovery, supported by the resumption of the activities negatively affected in 2020 by the partial lockdown.
- Production of biofuels from vegetable oil amounted to 665 mmtonnes, down by 6% from 2020, affected by a particularly depressed scenario.
- Retail sales in Italy were 5.12 mmtonnes, increased by 12% from 2020 as a result of the progressive economy reopening and greater mobility of people. Market share was 22.3% (23.2% in 2020).
- Sales of petrochemical products were 4.45 mmtonnes, up by 3%, thanks to the macroeconomic growth, rebound in demand of leading sectors, such as packaging and the recovery of the automotive business.

Business developments and portfolio transaction

In order to expand the recycled polymers portfolio of Versalis Revive® and to consolidate the European leadership in styrenic polymers, Versalis acquired the technology and plants of Ecoplastic, company specialized in the recovery, recycling and transformation chain of styrenic polymers. This is the first step of the transformation project of Porto Marghera plant, which includes the installation in the next year of the plants acquired for the production of styrene polymers entirely obtained from recycle raw material. The overall capacity of the first phase will be approximately 20 ktonnes per year.
In September Versalis finalized the acquisition of the control in Finproject, exercising the call option to buy the remaining 60% of share capital, following the initial acquisition of a 40% participating interest in 2020. The acquisition is complementary to Versalis' specialties portfolio and will create an all-Italian leading platform with high-performance formulated polymer applications and compounding, less influenced by commodity fluctuations. In January Finproject has taken the ISCC Plus certification for compound productions and products from renewable raw materials.

Circular economy and green chemicals

Finalized the full share acquisition of FRI-EL Biogas Holding, Italian leader in biogas's production. The company, renamed EniBioCh4in, owns plants generating electricity from biogas and a plant for processing OFMSW, the organic fraction of municipal solid waste, which Eni intends to convert to produce biomethane, that will supply in Eni service stations.

Versalis, coherently with the Eni's decarbonization strategy, has launched a transformation plan which aims to make its activities and products diversified and sustainable, in accordance with the principles of the circular economy.
In 2021, Versalis expanded the "circular" products offering, manufactured with recycled raw materials. A new product called Versalis Revive® PS Air F – Series Forever was added to Versalis Revive® product line. It was addressed for food packaging and 75% made by recycled polystyrene from domestic waste sorting. The new product developed by Versalis and Forever Plast SpA, is the result of collaboration with various operators in the polystyrene industry such as Corepla, Pro Food e Unionplast.

Confirmed the commitment aimed at the development of sustainable innovative technologies, through the agreement signed with BTS Biogas, an Italian company engaged in the design and realization of biogas plants, to develop and market an innovative technology to produce biogas and biomethane from residual lignocellulosic biomass. The technology will focus on Versalis' technology integration for biomass thermo-mechanical pretreatment, with the BTS Biogas technology for biogas and biomethane production via fermentative ways.

Finally, signed an agreement between Matrìca, a JV Versalis/Novamont company, and Lanxess, a leader in specialty chemicals for the production of biocides from renewable raw materials. In January 2022 started the supply of renewable-source raw materials obtained from vegetable oils to the Porto Torres plant. Lanxess will use these materials to produce biocidal industrial additives for the consumer goods sector.

Sustainable mobility

As part of Eni's sustainable mobility growth strategy, signed an agreement in order to offer the battery swapping service for XEV's city car at the Eni service stations. In addition, from 2022, the XEV YOYO zero-emission city car will become part of the Enjoy fleet.
In order to promote initiatives to decarbonize the aviation sector and accelerate the process of energy transition of airports, signed an agreement with SEA, the Milan Malpensa and Milan Linate airports operator, for the supply of sustainable fuels for aviation (SAF – Sustainable Aviation Fuel) and for ground handling

(HVO – Hydrotreated Vegetable Oil). This initiative is in line with the agreement finalized in January 2022 with Aeroporti di Roma which launched the first supplies of pure HVO hydrogenated biofuel, produced in Eni's biorefinery in Porto Marghera, to fuel the road vehicles for handling passengers with reduced mobility at the airport.
SAF production started in October, are produced exclusively from waste and residues, in line with the strategic decision of zeroing the use of palm oil from 2023.
As a step towards the transport decarbonization signed a letter of intent with Air Liquide for development of hydrogen mobility in Italy, in particular a feasibility and sustainability study for the development of the low carbon and renewable hydrogen supply chain to support the market of fuel cell vehicles for heavy and light mobility.
Finally signed a strategic agreement with BASF, related to a new technology that produces advanced bio-propanol from glycerin, obtained from the production of industrial biodiesel FAME (Fatty Acid Methil Esters), intended for use as a bio component in fuel formulation.

Proprietary technologies

Proprietary technologies will play a key role in accelerating the "green" conversion of Versalis reducing dependence on oil feedstock; Eni is engaged in the chemical recycling of non-reusable plastics (HOOP technology) and the enhancement of forest biomass for production bioethanol and biogas (PROESA technology) in collaboration with qualified partners such as Saipem and BTS Biogas. As part of the valorization of proprietary technologies and the strengthening of Eni presence in the Asian continent, Versalis has licensed the mass continuous technology to Supreme Petrochem Ltd, an Indian market-leader in compact and expandable polystyrene, to create a plant in Maharashtra (India). This is a technology that allows one to produce styrene polymers with reduced environmental impact, thanks to low emission and low energy consumption.

REFINING & MARKETING

SUPPLY AND TRADING

In 2021, were purchased 18.85 mmtonnes of crude (compared with 17.37 mmtonnes in 2020), of which 3.85 mmtonnes by equity crude oil, 10.79 mmtonnes on the spot market and 4.21 mmtonnes by producer's Countries with term contracts. The breakdown by geographic area was as follows: 20% of purchased crude came from the Middle East, 18% from Russia, 15% from Central Asia, 15% from North Africa, 11% from Italy, 11% from West Africa, 2% from North Sea and 8% from other areas.

PURCHASES

(mmtonnes)	2021	2020	2019	Change	% Ch.
Equity crude oil	3.85	3.55	4.24	0.30	8.5
Other crude oil	15.00	13.82	19.19	1.18	8.5
Total crude oil purchases	**18.85**	**17.37**	**23.43**	**1.48**	**8.5**
Purchases of intermediate products	0.26	0.11	0.26	0.15	136.4
Purchases of products	10.66	10.31	11.45	0.35	3.4
TOTAL PURCHASES	**29.77**	**27.79**	**35.14**	**1.98**	**7.1**
Consumption for power generation	(0.31)	(0.35)	(0.35)	0.04	11.4
Other changes[a]	(0.89)	(0.69)	(2.08)	(0.20)	(29.0)
TOTAL AVAILABILITY	**28.57**	**26.75**	**32.71**	**1.82**	**6.8**

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

REFINING

In 2021, Eni's refining throughputs on own account were 18.78 mmtonnes increased by 10.5% from 2020, due to the higher throughputs in Italy, in response to a lower impact of the COVID-19 pandemic compared to the comparative period which was negatively affected by the partial lockdown of the economy, partly offset by the impact of a depressed refining scenario.

In Italy, the refinery throughputs (16.51 mmtonnes) increased by 11.4% from 2020 following the depressed refining scenario, due to higher volumes processed at Sannazzaro refinery.

Outside Italy, Eni's refining throughputs on own account were 2.27 mmtonnes, up by approximately 90 ktonnes or 4.1% as a result of lower standstill compared to the previous year, partly offset by negative scenario. Total throughputs in wholly-owned refineries were 14.01 mmtonnes, increase by 1.29 mmtonnes or 10.1% compared with 2020.

The refinery utilization rate, ratio between throughputs and refinery capacity, is 76%.

Approximately 21% of processed crude was supplied by Eni's Exploration & Production segment, with a slight decrease from 2020 (21.2%).

BIOREFINERY

The volumes of biofuels processed from vegetable oil were 665 mmtonnes down by 6% from the previous period (40 ktonnes), as a result of standstill at Venezia biorefinery in a depressed scenario context.

In addition, the incidence rate of palm oil supplied for the production of biodiesel was reduced by approximately 34 percentage points compared to 2020, leveraging on the start-up of a new Biomass Treatment Unit (BTU) at the Gela biorefinery, enabling the use of up to 100% of biomass not in competition with the food chain for the production of biofuels. Confirmed the zeroing palm oil by 2023 in the refining processes.

In 2021 productions of biofuels (HVO) amounted to approximately 585 ktonnes (down by 6%) according to certifications in use (European RED and related directives).

AVAILABILITY OF REFINED PRODUCTS

(mmtonnes)	2021	2020	2019	Change	% Ch.
ITALY					
At wholly-owned refineries	14.01	12.72	17.26	1.29	10.1
Less input on account of third parties	(1.71)	(1.75)	(1.25)	0.04	2.3
At affiliated refineries	4.21	3.85	4.69	0.36	9.4
Refinery throughputs on own account	**16.51**	**14.82**	**20.70**	**1.69**	**11.4**
Consumption and losses	(1.11)	(0.97)	(1.38)	(0.14)	(14.8)
Products available for sale	**15.40**	**13.85**	**19.32**	**1.55**	**11.2**
Purchases of refined products and change in inventories	7.38	7.18	7.27	0.20	2.8
Products transferred to operations outside Italy	(0.67)	(0.66)	(0.68)	(0.01)	(1.5)
Consumption for power generation	(0.31)	(0.35)	(0.35)	0.04	11.4
Sales of products	**21.80**	**20.02**	**25.56**	**1.78**	**8.9**
Bio throughputs	**0.67**	**0.71**	**0.31**	**(0.04)**	**(5.6)**
OUTSIDE ITALY					
Refinery throughputs on own account	2.27	2.18	2.04	0.09	4.1
Consumption and losses	(0.18)	(0.17)	(0.18)	(0.01)	(5.9)
Products available for sale	**2.09**	**2.01**	**1.86**	**0.08**	**4.0**
Purchases of refined products and change in inventories	3.41	3.39	4.17	0.02	0.6
Products transferred from Italian operations	0.67	0.66	0.68	0.01	1.5
Sales of products	**6.17**	**6.06**	**6.71**	**0.11**	**1.8**
Refinery throughputs on own account in Italy and outside Italy	**18.78**	**17.00**	**22.74**	**1.78**	**10.5**
of which: refinery throughputs of equity crude on own account	*3.86*	*3.55*	*4.24*	*0.31*	*8.7*
Total sales of refined products in Italy and outside Italy	**27.97**	**26.08**	**32.27**	**1.89**	**7.2**
Crude oil sales	**0.60**	**0.67**	**0.44**	**(0.07)**	**(10.4)**
TOTAL SALES	**28.57**	**26.75**	**32.71**	**1.82**	**6.8**

MARKETING OF REFINED PRODUCTS

In 2021, retail sales of refined products (27.97 mmtonnes) were up by 1.89 mmtonnes or by 7.2% from 2020, due to the lower impact of COVID-19 crisis on mobility.

PRODUCT SALES IN ITALY AND OUTSIDE ITALY

(mmtonnes)	2021	2020	2019	Change	% Ch.
Retail	5.12	4.56	5.81	0.56	12.3
Wholesale	6.02	5.75	7.68	0.27	4.7
Petrochemicals	0.52	0.61	0.83	(0.09)	(14.8)
Other sales	**10.14**	**9.10**	**11.24**	**1.04**	**11.4**
Sales in Italy	**21.80**	**20.02**	**25.56**	**1.78**	**8.9**
Retail rest of Europe	2.11	2.05	2.44	0.06	2.9
Wholesale rest of Europe	2.19	2.40	2.63	(0.21)	(8.8)
Wholesale outside Europe	0.52	0.48	0.48	0.04	8.3
Other sales	1.35	1.13	1.16	0.22	19.5
Sales outside Italy	**6.17**	**6.06**	**6.71**	**0.11**	**1.8**
TOTAL SALES OF REFINED PRODUCTS IN ITALY AND OUSTIDE ITALY	**27.97**	**26.08**	**32.27**	**1.89**	**7.2**

Retail sales in Italy

In 2021, retail sales in Italy were 5.12 mmtonnes, with an increase compared to 2020 (0.56 mmtonnes or up by 12.3%) as consequence of the restrictive measures implemented mainy in the second quarter during the pandemic peak. Average throughput per service station (1,362 kliters) increased by 156 kliters from 2020 (1,206 kliters). Eni's retail market share of 2021 was 22.3%, slightly down from 2020 (23.2%).

As of December 31, 2021, Eni's retail network in Italy consisted of 4,078 service stations, lower by 56 units from December 31, 2020 (4,134 service stations), resulting from the negative balance of acquisitions/releases of lease concessions (65 units), a decrease of 4 motorway concession/acquisitions, partly offset by the positive balance of acquisitions/releases of network owned stations (13 units).

RETAIL AND WHOLESALES SALES OF REFINED PRODUCTS

(mmtonnes)	2021	2020	2019	Change	% Ch.
Italy	**11.14**	**10.31**	**13.49**	**0.83**	**8.1**
Retail sales	**5.12**	**4.56**	**5.81**	**0.56**	**12.3**
Gasoline	1.38	1.16	1.44	0.22	19.0
Gasoil	3.38	3.10	3.95	0.28	9.0
LPG	0.31	0.27	0.38	0.04	14.8
Others	0.05	0.03	0.04	0.02	66.7
Wholesale sales	**6.02**	**5.75**	**7.68**	**0.27**	**4.7**
Gasoil	3.11	3.11	3.41	0.00	0.0
Fuel Oil	0.03	0.02	0.06	0.01	50.0
LPG	0.17	0.18	0.18	(0.01)	(5.6)
Gasoline	0.34	0.30	0.47	0.04	13.3
Lubricants	0.08	0.08	0.08	0.00	0.0
Bunker	0.59	0.63	0.77	(0.04)	(6.3)
Jet fuel	0.92	0.70	1.92	0.22	31.4
Other	0.78	0.73	0.79	0.05	6.8
Outside Italy (retail+wholesale)	**4.82**	**4.93**	**5.55**	**(0.11)**	**(2.2)**
Gasoline	1.06	1.13	1.31	(0.07)	(6.2)
Gasoil	2.78	2.73	3.02	0.05	1.8
Jet fuel	0.07	0.09	0.29	(0.02)	(22.2)
Fuel Oil	0.08	0.13	0.09	(0.05)	(38.5)
Lubricants	0.11	0.09	0.09	0.02	22.2
LPG	0.53	0.50	0.50	0.03	6.0
Other	0.19	0.26	0.25	(0.07)	(26.9)
TOTAL RETAIL AND WHOLESALES SALES	**15.96**	**15.24**	**19.04**	**0.72**	**4.7**

Retail sales in the Rest of Europe

Retail sales in the Rest of Europe were 2.11 mmtonnes, recorded an increase from 2020 (up by 2.9%) as a result of higher sold volumes in Austria, France and Spain benefitting from the economic recovery and greater mobility of people.

At December 31, 2021, Eni's retail network in the Rest of Europe consisted of 1,236 units, increasing by 1 unit from December 31, 2020, mainly in Spain balanced by the retail network closer in Switzerland and France. Average throughput (2,025 kliters) increased by 45 kliters compared to 2020 (1,980 kliters).

Wholesale and other sales

Wholesale sales in Italy amounted to 6.02 mmtonnes, increasing by 4.7% from the full year of 2020, due to lower impact of the restrictive measures and the resumption of air transport.

Wholesale sales in the Rest of Europe were 2.19 mmtonnes, down by 8.8% from 2020 particularly in Germany, Switzerland and Austria.
Supplies of feedstock to the petrochemical industry (0.52 mmtonnes) decreased by 14.8%. Other sales in Italy and outside Italy (11.49 mmtonnes) increased by 1.26 mmtonnes or up by 12.3% mainly due to higher volumes sold to oil companies.

CHEMICALS

PRODUCT AVAILABILITY

(ktonnes)	2021	2020	2019	Change	% Ch.
Intermediates	6,284	5,861	5,818	423	7.2
Polymers	2,184	2,211	2,250	(27)	(1.2)
Biochem	8	1		7	..
Production of petrochemicals	**8,476**	**8,073**	**8,068**	**403**	**5.0**
Moulding & Compounding	20			20	
Total productions	**8,496**	**8,073**	**8,068**	**423**	**5.2**
Consumption and losses	(4,590)	(4,366)	(4,307)	(224)	(5.1)
Purchases and change in inventories	565	632	534	(67)	(10.6)
Total availability	**4,471**	**4,339**	**4,295**	**132**	**3.0**
Intermediates	2,648	2,539	2,519	109	4.3
Polymers	1,771	1,790	1,766	(19)	(1.1)
Oilfield chemicals	24	9	10	15	..
Biochem	8	1		7	..
Sales of petrochemicals	**4,451**	**4,339**	**4,295**	**112**	**2.6**
Moulding & Compounding	20			20	
TOTAL SALES	**4,471**	**4,339**	**4,295**	**132**	**3.0**

Petrochemical sales of 4,451 ktonnes slightly increased from 2020 (up by 112 ktonnes, or 2.6%) thanks to the macroeconomic growth and the rebound in demand in leading sectors, such as packaging, durable goods sector and the recovery of the automotive sector.
This performance also reflects the ability to capture additional sales volumes thanks to the greater availability of the plants obtained by reprogramming the multi-year standstill, to reap the benefits from the recovery in demand e and the reduction in imports from producer countries (USA and Middle East), also as result of temporary product shortages.

Average unit sales prices of the intermediates business increased by 56.3% from 2020, with aromatics and olefins up by 84.7% and 52.9%, respectively. The polymers reported an increase of 66.6% from 2020.

Petrochemical production of 8,476 ktonnes up by 403 ktonnes from 2020 due to higher production of intermediates business (up by 423 ktonnes), in particular olefins; these higher volumes were partially offset by lower productions of styrenics down by 78 ktonnes from 2020.

The main increases in production were registered at the Priolo site (up by 527 ktonnes) and in Dunkerque (up by 221 ktonnes), offset by lower volumes processed at Brindisi (down by 201 ktonnes) and Porto Marghera (down by 140 ktonnes).

Nominal capacity of plants were substantially unchanged from 2020. The average plant utilization rate calculated on nominal capacity was 66%, (65% in 2020).

BUSINESS TRENDS

Intermediates

Intermediates revenues (€2,166 million) increased by €837 million from 2020 (up by 63%) reflecting both the increase of commodity prices scenario and the higher product availability. Sales increased, in particular for olefins (up by 7.6%). Average unit prices increased by 56.3%, in particular aromatics (up by 84.7%), olefins (up by 52.9%) and derivatives (up by 50.1%). Intermediates production (6,284 ktonnes) registered an increase of 7.2% from 2020. Significant increases were recorded in aromatics (up by 14.2%) and in olefines (up by 7.2%). In reduction derivatives (down by 7.3%).

Polymers

Polymers revenues (€3,114 million) increased by €1,226 million or 64.9% from 2020 due to the decrease of the average unit prices (up by 66.6%). The styrenics business benefitted of the increase of prices sale (up by 68.9%) despite the decrease of sold volumes (-7.9%) due to the lower product availability as a result of the maintenance standstills in Mantova.

The decrease of volumes were mainly attributable to GPPS (down by 23%), ABS (down by 16.6%) and compact polystyrene (down by 3.3%), these lower volumes were partly offset by higher sales of styrene (up by 13.4%).

In the elastomers business, an increase of sold volumes (up by 11.4%) was attributable to lattices (up by 23.6%), EPR (up by 40.5%), and SBR rubbers (up by 14.8%). Overall, the sold volumes of polyethylene business reported a slight reduction (down by 1.4 %) with lower sales of HDPE and LDPE (down by 10.3% and 3.4%, respectively), partly offset by higher sales of EVA (up by 6.4%); in addition, average sales prices increased (up by 73.9%). Polymers productions (2,184 ktonnes) decreased from the 2020 due to the lower productions of styrenics (down by 7.9%), partly offset by higher production of elastomers (up by 13.4%).

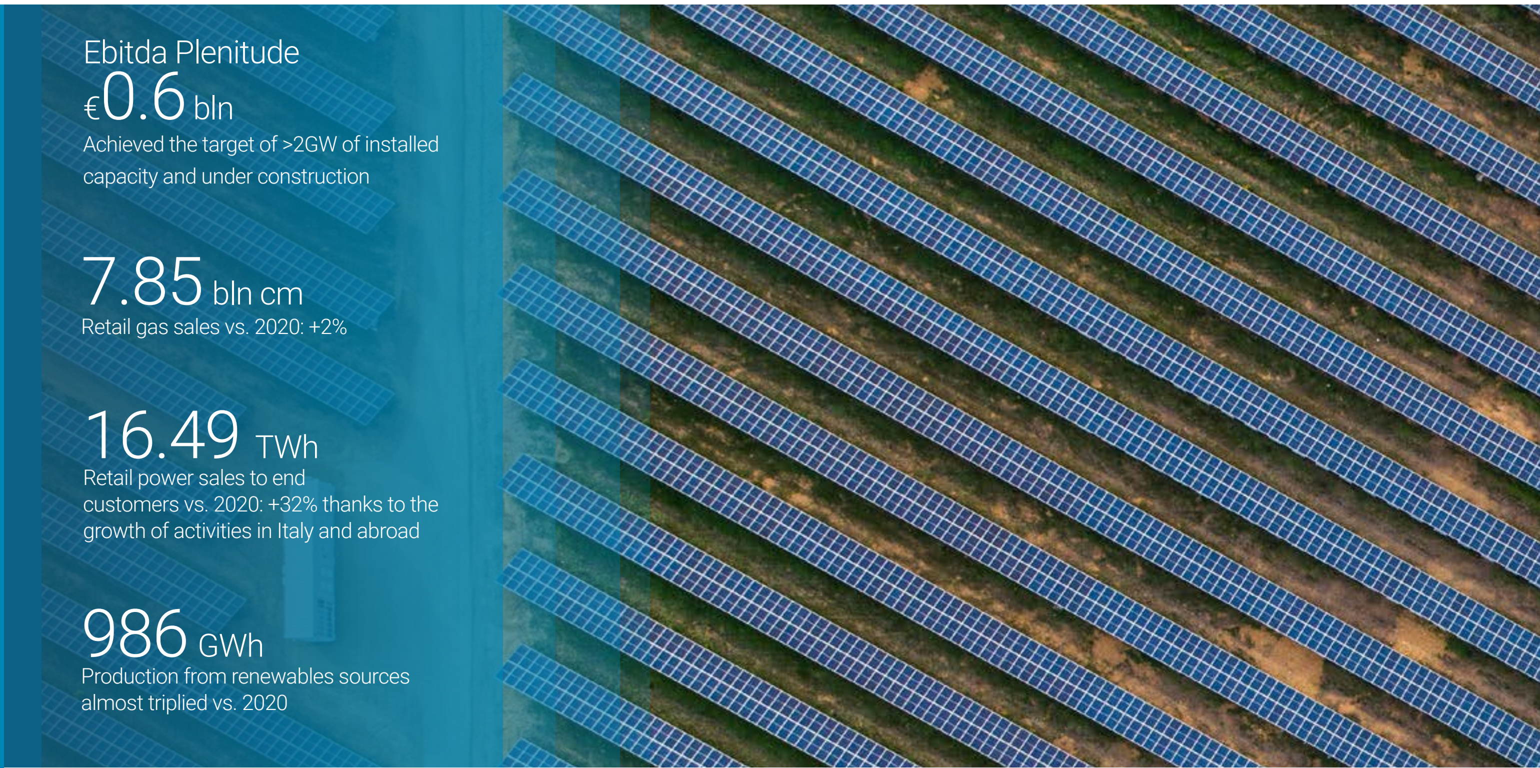
Oilfield Chemicals, Biochem e Moulding & Compounding

Oilfiled chemicals revenues (€65 million) increased by 16.1% (up by €9 million compared to 2020) as a result of the increase in sales volumes (15 ktonnes) following the effect of the new contracts signed.

Biochem business revenues (€60 million) increased by €54 million from 2020 and mainly refer to sales of disinfectant produced at the Crescentino plant. The amount also includes the share of revenue from sales of energy produced at the biomass power plant at the Crescentino hub.

Moulding & Compounding business revenues of €70 million refer to 20 ktonnes of products sold, following the consolidation of the Finproject group on October 1, 2021. The amount includes compounding activities for €21 million, moulding for €24 million and the Padanaplast activities for €25 million.

Plenitude & Power



Ebitda Plenitude
€0.6 bln
Achieved the target of >2GW of installed capacity and under construction

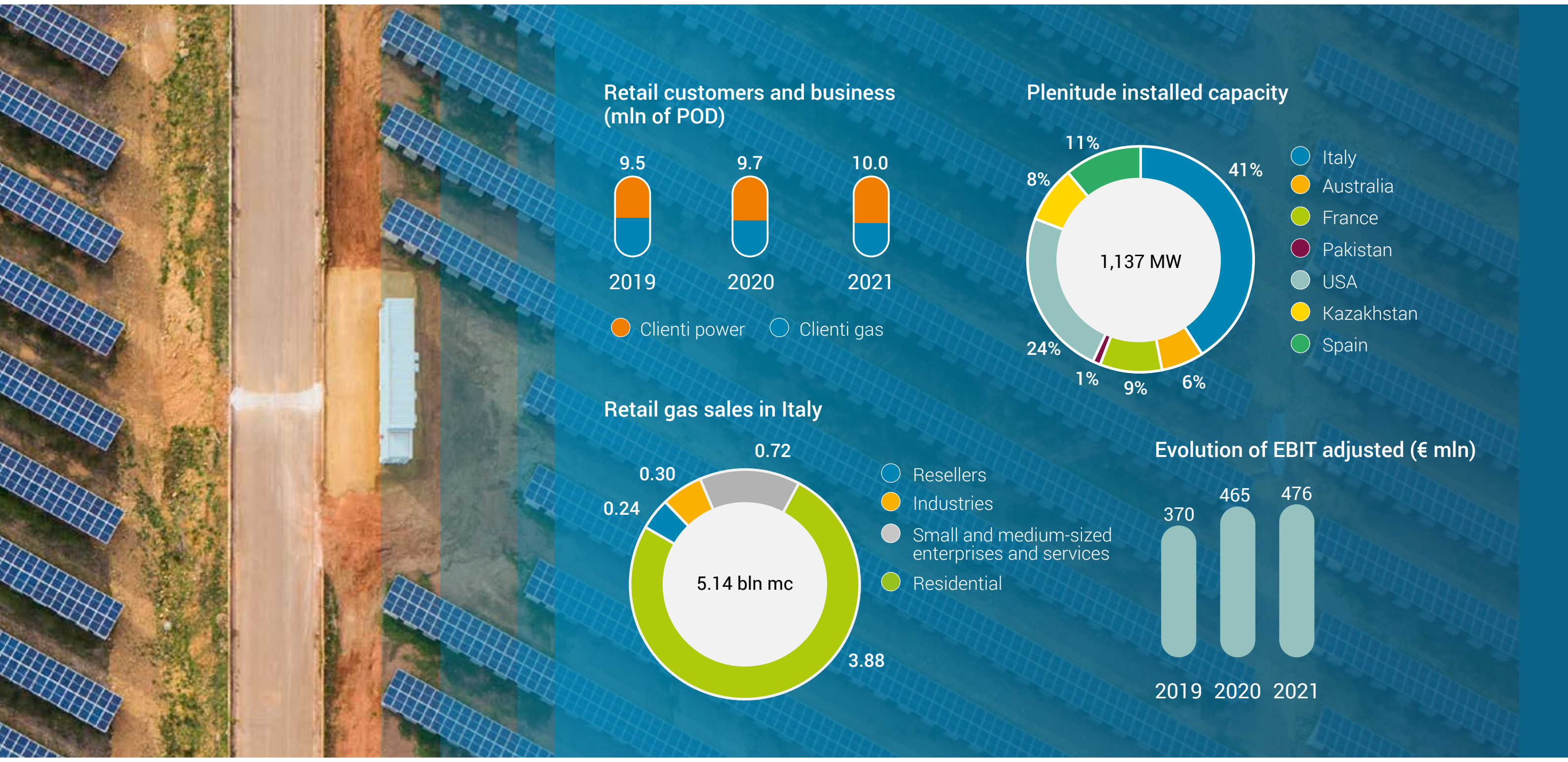
7.85 bln cm
Retail gas sales vs. 2020: +2%

16.49 TWh
Retail power sales to end customers vs. 2020: +32% thanks to the growth of activities in Italy and abroad

986 GWh
Production from renewables sources almost triplied vs. 2020

KEY PERFORMANCE INDICATORS		2021	2020	2019
Total recordable incident rate (TRIR)[a]	(total recordable injuries/worked hours) x 1,000,000	0.29	0.32	0.62
of which: employees		*0.49*	*0.00*	*0.30*
contractors		*0.00*	*0.73*	*0.95*
Plenitude				
Retail and business gas sales	(bcm)	7.85	7.68	8.62
Retail and business power sales to end customers	(TWh)	16.49	12.49	10.92
Retail/business customers	(milion of POD)	10.04	9.70	9.55
Energy production from renewable sources	(GWh)	986	340	61
Installed capacity from renewables at period end	(MW)	1,137	335	174
Power				
Power sales in the open market	(TWh)	28.54	25.33	28.28
Thermoelectric production		22.36	20.95	21.66
Employees at year end	(number)	2,464	2,092	2,056
of which: outside Italy		*600*	*413*	*358*
Direct GHG emissions (Scope 1)[a]	(mmtonnes CO_2eq.)	10.03	9.63	10.22
Direct GHG emissions (Scope 1)/equivalent produced electricity (Eni Power)[a]	(gCO_2eq./kWh eq.)	380	391	394

(a) Calculated on 100% operated assets.



Performance of the year

- The total recordable injury rate (TRIR) of the workforce improved by 9.3% compared to the 2020, as a result of the excellent performance obtained by contractors.
- Direct GHG emissions (Scope 1) reported an increase (up by 4% compared to 2020), due to the growth of the productions at the power generation sites.
- Direct GHG emissions (Scope 1)/equivalent produced electricity reported a decreasing trend from 2020 (down by 3%) following the reduced use of syngas at the Ferrera Erbognone plant.
- Energy production from renewable sources amounted to 986 GWh, almost tripled from the comparative period (340 GWh in 2020) due to the contribution of the acquired assets in operation in Italy, the United States, France and Spain.
- As of December 31, 2021, the installed capacity from renewables was 1.137 MW: 51% attributable to wind farms and 48% attributable to photovoltaic plants (installed storage capacity of 1%).
- Retail and business gas sales amounted to 7.85 bcm, up by 2% compared to 2020, as a result of the lower impact of COVID-19 and Aldro Energía acquisition.
- Retail and business power sales to end customers amounted to 16.49 TWh, recording an increase of 32% benefitting from Aldro Energía acquisition, as well as the development of the activities in Italy and abroad.
- Power sales in the open market amounted to 28.54 TWh, up by 13% following the higher volumes sold to the Power Exchange.

Portfolio valorization

As part of initiatives to extract value from portfolio restructuring by creating independent vehicles focused on attracting capital, creating value and accelerating growth, started the listing process for Plenitude, the Eni's subsidiary which comprises Gas & Power retail activities, renewables and e-mobility, with the strategic goal of decarbonizing Eni's customer portfolio, contributing to achieve the reduction target on GHG Scope 3 emissions. The establishment of the new company Plenitude is part of the Eni's strategy and long-term commitment to be a decarbonization energy company and focused on sustainability. The decision is in line with a favorable industrial scenario, with the growth in demand of renewables energies and green energy products for retail client.

On 14 March 2022, Eni signed an agreement with the investment company Sixth Street for the sale of the 49% share in EniPower which owns six gas power plants. This agreement, subject to certain conditions precedent and authorizations of the competent Authorities, is part of Eni's strategy to enhance its assets and generate resources for the energy transition. Eni will mantain the operative control of EniPower as well as the consolidation of the company.

Portfolio developments

- In line with the strategy of decarbonization and energy transition of product and process, finalized the acquisition of 100% of Be Power Spa, a company that through its subsidiary Be Charge is the second Italian operator for installing and operating EV charging columns with over 6,000 charging points. Be Power manages its own charging stations and those of other operators through a proprietary technology platform and provides charging services to drivers of electric vehicles on its own or third-party charging stations through a dedicated app.
- Evolvere, Plenitude's subsidiary, completed the acquisition of a 100% stake in PV Family, an innovative start-up that manages My Solar Family, the largest digital community of prosumer (consumers/energy producers), in Italy with over 80 thousand subscribers. The acquisition of the capital has the objective to combine the Evolvere's supply and digital community services, in a market context that promotes a new energy model where the customer evolves from a consumer to an energy producer. With this acquisition Evolvere confirms the leadership in distributed generation from renewable sources in Italy and reaffirms the promotion of a new energy model, decentralized and sustainable, contributing to the ongoing energy transition.
- Entry into the Iberian Peninsula through the 100% acquisition of Aldro Energía, active in the market of the sale of electricity, gas and services in the residential segment with a portfolio of over 300,000 customers.
- Eni and CDP Equity established GreenIT, a new joint venture for the development, construction and management of plants for the production of electricity from renewable sources in Italy. The JV's aim is to reach a level of installed capacity of approximately 1 GW.

Business developments

Growth of the retail/business portfolio to 10 million points of delivery, up by over 300 thousand points compared to December 31, 2020 (up 4%) leveraging on the growth in Greece and the acquisition of Aldro Energía, engaged in the Spanish and Portuguese retail markets.
In 2021 continued the expansion in the national and international renewable energy market, with strong acceleration in the build-up of renewable generation capacity, leveraging targeted tuck-in acquisitions that can be quickly integrated into Eni's portfolio:

- In Italy finalized the acquisition from Glennmont Partners ("Glennmont") and PGGM Infrastructure Fund ("PGGM") of a portfolio of 13 onshore wind farms in Italy, for a total capacity of 315 MW;
- In Spain, finalized in October the acquisition from Azora Capital of 9 renewable energy projects consisting of 3 wind facilities in operation and 1 under construction for a total of 234 MW and 5 photovoltaic projects at an advanced stage of development for about 0.9 GW;
- In France and Spain finalized in October the acquisition of Dhamma Energy Group, owner of a pipeline of photovoltaic projects with a target installed capacity of about 3 GW, and installations already in operation or under construction with a capacity of approximately 120 MW;
- In Greece, in January 2022, acquired the Greek company Solar Konzept Greece "SKGR", owner of a portfolio of photovoltaic plants in Greece with a pipeline of projects targeting about 800 MW, which will form the basis for further development of the renewable portfolio in the country;
- In the UK offshore wind market finalized the agreement with Equinor and SSE Renewables for the acquisition of the 20% interest in Dogger Bank C project worth (1.2 GW), the third phase of the largest offshore wind farm in the world (3.6 GW) currently under construction in the UK North Sea. Production will start in different stages in the 2023-2025 period.

In February 2022 was expanded portfolio of renewable capacity in the United States through the acquisition from BayWa r.e. with a total capacity of 466 MW in Texas, of which 266 MW referred to Corazon I Solar plant. The plant began operations in August 2021, it will produce about 500 GWh each year, equivalent to eliminating about 250 ktonnes of CO_2 emissions annually into the atmosphere. In the same location, acquired Guajillo storage project, in advanced stage of development, with a capacity of around 200 MW/400 MWh.
In 2021, were signed a collaboration agreements to develop renewable plants with: Equinor (through Vårgrønn) for the development of an offshore wind project in the Utsira Nord, with Red Rock Power in order to make a joint bid to ScotWind proposition, and with Copenhagen Infrastructure Partners (CIP), as part of the competition for allocation of marine concessions for the offshore wind farm development in Polonia and for the subsequent participation in incentive mechanisms (contract-for-difference), which will be auctioned between 2025 and 2027.

E-mobility

As a part of the initiative for the development of the e-mobility sector in Italy, signed an agreement with Hyundai with the aim to expand the range of products for recharging electric cars and to encourage energy efficiency. Thanks to this agreement, Hyundai dealers will be able to offer their customers the purchase and the installation of the Plenitude E-start charging stations. Hyundai can also install charging stations and photovoltaic plants at their own dealerships, and adopt Plenitude's energy efficiency solutions.
The agreements signed in December with Enel X and Be Charge will permit to activate grid interoperability, allowing access to the widest national charging network of about 20,000 charging points. This synergy is part of Eni's broader strategy for the mobility of the future, which includes the evolution of the current service stations, mobility points at which we plan, among other things, to offer fast and ultra-fast charging for electric mobility.

PLENITUDE

RETAIL GAS & POWER

GAS DEMAND

Eni operates in a liberalized market where energy customers are allowed to choose the gas supplier and, according to their specific needs, to evaluate the quality of services and offers. Overall Eni supplies 10 million retail clients (gas and electricity) in Italy and Europe. In particular, clients located all over Italy are 7.8 million.

GAS SALES BY MARKET

(bcm)	2021	2020	2019	Change	% Ch.
ITALY	**5.14**	**5.17**	**5.49**	**(0.03)**	**(0.6)**
Resellers	0.24	0.23	0.33	0.01	4.3
Industries	0.30	0.28	0.30	0.02	7.1
Small and medium-sized enterprises and services	0.72	0.70	0.87	0.02	2.9
Residential	3.88	3.96	3.99	(0.08)	(2.0)
INTERNATIONAL SALES	**2.71**	**2.51**	**3.13**	**0.20**	**8.0**
European markets:					
France	*2.17*	*2.08*	*2.69*	*0.09*	*4.3*
Greece	*0.39*	*0.34*	*0.35*	*0.05*	*14.7*
Other	*0.15*	*0.09*	*0.09*	*0.06*	*66.7*
RETAIL AND BUSINESS GAS SALES	**7.85**	**7.68**	**8.62**	**0.17**	**2.2**

RETAIL AND BUSINESS GAS SALES

In 2021, retail and business gas sales in Italy and in the rest of Europe amounted to 7.85 bcm, up by 0.17 bcm or 2% from the previous year. Sales in Italy amounted to 5.14 bcm were substantially unchanged from 2020, the reduction reported in the residential segment was mitigated by the higher volumes marketed at small and medium enterprises and resellers segments.
Sales in the European markets (2.71 bcm) are increasing of 8% or 0.20 bcm compared to 2020. Highest sales were recorded in France, Greece and Spain benefiting from the lower impact of the COVID-19 from the comparative period as well as the acquisition of Aldro Energía.

RETAIL AND BUSINESS POWER SALES TO END CUSTOMERS

In 2021, retail power sales to end customers amounted to 16.49 TWh, managed by Plenitude and the subsidiaries in France and Greece and Spain increase by 32% from 2020, due to growth of retail customers portfolio (up by 4% customers vs. 2020) thanks to the acquisition of Aldro Energía and 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 international strategic partnership.

ENERGY FROM RENEWABLE SOURCES

		2021	2020	2019	Change	% Ch.
Energy production from renewable sources	(GWh)	986	340	61	646	..
of which: photovoltaic		*398*	*223*	*61*	*175*	..
wind		*588*	*116*		*472*	
of which: Italy		*400*	*112*	*53*	*288*	..
outside Italy		*586*	*227*	*7*	*359*	..
of which: own consumption(*)		*8%*	*23%*	*60%*		

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

Energy production from renewable sources amounted to 986 GWh (of which 398 GWh photovoltaic and 588 GWh wind) up by 646 GWh compared to 2020. 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.
Follows breakdown of the installed capacity by Country and technology:

INSTALLED CAPACITY AT PERIOD END (ENI'S SHARE)

		2021	2020	2019	Change	% Ch.
Installed capacity from renewables at period end	(MW)	1,137	335	174	802	239.4
of which: photovoltaic		*48%*	*77%*	*76%*		
wind		*51%*	*20%*	*20%*		
installed storage capacity		*1%*	*3%*	*4%*		

	(technology)	(MW)	2021	2020	2019
Italy	fotovoltaic		**116**	**112**	**82**
Outside Italy			**436**	**160**	**58**
Algeria(*)	fotovoltaic			5	5
Australia	fotovoltaic		64	64	39
France	fotovoltaic		108		
Pakistan	fotovoltaic		10	10	10
Tunisia(*)	fotovoltaic			9	4
United States	fotovoltaic		254	72	
TOTAL PHOTOVOLTAIC INSTALLED CAPACITY			**552**	**272**	**140**
Italy	wind		**350**		
Outside Italy			**235**	**63**	**34**
Kazakhstan	wind		91	48	34
Spain	wind		129		
United States	wind		15	15	
TOTAL WIND INSTALLED CAPACITY			**585**	**63**	**34**
TOTAL INSTALLED CAPACITY AT PERIOD END (INCLUDING INSTALLED STORAGE POWER)			**1,137**	**335**	**174**
of which installed storage power			*7*	*8*	*7*

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

At the end of 2021, the total installed and sanctioned capacity amounted to 1,137 MW +802 MW from 2020 mainly relating to acquisition in Italy (+315 MW, onshore wind), Spain (+129 MW, onshore wind) e France (+108 MW, photovoltaic), carried out during the second half of 2021, as well as the acquisition in United States (+182 MW, photovoltaic), and the completion of three plants in Puglia (+35 MW, onshore wind).

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.
As of December 31, 2021, there are more than 6,200 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 manager and owner of the charging infrastructure network (CPO - Charge Point Operator), and that 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

AVAILABILITY OF ELECTRICITY

Eni's power generation sites are located in Brindisi, Ferrera Erbognone, Ravenna, Mantova, Ferrara and Bolgiano. As of December 31, 2021, installed operational capacity of Enipower's power plants was 4.5 GW. In 2021, thermoelectric power generation was 22.36 TWh, increase 1.41 TWh from the previous year. Electricity trading (22.79 TWh) reported an increase of 33% from 2020, thanks to the optimization of inflows and outflows of power.

POWER SALES IN THE OPEN MARKET

In 2021, power sales in the open market were 28.54 TWh, representing an increase of 13% compared to 2020, due to higher volumes marketed at Power Exchange.

		2021	2020	2019	Change	% Ch.
Purchases of natural gas	(mmcm)	4,670	4,346	4,410	324	7.5
Purchases of other fuels	(ktoe)	93	160	276	(67)	(41.9)
Power generation	(TWh)	22.36	20.95	21.66	1.41	6.7
Steam	(ktonnes)	7,362	7,591	7,646	(229)	(3.0)

AVAILABILITY OF ELECTRICITY

(TWh)	2021	2020	2019	Change	% Ch.
Power generation	22.36	20.95	21.66	1.41	6.7
Trading of electricity[(a)]	22.79	17.09	17.83	5.70	33.4
Availability	45.15	38.04	39.49	7.11	18.7
Power sales in the open market	**28.54**	**25.33**	**28.28**	**3.21**	**12.7**

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

Environmental activities

The Group's environmental activities are developed by Eni Rewind, the Eni's company that operates in line with the principles of the circular economy to give new life to land, water and waste resources, industrial or deriving from reclamation activities, through sustainable reclamation and revaluation projects, both in Italy and abroad.

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

Reclamation activities

Coherently with the expertise gained and in agreement with the institutions and stakeholders, Eni Rewind identifies the projects for enhancement and reuse of reclaimed areas, allowing the environmental recovery of former industrial area and the resumption of the local economy. In this context, during 2021, were identified suitable areas for the installation of photovoltaic and wind plants.

In 2021, Eni Rewind, owner of the Ponticelle area in Ravenna, a disused industrial area outside the petrochemical plant of Ravenna, obtained the certification for the activities of Permanent Safety Measures (MISP), with the realization of a capping. In addition, was started a redevelopment plan production that includes the application of innovative, sustainable and recovery technologies, as well as to the urbanization works of the area. In the area object of MISP is planned the construction of a photovoltaic plant and a biorecovery platform for the subsequent reuse of land and management of industrial waste. In particular, the latter will be managed by HEA SpA, a joint venture between Eni Rewind and Herambiente Servizi Industriali established in March 2021.

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.
Currently 42 treatment plants are fully in operation and in Italy, with over 36 million cubic meters of treated water in 2021. Continued the activities of automation and digitalization of groundwater treatment plants and implementation of the remote control. The activity of recovery and reuse of treated water for the production of demineralized water is ongoing for industrial use, as part of the operational plans for the remediation of contaminated sites. In 2021 about 9 million cubic meters of water have been reused after treatment, with an increase of over 3 million cubic meters compared to 2020.

During 2021, completed the installation of 44 devices using the proprietary technology E-Hyrec® for the selective removal of hydrocarbons from groundwater, allowing the improvement of the effectiveness and efficiency of groundwater reclamation, with significant reductions in extraction times and avoiding the disposal of more than 1,000 tons of waste equivalent.

In addition, are ongoing the activities related to the application of Blue Water technology, aimed at treatment and the recovery of production water deriving from crude oil extraction activities. It's underway the preliminary inquiry for obtaining authorizations from Local Authorities to carry out the first plant on an industrial scale in the Val d'Agri Oil Center in Viggiano, in the Region of Basilicata.
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 that, by adopting the best technological solutions available on the market, allows to minimize costs and environmental impacts.

During 2021, Eni Rewind managed a total of approximately 1.9 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 2021 was 73%: the slight decrease compared to 2020 (78%) is due to the qualitative and particle size characteristics of the reclamation waste, detected during characterization, which prevented and/or limited its recovery compared to the previous year, as well as a reduction in availability from external plants, in order to recovery, in specific regions of Italy.

Relating to waste management in line with the principles of the circular economy, the valorization of resources and synergy with the territory, continues the company's commitment to the development of the Eni's proprietary 'Waste to Fuel' technology that treats the organic fraction of municipal waste to produce bio-oil and biomethane, as well as recovering the water that constitutes the main component of the so-called "wet", for new industrial and irrigation uses.

Certification

In 2021 Eni Rewind obtained SOA Certification, the mandatory certification for participation in tenders to execute public works contracts with a basic auction amount exceeding €150,000, 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.

Not-captive initiatives

Starting from 2020, Eni Rewind has expanded the scope of its activities outside the group. In 2021, continued the activities related to the finalization of contracts with Edison, for the reclamation of the Mantova site and Altomonte (Cosenza) and with Acciaierie d'Italia, for the design of reclamation interventions of the former Ilva area in Taranto.
In addition completed the qualification processes as a supplier for important national and international operators (Arcadis, MOL Group, Edison, Tamoil, TOTAL, Q8, ADNOC).
Started the participation in several tenders with leading national operators, awarding the contract with ANAS, for survey and characterization services in the Adriatic area (Emilia Romagna, Marche, Abruzzo, Molise, Puglia), where Eni Rewind will provide chemical analysis service, through its environmental laboratories.
Signed collaboration agreements with main Italian companies that manage collection and processing of urban waste and with key players in the supply chain (CONAI). These agreements are aimed at assessing the opportunity of setting up new waste treatment and recovery plants on reclaimed land or will become available following the progressive conversion of Eni's refining and chemical sites.

(1) The volume includes waste deriving from the management of the environmental activities of the points of sale network (about 92 ktonnes), whose "producer" is the same environmental company in charge of the execution out the work.

Eni Rewind outside Italy

Eni Rewind, starting from 2018, has made its expertise available to Eni's subsidiaries located in foreign countries for environmental issues, in particular for management and enhancement activities of the water resource, soil, as well as training and knowledge sharing.
In January 2021, Eni Rewind signed a Memorandum of Understanding (MoU) with the National Authority for oil and gas of the Kingdom of Bahrain (NOGA) with the target to identify and promote joint initiatives for the management, recovery and reuse of water and soil resources and waste in the country. In October, an assessment was carried out at the petrochemical plants and refining of the Kingdom of Bahrain which has identified three possible areas of activity for Eni Rewind related to groundwater modeling, waste management and field testing of the proprietary E-Hyrec® technology.
Eni Rewind obtained the qualification as a supplier to Abu Dhabi Oil Company (ADNOC) for the activities of demolition and reclamation.
Completed the feasibility studies on the optimization of waste water management and process water through its reuse for plants located in Algeria and Libya and extended the design services to foreign subsidiaries for environmental activities and decommissioning of the operative and disposed points sales.

Financial review

Possible evolution in respect of the war in Ukraine

The crisis in the relationship between Russia and Ukraine that in February 2022 gave rise to the Russian military invasion and an open conflict on a large scale with violent armed clashes and tragic loss of human lives, constitutes a macroeconomic risk. Possible outcomes of this situation might include a prolonged armed conflict, a possible escalation in the military action, risks of expansion of the ongoing geopolitical crisis and a further tightening up of the economic sanctions against Russia. These factors could result in a scenario that could eventually sap consumers' confidence, deter investment decisions by operators and cripple industrial activities derailing the global recovery or, in the worst of the outcomes, triggering a new worldwide recession. This scenario would drive a reduction in hydrocarbons demands and of 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.
Shortly after the outbreak of hostilities with the Russian invasion of Ukraine, the European Union, the USA, and the UK imposed a raft of stringent economic and financial sanctions against Russia, which have been added to those already in force since 2014.
The new restrictions have mainly targeted the Russian financial sector, precluding access to funding from US and EU-based financial institutions and several relevant Russian entities operating in the Oil & Gas sector. Currently, the new sanctions continue to permit the purchase of oil, natural gas and refined products exported by Russian entities, or the maintenance of business relationships with certain Russian entities; however, as long as the conflict continues, it is possible that increasingly tight sanctions could be imposed. Furthermore, the situation in the marketplace has evolved concurrently, as many Western traders, oil companies, refiners and brokers have begun reducing purchases of crude oil from Russia giving rise to a sort of a private market sanctioning system. Finally, the President of the USA signed an executive order to ban all imports of Russian energy products. Those developments have destabilized energy markets as evidenced by the material discount of the Ural Russian crude benchmark, triggering a spike in market volatility and propelling the Brent price at about 130 $/bbl in the last days of February and into early March 2022. Natural gas prices for the continental Europe spot benchmark surged to new all-time highs driven by fears of supply disruptions (approximately €200 Mwh).
This volatility could increase counterparty and margining risks (see the section "Risk factors and uncertainties").
Eni's current presence in Russia is insignificant. Exploration projects in the Russian upstream are in a shut-down phase, also due to certain sanctions already in force before the recent crisis, and the related costs have been entirely impaired in previous reporting periods. Eni holds a stake in the Blue Stream pipeline that transports russian-sourced gas across the Black Sea, jointly marketed by Eni and Gazprom to Turkey's state-owned company Botas. It represents a non-significant value in Eni's balance sheet. Management is considering different options for a possible sale of this stake.
The most significant transactions between Eni and its Russian counterparts concern the purchase of natural gas from the Russian state company Gazprom on the basis of the long-term take-or-pay contracts (in 2021 about 22 billion cubic meters for the Italian market). Eni's gas portfolio availability from other geographies, access to transport capacities, contracts flexibility and presence in the LNG segment (in particular through the Damietta plant) as well as long-term relations with producing countries (primarily Algeria and Libya) are all options that the Company can activate in the event of unpredictable scenarios of sanctions by the international community against Russian Oil & Gas.
As far as crude oil supplies are concerned, although Eni's refining system has always processed Ural crudes, plants flexibility and trading skills in the supply eventually allow us to replace this crude oil in our processes.
Furthermore, in certain upstream projects in different countries in the world the counterparties are Russian.
Any decision on such presence is on behalf of the State Companies of the Countries where these initiatives are located.
Eni has taken the necessary measures to ensure that its activities are carried out in accordance with the applicable rules, ensuring continuous monitoring of the evolution of the sanctioning framework, to adapt its activities on an ongoing basis to the restrictions applicable from time to time.

Impacts of the COVID-19 pandemic

The macroeconomic environment has gradually improved during 2021 due to the effective vaccination campaigns against the COVID-19 disease, together with measures to contain the spread of the virus, particularly in OECD Countries, allowing for a phased reopening of the economic activities and increasing mobility of people. The expansionary monetary policies adopted by the central banks and the large scale fiscal stimulus launched by the governments supported consumptions and investments. In this context, the demand for hydrocarbons and the prices of commodities, main driver of the Group's financial results, recorded a significant rebound. Global energy demand first stabilized and then unexpectedly increased in the last quarter of the year, driven by an acceleration in the pace of the economic recovery, resulting in an increase in the average price of oil for the year by 70% vs. 2020 at about 71 $/barrel, while natural gas prices recorded material increases (in the order of several hundreds percentage points) due to a particularly tight market. These trends were the basis of the strong recovery in profitability in the Exploration & Production and Global Gas & LNG Portfolio segments, and to a lesser extent a solid performance of the chemical business line, driven by a recovery in demand for commodities.
The Refining & Marketing business has continued to be weighted down by the effects of the pandemic, due to weak demands for jet fuel that penalized the profitability of traditional refineries by creating an oversupply of gasoil leading to significantly lower products spreads. The profitability was also affected by the higher costs of gas-indexed energy and plant utilities and the higher costs for the purchase of emission allowances to comply with the environmental obligations of the European ETS, which more than doubled due to a recovery in industrial activities and as consumption of coal increased signficantly due to its cost-competitiveness against natural gas to fire power generation and to produce steam.
Overall, 2021 saw a significant rebound in consolidated results which closed with a profit of €5.82 billion compared to a loss of €8.64 billion in 2020 and an operating cash flow of €12.86 billion, which increased by approximately €8 billion compared to 2020.
Looking to the future, the main risks for the Group's financial performance are linked to the possibility of the spread of new vaccine-resistant variants of the virus, as well as the resumption of inflation driven by the spill-over effects through the supply chains of increased raw material costs as the ultimate, unintended effect of accommodative monetary policies and big tax measures adopted to help the economy recover from the fallout of the pandemic.

PROFIT AND LOSS ACCOUNT

(€ million)	2021	2020	2019	Change	% Ch.
Sales from operations	76,575	43,987	69,881	32,588	74.1
Other income and revenues	1,196	960	1,160	236	24.6
Operating expenses	(58,716)	(36,640)	(54,302)	(22,076)	(60.3)
Other operating income (expense)	903	(766)	287	1,669	..
Depreciation, depletion, amortization	(7,063)	(7,304)	(8,106)	241	3.3
Net impairment reversals (losses) of tangible and intangible and right-of-use assets	(167)	(3,183)	(2,188)	3,016	94.8
Write-off of tangible and intangible assets	(387)	(329)	(300)	(58)	(17.6)
Operating profit (loss)	**12,341**	**(3,275)**	**6,432**	**15,616**	**..**
Finance income (expense)	(788)	(1,045)	(879)	257	24.6
Income (expense) from investments	(868)	(1,658)	193	790	47.6
Profit (loss) before income taxes	**10,685**	**(5,978)**	**5,746**	**16,663**	**..**
Income taxes	(4,845)	(2,650)	(5,591)	(2,195)	(82.8)
Tax rate (%)	*45.3*	..	*97.3*		
Net profit (loss)	**5,840**	**(8,628)**	**155**	**14,468**	**..**
attributable to:					
- Eni's shareholders	**5,821**	**(8,635)**	**148**	**14,456**	**..**
- Non-controlling interest	19	7	7	12	..

Eni's 2021 results were markedly influenced by the recovery in the energy commodity price scenario. In 2021 the average reference price of the Brent marker was 71 $/bbl, +70% compared to 2020. The European gas market was characterized by extreme conditions due to the tight supply and uncertainties on supplies from Russia: spot price at the continental hub "TTF" reached an average of 46 €/MWh, increasing by more than 300%; aligned values for the Italian spot price "PSV".
Similar conditions were recorded in the wholesale electricity market with the Italian "PUN" price at an average 125 €/MWh, +86% compared to 2020, peaking at 440 €/MWh in the fourth quarter of the year. Eni's refining margin (Standard Eni Refining Margin) continued to fell during the last year with the average of the period falling to a negative -0.9 $/bbl (a positive 1.7 $/bbl in 2020). The weak trend recorded during the year reached a further bearish acceleration in the last quarter of the year, particularly in the last month, due to the exceptional gas prices affecting both the cost of processing and refinery utilities, in addition to the pre-existing factors of recovery in the cost of the oil charge supported by OPEC + production management and weakness of some outlet markets depressing spreads of the products, in particular jet fuel and diesel, due to oversupply. In addition, recorded increased cost of emission allowances to comply with the European ETS.
2021 cracker margin, reference marker for the chemical business, declined by 11%; elastomers, styrenic and polyethylene spreads were steady.

	2021	2020	2019	% Ch.
Average price of Brent dated crude oil in U.S. dollars[(a)]	70.73	41.67	64.30	69.7
Average EUR/USD exchange rate[(b)]	1.183	1.142	1.119	3.6
Average price of Brent dated crude oil in euro	59.80	36.49	57.44	63.9
Standard Eni Refining Margin (SERM)[(c)]	(0.9)	1.7	4.3	(152.9)
PSV[(d)]	487	112	171	334.8
TTF[(d)]	486	100	142	386.0

(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

Net profit attributable to Eni's shareholders was €5,821 million in 2021 compared to a loss of €8,635 million in the previous year. Financial discipline and cost reduction initiatives implemented to withstand the enduring impact of COVID-19 enabled Eni to capture the full upside of 2021's strong economic recovery, allowing Eni to report excellent results in a more favourable environment and in an energy scenario with better fundamentals. Net profit recovered to pre-COVID level, benefitting from the significant growth in operating profit to €12,341 million compared to the operating loss of €3,275 million in 2020, affected by lockdown measures to contain the spread of the COVID-19 pandemic. Finally, net income was positively impacted by a tax rate returned to values in line with the Group's historical averages.
The following tables report the breakdown of the operating profit by business:

(€ million)	2021	2020	2019	Change	% Ch.
Exploration & Production	10,066	(610)	7,417	10,676	..
Global Gas & LNG Portfolio	899	(332)	431	1,231	..
Refining & Marketing and Chemicals	45	(2,463)	(682)	2,508	..
Plenitude & Power	2,355	660	74	1.695	..
Corporate and other activities	(816)	(563)	(688)	(253)	(44.9)
Impact of unrealized intragroup profit elimination	(208)	33	(120)	(241)	
Operating profit (loss)	**12,341**	**(3,275)**	**6,432**	**15,616**	..

Management determines adjusted results excluding extraordinary gains/charges or special items, in order to improve understanding of the key businesses.

ADJUSTED RESULTS AND BREAKDOWN OF SPECIAL ITEM

(€ million)	2021	2020	2019	Change	% Ch.
Operating profit (loss)	**12,341**	**(3,275)**	**6,432**	**15,616**	**..**
Exclusion of inventory holding (gains) losses	(1,491)	1,318	(223)		
Exclusion of special items	(1,186)	3,855	2,388		
Adjusted operating profit (loss)	**9,664**	**1,898**	**8,597**	**7,766**	**409.2**
Breakdown by business segments:					
Exploration & Production	*9,293*	*1,547*	*8,640*	*7,746*	*..*
Global Gas & LNG Portfolio	*580*	*326*	*193*	*254*	*77.9*
Refining & Marketing and Chemicals	*152*	*6*	*21*	*146*	*..*
Plenitude & Power	*476*	*465*	*370*	*11*	*2.4*
Corporate and other activities	*(593)*	*(507)*	*(602)*	*(86)*	*(17.0)*
Impact of unrealized intragroup profit elimination and other consolidation adjustments	*(244)*	*61*	*(25)*	*(305)*	
Net profit (loss) attributable to Eni's shareholders	**5,821**	**(8,635)**	**148**	**14,456**	**..**
Exclusion of inventory holding (gains) losses	(1,060)	937	(157)		
Exclusion of special items	(431)	6,940	2,885		
Adjusted net profit (loss) attributable to Eni's shareholders	**4,330**	**(758)**	**2,876**	**5,088**	**..**

In 2021, the **adjusted operating profit** was €9,664 million, a recovery of significant proportions equal to an increase of €7.8 billion or over 400% from 2020. This performance was driven by the financial discipline and cost reduction initiatives implemented to withstand the enduring impact of COVID-19 and enabled Eni to capture the recovery in energy scenario due to a strong recovery in commodity prices driven by completely different market conditions, which turned to balanced/undersupplied compared to oversupplied markets a year ago impacted by the pandemic COVID-19, due to the reopening of the economies and a strong macroeconomic cycle which drove hydrocarbons demands and significant drawdowns at global oil and products inventories. Commodities supply was impacted by capex plan reduction of oil companies in response to the crisis of the COVID-19.
These trends resulted in robust price increases for all energy commodities (in the full year 2021, Brent price was 70.73 $/bbl on average up 70%; the Italian reference spot price "PSV" of natural gas was up 487 €/kcm, or 335%).
For a detailed disclosure of business performance, see "Results by business segments".

In 2021 Eni Group reported an **adjusted net profit** of €4,330 million driven by a better operating performance and a lower tax rate (50% in 2021 compared to 175% in 2020).

Breakdown of special items

Net profit includes special items consisting of net gains of €431 million, relating to the following:

i) the accounting effect of certain fair-valued commodity derivatives lacking the formal criteria to be classified as hedges, as well as the fair value of forward contracts to sell volumes of gas which were not accounted based on the own use exemption (gains of €2,139 million);
ii) reversals of previously recognized impairment losses for €1,244 million relating to gas fields in Italy and fields in Congo, Libya, the USA and Algeria, driven by an improved hydrocarbon pricing environment;
iii) impairment losses at refineries (approximately €900 million) relating to the book value of operated plants and managed through JV in Italy and in Europe, driven by expected decreasing cash flows reflecting lowered outlook for refining margins and the forecast of higher expenses for emission allowances, as well as the write-down of capital expenditure relating to certain Cash Generating Units in the R&M business. These units were impaired in previous reporting periods and continued to lack any profitability prospects (for an overall impact of approximately €300 million);
iv) the impairment of exploration projects (€247 million) due to the refocusing of the portfolio with the exiting from marginal areas;
v) the impairment of Chemical assets due to a deteriorated margin scenario (€163 million);
vi) 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 their normal levels leveraging the seasonal spread in gas prices net of the effects of the associated commodity derivatives (gains of €352 million);

vii) environmental provisions (€271 million) mainly in the R&M and Chemical segment;
viii) provisions for redundancy incentives (€193 million);
ix) risk provisions (€142 million);
x) an allowance for doubtful accounts relating to receivables net of finance expense (€109 million) in the E&P segment;
xi) charges of €405 million relating to the JV Vår Energi, mainly driven by impairment losses recorded at Oil & Gas assets due to delays in the start-up of certain projects and increasing opex as well as accrued currency translation differences at finance debt denominated in a currency other than the reporting currency for which the reimbursement 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) the alignment of raw material and products inventories to their net realizable values at period end, impairments and extraordinary charges at ADNOC Refining, for a total charges of €244 million;
xiii) Eni's share of non current charges/impairments relating to Saipem.

BREAKDOWN OF SPECIAL ITEMS

(€ million)	2021	2020	2019
Special items of operating profit (loss)	**(1,186)**	**3,855**	**2,388**
- environmental charges	*271*	*(25)*	*338*
- impairment losses (impairments reversal), net	*167*	*3,183*	*2,188*
- impairment of exploration projects	*247*		
- net gains on disposal of assets	*(100)*	*(9)*	*(151)*
- risk provisions	*142*	*149*	*3*
- provision for redundancy incentives	*193*	*123*	*45*
- commodity derivatives	*(2,139)*	*440*	*(439)*
- exchange rate differences and derivatives	*183*	*(160)*	*108*
- other	*(150)*	*154*	*296*
Net finance (income) expense	**(115)**	**152**	**(42)**
of which:			
- exchange rate differences and derivatives reclassified to operating profit (loss)	*(183)*	*160*	*(108)*
Net (income) expense from investments	**851**	**1,655**	**188**
of which:			
- gains on disposal of assets			*(46)*
- impairments / revaluation of equity investments	*851*	*1,207*	*148*
Income taxes	**19**	**1,278**	**351**
Total special items of net profit (loss)	**(431)**	**6,940**	**2,885**

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

(€ million)	2021	2020	2019	Change	% Ch.
Exploration & Production	5,543	124	3,436	5,419	..
Global Gas & LNG Portfolio	169	211	100	(42)	(19.9)
Refining & Marketing and Chemicals	62	(246)	(42)	308	..
Plenitude & Power	327	329	275	(2)	(0.6)
Corporate and other activities	(1,576)	(1,205)	(866)	(371)	(30.8)
Impact of unrealized intragroup profit elimination and other consolidation adjustments[a]	(176)	36	(20)	(212)	
Adjusted net profit (loss)	**4,349**	**(751)**	**2,883**	**5,100**	**..**
attributable to:					
- Eni's shareholders	**4,330**	**(758)**	**2,876**	**5,088**	**..**
- Non-controlling interest	19	7	7	12	..

(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.

PROFIT AND LOSS ANALYSIS

REVENUES

(€ million)	2021	2020	2019	Change	% Ch.
Exploration & Production	21,742	13,590	23,572	8,152	60.0
Global Gas & LNG Portfolio	20,843	7,051	11,779	13,792	195.6
Refining & Marketing and Chemicals	40,374	25,340	42,360	15,034	59.3
- Refining & Marketing	*36,501*	*22,965*	*39,836*	*13,536*	*58.9*
- Chemicals	*5,590*	*3,387*	*4,123*	*2,203*	*65.0*
- Consolidation adjustments	*(1,717)*	*(1,012)*	*(1,599)*		
Plenitude & Power	11,187	7,536	8,448	3,651	48.4
- Plenitude	*7,452*	*6,020*	*6,424*	*1,432*	*23.8*
- Power	*3,996*	*1,894*	*2,476*	*2,102*	..
- Consolidation adjustments	*(261)*	*(378)*	*(452)*		
Corporate and other activities	1,698	1,559	1,676	139	8.9
Consolidation adjustments	(19,269)	(11,089)	(17,954)	(8,180)	
Sales from operations	**76,575**	**43,987**	**69,881**	**32,588**	**74.1**
Other income and revenues	**1,196**	**960**	**1,160**	**236**	**24.6**
Total revenues	**77,771**	**44,947**	**71,041**	**32,824**	**73.0**

Total revenues amounted to €77,771 million, reporting an increase of 73% from 2020.
The acceleration of the global recovery, driven by the re-opening of the world's economies, spurred a pent-up demand for all kinds of energy commodities across all geographies, determining the boost in all commodity prices.
Sales from operations in the full year of 2021 (€76,575 million) increased by €32,588 million or up by 74.1% from 2020, with the following breakdown:

- revenues generated by the Exploration & Production segment (€21,742 million) increased by 60% due to a better price scenario, reflected on hydrocarbon realizations (up by 78% on average from 2020);
- revenues generated by the Global Gas & LNG Portfolio segment (€20,843 million) increased by €13,792 million or up by 196%, reflecting higher spot prices for natural gas, significantly improved in the fourth quarter of 2021, due to short supply and uncertainty on flows of supplied gas as well as higher volumes marketed, in particular of LNG;
- revenues generated by the Refining & Marketing and Chemicals segment (€40,374 million) increased by €15,034 million (up by approximately 60%) due to higher prices of refined products (fuel up by 76% and gasoil up by 60%) and plastics commodities, reflecting the economic recovery;
- revenues generated by the Plenitude & Power segment (€11,187 million) increased by €3,651 million or up by 48%, due to increased commodity prices following the economic recovery, the acquisition of Aldro Energía and the positive performance of the extracommodity business and the increase in the number of customers.

OPERATING EXPENSES

(€ million)	2021	2020	2019	Change	% Ch.
Purchases, services and other	55,549	33,551	50,874	21,998	65.6
Impairment losses (impairment reversals) of trade and other receivables, net	279	226	432	53	23.5
Payroll and related costs	2,888	2,863	2,996	25	0.9
of which: provision for redundancy incentives and other	*193*	*123*	*45*		
	58,716	**36,640**	**54,302**	**22,076**	**60.3**

Operating expenses for 2021 (€58,716 million) increased by €22,076 million from 2020, up by 60%. Purchases, services and other (€55,549 million) were up by 66% vs. 2020, mainly reflecting higher costs for hydrocarbon supplies (gas under long-term supply contracts and refinery and chemical feedstocks). Payroll and related costs (€2,888 million) were almost unchanged from 2020 (up by €25 million, or by 0.9%), mainly due to the appreciation of the euro against the USD, partly offset by higher provision for redundancy incentives.

DEPRECIATION, DEPLETION, AMORTIZATION, IMPAIRMENTS (REVERSALS) AND WRITE-OFF

(€ million)	2021	2020	2019	Change	% Ch.
Exploration & Production	5,976	6,273	7,060	(297)	(4.7)
Global Gas & LNG Portfolio	174	125	124	49	39.2
Refining & Marketing and Chemicals	512	575	620	(63)	(11.0)
- Refining & Marketing	*417*	*488*	*530*	*(71)*	*(14.5)*
- Chemicals	*95*	*87*	*90*	*8*	*9.2*
Plenitude & Power	286	217	190	69	31.8
- Plenitude	*241*	*172*	*135*	*69*	*40.1*
- Power	*45*	*45*	*55*		
Corporate and other activities	148	146	144	2	1.4
Impact of unrealized intragroup profit elimination	(33)	(32)	(32)	(1)	
Total depreciation, depletion and amortization	**7,063**	**7,304**	**8,106**	**(241)**	**(3.3)**
Impairment losses (impairment reversals) of tangible and intangible and right of use assets, net	167	3,183	2,188	(3,016)	(94.8)
Depreciation, depletion, amortization, impairments and reversals, net	**7,230**	**10,487**	**10,294**	**(3,257)**	**(31.1)**
Write-off of tangible and intangible assets	387	329	300	58	17.6
	7,617	**10,816**	**10,594**	**(3,199)**	**(29.6)**

Depreciation, depletion and amortization (€7,063 million) decreased by 3.3% or €241 million from 2020, in particular in the Exploration & Production segment mainly due to the lower book value of Oil & Gas assets as consequence of impairments recorded in 2020, lower production volumes as well as the appreciation of the euro vs. the USD, partially offset by start-up and ramp-up of new projects.

Net impairment losses (impairment reversals) of tangible and intangible and right of use assets amounted to €167 million and the disclosure is provided under the paragraph "special items". The breakdown by segment is provided below:

(€ million)	2021	2020	2019	Change
Exploration & Production	(1,244)	1,888	1,217	(3,132)
Global Gas & LNG Portfolio	26	2	(5)	24
Refining & Marketing and Chemicals	1,342	1,271	922	71
Plenitude & Power	20	1	42	19
Corporate and other activities	23	21	12	2
Impairment losses (impairment reversals) of tangible and intangible and right of use assets, net	**167**	**3,183**	**2,188**	**(3,016)**

Write-off charges amounted to €387 million and mainly related to the E&P segment. In 2021, exploration and appraisal activities comprised write-offs of unsuccessful exploration wells costs for €331 million mainly in Gabon, Montenegro, Myanmar, Bahrain, Egypt and Angola. Write-offs of €35 million related to exploration licenses due mainly to the exiting from marginal areas due to geopolitical or environmental issues.

FINANCE INCOME (EXPENSE)

(€ million)	2021	2020	2019	Change
Finance income (expense) related to net borrowings	**(849)**	**(913)**	**(962)**	**64**
- Interest expense on corporate bonds	(475)	(517)	(618)	42
- Net income from financial activities held for trading	11	31	127	(20)
- Interest expense for banks and other financing institutions	(94)	(102)	(122)	8
- Interest expense for lease liabilities	(304)	(347)	(378)	43
- Interest from banks	4	10	21	(6)
- Interest and other income from receivables and securities for non-financing operating activities	9	12	8	(3)
Income (expense) on derivative financial instruments	**(306)**	**351**	**(14)**	**(657)**
- Derivatives on exchange rate	(322)	391	9	(713)
- Derivatives on interest rate	16	(40)	(23)	56
Exchange differences, net	**476**	**(460)**	**250**	**936**
Other finance income (expense)	**(177)**	**(96)**	**(246)**	**(81)**
- Interest and other income from receivables and securities for financing operating activities	67	97	112	(30)
- Finance expense due to the passage of time (accretion discount)	(144)	(190)	(255)	46
- Other finance income (expense)	(100)	(3)	(103)	(97)
	(856)	**(1,118)**	**(972)**	**262**
Finance expense capitalized	**68**	**73**	**93**	**(5)**
	(788)	**(1,045)**	**(879)**	**257**

Net finance expenses were €788 million, a decrease of €257 million from 2020. The main drivers were: (i) recognition of income on exchange rate (+€936 million) offset by the negative change of fair-valued currency derivatives (down by €713 million) lacking the formal criteria to be designated as hedges under IFRS 9; (ii) decrease of interest expense (+€42 million) reflecting a reduction cost of finance debt due to a lower benchmark interest rates, as well as the positive change in the fair value of interest rate derivatives (+€56 million) lacking the formal criteria to be designed as hedges; (iii) lower interest expenses for lease liabilities due to exchange rate effects (+€43 million). Other finance expense increased by €97 million mainly due to a discounted receivable in the E&P segment.

NET INCOME FROM INVESTMENTS

2021 (€ 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	8		(333)		(766)	**(1,091)**
Dividends	171		59			**230**
Net gains (losses) on disposals	1					**1**
Other income (expense), net		(5)	3	(3)	(3)	**(8)**
	180	**(5)**	**(271)**	**(3)**	**(769)**	**(868)**

Net expense from investments amounted to €868 million related to:

- a loss of €1,091 million due to the share of losses at equity-accounted entities, mainly: (i) ADNOC Refining, due to the accounting of extraordinary charges; and (ii) Eni's interest of the JV Saipem losses;
- dividends of €230 million paid by minor investments in certain entities which were designated at fair value through OCI under IFRS 9 except for dividends which are recorded through profit. These entities mainly comprised Nigeria LNG (€144 million) and Saudi European Petrochemical Co. (€54 million).

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

(€ million)	2021	2020	2019	Change
Share of gains (losses) from equity-accounted investments	(1,091)	(1,733)	(88)	642
Dividends	230	150	247	80
Net gains (losses) on disposals	1		19	1
Other income (expense), net	(8)	(75)	15	67
Income (expense) from investments	**(868)**	**(1,658)**	**193**	**790**

INCOME TAXES

In 2021, income taxes amounted to €4,845 million, an increase of €2,195 million, with a profit before income taxes of €10,685 million (a loss before income taxes of €5,978 million in 2020).

In 2021, the Group's tax rate was 45% (compared to disproportionate value in 2020). The main driver of this trend was the normalization of the E&P tax rate, which was driven by a better geographical mix of profits on the back of a strengthened scenario, which lowered the relative weight of jurisdictions characterized by higher tax rates, as well as the fact that the 2020 reporting period was affected by a number of tax dis-optimizations resulting in a particularly high tax rate.

Adjusted tax rate was 50% due to the same drivers disclosed in the reported tax rate disclosure.

Results by business segments[1]

EXPLORATION & PRODUCTION

	(€ million)	2021	2020	2019	Change	% Ch.
Operating profit (loss)		**10,066**	**(610)**	**7,417**	**10,676**	..
Exclusion of special items:		(773)	2,157	1,223		
- environmental charges		*60*	*19*	*32*		
- impairment losses (impairment reversals), net		*(1,244)*	*1,888*	*1,217*		
- impairment of exploration projects		*247*				
- net gains on disposal of assets		*(77)*	*1*	*(145)*		
- provision for redundancy incentives		*60*	*34*	*23*		
- risk provisions		*113*	*114*	*(18)*		
- exchange rate differences and derivatives		*(3)*	*13*	*14*		
- other		*71*	*88*	*100*		
Adjusted operating profit (loss)		**9,293**	**1,547**	**8,640**	**7,746**	..
Net finance (expense) income[(a)]		(313)	(316)	(362)	3	
Net income (expense) from investments[(a)]		681	262	312	419	
of which: Vår Energi		*425*	*193*	*122*		
Income taxes[(a)]		(4,118)	(1,369)	(5,154)	(2,749)	
Adjusted net profit (loss)		**5,543**	**124**	**3,436**	**5,419**	..
Results also include:						
Exploration expenses:		558	510	489	48	9.4
- prospecting, geological and geophysical expenses		*194*	*196*	*275*	*(2)*	*(1.0)*
- write-off of unsuccessful wells[(b)]		*364*	*314*	*214*	*50*	*15.9*
Average realizations						
Liquids[(c)]	($/bbl)	66.62	37.06	59.26	29.56	79.8
Natural gas	($/kcf)	6.64	3.76	4.94	2.88	76.6
Hydrocarbons	($/boe)	51.49	28.92	43.54	22.57	78.0

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

(1) 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.

In 2021, Exploration & Production reported an **adjusted operating profit** of €9,293 million, up by €7,746 million y-o-y, or 500% from 2020 which was affected by the pandemic. This recovery was driven by an ongoing recovery in the oil scenario. Against this backdrop, Eni's realized prices of liquids increased by 80%, whereas natural gas realized prices increased by 77% compared to 2020.
These effects were partly offset by lower production volumes.

Adjusted operating profit excluded **special gains** of €773 million.

Adjusted net profit of €5,543 million reported a substantial increase compared to net profit of €124 million of 2020, benefitting from a reduction in the tax rate due to recovery in the upstream scenario and a more favorable geographic mix of profits (in terms of a reducing share of taxable income in Countries with a higher tax rate), as well as to the fact that the 2020 reporting period was affected by a number of drivers leading to tax dis-optimizations.
In 2021, Eni's gas realizations for the full year increased on average by 77% in dollar terms, driven by a recovery in trading environment. Those were reduced on average by 0.1 $/kcf due to the impact of hedges activated in the final months of 2021 on the sale of about 12 bcf. These transactions were part of an hedging program relating to the sale of 157 bcf out of the Company's natural gas proved reserves in the period December 2021 to December 2022.
The following table reports the impact of cash flow hedge derivatives as described above:

		2021
Natural gas	(billion cubic feet)	
Sale volumes		1,446
Sale volumes hedged by derivatives (cash flow hedge)		12
Total price excluding derivatives	($/kcf)	**6.71**
Realized gains (losses) on derivatives		(0.07)
Total average price		**6.64**

GLOBAL GAS & LNG PORTFOLIO

(€ million)	2021	2020	2019	Change	% Ch.
Operating profit (loss)	**899**	**(332)**	**431**	**1,231**	**..**
Exclusion of special items:	(319)	658	(238)		
- impairment losses (impairment reversals), net	*26*	*2*	*(5)*		
- provision for redundancy incentives	*5*	*2*	*1*		
- commodity derivatives	*(207)*	*858*	*(576)*		
- exchange rate differences and derivatives	*206*	*(183)*	*109*		
- other	*(349)*	*(21)*	*233*		
Adjusted operating profit (loss)	**580**	**326**	**193**	**254**	**77.9**
Net finance (expense) income[a]	(17)		3	(17)	
Net income (expense) from investments[a]		(15)	(21)	15	
Income taxes[a]	(394)	(100)	(75)	(294)	
Adjusted net profit (loss)	**169**	**211**	**100**	**(42)**	**(19.9)**

(a) Excluding special items.

In 2021, the Global Gas & LNG Portfolio segment reported an **adjusted operating profit** of €580 million, a robust growth compared to 2020 (up by €254 million, or 78%). The positive performance leveraged on the continuous initiatives of portfolio optimization and renegotiations as well as higher gas volumes sold. These positives were partially offset by higher provisions due to an increased nominal value of trade receivables, and a higher counterparty risks due to the financial difficulties of industrial accounts pressured by rising energy costs, as well as provisions for contractual claims.

Adjusted operating profit excluded **special gains** of €319 million.

Adjusted net profit was €169 million (net profit of €211 million in 2020).

REFINING & MARKETING AND CHEMICALS

(€ million)	2021	2020	2019	Change	% Ch.
Operating profit (loss)	**45**	**(2,463)**	**(682)**	**2,508**	**..**
Exclusion of inventory holding (gains) losses	(1,455)	1,290	(318)		
Exclusion of special items:	1,562	1,179	1,021		
- environmental charges	*150*	*85*	*244*		
- impairment losses (impairment reversals), net	*1,342*	*1,271*	*922*		
- net gains on disposal of assets	*(22)*	*(8)*	*(5)*		
- risk provisions	*(4)*	*5*	*(2)*		
- provision for redundancy incentives	*42*	*27*	*8*		
- commodity derivatives	*50*	*(185)*	*(118)*		
- exchange rate differences and derivatives	*(14)*	*10*	*(5)*		
- other	*18*	*(26)*	*(23)*		
Adjusted operating profit (loss)	**152**	**6**	**21**	**146**	**..**
- Refining & Marketing	*(46)*	*235*	*289*	*(281)*	*..*
- Chemicals	*198*	*(229)*	*(268)*	*427*	*..*
Net finance (expense) income[(a)]	(32)	(7)	(36)	(25)	
Net income (expense) from investments[(a)]	(4)	(161)	37	157	
of which: ADNOC Refining	*(76)*	*(167)*	*23*		
Income taxes[(a)]	(54)	(84)	(64)	30	
Adjusted net profit (loss)	**62**	**(246)**	**(42)**	**308**	**..**

(a) Excluding special items.

The **Refining & Marketing** business reported an **adjusted operating loss** of €46 million, compared to an operating profit of €235 million in 2020, due to the sharply decline of refining margins, the worst of the last ten years and higher expenses for the purchase of emission allowances. These negatives were partly offset by plant optimizations and higher volumes sold by the marketing business benefitting from the recovery in products demand, the reopening of the economy and increased people mobility.

In 2021, the **Chemical business** reported an **adjusted operating profit** of €198 million, a sharp improvement compared with a loss of €229 million in 2020, due to a global economic recovery that supported demands and margins of plastic commodities softening competitive pressure, higher plant availability as well as certain contingent issues reducing imports from non-EU countries leading product shortages in the area, enabling the business to capture market opportunities.

Adjusted operating profit of the **R&M and Chemicals** segment of €152 million, excluded **special items** of €1,562 million and inventory holding gains of €1,455 million.

On a net basis, the positive result of €62 million reported in 2021, compared to a loss of €246 million in 2020, due to the better performance of the Chemical business.

PLENITUDE & POWER

(€ million)	2021	2020	2019	Change	% Ch.
Operating profit (loss)	**2,355**	**660**	**74**	**1,695**	**..**
Exclusion of special items:	(1,879)	(195)	296		
- environmental charges		*1*			
- impairment losses (impairment reversals), net	*20*	*1*	*42*		
- net gains on disposal of assets	*(2)*				
- risk provisions		*10*			
- provision for redundancy incentives	*(5)*	*20*	*3*		
- commodity derivatives	*(1,982)*	*(233)*	*255*		
- exchange rate differences and derivatives	*(6)*		*(10)*		
- other	*96*	*6*	*6*		
Adjusted operating profit (loss)	**476**	**465**	**370**	**11**	**2.4**
- Plenitude	*363*	*304*	*256*	*59*	*19.4*
- Power	*113*	*161*	*114*	*(48)*	*(29.8)*
Net finance (expense) income[(a)]	(2)	(1)	(1)	(1)	
Net income (expense) from investments[(a)]	(3)	6	10	(9)	
Income taxes[(a)]	(144)	(141)	(104)	(3)	
Adjusted net profit (loss)	**327**	**329**	**275**	**(2)**	**(0.6)**

(a) Excluding special items.

In 2021, **Plenitude** reported solid and growing performances with an adjusted operating profit of €363 million, an increase of €59 million (up by 19% compared to 2020), leveraging on gains in the extra-commodity business, as well as benefits from the integration of the distributed photovoltaic business (Evolvere), marketing initiatives in Italy, the growth in customer base following expansion in Greece, the acquisition of Aldro Energía in Spain, and lower than expected credit losses, following an improved economic cycle.

The **Power** business reported an adjusted operating profit of €113 million (down by €48 million vs. 2020, or 30%), mainly due to lower one-off items.

The **Plenitude & Power** segment reported an **adjusted operating profit** of €476 million, which includes a negative adjustment for special item of €1,879 million.

The **Plenitude & Power** segment reported an **adjusted net profit** of €327 million, substantially unchanged from the 2020 result (adjusted net profit of €329 million).

CORPORATE AND OTHER ACTIVITIES

(€ million)	2021	2020	2019	Change	% Ch.
Operating profit (loss)	**(816)**	**(563)**	**(688)**	**(253)**	**(44.9)**
Exclusion of special items:	223	56	86		
- environmental charges	*61*	*(130)*	*62*		
- impairment losses (impairment reversals), net	*23*	*21*	*12*		
- net gains on disposal of assets	*1*	*(2)*	*(1)*		
- risk provisions	*33*	*20*	*23*		
- provision for redundancy incentives	*91*	*40*	*10*		
- other	*14*	*107*	*(20)*		
Adjusted operating profit (loss)	**(593)**	**(507)**	**(602)**	**(86)**	**(17.0)**
Net finance (expense) income[(a)]	(539)	(569)	(525)	30	
Net income (expense) from investments[(a)]	(691)	(95)	43	(596)	
Income taxes[(a)]	247	(34)	218	281	
Adjusted net profit (loss)	**(1,576)**	**(1,205)**	**(866)**	**(371)**	**(30.8)**

(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

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).

SUMMARIZED GROUP BALANCE SHEET[a]

(€ million)	December 31, 2021	December 31, 2020	Change
Fixed assets			
Property, plant and equipment	56,299	53,943	2,356
Right of use	4,821	4,643	178
Intangible assets	4,799	2,936	1,863
Inventories - Compulsory stock	1,053	995	58
Equity-accounted investments and other investments	7,181	7,706	(525)
Receivables and securities held for operating purposes	1,902	1,037	865
Net payables related to capital expenditure	(1,804)	(1,361)	(443)
	74,251	**69,899**	**4,352**
Net working capital			
Inventories	6,072	3,893	2,179
Trade receivables	15,524	7,087	8,437
Trade payables	(16,795)	(8,679)	(8,116)
Net tax assets (liabilities)	(3,678)	(2,198)	(1,480)
Provisions	(13,593)	(13,438)	(155)
Other current assets and liabilities	(2,258)	(1,328)	(930)
	(14,728)	**(14,663)**	**(65)**
Provisions for employee benefits	**(819)**	**(1,201)**	**382**
Assets held for sale including related liabilities	**139**	**44**	**95**
CAPITAL EMPLOYED, NET	**58,843**	**54,079**	**4,764**
Eni shareholders' equity	44,437	37,415	7,022
Non-controlling interest	82	78	4
Shareholders' equity	**44,519**	**37,493**	**7,026**
Net borrowings before lease liabilities ex IFRS 16	**8,987**	**11,568**	**(2,581)**
Lease liabilities	5,337	5,018	319
- of which Eni working interest	*3,653*	*3,366*	*287*
- of which Joint operators' working interest	*1,684*	*1,652*	*32*
Net borrowings post lease liabilities ex IFRS 16	**14,324**	**16,586**	**(2,262)**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**58,843**	**54,079**	**4,764**
Leverage	**0.32**	**0.44**	
Gearing	**0.24**	**0.31**	

(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, 2021, **fixed assets** of €74,251 million increased by €4,352 million from December 31, 2020: capital expenditures and acquisitions during the year and the positive impact of exchange rate differences were partly offset by DD&A (the period-end exchange rate of EUR vs. USD was 1.133, down 7.7% compared to 1.227 at December 31, 2020).

Net working capital (-€14,728 million) was substantially unchanged compared to December 31, 2020: the increased value of oil and product inventories due to the weighted-average cost method of accounting in an environment of rising prices were partly offset by the recognition of income taxes for the year of €1,480 million and by the increase of the other current assets and liabilities (€930 million).

COMPREHENSIVE INCOME

(€ million)	2021	2020
Net profit (loss)	**5,840**	**(8,628)**
Items that are not reclassified to profit or loss	**149**	**33**
Remeasurements of defined benefit plans	*119*	*(16)*
Change of minor investments at fair value with effects to other comprehensive income	*105*	*24*
Share of "Other comprehensive income" on equity-accounted investments	*2*	
Tax effect	*(77)*	*25*
Items that may be reclassified to profit or loss	**1,902**	**(2,813)**
Currency translation differences	*2,828*	*(3,314)*
Change in the fair value of cash flow hedging derivatives	*(1,264)*	*661*
Share of "Other comprehensive income" on equity-accounted investments	*(34)*	*32*
Tax effect	*372*	*(192)*
Total other items of comprehensive income (loss)	**2,051**	**(2,780)**
Total comprehensive income (loss)	**7,891**	**(11,408)**
attributable to:		
- Eni's shareholders	**7,872**	**(11,415)**
- Non-controlling interest	19	7

CHANGES IN SHAREHOLDERS' EQUITY

(€ million)		
Shareholders' equity at January 1st, 2020		**47,900**
Total comprehensive income (loss)	(11,408)	
Dividends distributed to Eni's shareholders	(1,965)	
Dividends distributed by consolidated subsidiaries	(3)	
Net issue of perpetual subordinated bonds	2,975	
Other changes	(6)	
Total changes		**(10,407)**
Shareholders' equity at December 31, 2020		**37,493**
attributable to:		
- Eni's shareholders		**37,415**
- Non-controlling interest		78
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)	
Payments on 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 (€44,519 million) increased by €7,026 million compared to December 31, 2020 due to the net profit for the period (€5,840 million), the issuance in May 2021 of hybrid bonds for €2 billion and positive foreign currency translation differences (+€2,828 million) reflecting the appreciation of the US dollar vs. the euro as of December 31, 2021 vs. December 31, 2020, partly offset by the distribution of dividends to Eni shareholders (balance of the 2020 dividend of €857 million and the 2021 interim dividend of €1,533 million), the buy-back (€400 million) as well as a negative change in the cash flow hedge reserve of -€1,264 million reflecting trends in gas prices.

LEVERAGE AND NET BORROWINGS

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, 2021	December 31, 2020	Change
Total finance debt	27,794	26,686	1,108
- Short-term debt	*4,080*	*4,791*	*(711)*
- Long-term debt	*23,714*	*21,895*	*1,819*
Cash and cash equivalents	(8,254)	(9,413)	1,159
Securities held for trading	(6,301)	(5,502)	(799)
Financing receivables held for non-operating purposes	(4,252)	(203)	(4,049)
Net borrowings before lease liabilities ex IFRS 16	**8,987**	**11,568**	**(2,581)**
Lease Liabilities	5,337	5,018	319
- of which Eni working interest	*3,653*	*3,366*	*287*
- of which Joint operators' working interest	*1,684*	*1,652*	*32*
Net borrowings post lease liabilities ex IFRS 16	**14,324**	**16,586**	**(2,262)**
Shareholders' equity including non-controlling interest	**44,519**	**37,493**	**7,026**
Leverage before lease liability ex IFRS 16	**0.20**	**0.31**	**0.11**
Leverage after lease liability ex IFRS 16	**0.32**	**0.44**	**0.12**

As of December 31, 2021, net borrowings were €14,324 million decreasing by €2,262 million from 2020.

Total finance debt of €27,794 million consisted of €4,080 million of short-term debt (including the portion of long-term debt due within twelve months of €1,781 million) and €23,714 million of long-term debt.

The increase in **financing receivables held for non-operating purposes** was due to the material increase in commodity prices and in commodity derivates exposure which triggered requests from financial counterparts and commodity exchanges to adjust the financial deposits to secure the derivatives transactions (margin calls). Those deposit will be reimbursed to the Company upon settlement of the underlying transactions.

When excluding the lease liabilities, net borrowings were re-determined at €8,987 million reducing by €2,581 million from 2020.

Leverage[2] – the ratio of the borrowings to total equity – was 0.32 at December 31, 2021. The impact of the lease liability pertaining to joint operators in Eni-led upstream unincorporated joint ventures weighted on leverage for 4 points. Excluding the impact of IFRS 16 altogether, leverage would be 0.20.

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.

(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[(a)]

(€ million)	2021	2020	2019	Change
Net profit (loss)	**5,840**	**(8,628)**	**155**	**14,468**
Adjustments to reconcile net profit (loss) to net cash provided by operating activities:				
- depreciation, depletion and amortization and other non monetary items	8,568	12,641	10,480	(4,073)
- net gains on disposal of assets	(102)	(9)	(170)	(93)
- dividends, interests, taxes and other changes	5,334	3,251	6,224	2,083
Changes in working capital related to operations	(3,146)	(18)	366	(3,128)
Dividends received by investments	857	509	1,346	348
Taxes paid	(3,726)	(2,049)	(5,068)	(1,677)
Interests (paid) received	(764)	(875)	(941)	111
Net cash provided by operating activities	**12,861**	**4,822**	**12,392**	**8,039**
Capital expenditure	(5,234)	(4,644)	(8,376)	(590)
Investments and purchase of consolidated subsidiaries and businesses	(2,738)	(392)	(3,008)	(2,346)
Disposals of consolidated subsidiaries, businesses, tangible and intangible assets and investments	404	28	504	376
Other cash flow related to investing activities	289	(735)	(254)	1,024
Free cash flow	**5,582**	**(921)**	**1,258**	**6,503**
Net cash inflow (outflow) related to financial activities	(4,743)	1,156	(279)	(5,899)
Changes in short and long-term financial debt	(244)	3,115	(1,540)	(3,359)
Repayment of lease liabilities	(939)	(869)	(877)	(70)
Dividends paid and changes in non-controlling interests and reserves	(2,780)	(1,968)	(3,424)	(812)
Net issue (repayment) of perpetual hybrid bond	1,924	2,975		(1,051)
Effect of changes in consolidation and exchange differences of cash and cash equivalent	52	(69)	1	121
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT	**(1,148)**	**3,419**	**(4,861)**	**(4,567)**
Adjusted net cash before changes in working capital at replacement cost	**12,711**	**6,726**	**11,700**	**5,985**

Change in net borrowings

(€ million)	2021	2020	2019	Var. ass.
Free cash flow	**5,582**	**(921)**	**1,258**	**6,503**
Repayment of lease liabilities	(939)	(869)	(877)	(70)
Net borrowings of acquired companies	(777)	(67)		(710)
Net borrowings of divested companies			13	
Exchange differences on net borrowings and other changes	(429)	759	(158)	(1,188)
Dividends paid and changes in non-controlling interest and reserves	(2,780)	(1,968)	(3,424)	(812)
Net issue (repayment) of perpetual hybrid bond	1,924	2,975		(1,051)
CHANGE IN NET BORROWINGS BEFORE LEASE LIABILITIES	**2,581**	**(91)**	**(3,188)**	**2,672**
IFRS 16 first application effect			(5,759)	
Repayment of lease liabilities	939	869	877	
Inception of new leases and other changes	(1,258)	(239)	(766)	
Change in lease liabilities	**(319)**	**630**	**(5,648)**	
CHANGE IN NET BORROWINGS AFTER LEASE LIABILITIES	**2,262**	**539**	**(8,836)**	

(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 for the full year of 2021 was €12,861 million, an increase of €8,039 million compared to the full year of 2020, driven by a better scenario in the upstream segment.
The cash flow benefitted from trade receivables (about €2 billion) due in subsequent reporting periods divested to financing institutions, up by approximately €0.7 billion compared to the fourth quarter 2020.
The outflow related to the working capital of €3,146 million was due to the change in the value of inventory holding, the use of advances received by Egyptian state-owned companies for financing the Zohr project, which were netted against invoices for gas supplies and the adjustment of the derivatives fair value.

The dividends received by equity investments mainly related to Vår Energi.

Cash flow from operations before changes in working capital at replacement cost was €12,711 million. This non-GAAP measure includes net cash provided by operating activities before changes in working capital excluding inventory holding gains or losses relating to oil and products and provisions for extraordinary credit losses and other charges, as well as the fair value of commodity derivatives lacking the formal criteria to be designated as hedges.

Net financial borrowings before IFRS16 decreased by €2,581 million mainly due to issuances of hybrid bonds for €2,000 million and the free cash flow provided by operating activities (€5,582 million), partly offset by the payment of dividends to Eni's shareholders of approximately €2,358 million (the 2020 balance dividend of €0.24 per share for a total amount of approximately €854 million and the 2021 interim dividend of €0.43 per share for a total amount of €1,504 million), the €400 million buy-back program, the payment of lease liabilities for €939 million and the consolidation of debt of acquired subsidiaries (€777 million).

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 2021, 2020 and 2019 is provided below:

(€ million)	2021	2020	2019	Change
Net cash provided by operating activities	12,861	4,822	12,392	8,039
Changes in working capital related to operations	3,146	18	(366)	3,128
Exclusion of commodity derivatives	(2,139)	440	(439)	(2,579)
Exclusion of inventory holding (gains) losses	(1,491)	1,318	(223)	(2,809)
Provisions for extraordinary credit losses and other charges	334	128	336	206
Adjusted net cash before changes in working capital at replacement cost	**12,711**	**6,726**	**11,700**	**5,985**

CAPITAL EXPENDITURE AND INVESTMENTS

(€ million)	2021	2020	2019	Var. ass.	Var. %
Exploration & Production[a]	3,940	3,472	6,996	468	13.5
- acquisition of proved and unproved properties	*17*	*57*	*400*	*(40)*	*(70.2)*
- exploration	*391*	*283*	*586*	*108*	*38.2*
- oil and gas development	*3,443*	*3,077*	*5,931*	*366*	*11.9*
- CCUS and agro-biofeedstock projects	*37*			*37*	*..*
- other expenditure	*52*	*55*	*79*	*(3)*	*(5.5)*
Global Gas & LNG Portfolio	19	11	15	8	72.7
Refining & Marketing and Chemicals	728	771	933	(43)	(5.6)
- Refining & Marketing	*538*	*588*	*815*	*(50)*	*(8.5)*
- Chemicals	*190*	*183*	*118*	*7*	*3.8*
Plenitude & Power	443	293	357	150	51.2
- Plenitude	*366*	*241*	*315*	*125*	*51.9*
- Power	*77*	*52*	*42*	*25*	*48.1*
Corporate and other activities	187	107	89	80	74.8
Impact of unrealized intragroup profit elimination	(4)	(10)	(14)	6	
Capital expenditure[a]	**5,313**	**4,644**	**8,376**	**669**	**14.4**
Investments and purchase of consolidated subsidiaries and businesses	**2,738**	**392**	**3,008**	**2,346**	**..**
Total capex and investments and purchase of consolidated subsidiaries and businesses	**8,051**	**5,036**	**11,384**	**3,015**	**59.9**

(a) Includes reverse factoring operations in 2021.

Cash outflows for capital expenditure and investments were €8,051 million, increasing by 60% from 2020 and include the consideration relating the following acquisitions: (i) Be Power, a company engaged in the installation and management of a network of charging stations for electric vehicles for which half of the price will be paid in 2022; (ii) a 20% stake in the Dogger Bank A/B offshore wind project in the North Sea; (iii) the 100% stake in Aldro Energía in the retail gas business; (iv) the 100% stake in Fri-El Biogas Holding engaged in the bioenergy business in Italy; (v) the management control of Finproject by exercising the purchase option on the remaining 60% share of the share capital, following the initial investment of the 40% interest in 2020; and (vi) a portfolio of renewables assets operational/under construction in Italy (wind power assets) and in Spain, France and the United States (including wind and photovoltaic assets).
Net of the above-mentioned non-organic items and of utilization of trade advances cashed by Egyptian partners in previous reporting periods in relation to the financing of the Zohr project (approximately €500 million), net capital expenditures amounted to €5.8 billion. Net capex were fully funded by the adjusted cash flow.

In 2021, **capital expenditure** amounted to €5,313 million (€4,644 million in the full year of 2020) mainly related to:
- Oil & Gas development activities (€3,443 million) mainly in Egypt, Angola, the United States, Mexico, the United Arab Emirates, Italy, Indonesia and Iraq;
- refining activity in Italy and outside Italy (€390 million) mainly relating to the activities to maintain plants' integrity and stay-in-business, as well as HSE initiatives; marketing activity (€148 million) for regulation compliance and stay-in-business initiatives in the retail network in Italy and in the rest of Europe;
- initiatives relating to gas and power marketing in the retail business and renewables activities (€366 million).

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 report.

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 commodity and exchange rates derivatives whenever it is deemed that the underlying transaction is expected to occur in future reporting periods. 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.

Net cash provided by operating activities before changes in working capital at replacement cost
Net cash provided from operating activities before changes in working capital and excluding inventory holding gain or loss.

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 and certain very liquid investments not related to operations, including among others non-operating financing receivables and securities not related to operations. 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.

EBITDA
Earnings Before Interest, Taxes, Depreciation and Amortization, equal to operating profit plus amortization, depreciation and impairments..

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

2021 (€ million)	Exploration & Production	Global Gas & LNG Portfolio	Refining & Marketing and Chemicals	Plenitude & Power	Corporate and other activities	Impact of unrealized 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.

2020 (€ million)	Exploration & Production	Global Gas & LNG Portfolio	Refining & Marketing and Chemicals	Plenitude & Power	Corporate and other activities	Impact of unrealized 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.

2019 (€ million)	Exploration & Production	Global Gas & LNG Portfolio	Refining & Marketing and Chemicals	Plenitude & Power	Corporate and other activities	Impact of unrealized profit elimination	Group
Reported operating profit (loss)	**7,417**	**431**	**(682)**	**74**	**(688)**	**(120)**	**6,432**
Exclusion of inventory holding (gains) losses			(318)			95	(223)
Exclusion of special items:							
- environmental charges	32		244		62		338
- impairment losses (impairments reversal), net	1,217	(5)	922	42	12		2,188
- net gains on disposal of assets	(145)		(5)		(1)		(151)
- risk provisions	(18)		(2)		23		3
- provision for redundancy incentives	23	1	8	3	10		45
- commodity derivatives		(576)	(118)	255			(439)
- exchange rate differences and derivatives	14	109	(5)	(10)			108
- other	100	233	(23)	6	(20)		296
Special items of operating profit (loss)	**1,223**	**(238)**	**1,021**	**296**	**86**		**2,388**
Adjusted operating profit (loss)	**8,640**	**193**	**21**	**370**	**(602)**	**(25)**	**8,597**
Net finance (expense) income[(a)]	(362)	3	(36)	(1)	(525)		(921)
Net income (expense) from investments[(a)]	312	(21)	37	10	43		381
Income taxes[(a)]	(5,154)	(75)	(64)	(104)	218	5	(5,174)
Tax rate (%)							*64.2*
Adjusted net profit (loss)	**3,436**	**100**	**(42)**	**275**	**(866)**	**(20)**	**2,883**
of which attributable to:							
- non-controlling interest							7
- Eni's shareholders							**2,876**
Reported net profit (loss) attributable to Eni's shareholders							**148**
Exclusion of inventory holding (gains) losses							(157)
Exclusion of special items							2,885
Adjusted net profit (loss) attributable to Eni's shareholders							**2,876**

(a) Excluding special items.

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

SUMMARIZED GROUP BALANCE SHEET

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	December 31, 2021 Amounts from statutory scheme	December 31, 2021 Amounts of the summarized Group scheme	December 31, 2020 Amounts from statutory scheme	December 31, 2020 Amounts of the summarized Group scheme
Fixed assets					
Property, plant and equipment			56,299		53,943
Right of use			4,821		4,643
Intangible assets			4,799		2,936
Inventories - Compulsory stock			1,053		995
Equity-accounted investments and other investments			7,181		7,706
Receivables and securities held for operating activities	(see note 17)		1,902		1,037
Net payables related to capital expenditure, made up of:			(1,804)		(1,361)
-liabilities for current investment assets	(see note 11)	(16)			
-liabilities for no current investment assets	(see note 11)	(87)			
- receivables related to disposals	(see note 8)	8		21	
- receivables related to disposals non-current	(see note 11)	23		11	
- payables for purchase of non-current assets	(see note 18)	(1,732)		(1,393)	
Total fixed assets			**74,251**		**69,899**
Net working capital					
Inventories			6,072		3,893
Trade receivables	(see note 8)		15,524		7,087
Trade payables	(see note 18)		(16,795)		(8,679)
Net tax assets (liabilities), made up of:			(3,678)		(2,198)
- current income tax payables		(648)		(243)	
- non-current income tax payables		(374)		(360)	
- other current tax liabilities	(see note 11)	(1,435)		(1,124)	
- deferred tax liabilities		(4,835)		(5,524)	
- other non-current tax liabilities	(see note 11)	(27)		(26)	
- current income tax receivables		195		184	
- non-current income tax receivables		108		153	
- other current tax assets	(see note 11)	442		450	
- deferred tax assets		2,713		4,109	
- other non-current tax assets	(see note 11)	182		181	
- receivables for Italian consolidated accounts	(see note 8)	3		3	
- payables for Italian consolidated accounts	(see note 18)	(2)		(1)	
Provisions			(13,593)		(13,438)
Other current assets and liabilities, made up of:			(2,258)		(1,328)
- short-term financial receivables for operating purposes	(see note 17)	39		22	
- receivables vs. partners for exploration and production activities and other	(see note 8)	3,315		3,815	
- other current assets	(see note 11)	13,192		2,236	
- other receivables and other assets non-current	(see note 11)	824		1,061	
- advances, other payables, payables vs. partners for exploration and production activities and other	(see note 18)	(3,191)		(2,863)	
- other current liabilities	(see note 11)	(14,305)		(3,748)	
- other payables and other liabilities non-current	(see note 11)	(2,132)		(1,851)	
Total net working capital			**(14,728)**		**(14,663)**
Provisions for employee benefits			**(819)**		**(1,201)**
Assets held for sale including related liabilities			**139**		**44**
made up of:					
- assets held for sale		263		44	
- liabilities directly associated with held for sale		(124)			
CAPITAL EMPLOYED, NET			**58,843**		**54,079**
Shareholders' equity including non controlling interest			**44,519**		**37,493**
Net borrowings					
Total debt, made up of:			27,794		26,686
- long-term debt		23,714		21,895	
- current portion of long-term debt		1,781		1,909	
- short-term debt		2,299		2,882	
less:					
Cash and cash equivalents			(8,254)		(9,413)
Securities held for trading			(6,301)		(5,502)
Financing receivables held for non-operating purposes	(see note 17)		(4,252)		(203)
Net borrowings before lease liabilities ex IFRS 16			**8,987**		**11,568**
Lease liabilities, made up of:			5,337		5,018
- long-term lease liabilities		4,389		4,169	
- current portion of long-term lease liabilities		948		849	
Total net borrowings post lease liabilities ex IFRS 16[(a)]			**14,324**		**16,586**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			**58,843**		**54,079**

(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)	2021 Amounts from statutory scheme	2021 Amounts of the summarized Group scheme	2020 Amounts from statutory scheme	2020 Amounts of the summarized Group scheme
Net profit (loss)		**5,840**		**(8,628)**
Adjustments to reconcile net profit (loss) to net cash provided by operating activities:				
Depreciation, depletion and amortization and other non monetary items		8,568		12,641
- depreciation, depletion and amortization	7,063		7,304	
- impairment losses (impairment reversals) of tangible, intangible and right of use, net	167		3,183	
- write-off of tangible and intangible assets	387		329	
- share of profit (loss) of equity-accounted investments	1,091		1,733	
- other changes	(194)		92	
- net change in the provisions for employee benefits	54			
Gains on disposal of assets, net		(102)		(9)
Dividends, interests, income taxes and other changes		5,334		3,251
- dividend income	(230)		(150)	
- interest income	(75)		(126)	
- interest expense	794		877	
- income taxes	4,845		2,650	
Cash flow from changes in working capital		(3,146)		(18)
- inventories	(2,033)		1,054	
- trade receivables	(7,888)		1,316	
- trade payables	7,744		(1,614)	
- provisions for contingencies	(406)		(1,056)	
- other assets and liabilities	(563)		282	
Dividends received		857		509
Income taxes paid, net of tax receivables received		(3,726)		(2,049)
Interests (paid) received		(764)		(875)
- interest received	28		53	
- interest paid	(792)		(928)	
Net cash provided by operating activities		**12,861**		**4,822**
Investing activities		(5,234)		(4,644)
- tangible assets	(4,950)		(4,407)	
- intangible assets	(284)		(237)	
Investments and purchase of consolidated subsidiaries and businesses		(2,738)		(392)
- investments	(837)		(283)	
- consolidated subsidiaries and businesses net of cash and cash equivalent acquired	(1,901)		(109)	
Disposals		404		28
- tangible assets	207		12	
- intangible assets	1			
- consolidated subsidiaries and businesses net of cash and cash equivalent disposed of	76			
- tax on disposals	(35)			
- investments	155		16	
Other cash flow related to capital expenditure, investments and disposals		289		(735)
- prepaid right of use	(2)			
- investment of securities and financing receivables held for operating purposes	(227)		(166)	
- change in payables in relation to investing activities	386		(757)	
- disposal of securities and financing receivables held for operating purposes	141		136	
- change in receivables in relation to disposals	(9)		52	
Free cash flow		**5,582**		**(921)**
Free cash flow		**5,582**		**(921)**

continued SUMMARIZED GROUP CASH FLOW STATEMENT

	2021		2020	
Items of Summarized Cash Flow Statement and confluence/reclassification of items in the statutory scheme (€ million)	Amounts from statutory scheme	Amounts of the summarized Group scheme	Amounts from statutory scheme	Amounts of the summarized Group scheme
Net cash inflow (outflow) related to financial activities		(4,743)		1,156
- net change in securities and financing receivables held for non-operating purposes	(4,743)		1,156	
Changes in short and long-term finance debt		(244)		3,115
- increase in long-term debt	3,556		5,278	
- repayments of long-term debt	(2,890)		(3,100)	
- increase (decrease) in short-term debt	(910)		937	
Repayment of lease liabilities		(939)		(869)
Dividends paid and changes in non-controlling interest and reserves		(2,780)		(1,968)
- purchase of treasury shares	(400)			
- acquisition of additional interests in consolidated subsidiaries	(17)			
- dividends paid to Eni's shareholders	(2,358)		(1,965)	
- dividends paid to non-controlling interest	(5)		(3)	
Net issue (repayment) of perpetual hybrid bond		1,924		2,975
- issue of perpetual subordinated bonds	1,985		2,975	
- coupon payment on perpetual subordinated bonds	(61)			
Effect of changes in consolidation, exchange differences and cash and cash equivalent		52		(69)
- effect of exchange rate changes on cash and cash equivalents and other changes	52		(69)	
Net increase (decrease) in cash and cash equivalent		**(1,148)**		**3,419**

Risk factor and uncertainties

1 RISKS RELATED TO THE BUSINESS ACTIVITIES AND INDUSTRIES OF ENI AND ITS CONSOLIDATED SUBSIDIARIES (TOGETHER, THE "GROUP")

The Group's performance is exposed to the volatility of the prices of crude oil and natural gas and to changing margins of 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 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 as a mitigation action of the climate change risk. 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. Eni also believes that the COVID-19 pandemic could have possibly accelerated those trends. See the section dedicated to the discussion of climate-related risks below.

Notwithstanding the significant growth in US tight oil production since 2011, global oil supplies are still controlled to a large degree by the Organization of the Petroleum Exporting Countries ("OPEC") cartel, which has recently extended to include other important oil producers like Russia and Kazakhstan to form the so-called 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. Also, 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.

The recovery of crude oil prices that commenced at the end of 2020 has strengthened throughout 2021 due to a favourable combination of market and macro developments, most notably a strong macroeconomic recovery that supported crude oil consumption, continued financial discipline of international oil companies, careful production management on part of the alliance of OPEC+ producing countries in adding new supplies and normalizing levels of commercial inventories in OECD countries. The macroeconomic cycle has been driven by the gradual reopening of the economies of the USA and Europe due to the effectiveness of the vaccination campaign against the COVID-19 disease, an acceleration in the pace of economic activity in Asia, robust fiscal policies adopted by governments to help economies emerge from the fallout of the COVID recession and accommodative monetary policies from central banks. Furthermore, the spread of new virus variants, like the Delta one in summer, or the Omicron variant in the final part of 2021, did not derail the recovery because new lockdowns were averted thanks to improved ways of restraining the pandemic and the resilience of the vaccinated population. Strong demand from road transport, maritime and petrochemicals sectors and for people mobility resulted in an increase of approximately 5.5 million barrels/d in global crude oil demand in 2021 from the historic low of 2020 of approximately 92 million barrels/d, more than offsetting weak consumption in the civil airline sector which continued to suffer from low activity levels. Global oil demand is expected to recover to the pre-COVID pandemic level of 100 million barrels/d reported in 2019 by end the second half of 2022, absent any disruption in the recovery of the global economy.

The better fundamentals of the oil market in 2021 were significantly and positively affected by a more disciplined approach adopted by producers in adding new supplies. Throughout 2021, the OPEC+ alliance has implemented effective production management by gradually easing the quotas agreed in May 2020 at the peak of the pandemic crisis, to avoid risks of oversupplying the market by restoring too hastily the full pre-COVID output. Differently from past oil cycles, despite recovering prices, international oil companies and listed shale producers in the USA have retained a prudent approach to investing decisions, signalling a historic shift in capital allocation policies driven by the need to repair balance sheets and cash flows which were significantly impaired by the pandemic downturn and by the need to boost financial returns to shareholders. Pressured by investor demanding higher returns and 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, while returning excess cash to shareholders via dividend increases and share repurchases. According to market sources, global upstream's capital expenditures in 2021 have barely increased from 2020, which represented the lowest level in fifteen years at about $350 billion and are projected to grow modestly in 2022. According to market intelligence, that level of global upstream investment is insufficient to hold oil production steady at 100 million barrels/d.

Modest growth in worldwide crude oil supplies has led to a substantial drawdown in inventories, which have returned to historic averages. Against this backdrop, in the final months of 2021 many countries like China and Western European countries have begun facing difficulties at meeting energy needs of their economies due to a global shortage of natural gas and coal to fire power generation, triggering a sharp rally in energy commodities. The rally extended also to crude oil prices due to increasing evidence of gas-to-oil switch to produce electricity.

Due to a more constructive macro environment and better energy fundamentals, in 2021 crude oil prices recovered strongly with the Brent crude oil benchmark averaging about 71 $/bbl in the year, up by 70% compared to 2020. The uptrend has continued in the first months of 2022, with Brent crude oil prices climbing above the psychological threshold of 100 $/bbl to reach the highest mark from 2008 at 120-130 $/bbl, driven by the rising international tensions in connection with the Russia-Ukraine conflict (see below).

Gas prices, also negatively affected in 2020 by the economic crisis due to COVID-19 pandemic, recorded an even more significant recovery than oil, due to strengthened fundamentals driven by a global demand recovery, unusual seasonal factors and much tighter supplies than a year ago. Particularly, on the supply side, the worldwide oversupply of liquefied natural gas ("LNG") which led to the gas prices downturn in 2019-2020 was already expected to be absorbed, in a typical cyclical business after the LNG wave of the previous years, and maintenances deferred during the previous year due to COVID-19 affected 2021 production. This came on top of the financial discipline of the US shale producers which reduced in 2020 the production of associated gas. Moreover, in 2020 several LNG projects that were under construction or in a pre-FID stage of development have been delayed, revised or cancelled due to a combination of lack of financial resources due to the COVID-19 downturn, environmental and climate considerations and producers' capital discipline. This will impact the global gas and LNG market balance which is now expected to remain tight even in a mid-term horizon (2022-2025). At the same time, global gas demand grew significantly in 2021 driven by a strong macroeconomic recovery and by contingent factors like a particularly cold winter season in the South-East Asia and in Texas and unexpectedly high demand in South America (Argentina due to issues with domestic production and Brazil due to a severe drought impacting power generation). The recovery of gas prices, already remarkable in the first part of 2021, accelerated dramatically during the summer months and with the start of the winter season in the Northern Hemisphere, driven by reduced supplies in Asia and Europe and as storage levels at the peak of the injection campaign in Europe were at alarmingly low levels and supplies from Russia declined. Gas prices surged well above any market expectations and forecast in the final part of 2021, with spot prices at continental hubs in Europe and for spot LNG cargos to Asia reaching all-time highs over 60 $/mmBTU, which is more than ten times the average price recorded in 2020. In 2021, on average the spot prices of natural gas recorded at the main continental hubs in Europe more than quadrupled compared to 2020: the price recorded at the spot market in Italy "PSV" averaged 487 €/thousand cubic meters (up by 335% compared to 2020, or about 17 $/mmBTU), a similar trend was recorded by the TTF spot price at the continental hubs which directly benefited from decreasing LNG import flows. Due to the recent spike in market volatility following the outbreak of the Russia-Ukraine conflict, natural gas prices have risen materially in late February and in March.

Looking forward, we believe that the fundamentals of the oil and gas markets will continue to be supported by tight supplies due to the underinvestment in the upstream sectors occurred in previous years, oil companies' renewed focus on financial discipline and shareholders' returns which will constrain capital budgets, production management on part of OPEC+ alliance and the global economic recovery underway. On the negative side, high energy costs could derail the macro economic recovery by reducing consumers' disposable income and could lead to phenomena of demand destruction, like the ones already observed in the final months of 2021 with several commodity producers (like metals and fertilizers) halting plants operations. Finally, high energy costs could drive up inflationary pressures and alter market expectations about future inflationary rates pressuring central banks to abandon loose monetary policies and to raise interest rates, which could negatively impact economic growth and hydrocarbons consumptions.

The growing geopolitical risk in connection with the Russia-Ukraine conflict also represents a factor in the outlook 2022 because rising tensions between Russia and Western countries, the enactment on part of the USA and European countries of economic sanctions against Russia, and any possible ground or military escalations could derail the macroeconomic cycle by sapping consumers sentiment or interfering with operators' investment decisions and this could lead to lower demands for hydrocarbons (see below).

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 our Brent crude oil price assumption of 80 $/bbl for 2022, we estimate our cash from operations to vary by approximately €140 million for each one-dollar change in the price of the Brent crude oil.

Eni's results of operations and cash flows are less sensitive to movements in natural gas prices because a large part of equity gas volumes are sold based on fixed pricing formulae and also due to the forward sale executed in the final months of 2021 of about 5 bcm of the expected 2022 equity production at fixed prices as part of our risk management activities.

Finally, movements in hydrocarbons prices significantly affect the reportable amount of production and proved reserves under our production sharing agreements ("PSAs"), which represented about 58% of our proved reserves as of end of 2021. 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 2021 our reported production and reserves were lowered by an estimated amount of respectively 13 KBOE/d and by 168 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 0.3 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 products 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 the war in Ukraine

The crisis in the relationship between Russia and Ukraine that in February 2022 gave rise to the Russian military invasion and an open conflict on a large scale with violent armed clashes and tragic loss of human lives, constitutes a macroeconomic risk. Possible outcomes of this situation might include a prolonged armed conflict, a possible escalation in the military action, risks of enlargement of the ongoing geopolitical crisis and a further tightening up of the economic sanctions against Russia. These factors could result in a scenario that could eventually sap consumers' confidence, deter investment decisions by operators and cripple industrial activities derailing the global recovery or, in the worst of the outcomes, triggering a new worldwide recession, while the economy has been still recovering from the fallout of the COVID-19 downturn. This scenario would drove a reduction in hydrocarbons demands and of 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.

Shortly after the outbreak of hostilities with the Russian military invasion of Ukraine, the European Union, the USA, and the UK imposed a raft of tough economic and financial sanctions against Russia, which have added up to those already in force since 2014.

The new restrictions mainly targeted the Russian financial sector, precluding access to funding from US and EU-based financial institutions and several relevant Russian entities operating in the Oil & Gas sector. This first round of sanctions waivered the purchase of oil, natural gas and refined products exported by Russian entities, or the maintenance of business relationships with certain Russian entities. However, the situation in the marketplace evolved unexpectedly, as many Western traders, oil companies, refiners and brokers began reducing purchases of crude oil from Russia giving rise to a sort of spontaneous, auto-sanctioning system. Finally, the President of the USA signed an executive order to ban all imports of Russian energy products. Those developments destabilized energy markets as evidenced by the material discount of the Ural Russian crude benchmark vs. the Brent above 20 $/bbl, triggering a spike in market volatility and propelling the Brent price at about 130 $/bbl in the last days of February and into early March 2022. Natural gas prices for the continental Europe spot benchmark surged to new all-time highs driven by fears of supply disruptions. If the conflict continues, it is possible that increasingly tight sanctions could be imposed.

This volatility is expected to significantly affect the Group's operating expenses and revenues in 2022. Furthermore, the increased volatility could drive: (i) an increased counterparty risk due to the significant expansion of the nominal value of trading receivables.; (ii) a higher level of financial risk of the Company due to the need of increasing the cash deposits to guarantee the settlement of derivative transactions with financial institutions and commodity exchanges to fulfil the margining obligations (margin call). To counter the ongoing phase of extreme volatility in the energy commodities market the Group is planning to strengthen its financial headroom by increasing the liquidity reserves (cash on hands and committed borrowing facilities).

Eni's assets in Russia are immaterial to the Group results and business prospects. 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 in past reporting periods have been written off. Currently, we do not have booked 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 €40 million as of December 31, 2021. Furthermore, the Group has decided to cease signing new supply contracts of Russian crude oil. This decision is expected to negatively affect our refining system. In 2021 the purchase of crude oil from Russia represented 18% of the total volumes of crudes traded by Eni to support its refining system.

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, based on long-term supply contracts with take-or-pay clauses. The volumes supplied from Russia represent a material amount of our global portfolio of natural gas supplies, being about 43% of the total in 2021 (see table "Natural gas supply" in the Global Gas & LNG Portfolio operating review). Eni has entered into delivery commitments that rely in part on such supply of natural gas. Although we have access to increased supplies from other geographies in our portfolio and from producing countries where we have established relationships, should supplies from Gazprom and other Russian natural gas suppliers be disrupted (including as a result of sanctions prohibiting or restricting purchases of natural gas from Russia) we may suffer adverse effects which we cannot currently predict or quantify but could be material.

Eni has adopted all necessary measures to ensure its activities comply with the sanction regime currently in force against Russia and will adapt to any new developments on an ongoing basis.

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 characterised 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. The economic crisis caused by the suppression of industrial activity and travel in response to the COVID-19 pandemic materially and negatively impacted demand for the Company's products, driving a strong increase in the level of competition across all sectors where Eni operates. Eni believes that the pandemic will have enduring effects on the competition within the Oil & Gas sectors, including the refining and marketing of fuels and other energy commodities and the supply of energy products to the retail segment.

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 maximise hydrocarbon recovery. Because of its smaller size relative to 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. In 2021, despite natural gas prices surging to record levels, our wholesale margins were negatively affected by narrowing spreads between prices at continental hubs, to which our gas procurement costs are indexed, and spot prices for the main Italian benchmark to which our selling prices are indexed. We believe wholesale margins of gas to remain challenged in the medium-term due to competitive pressures and as renewable sources of energy continue growing their market share in covering European energy needs.

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. This unfavourable competitive environment has been exacerbated by the economic downturn triggered by the COVID-19 pandemic in 2020 and the negative effects of travel restrictions imposed by governments all over the world to contain the spread of the virus, which were only partially lifted during the course of 2021. The COVID-19 fallout has negatively affected Eni's refining sector in two ways. On one side, the cost of the oil-based feedstock has recovered strongly from the second half of 2020 throughout the whole of 2021 due to effective production management by the OPEC+ producers alliance. On the other side, the continuing downturn of the civil airline sector due to bans on long-haul flights have left the market of refined products with huge imbalances due to a depressed demand for jet fuel and gasoil oversupplies. Finally, in the last part of 2021 escalating costs of natural gas which is a key input to refining processes added more pressure to an already weak margin backdrop.

Against the backdrop of these challenged fundamentals, in 2021 the Company's own internal performance measure to gauge the profitability of its refineries, the SERM, plunged to historic lows, remaining into negative territory throughout the year and averaging minus 0.9 $/bbl compared to positive 1.7 $/bbl in 2020. Furthermore, operating expenses were negatively affected by an increase in the cost 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 cost for emission allowance was on average 53.4 €/tonn, more than doubling versus 2020; this uptrend has strengthened further in the first months of 2022 with the cost breaking above 90 €/tonn. On the basis of these developments in the trading environment, management revised downwardly the projections of refining margins in the short to medium-term, which together with the forecast of higher compliance expenses to purchase carbon emission allowances under the European Emission Trading Schema led to the projections of materially lower expected future cash flows associated with the refinery activity driving assets impairment losses of approximately €0.9 billion. These added to approximately €2 billion of impairment losses recorded in the previous two reporting periods, writing-off the entire book value of Eni's European refineries.

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 commoditised 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 fuelled 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 for the production of ethylene than the oil-based feedstock utilised by Eni's petrochemical subsidiaries. Finally, it is likely 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 challenged business fundamentals were mitigated by the post-pandemic strong economic recovery, which drove significant demands for all kinds of plastic products and supply disruptions of global reach due to contingent events. These developments supported petrochemical products margins and the business performance, particularly in the first part of the year. We expect products margins to normalize in the near term, falling back to pre-pandemic levels as more supplies come online.

Eni's retail gas and 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 characterised 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 liberalisation 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 balancing market ("Mercato dei Servizi di Dispacciamento or "MSD") to the manager of the national grid. 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 oversupplies, weak economic growth, and inter-fuel competition. Management believes that these factors will progressively reduce the CSS in the future, whereas MSD margins have shown higher resilience also in more stressed conditions.

In case the Company is unable to effectively manage the above described competitive risks, which may increase in case of a 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.

In the final months of 2021, European energy producers and traders have coped with an unprecedented level of volatility, with price increases of – in some cases – several hundred percent within a few months for natural gas and power. This has led to a significant increase in Eni's financial risks
In the course of the fourth quarter 2021, a strengthening global macroeconomic recovery has driven pent-up demand for energy commodities across all geographies, against the backdrop of a challenged supply particularly of natural gas due to the sharp cuts made by Oil & Gas companies to capital expenditures to navigate the oil downturn, resulting in a very tight market for gas and electricity. Market imbalances have been particularly problematic in Europe because in addition to global macroeconomic forces, the continent has faced regional, specific issues. The final months of 2021 have been characterized by an apparent underperformance of plants producing renewable electricity, while natural gas storage levels were at historical lows in correspondence to the injection peak season before the start of the seasonal increase in gas consumption. Markets have been also pressured by uncertainties about the natural gas import flows from Russia. Russia state-owned company, Gazprom has been corresponding to their long-term supply contracts' commitments with European traders, while limiting spot supplies, against the backdrop of the complex regulatory issue relating to the start-up of line 2 of the Nord Stream gas pipeline, which would considerably increase the natural gas flow to Europe. Finally, European gas production have been decreasing steadily in recent years due to mature field decline, while new developments have been constrained by the climate targets and policies adopted by EU member states.

Those developments triggered an unprecedented volatility in European commodity markets, with spot prices of natural gas and power rising several hundred percentage points within few months, setting all-times highs (the average spot price of natural gas at the Dutch hub "TTF" increased by more than 500% in the fourth quarter 2021 vs. 2020).

The spike in commodity prices caused financial tensions at European energy players, like Eni, which are making use of commodity forward sale contracts and commodity financial derivatives to hedge commercial margins or also for speculative objectives due to the requirements of margining payments envisaged by contracts.

Financial institutions which are the counterparts of derivatives contracts and wholesale and exchange-based commodity markets of gas, power and other energy commodities routinely require down payments for traders to cover open liabilities or to settle derivative contracts. Selling forward future commodity availability (from production or long-term supply contracts) also requires down payments, in favour of the buyers as guarantee in case the trader or the producer cannot deliver. These down-payments which amount is linked to the level and volatility of commodity prices are temporarily and they are unwound on delivery of the commodity, with the deposited money flowing back to the traders.

Under normal market conditions, this way of operating does not entail financial risks. However, when commodity prices rise sharply as was the case during the fourth quarter of 2021 with prices increasing many times over the recent few months, the negative value of forward sales at fixed prices and the negative value of short positions grow proportionally and traders are required to deposit extra funds to cover payments tied to commodity forward sales and the settlement of derivatives, known as margin calls. Margin calls typically arise when the gap between spot commodity prices and the level at which traders have sold their commodity availability on a forward basis becomes too wide, forcing them to post the margin as proof that they can deliver in the event of default.

Due to the extreme market conditions experienced in the fourth quarter 2021, especially during the month of December, Eni substantially increased the Company's financial headroom to cope with the disbursements required by its margin calls. The Group has drawn €4 billion from its available committed credit facilities to manage the critical market phase. The situation improved somewhat in the final business days of the year due to a sharp correction in commodity prices. The underlying commodity derivatives that triggered the margin calls were accounted at fair value through profit and loss or as cash flow hedges in 2021 accounts.

Notwithstanding the Group retains a liquidity reserve, in case of a prolonged phase of extreme volatility in the commodity markets, the Group may be exposed to a financial risk of being unable to cover its margin calls requirements, which may force the Group to unwind positions at a loss or to sell assets at a discount.

The outbreak of the conflict between Russia and Ukraine triggered a spike in the volatility of commodity prices and this could result in more financial risks to us.

Safety, security, environmental and other operational risk
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, blow-outs, fires, oil and gas spills from wells, pipeline and tankers, release of contaminants and pollutants in the air, the ground and in the 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 utilised (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 2021, approximately 70% of Eni's total oil and gas production for the year derived from offshore fields, mainly in Egypt, Norway, Libya, Angola, Kazakhstan, Congo, Indonesia, the United States, the United Arab Emirates and Venezuela. 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 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 unfavourable events and in connection with environmental clean-up and remediation. As of the date of this Base Prospectus, maximum compensation allowed under such insurance coverage is equal to $1.2 billion in case of offshore incident and $1.4 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.

Risks associated with the exploration and production of 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 mining risk and the risks of cost overruns and delayed start-up at the projects to develop and produce hydrocarbons reserves. 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.

Exploratory drilling efforts may be unsuccessful
Exploration activities are mainly subject to 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, in remote areas and in 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.

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

Eni's future results of operations and business prospects depend in a significant way on its ability to carry out and operate its major projects to develop and market hydrocarbons reserves as planned. Key factors that may affect the economics of these projects include:

- 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, Eni's ability to negotiate favourable long-term contracts to market gas reserves;
- timely issuance of permits and licenses by government agencies, including obtaining all necessary administrative authorisations 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 and platforms. For example, due to adoption of emergency measures to contain the spread of the COVID-19 pandemic, activities have slowed down at critical shipyards resulting in delays for the execution of few projects in our portfolio;
- 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. However, other input expenses like rental fees of rigs have exhibited less dynamicity due to existence of idle capacity driven by the low level of investments in capital projects in the upstream sector;
- 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.

Development projects normally have long lead times due to 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 authorisations 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, 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. All these activities can take years to be finalised. 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 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 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 capitalised costs associated with reduced future cash flows of those projects.

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.

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.

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 SEC requirements, calculated by determining the unweighted arithmetic average of the first day-of-the-month commodity prices for the preceding twelve months. Accordingly, the estimated reserves reported as of the end of any given year 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.

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, 2021, approximately 30% 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 not prove to be accurate 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' behaviour 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, 2021 includes estimates of total future development and decommissioning costs associated with the Group's proved total reserves of approximately €32.2 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.

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 capital intensive. Eni makes and expects to continue to make 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 €4.5 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, 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 sold;
- 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. 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. In addition, 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.

Oil & Gas activity may be subject to increasingly high levels of income taxes and royalties

Oil & Gas operations are subject to the payment of royalties and income taxes, which tend to be higher than those payable in many other commercial activities. Furthermore, in recent years, Eni has experienced adverse changes in the tax regimes applicable to Oil & Gas operations in a number of countries where the Company conducts its upstream operations. As a result of these trends, management estimates that the tax rate applicable to the Company's Oil & Gas operations is materially higher than the Italian statutory tax rate for corporate profit, which currently stands at 24%. 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 & Gas operations would have a negative impact on Eni's future results of operations and cash flows.

In the current uncertain financial and economic environment, governments are facing greater pressure on public finances, which may induce them to intervene in the fiscal framework for the Oil & Gas industry, including the risk of increased taxation, windfall taxes, and even nationalisations and expropriations. Due to increasing public concern about rising energy costs in connection with the announcement of strong profits for the year 2021 by oil companies, governments may seek ways to reduce the energy bill by increasing the fiscal take on oil companies, also by enacting windfall taxes on companies' extra-profits, or by introducing some forms of price controls.

In March 2022, the Italian government enacted a windfall tax scheme on domestic extra-profits of energy companies. Considering that further legislative and implementing steps are required and since the full set of comparison data, extending till March 2022, are not fully available, to date it not feasible a reliable estimation of the possible impact which however is expected non-significant at Group level.

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 un-weighted 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 used 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.

Oil & 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 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 & Gas operations with significant effects on the Group's business prospects, results of operations and cash flow.

In Italy, the activities of hydrocarbon development and production are performed by oil companies in accordance with concessions granted by the Ministry of Economic Development in agreement with the relevant Region territorially involved in the case of onshore concessions. Concessions are granted for an initial twenty-year term; the concessionaire is entitled to a ten-year extension and then to one or more five-year extensions to fully recover a field's reserves and investments on the condition that the concessionaire has fulfilled all obligations related to the work program agreed in the original concession award. In case of delay in the award of an extension, the original concession remains fully effective until completion of the administrative procedure to grant an extension.

In February 2022, the Italian government adopted a national plan designed to identify areas that are suitable for carrying out exploration, development and production of hydrocarbons in the national territory and offshore territorial waters, in accordance with environmental and other sustainability criteria. The granting of new concessions or the extension of existing ones must comply with the plan criteria. However, Eni's ongoing development concessions located partially or totally in environmentally-sensitive areas retains their efficacy as far as the analysis of economic costs and benefits of the petroleum initiative proves to yield a net benefit.

Eni's future performance depends on its ability to identify and mitigate the above-mentioned risks and hazards which are inherent to its Oil & Gas business. Failure to properly manage those risks, the Company's underperformance at exploration, development and reserve replacement activities or the occurrence of unforeseen regulatory 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 shares.

Risks related to political considerations
As at 31 December 2021, 80% of Eni's proved hydrocarbon reserves were located in non-OECD (Organisation for Economic Co-operation and Development) countries, mainly in Africa, 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, 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;
- lack of well-established and reliable legal systems and uncertainties surrounding the enforcement of contractual rights;
- unfavourable enforcement of laws, regulations and contractual arrangements leading, for example, to expropriation, nationalisation or forced divestiture of assets and unilateral cancellation or modification of contractual terms;
- sovereign default or financial instability due to the fact that those countries rely heavily on petroleum revenues to sustain public finance and petroleum revenues have materially contracted in 2020 due plunging hydrocarbons prices as a consequence of the global economic crisis caused by the COVID-19 pandemic. 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 authorisations or licences 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 events of internal conflict, clashes, disorders and other forms of civil turmoil and unrest between the two conflicting factions. 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. The situation begun to improve in September 2020, thanks to a peace agreement between the conflicting factions, which enabled full resumption of operations at all Libyan oilfields, revoking force majeure declared at the start of 2020. In 2021, Eni's production in Libya amounted to 168 kboe/d and was in line with management's plans. Despite this, 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; this percentage is forecasted to decrease in the medium-term in line with the expected implementation of the Group's strategy intended to diversify the Group's geographical presence to better balance the geopolitical risk of the portfolio by expanding the Group's presence in the United Arabian Emirates and Norway.

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.
Currently, the Company retains only one 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 pay regularly 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 2021 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 PetroJunín onshore oilfield; the residual book value of the property was completely written off in 2021 due to lack of any prospects of economic returns. As at December 31, 2021, Eni's invested capital in Venezuela was approximately €1.3 billion, mainly relating to trade receivable owed to us by PDVSA for the supplies of volumes of equity natural gas produced by the Cardón IV joint venture. Due to a tightening of the international sanction regime, during the course of 2021, Eni was unable to obtain any in-kind reimbursement of its outstanding trade receivables owed by PDVSA.

The Group has significant credit exposure to state-owned and privately-held local companies in Nigeria, where the financial and economic outlook of the country has been made worse by the contraction of petroleum revenues due to the crisis of the oil sector in 2020 caused by the COVID-19 pandemic. Eni's credit exposure amounting to about €0.7 billion relates to the funding of the share of capital expenditures pertaining to Nigerian joint operators at Eni-operated oil projects. Eni has incurred significant credit losses because of the ongoing difficulties of Eni's Nigerian counterparts to reimburse amounts past due.

In Nigeria, the Oil Prospecting License 245 held by Eni expired in May 2021 and a request is pending to convert the license into an oil mining license to start reserve development before the Nigerian authorities in charge. The management believes the request of conversion complies with the contractual terms, deadline, 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 in particular, as of today, the restrictive measures adopted by such authorities in respect of Russia and Venezuela.

In response to the Russia-Ukraine crisis of 2014 and again to the Russia invasion of Ukraine of February 2022, the European Union and the United States have enacted a broad regime of sanctions targeting, inter alia, the financial and energy sectors in Russia by restricting the supply of certain oil and gas items and services to Russia and certain forms of financing and the other measures described in the risk factor on the Russia-Ukraine war above. In response to these restrictions, the Company has put on hold its projects in the upstream sectors in Russia in past years and currently is not engaged in any Oil & Gas project in the country. It is not possible to rule out the possibility that wider sanctions targeting the Russian energy, banking and/or finance industries be implemented. Further sanctions imposed on Russia, Russian citizens or Russian companies by the international community, such as restrictions on purchases of Russian gas by European companies or measures restricting dealings with Russian counterparties, could adversely impact Eni's business, results of operations and cash flow given Eni's exposure to natural gas supplies from Russia as further described in the risk factor on the Russia Ukraine war above. 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 has been 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 the course of 2021.

Eni carefully evaluates on a case by case basis the adoption of adequate measures to minimise 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.

2 RISKS SPECIFIC TO THE COMPANY'S GAS BUSINESS IN ITALY

Current, negative trends in the gas competitive environment in Europe 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, pre-set 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 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.

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 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 put a cap on the wholesale prices of natural gas and electricity or 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. Our GGP business that engages in the wholesale marketing of natural gas and our Plenitude subsidiary that engages in the retail marketing of natural gas and electricity are exposed to this regulatory risk.

3 RISKS RELATED TO ENVIRONMENTAL, HEALTH AND SAFETY REGULATIONS AND LEGAL RISKS

Eni has incurred in the past, and will continue incurring, material operating expenses and expenditures, and is exposed to business risk in relation to compliance with applicable environmental, health and safety regulations in future years, 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 are particularly strict in the Company's businesses due to their inherent nature because of flammability and toxicity of hydrocarbons and of objective risks of industrial processes to 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 or 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 payment of a tax for each tons of carbon dioxide emitted in the environment above a pre-set allowance, 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 wilful 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 of employees, contractors and other collaborators of the Company, and of communities, the Company may incur liabilities in connection with the negligent or wilful violation 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 & Gas field production.

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

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 to limit the temperature increase to 1.5°C above pre-industrial levels and tackle 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 and 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 2021 to comply with this carbon emissions scheme, Eni purchased on the open market allowances corresponding to 12.42 million tonnes of CO_2 emissions incurring expenses of around €660 million, which were significantly higher than in 2020 due to expectations of lower allotment of free allowances by the EU going forward and rising costs of the emissions permits. 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.

Our portfolio of Oil & Gas properties features a large weight of natural gas, the least GHG-emitting fossil energy source. As of December 31, 2021, natural gas proved reserves represented approximately 51% of Eni's total proved reserves of its subsidiary undertakings and joint ventures. The other constituencies of our portfolio of Oil & Gas properties which are mitigating the risk of stranded assets are the large weight of conventional projects, featuring low CO_2 intensity and the low Brent price of breakeven. We estimate our reserves to have an average breakeven price of about 20 $/bbl (this estimation includes our proved reserves and a certain amount of unproved reserves), thus underpinning a rapid pay-back period as about 90% of the net present value of those reserves (corresponding to 78% of the underlying boe) is estimated to be recovered by 2035 under the Eni pricing scenario assumptions.

The low breakeven price of our reserves has been driven by our exploration and development model that features: effective exploration concentrated on near-field and proven/mature plays to leverage on existing infrastructures and readily put new reserves into production; selected exploration in risky areas; a focus on low-complexity developments; and a phased approach to putting reserves into production featuring early production start-up and subsequent ramp up to reduce the financial exposure of development projects and accelerate the time-to-market and the pay-back period. Based on those drivers, we have gradually reduced the breakeven price of our reserves and improved the resilience to low carbon scenarios, which considering also the emissive profiles of our assets are expected to mitigate the risk of stranded reserves going forward. The risk of stranded assets might emerge in case of a structural decline in hydrocarbons demands because of stricter global environmental constraints and regulations and changing consumers' preferences resulting in trends like the mass adoption of electric vehicles or a lower weight of hydrocarbons in the energy mix, or regulatory constraints like a global adoption of carbon pricing schemes.

Eni's portfolio exposure to this risk is reviewed annually against changing GHG regulatory regimes, evolving consumers' preferences, technological developments, and physical conditions to identify emerging risks. To test the resilience of new capital projects, Eni assesses potential costs associated with GHG emissions and how projects' returns may be affected. The development process and internal authorization procedures of each E&P capital project feature several checks that may require additional and well detailed GHG and energy management plans to address potential risks of underperformance in relation to possible scenarios of global or regional adoption of regulations introducing mechanisms of carbon cap and trade or carbon pricing. These processes and internal authorization hurdles can lead to projects being stopped, designs being changed, and potential GHG mitigation investments being identified, in preparation for when the economic conditions imposed by new regulations would make these investments commercially compelling.

Management stress-tested the recoverability of the book values of the Company's Oil & Gas assets under the assumptions set forth in the IEA SDS WEO 2021 and also the IEA Net Zero "NZE 2050" scenarios to evaluate the reasonableness of the outcome of the impairment review of those assets under the base case management scenario as well as possible risks of stranded assets. Those stress tests covered the whole of the Oil & Gas cash generating units (CGUs) that are regularly tested for impairment in accordance with IAS 36. The IEA SDS sets out an energy pathway consistent with the goal of achieving universal energy access by 2030 and of reducing energy-related CO_2 emissions and air pollution in line with the goals of the Paris Agreement, which endorse effective action to combat climate change by holding the rise in global average temperature in this century to well below 2°C with respect to the baseline before the Industrial Revolution and to pursuing efforts to limit it to 1.5°C.

The NZE 2050 scenario draws a roadmap to achieve net zero emissions by 2050 (i.e. twenty years earlier than the SDS scenario) under the assumptions of an immediate stop to new Oil & Gas projects, a 75% reduction in global demands for oil by 2050 and a strong push towards electrification, energy efficiency and radical modifications in consumers' behavior and preferences, calling for robust and concerted action by governments across the world.

In the table below, the outcome of the stress-test analysis is reported. Eni's estimations of the value in use of its Oil & Gas assets are performed at the management's oil price scenario and by valuing proved reserves and certain amounts of unproved reserves. The sensitivity analysis performed utilizing the NZE 2050 scenario does not include any cost revisions or rephasing or rescheduling of developing activities. Further information is disclosed in the notes to the financial statements.

	Value in use of the O&G CGUs Headroom vs. Carrying amounts		Assumption at 2050 in real terms USD 2020		
	Tax-deductible CO_2 charges	Non tax-deductible CO_2 charges	Brent price	European gas price	Cost of CO_2
Eni's scenario	~90%	-	*46 $/bbl*	*6.2 $/mmBTU*	*CO_2 costs projections in the EU/ETS + projections of forestry costs*
IEA SDS WEO 2021 scenario	76%	75%	*50 $/bbl*	*4.5 $/mmBTU*	*200-95 per tonne of CO_2**
IEA NZE 2050 scenario	35%	32%	*24 $/bbl*	*3.6 $/mmBTU*	*250-55 per tonne of CO_2**

(*) Prices relating to advanced/emerging economies.

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, fuelling continuing innovation in the sector and accelerating the strategic shift of well-established car companies. Sales of EVs have grown exponentially in 2021, 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; some operators still consider 2019 as the peak year for oil demand.

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.

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.

We are exposed to growing legal risks in connection with the hundreds of lawsuits pending in various jurisdictions against Oil & Gas companies claiming compensation for damages associated with climate change or other restrictive measures

In May 2021, a Dutch court ordered Royal Dutch Shell Plc to reduce its greenhouse gas emissions by a certain amount by 2030 upholding requests of the claimants Dutch environmentalist associations, arguing that the Company had violated human rights and an unwritten principle of duty of care towards the environment. This sentence could pave the way for additional lawsuits against Oil & Gas companies or influence the outcome of already pending similar proceedings.

In some countries, governments, regulators, organizations, NGOs and individuals have filed lawsuits seeking to hold Oil & Gas companies liable for costs associated with climate change. For example, we are defending in California against claims of damage compensation from local administrations and certain associations of individuals in connection with alleged consequences of climate change which could have disrupted economic activities and caused damage to the environment.

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.

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 as a result of these ongoing or potential lawsuits, we could incur a material adverse effect on our results of operations and business's prospects.

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 funds 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, professional investors, banks, financing institutions 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 emissions 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, this pledge does not preclude the continued funding of fossil fuels for the foreseeable future.

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

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

In 2021, activist shareholders succeeded in passing a non-binding 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 U.S. Oil & Gas companies.

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

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 is exposed to that kind of risk.

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.

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 the social license to operate. 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, the amount of funds available for stock repurchases and the price of Eni's shares.

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 it. 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 conduct of prior operators or other third parties. 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. The accrued amounts represent management's best estimates of the Company's existing liabilities. 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.

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.

4 INTERNAL CONTROL RISKS

Risks from acquisitions

Eni is constantly monitoring the oil and gas 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 so as 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 a prolonged decline in the market prices of oil and natural gas occurs. 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 materialise, expected synergies from acquisition may fall short of management's targets and Eni's financial performance and shareholders' returns may be adversely affected.

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.

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, cyber-attacks (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.

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.

5 RISKS RELATED TO FINANCIAL MATTERS

Exposure to financial risk - 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

Eni's business is exposed to the risk that changes in interest rates, foreign exchange rates or the prices of crude oil, natural gas, LNG, refined products, chemical feedstocks, power and carbon emission rights 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 optimise 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 risks of incurring significant losses if prices develop contrary to management expectations and of default of counterparties.

Eni is exposed to the risks of unfavourable 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 utilising the U.S. dollar as their functional currency. This translation risk is normally 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 minimising its exposure to the interest rate risk.

Eni's credit ratings are potentially exposed to risk from possible reductions of sovereign credit rating of Italy. On the basis of 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.

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 recognise loss provisions with respect to amounts owed to it by debtors of the Company. In recent years, the Group has experienced a significant level of counterparty default due to the severity of the economic and financial downturn that has negatively affected several Group counterparties, customers and partners and to the fact that Italy, which is still the largest market to Eni's gas wholesale and retail businesses, has underperformed other OECD countries in terms of GDP growth. Those trends have been aggravated by the 2020 economic crisis triggered by the COVID-19 pandemic, 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 2021, the enduring effects of the pandemic and, in the final months of 2021 the significant rise in the volatility of energy markets have weighed significantly on the capacity of certain of Eni's customers, joint operators or state-owned companies to fulfil payments obligations towards the Company.

Eni believes that the management of doubtful accounts in the post pandemic environment and in a scenario featured by greater commodity volatility represents a 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. Management is closely monitoring exposure to the counterparty risk in its Exploration & Production business due to the magnitude of the exposure at risk and to the long-lasting effects of the oil price downturn on its industrial partners. Also the retail Gas & Power business managed by Plenitude is particularly exposed to credit risk due to its large and diversified customer base, which includes a large number of medium and small-sized businesses and retail customers whose financial condition could deteriorate in case the Italian recovery is weaker than anticipated.

If any of the risks set out above materialises, 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, including the fiscal outlook of the hydrocarbons-producing countries. 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 jeopardising Eni's ability to maintain long-term investment programs. Low investments to develop Eni's reserves 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 (Possible evolution in respect of the war in Ukraine) and Risk factor and uncertainties.

Consolidated Disclosure of Non-Financial Information

pursuant to Legislative Decree 254/2016

Eni's 2021 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 2021 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". In 2021, the reporting obligations provided for in Article 8 of EU Regulation 852/2020 entered into force as defined and coded in the relevant Commission Disclosures Delegated Act, relating to economic activities and assets eligible for the purposes of achieving the objectives of the Climate Change Mitigation and Adaptation Regulation. These disclosure requirements apply to companies listed on regulated EU markets that are required to draw up an NFS. 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 2021 materiality analysis. In the 2021 NFI, the "core" metrics defined by the World Economic Forum[2] (WEF) were also included in the 2020 White Paper "Measuring Stakeholder Capitalism - Towards Common Metrics and Consistent Reporting of Sustainable Value Creation".
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 2021 edition of Eni for will also include the annex "Carbon neutrality by 2050" and a report dedicated to human rights (Eni for – Human Rights[3]). Below is a reconciliation table showing the information content required by the Decree, 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 organization models, pp. 154-155; Sustainability material topics, p. 191 **AR** - Business model, pp. 4-5; Responsible and Sustainable Approach, pp. 6-7; Stakeholder engagement activities, pp. 20-21; Strategy, pp. 22-27; Governance, pp. 34-43. ➤ **CGR** - Responsible and Sustainable Approach; 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. 28-33; Risk factors and uncertainties, pp. 122-146	**AR** - Responsible and sustainable approach (2021 results and targets), pp. 6-7; Eni at a glance, pp. 16-19
CARBON NEUTRALITY BY 2050	**CLIMATE CHANGE** *Art. 3.2, paragraphs a) and b)*	**NFI** - Carbon neutrality by 2050, pp. 158-164 **AR** - Strategy, pp. 22-27 ➤ **CGR** - Responsible and Sustainable Approach	**NFI** - Main regulatory tools, guidelines and management models related to the scopes of Legislative Decree 254/2016, pp. 152-153	**NFI** - Main ESG risks and the related mitigation actions pp. 156-157	**AR** - Responsible and Sustainable Approach, pp. 6-7 **NFI** - Carbon neutrality by 2050, pp. 158-164
OPERATIONAL EXCELLENCE	**PEOPLE** *Art. 3.2, paragraphs c) and d)*	**AR** - Governance, pp. 34-43 **NFI** - People (employment, diversity and inclusion, training, industrial relations, welfare and work-life balance, health), pp. 165-170; Safety, pp. 171-172	**NFI** - Main regulatory tools, guidelines and management models related to the scopes of Legislative Decree 254/2016, p. 152-153	**NFI** - Main ESG risks and the related mitigation actions pp. 156-157	**AR** - Responsible and Sustainable Approach, pp. 6-7 **NFI** - People, pp. 165-170; Safety, pp. 171-172 ➤ **RR** - Executive Summary
	RESPECT FOR THE ENVIRONMENT *Art. 3.2, paragraphs a), b) and c)*	**NFI** - Respect for the environment (circular economy, air, waste, water, oil spills, biodiversity), pp. 172-178	**NFI** - Main regulatory tools, guidelines and management models related to the scopes of Legislative Decree 254/2016, pp. 152-153	**NFI** - Main ESG risks and the related mitigation actions pp. 156-157	**AR** - Responsible and Sustainable Approach, pp. 6-7 **NFI** - Respect for the environment, pp. 172-178
	HUMAN RIGHTS *Art. 3.2 paragraph e)*	**NFI** - Human Rights (security, training, whistleblowing), pp. 178-181 ➤ **CGR** - Responsible and Sustainable Approach	**NFI** - Main regulatory tools, guidelines and management models related to the scopes of Legislative Decree 254/2016, pp. 152-153	**NFI** - Main ESG risks and the related mitigation actions pp. 156-157	**AR** - Responsible and Sustainable Approach, pp. 6-7 **NFI** - Human Rights, pp. 178-181
	SUPPLIERS *Art. 3.1 paragraph c)*	**NFI** - Human Rights, pp. 178-181; Suppliers, pp. 182-183	**NFI** - Main regulatory tools, guidelines and management models related to the scopes of Legislative Decree 254/2016, pp. 152-153	**NFI** - Main ESG risks and the related mitigation actions pp. 156-157	**AR** - AR - Responsible and Sustainable Approach, pp. 6-7 **NFI** - Human Rights, pp. 178-181; Suppliers, pp. 182-183
	TRANSPARENCY, ANTI-CORRUPTION AND TAX STRATEGY *Art. 3.2 paragraph f)*	**NFI** - Transparency, anti-corruption and tax strategy, pp. 183-185	**NFI** - Main regulatory tools, guidelines and management models related to the scopes of Legislative Decree 254/2016, pp. 152-153 ➤ **CGR** - Principles and values. The Code of Ethics; Anti-Corruption Compliance Program	**NFI** - Main ESG risks and the related mitigation actions pp. 156-157	**AR** - Responsible and Sustainable Approach, pp. 6-7 **NFI** - Transparency, anti-corruption and tax strategy, pp. 183-185
ALLIANCES FOR DEVELOPMENT	**LOCAL COMMUNITIES** *Art. 3.2 paragraph d)*	**NFI** - Alliances for development, pp. 186-187	**NFI** - Main regulatory tools, guidelines and management models related to the scopes of Legislative Decree 254/2016, pp. 152-153	**NFI** - Main ESG risks and the related mitigation actions pp. 156-157	**AR** - Responsible and Sustainable Approach, pp. 6-7 **NFI** - Alliances for development, pp. 186-187

AR Annual Report 2021
CGR Corporate Governance and Shareholding Structure Report 2021
RR Report on remuneration policy and remuneration paid 2022

○ 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

The mission organically integrates the 17 SDGs to which Eni intends to contribute, aware that business development can no longer be separated from these. This cultural change constitues a continous drive towards continuous innovation, respect and promotion of human rights, considering diversity as a resource, integrity in business management and environmental protection. The mission confirms Eni's commitment to a Just Transition to guarantee access to efficient and sustainable energy by achieving the goal of 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 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, as underlined by the Third International Conference on Investment Financing for Development, organized by the United Nations in Addis Ababa in July 2015. 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. 34-43). 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, on March 8th, 2022 the Board of Directors 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.

The effects and management of the COVID-19 pandemic

COVID-19 and its impacts on people and communities have confirmed the importance of health and related issues as one of the priorities on global policy agendas. In this crisis scenario, the company has renewed its commitment to achieving the 2030 Agenda and has intervened on several fronts to manage the consequences of COVID-19, exploiting its expertise in order to protect the health of its employees and contractors. Eni has also worked in synergy with governments, institutions and local and international NGOs with the aim of preventing and countering the spread of the pandemic and minimizing its impact on local communities, both in Italy and abroad, and improving the resilience of the most vulnerable communities. Despite the scope and speed with which the pandemic spread, Eni intervened promptly, also by virtue of the experience gained managing past epidemics such as Sars-Cov-1 and Ebola, and thanks to the regulatory, organizational and operational tools it had already adopted in 2011 for the management of epidemic and pandemic events, implementing its own risk management model for Health, Safety, Environment, Security and Public Health and Safety. In continuity with last year, and based on the indications of the Crisis Unit, each employer has put in place the appropriate measures and operational actions with respect to its production unit taking into account the specificities of the work environments, to counter and contain the spread of the virus.
The main areas of activity were: (i) communication, information and training; (ii) hygiene and prevention; (iii) management and use of PPE (Personal Protective Equipment); (iv) sanitization of work environments; (v) reorganization of work arrangements and agile work; (vi) access to workplaces and aggregation areas; (vii) management of suspected and confirmed cases; (viii) health surveillance and protection of fragile workers; (ix) maintenance of essential services and business continuity plan. In 2021 all the activities continued with significant recourse to Smart Working (remote working), in fact office working was modulated according to the trend of the epidemiological curve (with a range of between 20% and 40% of attendances). During the year, Eni maintained a constant dialogue with the trade unions through the Covid-Committee organization, at various levels of the company organisation, for the implementation of measures suitable for protecting the health and safety of workers and ensuring the operational continuity of the assets. Also at international level, the industrial relations model continued with the constant updating and the appropriate studies – carried out by specific Covid Committees and within the EWC (European Works Council) Restricted Committee – of the pandemic situation in the various countries of presence and the main business developments. Additional and complementary actions have been activated in support of health institutions and important initiatives have been put in place in favour of Eni's people (see sections on People and Health, pp. 165-170) and in support of Community Health (see section on Alliances for Development, pp. 186-187). Finally, for more information on the impact of the pandemic on Eni operating performance, see pp. 97-98 and for impacts on non-financial indicators, see the Metrics and Performance Comments sections of the various topics covered in Non financial Declaration.

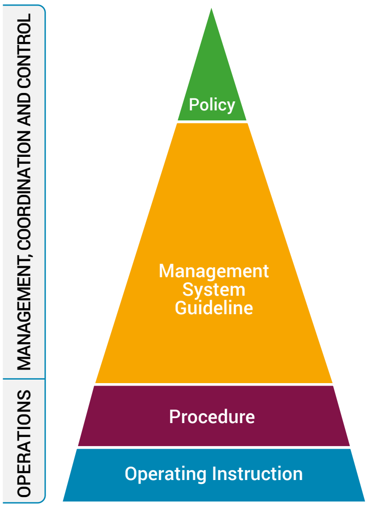
Main regulatory tools, guidelines and management models related to the scopes of Legislative Decree 254/2016

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 operational activities can be grouped into a map of processes functional to the Company's 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 principles[6] and the CoSO Report[7].

GENERAL OVERVIEW OF 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



10 policy approved by the BoD
- Operation excellence; Our tangible and intangible assets; Our partners of the value chain; Our institutional partners; The global compliance; Sustainability; Our people; Information management; The integrity in our operations; Corporate Governance.

50 Management System Guideline ("MSG"):
- **1 MSG of Regulatory System** defines the process for Regulatory System management;
- **36 MSG of Process** define the guidelines for properly managing the relevant process and the related risks, with an aim towards integrated compliance;
- **13 MSG of compliance and governance (approved by the BoD normally)** define the general rules for ensuring compliance with the law, regulations and corporate governance code: Code of commercial practices and advertising; Compliance model regarding corporate responsibilities for Italian Subsidiaries of Eni - WS Composition; Compliance model regarding corporate responsibilities for Foreign Subsidiaries of Eni; Corporate governance for Eni Companies; Internal Control and Risk Management System; Market Information Abuse (Issuers); Anti-Corruption; Antitrust; Eni's internal control system over financial reporting; Privacy and Data Protection; Economic and Financial Sanctions; Transactions involving the interests of the Directors and Statutory Auditors and Transactions with Related Parties; Market conducts and financial regulation

- Define the operational methods 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.

With regard to the types of instruments that make up the Regulatory System:
- the Policies, approved by the BoD, 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 area, 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 two following tables (p. 152-153), in addition to the Policies and the Code of Ethics, other Eni regulatory instruments approved by the CEO and/or the Board of Directors are also considered. On the other hand, the second table (p. 154-155) shows the management and organization models, including management systems, multi-year plans, processes and cross-functional working groups.

(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, 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.

Eni's policy and public positions on the issues of Legislative Decree 254/2016

CLIMATE CHANGE

CARBON NEUTRALITY BY 2050

GOAL ▸ Combat climate change

PUBLIC DOCUMENTS
Eni's responsible engagement on climate change within business association; Policy "Sustainability"; Eni's position on biomass; Strategic plan 2022-2025; 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;
- Develop and implement new technologies for the reduction of climate-altering emissions and more efficient energy production;
- 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.

PEOPLE

OPERATIONAL EXCELLENCE

GOAL ▸ Value Eni's people

PUBLIC DOCUMENTS
"Our People" and "The Integrity in Our Operations" policies; Eni's statement on Respect for Human Rights; Eni Policy Against Violence and Harassment at Work; Eni Code of Ethics.

PRINCIPLES
- Respect the dignity of each individual, valuing cultural, ethnic, gender, age, sexual orientation and different abilities;
- Support organizational models that enhance cooperation between people from different cultures, perspectives and experiences;
- Provide managers with tools and support for the management and development of people working for them;
- Identify knowledge instrumental to the Company's growth and promote its enhancement, development and sharing;
- Adopt fair remuneration systems that allow to motivate and retain people with skills that best suit the needs of the business;
- Prohibit all forms of violence and harassment at work within the company, without exception.

HEALTH AND SAFETY

OPERATIONAL EXCELLENCE

GOAL ▸ To protect the health and safety of Eni's people and contractors

PUBLIC DOCUMENTS
"Integrity in our Operations" Policy; Eni 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;
- Consider protection of health as a fundamental requirement and promote the mental and physical well-being of its people;
- 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.

RESPECT FOR THE ENVIRONMENT

OPERATIONAL EXCELLENCE

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

PUBLIC DOCUMENTS
"Sustainability"; "Integrity in our Operations"; "Eni Biodiversity and Ecosystem Services" policies; "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 Code of Ethics.

PRINCIPLES
- Consider, in project assessments and operations, the presence of UNESCO World Heritage Sites and other protected areas relevant to biodiversity, identifying potential impacts and mitigation actions (risk-based approach);
- Establish links between environmental and social aspects including the sustainable development of local communities;
- Promote sustainable water resource management;
- Optimise the control and reduction of emissions into the air, water and soil;
- Act in a sustainable way, minimising environmental impacts and optimising the use of energy and natural resources;
- Promote scientific and technological development aimed at protecting the environment.

HUMAN RIGHTS

OPERATIONAL EXCELLENCE

GOAL ▸ Protect human rights

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

PRINCIPLES
- Respect human rights in the context of company activities and promote their respect among employees, partners and stakeholders, also through training and awareness-raising activities;
- Ensure a safe and healthy working environment and working conditions in line with international standards and ILO Convention no. 190 on eliminating violence and harassment in the world of work;
- Take into account Human Rights issues, from the very first feasibility evaluation phases of projects and respect the distinctive rights of indigenous populations and vulnerable groups;
- Minimize the necessity for intervention by state and/or private security forces to protect people and assets;
- Select commercial partners that comply with the Eni Supplier Code of Conduct and that are committed to preventing or mitigating impacts on human rights, refuse all forms of forced and/or child labour.

SUPPLIERS

OPERATIONAL EXCELLENCE

GOAL ▸ Develop the sustainable supply chain

PUBLIC DOCUMENTS
Supplier Code of Conduct, Eni's position on Conflict Minerals; "Our Partners of the Value Chain" policy; Eni Code of Ethics; Eni statement on Respect for Human Rights; Eni's Slavery and Human Trafficking Statement.

PRINCIPLES
- Adopt accurate processes for the qualification, selection and monitoring of 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.

TRANSPARENCY, ANTI-CORRUPTION AND TAX STRATEGY

OPERATIONAL EXCELLENCE

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"; "Our Partners in the Value Chain" policy; Tax Strategy Guideline; Eni's position on Contracts Transparency; Eni Code of Ethics.

PRINCIPLES
- Carry out business activities with fairness, correctness, transparency, honesty and integrity and in compliance with the law;
- Prohibit bribery without exception;
- Prohibit offering, promising, giving, paying, directly or indirectly, benefits of any nature to a public official or private person (active corruption);
- Prohibit accepting, directly or indirectly, benefits of any kind from a Public Official or a private person (passive corruption);
- Ensure that all Eni employees and partners comply with anti-corruption regulations.

LOCAL COMMUNITIES

ALLIANCES FOR DEVELOPMENT

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

PUBLIC DOCUMENTS
"Sustainability" policy; Eni statement on Respect for Human Rights; Eni Code of Ethics; "Alaska Indigenous Peoples" policy.

PRINCIPLES
- Create growth opportunities and enhance the skills of people and local companies in the territories where Eni operates;
- Involve local communities in order to consider their concerns on new projects, impact assessments and development initiatives, also with reference to human rights;
- Identify and assess the environmental, social, economic and cultural impacts generated by Eni activities, including those on indigenous populations;
- Promote free, prior and informed consultation with local communities;
- Cooperate in initiatives to guarantee independent, long-lasting and sustainable local development.

CLIMATE CHANGE	▸ **Organization functional** to the energy transition process with two Business Groups: • Natural Resources, for the sustainable valorization of the Upstream Oil & Gas portfolio, for energy efficiency and CO_2 capture; • Energy Evolution, for the development of the production, transformation and marketing activities from fossil fuel based to bio, blue and green products. ▸ 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; ▸ **Management and development tools,** aimed at professional involvement, growth and updating, inter-generational and inter-cultural exchange of experiences, building of cross-cutting and professional managerial development pathways in core technical areas valuing and including diversity; ▸ Development of Innovative HR Management Tools; ▸ 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 system** based on an operational platform of qualified health providers and collaborations with national and international university and government institutions and research centres; ▸ **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; ▸ **System of health assistance** for the provision of health services consistent with the results of the analysis of needs and epidemiological, operational and legislative contexts;
SAFETY	▸ **Integrated** environment, health and safety **management system** for workers certified in accordance with the OHSAS 18001/ISO 45001 standard with the aim of eliminating or mitigating the risks to which workers are exposed during their work activities; ▸ **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; ▸ **Application of the ESHIA (Environmental Social & Health Impact Assessment) process** to all projects; ▸ **Technical meetings for analysing and sharing experiences on specific environmental and energy issues;** ▸ **Sustainable Procurement Programme (JUST):** a set of initiatives aimed at involving the entire supply chain in the measurement and management of the ESG performance of the Eni Supply Chain; ▸ **Site-specific circularity 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); ▸ Inter-functional activities on Business and Human Rights to further align processes with key international standards and best practices; ▸ **Human Rights Impact Assessment and Human Rights Risk Analysis** with a risk-based prioritization model for industrial projects;
SUPPLIERS	▸ **Sustainable Procurement process** designed to check suppliers' compliance with Eni requirements for reliability, ethical conduct and integrity, economic, technical-operational, health, safety, environmental and human rights protection and Technological-Digital excellence;
TRANSPARENCY, ANTICORRUPTION 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); ▸ **Anti-Corruption Compliance Programme:** system of rules and controls to prevent corruption crimes; ▸ **Recognition for the Eni SpA Anti-Corruption Compliance Programme:** certified pursuant to the ISO 37001:2016 standard; ▸ **Anti-corruption and anti-money laundering unit placed in the "Integrated Compliance" function** reporting directly to the CEO;
LOCAL COMMUNITIES	▸ **Sustainability liaison at local level,** who interfaces with the Company headquarters to define **Local Development Programmes** in line with national development plans integrating business processes; ▸ **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; ▸ **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, for the improvement of energy performance and already implemented at all major Mid-Downstream sites and being extended to all of Eni;
- **Organization of research and technological 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 in reference to their possible application in the process of redefining the energy mix, as well as the development of technologies for the use of new forms of energy or energy carriers with reduced or zero carbon footprint.

- **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;
- **National and international industrial relations management system:** participative model and platform of operating tools to engage employees 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 and the enhancement of services for employees and their families.

- **Health emergency preparedness and response,** including epidemic and pandemic response plans;
- **Health for communities and health impact assessment:** initiatives aimed at maintaining, protecting and/or improving the health status of communities;
- **Health promotion and communication** for the provision of health services consistent with the results of the analysis of needs and epidemiological, operational and legislative contexts.

- **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 environmental protection throughout their life cycle;
- **Methodology for the analysis and management of the Human Factor in accident prevention.**

- **International Environmental Legislative Analysis:** in-depth analysis of current national and international legislation by environmental matrix and definition of a Ranking of regulatory development for each Country analysed;
- **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.

- **Security management system** aimed at ensuring respect of human rights in all countries, particularly in high-risk countries;
- **Whistleblowing 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 Whistleblowing 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.**

- **Sustainable Procurement Programme (JUST):** a set of initiatives aimed at involving the entire supply chain in the measurement and management of the ESG performance of the Eni Supply Chain;
- **Vendor Development:** unit dedicated to the development of suppliers through the definition of growth and transformation paths in the fields of "Energy Transition and Sustainability", "Financial Economic Soundness" 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.

Main ESG risks and the 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, taking into account environmental, health and safety, social and reputational impacts. The results of the risk assessment, including the main ESG (Environmental, Social and Governance) risks, are submitted to the Board of Directors and the Control and Risk Committee on a half yearly basis. In the current context, which sees further increased global attention to climate change and and the emergence of jurisprudential trends on corporate liability for climate change, the climate change risk, already a top risk, remains relevant also in light of the management's commitment to achieve carbon neutrality goals and keep global warming within the threshold of 1,5°C. Although the progress of vaccination campaigns contributes to mitigating clinical risk, the non-uniform coverage rates and spread of new variants have kept biological risk among the Top Risks, assessed both as a risk to people's health and as a systemic risk able to influence the Eni risk portfolio as a whole and, in particular, market, country and operational risks. 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. For the potential effects of the Russia-Ukraine crisis, reference should be made to the paragraph entitled Possible consequences of the conflict between Russia and Ukraine in the Management report. In the new international scenario, Eni's strategy is aimed at ensuring the security and sustainability of the energy system while maintaining a clear focus on a fair energy transition and the creation of value for stakeholders. In this regard, during the Capital Markets Day on March 18, 2022, Eni in fact announced that it intends to accelerate the path to zero absolute net Scope 1+2+3 emissions with new reduction targets of -35% by 2030 and -80% by 2040 compared to 2018. For more information see the section Carbon Neutrality to 2050.

RISK MANAGEMENT MODEL

SCOPEOF LEGISLATIVE DECREE 254/2016	RISK EVENT	TOP RISK	MAIN TREATMENT ACTIONS
CROSS RISKS			
	Risks associated with research and development activities		**NFI -** Carbon neutrality, pp. 158-164; Safety, pp. 171-172; Respect for the environment, pp. 172-178.
	Cyber Security	■	**AR** - Integrated Risk Management, pp. 28-33; Internal control risks, pp. 143-144
	Relations with local stakeholders	■	**AR** - Integrated Risk Management, pp. 28-33; Risks related to political considerations, pp. 134-136; Risks associated with the exploration and production of oil and natural gas, p. 130 **NFI** - Alliances for development, pp. 186-187
	Political and social instability and Global security risk	■	**AR** - Integrated Risk Management, pp. 28-33; Risks related to political considerations, pp.134-136
CARBON NEUTRALITY BY 2050 **CLIMATE CHANGE** *Art. 3.2, paragraphs a) and b)*	**Climate change risk** • energy transition risks • physical risks	■	**AR** - Integrated Risk Management, p. 28-33; Safety, security, environmental and other operational risks, pp. 128-130; Climate change-related risks, pp. 138-143 **NFI** - Carbon neutrality by 2050 (risk management), pp. 158-164

■ Top risk

(8) For further details, refer to the Integrated Risk Management chapter on pp. 28-33.

RISK MANAGEMENT MODEL

	SCOPEOF LEGISLATIVE DECREE 254/2016	RISK EVENT	TOP RISK	MAIN TREATMENT ACTIONS
OPERATIONAL EXCELLENCE	**PEOPLE** *Art. 3.2, paragraphs c) and d)*	▸ **Biological Risk** i.e. the spread of pandemics and epidemics with potential impacts on people and health systems and business	■	**AR** - Integrated Risk Management, pp. 28-33; Risks associated with the exploration and production of oil and natural gas, p. 130; Operational risks and related HSE risks, pp. 128-130; COVID-19 emergency management, pp. 97-98
		▸ Risks regarding human **health** and **safety**: • Accidents involving workers and contractors • Process safety and asset integrity incidents	■	**NFI** - People, pp. 165-170, Safety, pp. 171-172
		▸ Risks related to the **competency portfolio**		
	RESPECT FOR THE ENVIRONMENT *Art. 3.2, paragraphs a), b) and c)*	▸ **Blow out**	■	**AR** - Integrated Risk Management, pp. 28-33; Risks associated with the exploration and production of oil and natural gas, p. 130; Safety, security, environmental and other operational risks, pp. 128-130; Risks related to Environmental, Health and Safety regulations and legal risks, pp. 137-138 **NFI** - Respect for the environment, pp. 172-178
		▸ Process safety and asset integrity **incidents**	■	
		▸ **Regulatory risk energy sector**	■	
		▸ **Permitting**	■	
		▸ **Environmental risks** (e.g. water scarcity, oil spills, waste, biodiversity)		
	HUMAN RIGHTS *Art. 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, human rights in local communities)		**NFI** - Human Rights (risk management), pp. 178-181
	SUPPLIERS *Art. 3.1 paragraph c)*	▸ Risks associated with procurement activities		**NFI** - Suppliers (risk management), pp. 182-183
	TRANSPARENCY, ANTI-CORRUPTION AND TAX STRATEGY *Art. 3.2 paragraph f)*	▸ Investigations and litigation regarding: • Environment, health and safety • Corruption ▸ Risks connected with Corporate Governance	■	**AR** - Integrated Risk Management, pp. 28-33; Risks related to legal proceedings and compliance with anti-corruption legislation p. 143 **CGR** - Internal control and risk management system **NFI** - Transparency, anti-corruption and tax strategy, pp. 183-185
ALLIANCES FOR DEVELOPMENT	**COMMUNITIES** *Art. 3.2 paragraph d)*	▸ Risks connected with local content		**AR** - Integrated Risk Management, pp. 28-33; Risks related to political considerations, pp. 134-136; Risks associated with the exploration and production of oil and natural gas, p. 130 **NFI** - Alliances for development, pp. 186-187

■ Top risk

CARBON NEUTRALITY BY 2050

Eni, aware of the ongoing climate emergency, wants to be an active part of a virtuous path of the energy sector to contribute to carbon neutrality by 2050, in order to keep average global warming within the threshold of 1.5°C at 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.

Leadership in disclosure – Transparency in climate related disclosure and the strategy implemented by the Company have enabled Eni to be confirmed, once again in 2021, as a leading Company in the Climate Change disclosure programme of the CDP. The A- rating achieved by Eni is higher than the overall average rating of B[9]. In addition, in 2021, TPI[10] assessment awarded Eni the highest rating for management quality in the strategic assessment of climate risks and opportunities, and recognised, for the first time in the assessment relating to carbon performance, the alignment of long-term emission targets with the more ambitious objective of the Paris Agreement to limit the increase in global average temperature to 1.5°C by the end of the century. In the same year, Carbon Tracker's[11] research on Integrated Energy Companies (IEC) placed Eni first among the peers for the completeness of the GHG emissions accounting methodology, the medium/long-term intermediate targets and the emission accounting boundary extended to the entire company.

Commitment to partnerships – Partnerships are one of the key elements of the decarbonization process, as Eni always collaborated with academia, civil society, institutions and companies to facilitate the energy transition. Eni's CEO sits on the Steering Committee of the "Oil and Gas Climate Initiative" (OGCI). Established in 2014 by 5 Oil & Gas companies, including Eni, OGCI now counts twelve companies, representing about one-third of global hydrocarbon production. To reinforce its commitment to reduce GHG emissions, OGCI announced in 2021 the new collective target of Net Zero Operations[12], which adds to the GHG emission intensity and methane intensity reduction targets of the Upstream assets, announced respectively in 2020 and 2018. In addition, Eni's commitment continued to the joint investment in a fund of over 1 billion dollars for the development of technologies to reduce GHG emissions throughout the energy value chain at a global scale and to promote, following the CCUS KickStarter initiative launched in 2019, wide-scale marketing of CO_2 capture, use and storage technology (CCUS). Eni also promotes the need for alignment among the methodologies for GHG reporting in order to make the Oil & Gas sector performances and decarbonization targets comparable. In this sense, Eni collaborates in the Science Based Target Initiative (SBTi), which is working on the definition of guidelines and standards applicable to the sector to define decarbonization targets in line with the objectives of the Paris Agreement.

Disclosure on Carbon neutrality by 2050 is organized according to the four TCFD thematic areas: governance, risk management, strategy and metrics and targets. In 2021, Eni was recognised by TCFD[13] as a best practice for disclosure regarding the potential impacts of climate change risks on its portfolio. The key elements of each area are presented below; please see Eni for 2021 - Carbon Neutrality by 2050[14]; report for a complete analysis; further details will be available through Eni's disclosure to CDP Climate Change questionnaire 2022.

(9) On an assessment scale from D (minimum) to A (maximum).
(10) Transition Pathway Initiative, an investor-led global initiative that assesses companies' progress in the low carbon transition. The report published in November 2021 is an update of the TPI assessment published in 2020.
(11) 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.
(12) Referred to Scope 1+2 emissions of the operated assets within the terms established by the Paris Agreement.
(13) Guidance on Metrics, Targets, and Transition Plans, p. 54, TCFD 2021.
(14) This report will be published in the occasion of the Shareholders Meeting.

TCFD RECOMMENDATIONS		AR 2021	2021 SUSTAINABILITY REPORT(*)
		Consolidated Disclosure of Non-Financial Information	*Addendum Eni For - Carbon neutrality by 2050*
GOVERNANCE			
Disclose the organization's governance around climate-related risks and opportunities.	a) Oversight by the BoD	√ Key elements	√
	b) Role of the management		√
STRATEGY			
Disclose the current and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	a) Climate-related risks and opportunities	√ Key elements	√
	b) Incidence of risks and opportunities linked to climate		√
	c) Resilience of the strategy		√
RISK MANAGEMENT			
Disclose how the organization identifies, assesses, and manages risks related to climate change.	a) Identification and assessment processes	√ Key elements	√
	b) Management processes		√
	c) Integration into overall risk management		√
METRICS & TARGETS			
Disclose the metrics and targets used to assess and manage risks and opportunities related to climate change where such information is material.	a) Metrics used	√ Key elements	√
	b) GHG emissions		√
	c) Targets		√

(*) The report will be released at the 2022 Shareholders' Meeting.

GOVERNANCE

Role of the BoD. Eni's decarbonization strategy is part of a structured system of Corporate Governance, in which the BoD and the CEO play a central role in managing the main aspects linked to climate change. Based on the CEO's proposal, the BoD examines and approves the Strategic Plan, which sets out strategies and targets, including those related to climate change and energy transition. Since 2014, the BoD has been supported in performing its duties by the Sustainability and Scenarios Committee (SSC), with whom it examines, on a periodic basis, integration between strategy, future scenarios and the medium/long-term sustainability of the business. During 2021, the SSC explored topics related to climate change in all meetings, including updates on the activities of the CFO Taskforce for SDGs, the hydrogen supply chain and technologies, the Open-es[15] platform, forestry activities, carbon pricing, Eni's commitment to safeguarding water resources, Eni's results in the ESG indexes and ratings (or sustainability ratings), the resolutions on climate and the assembly disclosures of the reference peers with a focus on "Say on climate"[16], the insights on the activities of Carbon Capture and Storage (CCUS) and human rights[17].

As from 2019, the BoD examines and approves Eni's short-medium, long-term plan, aiming to guarantee the sustainability of its business portfolio in a time frame up to 2050, in line with what is provided for in the Four-Year Strategic Plan. Furthermore, with reference to the composition of the Board, it is reported that on the basis of the self-assessment conducted, about 80% of the Board Members expressed their positive opinion on the professionalism within the Board – understood in terms of knowledge, experience and skills (with particular regard 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 consider to make to the Board of Directors in matters of sustainability, ESG and energy transition. The commitment of the entire Board is unanimously recognised on the issues of energy transition, climate change, sustainability and ESG, as well as the specific support of the Sustainability and Scenarios Committee – due to its specific functions, in terms of the quality and depth of the discussion both on ESG and sustainability issues and on those relating to energy transition

(15) For more information https://www.openes.io/it.
(16) Say on climate: the "Say On Climate" campaign, launched at the end of 2020, asks companies to put their Climate Action Plan to the advisory vote of the shareholders' meeting.
(17) For further information, please refer to the "Sustainability and Scenarios Committee" paragraph of the 2021 Corporate Governance Report.

and climate change – seeking to maintain continuity of training and discussion on these issues, which are unanimously seen in prospective growth, 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. Eni's economic and financial exposure to the risk deriving from the introduction of new carbon pricing mechanisms is examined by the BoD both during preliminary approval of the investment and in the following half-year monitoring of the entire project portfolio. The BoD is also informed annually on the results of the impairment test carried out on the main Cash Generating Units in the E&P sector and elaborated with the introduction of a carbon tax value aligned with IEA[18] Sustainable Development Scenario (SDS). From 2021, the IEA's Net Zero Emissions (NZE) scenario is included in the scenarios for portfolio evaluations (see pp. 138-143, par. "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.

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 sustainable valorization of the upstream Oil & Gas portfolio, in marketing of wholesale natural gas, in Natural Climate Solutions initiatives and projects of carbon storage and Energy Evolution, to support the development of the production, transformation and marketing activities from fossil fuel based to bio, blue and green products, also through the merge of the retail and renewable businesses. As of 2019, climate strategy issues are part of long-term planning and 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 2020-2022 Long-Term Stock-based Incentive Plan provides for a specific objective on issues of environmental sustainability and energy transition (total weight 35%), based on the targets related to decarbonization, energy transition and circular economy processes consistent with the objectives communicated to the market and with a view to aligning with the interests of all stakeholders.

The Short-Term deferral Incentive Plan (IBT) 2021 is closely linked to the Company's strategy, as it is aimed at measuring the achievement of annual objectives in line with Eni's new decarbonization targets. In particular, the upstream emission intensity on an equity basis is considered, which includes indirect emissions (so-called Scope 2) and non-operated activities. Starting from 2021, the IBT plan also includes the incremental renewable installed capacity KPI, replacing the one related with the exploration of resources, to support the energy transition strategy. Each of these targets is assigned to the CEO with a weight of 12.5% and to all the Company's managers according to percentages in line with the attributed responsibilities.

RISK MANAGEMENT

The process for identifying and assessing climate-related risks and opportunities is part of Eni's Integrated Risk Management Model developed to ensure that management makes decisions that take into account current and potential risks, including medium- and long-term risks, and with an integrated, comprehensive and prospective view. In light of the link between risk and opportunity management and Eni's strategic objectives, the IRM process starts with a contribution in defining Eni's medium- and long-term plan and four-year plan (objectives and actions with de-risking value), and continues with supporting their implementation through periodic risk assessments and monitoring cycles. The IRM 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. Risks are:

- assessed with quantitative and qualitative tools considering both the probability of occurrence and the impacts that will be determined in a given time frame should the risk occur;
- represented, based on the probability of occurrence and on the impact, by matrices that allow comparison and classification according to relevance.

Main risks and opportunities. Risks related to climate change are analysed, assessed and managed by considering the aspects identified in the TCFD recommendations, which refer both to the risks related to energy transition (market scenario, regulatory and technological evolution, reputation issues) and to physical risk (acute and chronic) associated with climate change. The analysis is carried out using an integrated and cross-cutting approach that involves specialist departments and business lines and considers the related risks and opportunities.

Market scenario. The global energy landscape is facing major challenges in the coming years, balancing the growth in energy consumption with the urgency of tackling climate change.

In order to model the evolution of the energy system in such context, the International Energy Agency (IEA) develops a series of reference scenarios, such as the Stated Policies (STEPS) and the Announced Pledges (APS)[19] and decarbonized

(18) International Energy Agency.
(19) STEPS includes all the policies implemented and planned by the Governments, while the APS considers the achievement of all the net zero objectives announced by the Governments within the scheduled timeframe.

scenarios that use a backcasting logic[20] to identify the actions required to achieve the main energy and sustainable development goals (including full access to energy and the limiting the global average temperature increase). Among these, in the Sustainable Development Scenario (SDS), considered by Eni as the main reference for assessing the risks and opportunities associated with energy transition, the global energy demand by 2040 is expected to decrease compared to today (-5.3% vs. 2019). The energy mix will move towards low carbon sources, with an increasing share of nuclear and intermittent sources that will increase from about 2% to 17% in 2040 and to 26% in 2050. Fossil sources will maintain a central role in the energy mix (Oil & Gas equal to 40% of the mix in 2040 vs. 53% in 2020). In particular, natural gas will count for about 20% in the energy mix as the fossil fuel with the best future perspectives both for integration with renewable sources and for replacement of other sources with higher environmental impact. In this scenario, although the demand for oil is expected to fall drastically (up to 47 Mb/g at 2050 vs. 97 Mb/d of 2019), significant upstream investments are still needed to compensate the decline in production from existing fields, although uncertainty remains on the influence that regulatory changes and technological breakthroughs could have on the scenario.

In 2021 IEA developed, for the first time, a path aimed at achieving carbon neutrality by 2050, in line with a temperature increase of 1.5°C by the end of the century (NZE2050). This path is based on levers such as electrification, efficiency and a radical change in consumer behaviour, which demand an immediate change in the energy paradigm. According to the NZE2050, in the next ten years, emissions may be reduced by existing technologies already established on the market, but in 2050 solutions that, at this time, are still in the prototype or demonstration phase and not yet available on a large scale will have to be adopted. Global energy demand by 2040 is expected to decrease compared to today (-13% vs. 2019), despite the projected doubling of the global economy and a population growth of 2 billion.

Regulatory developments. Adoption of policies suitable to sustain the energy transition towards low carbon sources could have significant impacts on the evolution of Eni's business portfolio. In particular, at COP26, a package of decisions (Glasgow Climate Act) was defined, representing an important step forward in the climate negotiations. Among the most important elements, the importance of relevance the increase in temperature to 1.5°C by the end of the century compared to the pre-industrial era is recognised, and to this end a goal has been defined of reducing global CO_2 emissions by 45% in 2030 vs. 2010 and achieving net zero "around the middle of the century". At the same time, several countries have announced net zero commitments that to date cover more than 90% of world emissions. In this context, the EU has also committed to achieving carbon neutrality by 2050 and has increased its GHG emission reduction target from 40% to 55% in 2030, making it binding with the Climate Law approved in June 2021. In the same year, the European Commission published the Fit for 55 package, which revises the main climate directives in line with the new 2030 target, within a broader review of its climate policies (i.e. the EU regulation on taxonomy and hydrogen and decarbonized gas packages).

Legal risk. Some public and private parties have begun proceedings, legal or otherwise, against the major Oil & Gas companies, including companies belonging to Eni's Group, deeming them responsible for the impacts related to climate change and human rights, as well as for so-called "greenwashing"[21]. Eni has long been committed to promoting a constant, open and transparent exchange of views on climate change and human rights issues which are an integral part of its strategy and therefore the subject of communications to all stakeholders. This commitment is part of a wider relationship that Eni has established with its stakeholders on important sustainability issues with initiatives on the subjects of governance, dialogue with investors and targeted communication campaigns, as well as participation in international initiatives and partnerships.

Technological developments. The need to build a final energy consumption model with a low carbon footprint will favour technologies for GHG emissions capture and reduction, production of hydrogen from gas as well as technologies that support methane emissions control along the Oil & Gas production chain. In this way it will be possible to aspire to a rapid and realistic transition from a predominantly fossil scenario to one with a low carbon footprint. Furthermore, technological evolution in the field of energy production and storage from renewable sources and in the field of bio-based activities will be a key lever for the industrial transformation of Eni's business. Scientific and technological research is therefore one of the levers on which Eni's decarbonization strategy is based which levers of action are described in the Strategy and Targets section.

Reputation. Awareness-raising campaigns by NGOs and other environmentalist organizations, shareholder resolutions during meetings, disinvestments by some investors, class actions by groups of stakeholders, are increasingly more oriented towards greater transparency on the tangible commitments of Oil & Gas companies towards energy transition.

In 2020, upholding requests from a number of investors, Eni published its guidelines on responsible engagement on climate change within business associations, in which it commits to periodically check the consistency of its climate and energy advocacy positions and those of the trade associations to which it belongs.

(20) Defined-objective scenario.
(21) For details on the proceedings, see pp. 293-296 the section "Civil and administrative proceedings in the matters of environment, health and safety".

Physical risks. Intensification of extreme/chronic weather phenomena in the medium/long-term could cause damage to plants and infrastructures, resulting in an interruption of industrial activities and increased recovery and maintenance costs. Regarding extreme phenomena, such as hurricanes or typhoons, Eni's current portfolio of assets, designed in accordance with applicable regulations to withstand extreme environmental conditions, has a geographical distribution that does not result in concentrations of high risk. With regard to more gradual phenomena, such as sea level rise or coastal erosion, vulnerability of Eni's assets affected by the phenomenon is assessed through specific analysis, as in the case of Eni's assets in the Nile Delta area, where the impact is however limited and it is therefore possible to plan and implement preventive mitigation interventions to counter the phenomenon. In parallel with its commitment to ensuring the integrity of its operations, Eni is active on Climate Change adaptation, also with regard to the socio-economic and environmental impacts in the Countries where Eni operates. To this end, Eni completed a project in 2021, in collaboration with FEEM (Fondazione Eni Enrico Mattei) and Pisa Institute of Management (IDM), for the assessment of the main risks/opportunities related to Climate Change, leading to the development of guidelines and measures that will provide methodological support for the identification and implementation of adaptation actions in Countries of interest to Eni.

STRATEGY AND OBJECTIVES

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 compatible with keeping global warming within the 1.5°C threshold at the end of the century. In 2022, Eni has accelerated its transformation strategy, which will leverage the integration of technologies, new business models and close collaboration with stakeholders to develop an increasingly broad offer of decarbonized solutions for its customers. Eni's decarbonization path towards net zero in 2050 is traced through clear targets inclusive of all GHG Scope 1+2+3 emissions, integrated and reinforced by new short and medium term targets that confirm Eni's commitment to further align the reduction trajectory to 1.5°C scenarios:

- -35% of Net GHG Lifecycle Emissions (Scope 1+2+3) @2030 vs. 2018, -55% @2035 and -80% @2040;
- -15% of Net Carbon Intensity of energy products sold @2030 vs. 2018 and -50% @2040;
- Net-zero Carbon Footprint Upstream (Scope 1+2) @2030, with a new target of reducing by 65% @2025 vs. 2018;
- Net-zero Carbon Footprint Eni (Scope 1+2) anticipated to 2035, with a new target of reducing by 40% @2025 vs. 2018.

The remaining 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 decarbonization objectives are in fact underpinned by an industrial transformation plan designed on concrete and economically feasible solutions, driven by already available technologies:

- reduction of hydrocarbon production in the medium term, with gradual growth of the gas share, which will reach more than 90% by 2050;
- conversion of traditional refining using circular economy hubs, with an increase in "bio" refining capacity to 6 mln ton by 2035, palm oil free starting from 2023;
- progressive increase in Plenitude's green electricity offerings as part of the growth in the customer base to 15 million with over 15 GW of installed renewable capacity by 2030 and reach 60 GW in 2050;
- business development for sustainable mobility with 30,000 EV charging points by 2025 and around 160,000 in 2050;
- progressive increase in the production of new energy carriers including hydrogen, which will contribute to about 4MTPA from 2050, and magnetic fusion, with the first operational plant expected in 10 years;
- development of CO_2 storage hubs for hard-to-abate emissions both from Eni and third-party industrial sites, reaching a storage capacity of over 50 $MtCO_2$ in 2050.

The evolution towards a portfolio of totally decarbonised products will be supported by a progressive growth of investments dedicated to new energy solutions and services, reaching 30% of total investments in 2025, 60% in 2030 and up to 80% in 2040.

In ten years, these activities will generate positive Free Cash Flow and reach 75% contribution to the group's cash flow from 2040.

For the next four-year period 2022-25, Eni has planned investments in decarbonisation, circular economy and renewables equal to approximately €9.7 billion, including scientific and technological research activities in these areas.

Eni is also committed to aligning its plans and investment decisions to its decarbonisation strategy, progressively reducing the share of expenditures dedicated to O&G activities, selecting investment projects according to strict emission thresholds and gradually eliminating investments in "unabated" activities or products as a necessary condition for achieving 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 whose interest rate is linked to the energy transition objectives announced by the company.

PERFORMANCE METRICS AND COMMENTS

Eni has historically been committed to reducing its direct GHG emissions and was among the first in the industry to define,

starting in 2016, a series of objectives aimed at improving the performances related to GHG emissions from operated assets, with specific indicators that illustrate the progress achieved to date in terms of reducing GHG emissions into the atmosphere.
In addition to these, in 2020 new targets 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 supply chain (Scope 1+2+3), according to a well-to-wheel approach. The resulting indicators therefore trace Eni's path towards carbon neutrality both in absolute terms (Net GHG Lifecycle Emisisons) and in terms of intensity (Net Carbon Intensity).

The performance of the **indicators relating to the medium/long-term targets** is shown below.

Net Zero GHG Lifecycle Emissions by 2050: the indicator refers to all Scope 1, 2 and Scope 3 emissions associated with Eni activities and products, along their value chain, net of offsets mainly by Natural Climate Solutions. In 2021, it increased mostly in relation to the resumption of activities following the health emergency and greater sales of Oil & Gas retail products.

Net Zero Carbon Intensity by 2050: 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 2021 it decreased by 2% compared to 2020 thanks to the increase of the gas share in the energy mix and the role of offsets.

These metrics are integrated by specific indicators to monitor operational emissions:

Net Zero Carbon Footprint upstream by 2030: 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 2021, the indicator is substantially stable as the slight increase in emissions was balanced by increased compensation through forestry credits for 2 $MtCO_2$eq.

Net Zero Carbon Footprint Eni by 2035: the indicator considers Scope 1+2 emissions from activities carried out by Eni and third parties, net of offsets mainly from Natural Climate Solutions. The indicator is substantially stable as the slight increase in emissions was partially balanced by increased compensation through forestry credits for 2 $MtCO_2$eq.

With specific reference to **short-term decarbonization targets,** defined on operated assets and accounted for on a 100% basis, the following is a summary of the results obtained in 2021 and the progress towards defined targets.

Reduction of the upstream GHG emission intensity index by 43% in 2025 vs. 2014: the upstream GHG intensity index, expressed as the ratio between direct Scope 1 emissions and operated gross production in 2021 was substantially stable compared to 2020. The trend is related to an increase in emissions mainly linked to emergency shutdowns in Nigeria and Angola and the resumption of onshore activities in Libya, partially offset by the reduction in fugitive emissions and a general optimisation of consumptions. In 2021, the index registered a value of 20.2 $tonsCO_2$eq./mgl boe, up 1% vs. 2020. The overall reduction vs. to 2014 is 25% and in line with the 2025 target.

Routine zero gas flaring in 2025 in upstream operated assets: in 2021, the volumes of hydrocarbons sent to routine flaring, equal to 1.16 billion Sm^3, increased by 12% compared to 2020, mainly due to the resumption of activities at the Abu-Attifel and El Feel plants in Libya, which had been shutdown for most of 2020. The overall reduction from 2014 is 31%, in line with the 2025 target.

Reduction of upstream methane fugitive emissions by 80% in 2025 vs. 2014: in 2021, upstream fugitive methane emissions amounted to 9.2 ktCH4, a reduction of 18% compared to 2020 thanks to the monitoring and maintenance activities as part of the LDAR (Leak Detection And Repair) campaigns that are carried out on a periodic basis. The overall reduction compared to 2014 is 92%, confirming the achievement starting 2019, of the 80% reduction target set for 2025.

Average improvement of 2% per year in 2021 compared to 2014 in the operational efficiency index: the target extends the GHG reduction commitment (Scope 1 and Scope 2) to all business areas with an overall Eni index which in 2021 was around 32 $tonsCO_2$eq./mgl kboe, slightly increased compared to 2020 mainly due to the resumption of activities, not yet fully operational. This effect was partially offset by energy efficiency projects started or completed during the year.

In 2021, Eni went ahead with its investment plan both in projects aimed directly at increasing energy efficiency in assets (€10M) and in development and revamping projects with significant effects on the energy performance of operations.

Overall, **direct GHG emissions deriving from the assets operated by Eni** in 2021 amounted to 40.1 million tons of CO_2eq., up 6% compared to 2020, mainly due to the resumption of activities in the upstream and gas transport, power and chemical sectors.

In 2021, the Renewables business grew significantly, reaching an installed capacity from renewable sources of 1,188 MW (more than triple the result of 2020). This acceleration, obtained mainly as a result of the recent acquisitions in Europe and the United States, has also been carried out with the broader perspective of integration with Plenitude's retail business, in order to exploit all the possible synergies between the two businesses.

Renewable energy production reached 1,166 GWh (about triple the result of 2020), due to the greater installed capacity (in particular thanks to recent plant acquisitions in Europe and the United States). Compared to 2020, the production of biofuels has declined due to stops at the biorefinery in Venice, in a less favourable scenario.

For 2021, the financial commitment of Eni in scientific research and technological development amounted to €177 million, of which 114 was spent on decarbonization and circular economy. These investments are related to energy transition, bio-refinement, green chemistry, production from renewable sources, reduction of emissions and energy efficiency.

KPIS RELATED TO MEDIUM-LONG TERM TARGETS[22]

		2021	2020	2019	Target
Net Carbon Footprint upstream (Scope 1+2)	(million tonnes CO_2eq)	**11.0**	11.4	14.8	UPS Net zero 2030
Net Carbon Footprint Eni (Scope 1+2)		**33.6**	33.0	37.6	Eni Net zero 2035
Net GHG Lifecycle Emissions (Scope 1+2+3)		**456**	439	501	Net zero 2050
Net Carbon Intensity (Scope 1+2+3)	(gCO_2eq./MJ)	**67**	68	68	Net zero 2050
Renewable installed capacity[(a)]	MW	**1,188**	351	190	60 GW 2050
Capacity of biorefineries	(milion tonnes/year)	**1.10**	1.11	1.11	6 million tonnes/year 2035

(a) This KPI represents Eni's share and relates primarily to Plenitude. 2020 and 2019 values have been appropriately restated.

KEY PERFORMANCE INDICATORS

		2021		2020	2019
		Total	*of which fully consolidated entities*	Total	Total
Direct GHG emissions (Scope 1)	(million tonnes CO_2eq.)	**40.08**	*25.24*	37.76	41.20
of which: CO_2 equivalent from combustion and process		**30.58**	*21.87*	29.70	32.27
of which: CO_2 equivalent from flaring[(a)]		**7.14**	*3.00*	6.13	6.49
of which: CO_2 equivalent from venting		**2.12**	*0.24*	1.64	1.88
of which: CO_2 equivalent from methane fugitive emissions		**0.24**	*0.12*	0.29	0.56
Carbon efficiency index (Scope 1 and 2)	(tonnes CO_2eq./kboe)	**31.95**	*46.12*	31.64	31.41
Direct GHG emissions (Scope 1)/100% operated hydrocarbon gross production		**20.19**	*23.12*	19.98	19.58
Direct GHG emissions (Scope 1)/Equivalent electricity produced (EniPower)	(gCO_2eq./kWheq)	**379.6**	*379.4*	391.4	394
Direct GHG emissions (Scope 1)/Refinery throughputs (raw and semi-finished materials)	(tonnes CO_2eq./ktonnes)	**228**	*228*	248	248
Methane fugitive emissions (upstream)	(ktonnes CH_4)	**9.2**	*4.5*	11.2	21.9
Volumes of hydrocarbon sent to flaring	(billion Sm^3)	**2.2**	*1.1*	1.8	1.9
of which: routine flaring		**1.2**	*0.4*	1.0	1.2
Indirect GHG emissions (Scope 2)	(million tonnes CO_2eq.)	**0.81**	*0.70*	0.73	0.69
Indirect GHG emissions (Scope 3) from use of sold products[(b)]		**176**	*N.A.*	185	204
Electricity produced from renewable sources[(c)]	(GWh)	**1,166**	*880*	393	61
Energy consumption from production activities/ 100% operated hydrocarbon gross production (upstream)	(GJ/toe)	**1.45**	*N.A.*	1.52	1.39
Net consumption of primary resources/ Equivalent electricity produced (EniPower)	(toe/MWheq)	**0.16**	*0.16*	0.17	0.17
Energy Intensity Index (refineries)	(%)	**116.4**	*116.4*	124.8	112.7
R&D expenditures	(€ million)	**177**	*177*	157	194
of which: related to decarbonization		**114**	*114*	74	102
First patent filing applications	(number)	**30**	*30*	25	34
of which: filed on renewable sources		**11**	*11*	7	15
Sold production of biofuels	(ktonnes)	**585**	*585*	622	256

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 the 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. 2020 and 2019 values have been appropriately restated.

(22) Indicators accounted for on an equity basis.

OPERATIONAL EXCELLENCE

The operational excellence model is based on the constant commitment to consolidating and developing skills in line with new business needs, enhancing its people in all areas (professional and non-professional), and ensuring health and safety, environmental protection, respect and promotion of human rights and attention to transparency and anti-corruption.

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. Eni's commitment on human rights has also included an instrument for monitoring of human rights in the workplace (see chapter "Human rights").

A CULTURE OF PLURALITY AND PEOPLE DEVELOPMENT

Eni's approach to Diversity & Inclusion (D&I) is based not only on the fundamental principles of non-discrimination and equal opportunities but on the active commitment to creating a working environment where different personal and cultural characteristics or orientations are considered a source of mutual enrichment and an indispensable element of business sustainability. Eni ensures that all its people are treated fairly regardless of any differences in gender, religion, nationality, political opinion, sexual orientation, social status, physical abilities, medical conditions, family circumstances and age and any other irrelevant aspects; furthermore, Eni aims to establish working relationships free from any form of discrimination, requiring that similar values are adopted by all third parties working with Eni. Diversity is in fact a resource to be safeguarded and enhanced both within the Company and in all relations with external stakeholders, including suppliers, commercial and industrial partners, as underlined by its mission and Code of Ethics. To develop the business strategy on D&I and coordinate the portfolio of initiatives, a unit dedicated to D&I issues was established in 2021. To identify the priority objectives in this area, listening initiatives have been activated by the top management (D&I as a strategic lever for business objectives) and Eni people (surveys, focus groups and the activation of a direct communication channel with the people concerned) to receive warning signals and thoughts on D&I. Activities for the inclusion and enhancement and development of diversity in the company are also ongoing, in particular Eni promotes cross professional exchange through a series of processes, including geographical mobility, as an important experience in the path of personal growth. The consolidation over the years of the processes of induction of new recruits, coaching, training and sharing of skills and best practices with local personnel has ensured continuity in operating activities, characterized by many returns to headquarters and few expatriates in recent years.
With regard to gender diversity, Eni pays particular attention to the promotion of initiatives to attract female talents at a national and international level, and to the development of managerial and professional growth paths for the women in the Company. In this context, Eni organizes initiatives for high school students in STEM (Science, Technology, Engineering and Mathematics) subjects, with a focus on gender equality (Think About Tomorrow) and participates in national and international initiatives[23] with the aim of constantly enhancing its processes and operating practices with a view to gender equality. These activities have continued throughout the year through the "dematerialization" of events and meetings that has allowed reaching places, people and realities inaccessible to date, breaking down language and geographical barriers.
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 the implementation of these policies, since 2011, Eni has annually monitored the remuneration gap between women and men, noting the substantial alignment of remuneration (total pay ratio Italy women vs. men equal to 101 for the fixed

(23) Inspiring Girls Project - International project against stereotypes about women; "Manifesto for women's employment" by Valore D - Programme document to enhance female talent in businesses promoted by Valore D and sponsored by the Italian Presidency of G7 and the Department for Equal Opportunities of the Italian Prime Minister's Office; Elis - Sistema Scuola Impresa Consortium; Fondazione Mondo Digitale; WEF - World Economic Forum; ERT - European Round Table.

salary and 98 for the total salary). 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 2022). Relating to the professional management of its resources, Eni has implemented managerial development and excellence pathways aimed at the core professional areas, which it supports through training activities, mobility initiatives, job rotation and development tools. Eni uses various assessment tools to support these pathways, including the annual review, the performance and feedback process with a focus on senior managers, middle managers and young graduates and soft skills assessment processes. 2021 also saw a reduction in mobility initiatives, especially international ones, however, the internal growth and development continued, held remotely. In 2021, the performance assessment and management review process covered 94% while potential assessment activities were 100% of the total programmed with an overall improving trend (+5 p.p. vs. 2020); finally, senior managers and middle managers were assessed using the Management Appraisal methodology.

TRAINING

Also in 2021, the commitment to training activities continued with a focus on transition and strategic and business development. In fact, to support the process of corporate transformation, the redevelopment process continued through upskilling and reskilling initiatives (in 2021, for example, a training project linked to the expansion contract was presented to the Ministry of labour and social policies, consisting of various training paths) to integrate new professional and behavioural skills necessary for the evolution of businesses, or for the challenges posed by technological evolution and the labour market. In order to support people to best contribute to the profound business transformation, two new training initiatives were developed in 2021: a leadership path aimed at managers and team leaders, the other open to all Eni people with the use of a Web App. HSE training initiatives also remain a priority for Eni through the timely provision of mandatory training and the provision of additional HSE training to support the Business. In addition, in May 2021 the new MyChange digital platform was created, as a support tool for Eni people for the change in progress, in which issues such as the Eni Mission, energy transition, the Sustainable Development Goals, Diversity & Inclusion and others are explored.

INDUSTRIAL RELATIONS

In December 2020, the protocol INSIEME, a model of industrial relations to support the energy transition path was signed with the national trade unions. With this protocol, Eni and the trade unions considered it increasingly important to accelerate the energy transition process and shared that this process will require a transparent sharing of information, goals and initiatives and for this reason they considered that an even more effective and participatory system of industrial relations is necessary to accompany the transformation processes that combine economic sustainability with the principles of environmental and social sustainability. In April 2021, the expansion contract was signed with the trade unions at the Ministry of Labour and Social Policies, which made it possible to promote generational change, with the introduction of new skills and new trades, significant investment for the training and retraining of Eni people, confirming the great strategic importance that the company attributes to skills. In October 2021, the new agreement for Smart Working in Italy was signed. With this agreement, organizational Smart Working was strengthened (providing for 8 days/month for office locations and 4 days/month for operational sites) with the addition of new types of Smart Working to support corporate welfare (described in the following paragraph). In the agreement, the workers' fundamental right to disconnection is ensured, introducing precise standards and basic measures to be respected for remote work in order to support the correct balance between working life and private life and avoid negative effects that the prolonged use of digital tools can determine on health and well-being, while trade union rights have been guaranteed, also operating remotely, also strengthening the measures to protect the safety of people.

In December 2021, the international industrial relations meetings and the 24th meeting of the EWC of Eni employees, the European Observatory for Health, Safety and the Environment and the annual meeting provided for by the Global Framework Agreement on International Industrial Relations and Social Responsibility of the Company on the issues of sustainability, decarbonization, health and safety of workers and with a focus on the theme of diversity & inclusion, for the enhancement of diversity, as an element of enrichment of experiences in the social and work context. During the meeting, the Agreement for integration into the GFA – Global Framework Agreement on International Industrial Relations and Corporate Social Responsibility – of ILO Convention No.190 and ILO Recommendation No. 206 on eliminating violence and harassment in the world of work was also signed.

CORPORATE WELFARE AND WORKLIFE BALANCE

Despite the difficult context, in 2021, continuity was guaranteed for services to people and a safe and compliant way of organizing initiatives.

In the 2021 agreement on Smart Working, described in the previous paragraph, new types of Smart Working have been introduced that can be requested by Eni people to support parenting, disability and that generally guarantee greater attention to the needs of employees at different stages of life: Smart Working to support pregnant women, “welcome kid” and new-parent Smart Working for mothers and fathers with children aged up to 3 years, “summer kid” Smart Working to support the management of children in the periods of school closure and Smart Working to protect their own health or that of their children. Finally, 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. The training/information paths dedicated to parents were also proposed again to support them in understanding a constantly redefining context, while the fragility service was confirmed, which through a contact centre provides support and advice to caregivers to tackle problems related to the management of elderly or dependent family members and for the care of children and young people with specific learning disorders. Also in 2021, Eni guaranteed support for working parents by offering a nursery school service by implementing all actions aimed at mitigating the risk of infection and protecting the safety and organization of summer camps with a revised proposal to ensure maximum protection for participants without affecting the quality of the proposals.

HEALTH

Eni considers health protection an essential requirement and promotes the physical, psychological 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 an operational platform that ensures services to its people, covering occupational health, industrial hygiene, traveller health, healthcare and medical emergency, as well as the assessment of the impacts of business operations on the health of communities, as well as health promotion initiatives for Eni people and the communities in which it operates. Eni's strategy for health management is oriented, in addition to maintaining and continuously improving health services, to: (i) enhancing access to assistance for all Eni people; interventions in favour of communities and emergency provisions to support situations of fragility created or aggravated by the pandemic; (ii) spreading the culture of health through initiatives in favour of workers, their families and communities identified downstream of risk assessment and impacts in the health field; (iii) implementing occupational medicine activities also in consideration of the risks inherent to new projects, industrial processes and the results of industrial hygiene activities; (iv) promoting the digitalization of health processes and services. In 2021, all of the Group companies continued the implementation of health management systems with the objective of promoting and maintaining the health and well-being of Eni people and ensuring adequate risk management in the workplace. Among the initiatives launched during the year, we also highlight those aimed at supporting the psychosocial well-being of Eni people, with the aim of creating an environment attentive to the quality of life, inside and outside the company: since February 1st, a psychological listening service has been launched, active 24 hours a day, 7 days a week, dedicated to Eni people both in Italy and abroad; since November 27 in conjunction with the international day against gender violence, a counselling service has been activated for victims of violence or gender harassment. In the critical global health context, Eni has implemented a series of prevention and assistance interventions in order to support those in the front line managing health emergencies and local health structures, also thanks to the numerous experiences in health projects gained in response to epidemic events around the world[24]. In fact, the Eni centre of competence for the management of health emergencies has supported the business units through: (i) epidemiological updates and new guidelines issued by international bodies, (ii) hygiene measures for the prevention and containment of outbreaks and epidemics/pandemics, (iii) clinical and care flow management best practices, vaccinations and recommendations for travel medicine and (iv) support in defining technical specifications for services related to emergency response.

PERFORMANCE METRICS AND COMMENTS

EMPLOYMENT AND DIVERSITY

Overview - Overall employment amounts to 31,888 people, of whom 20,632 in Italy (64.7% of Eni's employees) and 11,256 abroad (35.3% of Eni's employees). In 2021, employment at global level grew by 1,113 people compared to 2020, equal to +3.6%, with a decrease in Italy (-538 employees) and growth abroad (+1,651 employees). Employment growth is linked to Eni's development plans as part of the initiatives to support the energy transition, also through the acquisition of new companies operating in the renewable energy and circular economy sectors. Despite the discontinuity of the energy market, Eni continued to pursue its diversity objectives: in

(24) For health-related initiatives carried out in favour of the local community in Italy and abroad, see the chapter Alliances for development on pp. 186-187.

2021, the number of female employees grew by 1.6 percent compared to 2020, with simultaneous growth also in positions of responsibility (0.7 percent vs. 2020).

Hires - Overall, in 2021, 1,305 people were hired, 967 of whom with permanent contracts. About 81%[25] of permanent contracts involved employees up to the age of 40. Of the total number of hires, approximately 58% in DG Energy Evolution (total 754 of which 612 permanent and 142 permanent), 30% in the Natural Resources Department (total 389 of which 233 permanent and 156 fixed-term) and the remaining 12% in Support Function (total 162 of which 122 permanent and 40 fixed-term).

Terminations - 2,517 contracts were terminated (1,694 in Italy and 823 abroad), 2,275 of which were permanent contracts[26], and 27% regarded female employees. In 2021, 25%[25] of employees with permanent contracts who ended their employment were under 50 years of age. Eni's transformation process, which requires a strong skills turnover, is also reflected in the trend in the turnover rate, which in 2021 was the highest of the last 3 years (2019: 9.8%, 2020: 6.1%; 2021: 10.5%).

Diversity & Inclusion - In 2021, the percentage of female staff grew by 1.6% compared to 2020 and stood at 26.2%, divided as follows: 16.7% of executives, 28.5% of middle management, 30.1% of white collar workers, 14.7% of blue collar workers. The overall percentage of women on the control bodies of subsidiaries increased to 43% (37% in 2020), while the overall percentage of women on the management bodies of subsidiaries decreased slightly compared to the past to 24% in 2021 (26% in 2020). In 2021, the percentage of women in positions of responsibility rose to 27.3% compared to 26.6% in 2020, in all, women accounted for 26.22% of the total workforce. At Eni, 33% of the figures reporting directly to the CEO are women. There were 314 permanent female hires in 2021 out of 967, counting for 32.46%, down slightly on 2020 (approx. -2 p.p.).

The reason for this slight decrease is attributable mainly to the extraordinary plan of the 2021 redundancies carried out in Italy through the expansion contract that facilitated the termination of female staff together with a targeted and extremely selective recruitment of resources from the external market with priority on business sectors and critical activities (e.g. asset integrity, operational activities, etc.). In recent years, approximately 20% of resources holding positions of responsibility are non-Italian, with an increase of 2 p.p. in 2021 compared to 2020; this increase falls within the scope of professional development paths that provide for periods of activity in Eni offices in Italy or in countries other than the country of origin. Eni's population consists of 108 different nationalities.

Employment in Italy - There were 596 hires in Italy, of which 460 permanent contracts (32.4% women). The reduction in employment of -538 units (-3%), carried out through an extraordinary exit plan, together with a selective and punctual turnover plan, has allowed the population under 30 to increase by 4% in favour of a reduction in the senior age groups: the population over 50 has decreased by 1.5%. Again in Italy, in 2021 there were 1,694 terminations, 1,658 of whom were permanently employed (of which 26% women). Overall, in Italy at the end of 2021 there was a replacement ratio between new hires and terminations of approximately 1:3.6 (1 hire vs. 3.6 terminations).

Employment abroad - Average presence of local employees abroad is constant and around 86% in the last three years on average, that confirms Eni commitment to local content through the engagement of local communities in its business activities in the Countries. Use of expatriate personnel is limited to specific expertise and competences hardly available in the Country. Abroad, in 2021, there were 709 new hires, of which 507 with permanent contracts (32.5% women). The population of employees under the age of 30 has doubled (in part due to the Finproject acquisition).
The balance between hires and terminations abroad at the end of the year was -114 (+709 hires and -823 terminations) and this trend is also attributable to contractual terminations of international resources employed in the E&P business. There were 823 terminations, 617 of whom permanently employed. Of these, 40%[25] regarded employees under the age of 40, and 29%[25] were women. Abroad, there was an increase of 1,651 resources compared to the previous year (+17.2%), mainly referring to +1,624 local resources (+19.5%), Italian expatriates +24 (+2.5%) while the number of international expatriates remained substantially stable +3 (+1%). The growth in local personnel is mainly due to extraordinary M&A operations. A total of 1,305 expatriates work abroad (992 Italians and 313 international expatriates).

Employment by business line - About 35% of permanent hires were in the chemical sector, which has strengthened both in countries with traditional activities (e.g. France, UK, Hungary) and in countries with new activities (e.g. Mexico, India, Romania, Vietnam). Growth also concerned the Retail G&P (France and Greece) and GT/R&M (UK, Germany and Ecuador) business areas, which further consolidated their competitive structure. Terminations mainly concerned the Upstream (30%), Chemical (24%) and GT/R&M (18%) businesses.

(25) Figures not including Finproject group acquired during Q4 2021.
(26) Of these, about 68% were for retirement and 26% for resignation.

Average age - The average age of Eni's people in the world is 45.1 years (46.4 in Italy and 42.8 abroad): 49.3 years (50.1 in Italy and 47.2 abroad) for senior and middle managers, 44.4 years (45.5 in Italy and 42.3 abroad) for white collars workers and 41.9 years (40.7 in Italy and 43.9 abroad) for blue collars workers.

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 41.6%. 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 policies worldwide.

TRAINING

In continuity with 2020, 2021 was still marked by a predominance of distance learning compared to that in the classroom, continuing to manage the pandemic emergency (67% as in 2020). The total hours of training remained stable compared to 2020 (-0.3%) with an increase in average expenditure due to an increase in the training courses designed for Businesses to also respond to the needs of the expansion contract.

HEALTH

In 2021, the number of health services sustained by Eni was 379,481, of which 261,618 for employees, 43,835 for family members, 70,970 for contractors and 3,058 for others (e.g. visitors and external patients). The number of participants in health promotion initiatives in 2021 was 158,784, of whom 85,776 were employees, 58,031 contractors and 14,977 family members. As concerns occupational illnesses, in 2021 there were 30 claims, of which 7 related to current employees and 23 related to former employees. Of the 30 occupational disease claims submitted in 2021, 4 were submitted by heirs (all relating to former employees).
Finally, in 2021, with the aim of assessing the potential impacts of the projects on the health of the communities involved, Eni completed 10 HIAs (Health Impact Assessment), of which 7 were integrated ESHIA preliminary studies (Environmental, Social and Health Impact Assessment) and 3 as integrated ESHIA.

KEY PERFORMANCE INDICATORS

		2021	2020	2019
Employees[a]	(number)	**31,888**	30,775	31,321
Women		**8,360**	7,559	7,590
Italy		**20,632**	21,170	21,078
Abroad		**11,256**	9,605	10,243
Africa		**3,189**	3,143	3,371
Americas		**1,731**	925	1,005
Asia		**2,786**	2,432	2,662
Australia and Oceania		**88**	87	88
Rest of Europe		**3,462**	3,018	3,117
Under 30[b]		**2,587**	2,037	2,315
30-50[b]		**17,302**	17,225	16,646
Over 50[b]		**11,999**	11,513	12,360
Local employees abroad	(%)	**88**	87	81
Employees by professional category:				
Senior managers	(number)	**966**	965	1,021
Middle managers		**9,113**	9,172	9,387
White collars		**15,554**	15,941	16,050
Blue collars		**6,255**	4,697	4,863
Employees by educational qualification:				
Degree		**15,583**	15,345	15,375
Secondary school diploma		**13,564**	12,826	13,184
Less than secondary school diploma		**2,741**	2,604	2,762
Employees with permanent contracts[c]		**31,111**	30,165	30,571
Employees with fixed term contracts[c]		**777**	610	750
Employees with full-time contracts		**31,423**	30,290	30,785
Employees with part-time contracts[d]		**465**	485	536
New hires with permanent contracts		**967**	607	1,855
Terminations of permanent contracts		**2,275**	1,323	1,198
Turnover rate[e]	(%)	**10.5**	6.1	9.8
Local senior managers & middle managers abroad		**18.03**	19.13	16.65
Non-italian employees in positions of responsibility		**20.6**	18.6	17.3
Seniority				
Senior managers	(years)	**22.77**	23.21	22.78
Middle managers		**19.59**	20.40	20.00
White collars		**16.56**	17.03	16.73
Blue collars		**13.23**	14.15	13.55
Presence of women on the management bodies of Eni subsidiaries	(%)	**24**	26	29
Presence of women on the Boards of Statutory Auditors control bodies of Eni subsidiaries[f]		**43**	37	37
Training hours	(number)	**1,037,325**	1,040,119	1,362,182
Average training hours per employee by employee category[g]		**33.8**	33.3	43.6
Senior managers		**34.7**	28.3	51.0
Middle managers		**35.7**	31.8	42.0
White collars		**32.8**	35.9	43.9
Blue collars		**33.9**	28.4	44.3
Average training and development expenditure per full time employee[g]	(€)	**895.8**	716.1	1,070.8
Employees covered by collective bargaining	(%)	**81.6**	83.40	83.03
Italy		**100**	100	100
Abroad		**41.6**	41.78	40.91
Occupational illnesses allegations received	(number)	**30**	28	73
Employees		**7**	7	9
Previously employed		**23**	21	64

(a) The data differ from those published in the Financial Report (see p. 18), because they include only fully consolidated companies.
(b) The 2020 and 2019 values have been appropriately restated to comply with the GRI 405-1 requirement related to changing age groups.
(c) Net of extraordinary M&A operations, the breakdown of fixed-term/permanent contracts does not vary significantly either by gender or by geographical area with some exceptions including China and Mozambique where it is common practice to hire local fixed-term resources and then stabilise them over a period of 1-3 years.
(d) There is a higher percentage of women (5% of the total number of women) with part-time contracts, compared to men, about 0.2% of the total number of men.
(e) Ratio of the number of Hires + Terminations of permanent contracts and the permanent employment contracts of the previous year.
(f) For abroad, only the companies in which a supervisory body similar to the Board of Statutory Auditors under Italian law operates were considered.
(g) The 2020 data has been updated due to an error in the formula used for the calculation.

Safety

Eni is constantly engaged 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. In 2021, several projects and initiatives were promoted mainly focused on the following issues: (i) behavioural safety and Human Factor, with the application at the operating sites of an Eni methodology (THEME), developed in collaboration with the University of Bologna, to identify and analyze incorrect behaviours and habits, including the cultural and organizational components, that characterize and influence the action of workers, and strengthen the role of the person as an active agent and first barrier in preventing any incidental event; (ii) Digital Safety, through the creation of digital tools to promote the HSE culture, facilitate the activities in the field and support the analysis and reporting of HSE risks; (iii) Process Safety Fundamentals, widespread dissemination, through in-depth sessions dedicated to employees and contractors, of the 10 Eni rules on the safety of processes and assets. In addition to these innovative activities, Eni continued to pay particular attention to reinforcing safety during activities at operating sites, further standardizing in special regulatory instruments, valid for all Eni entities, the minimum basic principles to be applied in the most critical activities and developing training courses to increase operators' knowledge and awareness of the minimum safety requirements. Regarding the **management of contractors,** the 147 people of the Safety Competence Centre (SCC)[27] continued to proactively monitor and support the process of improvement of companies towards management models characterised by a safety culture that is more preventive than reactive, monitoring over 2,500 suppliers, equal to 70% of those with potential HSE criticalities in Italy, and managing the anomalies detected with immediate corrective actions and sharing innovative good practices. In addition, agreements (so-called "Safety Pacts") were developed with various contractors operating in Nigeria, Tunisia, Congo and Mexico. Furthermore, Eni applies the **Asset Integrity** process to its assets and ensures they are well-designed, well-built and with the most appropriate materials, well run, and decommissioned properly, by managing residual risk with the aim of guaranteeing maximum reliability and, above all, safety of people and the environment. The Asset Integrity Management System develops from the initial design stage (Design Integrity), to procurement, construction, installation and testing (Technical Integrity) through to operational and decommissioning (Operating Integrity). During 2021, Eni continued the organization of initiatives to further promote the Asset Integrity culture with a cross and widespread approach, also including the new energy transition supply chains. With regard to **industrial hygiene**, great attention was paid to the identification and management of personal protective devices (PPE) and various specific training initiatives were promoted for workers. Within the emergency field, particular attention was paid to the prevention and management of emergencies induced by natural risks and in November 2021 a Memorandum of Understanding was signed with the Department of Civil Protection, to further strengthen cooperation relationships and define specific emergency plans for each type of risk with an impact on the continuity of energy supply on the national territory. The main company objectives in 2021 in terms of industrial safety and hygiene were: (i) the improvement of the SIR (Severity Incident Rate), an internal Eni index weighted against the level of severity of accidents and used in the short-term incentive plan of the CEO and managers with strategic responsibilities, in order to focus Eni's commitment on reducing the most severe accidents; (ii) the consolidation of the Safety Culture Programme, an indicator that monitors the level of pro-activity through aspects of preventive safety management; (iii) the application of the methodology for analysing the human factor THEME in operational sites; (iv) the dissemination and application of Eni risk management tools on operational sites; (v) the continuation of the dissemination of the 10 Process Safety Fundamentals; (vi) the extension on all Eni sites of projects that apply new technologies and new digital devices to support safety; (vii) the strengthening of oversight in specific areas of industrial hygiene.

PERFORMANCE METRICS AND COMMENTS

In 2021, the total recordable injury frequency ratio (TRIR) of the workforce improved compared to 2020 (-4%), thanks to the performance recorded by contractors (-10%), while the employee ratio deteriorated due to the increase in the number of accidents (33 compared to 30 in 2020).
The ratio for injuries at work with serious consequences is null, since there were no events falling into this category (i.e. no injuries with more than 180 days of absence or with consequences such as total or partial permanent disability). In addition, no fatal accidents were recorded.

(27) Eni Centre of Excellence on Safety, which supports Eni industrial sites in Italy and abroad in the coordination and supervision of contract work.

In Italy, the number of total recordable injuries increased (35 events compared to 27 in 2020, of which 21 employees and 14 contractors) and the total recordable injury frequency ratio (TRIR) deteriorated (+26%); abroad, the number of injuries decreased (53 events compared to 64 in 2020, of which 12 employees and 41 contractors) and the total recordable injury frequency ratio improved by 17%.

KEY PERFORMANCE INDICATORS

		2021		2020	2019
		Total	*of which fully consolidated entities*	Total	Total
TRIR (Total Recordable Injury Rate)	(total recordable injuries/hours worked) x 1,000,000	**0.34**	*0.46*	0.36	0.34
Employees		**0.40**	*0.53*	0.37	0.21
Contractors		**0.32**	*0.42*	0.35	0.39
Number of fatalities as a result of work-related injury	(number)	**0**	*0*	1	3
Employees		**0**	*0*	0	1
Contractors		**0**	*0*	1	2
High-consequence work-related injuries rate (excluding fatalities)	(high-consequence work-related injuries/hours worked) x 1,000,000	**0**	*0*	0	0.01
Employees		**0**	*0*	0	0
Contractors		**0**	*0*	0	0.01
Near miss	(number)	**780**	*565*	841	1,159
Worked hours	(million of hours)	**256.5**	*155.2*	255.1	334.2
Employees		**82.9**	*54.3*	81.8	92.1
Contractors		**173.6**	*100.9*	173.3	242.1

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. For Eni, **environmental culture** is an important lever for the correct management of environmental issues and for this reason in 2021 it continued with the awareness-raising activities that involved the operating sites (with surveys on environmental culture for employees, information sessions and site-specific interventions on Environmental Cultural Engagement) and environmental communication launched in 2020, to raise awareness among all employees and strengthen commitment. During the year, about 2,000 people participated in the "Together for the environment" training course and about 300 people were updated on environmental risks; the new Eni methodology for integrated risk assessment common to the entire company was also presented via webinars in Italy and abroad. In addition, the **Environmental Golden Rules** were also developed and issued in 2021, to promote virtuous behaviours of employees and suppliers, and the campaign for their promotion among all Eni people, as well as suppliers, whose activities must reflect Eni values, commitment and standards. During the year, the dissemination of environmental culture led to the signature of 15 **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 digitisation** 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. For example, the Easy Permit platform has been developed in the main operating sites to support the management of regulatory obligations, requirements and deadlines deriving from environmental authorization processes.

The transition path towards a **circular economy** represents for Eni one of the main responses to current environmental challenges, through the promotion of a regenerative model. This approach is based on the revision of the Company's production processes and the management of its assets, reducing the withdrawal of natural resources in favour of materials from renewable sources in favour of sustainable inputs, reducing and enhancing waste through recycling or recovery actions and extending the useful life of products and assets through reuse or reconversion actions; in the case of CO_2, also removing and offsetting the residual part present in the atmosphere. For example, the conversion of refineries to biorefineries plays a central role for the total decarbonization of products and processes by 2050; it is also expected that by 2023 palm oil will no longer be used in production cycles, replaced by alternative (e.g. used and frying food oils, animal fats and waste from the processing of vegetable oils) and advanced products (e.g. lignocellulosic material, and bio-oils). The production of biomethane also falls within the context of the circular economy, allowing the enhancement of agricultural and livestock waste and waste water. Eni has also developed the Waste to Fuel technology for the transformation of organic biomass into bio-oil and biomethane with recovery of the water naturally contained in the wet waste. The bio-oil produced can be mixed in the low-sulphur fuel for maritime transport or refined to obtain biofuels, while the recovered water can be used for industrial purposes. Eni has also developed a Circularity analysis model, 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.

Eni's **waste management** pays particular attention to the traceability of the entire process and to the verification of the parties involved in the disposal/recovery chain, in order to ensure compliance with regulations and the environment. Eni also envisages that all feasible solutions aimed at waste prevention should be sought. Almost all Eni waste in Italy is managed by Eni Rewind[28] which in 2021 continued the digitalization project launched in 2020 for the efficiency and monitoring of its waste management process.

In order to limit the negative impacts related to waste (e.g. loss of resources, possible contamination of environmental matrices due to possible unapproved management, impacts related to transport and treatment at the destination plants), 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.

With reference to **water resources,** Eni operates efficient management by evaluating the use of water and the impacts of its activities on water resources for the benefit of the ecosystem, other users and the Company itself. Eni, especially in stressed areas, 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, also involving suppliers throughout the procurement process, from selection and qualification to the award of the contract. In 2021 Eni published its own position on water resources[29], 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 to seek a stewardship for optimal water management also beyond the industrial boundary, integrated into the territory and able to minimise the exposure of its activities to water risk, through an integrated approach at river basin level. In terms of transparency, also in 2021 Eni gave a public response to the CDP Water Security questionnaire, confirming the A- score obtained last year.

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. In the area of prevention, in Italy the e-vpms®[30] system was installed on the pipeline that connects the Val d'Agri Oil Centre to the Taranto Refinery and the maintenance and technological update of this system on the pipeline network in Val d'Agri, and on other installations, were completed. In Val d'Agri the advance weather warning monitoring, Kassandra Meteo Forecast[31], was also implemented, applied not only to the continuous control of pipeline losses, but also to hydrogeological risks, the management of water discharges and the monitoring

(28) 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 those derived from remediation activities, through sustainable remediation and recovery projects, both in Italy and abroad.
(29) https://www.eni.com/assets/documents/eng/just-transition/2021/eni-e-acqua-eng.pdf
(30) 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 and interference from third parties. The technological update covered aspects of digitalization and remote diagnostics.
(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).

of agricultural crops. In Nigeria, where the e-vpms® system is already operational on the Kwale-Akri and Ogboinbiri-Tebidaba pipelines, the technological update programme for the e-vpms® system began, while on the trunkline from Clough Creek to Tebidaba (52 km), installation work will continue in 2022. In the meantime, a plan was launched to extend monitoring to the production network. As part of the sustainable recovery of places that have been sabotaged, remediation work is also being carried out using a technology that makes use of plant species (phyto-remediation) and the use of these plants is also being assessed for the production of hydrogen from biomass and for the treatment of both industrial waste water and contaminated groundwater. Finally, on the R&D front, experiments continued with various technologies, including those for monitoring the integrity of pipelines and fluid storage tanks and tank interconnection piping. In addition, the development of a methodology for assessing the risks deriving from natural events, such as landslides, floods and seismic events, which may involve pipelines, has been launched. Collaborations continued with IPIECA and IOGP[32] in order to strengthen the capacity to respond to marine pollution, both through the updating and dissemination of Good Practices on Oil Spill Preparedness & Response and in the context of the regional initiative Global Initiative for West, Central and Southern Africa[33], in 2021 some information events were held to increase and raise awareness among stakeholders on the preparedness and response to emergencies, also with the participation of staff from the foreign branches. Finally, asset monitoring continued within the framework of the OSPRI - Oil Spill Preparedness Regional Initiative[34], in the Caspian Sea, Black Sea and Central Eurasia regions.

Eni's commitment to Biodiversity and Ecosystem Services (BES) is an integral part of the Integrated HSE Management System, confirming its awareness of the risks for the natural environment resulting from its sites and activities. Operating on a global scale in environmental contexts with different ecological sensitivities and regulatory systems, Eni has adopted a specific BES management model that has evolved over time thanks also to long-term collaborations with recognized international organizations that are leaders in biodiversity conservation. The BES management model is aligned with the strategic objectives of the Convention on Biological Diversity (CBD) and ensures that the interactions between environmental aspects (such as BES, climate change, water management) and social aspects (such as the sustainable development of local communities) are identified and managed correctly from the early planning stages. Through the application of the Mitigation Hierarchy, Eni gives priority to preventive measures over corrective ones with the primary objective of no net loss of biodiversity. The active involvement of stakeholders is fundamental for the implementation and continuous improvement in the management of the BES issue and ensures the effective application of the Mitigation Hierarchy. Consultation and collaboration with local 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 their needs. The involvement of key stakeholders is an inclusive and transparent process that takes place from the early stages of a project and continues throughout its life cycle. Eni biodiversity risk exposure is periodically assessed by mapping the 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 mitigated through Action Plans, thus ensuring effective management of risk exposure. Moreover, since 2019, Eni has committed not to conduct oil and gas exploration and development activities within the boundaries of Natural Sites included in the UNESCO World Heritage List. This commitment confirms the Biodiversity and Ecosystem Services Policy that Eni has been following for a long time in its operations, in line with the corporate mission, and reaffirms both its approach to nature conservation in every area with a high biodiversity value and the spread of good management practices in joint ventures where Eni is not operator. In 2020, Eni adhered to the "Together with Nature" principles, committing, in addition to recognizing the close link between climate change and biodiversity loss, to minimizing risks and maximizing efforts to protect and conserve existing ecosystems through the application of Nature-based Solutions, based on rigorous ecological principles.

PERFORMANCE METRICS AND COMMENTS

In 2021, seawater withdrawals were overall down 4%, due to the significant decrease recorded at the R&MeC sector (-188 Mm^3) for the maintenance shutdown at the Brindisi petrochemical plant and due to the end of the functionality tests on the seawater network that in 2020 had led to an

(32) IPIECA - Association of sustainability on environmental and social issues in the Oil & Gas sector; IOGP - Association of upstream Oil & Gas producers for sharing best practices on sustainability issues.
(33) Collaboration between the International Maritime Organization (IMO) and IPIECA to improve the capacity of partner Countries to prepare for and respond to marine oil spills.
(34) Founded by a group of oil and gas companies, including Eni, it aims to encourage and support industry and governments in adopting proven, credible, integrated and sustainable oil spill response capabilities at national, regional and international levels.

increase in the related withdrawals. Freshwater withdrawals, accounting for about 7% of total water withdrawals and over 73% attributable to the R&MeC sector, increased by 10%. The trend is mainly attributable to the petrochemical plant in Mantua (+7 Mm^3) where the withdrawals returned to normal after the minimum of 2020 linked to the stress tests carried out on site to verify which could be, in favourable conditions, the minimum consumption of the plant. Eni's freshwater reuse rate in 2021 remained stable at 91%. The E&P sector's produced water re-injection rate increased to 58% (53% in 2020), thanks to the complete resumption of re-injection activities in Congo (Loango and Zatchi) and Libya (Abu-Attifel and El Feel). Analysis of the stress level of hydrographic basins[35] and further studies carried out locally shows that freshwater withdrawals from areas under stress account for 1.5% of Eni total water withdrawals in 2021 (data unchanged compared to 2020). In 2021, in particular, Eni withdrew 125 Mm^3 of freshwater, of which 25.9 Mm^3 from water-stressed areas (11.9 Mm^3 from superficial water bodies, 6.1 Mm^3 from groundwater, 2.6 Mm^3 from third parties, 3.5 Mm^3 from urban net and 1.8 Mm^3 from TAF). Onshore produced water in water-stressed areas was 22.7 Mm^3. In 2021, Eni discharged 94 Mm^3 of freshwater, of which 19 Mm^3 in water-stressed areas, equal to 20% as in 2020. In 2021 Eni's freshwater consumption was 40 Mm^3 (of which 12 Mm^3 in water-stressed areas).

Spilled barrels following operational **oil spills** increased by 41% compared to 2020 due to a spill of almost 900 barrels at the Gela Refinery, due to an error during oil transfer operations from tanks to ships (more than half of the barrels have already been recovered). 73% of the barrels spilled are attributable to activities in Italy, 15% to Nigeria. Overall, 51% of the operational oil spill volumes were recovered. With regard to sabotage events, in 2021 there was an increase in events (+13% compared to 2020), but almost half of the barrels spilled (-48% compared to the previous year). All the sabotage events took place in Nigeria, where the quantities spilled decreased by 31% compared to the previous year and 83% of the volumes were recovered.

Volumes spilled as a result of chemical spills (68 total barrels) are mainly attributable to Versalis' activities, in particular for an event that occurred at the Grangemouth plant with a loss of 55 barrels. In 2021, volumes spilled from operating spills impacted 97% soil and 3% water bodies, while those from sabotage impacted 99.8% soil and 0.2% water bodies.

Waste generated by Eni from production activities in 2021 increased by 19% compared to 2020, due to the growing contribution of both non-hazardous waste (equal to 78% of the total) and hazardous waste. The increase is mainly linked to the E&P sector (which accounts for over 88% of Eni waste), where a total of over 334,000 tonnes more were generated compared to 2020, in line with the progressive resumption of activities after the COVID-19 emergency. In the E&P sector, drilling activities in Egypt, the USA, Vietnam, Mexico and Norway also had an impact. Plenitude & Power and R&MeC also contributed to the growing trend of non-hazardous waste, in particular the EniPower plant in Ravenna (construction of new temporary waste storage and start of piling-foundations of the new boiler) and the Taranto refinery (progress of the Tempa Rossa project). In 2021, recovered and recycled waste increased by 15% compared to 2020, representing 11% of the total waste disposed[36], for the growing contributions of both hazardous and non-hazardous waste in the E&P and R&MeC sectors. In 2021, a total of 4.2 million tons of waste were generated by remediation activities (of which 3.9 million from Eni Rewind), consisting of over 89% of groundwater treated by TAF 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 €452 million.

Emissions of pollutants into the atmosphere increased, with the exception of emissions of nitrogen oxides (NOx), which decreased by 6% compared to the previous year, thanks to the decrease in consumption of internal combustion engines recorded in some operating entities of the E&P sector. The increase in emissions of sulphur oxides (SOx) and volatile organic compounds (NMVOC) are also mainly attributable to the E&P sector: in particular, the increase in SOx is due to the increase in the H_2S content in the gas sent for flaring in KPO, while the increase in NMVOC is linked to the increase in non-routine flaring recorded in NAOC due to problems with the compressors.

In 2021, Eni updated the assessment of exposure to **biodiversity** risk to the concessions under development or exploitation in the upstream sector and the operational sites of the other Business Lines, in order to identify where Eni activities fall, even only partially, within protected areas[37] or key biodiversity sites (KBA[38]). Compared to last year, the analysis was also extended to wind and solar plants in Italy and abroad, and to the recent acquisitions of biomethane production plants in Italy. The analysis of the mapping of operational sites

(35) Water-stressed areas: areas with a Baseline Water Stress value over 40%. The indicator, defined by the World Resources Institute (WRI www.wri.org), measures the exploitation of freshwater sources and indicates a stressful situation if withdrawals from a given river basin are greater than 40% of its renewable supply.
(36) Specifically, in 2021, 9% of the hazardous waste disposed of by Eni was recovered/recycled, 2% was subjected to chemical/physical/biological treatment, 38% was incinerated, 1% was disposed of in landfill, while the remaining 50% was sent to other types of disposal (including transfer to temporary storage plants prior to final disposal). With regard to non-hazardous waste, 12% was recovered/recycled, 4% was disposed of in landfill, while the remaining 84% was sent to other types of disposal (including transfer to temporary storage plants prior to final disposal and incineration of a small quantity).
(37) World Database of Protected Areas.
(38) World Database of Key Biodiversity Areas. KBAs (Key Biodiversity Areas) 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.

showed that there is overlap, even partial, with protected areas or KBAs at 22 sites, all located in Italy with the exception of two sites in Spain and one in France; another 45 sites in 10 countries (Italy, Australia, Austria, France, Germany, United Kingdom, Spain, Switzerland, Tunisia, Hungary) border with protected areas or KBAs, i.e. located at a distance of less than 1 km. As regards the Upstream sector, 73 concessions overlap partially with protected areas or KBAs, 30 of which located in 6 countries (Italy, Nigeria, Pakistan, United States/Alaska, Egypt and United Kingdom), have operations in the overlapping area. In general, for all the Business Lines, the greatest exposure in Italy and Europe is to the protected areas of the Natura 2000[39] Network, which is widespread across Europe; this exposure is more accentuated than last year as a result of the new acquisitions of the Eni New Energy company in the renewable and biomethane production plants sector. On the other hand, in the upstream sector there was a decrease in exposure to protected areas and KBAs mainly due to modifications (reduction in boundaries) of the concessions in Italy. In no case, in Italy or abroad, there is an overlapping of operational activities with natural sites belonging to the UNESCO World Heritage (WHS[40]); only one upstream[41] site is located near a WHS natural site (Mount Etna) but there are no operational activities within the protected area.

(39) Natura 2000 is the main tool of European Union policy for biodiversity conservation. It is a network of environmental habitats throughout the territory of the European Union, set up pursuant to Directive 79/409/EEC of April 2nd, 1979 on conservation of wild birds and Directive 92/43/EEC "Habitat".
(40) WHS, World Heritage Site.
(41) Moreover, 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 activity falls within this protected area.

KEY PERFORMANCE INDICATORS

		2021		2020	2019
		Total	*of which fully consolidated entities*	Total	Total
Total water withdrawals[a]	(million m^3)	**1,673**	*1,627*	1,723	1,597
of which: sea water		**1,533**	*1,515*	1,599	1,451
of which: freshwater		**125**	*110*	113	128
of which: from superficial water bodies		**82**	*72*	71	90
of which: from subsoil		**23**	*20*	21	20
of which: from urban net or tanker		**7**	*6*	7	8
of which: polluted groundwater treated at TAF[b] plants and used in the production cycle		**6**	*5*	4	3
of which: third-party water[c]		**7**	*7*	10	6
of which: withdrawal from other streams[d]		**0**	*0*	0	1
of which brackish water from subsoil or superficial water bodies		**15**	*2*	11	18
Total water withdrawals from area with water stress		**25.9**	*21.5*	26.5	-
Fresh water reused	(%)	**91**	*92*	91	89
Re-injected production water		**58**	*37*	53	58
Total water discharge[e]	(million m^3)	**1,436**	*1,434*	1,583	1,432
of which: into the sea		**1,354**	*1,354*	1,501	1,334
of which: in superficial water bodies		**69**	*69*	67	79
of which: in sewerage		**11**	*9*	11	14
of which: given to third-party[f]		**3**	*3*	4	5
Fresh water discharge in area with water stress		**19**	*18.7*	18.3	-
Operational oil spills[g]					
Total number of oil spills (> 1 barrel)	(number)	**36**	*31*	46	67
Volumes of oil spills (> 1 barrel)	(barrels)	**1,355**	*1,308*	958	1,033
Oil spills due to sabotage (including thefts)[g]					
Total number of oil spills (> 1 barrel)	(number)	**124**	*124*	110	140
Volumes of oil spills (> 1 barrel)	(barrels)	**3,051**	*3,051*	5,866	6,232
Chemical spills					
Total number of chemical spills	(number)	**20**	*20*	24	21
Volumes of chemical spills	(barrels)	**68**	*68*	3	4
Total waste from production activities	(million of tonnes)	**2.1**	*1.8*	1.8	2.2
of which: hazardous waste		**0.5**	*0.4*	0.4	0.5
of which: non-hazardous waste		**1.6**	*1.4*	1.4	1.7
NOx (nitrogen oxides) emissions	(ktonnes NO_2eq.)	**48.8**	*30.1*	51.7	52.0
SOx (sulphur oxides) emissions	(ktonnes SO_2eq.)	**18.5**	*5.3*	15.3	15.2
NMVOC (Non Methan Volatile Organic Compounds) emissions	(ktonnes)	**24**	*12.7*	21.4	24.1
TSP (Total Suspended Particulate) emissions		**1.4**	*0.7*	1.3	1.4

(a) In addition, it is reported that production water in 2021 was 58.2 Mm^3.
(b) TAF: groundwater treatment facilities.
(c) Water withdrawal from third-party are exclusively related to fresh water.
(d) With the aim to further increase the accordance with "GRI 303: Water and effluents 2018" standard used by Eni starting from this year, data related to third party water is reported separately, while in previous editions it was included in "of which freshwater withdrawal from other streams".
(e) It is reported that in 2021 re-injected and injected production water for disposal was equal to 33.5 Mm^3. In addition, production water discharged into superficial water bodies and seawater or sent to evaporation basins was 21.7 Mm^3. 7% of the total water discharges is fresh water.
(f) It is water given for industrial use.
(g) The data in the 2020 Non-Financial Disclosure have been updated following the closure of some investigations after publication. This circumstance could also occur for the figure 2021.

NUMBER OF PROTECTED AREAS AND KBAS OVERLAPPING WITH R&M, VERSALIS, ENIPOWER, PLENITUDE, GLOBAL GAS & LNG OPERATIONAL SITES AND UPSTREAM CONCESSIONS[(a)]

		OPERATIONAL SITES (non Upstream)						Upstream concessions		
		Overlapping with operational sites			Adjacent to operational sites (<1km)[(b)]			With operating activities in the overlapping area		
		2021	2020	2019	**2021**	2020	2019	**2021**	2020	2019
Eni Operational sites/Concessions[(c)]	(number)	**22**	11	11	**45**	18	15	**30**	30	31
UNESCO World Heritage Natural Sites (WHS)	(number)	**0**	0	0	**0**	0	0	**0**	0	0
Natura 2000		**14**	5	5	**42**	19	21	**15**	16	15
IUCN[(d)]		**4**	4	4	**21**	13	11	**2**	2	3
Ramsar[(e)]		**0**	0	0	**3**	3	3	**2**	3	2
Other Protected Areas		**5**	2	2	**8**	8	3	**10**	11	12
KBAs		**9**	5	6	**15**	8	11	**9**	12	13

(a) The reporting boundary, in addition to fully consolidated entities, includes also 4 upstream concessions belonging to operated companies in Egypt and 1 coastal deposit of R&M belonging to an operated Company as well. 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)Eni's operational site/concession may result in overlapping/adjacent to more protected areas or KBAs.
(d) Protected areas with an assigned IUCN (International Union for Conservation of Nature) management category.
(e) 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 Eni's Board of Directors (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 (UNGPs)[42] and pursuing continuous improvement. These aspects are described within a dedicated report, Eni for Human Rights[43], 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. Human rights are one of the areas in which Eni's Sustainability and Scenarios Committee (SSC) performs consultative and advisory functions for the BoD. Also in 2021, the SSC investigated the activities carried out during the year, including the risk-based management model adopted by Eni and the Slavery and Human Trafficking Statement approved by the BoD in April 2021.

In 2021, Eni further strengthened 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. With regard to training, following on with the internal human rights awareness process launched in 2016 with an engagement workshop held by the CEO, also in 2021 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. In particular, a general training module was developed for all staff and in-depth courses were built on topics of interest to 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. 13 "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, contactors and other business partners) and (iv) in security services.
In 2020, an evaluation model was established for monitoring **human rights in the workplace**.
This is a "risk-based" model, which segments Eni

(42) UN Guiding Principles on Business and Human Rights (UNGPs).
(43) See: https://www.eni.com/assets/documents/eni-report-human-rights.pdf

subsidiaries according to specific quantitative and qualitative parameters aimed at outlining the issues and risks to the country/operating context that are linked to the human resources management process, including contrasting 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 2021, the model was extended to all subsidiaries of the upstream business, expanding the assessment of human rights monitoring in the workplace.
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 that uses elements related to the operating context, such as risk indices 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) – the latter carried out according to a desk-based analysis methodology developed in 2021 – to identify measures to prevent potential impacts on human rights and manage the existing ones. In 2021, these analysis were conducted for the seismic aquisition projects planned in Cabinda Centro in Angola; on Block 47 in Oman; on the Dumre block in Albania; on Area C of the Sharjah Emirate (UAE). A number of recommendations have been identified for each project to mitigate the potential negative impacts, set out in Action Plans to be implemented in 2022. Again with regard to industrial projects, in 2021 an in-depth study was conducted on decommissioning activities, to develop a methodology for analysing the potential impacts on human rights in this phase and which will be consolidated over the next two years. In some Countries, such as Norway, 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 populations in Alaska[44] affected by the business activities carried out by the Eni US Operating company in the area, was adopted in 2020 and renewed in 2021.
Respect for human rights in the **supply chain** is an essential requirement for Eni and is ensured through the adoption of transparent, impartial, consistent and non-discriminatory conduct in the selection of suppliers, the evaluation of offers and the verification of contractual activities (see chapter "Suppliers"). Companies that collaborate with Eni must share, by signing the Code of Conduct, principles of social responsibility which, inter alia, include the following protection of human rights. Suppliers, candidates for the qualification and/or procurement procedures, are responsible for fulfilling specific requirements, consistent with the SA8000 international standards. In the procurement process, the assessment model and oversight of the respect for human rights[45], based on a risk-based assessment, segments qualified suppliers according to a potential risk of human rights violations in consideration of Country and product risk level[46]. High-risk activities are both industrial activities, such as maintenance, construction, assembly, logistics, and general goods and services, such as cleaning services, catering, security services and property management. The countries with the highest number of suppliers at risk are Nigeria, Congo and Mozambique, for a total of 1,266 high-risk suppliers and 1,214 medium/high-risk suppliers. Based on the model, all suppliers are periodically subject to due diligence, tender evaluation, performance feedback and periodic updates with dedicated questionnaires, towards direct suppliers and sub-suppliers. In line with the risk-based approach, in addition to the social responsibility checks carried out on all suppliers (over 6,000) subjected to the qualification process, including updates, as well as the evaluations carried out during the tender, contractual feedback, in 2021 in-depth studies were carried out on 24 relevant suppliers in terms of contractual value, also through surveys during the contract execution phase, plus a further 11 audits inspired by the SA8000 principles on direct contractors and subcontractors, planned following red flags relating to the timely payment of wages and recognition of overtime, without recording any critical issues. To promote knowledge of human rights safeguards, training programmes were organized via webinars, which involved all the resources of the professional procurement family, in Italy and abroad. Human rights clauses in contractual standards have also been strengthened. 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”[47] and the “Position on Conflict Minerals”[48]. 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

(44) See: https://www.eni.com/assets/documents/Indigenous%20Peoples%20Policy%201DEC2020_final.pdf
(45) In 2021, an Operating Instruction was issued for the Procurement professional area in order to strengthen the oversight on the subject.
(46) Based on vulnerabilities and probabilities related to specific conditions such as the level of training and skills needed, the level of work intensity, the use of manpower agencies, HSE risks.
(47) In accordance with the English Modern Slavery Act 2015 and, from this year, the Australian Commonwealth Modern Slavery Act 2018.
(48) Compliance with the US SEC regulations.

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, adhered to by Eni in 2020 as an "Engaged Corporate Participant". The VPI is a multi-stakeholder initiative dedicated to respect of human rights in the management of Security operations that involves governments, companies and NGOs. In February 2021, Eni prepared its first Annual Report and in May it gave a Verification Presentation to the Secretariat of the Voluntary Principles in which companies, NGOs and Governments took part. On this occasion, Eni was able to illustrate the activities carried out in terms of Voluntary Principles on Security & Human Rights in the first year after joining the VPI. As a result, Eni launched the Implementation Plan, drawn up by the Steering Committee and received by the VPI Secretariat, containing a series of requested actions aimed at implementing Eni's activities in the protection of Human Rights. In addition, in 2021 Eni updated the "Human Rights due diligence" model, launched in 2020 and aimed at identifying the risk of negative impact on human rights of security activities and evaluating the use of possible preventive and/or mitigation measures. In this regard, a new indicator was introduced, relating to the risk of involving the Business in the violation of Human Rights by public and/or private Security Forces. Based on the results of the application of the model, the "Security & Human Rights" Action Plan was drawn up which, with reference to the first 10 countries resulting from the risk-based model, provided for: (i) sampling of existing surveillance contracts, in order to verify the presence or absence of human rights clauses in them; (ii) verification of the allocation/use of security-related goods and services made available to public and private security forces. Eni's commitment to the dissemination of the principles of human rights protection includes the creation of the training and information workshop on "Security & Human Rights" held in Mexico in November 2021.
Moreover, since 2006, Eni has adopted an internal procedure, updated over time and most recently in 2020, also included in the Anti-Corruption Regulatory Instruments, which regulates the process for receiving, analyzing and processing whistleblowing reports, also related to human rights, that are sent by or transmitted from anyone, stakeholders, Eni's People or other third parties, even if sent anonymously or in confidence.

In April 2021, also on the input of Eni SpA's Watch Structure, a multidisciplinary Working Group was established, to promptly respond to the provisions of Convention no. 190 of the International Labour Organization on the elimination of violence and harassment in the workplace (ratified by Italy on January 4, 2021). Eni wanted to move forward on an issue of central importance, using Convention no. 190 as a starting point, which provides for a series of obligations for companies to prevent violence and harassment at work. To this end, on December 21, 2021, Annex E "Eni against violence and harassment at work" was issued to the "Internal Control and Risk Management System" MSG. 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

Mandatory training for senior managers and middle managers (Italy and abroad) of the 4 specific modules continued in 2021: "Security and Human Rights", "Human Rights and relations with Communities", "Human Rights in the Workplace" and "Human rights in the Supply Chain". In addition, the provision of sustainability and human rights courses to the entire Eni population continued: the reduction in hours of training on human rights is linked to the scheduling of training activities over several years. However, the overall percentage of users of the course increased to 94.2% (vs. 92% in 2020).
As regards the Security professional area, in 2021 the percentage of personnel trained in human rights stood at 90%. The percentage of Security Personnel who have received training on human rights 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 2021, the training session was held in Mexico and was attended in class by 88 representatives of the security forces. The event was attended, in class or remotely, by 116 other people, including Eni's management and employees, belonging to other oil companies and NGOs.
In 2021, two "Human Rights Impact Assessments" (HRIAs) were conducted in Angola and Albania and two "Human Rights Risk Analyses" (HRRAs) in Oman and the Emirate of Sharjah (UAE). Furthermore, the implementation of the actions provided for in the Action Plans relating to human rights impact analyses, carried out during 2019 and 2018 on the development of Area 1 in Mexico and on the development of Area 4 in Mozambique, continued. All HRIA reports conducted up to 2020 and the related Action Plans adopted, including

periodic reports on the progress of the Plans, are publicly available on the Eni website[49].

With regard to whistleblowing reports, in 2021 investigations were completed on 74 files[50], of which 30[51] included human rights aspects, mainly concerning potential impacts on workers' rights and occupational health and safety. Among these, 40 assertions[51] were verified; for 5 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) actions against suppliers and (iii) actions against employees, including disciplinary measures, in accordance with the collective labour agreement and other applicable national laws. At the end of the year, 15 files were still open, 5 of which referred to human rights aspects, mainly concerning potential impacts on workers' rights.

KEY PERFORMANCE INDICATORS		2021	2020	2019
Human rights training hours	(number)	**23,893**	33,112	25,845
In class		**0**	260	108
Distance		**23,893**	32,852	25,737
Employees trained on human rights[(a)]	(%)	**94**	92	97
Security personnel trained on human rights[(b)]	(number)	**88**	32	696
Security personnel (professional area) trained on human rights[(c)]	(%)	**90**	91	92
Security contracts containing clauses on human rights		**98**	97	97
Whistleblowing files (assertions)[(d)] on human rights violations closed during the year	(number)	**30 (40)**	25 (28)	20 (26)
Founded assertions		**2**	11	7
Partially founded assertions		**3**		
Unfounded assertions, with the adoption of corrective/improvement measures		**7**	9	8
Unfounded[(e)]/Not ascertainable[(f)]/Not applicable[(g)] assertions		**28**	8	11

(a) This percentage is calculated as the ratio between the number of registered employees who have completed a course and the total number of registered employees.
(b) The variations of the KPI 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.
(c) This data is a cumulative percentage value. From 2020, the data is calculated considering only Eni's employees, unlike the 2019 figure which also includes contractors. 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.
(d) 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").
(e) Of which 1 relating to subsidiaries not consolidated with the integral method.
(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) Of which 1 relating to subsidiaries not consolidated with the integral method. Classified as such are the 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.

(49) https://www.eni.com/en-IT/just-transition/respect-for-human-rights.html.
(50) Whistleblowing report: is a document summarizing the investigations carried out regarding the Whistleblowing Report(s) (which may contain one or more detailed and verifiable assertions) and that contains a summary of the investigation carried out regarding the facts of the Whistleblowing Report, the result of the investigations carried out and any action plans that were identified.
(51) Of which 2 relating to subsidiaries not fully consolidated.

Suppliers

Eni has developed a procurement model, from the selection and qualification of suppliers to tender procedures, which combines economic-financial sustainability with social and environmental sustainability, with the aim of promoting the generation of shared and lasting value at the supply chain, thanks to an active participation in the energy transition. Eni meets this commitment by promoting its own values with its suppliers, involving them in development initiatives and including them in risk prevention activities. To this end, as part of the sustainable procurement process, Eni: (i) periodically subjects all suppliers to qualification and due diligence processes to verify their ethical, economic, technical-operational reliability and supervision in the areas of health, safety, the environment, cyber security and 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 their people, to commit to tackling climate change and its effects, to operate with integrity, protect company resources, promoting the adoption of these principles by their people and their supply chain; (iii) monitors compliance with these commitments with periodic checks to ensure that suppliers maintain their qualification and tender requirements over time. To this end, both environmental[52] and social[53] issues are assessed throughout the procurement process, consistent with a fair and sustainable approach to energy transition and in line with the time and investment required to design and implement new technologies and solutions; (iv) if critical issues emerge, requires the implementation of improvement actions or, if they do not meet the minimum standards of acceptability where applicable, limits or inhibits supplier invitations to to tender.

To promote the sustainable supply chain development, in 2021 Eni further strengthened the initiatives aimed at involving suppliers in the fair and sustainable energy transition path, enhancing the aspects of environmental protection, economic development and social growth thanks to tools and initiatives for the development of a sustainable supply chain. The Programme (JUST – join us in sustainable transition) has made it possible to: (i) define a systemic path through the launch of the Open-es platform that already has more than 3,000 companies, of which almost 2,500 belong to the Eni supply chain. This platform provides industrial supply chains with concrete tools to improve their ESG performance, based on the Stakeholder Capitalism Metrics, the metrics defined by the World Economic Forum (WEF). Participation in the initiative is an essential requirement for evaluating and enhancing the commitment made by each of Eni's suppliers in pursuing an equitable path of sustainable development, with the aim of involving the entire supply chain; (ii) deepen knowledge through workshops on ESG issues, involving 350 qualified suppliers from a dozen different product sectors, to share sustainability objectives.

Once the challenges that characterize the specific sector have been identified, targets and action plans are defined to be monitored over time. Moments of training and engagement on digital issues were also organized, with particular focus on cyber security, targeting about 1,000 suppliers and on CO_2 measurement methods and drafting of the sustainability report; (iii) strengthen the procedural framework through the inclusion of cyber security safeguards, in qualification and tender procedures, and sustainability in the standard tender and contractual documentation; (iv) support the supply chain from a financial point of view to reward the commitment in the energy transition and promote the creation of sustainable business models with the launch of the "Basket Bond - Sustainable Energy" Programme, an innovative financing tool dedicated to Eni's direct and indirect suppliers and the entire energy chain. In addition, specific clauses have been included providing for the possibility of using factoring services at advantageous conditions in the Request for Offer standards; (v) enhance the commitment and encourage the adoption of best practices by suppliers through the adoption of sustainability criteria and rewarding mechanisms in the evaluation of offers of over 280 procedures for approximately €2.5 billion in value. In addition, specific contractual clauses were introduced to monitor progress over time with respect to the improvement plans that emerged during the qualification phase or participation in the tender.

PERFORMANCE METRICS AND COMMENTS

During 2021, 6,318[54] suppliers 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 8% (487) of the suppliers audited. The critical issues mainly refer to shortcomings in compliance with health and safety regulations and the principles established by the Code of Conduct and the Code of Ethics. The total number of suppliers involved decreased compared to 2020, the year in which the critical issues recorded concerned the numerous foreign branches of international suppliers. For the same reason, there was a reduction in the number of suppliers with whom relations were interrupted (34), due to a negative evaluation during the qualification phase or due to suspension or revocation of the qualification.

(52) 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, waste disposal methods, etc.
(53) In order to incentivize the vendor, for example, to ensure gender parity in the teams, maintenance of employment levels, etc.
(54) It also includes all new suppliers.

KEY PERFORMANCE INDICATORS		2021	2020	2019
Suppliers subject to assessment on social responsibility aspects	(number)	**6,318**	5,655	5,906
of which: suppliers with criticalities/areas for improvement		**487**	828	898
of which: suppliers with whom Eni has terminated the relations		**34**	124	96
New suppliers assessed using social criteria	(%)	**100**	100	100

Transparency, anti-corruption and tax strategy

Demonstrating its commitment to the 10 United Nations Principles for Responsible Business, in 2020, Eni was confirmed in the Global Compact LEAD. These principles, 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 MSG Anti-Corruption[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. All Eni's subsidiaries, in Italy and abroad, must adopt, by resolution of their BoD[56], all the anti-corruption regulatory instruments issued by Eni SpA. In addition, companies and entities in which it 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 requirements of the relevant laws. 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. In order to maintain this certification, Eni cyclically undergoes surveillance and recertification audits, which have always ended with a positive outcome. In addition, in order to guarantee the effectiveness of the Anti-Corruption Compliance Program, Eni, through its anti-corruption unit, 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 anti-corruption clauses are included in contracts with counterparties, which also provide for a commitment to view and abide by the principles contained in Eni's Anti-Corruption regulations. 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 and follows the relative information flows addressed to the Eni supervisory bodies. Every six months, unless extraordinary events demand a different frequency, an update of the report is also prepared on the activities carried out in the reference six-month period and any significant events that occurred during the period. Eni has also 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 sale of corporate shares, companies and business units, mining rights and securities, etc. and joint venture contracts; (iii) non-profit initiatives, social

(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 https://www.eni.com/en-IT/home.html
(56) Or alternatively the equivalent body depending on the governance of the subsidiary.

projects and sponsorships; (iv) sale of goods and services (such as, for example, contracts with commercial customers), trading and/or shipping operations; (v) selection, hiring and management of human resources; (vi) gifts and hospitality; (vii) relations with Relevant Parties. Compliance risk assessment activities and anti-corruption Compliance Monitoring interventions are planned annually according to a risk-based approach. During 2021, the anti-corruption Compliance Risk Assessments carried out concerned the entire Anti-Corruption scope and the activity at risk "Transactions for the purchase and sale of company shares, companies and company branches, mining rights and securities, etc. and joint venture contracts". In the light of the results of these interventions, the level of risk of the scope of corruption and the adequacy of the mitigation measures put in place, identified in the previous activities carried out, were confirmed and specific requirements regarding the assessed activity at risk were also defined. In 2021, the Compliance Monitoring interventions carried out in the Anti-Corruption field concerned the activities at risk: "Joint Ventures" and "Business Associates" ("Sales channels", "Consultants" and "Other Business Associates"). The results of the audits showed a trend in the level of risk of the activities in line with that recorded during the Compliance Risk Assessment and confirmed the effectiveness of the compliance model adopted. Eni also implements an anti-corruption training programme, both through e-learning and with classroom events, general workshops and job specific training. The workshops offer an overview of the anti-corruption laws applicable to Eni, the risks that could result from their infringement for natural and legal persons and the Anti-Corruption Compliance Program adopted to address these risks. Generally, the workshops are accompanied by job specific training, or training for professional areas particularly at risk in terms of corruption. In order to optimize the identification of the recipients of the various training initiatives, a methodology has been defined for the systematic segmentation of Eni's people based on specific corruption risk drivers such as Country, qualification, and professional area. In addition, periodic information and updating activities continued through the preparation of short information briefs on compliance, including any anti-corruption issues. In addition, it should be noted that in 2020, on the occasion of their inauguration, the members of the Board of Directors of Eni SpA were shown the key elements of the Anti-Corruption Compliance Program for training purposes, also in terms of its consistency with international best practices. During 2021, the following were brought to the attention of the Board: (i) some revisions to the anti-corruption legislation, aimed at incorporating some changes to the organizational and process structure, as well as improvements gradually made to the Anti-Corruption Regulatory Tools; (ii) some proposals for updating the Model 231 and the related sensitive activities and control standards, for the purposes of regulatory alignment and rationalisation and enhancement in the document, with a view to integrated compliance of the Eni internal control system and the various related compliance programs. As part of the anti-corruption training for third parties, Eni has launched an online training program for employees of Green-Stream BV (a company 50% owned by Eni North Africa BV and 50% by the Libyan National Oil Corporation) and for the associated businesses of Eni G&P France SA. Eni's experience in the field of anti-corruption also matures through continuous participation in international conferences, events and working groups, which represent a tool for Eni to grow and promote and disseminate its values. In this regard, in 2021, Eni actively participated in the Partnering Against Corruption Initiative (PACI) of the World Economic Forum, the O&G ABC Compliance Attorney Group (discussion group on anti-corruption issues in the Oil & Gas sector) and the B20 Italy Integrity & Compliance Task Force. As part of the integrated audit plan approved annually by the BoD, Eni carries out specific checks in order 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.

(57) Please see: https://www.eni.com/assets/documents/Tax-strategy_ENG.pdf
(58) Please see: https://www.oecd.org/daf/inv/mne/48004323.pdf

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 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 public 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 2021 the anti-corruption checks, based on the Anti-Corruption Compliance Program's provisions, have been performed in 20 audits, carried out in 9 countries, moreover 22 supervisory activities were carried out on the 231/ Compliance Models of the Italian/foreign subsidiaries. As in 2020, the ascertained cases of corruption[61] relating to Eni Spa amounted to 0. For the proceedings in progress, ongoing proceedings see the section "Legal Proceedings" on page 288. In 2021, due to the emergency related to COVID-19, planned classroom training events were conducted in distance mode. In addition, in 2021, the online training continued on anti-corruption issues according to the risk-based methodology started in 2019, aimed at the entire corporate population. Regarding the commitment with EITI, Eni follows the activities conducted at international level and contributes annually 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, Mozambique, Nigeria and Mexico, Eni's subsidiaries interface with the local EITI Multi Stakeholder Groups through the industry associations present in the Countries.

KEY PERFORMANCE INDICATORS

		2021		2020	2019
		Total	*of which fully consolidated entities*	Total	Total
Audits covering the anti-corruption checks	(number)	**20**	*17*	31	27
E-learning for resources in medium/high corruption risk context	(number of participants)	**7,800**	*7,672*	3,388	13,886
E-learning for resources in low corruption risk context		**3,088**	*3,079*	3,769	9,461
General Workshops		**1,284**	*1,265*	904	1,237
Job specific training		**702**	*686*	568	1,108
Countries where Eni supports EITI's local Multi Stakeholder Groups	(number)	**9**	*9*	9	9

(59) For more details please see the most recent edition of Country-by-Country Report published in 2021 for the year 2020: https://www.eni.com/assets/documents/eng/reports/2020/Country-by-Country-2020_ENG.pdf
(60) EITI pointed out Eni and Shell as companies pioneering Country-by-Country reporting among Oil and Gas majors, see: https://eiti.org/ news/extractives-companies-champion-tax-transparency
(61) Past convictions relating to criminal proceedings for domestic and/or international corruption.

ALLIANCES FOR DEVELOPMENT

One lever of Eni's business model is the promotion of local development through continuous interactions with institutions and local stakeholders to supply gas to the local market, promote access to energy, along with a wide range of interventions necessary to respond to the needs of communities. The resulting development strategies are reinforced by the launch of public-private partnerships and alliances with actors engaged in the territory, from International Organizations to development banks, from national institutions to the private sector, from universities to research centres, from cooperation bodies to civil society organizations. The added value of these collaborations allows the sharing of resources not only economically but also in terms of know-how and experience, contributes to the improvement of people's quality of life and the achievement of the Sustainable Development Goals (SDGs). Starting from the analysis of the local socio-economic context, 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 activities, defined in 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), 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 forest protection and conservation, education and vocational training, access to water and sanitation and support of health services/systems, as well as improving the health status of vulnerable groups; (ii) Local Content: generation of added value through the transfer of skills and know-how, activation of labour along the local supply chain and the implementation of 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 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" above), definition of the related prevention or mitigation measures, in line with the United Nations Guiding Principles (UNGPs) and promotion of human rights through the Local Development Projects mentioned above.

The definition of Local Development Programme implies the commitment of Eni in the front line on site and alongside other development players to contribute to the sustainable development of Countries. Many of the partnerships developed by Eni with International Organizations and – more generally – of development cooperation move in this direction, such as the agreements signed in 2021: in Angola with VIS for the integrated project in Cabinda, with CUAMM (College of Aspiring Missionary Doctors) for a project aimed at improving health for communities in Cunene; the agreement was also renewed with IIA (Instituto de Investigaçao Agronomica) and with ADPP an agreement was signed for the installation of solar panels in 4 health centres; in Mozambique with AVSI and CUAMM in response to the humanitarian emergency and with UNILURIO for the implementation of a climate change resilience project for communities in the district of Mecufi; in Kenya a cooperation agreement for the pilot installation of organic photovoltaic panels (OPV) in a school in Kwale County; in Egypt a cooperation agreement was signed for the start of the Zohr School of Applied Technology in Port Said with Elsewedi Foundation, the Ministry of Education and Technical Training, the Ministry of Oil and Mineral Resources, the government of Port Said and the Egyptian Natural Gas Holding Company; with AICS (Italian Agency for Cooperation and Development) in Mozambique to collaborate in the fields of education and technical training, food security and nutrition, health, access to energy and economic diversification, with particular reference to agriculture and in Kenya in key sectors for the development of the country such as agriculture and value chains in environment, health, training and vocational education, as well as access to energy/green energy and innovation; in Kazakhstan, a cooperation agreement with UNDP (United Nations Development Programme) for the implementation of an energy efficiency project and the installation of a solar thermal plant in a school in the Turkistan region. In the various business design phases, in line with internationally recognized standard principles/methodologies, Eni has developed: (i) analysis tools to better understand the reference context and appropriately address local development projects, such as Social Context analysis – also based on the global Multidimensional Poverty Index (MPI) developed by UNDP (United Nations Development Programme) and Oxford University – and the Human Rights Impact Assessment (HRIA); (ii) management tools to map the relationship with stakeholders and monitor the progress of projects and the results achieved (including Stakeholder Management System - SMS, Logical Framework Approach - LFA and Monitoring, Evaluation and Learning - MEL); (iii) impact assessment tools, useful for evaluating the direct, indirect and induced benefits generated by Eni in the context of business operations and through the cooperation model, such as Eni's Local Content Evaluation - ELCE and Eni's Impact Tool[62]; (iv) analyses to measure the percentage spent on local suppliers at some relevant foreign upstream subsidiaries, which in 2021 amounted to about 35% of the total amount spent.

PERFORMANCE METRICS AND COMMENTS

In 2021, investments for local development amounted to around €105.36[63] million (Eni's share), about 95% of which in the area of upstream activities. In Africa, a total of €37.1 million was spent, of which €28.8 million in the Sub-Saharan area, mainly in the area of development and maintenance of infrastructure, particularly school buildings. In Asia, around €28 million was spent, mainly on economic diversification, in particular for the development and maintenance of infrastructures. In Italy, €32.6 million was spent. Overall, approximately €39.8 million was invested in infrastructure development activities, of which €20.5 million in Asia, €14.3 million in Africa, and €5.0 million in Central and South America. Key projects implemented in 2021 include initiatives to promote: (i) access to water through the construction of a water treatment plant in Iraq; maintenance of 10 wells fed by photovoltaic systems in North-East Nigeria, the installation of seven water points in Ghana, maintenance of existing water points and awareness activities about the use of clean and drinking water in Angola; (ii) access to electricity in Libya through support to Libyan General Electricity Company (GECOL) in terms of spare parts and training; in Angola through maintenance of solar energy systems installed in schools and medical centres; activities have also been carried out to facilitate access to clean cooking in Mozambique, Ghana and Angola through awareness campaigns and distribution of improved cooking systems; (iii) economic diversification both in the agricultural sector in Angola, Congo and Nigeria and to support local and youth entrepreneurship in Ghana and Egypt; (iv) access to education with activities for both students and trainers in Angola, Egypt, Mozambique, Ghana, Iraq and Mexico. As part of the interventions implemented in response to health needs in 2021, Eni supported 11 initiatives against the COVID-19 pandemic, in 8 foreign countries, aimed in particular at local vulnerable groups, hospitals, health institutions and ministries of health, providing: ventilators and respirators; intensive care equipment and other medical equipment; personal protective equipment. In addition, the emergency response plan included: (i) implementation of community awareness campaigns and "community engagement" actions aimed at preventing the spread of the virus; (ii) distribution of hygiene and health information and hand washing equipment; (iii) social protection and food assistance measures such as the distribution of meals for families and vulnerable groups. In addition to support to combat the pandemic, Eni has carried out 37 initiatives in 14 countries 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, the construction and rehabilitation of health facilities and their equipment, access to drinking water, information, education and awareness-raising on health issues among the populations involved. The total expenditure for community health initiatives in 2021 was €11.6 million, of which €3.1 million for support to local communities in the context of the COVID-19 emergency.
During 2021, 245 grievances[64] were received, 53% of which were resolved and closed. The complaints mainly concerned: management of relations with the communities, management of environmental aspects, land management, employment development.
Finally, in 2021, with the aim of assessing the potential impacts of the projects on the health of the communities involved, Eni completed 10 HIAs (Health Impact Assessment), of which 7 were integrated ESHIA preliminary studies (Environmental, Social and Health Impact Assessment) and 3 as integrated ESHIA.

KEY PERFORMANCE INDICATORS

		2021		2020	2019
		Total	*of which fully consolidated entities*	Total	Total
Local development investment	(€ million)	**105.3**	*95.6*	96.1	95.3
of which: infrastructure		**39.8**	*36.6*	41.8	43.4

(62) 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.
(63) The data includes expenses for resettlement activities which in 2021 amounted to €5.9 million, of which: €5.8 million in Mozambique, €0.02 million in Ghana and €0.04 million in Kazakhstan.
(64) 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.

TAXONOMY

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:

(a) contributes substantially to one or more of the environmental objectives of the EU (set out in article 9 of the Regulation);
(b) does not significantly harm any of the environmental objectives;
(c) 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;
(d) 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 any of the other objectives.

The Taxonomy Regulation has established six environmental objectives:

1. Climate change mitigation;
2. Climate change adaptation;
3. The sustainable use and protection of water and marine resources;
4. The transition to a circular economy;
5. Pollution prevention and control;
6. The protection and restoration of biodiversity and ecosystems.

The technical screening criteria for each of the above-mentioned environmental objectives are established by the Commission, who adopts delegated acts based on the power conferred by the Taxonomy Regulation and subject to the conditions laid down in the Regulation itself.
A delegated act identifies the economic activities that are eligible for an environmental objective and the performance criteria to be verified so that each economic activity makes a substantial contribution and does not significantly harm any of other environmental objectives. Currently the Commission has adopted the delegated acts relating to the objectives of climate change mitigation and climate change adaptation.
This regulation applies to undertakings which are subject to the obligation to publish a non-financial statement or 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, respectively.
Based on article 8 of the Regulation, non-financial undertakings which are subject to the obligation to publish a non-financial statement or 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 and presentation of information to be disclosed by non-financial undertakings subject to articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation.
The new reporting obligation is in force from the non-financial disclosure for the financial year 2021.
For the first year, non-financial undertakings shall only disclose the proportion of Taxonomy-eligible and Taxonomy non-eligible economic activities in their total turnover, capital and operational expenditure and certain qualitative information. From 2022, the TSC shall be applied to determine the percentage each eligible economic activity's revenues, capex and opex is fully aligned to the Taxonomy.
To report against the Taxonomy, Eni has performed an assessment of the whole of the economic activities in which the Group engages.

ENI'S MAIN ELIGIBLE ECONOMIC ACTIVITIES FOR THE CLIMATE CHANGE MITIGATION OBJECTIVE.

3.10	Manufacture of hydrogen
3.14	Manufacture of organic basic chemicals
3.17	Manufacture of plastics in primary form
4.1	Electricity generation using solar photovoltaic technology
4.3	Electricity generation from wind power
4.4	Electricity generation from ocean energy technologies
4.8	Electricity generation from bioenergy
4.13	Manufacture of biogas and biofuels for use in transport and of bioliquids
4.20	Cogeneration of heat/cool and power from bioenergy
5.1-5.4	Construction, extension and operation of water collection, treatment and supply systems and Renewal of waste, water collection and treatment
5.7	Anaerobic digestion of bio-waste
5.12	Underground permanent geological storage of CO_2

6.10 Sea and coastal freight water transport, vessels for port operations and auxiliary activities
6.15 Infrastructure enabling road transport and public transport
7.6 Installation, maintenance and repair of renewable energy technologies

Those activities are eligible also for the climate change adaptation objective.
Economic and financial data relating to Eni's eligible economic activities for calculating the 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 consolidate financial statements and for the consolidation transactions (intercompany sales and purchases, elimination of unrealized profit, etc.) to calculate Eni' eligible turnover, capex and opex proportion.

In case of mono-business consolidated subsidiary undertakings performing a given eligible activity, relevant economic and financial data per 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 that split the accounts of the financial system and allocates revenues and cost amounts to different reporting objects (products lines, plants, projects, cost centers, etc.) to support management's understanding of the drivers of the financial performance and cost control.
Allocating the relevant items of revenues, capex and opex to Eni's eligible economic activities the following proportions to Group consolidated revenues, capex and opex are obtained:

EU TAXONOMY ELIGIBILITY 2021

		Turnover	Capex	Opex
Eligible	(€ mln)	5,530	1,653	535
Non - Eligible	(€ mln)	71,045	6,128	3,157
Total	(€ mln)	76,575	7,781	3,692
% Eligible		**7%**	**21%**	**14%**
% Non - Eligible		**93%**	**79%**	**86%**

The turnover of Eni's eligible economic activities mainly derived from:
- sales electricity generated mainly by using photovoltaic and onshore wind technologies in the Plenitude & Power business segment through the subsidiary Eni New Energy SpA and the operating subsidiaries in Italy, France, Spain and the USA;
- sales of unblended biofuels, specifically Hydrogenated Vegetable Oil produced by the Eni's biorefineries and sold on the FOB market;
- sales of electricity produced from bioenergy (fermentation of agricultural biomass) by the companies of the Fri-El group (now EniBioCh4in) acquired during the year;
- sales of electricity and cogenerative heat produced from forest biomass by the Versalis plant in Crescentino;
- sales of the production of organic basic chemicals and primary form plastic products from Versalis, which are transition activities.

In the event of applying the TSCs, with particular reference to the transition activities of organic basic chemicals/manufacturing of plastic products, the turnover proportion would reduce significantly.

EU TAXONOMY OPEX

(€ mln)	2021
Operating expenses	3,515
Costs of R&D expensed through profit and loss	177
Total EU Taxonomy opex/denominator	**3,692**

Operating costs of Eni Group companies to define the proportion of the opex of eligible activities to the Group total were determined on the basis of the management's accounting system and Eni's control model of fixed costs which, starting from accounting data relating to purchases, services, labour costs and other charges, excludes costs relating to purchasing of raw materials, variable costs and products for resale. This model aggregates the cost items based on the target criterion in relation to the different measurement and control stages in the manufacturing/sale process:

- fixed industrial costs which include the labour costs for personnel involved in the maintenance, operation and servicing of industrial plants, external services (mainly maintenance contracted to third parties), general plant costs, consumables (spare parts and assets to modernise plants) and include energy efficiency actions on buildings and other properties, as well as the purchase of outputs from eligible activities to achieve CO_2 emission reductions;
- non-capitalised research & development costs;
- commercial 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 from Oil & Gas plants were excluded. This principle has also been applied to capex.

In 2021, Eni incurred operating costs of €14 million to purchase carbon credits as part of its financial involvement in FAO REDD+ certified forest conservation projects; these projects are part of the drivers identified by management to execute the net zero emission strategy for Eni products/processes by 2050.
For the reporting requirements set by the Taxonomy Regulation, these charges are not considered eligible because these credits are used to offset E&P emissions.

EU TAXONOMY CAPEX (€ mln)	2021
Additions to property, plant and equipment	4,950
Additions to intangibles assets	284
Additions to rights to use leased assets	1,104
Add: purchase cost of subsidiary undertakings & goodwill	3,017
Less: goodwill	(1,574)
Total EU Taxonomy capex / denominator	**7,781**

Regarding the 21% proportion of capex, the Eni eligible activities that in 2021 recorded increases in the property, plant and equipment and intangibles items due to expenditures or the allocation of the purchase cost of acquired companies and businesses or incepted leased assets, mainly referred to:
- Electricity generation from renewable sources (activities 4.1 and 4.3);
- Chemicals transition activities;
- Electricity generation from bioenergy;
- Infrastructure for low carbon transport;
- The geological storage and confinement of CO_2;
- The manufacture of biofuels.

The denominator for the capex proportion is to the sum of the "increases in investments" and "changes in the scope of consolidation" items relating to the property, plant and equipment disclosed in Note 12 to the 2021 consolidated financial statements and similar rights to use leased assets referred to in note 13, and intangible assets items referred to in Note 14.
In particular, the increases recorded in activity 4.1 and 4.3 in the generation of electricity from renewables, partly related to the progress/completion of sanctioned projects to increase generation capacity and, to a greater extent, to the PP&E allocation of the cost of acquisitions made during the year (referred to in the notes to the consolidated financial statements).
Applying the TSCs to the 2021 capex proportion, the impact on the ratio would come down slightly mainly due to leased assets.
The R&D effort, mainly recognised through profit and loss, referred primarily to:

- technologies to manufacture hydrogen and storage;
- technologies to generate electricity from solar panels and storage;
- testing of technology to generate electricity using the wave motion of the sea;
- the implementation of technologies for low carbon industrial production;
- technology to store and geologically confine CO_2.

SUSTAINABILITY MATERIAL TOPICS

Each year, to identify the relevant issues for the Strategic Plan and sustainability report, the materiality analysis is updated. This analysis covers the following phases:

1. **Identification of relevant aspects:** through an analysis that, in line with the concept of double materiality, considered a double perspective: **INSIDE-OUT:** topics that reflect the real or potential significant impacts, negative or positive, connected to Eni's activities as well as its value chain, such as: (i) main themes emerged both from the Stakeholder Management System platform, (see pp. 20-21), and through interviews with the internal functions that manage the relationships with specific categories of stakeholders, (ii) relevant topics following benchmark analysis of the main peers, etc., **OUTSIDE-IN:** risks and sustainability opportunities that can influence the development, performance and position of the organization, such as: (i) results of ESG risk assessments emerged from the Integrated Risk Management process, also considering the evidence provided by external providers and (ii) historical and current macro-trends relevant to the Eni sector.
2. **Involvement of Top Management and the main stakeholders:** once the relevant aspects were identified, they were prioritised through the direct involvement of Top Management and a representative sample of Eni's main stakeholders, to whom an online questionnaire was submitted.
3. **Prioritisation of the relevant topics:** the results of the questionnaires, together with the results of the 2021 ESG risk assessment activity (see Main ESG Risks pp. 156-157) made it possible to assign an order of priority to the material issues for the 2021 sustainability reporting, allowing them to be represented in 3 TIERS of relevance.
4. **Sharing and validation with the Governing Body:** the management involved in the non-financial reporting process validated the material aspects, which, in turn, were presented to the Sustainability and Scenarios Committee and the Board of Directors. The Non-Financial Statement is presented to the Sustainability and Scenarios Committee, the Control and Risk Committee, the Board of Statutory Auditors and approved by the Board of Directors.

PRIORITY MATERIAL TOPICS		TIER 1	TIER 2	TIER 3
CARBON NEUTRALITY BY 2050	Combat climate change/Reduce GHG emissions	■		
	Low carbon technologies			■
OPERATIONAL EXCELLENCE	Relations with clients		■	
	Development of human capital		■	
	Diversity, inclusion and work-life balance			■
	Health and safety of workers	■		
	Asset integrity		■	
	Biodiversity		■	
	Reduction of environmental impacts	■		
	Circular economy			■
	Protection of human rights	■		
	Responsible supply chain management			■
	Transparency, anti-corruption and tax strategy	■		
ALLIANCES FOR DEVELOPMENT	Energy access			■
	Local content			■
	Local development	■		
TRANSVERSAL THEMES	Digitalization and Cyber Security		■	
	Innovation		■	

REPORTING PRINCIPLES AND CRITERIA

Standards, guidelines and recommendations. The Consolidated Non-Financial Information was prepared in accordance with the Legislative Decree 254/2016 transposing the European Directive on Non-Financial Information, and the “Sustainability Reporting Standards”, published by the Global Reporting Initiative (GRI Standards), with a level of adherence “in accordance Core” and has been subject to a limited review by the independent Company, which is also the auditor of Eni’s Annual Report as of December 31, 2021. 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: Tax" of 2019 and (iv) "Standard 306: Waste” of 2020. In addition, the recommendations reported by ESMA (European Securities and Markets Authority) on non-financial statements were incorporated 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 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. 188-190).

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 period 2019-2021 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 2021 are the best possible estimate with the data available at the time of preparation of this report. 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
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 specific Company software.

Boundary. The scope of the performance indicators is aligned with the objectives set by the company and represents the potential impacts 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[65];
(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, which refer only to companies consolidated on a line-by-line basis);
(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 joint ventures;
(v) the perimeter referring to data relating to reporting files includes Eni SpA and its subsidiaries;
(vi) finally, the perimeter of the data related to the audits covering the anti-corruption checks includes controlled subsidiaries, 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 2021 in which the data of fully consolidated companies are presented.
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.

(65) In addition to fully consolidated companies, the boundary includes the following companies: AGIBA PETROLEUM CO, CARDÓN IV, SA, Costiero Gas Livorno SpA, Eni Gas Transport Services Srl, Eni, Iran B.V., Eni Ukraine LLC - IN LIQUIDATION, EniProgetti Egypt Ltd, ESACONTROL SA, Groupment Sonatrach-Eni, INDUSTRIA SICILIANA ACIDO Fosforico - ISAF - SpA - in liquidation, Karachaganak, Petroleum Operating BV, LLC "Eni Energhia", LLC "Eni-Nefto", Mellitah Oil & Gas BV, Mozambique Rovuma Venture SpA, Oleodotto DEL RENO SA, Olèoduc du Rhone SA, Petrobel Belayim Petroleum Co, SeaPad SpA, SEGAS Services SAE, Servizi Fondo Bombole Metano SpA, Société Energies Renouvelables Eni - ETAP SA, Società EniPower Ferrara Srl, TECNOESA SA, Vår Energi AS, VERSALIS PACIFIC (INDIA) PRIVATE LIMITED.

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. I. Contributions of biogenic CO_2 emissions are not included. **Scope 2:** are the indirect GHG emissions related to the generation of electricity, steam and heat purchased by third parties and intended for internal consumption. **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.
EMISSION INTENSITY	Indicators consider the direct GHG emissions (Scope 1) related to assets operated by Eni, which include CO_2, CH_4 and N_2O, accounted for on a 100% basis. - Upstream: indicator focused on emissions associated to development and production of hydrocarbons. Denominator refers to gross operated production. - R&M: indicator focused on emissions related to traditional and biorefineries. Denominator refers to refinery throughputs (raw and semi-finished materials). - EniPower: indicator focused on emissions related to electricity and steam production of thermoelectric plants. Denominator refers to equivalent electricity produced (excluding the Bolgiano cogeneration plant).
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 productions (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: - Upstream: includes the hydrocarbon production and electricity plants; - R&M: includes only refineries; - Chemicals: includes all plants; - EniPower: includes thermoelectric plants except for the Bolgiano cogeneration plant. Differently from the other emission intensity indicators, which refer to single businesses and consider only GHG Scope 1 emissions, the operating efficiency index effectively measures Eni's commitment for reducing its GHG emission intensity by including also 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. **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.
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.
PEOPLE, HEALTH AND SAFETY	
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. Employees covered by collective bargaining: are those employees whose employment relationship is governed by collective agreements or contracts, whether national, industry, 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.
GENDER PAY GAP RAW	The raw pay ratio is calculated as the ratio of the average pay of the female population to the average pay of the male population for the individual job title and for the overall population.
SENIORITY	Average number of years worked by employees at Eni and its subsidiaries.
TRAINING HOURS	Hours provided to Eni SpA and subsidiaries employees through training courses managed and carried out by Eni Corporate University (classroom and remote) and through 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

KPIs	METHODOLOGY
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 Hires + Terminations of permanent contracts and the permanent employment contracts of the previous year.
SAFETY	Eni uses a large number of contractors to carry out the activities within its own sites. **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. **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. **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. The main hazards detected in 2021 in Eni concern: - falling (ground level); - shock, impact, crushing during the use of equipment; - load lifting. 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.
HEALTH	**Number of occupational disease claims filed by heirs:** indicator used as a proxy for the number of deaths due to occupational diseases. **Recordable cases of occupational diseases:** number of occupational disease reports. **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

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. **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.
BIODIVERSITY	**Number of sites overlapping with protected areas and Key Biodiversity Areas (KBAs):** R&M, Versalis and EniPower operational sites and pipelines 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). **Number of sites adjacent to protected areas or Key Biodiversity Areas (KBAs):** R&M, Versalis and EniPower 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). **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. **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. 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: - 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); - 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.
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.

KPIs	METHODOLOGY
WASTE	**Waste from production:** waste from production activities, including waste from drilling activities and construction sites. **Waste from remediation activities:** this includes waste from soil securing and remediation activities, demolition and groundwater classified as waste. The waste disposal method is communicated to Eni by the third party authorised for disposal.
AIR PROTECTION	**NOx:** total direct emissions of nitrogen oxide due to combustion processes with air. It includes emissions of NOx from flaring activities, sulphur recovery processes, FCC regeneration, etc. It includes emissions of NO and NO_2, excluding N_2O. **SOx:** total direct emissions of sulphur oxides, including emissions of SO_2 and SO_3. **NMVOC:** total direct emissions of hydrocarbons, hydrocarbon substitutes and oxygenated hydrocarbons that evaporate at normal temperature. They include LPG and exclude methane. **PST:** direct emissions of Total Suspended Particulates, finely divided solid or liquid material suspended in gaseous flows. Standard emission factors.
HUMAN RIGHTS	
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 ascertainble and not applicable).
SUPPLIERS	
SUPPLIERS SUBJECTED TO ASSESSMENT	The indicator represents all suppliers subject to a Due Diligence or subject to a qualification process or subject to a performance evaluation feedback on HSE or Compliance areas or subject to a feedback process or subject to an assessment on human rights issues (inspired by the SA 8000 standard or similar certification), for which the Vendor Management activities are centralized in Eni SpA (e.g. all Italian, mega and international suppliers) or are carried out locally by foreign subsidiaries with a vendor management function and operating on VMS at least on the qualification module for more than one year (Eni Ghana, Eni Pakistan, Eni US and Eni Angola, Eni México S. de RL de CV, IEOC, Eni Australia and Eni Nigeria (NAOC)). The perimeter is progressively extended each year as the VMS system is deployed.
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. **E-learning for** resources in a context of low risk of corruption. **General workshop:** classroom training events for staff in a context of high risk of corruption. **Job specific training:** classroom training events for specific professional areas operating in contexts with a high risk of corruption.
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.
SPENDING TO LOCAL SUPPLIERS	The indicator refers to the 2021 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: 1)"Equity method" (Ghana): the share of expenditure towards local suppliers is determined on the basis of the percentage of ownership of the corporate structure (e.g. for a Joint Venture with 60% local components, 60% of total expenditure towards the Joint Venture is considered as expenditure towards local suppliers); 2) "Local currency method" (Angola, Vietnam and the UK): the share paid in local currency is identified as expenditure towards local suppliers; 3) "Country registration method" (Iraq, Indonesia, United Arab Emirates, Nigeria, Mozambique and the USA): 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 and Mexico): 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. The selected countries are Ghana, Angola, UK, Iraq, Nigeria, Congo, Mexico, Mozambique, USA, Indonesia, UAE and Vietnam. 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 21-24 has been recorded compared to the total spent by the Eni Group.

GRI CONTENT INDEX

Material Aspect/ Disclosure GRI	KPI Description/Disclosure GRI	Section and/or page number	Omission	WEF - Core Topics and Metrics
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102-2	Activities, brands, products, and services	Annual Report 2021, pp. 2-3		
102-3	Location of headquarters	Annual Report 2021, retro cover		
102-4	Location of operations	Annual Report 2021, p. 2		
102-5	Owneship and legal form	Annual Report 2021, retro cover https://www.eni.com/en-IT/about-us/governance.html		
102-6	Market served	Annual Report 2021, p. 3		
102-7	Scale of the organization	Annual Report 2021, pp. 16-19		
102-8	Information on employees and other workers	NFI 2021, pp. 165-170		
102-9	Supply chain	NFI 2021, pp. 182-183		
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102-11	Precaution Principle or approach	Annual Report 2021, pp. 28-33		
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102-16	Values, principles, standards, and norms of behavior	Annual Report 2021, pp. 4-5; 39-43 NFI 2021, pp. 150; 152-153		**Governing purpose** - Setting purpose **Ethical behavior** - Protected ethics advice and reporting mechanisms
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102-44	Key topics and concerns raised	Annual Report 2021, pp. 20-21		
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102-45	Entities included in the consolidated financial statement	Annual Report 2021, pp. 348-389 NFI 2021, p. 192		
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102-47	List of material topics	NFI 2021, pp. 191; 192		**Stakeholder engagement** - Material issues impacting stakeholders
102-48	Restatements of information	NFI 2021, pp. 164; 170; 177		
102-49	Changes in reporting	NFI 2021, pp. 192; 196-199		
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Material Aspect/ Disclosure GRI	KPI Description/Disclosure GRI	Section and/or page number	Omission	WEF - Core Topics and Metrics
102-51	Date of most recent reports	https://eni.com/en-IT/investors/financial-results-and-reports.html		
102-52	Reporting cycle	NFI 2021, p. 192		
102-53	Contact point for question regarding the report	https://eni.com/en-IT/just-transition.html		
102-54/102-55	Claims of reporting in accordance with the GRI Standards / GRI content index	NFI 2021, pp. 192; 196-199		
102-56	External assurance	Annual Report 2021		
COUNTER CLIMATE CHANGE AND LOW CARBON TECHNOLOGIES Reduction of GHG Emissions; Renewables; Biofuels and Green Chemistry; Hydrogen; Solutions for the storage of CO_2; Customer relations				
Economic performance - Management approach (103-1; 103-2; 103-3)		**Boundary: internal and external (Suppliers - RNES[1]; customers - RNEC[2])** NFI 2021, pp. 152-153; 154-155; 191; 197		
201-2	Financial implications and other risks and opportunities due to climate change	Annual Report 2021, pp. 30; 138-143 NFI 2021, pp. 158-164		
Emissions - Management approach (103-1; 103-2; 103-3)		**Boundary: internal and external (Suppliers - RNEF[1]; clienti - RNEC[2])** DNF, pp. 152-153; 154-155; 158-164; 191; 193; 197		**Climate change** - TCFD implementation
305-1	Direct GHG emissions (Scope 1)	NFI 2021, pp. 162-164; 193		**Climate change** - Greenhouse gas (GHG) emissions
305-2	Greenhouse gas emissions from energy consumption (Scope 2)	NFI 2021, pp. 162-164; 193		
305-3	Other indirect GHG emissions (Scope 3)	NFI 2021, pp. 162-164; 193		
305-4	GHG emission intensity	NFI 2021, pp. 162-164; 193		
305-5	Reduction of GHG emissions	NFI 2021, pp. 162-164; 193		
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	NFI 2021, pp. 174-177; 194-195		
Energy - Management approach (103-1; 103-2; 103-3)		**Boundary: internal** NFI 2021, pp. 152-153; 158-164; 191; 193; 197		
302-3	Energy intensity	NFI 2021, pp. 162-164; 193		
PEOPLE Employment; Diversity; inclusion and work-life balance; Training; Occupational health and local community's health				
Market presence - Management approach (103-1; 103-2; 103-3)		**Boundary: internal** NFI 2021, pp. 152-153; 165-170; 191; 193-194; 197		
202-2	Proportion of senior management hired from the local community	NFI 2021, pp. 167-170; 193-194		
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401-1	New employee hires and employee turnover	NFI 2021, pp. 167-170; 193-194		**Employment and wealth generation** - Absolute number and rate of employment
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403-10	Work-related ill health	NFI 2021, pp. 167-170; 193-194		
Trading and education - Management approach (103-1; 103-2; 103-3)		**Boundary: internal** NFI 2021, pp. 152-153; 165-170; 191; 193-194; 197		
404-1	Average hours of training per year per employee	NFI 2021, pp. 167-170; 193-194		**Skills for the future** - Training provided
404-3	Percentage of employees receiving regular performance and career development reviews	NFI 2021, p. 166		
Diversity and equal opportunity - Management approach (103-1; 103-2; 103-3)		**Boundary: internal**		**Dignity and equality** - Pay equality Report on remuneration policy and remuneration paid
		NFI 2021, pp. 152-153; 165-170; 191; 193-194; 197		**Dignity and equality** - Wage level Report on remuneration policy and remuneration paid

Material Aspect/ Disclosure GRI	KPI Description/Disclosure GRI	Section and/or page number	Omission	WEF - Core Topics and Metrics
405-1	Diversity of governance bodies and employees	NFI 2021, pp. 167-170		**Quality of governing body** - Governance body composition
		Corporate Governance and Shareholding Structure Report 2021, Board of Directors		**Dignity and equality** - Diversity and inclusion
SAFETY (People safety; Asset integrity)				
Occupational health and safety - Management approach (103-1; 103-2; 103-3; 403-1; 403-2; 403-4; 403-5; 403-6; 403-7)		**Boundary: internal and external (Suppliers)**		
		NFI 2021, pp. 152-153; 171-172; 191; 194; 198		**Health and well being** - Health and safety
403-9	Work-related injuries	NFI 2021, pp. 172; 193-194		**Health and well being** - Health and safety
REDUCTION OF ENVIRONMENTAL IMPACTS Water resources; Biodiversity; Oil spill; Air quality; Remediation and waste; Circular economy				
Water - Management approach (103-1; 103-2; 103-3; 303-1; 303-2)		**Boundary: internal** NFI 2021, pp. 152-153; 172-178; 191; 194; 198		
303-3	Water withdrawal	NFI 2021, pp. 174-178; 194		**Freshwater availability** - Water consumption and withdrawal in water-stressed areas
303-4	Water discharge	NFI 2021, pp. 174-178; 194		
Biodiversity - Management approach (103-1; 103-2; 103-3)		**Boundary: internal** NFI 2021, pp. 152-153; 172-178; 191; 194; 198		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	NFI 2021, pp. 174-178; 194		**Nature loss** - Land use and ecological sensitivity
Waste - Management approach (103-1; 103-2; 103-3; 306-1; 306-2)		**Boundary: internal** NFI 2021, pp. 152-153; 172-178; 191; 195; 198		
306-3	Waste generated	NFI 2021, pp. 174-178; 195		
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Environmental compliance - Management approach (103-1; 103-2; 103-3)		**Boundary: internal** NFI 2021, pp. 152-153; 172-178; 191; 194; 198		
307-1	Evironmental compliance	Annual Report 2021, pp. 288-302		
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406-1	Incidents of discrimination and corrective actions taken	NFI 2021, pp. 180-181; 195		
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410-1	Security personnel trained in human rights policies or procedures	NFI 2021, pp. 180-181; 195		
Human rights assessment - Management approach (103-1; 103-2; 103-3)		**Boundary: internal and external (Local security forces and Suppliers - RNES[1])**		
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412-2	Training on human rights	NFI 2021, pp. 180-181; 195		
Suppliers and social assessment - Management approach (103-1; 103-2; 103-3)		**Boundary: internal and external (Local security forces and Suppliers - RNES[1])**		
		NFI 2021, pp. 152-153; 182-183; 191; 195; 198		
414-1	New suppliers that were screened using social criteria	NFI 2021, pp. 182-183; 195		
INTEGRITY IN BUSINESS MANAGEMENT Transparency, anti-corruption and tax strategy				

Material Aspect/ Disclosure GRI	KPI Description/Disclosure GRI	Section and/or page number	Omission	WEF - Core Topics and Metrics
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205-2	Communication and training on anti-corruption policies and procedures	NFI 2021, pp. 185; 195		**Ethical behaviour** - Anti-corruption
205-3	Confirmed incidents of corruption and actions taken	NFI 2021, pp. 185; 195		
Tax - Management approach (103-1; 103-2; 103-3; 207-1; 207-2; 207-3)		**Boundary: internal** NFI 2021, pp. 152-153; 183-185; 191; 195; 199		
207-4	Tax: Country-by-Country reporting	NFI 2021, pp. 183-185; 195. See Note 33 on the Consolidated Financial Statements for further information		
ACCESS TO ENERGY, LOCAL DEVELOPMENT THROUGH PUBLIC-PRIVATE PARTNERSHIPS Economic diversification; Education and training; Access to water, energy and sanitation; Health; Forest and land protection and conservation; Public-private partnerships				
Indirect economic impacts - Management approach (103-1; 103-2; 103-3)		**Boundary: internal** NFI 2021, pp. 152-153; 186-187; 191; 195; 199		
203-1	Infrastructure investments and services supported	NFI 2021, pp. 186-187; 195		
Economic performance - Management approach (103-1; 103-2; 103-3)		**Boundary: internal** NFI 2021, pp. 152-153; 191; 199		**Employment and wealth generation** - Financial investment contribution In 2021, investments net of depreciation amounted to €5,067 million and share buybacks plus dividend payments amounted to €2,763 million. **Community and social vitality** - Total tax paid Eni paid €3,726 million in taxes in 2021.
201-1	Direct economic value generated and distributed	NFI 2021, p. 199		**Employment and wealth generation** - Economic contribution 1) In 2021, Eni generated an economic value of €78 billion of which €66 billion were distributed, in particular: 84% are operating costs, 4% wages and salaries for employees, 6% payments to capital suppliers, 6% payments to the Public Administration. 2) In 2021, Eni received approximately €84 million in financial assistance from the Public Administration, mainly abroad.
Local communities - Management approach (103-1; 103-2; 103-3)		**Boundary: internal** NFI 2021, pp. 152-153; 186-187; 191; 195; 199		
413-1	Operations with local community engagement, impact assessments, and development programs	NFI 2021, pp. 186-187; 195		
LOCAL CONTENT Responsible management of the supply chain; Business and added value created in countries of presence				
Procurement practices - Management approach (103-1; 103-2; 103-3)		**Boundary: internal ed external (Suppliers - RNES[1])** NFI 2021, pp. 152-153; 186-187; 191; 195; 199		
204-1	Proportion of spending on local suppliers	NFI 2021, pp. 186-187; 195		
DIGITALIZATION, INNOVATION AND CYBER SECURITY				
Technological innovation - Management approach (103-1; 103-2; 103-3)		**Boundary: internal** NFI 2021, pp. 152-153; 158-164; 191; 199		**Innovation of better products and services** - Total R&D expenses NFI 2021, p. 164

(1) RNES = Reporting not extended to suppliers.
(2) RNEC= Reporting not extended to customers.
(3) RPES = Reporting partially extended to suppliers.

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 2021, payments to Eni's suppliers were made within 53 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 aforementioned provisions, the Company discloses that:

- as of December 31, 2020, 12 of Eni's subsidiaries: NAOC - Nigerian Agip Oil Co. Ltd, Eni Petroleum Co. Inc., Eni Congo SA, Nigerian Agip Exploration Ltd, Eni Canada Holding Ltd, Eni Ghana Exploration and Production Ltd, Eni Trading & Shipping Inc., Eni UK Ltd, Eni Investments Plc, Eni Lasmo Plc, Eni ULX Ltd, Eni UK Holding Plc;
- 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
In March 2022, the Italian government enacted a law that imposes a one-time expense on extra-profits of energy companies determined on the basis of certain transactions for the six-months ended March 31, 2022 compared to the same period in the prior year. Considering that further legislative action and implementation guidance are required and because the data required to determine the extra-profit are not fully available, management is not able to make a reliable estimate of the law's impact on the consolidated financial statements.
No further significant events were reported after December 31, 2021, apart from what is already included in the operating review of this Annual Report.

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 1, 2019, Eni has updated the conversion rate of gas produced to 5,310 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_2eq.) 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_2eq.) 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 sinks 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

Consolidated financial statements

2021

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Consolidated balance sheet

(€ million)	Note	December 31, 2021 Total amount	December 31, 2021 of which with related parties	December 31, 2020 Total amount	December 31, 2020 of which with related parties
ASSETS					
Current assets					
Cash and cash equivalents	(6)	8,254		9,413	
Financial assets held for trading	(7)	6,301		5,502	
Other current financial assets	(17)	4,308	*55*	254	*41*
Trade and other receivables	(8)	18,850	*1,301*	10,926	*802*
Inventories	(9)	6,072		3,893	
Income tax receivables	(10)	195		184	
Other current assets	(11) (24)	13,634	*492*	2,686	*145*
		57,614		**32,858**	
Non-current assets					
Property, plant and equipment	(12)	56,299		53,943	
Right-of-use assets	(13)	4,821		4,643	
Intangible assets	(14)	4,799		2,936	
Inventory - Compulsory stock	(9)	1,053		995	
Equity-accounted investments	(16) (37)	5,887		6,749	
Other investments	(16)	1,294		957	
Other non-current financial assets	(17)	1,885	*1,645*	1,008	*766*
Deferred tax assets	(23)	2,713		4,109	
Income tax receivables	(10)	108		153	
Other non-current assets	(11) (24)	1,029	*29*	1,253	*74*
		79,888		**76,746**	
Assets held for sale	(25)	**263**		**44**	
TOTAL ASSETS		**137,765**		**109,648**	
LIABILITIES AND EQUITY					
Current liabilities					
Short-term debt	(19)	2,299	*233*	2,882	*52*
Current portion of long-term debt	(19)	1,781	*21*	1,909	
Current portion of long-term lease liabilities	(13)	948	*17*	849	*54*
Trade and other payables	(18)	21,720	*2,298*	12,936	*2,100*
Income tax payables	(10)	648		243	
Other current liabilities	(11) (24)	15,756	*339*	4,872	*452*
		43,152		**23,691**	
Non-current liabilities					
Long-term debt	(19)	23,714	*5*	21,895	
Long-term lease liabilities	(13)	4,389	*1*	4,169	*112*
Provisions	(21)	13,593		13,438	
Provisions for employee benefits	(22)	819		1,201	
Deferred tax liabilities	(23)	4,835		5,524	
Income tax payables	(10)	374		360	
Other non-current liabilities	(11) (24)	2,246	*415*	1,877	*23*
		49,970		**48,464**	
Liabilities directly associated with assets held for sale	(25)	**124**			
TOTAL LIABILITIES		**93,246**		**72,155**	
Share capital		4,005		4,005	
Retained earnings		22,750		34,043	
Cumulative currency translation differences		6,530		3,895	
Other reserves and equity instruments		6,289		4,688	
Treasury shares		(958)		(581)	
Profit (loss)		5,821		(8,635)	
Equity attributable to equity holders of Eni		**44,437**		**37,415**	
Non-controlling interest		**82**		**78**	
TOTAL EQUITY	(26)	**44,519**		**37,493**	
TOTAL LIABILITIES AND EQUITY		**137,765**		**109,648**	

Consolidated profit and loss account

(€ million)	Note	2021 Total amount	2021 of which with related parties	2020 Total amount	2020 of which with related parties	2019 Total amount	2019 of which with related parties
Sales from operations		76,575	*3,000*	43,987	*1,164*	69,881	*1,248*
Other income and revenues		1,196	*52*	960	*35*	1,160	*4*
REVENUES AND OTHER INCOME	(29)	**77,771**		**44,947**		**71,041**	
Purchases, services and other	(30)	(55,549)	*(8,644)*	(33,551)	*(6,595)*	(50,874)	*(9,173)*
Net (impairments) reversals of trade and other receivables	(8)	(279)	*(6)*	(226)	*(6)*	(432)	*28*
Payroll and related costs	(30)	(2,888)	*(21)*	(2,863)	*(36)*	(2,996)	*(28)*
Other operating income (expense)	(24)	903	*735*	(766)	*13*	287	*19*
Depreciation and amortization	(12) (13) (14)	(7,063)		(7,304)		(8,106)	
Net (impairments) reversals of tangible and intangible assets and right-of-use assets	(15)	(167)		(3,183)		(2,188)	
Write-off of tangible and intangible assets	(12) (14)	(387)		(329)		(300)	
OPERATING PROFIT (LOSS)		**12,341**		**(3,275)**		**6,432**	
Finance income	(31)	3,723	*79*	3,531	*114*	3,087	*96*
Finance expense	(31)	(4,216)	*(46)*	(4,958)	*(26)*	(4,079)	*(36)*
Net finance income (expense) from financial assets held for trading	(31)	11		31		127	
Derivative financial instruments	(24) (31)	(306)		351		(14)	
FINANCE INCOME (EXPENSE)		**(788)**		**(1,045)**		**(879)**	
Share of profit (loss) from equity-accounted investments		(1,091)		(1,733)		(88)	
Other gain (loss) from investments		223		75		281	
INCOME (EXPENSE) FROM INVESTMENTS	(16) (32)	**(868)**		**(1,658)**		**193**	
PROFIT (LOSS) BEFORE INCOME TAXES		**10,685**		**(5,978)**		**5,746**	
Income taxes	(33)	(4,845)		(2,650)		(5,591)	
PROFIT (LOSS)		**5,840**		**(8,628)**		**155**	
Attributable to Eni		5,821		(8,635)		148	
Attributable to non-controlling interest		19		7		7	
Earnings (loss) per share (€ per share)	(34)						
Basic		1.61		(2.42)		0.04	
Diluted		1.60		(2.42)		0.04	

Consolidated statement of comprehensive income

(€ million)	Note	2021	2020	2019
Profit (loss)		**5,840**	**(8,628)**	**155**
Other items of comprehensive income (loss)				
Items that are not reclassified to profit or loss in later periods				
Remeasurements of defined benefit plans	(26)	119	(16)	(42)
Share of other comprehensive income (loss) on equity-accounted investments	(26)	2		(7)
Change of minor investments measured at fair value with effects to OCI	(26)	105	24	(3)
Tax effect	(26)	(77)	25	5
		149	**33**	**(47)**
Items that may be reclassified to profit or loss in later periods				
Currency translation differences	(26)	2,828	(3,314)	604
Change in the fair value of cash flow hedging derivatives	(26)	(1,264)	661	(679)
Share of other comprehensive income (loss) on equity-accounted investments	(26)	(34)	32	(6)
Tax effect	(26)	372	(192)	197
		1,902	**(2,813)**	**116**
Total other items of comprehensive income (loss)		**2,051**	**(2,780)**	**69**
Total comprehensive income (loss)		**7,891**	**(11,408)**	**224**
Attributable to Eni		7,872	(11,415)	217
Attributable to non-controlling interest		19	7	7

Consolidated statement of changes in equity

		Equity attributable to equity holders of Eni								
(€ million)	Note	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, 2020	(26)	**4,005**	**34,043**	**3,895**	**4,688**	**(581)**	**(8,635)**	**37,415**	**78**	**37,493**
Profit (loss) 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					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			
Acquisition 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 Consolidated statement of changes in equity

(€ million)	Note	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 income (loss)										
Remeasurements of defined benefit plans net of tax effect	(26)				9			9		9
Change of minor investments measured at fair value with effects to OCI	(26)				24			24		24
Items that are not reclassified to profit or loss in later periods					33			33		33
Currency translation differences	(26)			(3,313)	(1)			(3,314)		(3,314)
Change in the fair value of cash flow hedge derivatives net of tax effect	(26)				469			469		469
Share of "Other comprehensive income (loss)" on equity-accounted investments	(26)				32			32		32
Items that may be reclassified to profit or loss in later periods				(3,313)	500			(2,813)		(2,813)
Total comprehensive income (loss) of the year				(3,313)	533		(8,635)	(11,415)	7	(11,408)
Dividend distribution of Eni SpA	(26)		1,542				(3,078)	(1,536)		(1,536)
Interim dividend distribution of Eni SpA	(26)		(429)					(429)		(429)
Dividend distribution of other companies									(3)	(3)
Allocation of 2019 net income			(2,930)				2,930			
Cancellation of treasury shares	(26)				(400)	400				
Long-term share-based incentive plan			7					7		7
Increase in non-controlling interest relating to acquisition of consolidated entities	(27)								15	15
Issue of perpetual subordinated bonds	(26)				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	(26)	4,005	34,043	3,895	4,688	(581)	(8,635)	37,415	78	37,493

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, 2018	**4,005**	**35,189**	**6,605**	**1,672**	**(581)**	**4,126**	**51,016**	**57**	**51,073**
Changes in accounting policies (IAS 28)		(4)					(4)		(4)
Balance at January 1, 2019	**4,005**	**35,185**	**6,605**	**1,672**	**(581)**	**4,126**	**51,012**	**57**	**51,069**
Profit (loss) for the year						**148**	**148**	**7**	**155**
Other items of comprehensive income (loss)									
Remeasurements of defined benefit plans net of tax effect				(37)			(37)		(37)
Share of "Other comprehensive income (loss)" on equity-accounted investments				(7)			(7)		(7)
Change of minor investments measured at fair value with effects to OCI				(3)			(3)		(3)
Items that are not reclassified to profit or loss in later periods				**(47)**			**(47)**		**(47)**
Currency translation differences			604				604		604
Change in the fair value of cash flow hedge derivatives net of tax effect				(482)			(482)		(482)
Share of "Other comprehensive income (loss)" on equity-accounted investments				(6)			(6)		(6)
Items that may be reclassified to profit or loss in later periods			**604**	**(488)**			**116**		**116**
Total comprehensive income (loss) of the year			**604**	**(535)**		**148**	**217**	**7**	**224**
Dividend distribution of Eni SpA		1,513				(2,989)	(1,476)		(1,476)
Interim dividend distribution of Eni SpA		(1,542)					(1,542)		(1,542)
Dividend distribution of other companies								(4)	(4)
Reimbursements to minority shareholders								(1)	(1)
Allocation of 2018 net income		1,137				(1,137)			
Acquisition of treasury shares		(400)		400	(400)		(400)		(400)
Long-term share-based incentive plan		9					9		9
Transactions with shareholders		**717**		**400**	**(400)**	**(4,126)**	**(3,409)**	**(5)**	**(3,414)**
Other changes in shareholders' equity		**(8)**		**27**			**19**	**2**	**21**
Balance at December 31, 2019	**4,005**	**35,894**	**7,209**	**1,564**	**(981)**	**148**	**47,839**	**61**	**47,900**

Consolidated statement of cash flows

(€ million)	Note	2021	2020	2019
Profit (loss)		**5,840**	**(8,628)**	**155**
Adjustments to reconcile profit (loss) to net cash provided by operating activities				
Depreciation and amortization	(12) (13) (14)	7,063	7,304	8,106
Net Impairments (reversals) of tangible and intangible assets and right-of-use assets	(15)	167	3,183	2,188
Write-off of tangible and intangible assets	(12) (14)	387	329	300
Share of (profit) loss of equity-accounted investments	(16) (32)	1,091	1,733	88
Net gain on disposal of assets		(102)	(9)	(170)
Dividend income	(32)	(230)	(150)	(247)
Interest income		(75)	(126)	(147)
Interest expense		794	877	1,027
Income taxes	(33)	4,845	2,650	5,591
Other changes		(194)	92	(179)
Cash flow from changes in working capital		(3,146)	(18)	366
- inventories		*(2,033)*	*1,054*	*(200)*
- trade receivables		*(7,888)*	*1,316*	*1,023*
- trade payables		*7,744*	*(1,614)*	*(940)*
- provisions		*(406)*	*(1,056)*	*272*
- other assets and liabilities		*(563)*	*282*	*211*
Net change in the provisions for employee benefits		54		(23)
Dividends received		857	509	1,346
Interest received		28	53	88
Interest paid		(792)	(928)	(1,029)
Income taxes paid, net of tax receivables received		(3,726)	(2,049)	(5,068)
Net cash provided by operating activities		**12,861**	**4,822**	**12,392**
- of which with related parties	(36)	***(4,331)***	***(4,640)***	***(6,356)***
Cash flow from investing activities		(7,815)	(5,959)	(11,928)
- tangible assets	(12)	*(4,950)*	*(4,407)*	*(8,049)*
- prepaid right-of-use assets	(13)	*(2)*		*(16)*
- intangible assets	(14)	*(284)*	*(237)*	*(311)*
- consolidated subsidiaries and businesses net of cash and cash equivalent acquired	(27)	*(1,901)*	*(109)*	*(5)*
- investments	(16)	*(837)*	*(283)*	*(3,003)*
- securities and financing receivables held for operating purposes		*(227)*	*(166)*	*(237)*
- change in payables in relation to investing activities		*386*	*(757)*	*(307)*
Cash flow from disposals		536	216	794
- tangible assets		*207*	*12*	*264*
- intangible assets		*1*		*17*
- consolidated subsidiaries and businesses net of cash and cash equivalent disposed of	(27)	*76*		*187*
- tax on disposals		*(35)*		*(3)*
- investments		*155*	*16*	*39*
- securities and financing receivables held for operating purposes		*141*	*136*	*195*
- change in receivables in relation to disposals		*(9)*	*52*	*95*
Net change in securities and financing receivables held for non-operating purposes		(4,743)	1,156	(279)
Net cash used in investing activities		**(12,022)**	**(4,587)**	**(11,413)**
- of which with related parties	(36)	***(976)***	***(1,372)***	***(2,912)***

continued Consolidated statement of cash flows

(€ million)	Note	2021	2020	2019
Increase in long-term financial debt	(19)	3,556	5,278	1,811
Repayments of long-term financial debt	(19)	(2,890)	(3,100)	(3,512)
Payments of lease liabilities	(13)	(939)	(869)	(877)
Increase (decrease) in short-term financial debt	(19)	(910)	937	161
Dividends paid to Eni's shareholders		(2,358)	(1,965)	(3,018)
Dividends paid to non-controlling interest		(5)	(3)	(4)
Reimbursements to non-controlling interest				(1)
Acquisition of additional interests in consolidated subsidiaries		(17)		(1)
Acquisition of treasury shares	(26)	(400)		(400)
Issue of perpetual subordinated bonds	(26)	1,985	2,975	
Coupon payment on perpetual subordinated bonds	(26)	(61)		
Net cash used in financing activities		**(2,039)**	**3,253**	**(5,841)**
- of which with related parties	(36)	***(13)***	***164***	***(817)***
Effect of exchange rate changes and other changes on cash and cash equivalents		52	(69)	1
Net increase (decrease) in cash and cash equivalents		**(1,148)**	**3,419**	**(4,861)**
Cash and cash equivalents - beginning of the year	(6)	**9,413**	**5,994**	**10,855**
Cash and cash equivalents - end of the year[a]	(6)	**8,265**	**9,413**	**5,994**

(a) As of December 31, 2021, cash and cash equivalents included €11 million of cash and cash equivalents of consolidated subsidiaries held for sale that were reported in the item "Assets held for sale".

Notes on Consolidated Financial Statements

RISKS AND UNCERTAINTIES

RISKS IN CONNECTION WITH THE WAR IN UKRAINE

The crisis in the relationships between Russia and Ukraine that in February 2022 gave rise to the Russian military invasion and to an open conflict on a large scale with violent armed clashes and loss of human lives implies various risk areas in relation to the economic and financial situation and the income prospects of the Group.

Macroeconomic risk

Possible outcomes of this situation might include a prolonged armed conflict, a possible escalation in the military action, risks of enlargement of the ongoing geopolitical crisis and a further tightening up of the economic sanctions against Russia. These factors could resultin in a scenario that could eventually sap consumers' confidence, deter investment decisions by operators and cripple industrial activities derailing the global recovery or, in the worst of the outcomes, triggering a new worldwide recession, while the economy has been still recovering from the fallout of the COVID-19 downturn. This scenario would drive a reduction in hydrocarbons demand and of commodity prices and would adversely and significantly affect our results of operations and cash flow.
Shortly after the outbreak of hostilities with the Russian invasion of Ukraine, the European Union, the USA, and the UK imposed a raft of tough economic and financial sanctions against Russia, which have added up to those already in force since 2014 as result of the illegal annexation of Crimea.

Risks associated with the supply of natural gas and oil from Russia

The restrictions imposed by the international community against Russia have mainly targeted the Russian financial sector, precluding access to funding from European and US-based financial institutions. As for energy products imported from Russia, many operators, traders, oil companies, refiners and others have decided on a voluntary basis to suspend purchases of crude oil and products from Russia, giving rise to an auto-sanctioning system; also the President of the United States signed an executive order to ban all imports of Russian energy products. As long as the conflict continues, it is possible that new increasingly tight restrictions could be imposed. At the moment, the flow of gas supplies from Russia has continued regularly; purchases of natural gas from Russia represent approximately 43% of the total procured by Eni in 2021 (approximately 30 billion cubic meters, of which 22 destined to Italy). Management, in coordination with government institutions, is evaluating plans aimed at diversifying/strengthening alternative sources of supply by leveraging portfolio flexibility, equity reserves, infrastructure availability and long-term relationships with oil states overlooking the Mediterranean area. These options could mitigate possible impacts, at the moment unpredictable, in case of wider sanction scenarios adopted by the international community against the Russian energy sector or supply disruptions.
Furthermore, at present the Group has decided to cease signing new supply contracts of Russian crude oil. This decision is expected to lead to a worsening of our refining system, supply downturn and higher expenses which are not possible to quantify currently.

Financial risks associated with the volatility of commodity prices

Since the outbreak of the crisis, the energy commodity markets have entered a phase of extreme tension and volatility due to the uncertainties of European operators about the stability of gas supplies via pipeline from Russia and possible restrictions on oil flows. The spot prices of crude oil for the Brent benchmark and the main benchmarks of the spot prices for natural gas in the European markets recorded significant increases, reaching their highest levels since 2008 for Brent (at about 130 $/bbl) and historical records for gas. This volatility will significantly affect the Group's operating expenses and revenues in 2022, driven by possible higher prices of energy commodities which might affect both revenues and purchase costs of oil feedstocks and natural gas.
Furthermore, the increased volatility could drive: (i) an increased counterparty risk due to the significant increase of the nominal value of trading receivables and the difficulties of the industrial sector in managing the significant increase in energy and raw material costs caused by the crisis; (ii) a higher level of financial risk of the Company in connection to the need to increase security deposits to secure the settlement of derivative transactions to fulfill the margining obligations (margin call). To counter the ongoing phase of extreme volatility in the energy commodities market the Group is planning to strengthen its financial headroom by increasing the liquidity reserves (cash on hand and committed borrowing facilities).

Possible impacts on the value of balance sheet assets

Eni's companies operating in Russia are indicated in note 37 - Other information about investments. The Group has announced the intention to divest its interest in the joint operation Blue Stream with a carrying amount of €40 million (Eni's share 50%) 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 impact on the Group's consolidated results and balance sheet.
The Group does not hold any other significant assets in Russia.
The full effects of the crisis on the Group economic and financial

performance in 2022 and beyond are currently unpredictable.

IMPACT OF COVID-19 PANDEMIC

The macroeconomic environment has gradually improved during 2021 due to the effectiveness of the vaccination campaign against COVID-19, together with measures to contain the spread of the virus, particularly in OECD Countries, allowing for a phased reopening of economic activities and increasing mobility of people. The expansionary monetary policies adopted by the central banks and the massive fiscal stimulus launched by governments supported consumptions and investments. In this context, the demand for hydrocarbons and the prices of commodities, the main driver of the Group's financial results, recorded a significant rebound.
Global energy demand first stabilized and then unexpectedly increased in the last quarter of the year, driven by an acceleration in the pace of the economic recovery, resulting in an increase in the price of oil of 70% vs. 2020 at about 71 $/barrel on an annual average, while natural gas prices recorded material increases (in the order of several hundred percentage points) due to a particularly tight market. These trends were the basis of the strong recovery in profitability in the Exploration & Production and Global Gas & LNG Portfolio segments, together with the solid performance of the chemical business line, driven by a recovery in demand for commodities, and of the Plenitude businesses.
The Refining & Marketing business has continued to be weighted down by the effects of the pandemic, which affected its performance due to weak demand for jet fuel which penalized the profitability of traditional refining by creating an oversupply of gasoil leading to significantly lower products spreads. The profitability was also affected by higher costs of gas-indexed utilities and the higher costs for the purchase of emission allowances to comply with the environmental obligations of the European ETS, which more than doubled due to a recovery in industrial activities and as consumption of coal increased signficantly due to its cost-comptetitiveness against natural gas to fire power generation and to produce steam.
Overall, 2021 saw a significant rebound in consolidated results which closed with a profit of €5.8 billion compared to a loss of €8.6 billion in 2020 and an operating cash flow of €12.9 billion, which increased by approximately €8 billion compared to 2020.
Looking to the future, the main risks for the Group's financial performance are linked to the possibility of the spread of new vaccine-resistant variants of the virus, as well as the resumption of inflation driven by the spill-over effects through the supply chains of increased raw material costs as the ultimate, unintended effect of accomodative monetary policies and big tax measures adopted to help the economy recover from the fallout of the pandemic.

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[1] basis in accordance with International Financial Reporting Standards (IFRS)[2] 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[3].
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 2021 Consolidated Financial Statements, approved by the Eni's Board of Directors on March 17, 2022, 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

(1) With reference to the impacts of COVID-19, see information provided in the previous paragraph.
(2) 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).
(3) 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 2021.

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 2021 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 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.

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[4] impact on the representation of the financial position and performance of the Group[5], the Consolidated Financial Statements do not 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,

(4) 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.
(5) 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, 2021"

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[6]. 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 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, 2021". 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[7].

Under the equity method, investments are initially recognised at cost, 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,

(6) 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.
(7) 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.

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 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.

(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.
(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.

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. 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 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 2021	Exchange rate at December 31, 2021	Annual average exchange rate 2020	Exchange rate at December 31, 2020	Annual average exchange rate 2019	Exchange rate at December 31, 2019
U.S. Dollar	1.18	1.13	1.14	1.23	1.12	1.12
Pound Sterling	0.86	0.84	0.89	0.90	0.88	0.85
Australian Dollar	1.57	1.56	1.66	1.59	1.61	1.60

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

(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".

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. 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.
A similar scheme applies to service contracts.

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. Non-removable 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 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

(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.
(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.

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 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.

(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.

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 amount to be amortised and the recoverability of the carrying amount are determined 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, allocable on a reasonable and consistent basis. Corporate assets not attributable to a single CGU are allocated to a group of CGUs. 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

(20) For the recognition criteria of forestry certificates see the accounting policy for "Costs".

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 Retail & Renewables 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 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

(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 recognized.

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 expected future cash flows used for impairment analyses are based on judgmental assessments of future production volumes, prices and costs, considering available information at the date of review and 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 – Impairment review of tangible and intangible assets and right-of-use assets.

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

(22) Receivables and other financial assets measured at amortised cost are presented on the balance sheet net of their loss allowance.

account when the financial asset is derecognised. Currently the Group does not have any financial assets measured at fair value through OCI.

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 fall into this category. Interest income on assets held for trading contributes to the fair value measurement of the instrument and is recognised in "Finance income (expense)", within "Net finance income (expense) from financial assets held for trading".

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.

(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.

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.
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 re-classified 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 expenditures expected to be required to settle the obligation at a discount rate that reflects the Company's average borrowing rate 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)".
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 discount rate used to determine the provision and the timing of future cash outflows, as well as any related update, 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[25].
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.

(25) With reference to the environmental liabilities assumed, the expected operating costs to be incurred for managing groundwater treatment plants are not included in the estimates of environmental liabilities because it is not possible to reliably define a time horizon within which the operations of the plant will be terminated. In this regard, Eni performs periodic reviews for any changes in facts and circumstances, including changes in regulatory framework and technology, that might require the recognition of the environmental liability.

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 non-market 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[26]. 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.

(26) 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 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 non-current 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 non-current 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.

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 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

Starting from 2021, the amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform - Phase 2" (hereinafter the amendments) are effective. The amendments provide practical expedients and temporary exceptions from the application of some IFRS requirements related to financial instruments measured at amortised cost and/or hedging relationships modified as a consequence of the interest rate benchmark reform. This reform, still ongoing, provides for the replacement of some benchmark interest rates, e.g. LIBOR (London Interbank Offered Rate), with alternative risk-free rates.

With reference to the Eni Group, an internal working group has been set up to monitor the regulatory and market developments, as well as to support the assessment of the impacts arising from the reform, the measurement of the exposures to benchmark rates to be replaced, the identification of the changes to be implemented (e.g. renegotiation of loans with counterparties, implementation of fallback clauses, updating of information systems, etc.) and the transition to alternative risk-free rates.

As December 31, 2021, the Group holds, principally, financial instruments indexed to USD LIBOR benchmark rates, affected by the reform, which will be replaced by June 30, 2023 with SOFR (Secured Overnight Financing Rate). Such financial instruments are essentially represented by bonds relating to the Euro Medium Term Notes program for an amount of 1,750 million of US dollars. The Group has adhered, in December 2021, to the IBOR fallbacks protocol published by the International Swaps and Derivatives Association (ISDA). The other amendments to IFRSs effective from January 1, 2021 and adopted by Eni did not have a material impact on the Consolidated Financial Statements.

4 IFRSs NOT YET EFFECTIVE

IFRSs ISSUED BY THE IASB AND ADOPTED BY THE EU

By the Commission Regulation No. 2021/1080 issued on June 28, 2021, the European Commission adopted:

- the amendments to IAS 37, aimed to provide clarifications for the purpose of assessing whether a contract is onerous;
- the amendments to IAS 16, aimed to state that the proceeds from selling items produced while the company is preparing the asset for its intended use shall be recognised in the profit and loss account, together with the related production costs;
- the amendments to IFRS 3, aimed to: (i) replace all remaining references to the previous versions of the IFRS Framework with references to the new Conceptual Framework for Financial Reporting included in IFRS 3; (ii) provide clarifications on the requirements for recognising, at the acquisition date, provisions, contingent liabilities and levies assumed in a business combination; (iii) state explicitly that a contingent asset acquired in a business combination cannot be recognised;
- the document "Annual Improvements to IFRS Standards 2018-2020 Cycle", which includes, basically, technical and editorial changes to existing standards.

Such amendments shall be applied for annual reporting periods beginning on or after January 1, 2022.

By the Commission Regulation No. 2021/2036 issued by the European Commission on November 19, 2021, IFRS 17 "Insurance Contracts" (hereinafter IFRS 17), as well as the related amendments issued in 2020 providing, among others, the deferral of the effective date of IFRS 17 by two years, were adopted. In particular, IFRS 17, which replaces IFRS 4 "Insurance Contracts", 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 1, 2023.

By the Commission Regulation No. 2022/357 issued on March 2nd, 2022, the European Commission adopted:

- the amendments to IAS 1 and IFRS Practice Statement 2 (hereinafter the amendments), aimed to provide clarifications on identifying the material accounting policies to be disclosed in the financial statements. The amendments shall be applied for annual reporting periods beginning on or after January 1st, 2023;
- the amendments to IAS 8 (hereinafter the amendments), which introduce the definition of accounting estimates essentially to clarify how to distinguish changes in accounting policies from changes in accounting estimates. 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), which clarify how to classify debt and other liabilities as current or non-current. Because of further amendments issued on July 15, 2020 ("Classification of Liabilities as Current or Non-current - Deferral of Effective Date"), the amendments shall be applied for annual reporting periods beginning on or after January 1st, 2023.

On May 7, 2021, the IASB issued 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.

Eni is currently reviewing the IFRSs not yet adopted in order to determine the likely impact on the Consolidated Financial Statements.

Change in the classification of the joint arrangement Mozambique Rovuma Venture SpA

As part of the continuous monitoring of facts and circumstances relevant to the classification of joint arrangements, starting from December 31, 2021 the classification of the investment held in Mozambique Rovuma Venture SpA was changed from joint operation to joint venture. The company has entered a new phase marked by an evolution of the business in terms of greater number and complexity of projects managed with the strengthening of the management and financial autonomy.

The elements considered by management to support this change in the classification of the investment include, among other things: (i) the substantial completion of the Coral South project and the substantially certain sale of LNG to a third party unrelated to the shareholders; and (ii) the extension in the scope of the company with forecasts of new investments in other projects with different degrees of maturity and a high mining potential, in particular the gradual progression in the relevant project Mamba resulting from the commercial declaration of further reserves in Area 4, whose reserves are planned to be developed independently by the venture of Area 4 and coordinatedly with the operator of the adjacent Area 1 subsequent to the unification of the two development areas. For this reason, the interest of the shareholders must be considered in all respects in relation to the net assets of the company (as a result of the several projects managed) and no longer in relation to the rights on the assets and the obligations for liabilities. Therefore, as of December 31, 2021, the investment in Mozambique Rovuma Venture SpA was recognized at an amount equal to the carrying amount of the net assets (€355 million), previously recognized, line by line, on the basis of the shares attributable to Eni.

(€ million)	Effect of the change in the classification of Mozambique Rovuma Venture SpA
Cash and cash equivalents	29
Other current assets	43
Current assets	**72**
Property, plant and equipment	1,318
Other non-current assets	42
Non-current assets	**1,360**
TOTAL ASSETS	**1,432**
Current financial liabilities	2
Other current liabilities	56
Current liabilities	**58**
Non-current financial liabilities	1,008
Provisions	7
Other non-current liabilities	4
Non-current liabilities	**1,019**
TOTAL LIABILITIES	**1,077**
TOTAL NET ASSETS	**355**

5 BUSINESS COMBINATIONS AND OTHER SIGNIFICANT TRANSACTIONS

BUSINESS COMBINATIONS

In 2021 Eni completed several business combinations for a total consideration of €2,222 million and the assumption of net financial liabilities for €614 million of which cash and cash equivalents totaled €163 million.

On March 10, 2021 an agreement was finalized with the Arab Republic of Egypt (ARE) and the Spanish partner Naturgy for the resolution of all pending issues relating to the supply of feed-gas to the Damietta plant owned by the former join venture Unión Fenosa Gas SA and the settlement of the liquefaction fees by the Egyptian state companies. As a result of these agreements and the restructuring of Unión Fenosa Gas, Eni acquired a 50% stake in the Damietta plant and the related liquefaction capacity (5.4 million TPA of 100% LNG), as well as 100% of the marketing activities of gas in Spain managed by Unión Fenosa Gas Comercializadora SA (now Eni España Comercializadora De Gas SAU), a subsidiary of Unión Fenosa Gas SA before the transaction. The transaction resulted in a total cash adjustment in favor of Eni of €32 million related to the disposals and the assumption of net financial liabilities of €128 million of which cash and cash equivalents totaled €42 million. The price allocation of net assets acquired of €200 million was made on a definitive basis with recognition of goodwill for €2 million.

On April 7, 2021 Eni finalized the acquisition of 100% of Aldro Energía Y Soluciones SLU, a company operating in the retail market for the sale of electricity, gas and energy services with a portfolio of approximately 250,000 retail customers of power, natural gas and services, primarily in Spain and Portugal, as part of the growth and integration strategy between retail and renewable energy production with the Plenitude business line. The total cash consideration of the transaction amounted to €221 million with the assumption of net financial liabilities for €36 million of which cash and cash equivalents totaled €7 million. The price allocation of net assets acquired was made on a definitive basis with recognition of goodwill for €168 million.

On June 3, 2021 Eni finalized the acquisition of 100% of FRI-EL Biogas Holding (now EniBioCh4in SpA), a leader in the Italian bioenergy production sector. FRI-EL Biogas Holding owns 21 plants each with a nominal power of 2 megawatts. The assets acquired include a plant for processing OFMSW - the organic fraction of municipal solid waste. The deal is part of Eni's decarbonization strategy and involves the conversion of the acquired capacity into biomethane production units with the Refining & Marketing business line. The transaction resulted in a total cash consideration of €132 million with acquisition of net financial liabilities for €14 million of which cash and cash equivalents for €13 million. The price allocation of net assets acquired was made on a provisional basis with recognition of goodwill for €80 million.

On July 29, 2021 Eni finalized the acquisition of a portfolio of 13 onshore wind farms in Italy, for a total capacity of 315 MW already in operation, from Glennmont Partners and PGGM Infrastructure Fund. The operation resulted in a total cash consideration of €485 million with the assumption of net financial liabilities for €215 million of which cash and cash equivalents totaled €41 million. The price allocation of net assets acquired was made on a provisional basis with recognition of goodwill for €302 million. The acquisition is part of the Plenitude business line.

On October 4, 2021 Eni finalized the acquisition of Dhamma Energy Group. The group holds a platform for the development of solar plants in France and Spain. Dhamma's asset portfolio comprises a pipeline of projects in France and Spain at various stages of development for almost 3 GW and includes plants already in operation or in advanced development for around 120 MW. The transaction resulted in a total cash consideration of €140 million with assumption of net financial liabilities totaled €101 million of which cash and cash equivalents for €10 million. The price allocation of net assets acquired was made on a provisional basis with recognition of goodwill for €120 million. The acquisition is part of the Plenitude business line.

On October 22, 2021 Eni finalized the acquisition from Azora Capital of a portfolio of nine renewable energy projects in Spain. The transaction involved three wind farms in service and a wind farm under construction, for a total of 234 MW, and five solar projects in advanced development for around 0.9 GW. The transaction resulted in a total cash consideration of €118 million with the assumption of net financial liabilities for €32 million of which cash and cash equivalents totaled €5 million. The price allocation of net assets acquired was made on a provisional basis with recognition of goodwill for €81 million. The acquisition is part of the Plenitude business line.

On October 28, 2021, Eni finalized the acquisition of the control of Finproject by exercising the call option to buy the remaining 60% of the shares in order to raise its stake to 100%. The acquisition aims to complement the Eni's portfolio of chemical specialties managed by Versalis to create an all-Italian leading platform, leveraging the synergy between Versalis' technological and industrial leadership in the chemical industry and Finproject's positioning in the market of high added value applications, with a business that is resilient to the volatility of the chemical industry scenario. The acquisition resulted in a cash consideration of €149 million with the assumption of net financial liabilities for €85 million, of which cash and cash equivalents totaled €21 million. The allocation of the acquisition price (€149 million) and of the fair value of the stake already owned (€99 million) of the net assets acquired was made on a definitive basis with recognition of goodwill for €93 million.

On November 2, 2021 Eni finalized the acquisition from Zouk Capital and Aretex of Be Power, a company operating in the segment of charging infrastructures for electric mobility with approximately 6,000 charging points for electric vehicles, becoming the second operator in Italy as a consequence of the co-branding agreement already in place for the charging

stations Be Charge. The deal is part of Eni's decarbonization strategy within the Plenitude business line. The consideration for the transaction of €764 million was paid for the 50% at the closing while the remaining part will be paid in 2022; furthermore, Eni assumed net financial assets of €9 million of which cash and cash equivalents totaled €24 million. The price allocation of net assets acquired was made on a provisional basis with recognition of goodwill for €728 million.
Balance sheet values at the acquisition date of the business combinations realized in 2021 are shown in the following table:

(€ million)	Uniòn Fenosa Gas	Aldro Energía Y Soluciones SLU	FRI-EL Biogas Holding (now EniBioCh4in SpA)	Portfolio of thirteen onshore wind facilities	Dhamma Energy Group	Portfolio of nine renewable energy projects	Finproject SpA	Be Power	Other acquisitions and Businesses	**Total**
Cash and cash equivalents	42	7	13	41	10	5	21	24		163
Current financial assets				150	29	6		23		208
Other current assets	370	78	23	32	2	7	92	22	6	632
Current assets	**412**	**85**	**36**	**223**	**41**	**18**	**113**	**69**	**6**	**1,003**
Property, plant and equipment	335		38	423	119	57	35	29	30	1,066
Goodwill	2	168	80	302	120	81	93	728		1,574
Other non-current assets	41	69	15	43	15	25	205	10	13	436
Non-current assets	**378**	**237**	**133**	**768**	**254**	**163**	**333**	**767**	**43**	**3,076**
TOTAL ASSETS	**790**	**322**	**169**	**991**	**295**	**181**	**446**	**836**	**49**	**4,079**
Current financial liabilities	35	36	11	79		4	102			267
Other current liabilities	224	37	7	22	4	2	54	30		380
Current liabilities	**259**	**73**	**18**	**101**	**4**	**6**	**156**	**30**		**647**
Non-current financial liabilities	135	7	16	327	140	39	4	38	12	718
Provisions			1	4			1	2		8
Deferred tax liabilities	15	7		62	8	8	35			135
Other non-current liabilities	181	14	1	12		10	2	2	24	246
Non-current liabilities	**331**	**28**	**18**	**405**	**148**	**57**	**42**	**42**	**36**	**1,107**
TOTAL LIABILITIES	**590**	**101**	**36**	**506**	**152**	**63**	**198**	**72**	**36**	**1,754**
Equity attributable to Eni	200	221	132	485	140	118	248	764	13	2,321
Non-controlling interest			1		3					4
TOTAL EQUITY	**200**	**221**	**133**	**485**	**143**	**118**	**248**	**764**	**13**	**2,325**
TOTAL LIABILITIES AND EQUITY	**790**	**322**	**169**	**991**	**295**	**181**	**446**	**836**	**49**	**4,079**

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, 2021, not all relevant information has been obtained by the Company in order to finalize related estimates of the fair values of assets acquired.

OTHER SIGNIFICANT TRANSACTIONS

On February 26, 2021 Eni finalized the acquisition from Equinor and SSE Renewables of a 20% stake in the UK Dogger Bank (A and B), the world's largest offshore wind project of its kind for a total capacity of 2.4 GW at full capacity. The construction will be completed by 2023 and 2024. With this acquisition Eni adds 480 MW of renewable energy to its target of decarbonisation. The transaction resulted in a total cash consideration and recognition of an equity investment of €480 million.

6 CASH AND CASH EQUIVALENTS

Cash and cash equivalents of €8,254 million (€9,413 million at December 31, 2020) included financial assets with maturity of up to three months at the date of inception amounting to €5,496 million (€6,913 million at December 31, 2020) 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 are immaterial.
Cash and cash equivalents consist essentially of deposits in euros (€5,589 million) and in U.S. dollars (€2,415 million) representing the use of cash on hand in the market for the financial needs of the Group.
Restricted cash amounted to approximately €115 million (€198 million at December 31, 2020) 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 15 days with a negative effective interest rate of 0.6% for bank deposits in euros (€4,160 million) and 7 days with an effective interest rate of 0.1% for bank deposits in U.S. dollars (€1,336 million).

7 FINANCIAL ASSETS HELD FOR TRADING

(€ million)	December 31, 2021	December 31, 2020
Bonds issued by sovereign states	1,149	1,223
Other	5,152	4,279
	6,301	5,502

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 in view of the 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 €1,398 million (€1,361 million at December 31, 2020). The breakdown by currency is provided below:

(€ million)	December 31, 2021	December 31, 2020
Euro	3,913	3,731
U.S. dollars	2,336	1,688
Other currencies	52	83
	6,301	5,502

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	307	315	Baa3	BBB
Chile	167	170	A1	A
United States of America	122	124	Aaa	AA+
Other(*)	107	108	from Aaa to Baa1	from AAA to A-
	703	717		
Floating rate bonds				
Italy	390	392	Baa3	BBB
Switzerland	29	29	Aaa	AAA
Other	11	11	from Aaa to Baa2	from AA+ to BBB
	430	432		
Total quoted bonds issued by sovereign states	1,133	1,149		
Other Bonds				
Fixed rate bonds				
Quoted bonds issued by industrial companies	1,792	1,833	from Aa1 to Baa3	from AA+ to BBB-
Quoted bonds issued by financial and insurance companies	942	955	from Aaa to Baa3	from AAA to BBB-
Other bonds	290	293	from Aaa to Baa3	from AAA to BBB-
	3,024	3,081		
Floating rate bonds				
Quoted bonds issued by industrial companies	537	540	from Aa1 to Baa3	from AA+ to BBB-
Quoted bonds issued by financial and insurance companies	1,205	1,215	from Aa1 to Baa3	from AA+ to BBB-
Other bonds	315	316	from Aa1 to Baa2	from AA+ to BBB
	2,057	2,071		
Total other bonds	5,081	5,152		
Total other financial assets held for trading	6,214	6,301		

(*) Amounts included herein are lower than €50 million.

The fair value hierarchy is level 1 for €5,749 million and level 2 for €552 million. During 2021, there were no significant transfers between the different hierarchy levels of fair value.

8 TRADE AND OTHER RECEIVABLES

(€ million)	December 31, 2021	December 31, 2020
Trade receivables	15,524	7,087
Receivables from divestments	8	21
Receivables from joint ventures in exploration and production activities	1,888	2,293
Other receivables	1,430	1,525
	18,850	10,926

Generally, trade receivables do not bear interest and provide payment terms within 180 days.
The increase in trade receivables of €8,437 million referred to the segments Global Gas & LNG Portfolio for €5,636 million, Refining & Marketing and Chemical for €1,405 million and Plenitude & Power for €1,039 million and reflected the noticeable increase in the prices of energy commodities, in particular gas, which increased the nominal value of the receivables.
At December 31, 2021, Eni sold without recourse receivables due in 2022 with a nominal value of €2,059 million (€1,377 million at December 31, 2020 due in 2021). Derecognized receivables in 2021 related to the segments Global Gas & LNG Portfolio for €893 million, Refining & Marketing and Chemical segment for €770 million and Plenitude & Power segment for €396 million.
Receivables from joint ventures in exploration and production activities included amounts due by partners in unincorporated joint operations in Nigeria of €681 million (€1,015 million at December 31, 2020). Those receivables were in respect to the share of development costs attributable to the joint operators in oil projects operated by Eni, where the Company bears upfront all the costs of the initiative and charges these costs back to the partners through the 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 €474 million (€605 million at December 31, 2020). Approximately 50% of this amount related to past reporting years and was covered by a "Repayment Agreement", whereby Eni is to be reimbursed through the sale of the entitlement attributable to NNPC in certain rig-less petroleum initiatives with low mineral risk, with a completion of the reimbursement plan expected within the next two years based on Eni's Brent price scenario. The overdue receivable is stated net of a discount factor equal to 8%, calculated based on the risk of the underlying mineral initiative. The other 50% related to net receivables accrued for the operations of 2021. A significant progress in the repayment was noted in the final part of the year.
A cash call exposure towards a privately held Nigerian oil company amounted to €195 million (€134 million at December 31, 2020) which were past due at the reporting date. The amounts were stated net of a provision based on the loss given default (LGD) defined by Eni for international oil companies in a default state and on the basis of specific factors. During the 2021, the partner suspended the payments of the cash calls, making a claim against the amounts billed. Arbitration procedures have been started for the resolution of the dispute.
Receivables from other counterparties comprised: (i) the recoverable amount of €538 million (€376 million at December 31, 2020) 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 estimated on the basis of average recovery percentages obtained by creditors in the context of sovereign defaults, adjusted to reflect the strategic value of the Oil & Gas sector, and also applied for assessing the recoverability of the carrying amount of the investment and the long-term interest in the initiative, as described in note 17 - Other financial assets. Risks associated with the complex financial outlook of the country and the deteriorated operating environment were taken into account in the estimation of the expected loss by assuming a deferral in the timing of collection of future revenues and overdue credit amounts which resulted in an expected credit loss rate of about 53%. The tightening of the US sanction framework against Venezuela has prevented the implementation of the mechanism of credit offsetting through in-kind refunds with assignments to Eni of oil products of PDVSA. Therefore, the amount of the receivable increased compared to the end of 2020; (ii) amounts to be received from customers following the triggering of the take-or-pay clause of long-term gas supply contracts for €325 million at December 31, 2020 were collected during 2021.
Trade and other receivables stated in euro and U.S. dollars amounted to €12,275 million and €5,222 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:

	Performing receivables					
(€ million)	Low risk	Medium Risk	High Risk	Defaulted receivables	Plenitude customers	Total
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
December 31, 2020						
Business customers	1,398	2,746	432	1,351		5,927
National Oil Companies and Public Administrations	841	620	7	2,653		4,121
Other counterparties	1,243	450	28	141	2,173	4,035
Gross amount	**3,482**	**3,816**	**467**	**4,145**	**2,173**	**14,083**
Allowance for doubtful accounts	(32)	(21)	(29)	(2,429)	(646)	(3,157)
Net amount	**3,450**	**3,795**	**438**	**1,716**	**1,527**	**10,926**
Expected loss (% net of counterpart risk mitigation factors)	0.9	0.6	6.2	58.6	29.7	22.4

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.

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 scenario and the current business trends, as well as any higher 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 exposures towards large industrial customers, requiring a revision in the credit loss rate upwards to incorporate an increased economic risk. With regard to customers of the Plenitude business line, the recoverability assessments incorporate the most updated information relating to 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, 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
December 31, 2020						
Plenitude customers:						
- Retail	1,155	105	50	102	366	1,778
- Middle	75	16	3	8	232	334
- Other	61					61
Gross amount	**1,291**	**121**	**53**	**110**	**598**	**2,173**
Allowance for doubtful accounts	(46)	(23)	(22)	(57)	(498)	(646)
Net amount	**1,245**	**98**	**31**	**53**	**100**	**1,527**
Expected loss (%)	3.6	19.0	41.5	51.8	83.3	29.7

Trade and other receivables are stated net of the allowance for doubtful accounts which has been determined considering actions to mitigate counterparty risk amounting to €5,350 million (€1,016 million at December 31, 2020):

(€ million)	2021	2020
Allowance for doubtful accounts - beginning of the year	**3,157**	**3,246**
Additions on trade and other performing receivables	202	112
Additions on trade and other defaulted receivables	348	231
Deductions on trade and other performing receivables	(135)	(82)
Deductions on trade and other defaulted receivables	(421)	(275)
Other changes	162	(75)
Allowance for doubtful accounts - end of the year	**3,313**	**3,157**

Additions to allowance for doubtful accounts on trade and other performing receivables related to: (i) the Global Gas & LNG Portfolio segment for €94 million (€7 million in 2020) for supplies to large industrial customers as a consequence of the noticeable increase in the exposure due to market conditions; (ii) the Plenitude business line for €71 million (€84 million in 2020), mainly in the retail business.

Additions to allowance for doubtful accounts on trade and other defaulted receivables related to: (i) the Exploration & Production segment for €229 million (€118 million in 2020) 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 €101 million (€97 million in 2020), particularly in the retail business.

Utilizations of allowance for doubtful accounts on trade and other performing and defaulted receivables amounted to €556 million (€357 million in 2020) and mainly related to: (i) the Plenitude business line for €239 million (€200 million in 2020), in particular utilizations against charges of €196 million (€178 million in 2020) mainly related to the retail business; (ii) the Exploration & Production segment for €233 million (€101 million in 2020) essentially related to redetermination of receivables from the Nigerian state-owned company NNPC due to a settlement which recognized Eni's rights to recover investment costs made, subject to arbitration, as part of a larger agreement defining the extension and revision of the contractual terms of the license. The credit recovery will be reimbursed through attribution to Eni and the other partners of a share of the state company's oil entitlements in the project.

Net (impairment losses) reversals of trade and other receivables are disclosed as follows:

(€ million)	2021	2020	2019
Net (impairment losses) reversals of trade and other receivables			
New or increased provisions	(550)	(343)	(620)
Net credit losses	(66)	(36)	(45)
Reversals	337	153	233
	(279)	**(226)**	**(432)**

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, 2021	December 31, 2020
Raw and auxiliary materials and consumables	1,001	706
Consumables for infrastructure and facility maintenance of perforation activities	1,611	1,580
Finished products and goods	3,452	1,603
Other	8	4
	6,072	**3,893**

Raw and auxiliary materials and consumables include oil-based feedstock and other consumables pertaining to refining and chemical activities.
Materials and supplies include materials to be consumed in drilling activities and spare parts to the Exploration & Production segment for €1,481 million (€1,463 million at December 31, 2020).
Finished products and goods included natural gas and oil products for €2,414 million (€874 million at December 31, 2020) and chemical products for €626 million (€443 million at December 31, 2020).
Inventories are stated net of write-down provisions of €570 million (€348 million at December 31, 2020).
Inventories held for compliance purposes of €1,053 million (€995 million at December 31, 2020) related to Italian subsidiaries for €1,032 million (€977 million at December 31, 2020) 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 €269 million were pledged to guarantee the potential imbalance exposure towards Snam Rete Gas SpA.

10 INCOME TAX RECEIVABLES AND PAYABLES

	December 31, 2021				December 31, 2020			
	Receivables		Payables		Receivables		Payables	
(€ million)	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Income taxes	195	108	648	374	184	153	243	360

Income taxes are described in note 33 - Income tax expense.
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 €230 million (€254 million at December 31, 2020).

11 OTHER ASSETS AND LIABILITIES

	December 31, 2021				December 31, 2020			
	Assets		Liabilities		Assets		Liabilities	
(€ million)	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Fair value of derivative financial instruments	12,460	51	12,911	115	1,548	152	1,609	162
Contract liabilities			482	726			1,298	394
Other Taxes	442	182	1,435	27	450	181	1,124	26
Other	732	796	928	1,378	688	920	841	1,295
	13,634	1,029	15,756	2,246	2,686	1,253	4,872	1,877

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 €498 million, of which €340 million are current, and advances made in December (€475 million at December 31, 2020, of which €315 million current).

Other assets include: (i) 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 (€53 million at December 31, 2020), and beyond 12 months for €94 million (€651 million at December 31, 2020). The reduction was due to the withdrawal of prepaid gas volumes; (ii) underlifting positions of the Exploration & Production segment of €316 million (€338 million at December 31, 2020); (iii) non-current receivables for investing activities for €23 million (€11 million at December 31, 2020).

Current contract liabilities decreased due to the settlement of advances in local currency offset by supplies of equity gas, which were originally received from the Egyptian state-owned companies to finance the development of reserves as part of the Concession Agreements in the country, among which in particular, the progress of the Zohr project, considering the substantial completion of the investment activities (€546 million at December 31, 2020). Other contract liabilities included: (i) advances received by Engie SA (former Suez) relating to a long-term agreement for supplying natural gas and electricity. The current portion amounted to €60 million (€62 million at December 31, 2020), the non-current portion amounted to €333 million (€393 million at December 31, 2020); (ii) advances received from Società Oleodotti Meridionali SpA for the infrastructure upgrade of the crude oil transport system at the Taranto refinery for €391 million (€394 million at December 31, 2020).

Revenues recognized during the year related to contract liabilities stated at December 31, 2021 are indicated in note 29 - Revenues and other income.

Liabilities related to other current taxes include excise duties and consumer taxes for €700 million (€516 million at December 31, 2020) and VAT liabilities for €248 million (€212 million at December 31, 2020).

Other liabilities included: (i) overlifting imbalances of the Exploration & Production segment for €630 million (€559 million at December 31, 2020); (ii) prepaid revenues and income for €361 million (€398 million at December 31, 2020), of which current for €90 million (€75 million at December 31, 2020); (iii) cautionary deposits for €268 million (€261 million at December 31, 2020), of which €223 million from retail customers for the supply of gas and electricity (€228 million at December 31, 2020); (iv) the value of gas not withdrawn by customers due to the triggering of the take-or-pay clause provided for by the relevant long-term contracts for €112 million (€437 million at December 31, 2020), of which the underlying volumes are expected to be withdrawn within the next 12 months for €73 million (€65 million at December 31, 2020) and beyond 12 months for €39 million (€372 million at December 31, 2020). The decrease was due to withdrawals of prepaid gas volume; (v) payables related to investing activities for €103 million.

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
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
Impairment	(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
2020							
Net carrying amount - beginning of the year	**1,218**	**46,492**	**3,632**	**1,563**	**7,412**	**1,875**	**62,192**
Additions	12	6	229	265	3,127	768	4,407
Depreciation capitalized				4	100		104
Depreciation(*)	(55)	(5,642)	(508)				(6,205)
Reversals	13	183	342		98	12	648
Impairment	(82)	(1,551)	(972)		(567)	(582)	(3,754)
Write-off			(1)	(296)	(7)	(1)	(305)
Currency translation differences	(2)	(3,325)	(75)	(119)	(605)	(14)	(4,140)
Initial recognition and changes in estimates		870		(9)	94		955
Transfers	39	2,677	755	(47)	(2,630)	(794)	
Other changes	(15)	(62)	(103)	(20)	96	145	41
Net carrying amount - end of the year	**1,128**	**39,648**	**3,299**	**1,341**	**7,118**	**1,409**	**53,943**
Gross carrying amount - end of the year	4,082	136,468	28,839	1,341	11,169	2,742	184,641
Provisions for depreciation and impairments	2,954	96,820	25,540		4,051	1,333	130,698

(*) Before capitalization of depreciation of tangible assets.

Capital expenditures included capitalized finance expenses of €68 million (€73 million in 2020) related to the Exploration & Production segment for €54 million (€51 million in 2020). The interest rate used for capitalizing finance expense ranged from 0.4% to 2.1% (1.3% to 2.2% at December 31, 2020).

Capital expenditures primarily related to the Exploration & Production segment for €3,843 million (€3,444 million in 2020).

Capital expenditures by industry segment and geographical area of destination are reported in note 35 - Segment information and information by geographical area.

The main depreciation rates used were substantially unchanged from the previous year and ranged as follows:

(%)	
Buildings	2 - 10
Mineral exploration wells and plants	UOP
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

The criteria adopted by Eni for determining impairment losses and reversal is reported in note 15 - Impairment review of tangible and intangible assets and right-of-use assets.
Currency translation differences related to subsidiaries which utilize the U.S. dollar as functional currency (€3,603 million).
Initial recognition and change in estimates include the increase in the asset retirement cost of Exploration & Production segment mainly due to the cost reduction, partially offset by the increase in discount rates and in estimated costs for social projects to be incurred in respect to the commitments being formalized between Eni SpA and the Basilicata region, following to the development plan of oilfields in Val d'Agri relating to royalties for mineral concessions (€134 million).
Changes in the scope of consolidation related to: (i) the deconsolidation of Mozambique Rovuma Venture SpA following the change from joint operation to joint venture for €1,318 million; (ii) the acquisition of companies by the Plenitude business line for €658 million referring in particular to onshore wind assets already in operation in Italy (€423 million); (iii) the acquisition of Spanish Egyptian Gas Co SAE (now Damietta LNG (DLNG) SAE) for €176 million as part of the restructuring of the formerly equity-accounted Unión Fenosa Gas SA. More information on business combinations is provided in note 5 - Business combinations and other significant transactions.
Transfers from E&P tangible assets in progress to E&P UOP wells, plant and machinery related for €3,556 million to the commissioning of wells, plants and machinery primarily in Indonesia, Egypt, Kazakhstan, United States, Angola, Italy, Iraq and Mexico.
In 2021, exploration and appraisal activities comprised write-offs of unsuccessful exploration wells costs for €331 million mainly in Gabon, Montenegro, Myanmar, Bahrain, Egypt and Angola.
Other changes include the carrying amount of a 5% participating interest in the OML 17 property in Nigeria, which has been divested to a local operator. The transaction is currently being reviewed by the Nigerian antitrust authorities for alleged lack of communication regarding the transaction.
Exploration and appraisal activities related for €1,101 million to the costs of suspended exploration wells pending final determination of commerciality and management's continuing commitment and for €136 million to costs of exploration wells in progress at the end of the year. Changes relating to suspended wells are reported below:

(€ million)	2021	2020	2019
Costs for exploratory wells suspended - beginning of the year	**1,268**	**1,246**	**1,101**
Increases for which is ongoing the determination of proved reserves	288	408	368
Amounts previously capitalized and expensed in the year	(286)	(226)	(183)
Reclassification to successful exploratory wells following the estimation of proved reserves	(43)	(48)	(46)
Disposals	(3)		(15)
Changes in the scope of consolidation	(199)		
Currency translation differences	100	(112)	21
Other changes	(24)		
Costs for exploratory wells suspended - end of the year	**1,101**	**1,268**	**1,246**

The following information relates to the stratification of the suspended wells pending final determination (ageing):

	2021		2020		2019	
	(€ 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	175	4.0	157	6.7	185	7.7
- between 1 and 3 years	269	12.2	250	11.0	171	6.4
- beyond 3 years	657	19.7	861	19.3	890	26.4
	1,101	**35.9**	**1,268**	**37.0**	**1,246**	**40.5**
Costs capitalized for suspended wells						
- fields including wells drilled over the last 12 months	175	4.0	157	6.7	185	7.7
- fields for which the delineation campaign is in progress	567	17.9	631	14.9	556	11.3
- fields including commercial discoveries that proceeds to sanctioning	359	14.0	480	15.4	505	21.5
	1,101	**35.9**	**1,268**	**37.0**	**1,246**	**40.5**

Suspended wells costs awaiting a final investment decision amounted to €359 million and primarily related to several initiatives in the main countries of presence (Angola, Congo, Egypt, Indonesia and Nigeria).

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	Total
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**
2020								
Carrying amount - beginning of the year	**253**	**939**	**139**	**162**	**115**	**19**	**535**	**2,162**
Additions					55	2		57
Net (impairments) reversals	(25)		(134)	(37)				(196)
Reclassification to Proved Mineral Interest			(2)		(61)	(2)	(25)	(90)
Currency translation differences	(25)	(79)	(3)	(11)	(9)	(1)	(42)	(170)
Carrying amount - end of the year	**203**	**860**		**114**	**100**	**18**	**468**	**1,763**

Unproved mineral interests comprised the Oil Prospecting License 245 property ("OPL 245"), offshore Nigeria, for €867 million corresponding to the price paid in 2011 to the Nigerian Government to acquire a 50% interest in the property, with another international oil company acquiring the remaining 50%. As of December 31, 2021, the net book value of the property amounted to €1,176 million, including capitalized exploration costs and pre-development costs. The acquisition of OPL 245 is subject to judicial proceedings in Italy and in Nigeria for alleged corruption and money laundering in respect of the Resolution Agreement signed on April 29, 2011, relating to the purchase of the license. This proceeding is disclosed in note 28 - Guarantees, Commitments and Risks - legal proceedings. The exploration period of the license OPL 245 expired on May 11, 2021. Eni is awaiting the conversion of the license into an Oil Mining Lease (OML) from the relevant Nigerian authorities to start the development of the reserves, having submitted an application for the conversion within the contractual terms and having verified compliance with all conditions and requirements provided for. Based on these considerations, Eni believes to have acquired the right to conversion. Consistently, the assessment of the recoverability of the asset book value was made in accordance with its value-in-use, which confirmed the book value also incorporating a stress test assuming possible delays in the start of production activities. In September 2020 Eni started an arbitration at ICSID, the International Centre for Settlement of Investment Disputes, to protect the value of its asset. In case of refusal to conversion, a continuing deadlock by the Nigerian authorities or other action suggesting an expropriation, in the next financial reports the Company will consider a reclassification of the asset in a dedicated line item and the evaluation of the underlying right for compensation.

Accumulated provisions for impairments amounted to €20,796 million (€20,343 million at December 31, 2020).
Property, plant and equipment include assets subject to operating leases for €372 million, essentially relating to service stations of the Refining & Marketing business line.
At December 31, 2021, Eni pledged property, plant and equipment for €24 million to guarantee payments of excise duties (same amount as of December 31, 2020).
Government grants recorded as a decrease of property, plant and equipment amounted to €105 million (€103 million at December 31, 2020).
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
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[a]	(217)	(170)	(274)	(63)	(11)	(122)	(22)	(49)	(928)
Impairment			(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 at the end of the year	**2,667**	**183**	**575**	**454**	**14**	**618**	**48**	**262**	**4,821**
Gross carrying amount at the 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
2020									
Net carrying amount - beginning of the year	**3,153**	**313**	**497**	**460**	**6**	**707**	**32**	**181**	**5,349**
Additions	79	193	281	49	22	65	24	95	808
Depreciation[a]	(232)	(189)	(252)	(57)	(2)	(118)	(22)	(56)	(928)
Impairment				(21)	(15)			(11)	(47)
Currency translation differences	(251)	(13)	(13)			(8)		(7)	(292)
Other changes	(77)	(60)	(67)	(7)		6	(2)	(40)	(247)
Net carrying amount at the end of the year	**2,672**	**244**	**446**	**424**	**11**	**652**	**32**	**162**	**4,643**
Gross carrying amount at the end of the year	3,107	528	927	573	29	859	65	293	6,381
Provisions for depreciation and impairment	435	284	481	149	18	207	33	131	1,738

(a) Before capitalization of depreciation of tangible assets.

Right-of-use assets (RoU) related: (i) for €3,195 million (€3,274 million at December 31, 2020) 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 Angola (Block 15/06 West and East hub) with expiry date between 8 and 15 years including a renewal option and in addition the lease component of long-term leases of offshore rigs; (ii) for €765 million (€788 million at December 31, 2020) to the Refining & Marketing and Chemical segment relating to motorway concessions, 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 €541 million (€526 million at December 31, 2020) to the Corporate and other activities segment mainly regarding property rental contracts.
The increase recorded in 2021 mainly referred to: (i) the Exploration & Production segment for €392 million relating to the rental of drilling rigs (€215 million) and vessels and related logistics for Oil & Gas transport (€159 million); (ii) the Global Gas & LNG Portfolio business line for €343 million relating to LNG transport vessels (€331 million); (iii) the Refining & Marketing business line for €251 million relating to leases of vessels for shipping and storage activities of Eni Trade & Biofuels SpA (€108 million) and new motorway concessions, price extensions/reviews of contracts, land leases, leases of service stations, car fleet dedicated to the car sharing business (€122 million); (iv) the Corporate and other activities segment for €104 million relating to two aircraft sold and repurchased through a leaseback agreement (€69 million) and leasing of assets for staff activities (company cars, IT, real estate, for €32 million).
The change in the scope of consolidation referred to the Plenitude business line for €75 million.
The main leasing contracts signed for which the asset is not yet available concerns: (i) a contract with a nominal value of €1.8 billion relating to an FPSO vessel that will be deployed for the development of Area 1 in Mexico. The asset is expected to enter under the Group's control and be accounted as RoU in 2022, expiring in 2040; (ii) 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; (iii) storage capacity and time charter vessel rental contracts of €311 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 €302 million; (ii) extension options related to service stations for the sale of oil products of €130 million; (iii) other extension options related to ancillary assets in the upstream business for €67 million.

Liabilities for leased assets were as follows:

(€ million)	Current portion of long-term lease liabilities	Long-term lease liabilities	Total
2021			
Book amount at the 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)
Book amount at the end of the year	**948**	**4,389**	**5,337**
2020			
Book amount at the beginning of the year	**889**	**4,759**	**5,648**
Additions		808	808
Decreases	(866)	(3)	(869)
Currency translation differences	(40)	(269)	(309)
Other changes	866	(1,126)	(260)
Book amount at the end of the year	**849**	**4,169**	**5,018**

Lease liabilities related for €1,684 million (€1,652 million at December 31, 2020) 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 €939 million; (ii) cash payments for the interest portion of €307 million.
Lease liabilities stated in U.S. dollars and euro amounted to €3,690 million and €1,495 million, respectively.
The change in the scope of consolidation referred to the Plenitude business line for €72 million.
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)	2021	2020	2019
Other income and revenues			
Income from remeasurement of lease liabilitiies	18	12	6
	18	**12**	**6**
Purchases, services and other			
Short-term leases	85	67	115
Low-value leases	31	37	39
Variable lease payments not included in the measurement of lease liabilities	14	7	16
Capitalised direct cost associated with self-constructed assets - tangible assets	(4)	(2)	(2)
	126	**109**	**168**
Depreciation and impairments			
Depreciation of RoU leased assets	928	928	999
Capitalised direct cost associated with self-constructed assets - tangible assets	(110)	(96)	(210)
Impairment losses of RoU leased assets	59	47	41
	877	**879**	**830**
Finance income (expense) from leases			
Interests on lease liabilities	(304)	(347)	(378)
Capitalised finance expense of ROU leased assets - tangible assets	5	7	17
Net currency translation differences on lease liabilities	(34)	24	(6)
	(333)	**(316)**	**(367)**

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
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 at the end of the year	**913**	**155**	**845**	**1,913**	**2,862**	**24**	**4,799**
Gross carrying amount at the end of the year	1,707	1,709	4,843	8,259			
Provisions for amortization and impairment	794	1,554	3,998	6,346			
2020							
Net carrying amount - beginning of the year	**1,031**	**195**	**568**	**1,794**	**1,265**		**3,059**
Additions	18	23	196	237			237
Amortization	(53)	(92)	(130)	(275)			(275)
Impairment	(23)		(7)	(30)	(24)		(54)
Reversals			24	24			24
Write-off	(19)	(5)		(24)			(24)
Changes in the scope of consolidation			7	7	70		77
Currency translation differences	(66)		(3)	(69)	(14)		(83)
Other changes		41	(66)	(25)			(25)
Net carrying amount at the end of the year	**888**	**162**	**589**	**1,639**	**1,297**		**2,936**
Gross carrying amount at the end of the year	1,613	1,623	4,399	7,635			
Provisions for amortization and impairment	725	1,461	3,810	5,996			

Exploration rights comprised the residual book value of license and leasehold property acquisition costs relating to areas with proved reserves, which are amortized based on UOP criteria and are regularly reviewed for impairment. Furthermore, they include the cost of unproved areas which 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 Angola and Ivory Coast.

The breakdown of exploration rights by type of asset was as follows:

(€ million)	December 31, 2021	December 31, 2020
Proved licence and leasehold property acquisition costs	236	225
Unproved licence and leasehold property acquisition costs	677	653
Other mineral interests		10
	913	**888**

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 €35 million related to exploration licenses due primarily to the abandonment of underlying initiatives for geopolitical and environmental factors.

Other intangible assets comprised: (i) customer acquisition costs relating to Plenitude business line for €348 million (€262 million at December 31, 2020); (ii) concessions, licenses, trademarks and similar items for €139 million (€88 million at December 31, 2020) comprised transmission rights for natural gas imported from Algeria for €32 million (€25 million at December 31, 2020); (iii) customer relationship for €109 million recognized following the acquisition of Finproject group; (iv) capital expenditures in progress on natural gas pipelines for which Eni has acquired transport rights for €78 million (same amount as of December 31, 2020).

Other intangible assets with an indefinite useful life related to the acquisition of Finproject's brands XL EXTRALIGHT and Levirex.

The main amortization rates used were substantially unchanged from the previous year and ranged as follows:

(%)	
Exploration rights	UOP
Transport rights of natural gas	3
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	4 - 20

Cumulative impairments charges of goodwill at the end of the year amounted to €2,500 million.

The breakdown of goodwill by segment and business line is provided below:

(€ million)	December 31, 2021	December 31, 2020
Plenitude	2,446	1,047
Refining & Marketing	173	93
Exploration & Production	139	146
Chemical	93	
Corporate and Other activities	11	11
	2,862	1,297

An impairment loss of goodwill in 2021 was essentially recorded in relation to the Exploration & Production segment. Changes in the scope of consolidation of goodwill related: (i) for €728 million to the acquisition of 100% of Be Power SpA which, through the subsidiary Be Charge, is the second Italian operator in the segment of charging infrastructures for electric mobility; (ii) for €168 million to the 100% acquisition of Aldro Energía y Soluciones SLU, a company operating in the Iberian retail market for the sale of electricity, gas and energy services; (iii) for €302 million to the acquisition of Eolica Lucana Srl, Green Energy Management Services Srl (GEMS), Finpower Wind Srl, Società Energie Rinnovabili SpA (SER), Società Energie Rinnovabili 1 SpA (SER1) owning wind farms onshore in service; (iv) for €120 million to the acquisition of Dhamma Energy Group, owner of a platform for the development of photovoltaic plants in France and Spain; (v) for €93 million to the acquisition of the control of Finproject by Versalis; (vi) for €81 million to the acquisition from Azora Capital of a portfolio of renewable energy projects under development and capacity in service; (vii) for €80 million to the 100% acquisition of FRI-EL Biogas Holding (now EniBioCh4in SpA), a company operating in the Italian bioenergy sector.
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.
With regard to the Plenitude business line engaged in the retail sale of natural gas and electricity, with significant allocated values of goodwill, in consideration of the high integration between the countries in which the Plenitude Group operates and the possible transnational synergies, the CGU defined for the recoverability valuation of the goodwill for a total of €1,214 million deriving from the acquisitions was extended from Italy to the entire perimeter of the Retail business and renamed Domestic-Foreign market. That goodwill concerns: the buy-out of the minorities of the former Italgas in 2003 (€706 million), the acquisition of local Italian companies synergic to Eni's main areas of activity in previous years (€198 million), the acquisition in 2021 of 100% of Aldro Energía y Soluciones SLU active in the Iberian market (€168 million), as well as the pre-existing goodwill of Eni Gas & Power France SA (€95 million), and other minor amounts. The impairment review performed at the balance sheet date confirmed the recoverability of the carrying amount of this second-level CGU comprising the goodwill.
The impairment review of the CGU Domestic-Foreign market, 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 equal to an average of 4.9%. 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 €5 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 2021, 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 of the E-mobility business of Plenitude 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 (€728 million), was assessed by updating the valuation model of the operation.

15 IMPAIRMENT REVIEW OF TANGIBLE AND INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS

The impairment test assumptions of the Plenitude & Power operating segment are disclosed in note 14 - Intangible assets.
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 Oil & Gas sector with respect to the total consolidated assets and to the complexity of thee estimation process of the values-in-use (VIUs) of Oil & Gas CGUs.
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, long-term hydrocarbons prices, assets' useful lives, projections of future operating and capital expenditures, the volumes of reserves that will ultimately be recovered and costs of decommissioning Oil & Gas assets at the end of their useful lives. Among all these variables, future hydrocarbons prices are the main value driver and because we are in a commodity business, they tend to be very volatile and unpredictable due both to the number of driving forces underlying long-term trends in demands and supplies of hydrocarbons, and to the trend of financial markets.
Forecasts of hydrocarbons prices adopted by Eni's management for the purpose of evaluating both Oil & Gas assets recoverability and of making final investment decisions are estimated on the basis of management's view of a number of fundamental trends, namely the expected evolution of the global energy mix in the next twenty-to-thirty years in line with the decarbonization goals of countries conference last year, the pace of the energy transition, the enduring impacts of the COVID-19 pandemic, technology developments, long-term trends in demand and supplies of hydrocarbons, global macroeconomic and demographic growth, the evolution of technologies and climate policies, together with the evolution in consumers' and investors' preferences.
In the short-term, Eni's hydrocarbons forecasts also consider market forward prices of crude oil and natural gas, 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 net zero emissions in Scope 1+2+3 by 2050. Consistently with this long-term path which is factoring possible trends in markets, technologies and a gradual evolution in the Company's products, management is assuming a long-term price of the Brent crude oil benchmark of 62 $/barrel in 2020 USD until the year 2035 and then a declining trend to 46 $/barrel in 2050 due to the expected phase-out of crude oil from the global energy mix in view of achieving the goals of the Paris agreement. In the year 2022-2023, management is projecting nominal prices of 80 $ and 75 $/barrel, respectively, considering a strong macroeconomic cycle, financial discipline and consequent limitation of investments by listed oil companies and production issues in countries of the OPEC+ alliance. The corresponding pricing assumptions in the 2020 financial statements were 55 $ and 60 $/barrel.
Regarding natural gas future prices, while in the short-to-medium term the benchmark price for spot sales at the Euroepan continental hub "TTF" is forecast to strengthen considerably due to tight supplies at 21.2 $ and 14.4 $/mmBTU in 2022 and 2023, respectively (in the 2020 financial statements the corresponding projections were 4.7 $ and 4.9 $/mmBTU), in the long-term management expects a decline due to the assumption of increasing competition from renewable energies and consumption efficiency for a TTF price forecast of 8.5 $/mmBTU in real currency 2020 in the period 2025-2045 and a further decline to 6.2 $/mmBTU in 2050. Short-term forecasts are exposed to the unpredictable consequences of

the ongoing conflict between Russia and Ukraine, which up to date has caused an unprecedented phase of volatility in the energy commodity market.
The post-tax, discount rate of future expected cash flows associated with the use of Oil & Gas CGUs was estimated based on the weighted average cost of equity (Ke) and of financial debt, in line with the methodology recommended by the capital asset pricing model. The cost of equity considers a market risk premium measured on the basis of the long-term returns of the S&P 500 and an additional premium which was estimated by management to discount the operational risks of the countries of activity and the risks of the energy transition. As a result of these assumptions, our cost of equity is estimated at about 10%, counterbalancing a decline in yields of risk-free assets, which are incorporated both in the cost of equity and in cost of the financial debt. Overall, our risk-adjusted weighted average cost of capital (adjusted WACC) was about 7% in 2021.
In 2021, management has recognized reversals at previously impaired Oil & Gas CGUs driven by strengthened hydrocarbons prices, particularly gas prices. The main amounts regarded gas fields in Italy and fields in Congo, Libya, USA, Algeria, Turkmenistan, Nigeria and East Timor. The post-tax, risk-adjusted WACC that were used in the impairment review ranged between 10.7% and 6.5%. In the case of a reversal higher than €100 million, a risk-adjusted post-tax WACC of 6.8% was used, which redetermines to about 18% pre-tax.
The VIU of the whole portfolio of Oil & Gas CGUs estimated under management's pricing and other operating assumptions shows a headroom greater than 90% of the underlying book values, also discounting the expected expenses associated with the purchase of carbon credits as part of the Company's strategy to decarbonize its products/processes through the participation to forestry conservation projects, which belong to the REDD+ framework defined by the United Nations. The calculation included all the assets of consolidated companies, joint ventures and associates excluding Vår Energi AS and an asset under arbitration procedure.
Considering the level of judgment in the estimation process of the VIUs ofOil & Gas assets, management has prepared a stress-test analysis utilizing alternative decarbonization scenario as adopted by the IEA in its SDS WEO '21 and net zero emissions 2050 (NZE 2050) scenarios. The sensitivity tests to the IEA SDS and NZE 2050 scenario consider energy commodity pricing assumptions different from those adopted by the management and the utilization of a cost for carbon emissions across all geographic areas where Eni operates its oil & gas activities based on the prices reported in the following table:

	Value in use of the O&G CGUs Headroom vs. Carrying amounts		Assumption at 2050 in real terms USD 2020		
	Tax-deductible CO_2 charges	Non tax-deductible CO_2 charges	Brent price	European gas price	Cost of CO_2
Eni's scenario	~90%	-	*46 $/bbl*	*6.2 $/mmBTU*	*CO_2 costs projections in the EU/ETS + projections of forestry costs*
IEA SDS WEO 2021 scenario	76%	75%	*50 $/bbl*	*4.5 $/mmBTU*	*200-95 per tonne of CO_2**
IEA NZE 2050 scenario	35%	32%	*24 $/bbl*	*3.6 $/mmBTU*	*250-55 per tonne of CO_2**

(*) Prices relating to advanced/emerging economies.

In relation to the NZE 2050 scenario, for which possible value recovery actions are not considered, such as rescheduling/ cancellation of planned development activities, contractual renegotiations, effect on costs or actions aimed at accelerating the pay-back period, a headroom is determined, that is, the excess of the total value-in-use compared to the corresponding book value of the E&P CGU, consistent and in excess of more than 30% compared to the book value.
The 2021 valuation of the recoverability of the assets also resulted in the write-down of the residual book value of the refineries and the joint operations in Italy and Europe for an amount of €1,179 million (including the stay-in-business investments of the CGUs previously impaired). The driver of this loss is the significant decline in margins, compressed by the worsening of crack spreads for the products and the increase in the cost of gas-indexed utilities, and the reduced profitability prospects of Eni's CGUs due to structural weaknesses in the European refining sector (suboptimal size of the plants and competitive pressure from more efficient refiners) and the projections of limited recovery in the demand for fuels also due to competition from electric mobility. In addition, operating costs are penalized by the increase in charges for the purchase of emission certificates under the European Emission Trading System scheme.

16 INVESTMENTS

EQUITY-ACCOUNTED INVESTMENTS

	2021				2020			
(€ million)	Investments in unconsolidated entities controlled by Eni	Joint ventures	Associates	Total	Investments in unconsolidated entities controlled by Eni	Joint ventures	Associates	Total
Carrying amount - beginning of the year	**80**	**2,832**	**3,837**	**6,749**	**86**	**4,592**	**4,357**	**9,035**
Additions and subscriptions	1	558	103	662	2	75	198	275
Divestments and reimbursements	(21)	(231)	(133)	(385)		(3)	(1)	(4)
Share of profit of equity-accounted investments	6	31	165	202	3	21	14	38
Share of loss of equity-accounted investments	(3)	(910)	(381)	(1,294)	(2)	(1,399)	(332)	(1,733)
Deduction for dividends	(25)	(586)	(16)	(627)	(5)	(296)	(13)	(314)
Changes in the scope of consolidation	5	355		360	3	30	1	34
Currency translation differences	2	83	296	381	(4)	(254)	(345)	(603)
Other changes	(1)	(75)	(85)	(161)	(3)	66	(42)	21
Carrying amount - end of the year	**44**	**2,057**	**3,786**	**5,887**	**80**	**2,832**	**3,837**	**6,749**

Acquisitions and share capital increases mainly related for €480 million to the acquisition of a 20% stake in Doggerbank Offshore Wind Farm Project 1 Holdco Ltd and Doggerbank Offshore Wind Farm Project 2 Holdco Ltd, which are developing the Dogger Bank (A and B) offshore wind power generation project in the British North Sea.

Divestments and reimbursement essentially related to the sale of Unión Fenosa Gas SA for €232 million to the Spanish partner Naturgy following the corporate restructuring through the splitting of the assets of the venture among the shareholders, as well as a capital reimbursement made by Angola Lng Ltd for €130 million.

Eni's share of the results of entities accounted for under the equity method mainly comprised a loss incurred at: (i) Saipem SpA for €752 million due to operating losses on contracts and to the recognition of extraordinary and restructuring charges. The loss was estimated by management on the basis of the best information available on the market and on the preliminary results of 2021 announced; (ii) Abu Dhabi Oil Refining Co (TAKREER) for €362 million relating to the loss of the year mainly due to the recognition of write-downs of plants due to lower profitability prospects and decommissioning provisions due to the closure of some production lines.

Share of losses of equity-accounted investments included a loss of €78 million accounted at the joint venture Cardón IV SA (Eni's interest 50%) which is operating the Perla gas field in Venezuela, affected by the slowdown in the gas supplies to the buyer PDVSA due to a deteriorated operating environment and credit losses. The residual value of €51 million of the investment in the PetroJunín project was canceled due to the lack of profitability prospects of the project.

Deduction for dividends related for €561 million to Vår Energi AS.

Net carrying amount related to the following companies:

(€ million)	December 31, 2021 Net carrying amount	December 31, 2021 % of the investment	December 31, 2020 Net carrying amount	December 31, 2020 % of the investment
Investments in unconsolidated entities controlled by Eni				
Eni BTC Ltd	2	100.00	24	100.00
Other	42		56	
	44		**80**	
Joint ventures				
Vår Energi AS	645	69.85	1,144	69.85
Mozambique Rovuma Venture SpA	355	35.71		
Cardón IV SA	279	50.00	199	50.00
Doggerbank Offshore Wind Farm Project 1 Holdco Ltd	246	20.00		
Doggerbank Offshore Wind Farm Project 2 Holdco Ltd	238	20.00		
Saipem SpA	137	31.20	908	31.08
Lotte Versalis Elastomers Co Ltd	54	50.00	51	50.00
Società Oleodotti Meridionali - SOM SpA	27	70.00	32	70.00
PetroJunín SA		40.00	50	40.00
Unión Fenosa Gas SA			242	50.00
Gas Distribution Company of Thessaloniki - Thessaly SA			140	49.00
Other	76		66	
	2,057		**2,832**	
Associates				
Abu Dhabi Oil Refining Co (Takreer)	2,151	20.00	2,335	20.00
Angola LNG Ltd	1,084	13.60	1,039	13.60
Coral FLNG SA	156	25.00	138	25.00
Novis Renewables Holdings LLC	75	49.00	65	49.00
United Gas Derivatives Co	75	33.33	58	33.33
Bluebell Solar Class A Holdings II LLC	71	99.00		
ADNOC Global Trading Ltd	42	20.00		20.00
Finproject SpA			73	40.00
Other	132		129	
	3,786		**3,837**	
	5,887		**6,749**	

The interest held in Mozambique Rovuma Venture SpA, previously accounted for as a joint operation, was reclassified as joint venture. More information is disclosed in note 4 - IFRSs not yet adopted - Change in the classification of the joint arrangement Mozambique Rovuma Venture SpA.
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 €487 million mainly relating to Doggerbank Offshore Wind Farm Project 1 Holdco Ltd and Doggerbank Offshore Wind Farm Project 2 Holdco Ltd for €483 million. Such surplus was driven by the long-term profitability outlook of the acquired company at the time of the acquisition.
As of December 31, 2021, the market value of the investments listed in regulated stock markets was as follows:

	Saipem SpA
Number of shares held	308,767,968
% of the investment	31.20
Share price (€)	1.845
Market value (€ million)	570
Book value (€ million)	137

Additional information is included in note 37 - Other information about investments.

OTHER INVESTMENTS

(€ million)	2021	2020
Carrying amount - beginning of the year	**957**	**929**
Additions and subscriptions	175	8
Change in the fair value with effect to OCI	105	24
Divestments and reimbursements		(12)
Currency translation differences	57	(61)
Other changes		69
Carrying amount - end of the year	**1,294**	**957**

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.

Acquisitions and subscriptions concerned the payment of advances for the purchase of investments for €120 million. The fair value measurement with effect to OCI referred for €106 million to Novamont SpA.

Dividend income from these investments is disclosed in note 32 - Income (expense) from investments.

The investment book value as of December 31, 2021 primarily related to Nigeria LNG Ltd for €637 million (€579 million at December 31, 2020), Saudi European Petrochemical Co "IBN ZAHR" for €124 million (€115 million at December 31, 2020) and Novamont SpA for €183 million (€77 million at December 31, 2020).

17 OTHER FINANCIAL ASSETS

	December 31, 2021		December 31, 2020	
(€ million)	Current	Non-current	Current	Non-current
Long-term financing receivables held for operating purposes	17	1,832	29	953
Short-term financing receivables held for operating purposes	39		22	
	56	**1,832**	**51**	**953**
Financing receivables held for non-operating purposes	4,252		203	
	4,308	**1,832**	**254**	**953**
Securities held for operating purposes		53		55
	4,308	**1,885**	**254**	**1,008**

Changes in allowance for doubtful accounts were as follows:

(€ million)	2021	2020
Carrying amount at the beginning of the year	**352**	**379**
Additions	41	7
Deductions	(15)	(7)
Currency translation differences	25	(26)
Other changes		(1)
Carrying amount at the end of the year	**403**	**352**

Financing receivables held for operating purposes related principally to funds provided to joint ventures and associates in the Exploration & Production segment (€1,763 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 for €1,008 million; (ii) Coral FLNG SA for €383 million (€288 million at December 31, 2020); (iii) Cardón IV SA (Eni's interest 50%), the joint venture which is currently operating the Perla offshore gas field in Venezuela, for €199 million (€383 million at December 31, 2020).
Financing receivables held for operating purposes due beyond five years amounted to €399 million (€771 million at December 31, 2020).
The fair value of non-current financing receivables held for operating purposes of €1,832 million has been estimated based on the present value of expected future cash flows discounted at rates ranging from -0.3% to 1.7% (-0.5% and 1.4% at December 31, 2020).
In addition to the expected credit loss model, the recoverability of the financial loan granted to the joint venture Cardón IV SA was assessed on the basis of the recoverability of the investment made by the JV for the development of the Perla field corresponding to the future cash flows of the project adjusted to price possible difficulties in converting future gas sales into cash, essentially assuming a deferral in the timing of revenues collection.
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 €4,233 million (€203 million at December 31, 2020) restricted deposits in escrow to guarantee transactions on derivative contracts mainly referred to Global Gas & LNG Portfolio segment and for €19 million bank deposits with the purpose to invest cash surpluses.
Financing receivables were denominated in euro and U.S. dollar for €3,729 million and €1,980 million, respectively.
Securities held for operating purposes related to listed bonds issued by sovereign states.
Securities for €20 million (same amount at December 31, 2020) 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 (€ milon)	Nominal value (€ miion)	Fair Value (€ miion)	Nominal rate of return %	Maturity date	Rating - Moody's	Rating - S&P
Sovereign states							
Fixed rate bonds							
Italy	24	24	24	from 0.0 to 1.75	from 2022 to 2031	Baa3	BBB
Others (*)	16	16	16	from 0.0 to 0.20	from 2023 to 2025	from Aa3 to Baa1	from AA to A
Floating rate bonds							
Italy	11	11	11	from 0.22 to 0.43	from 2022 to 2025	Baa3	BBB
Others	2	2	2	1.10	2022	Baa2	BBB
Total sovereign states	**53**	**53**	**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, 2021	December 31, 2020
Trade payables	16,795	8,679
Down payments and advances from joint ventures in exploration & production activities	552	417
Payables for purchase of non-current assets	1,732	1,393
Payables due to partners in exploration & production activities	1,188	1,120
Other payables	1,453	1,327
	21,720	12,936

The increase in trade payables of €8,116 million refers to Global Gas & LNG Portfolio segment for €6,626 million and to Refining & Marketing and Chemical segment for €1,220 million.
Other payables included: (i) payroll payables for €328 million (€255 million at December 31, 2020); (ii) the amounts still due to the triggering of the take-or-pay clause of the long-term supply contracts for €185 million (€376 million at December 31, 2020); (iii) payables for social security contributions for €112 million (€92 million at December 31, 2020).

Trade and other payables were denominated in euro for €14,250 million and in U.S. dollar for €5,864 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 DEBTS

	December 31, 2021				December 31, 2020			
(€ 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	362	347	4,650	5,359	337	759	3,193	4,289
Ordinary bonds		913	18,049	18,962		1,140	18,280	19,420
Convertible bonds		399		399			396	396
Sustainability-Linked Bond		2	996	998				
Commercial papers	836			836	2,233			2,233
Other financial institutions	1,101	120	19	1,240	312	10	26	348
	2,299	1,781	23,714	27,794	2,882	1,909	21,895	26,686

Finance debts increased by €1,108 million is disclosed in table “Changes in liabilities arising from financing activities” detailed at the end of this paragraph.
Commercial papers were issued by the Group’s financial subsidiaries.
As of December 31, 2021, finance debts include 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 for €1,300 million (this amount does not consider the undrawn committed borrowing facilities as of December 31, 2021).

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, 2021, debts subjected to restrictive covenants amounted to €899 million (€1,051 million at December 31, 2020). Eni was in compliance with those covenants.
Ordinary bonds consisted of bonds issued within the Euro Medium Term Notes Program for a total of €15,542 million and other bonds for a total of €3,420 million.

The following table provides a breakdown of ordinary bonds by issuing entity, maturity date, interest rate and currency as of December 31, 2021:

(€ 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	1,000	29	1,029	EUR		2029		3.625
Eni SpA	1,200	15	1,215	EUR		2025		3.750
Eni SpA	1,000	13	1,013	EUR		2023		3.250
Eni SpA	1,000	10	1,010	EUR		2026		1.500
Eni SpA	1,000	10	1,010	EUR		2031		2.000
Eni SpA	1,000	3	1,003	EUR		2030		0.625
Eni SpA	1,000	1	1,001	EUR		2026		1.250
Eni SpA	900	(1)	899	EUR		2024		0.625
Eni SpA	800	1	801	EUR		2028		1.625
Eni SpA	750	11	761	EUR		2024		1.750
Eni SpA	750	7	757	EUR		2027		1.500
Eni SpA	750	(4)	746	EUR		2034		1.000
Eni SpA	700	3	703	EUR		2022		0.750
Eni SpA	650	4	654	EUR		2025		1.000
Eni SpA	600	(3)	597	EUR		2028		1.125
Eni Finance International SA	1,545	(4)	1,541	USD	2026	2027		variable
Eni Finance International SA	795	7	802	EUR	2025	2043	1.275	5.441
	15,440	102	15,542					
Other bonds								
Eni SpA	883	7	890	USD		2023		4.000
Eni SpA	883	4	887	USD		2028		4.750
Eni SpA	883		883	USD		2029		4.250
Eni SpA	309	1	310	USD		2040		5.700
Eni USA Inc	353		353	USD		2027		7.300
CEF3 Wind Energy SpA	99	(2)	97	EUR		2025		2.010
	3,410	10	3,420					
	18,850	112	18,962					

As of December 31, 2021, ordinary bonds maturing within 18 months amounted to €703 million. During 2021, Eni did not issue new ordinary bonds.

The following table provides a breakdown of convertible bonds issued by Eni SpA as of December 31, 2021:

(€ million)	Amount	Discount on bond issue and accrued expense	Total	Currency	Maturity	Rate %
Eni SpA	400	(1)	399	EUR	2022	0.000

This is a non-dilutive equity-linked bond, which provides for a redemption value linked to the market price of Eni's shares. The bondholders can exercise their conversion rights at certain expiry dates and/or in the presence of certain events, while the bonds will be cash-settled. Accordingly, to hedge its exposure, Eni purchased cash-settled call options relating to Eni shares that will be settled on a net cash basis. The bond conversion price is equal €17.62 and includes a 35% premium with respect to the Eni's share reference price at the date of issuance. The convertible bond is measured at amortized cost. The conversion option, embedded in the financial instrument issued, and the call option on Eni's shares acquired are valued at fair value with effects recognized through profit and loss. The bond expires within the next 12 months.

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 lower than 7.4 million tons of CO_2 equivalent by 2024; (ii) renewable energy installed capacity equal to or greater 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 bond 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

Eni has in place a program for the issuance of Euro Medium Term Notes up to €20 billion, of which €16.4 billion were drawn as of December 31, 2021.

The following table provides a breakdown by currency of finance debt and the related weighted average interest rates:

	December 31, 2021				December 31, 2020			
	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	1,356		20,399	1.5	1,004		19,142	1.7
U.S. dollar	928	0.2	5,096	3.8	1,870	1.1	4,522	4.6
Other currencies	15	(0.3)			8	(0.5)	140	4.3
	2,299		25,495		2,882		23,804	

As of December 31, 2021, Eni retained undrawn uncommitted short-term borrowing facilities amounting to €6,207 million (€7,183 million at December 31, 2020) and undrawn committed borrowing facilities of €2,835 million, of which €2,820 million due beyond 12 months (€5,295 million at December 31, 2020, of which €4,750 million due beyond 12 months). Those facilities bore interest rates reflecting prevailing conditions in the marketplace. As of December 31, 2021, committed borrowing facilities, used and unused, include sustainability-linked contracts for €4,850 million. Borrowing facilities were used to fulfill the obligations to maintain an adequate amount of financial deposits (margin calls) to guarantee the settlement of derivative transactions on commodities in relation to the material increases in the spot and forward prices of natural gas and electricity registered in December 2021.

As of December 31, 2021, 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, 2021	December 31, 2020
Ordinary bonds and Sustainability-Linked Bond	23,070	22,429
Convertible bonds	513	497
Banks	5,029	4,008
Other financial institutions	138	36
	28,750	26,970

Fair value of finance debts was calculated by discounting the expected future cash flows at discount rates ranging from -0.3% to 1.7% (-0.5% and 1.4% at December 31, 2020).

Because of the short-term maturity and conditions of remuneration of short-term debts, 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, 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**
Carrying amount at December 31, 2019	**22,066**	**2,452**	**5,648**	**30,166**
Cash flows	2,178	937	(869)	2,246
Currency translation differences	(348)	(528)	(333)	(1,209)
Changes in the scope of consolidation	64	22	4	90
Other non-monetary changes	(156)	(1)	568	411
Carrying amount at December 31, 2020	**23,804**	**2,882**	**5,018**	**31,704**

Changes in the scope of consolidation referred to the Plenitude business line for €474 million and to the Refining & Marketing business line for €213 million.

Other non-monetary changes include €1,102 million of lease liabilities assumptions (€808 million at December 31, 2020).

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, 2021	December 31, 2020
A. Cash	2,758	2,500
B. Cash equivalents	5,496	6,913
C. Other current financial assets	10,553	5,705
D Liquidity (A+B+C)	**18,807**	**15,118**
E. Current financial debt	3,613	4,022
F. Current portion of non-current financial debt	1,415	1,618
G. Current financial indebtedness (E+F)	**5,028**	**5,640**
H. Net current financial indebtedness (G-D)	**(13,779)**	**(9,478)**
I. Non-current financial debt	9,058	7,388
J. Debt instruments	19,045	18,676
K. Non-current trade and other payables		
L. Non-current financial indebtedness (I+J+K)	**28,103**	**26,064**
M. Total financial indebtedness (H+L)	**14,324**	**16,586**

Cash and cash equivalent include approximately €115 million subject to foreclosure measures and payment guarantees.
The increase in other current financial assets was due to the fulfillment of the obligations towards financial institutions and commodity-based exchanges to increase financial deposits to guarantee the settlement of transactions in commodity derivatives as consequence of the material increase in the spot and forward prices of natural gas and electricity registered in Europe in December 2021 (margin call).
Other current financial assets include: (i) financial assets held for trading, disclosed in note 7 - Financial assets held for trading; (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 €948 million and €4,389 million (€849 million and €4,169 million at December 31, 2020, respectively) of which €1,684 million (€1,652 million at December 31, 2020) 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 OIL insurance cover	Provisions for redundancy incentives	Other	Total
Carrying amount at December 31, 2020	**9,362**	**2,263**	**385**	**170**	**258**	**198**	**95**	**53**	**654**	**13,438**
New or increased provisions		289	234	34	102	15	2	1	219	896
Initial recognition and changes in estimates	195									195
Accretion discount	153	(9)								144
Reversal of utilized provisions	(469)	(313)	(90)	(9)	(63)			(3)	(308)	(1,255)
Reversal of unutilized provisions		(10)	(72)	(8)		(16)	(4)	(36)	(45)	(191)
Currency translation differences	445	2	21	8		3	1		8	488
Other changes	(65)	(16)	(26)	16	(2)	(5)	(1)		(23)	(122)
Carrying amount at December 31, 2021	**9,621**	**2,206**	**452**	**211**	**295**	**195**	**93**	**15**	**505**	**13,593**

Provisions for site restoration, abandonment and social projects include 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 for €8,580 million. Initial recognitions and changes in estimates include an increase in the asset retirement cost of the tangible assets in the Exploration & Production sector, mainly due to a cost

revision. The provision also includes 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 (€134 million). The unwinding of discount recognized through profit and loss for €153 million was determined based on discount rates ranging from -0.4% to 3.8% (from -0.2% to 3.7% at December 31, 2020). 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 the 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. At December 31, 2021, environmental provision primarily related to Eni Rewind SpA for €1,532 million and to the Refining & Marketing business line for €376 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. These provisions represent the Company's best estimate of the expected and probable liabilities associated with ongoing litigation and related to the Exploration & Production segment for €258 million. Reversals of utlized provisions related for €61 million to the Exploration & Production segment in relation to the settlement of contractual disputes.
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 €186 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 €94 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 €144 million.
Provisions for the OIL mutual insurance scheme included insurance premiums which will be charged to Eni in the next five years by the mutual insurance company OIL Insurance Ltd in which Eni partipates together with other oil companies.
Provisions for redundancy incentives were recognized mainly due to a restructuring program involving the Italian personnel related to past reporting periods.

22 PROVISIONS FOR EMPLOYEE BENEFITS

(€ million)	**December 31, 2021**	December 31, 2020
Italian defined benefit plans	227	258
Foreign defined benefit plans	129	493
FISDE, foreign medical plans and other	162	182
Defined benefit plans	**518**	**933**
Other benefit plans	301	268
Provision for employee benefits	**819**	**1,201**

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 €124 million, contratti di espansione (agreed redundancy plans for workers) for €69 million, isopensione plans (a post retirement benefit plan applicable to a specific category of employees) of Eni gas e luce SpA Società Benefit for €66 million, jubilee awards for €29 million and other long-term plans for €13 million.

Present value of employee benefits, estimated by applying actuarial techniques, consisted of the following:

	2021						2020					
(€ 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	**258**	**1,140**	**182**	**1,580**	**268**	**1,848**	**269**	**1,044**	**177**	**1,490**	**278**	**1,768**
Current service cost	1	16	3	**20**	49	**69**		23	3	**26**	50	**76**
Interest cost	1	24	1	**26**		**26**	2	27	2	**31**	1	**32**
Remeasurements:		(118)	(6)	**(124)**	(11)	**(135)**	5	48	13	**66**	4	**70**
- actuarial (gains) losses due to changes in demographic assumptions	*(1)*	*(3)*	*(4)*	***(8)***	*(1)*	***(9)***	*(3)*	*(10)*	*2*	***(11)***	*2*	***(9)***
- actuarial (gains) losses due to changes in financial assumptions	*(1)*	*(111)*	*3*	***(109)***	*2*	***(107)***	*9*	*71*	*13*	***93***	*5*	***98***
- experience (gains) losses	*2*	*(4)*	*(5)*	***(7)***	*(12)*	***(19)***	*(1)*	*(13)*	*(2)*	***(16)***	*(3)*	***(19)***
Past service cost and (gain) loss on settlements					107	**107**		(2)		**(2)**	20	**18**
Plan contributions:		1		**1**		**1**		1		**1**		**1**
- employee contributions		*1*		***1***		***1***		*1*		***1***		***1***
Benefits paid	(36)	(39)	(8)	**(83)**	(56)	**(139)**	(20)	(33)	(9)	**(62)**	(63)	**(125)**
Currency translation differences and other changes	3	(263)	(10)	**(270)**	(56)	**(326)**	2	32	(4)	**30**	(22)	**8**
Present value of benefit liabilities at end of year (a)	**227**	**761**	**162**	**1,150**	**301**	**1,451**	**258**	**1,140**	**182**	**1,580**	**268**	**1,848**
Plan assets at beginning of year		**648**		**648**		**648**		**632**		**632**		**632**
Interest income		12		**12**		**12**		15		**15**		**15**
Return on plan assets		(5)		**(5)**		**(5)**		51		**51**		**51**
Past service cost and (gains) losses settlements								(3)		**(3)**		**(3)**
Plan contributions:		15		**15**		**15**		15		**15**		**15**
- employee contributions		*1*		***1***		***1***		*1*		***1***		***1***
- employer contributions		*14*		***14***		***14***		*14*		***14***		***14***
Benefits paid		(28)		**(28)**		**(28)**		(21)		**(21)**		**(21)**
Currency translation differences and other changes		(9)		**(9)**		**(9)**		(41)		**(41)**		**(41)**
Plan assets at end of year (b)		**633**		**633**		**633**		**648**		**648**		**648**
Asset ceiling at beginning of year		**1**		**1**		**1**						
Change in asset ceiling								1		**1**		**1**
Asset ceiling at end of year (c)		**1**		**1**		**1**		**1**		**1**		**1**
Net liability recognized at end of year (a-b+c)	**227**	**129**	**162**	**518**	**301**	**819**	**258**	**493**	**182**	**933**	**268**	**1,201**

Employee benefit plans included the actuarial liability, net of plan assets, attributable to partners operating in exploration and production activities of €1 million (€268 million at December 31, 2020). Eni recorded a receivable for an amount equivalent to such liability.

The decrease in the net liability of €267 million is essentially due to the recalculation of the actuarial liability with new parameters.

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
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***
2020						
Current service cost		23	3	**26**	50	**76**
Past service cost and (gains) losses on settlements		1		**1**	20	**21**
Interest cost (income), net:						
- interest cost on liabilities	*2*	*27*	*2*	***31***	*1*	***32***
- interest income on plan assets		*(15)*		***(15)***		***(15)***
Total interest cost (income), net	2	12	2	**16**	1	**17**
- of which recognized in "Payroll and related cost"					*1*	***1***
- of which recognized in "Financial income (expense)"	*2*	*12*	*2*	***16***		***16***
Remeasurements for long-term plans					4	**4**
Total	**2**	**36**	**5**	**43**	**75**	**118**
- of which recognized in "Payroll and related cost"		*24*	*3*	***27***	*75*	***102***
- of which recognized in "Financial income (expense)"	*2*	*12*	*2*	***16***		***16***

Costs of defined benefit plans recognized in other comprehensive income consisted of the following:

	2021				2020			
(€ 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	(1)	(3)	(4)	**(8)**	(3)	(10)	2	**(11)**
Actuarial (gains)/losses due to changes in financial assumptions	(1)	(111)	3	**(109)**	9	71	13	**93**
Experience (gains) losses	2	(4)	(5)	**(7)**	(1)	(13)	(2)	**(16)**
Return on plan assets		5		**5**		(51)		**(51)**
Change in asset ceiling						1		**1**
		(113)	**(6)**	**(119)**	**5**	**(2)**	**13**	**16**

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, 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**
December 31, 2020									
Plan assets with a quoted market price	117	38	297	8	2	76	20	87	645
Plan assets without a quoted market price							3		3
	117	**38**	**297**	**8**	**2**	**76**	**23**	**87**	**648**

The main actuarial assumptions used in the measurement of the liabilities at year-end and in the estimate of costs expected for 2022 consisted of the following:

		Italian defined benefit plans	Foreign defined benefit plans	FISDE, foreign medical plans and other	Other benefit plans
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	
2020					
Discount rate	(%)	0.3	0.1-14.7	0.3	0.0-0.3
Rate of compensation increase	(%)	1.8	1.3-12.5		
Rate of price inflation	(%)	0.8	0.8-12.2	0.8	0.8
Life expectations on retirement at age 65	(years)		13-26	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
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**
2020						
Discount rate	(%)	0.4-0.8	0.1-1.4	2.6-14.7	6.4-9.8	**0.1-14.7**
Rate of compensation increase	(%)	1.3-3.0	2.5-3.6	2.0-12.5	5.0-9.8	**1.3-12.5**
Rate of price inflation	(%)	1.3-1.9	0.8-3.1	2.6-12.2	3.0-5.0	**0.8-12.2**
Life expectations on retirement at age 65	(years)	21-22	23-26	13-17		**13-26**

The effects of a possible change in the main actuarial assumptions at the end of the year are listed below:

(€ million)	Discount rate 0.5% Increase	Discount rate 0.5% Decrease	Rate of price inflation 0.5% Increase	Rate of increases in pensionable salaries 0.5% Increase	Healthcare cost trend rate 0.5% Increase	Rate of increases to pensions in payment 0.5% Increase
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			
December 31, 2020						
Italian defined benefit plans	(10)	6	7			
Foreign defined benefit plans	(84)	92	47	25		67
FISDE, foreign medical plans and other	(10)	7			11	
Other benefit plans	(3)	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 €123 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, 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)	**9.8**	**17.6**	**13.6**	**3.1**
December 31, 2020					
2021		12	44	8	71
2022		13	42	7	66
2023		17	50	7	63
2024		20	63	7	16
2025		21	67	7	12
2026 and thereafter		175	227	146	40
Weighted average duration	(years)	**8.2**	**19.1**	**13.7**	**2.8**

23 DEFERRED TAX ASSETS AND LIABILITIES

(€ million)	December 31, 2021	December 31, 2020
Deferred tax liabilities before offsetting	10,668	8,581
Deferred tax assets available for offset	(5,833)	(3,057)
Deferred tax liabilities	**4,835**	**5,524**
Deferred tax assets before offsetting (net of accumulated write-down provisions)	8,546	7,166
Deferred tax liabilities available for offset	(5,833)	(3,057)
Deferred tax assets	**2,713**	**4,109**

The most significant temporary differences giving rise to net deferred tax assets and liabilities are disclosed below:

(€ million)	Carrying amount at December 31, 2021	Carrying amount at December 31, 2020
Deferred tax liabilities		
- Accelerated tax depreciation	7,346	6,171
- Leasing	1,076	1,089
- Derivative financial instruments	916	27
- Difference between the fair value and the carrying amount of assets acquired	408	415
- Site restoration and abandonment (tangible assets)	166	199
- Application of the weighted average cost method in evaluation of inventories	87	56
- Other	669	624
	10,668	**8,581**
Deferred tax assets, gross		
- Carry-forward tax losses	(7,374)	(6,983)
- Site restoration and abandonment (provisions for contingencies)	(2,400)	(2,211)
- Timing differences on depreciation and amortization	(2,354)	(2,206)
- Impairment losses	(1,417)	(1,213)
- Accruals for impairment losses and provisions for contingencies	(1,095)	(1,371)
- Leasing	(1,091)	(1,113)
- Derivative financial instruments	(343)	(2)
- Over/Under lifting	(219)	(211)
- Employee benefits	(155)	(213)
- Unrealized intercompany profits	(71)	(117)
- Other	(631)	(591)
	(17,150)	**(16,231)**
Accumulated write-downs of deferred tax assets	**8,604**	**9,065**
Deferred tax assets, net	**(8,546)**	**(7,166)**

The following table summarizes the changes in deferred tax liabilities and assets:

(€ million)	Deferred tax liabilities, gross	Deferred tax assets, gross	Accumulated write-downs of deferred tax assets	Deferred tax assets, net of impairments
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)**
Carrying amount at December 31, 2019	**9,583**	**(15,767)**	**6,744**	**(9,023)**
Additions	960	(2,649)	2,638	(11)
Deductions	(1,326)	1,357	(130)	1,227
Currency translation differences	(725)	742	(192)	550
Other changes	89	86	5	91
Carrying amount at December 31, 2020	**8,581**	**(16,231)**	**9,065**	**(7,166)**

Carry-forward tax losses amounted to €27,948 million, of which €19,515 million can be carried forward indefinitely. Carry-forward tax losses were €16,260 million and €11,688 million at Italian subsidiaries and foreign subsidiaries, respectively. Deferred tax assets gross of accumulated write-downs recognized on these losses amounted to €3,914 million and €3,460 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 29.6%.
Accumulated write-downs of deferred tax assets related to Italian companies for €6,609 million and non-Italian companies for €1,995 million.
Taxes are also described in note 33 - Income taxes.

24 DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

	December 31, 2021			December 31, 2020		
(€ 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	113	39	2	125	127	2
- Interest currency swap	30	7	2	128	2	2
- Outright	3	11	2	4	7	2
	146	**57**		**257**	**136**	
Derivatives on interest rate						
- Interest rate swap	13	43	2	23	74	2
	13	**43**		**23**	**74**	
Derivatives on commodities						
- Future	603	496	1	418	447	1
- Over the counter	102	121	2	89	77	2
- Other	1	55	2	5		2
	706	**672**		**512**	**524**	
	865	**772**		**792**	**734**	
Trading derivatives						
Derivatives on commodities						
- Over the counter	12,050	11,939	2	1,167	1,451	2
- Future	6,555	5,002	1	440	525	1
- Options				4	3	2
	18,605	**16,941**		**1,611**	**1,979**	
Cash flow hedge derivatives						
Derivatives on commodities						
- Over the counter	7	735	2	209	30	2
- Future	193	1,672	1	119	8	1
	200	**2,407**		**328**	**38**	
Derivatives on interest rate						
- Interest rate swap		3	2			
		3				
	200	**2,410**		**328**	**38**	
Options						
- Option embedded in convertible bonds				2	2	2
- other options		62	3		51	3
		62		**2**	**53**	
Gross amount	**19,670**	**20,185**		**2,733**	**2,804**	
Offsetting	(7,159)	(7,159)		(1,033)	(1,033)	
Net amount	**12,511**	**13,026**		**1,700**	**1,771**	
Of which:						
- current	12,460	12,911		1,548	1,609	
- non-current	51	115		152	162	

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, 2021, the fair value of these contracts amounted to €1 million.

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 related to derivatives that did not meet the formal criteria to be designated as hedges under IFRS.

Fair values of trading derivatives 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 values 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.

In 2021, the exposure to the exchange rate risk deriving from securities denominated in U.S. dollars included in the strategic liquidity portfolio amounting to €2,109 million was hedged by using, in a fair value hedge relationship, negative exchange differences for €153 million resulting on a portion of bonds denominated in U.S. dollars amounting to €2,083 million.

Options embedded in convertible bonds at December 31, 2020, related to equity-linked cash settled. More information is disclosed in note 19 - Finance debts.

The offsetting of financial derivatives related to Eni Global Energy Markets.

During 2021, there were no transfers between the different hierarchy levels of fair value.

Hedging derivative instruments are disclosed below:

	December 31, 2021			December 31, 2020		
(€ 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	(461)	(2,016)	(46)	821	(438)	
- Future	(364)	534	(5)	541	158	(1)
	(825)	**(1,482)**	**(51)**	**1,362**	**(280)**	**(1)**
Derivatives on interest rate						
- Interest rate swap	84	3				
	84	**3**				
	(741)	**(1,479)**	**(51)**	**1,362**	**(280)**	**(1)**

The breakdown of the underlying asset or liability by type of risk hedged under cash flow hedge is provided below:

	December 31, 2021			December 31, 2020		
(€ million)	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	86	(1,272)	(215)	284	(7)	(941)
	86	**(1,272)**	**(215)**	**284**	**(7)**	**(941)**
Derivatives on interest rate						
- hedged flows	(3)	3				
	(3)	**3**				
	83	**(1,269)**	**(215)**	**284**	**(7)**	**(941)**

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)	2021	2020	2019
Net income (loss) on cash flow hedging derivatives	(51)	(1)	(2)
Net income (loss) on other derivatives	954	(765)	289
	903	**(766)**	**287**

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)	2021	2020	2019
Derivatives on exchange rate	(322)	391	9
Derivatives on interest rate	16	(40)	(23)
	(306)	**351**	**(14)**

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, 2021, assets held for sale and directly associated liabilities of €263 million (€44 million at December 31, 2020) and €124 million, respectively, related to: (i) an agreement for the sale of the entire Pakistan assets to Prime International Oil & Gas Company involving the 100% stake of the consolidated companies Eni AEP Ltd, Eni Pakistan Ltd, Eni Pakistan (M) Ltd Sàrl and Eni New Energy Pakistan (Private) Ltd. The activities covered by the agreement include interests in eight development and production licenses in the Kithar Fold Belt, and the Middle Indus Basins and four exploration licenses in the Middle Insud and the Indus Offshore Basins. The carrying amount of assets held for sale and liabilities directly associated amounted to €114 million (of which current assets for €81 million) and €124 million (of which current liabilities for €34 million), respectively; (ii) the sale of the investment Gas Distribution Company of Thessaloniki - Thessaly SA, operating in the gas distribution business in Greece for €135 million; (iii) the sale of tangible assets for a total carrying amount of €14 million.

26 EQUITY

EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF ENI

(€ million)	December 31, 2021	December 31, 2020
Share capital	4,005	4,005
Retained earnings	22,750	34,043
Cumulative currency translation differences	6,530	3,895
Other reserves and equity instruments:		
- Perpetual subordinated bonds	5,000	3,000
- Legal reserve	959	959
- Reserve for treasury shares	958	581
- Reserve for OCI on cash flow hedging derivatives net of the tax effect	(896)	(5)
- Reserve for OCI on defined benefit plans net of tax effect	(117)	(158)
- Reserve for OCI on equity-accounted investments	54	85
- Reserve for OCI on other investments valued at fair value	141	36
- Other reserves	190	190
Treasury shares	(958)	(581)
Net profit (loss) for the year	5,821	(8,635)
	44,437	37,415

SHARE CAPITAL

As of December 31, 2021, the parent company's issued share capital consisted of €4,005,358,876 (same amount as of December 31, 2020) represented by 3,605,594,848 ordinary shares without nominal value (same amount at December 31, 2020).

On May 12, 2021, Eni's Shareholders' Meeting declared: (i) to distribute a dividend of €0.24 per share, with the exclusion of treasury shares held at the ex-dividend date, in full settlement of the 2020 dividend of €0.36 per share, of which €0.12 per share paid as interim dividend. The balance was paid on May 26, 2021, to shareholders on the register on May 24, 2021, record date on May 25, 2021; (ii) to authorize the Board of Directors pursuant to and for art. 2357 of the Civil Code to proceed, within 18 months from the date of the resolution, with the purchase of a maximum number of shares equal to 7% of the ordinary shares (and 7% of the share capital) of the Company (without calculating treasury shares already owned), for a total amount up to €1,600 million. In execution of this resolution, at December 31, 2021, 34,106,871 shares were acquired, for a total value of €400 million.

RETAINED EARNINGS

Retained earnings include the interim dividend distribution effect for 2021 amounting to €1,533 million corresponding to €0.43 per share, as resolved by the Board of Directors on July 29, 2021, in accordance with article 2433-bis, paragraph 5 of the Italian Civil Code; the dividend was paid on September 22, 2021.

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

In 2021, Eni issued two euro-denominated perpetual subordinated hybrid bonds for an aggregate nominal amount of €2 billion; issuing costs amounted to €15 million.
The hybrid bonds are governed by English law and are traded on the regulated market of the Luxembourg Stock Exchange. As of December 31, 2021, hybrid bonds amounted to €5 billion. 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			Reserve for OCI on equity accounted investments(*)	Reserve for OCI on investments valued at fair value
(€ million)	Gross reserve	Deferred tax	Net reserve	Gross reserve	Deferred tax liabilities	Net reserve		
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 as of December 31, 2019	**(656)**	**191**	**(465)**	**(183)**	**17**	**(166)**	**53**	**12**
Changes of the year	(280)	81	(199)	(16)	25	9	32	24
Currency translation differences				(6)	5	(1)		
Reversal to inventories adjustments	(12)	3	(9)					
Reclassification adjustments	941	(273)	668					
Reserve as of December 31, 2020	**(7)**	**2**	**(5)**	**(205)**	**47**	**(158)**	**85**	**36**

* Reserve for OCI on equity-accounted investments at December 31, 2021 includes €-4 million relating to defined benefit plans (€-7 million at December 31, 2020).

OTHER RESERVES

Other reserves related to a reserve of €127 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 65,838,173 of Eni's ordinary shares (33,045,197 at December 31, 2020) were held in treasury for a total cost of €958 million (€581 million at December 31, 2020).
During 2021, 34,106,871 shares were acquired, for a total value of €400 million, and 1,313,895 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, 2021, 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, 2021, equity attributable to Eni included distributable reserves of approximately €34 billion.

RECONCILIATION OF NET PROFIT AND EQUITY ATTRIBUTABLE TO ENI OF THE PARENT COMPANY ENI SPA TO CONSOLIDATED NET PROFIT AND EQUITY ATTRIBUTABLE TO ENI

	Net profit (loss)		Shareholders' equity	
(€ million)	2021	2020	December 31, 2021	December 31, 2020
As recorded in Eni SpA's Financial Statements	**7,675**	**1,607**	**51,039**	**44,707**
Excess of net equity stated in the separate accounts of consolidated subsidiaries over the corresponding carrying amounts of the parent company	(3,324)	(10,660)	(9,910)	(8,839)
Consolidation adjustments:				
- difference between purchase cost and underlying carrying amounts of net equity		(6)	153	193
- adjustments to comply with Group accounting policies	1,855	264	4,266	2,086
- elimination of unrealized intercompany profits	(176)	88	(654)	(478)
- deferred taxation	(190)	79	(375)	(176)
	5,840	**(8,628)**	**44,519**	**37,493**
Non-controlling interest	(19)	(7)	(82)	(78)
As recorded in Consolidated Financial Statements	**5,821**	**(8,635)**	**44,437**	**37,415**

27 OTHER INFORMATION

SUPPLEMENTAL CASH FLOW INFORMATION

(€ million)	2021	2020	2019
Investment in consolidated subsidiaries and businesses			
Current assets	262	15	1
Non-current assets	2,698	193	12
Net borrowings	(486)	(64)	
Current and non-current liabilities	(349)	(17)	(6)
Net effect of investments	**2,125**	**127**	**7**
Fair value of investments held before the acquisition of control	(99)		
Non-controlling interests	(4)	(15)	(2)
Purchase price	**2,022**	**112**	**5**
Cash and cash equivalents acquired	*(121)*	*(3)*	
Consolidated subsidiaries and businesses net of cash and cash equivalent acquired	**1,901**	**109**	**5**
Disposal of consolidated subsidiaries and businesses			
Current assets	2		77
Non-current assets			188
Net borrowings			11
Current and non-current liabilities			(57)
Net effect of disposals	**2**		**219**
Reclassification of foreign currency translation differences among other items of OCI			(24)
Gain (loss) on disposal			16
Selling price	**2**		**211**
Cash and cash equivalents sold			*(24)*
Consolidated subsidiaries and businesses net of cash and cash equivalent disposed of before business combination	**2**		**187**
Business combination Unión Fenosa Gas			
Investment in Unión Fenosa Gas sold	**232**		
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**		
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	**76**		**187**

Investments in 2021 are disclosed in note 5 - Business Combinations and other significant transactions.
Disposals in 2021 concerned the restructuring of Unión Fenosa Gas SA following the agreement signed with the authorities of the Arab Republic of Egypt (ARE) and the Spanish company Naturgy for the resolution of all pending issues with the Egyptian partners relating to the joint venture Unión Fenosa Gas which resulted in a cash adjustment to Eni, included in the divestments.
Investments in 2020 related to the acquisition by Eni gas e luce 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. The allocation of the purchase price of both business combinations is final.
Investments in 2019 concerned: (i) the acquisition of a 60% stake of SEA SpA, which supplies services and solutions for energy efficiency in the residential and industrial segments in Italy; (ii) the acquisition of the residual 32% interest in the joint operation Petroven Srl, which operates storage facilities of petroleum products.
Disposals in 2019 concerned the sale of 100% of the stake of Agip Oil Ecuador BV, which retains a service contract for the development of the Villano oil field.

28 GUARANTEES, COMMITMENTS AND RISKS

GUARANTEES

(€ million)	December 31, 2021	December 31, 2020
Consolidated subsidiaries	6,432	4,758
Unconsolidated subsidiaries	190	176
Joint ventures and associates	3,358	3,800
Others	180	150
	10,160	**8,884**

Guarantees issued on behalf of consolidated subsidiaries primarily consisted of: (i) guarantees given to third parties relating to bid bonds and performance bonds for €3,601 million (€3,209 million at December 31, 2020); (ii) independent guarantee contracts issued by the Exploration & Production segment primarily in relation to Oil & Gas activities for €943 million; (iii) independent guarantee contracts issued to third parties for the purchase of equity investments for €913 million. At December 31, 2021, the underlying commitment issued on behalf of consolidated subsidiaries covered by such guarantees was €6,267 million (€4,520 million at December 31, 2020).

Guarantees issued on behalf of joint ventures and associates primarily consisted of: (i) unsecured guarantees and other guarantees for €1,413 million (€1,533 million at December 31, 2020) issued towards banks and other lending institutions in relation to loans and lines of credit received related to guarantees issued as part of the Coral development project offshore Mozambique with respect to the financing agreements of the project with Export Credit Agencies and banks (€1,304 million at December 31, 2020); (ii) guarantees given to third parties relating to bid bonds and performance bonds for €1,764 million (€1,544 million at December 31, 2020), of which €1,260 million (€1,079 million at December 31, 2020) related to guarantees issued towards the contractors who are building a floating vessel for gas liquefaction and exportation (FLNG) as part of the Coral development project offshore Mozambique; (iii) during 2021 the unsecured guarantee of €499 million as of December 31, 2020, given by Eni SpA on behalf of the participated Saipem joint venture to Treno Alta Velocità - TAV SpA (now RFI - Rete Ferroviaria Italiana SpA) for the proper and timely completion of a project for the construction of the Milan-Bologna fast track railway by the CEPAV (Consorzio Eni per l'Alta Velocità) Uno was canceled; (iv) a guarantee issued in favor of Gulf LNG Energy and Gulf LNG Pipeline and on behalf of Angola LNG Supply Service Llc (Eni's interest 13.60%) to cover contractual commitments of paying re-gasification fees for €179 million (€165 million at December 31, 2020). At December 31, 2021, the underlying commitment issued on behalf of joint ventures and associates covered by such guarantees was €1,816 million (€1,898 million at December 31, 2020).

Guarantees issued on behalf of third parties related for €157 million (€145 million at December 31, 2020) 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, 2021, the underlying commitment issued on behalf of third parties covered by such guarantees was €124 million (€87 million at December 31, 2020).

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 €1,324 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.

COMMITMENTS AND RISKS

(€ million)	December 31, 2021	December 31, 2020
Commitments	75,201	69,998
Risks	934	600
	76,135	**70,598**

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 €70,039 million (€64,294 million at December 31, 2020). The increase of €5,745 million was essentially determined by exchange rate differences; (ii) a parent company guarantee of €3,532 million (€3,260 million at December 31, 2020) 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) during 2021, the commitment of €1,672 mllion as of December 31, 2020, assumed by Eni USA Gas Marketing Llc towards Angola LNG Supply Service Llc for the purchase of volumes of re-gasified gas at the Pascagoula plant (United States) over a twenty-year period (until 2031) was ended definitively; (iv) a commitment of €385 million for the sale to Snam Rete Gas SpA of 49.9% of the investments held in Trans Tunisian Pipeline Company SpA and Transmediterranean Pipeline Co Ltd, companies that manage the international gas pipelines that connect Algeria to Italy; (v) a commitment of €262 million for the purchase of 20% of the project relating to Dogger Bank (C) wind farm in the North Sea; (vi) commitments of the Plenitude business line for the purchase of renewable energy projects in Spain and Greece for €250 million; (vii) the memorandum of intent signed with the Basilicata Region, whereby Eni has agreed to invest €106 million (€108 million at December 31, 2020) in the future, also on account of Shell Italia E&P SpA, in connection with Eni's development plan of oilfields in Val d'Agri. The commitment has been included in the off-balance sheet contractual commitments in the following paragraph "Liquidity risk"; (viii) a commitment for €99 million of EniPower SpA for the purchase of two new gas turbines.
Risks relate to potential risks associated with: (i) contractual assurances given to acquirers of certain investments and businesses of Eni for €246 million (€230 million at December 31, 2020); (ii) assets of third parties under the custody of Eni for €688 million (€370 million at December 31, 2020).

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 €11 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.
In the final months of 2021, the Saipem investment, jointly controlled by Eni (31.2%) and the Italian agency CDP, experienced a significant deterioration in the industrial performance as a consequence of incurred large contract works losses and assets impairment charges, which materially eroded net equity and negatively affected solvency and indebtdeness ratios. The worsening of the results compared to expectations was communicated to the market at the beginning of 2022. A new management team was appointed in March 2022 to prepare an industrial plan to restore profitability, boost the cash generation and reduce net borrowings. On those basis, the new management team is expected to design a financial and equity restructuring of the venture, which will entail a capital increase of €2 billion by the end of the year to which Eni will contribute in proportion to its interest (approximately €0.61 billion).
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. Since this new delivery date has not been met either, starting from January 1, 2022 Eni would have the right to apply penalties to the Property. In this context, the Property complained that the delays would not be entirely attributable to itself, at least for the construction of the building complex (not also for the public works), as the works were slowed down by several factors: (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, with communications dated November and December 2021, the Property expressed its intention to charge EniServizi and/or Eni at least part of the requests that its contractor formulated towards the Property, equal to approximately €117 million at the balance sheet date.
In this regard, confirming the complete impartiality and neutrality of Eni and EniServizi with respect to the contractual relationships between the Property and its contractor (confirmed in several communications), the Company reaffirms the following:

- 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 reabsorbed in the delivery date of December 31, 2021;
- with regard to point iii), the Property 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.
Eni is liable for certain non-quantifiable risks related to contractual guarantees given to acquirers of certain Eni assets, including businesses and investments, 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. 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, in particular, the estimates of the probability of default and the loss given default have been updated to take into account the impacts of COVID-19 and its related effects on the economic context.
As of December 31, 2021, the Company retains liquidity reserves that management deems enough to meet the financial obligations due in the next eighteen months. No significant effects were reported on hedging transactions connected to the impacts of COVID-19 on the economic context.

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). In 2021, the Strategic liquidity investment portfolio has maintained an average credit rating of A-/BBB+, in line with the year 2020.
The following tables show amounts in terms of VaR, recorded in 2021 (compared with 2020), 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%)

	2021				2020			
(€ million)	High	Low	Average	At year end	High	Low	Average	At year end
Interest rate[(a)]	11.04	1.29	3.32	3.66	7.39	1.18	2.93	1.34
Exchange rate[(a)]	0.28	0.11	0.18	0.12	0.48	0.10	0.28	0.18

(a) Value at risk deriving from interest and exchange rates exposures include the following finance departments: Eni Corporate Finance Department, Eni Finance International SA, Banque Eni SA and Eni Finance USA Inc.

(Value at risk - Historic simulation method; holding period: 1 day; confidence level: 95%)

	2021				2020			
(€ million)	High	Low	Average	At year end	High	Low	Average	At year end
Commercial exposures - Management Portfolio[(a)]	42.76	2.91	23.80	2.91	16.10	3.02	8.50	3.02
Trading[(b)]	1.03	0.12	0.37	0.20	1.57	0.10	0.52	0.25

(a) Refers to Global Gas & LNG Portfolio business area, Power Generation & Marketing, Green\Traditional Refining & Marketing, Eni gas e luce, 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 EGL 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 and Eni Global Energy Markets (London-Bruxelles-Singapore) and Eni Trading & Shipping Inc (Houston).

(Sensitivity - Dollar value of 1 basis point - DVBP)

	2021				2020			
(€ million)	High	Low	Average	At year end	High	Low	Average	At year end
Strategic liquidity[(a)]	0.40	0.29	0.33	0.30	0.37	0.29	0.32	0.30

(a) Management of strategic liquidity portfolio starting from July 2013.

(Sensitivity - Dollar value of 1 basis point - DVBP)

	2021				2020			
(€ million)	High	Low	Average	At year end	High	Low	Average	At year end
Strategic liquidity[(a)]	0.14	0.05	0.11	0.13	0.07	0.03	0.05	0.05

(a) Management of strategic liquidity portfolio in $ 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 liquidity 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 programs 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 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 at competitive costs 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 about €16.4 billion were drawn as of December 31, 2021 (€14.1 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 stable 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 2021, S&P revised Eni's outlook from negative to stable.

In May 2021, Eni placed two euro-denominated perpetual subordinated hybrid bond issues for an aggregate nominal amount of €2 billion, in addition to those already issued in October 2020 for an aggregate nominal amount of €3 billion. These are perpetual instruments with an early repayment option in favor of the issuer and classified under IFRS as equity instruments. The rating agencies assigned to the bonds the following ratings Baa3 / BBB / BBB (Moody's / S&P / Fitch) and an "equity credit" of 50%.

As part of the Euro Medium Term Notes program, in 2021, Eni issued a sustainability-linked bond for a nominal amount of €1 billion linked to the achievement of sustainability targets concerning Net Carbon Footprint Upstream (Scope 1 and 2) and renewable energy installed capacity.

As of December 31, 2021, Eni maintained short-term uncommitted unused borrowing facilities of €6,207 million. Total committed credit lines amounted to €5,114 million (of which €5,000 million pertaining to Eni SpA) of which €2,835 million unused. These facilities bore interest rates and fees for unused facilities that reflected prevailing market conditions.

EXPECTED PAYMENTS FOR TRADE AND 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)	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
	Maturity year						
	2021	2022	2023	2024	2025	2026 and thereafter	Total
December 31, 2020							
Non-current financial liabilities (including the current portion)	1,697	1,518	3,469	2,049	2,730	12,232	23,695
Current financial liabilities	2,882						2,882
Lease liabilities	815	593	503	442	413	2,218	4,984
Fair value of derivative instruments	1,609	26	13	50		73	1,771
	7,003	2,137	3,985	2,541	3,143	14,523	33,332
Interest on finance debt	502	473	461	387	360	1,164	3,347
Interest on lease liabilities	295	252	219	192	165	748	1,871
	797	725	680	579	525	1,912	5,218
Financial guarantees	1,072						1,072

Liabilities for leased assets including interest charges for €2,370 million (€2,429 million at December 31, 2020) pertained to the share of joint operators participating in unincorporated joint operation operated by Eni which will be recovered through a partner-billing process.

The table below presents the timing of the expenditures for trade and other payables.

	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
	Maturity year			
	2021	2022 - 2025	2026 and thereafter	Total
December 31, 2020				
Trade payables	8,679			8,679
Other payables and advances	4,257	111	94	4,462
	12,936	111	94	13,141

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 the 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 2022 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)	2022	2023	2024	2025	2026	2027 and thereafter	Total
Decommissioning liabilities[(a)]	370	298	448	377	436	10,594	12,523
Environmental liabilities	376	346	297	245	178	706	2,148
Purchase obligations[(b)]	28,862	20,394	17,062	13,873	11,157	67,751	159,099
- Gas							
Take-or-pay contracts	25,874	19,547	16,344	13,483	10,934	67,377	153,559
Ship-or-pay contracts	866	487	443	379	217	351	2,743
- Other purchase obligations	2,122	360	275	11	6	23	2,797
Other obligations	2					104	106
- Memorandum of intent - Val d'Agri	2					104	106
Total[(c)]	29,610	21,038	17,807	14,495	11,771	79,155	173,876

(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.
(c) Total future payments for contractual commiments includes obligations of companies held for sale for €67 million.

CAPITAL INVESTMENT AND CAPITAL EXPENDITURE COMMITMENTS

In the next four years, Eni expects capital investments and capital expenditures of €28.1 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)	2022	2023	2024	2025	2026 and thereafter	Total
Committed projects	5,107	3,712	2,273	1,420	2,336	14,848

(27) Contractual obligations related to employee benefits are indicated in note 22 - Provisions for employee benefits.

OTHER INFORMATION ABOUT FINANCIAL INSTRUMENTS

	2021			2020		
		Income (expense) recognized in			Income (expense) recognized in	
(€ million)	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 held for trading[a]	6,301	11		5,502	31	
- Non-hedging and trading derivatives[b]	(611)	597		(19)	(415)	
Other investments valued at fair value[c]	1,294	230	105	957	150	24
Receivables and payables and other assets/liabilities valued at amortized cost						
- Trade receivables and other[d]	19,124	(226)		10,955	(213)	
- Financing receivables[e]	6,140	39		1,207	99	
- Securities[a]	53			55		
- Trade payables and other[a]	21,941	(80)		13,141	(31)	
- Financing payables[f]	27,794	(250)		26,686	(632)	
Net assets (liabilities) for hedging derivatives[g]	96	(215)	(1,264)	(52)	(941)	661

(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 income within "Other operating income (loss)" for €903 million (expense for €766 million in 2020) and as expense within "Finance income (expense)" for €306 million (income for €351 million in 2020).
(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 impairment losses within "Net (impairment losses) reversal of trade and other receivables" for €279 million (net impairment losses for €226 million in 2020) and as income within "Finance income (expense)" for €53 million (income for €13 million in 2020), including interest income calculated on the basis of the effective interest rate of €18 million (interest income for €22 million in 2020).
(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 €53 million (income for €92 million in 2020) and net impairment losses for €25 million (net impairment losses for €1 million in 2020).
(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 €487 million (€531 million in 2020).
(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, 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
December 31, 2020			
Financial assets			
Trade and other receivables	11,681	755	10,926
Other current assets	3,719	1,033	2,686
Other non-current assets	1,253		1,253
Financial liabilities			
Trade and other liabilities	13,691	755	12,936
Other current liabilities	5,905	1,033	4,872
Other non-current liabilities	1,877		1,877

The offsetting of financial assets and liabilities related to: (i) receivables and payables pertaining to the Exploration & Production segment towards state entities for €1,540 million (€753 million at December 31, 2020) and trade receivables and trade payables pertaining to Eni Trading & Shipping Inc for €71 million (€2 million at December 31, 2020); (ii) other current and non-current assets and liabilities for derivative financial instruments of €7,159 million (€1,033 million at December 31, 2020).

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 therefore decided to appeal the decision to obtain an acquittal on the merits also in relation to the positions of the former managers of the Eni Group acquitted due to expiration of the statute of limitations. 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 3rd, 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, new investigations have been requested, assigning a four-month term to the Public Prosecutor for their conduct.

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 first-degree sentence, also in relation to the civil rulings. The merits of the sentence are yet to be made public for the purposes of the related appeal.

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 declared invalid the indictment decree against Eni Rewind as entity liable pursuant to Legislative Decree no. 231/01, returning the case to the judge of the preliminary hearing, who subsequently issued the decree setting a new preliminary hearing scheduled for March 31, 2022. The hearing against the defendants is in progress.

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, at the hearing on May 28, 2021, limited to the alleged crime of environmental disaster.
Upon start of the trial, the MITE was allowed to enter the judgment as plaintiff. The Court, accepting the defense's objections, declared the indictment invalid and returned the case to the judge of the preliminary hearing. A hearing before the judge is pending.

vi) **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 but any subsequent litigation for civil liability may be initiated.

vii) **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 EniMed 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 EniMed. The proceeding is ongoing.

viii) **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 and the setting of the appeal judgment is pending.

ix) **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.

x) **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. 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 was suspended in order to allow the continuation of the environmental clean-up and reclamation of the site. 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, establishing the hearing on June 27, 2022, 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).

xi) **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 EniMed 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.

xii) **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.

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. 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 for June 27, 2022.

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.

xv) **Eni Rewind SpA and Versalis SpA – Mantua. Environmental crime investigation.** In August and September 2020, the Public Prosecutor of Mantua 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 for administrative offences 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, 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 sued as civil parties. The preliminary hearing is in progress.

xvi) **Versalis SpA – Brindisi plant factory flares and odor.** 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. Moreover, the Company is reviewing available data and carrying out upgrading to minimize any detrimental effect, even if only visual, of the flaring phenomenon through the construction of a new ground torch facility. 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. The order was issued without any technical check on the real correlation between the peaks detected in the air and the activities in progress at the plant. After a close discussion with the authorities in charge, the order was revoked. The Public Prosecutor of Brindisi acquired information and documents, also produced by the Company, related to the aforementioned order to verify, also from a criminal point of view, any connection or responsibilities. The proceeding subsequently started a proceeding against unknown persons.
The Company has provided all the competent local Authorities, including the Public Prosecutor's Office, with all the information and data useful for the correct reconstruction of the facts. Subsequently, in the context of the criminal proceedings, the two pro-tempore directors of the plant and the Operations manager for the crimes referred to the disposal of hazardous

wastes. The proceeding is pending in the preliminary investigation phase.

xvii) **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 of February 10, 2022, the judge ordered the indictment of the people involved, setting the hearing for June 26, 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.

xviii) **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 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 to trial was notified with the first hearing set for September 8, 2022.

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 pollutants 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. Interlocutions are underway with the Ministry and the LCCS to solicit a response to this request.

ii) **Eni SpA – Eni Rewind SpA (former Syndial SpA) – Raffineria di Gela SpA – Claim for preventive technical inquiry.** 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.

iii) **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 at first instance 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 highlights 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, highlights 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.
Meanwhile, on July 3rd, 2020, the EU infringement procedure on area A1 (initiated voluntarily by the Company and at the request of the Ministry of the Environment) was concluded

and the Company was able to remedy the initial failure to make the clean-up plan of the industrial site of Cengio undergo a full environmental appraisal. The Company's position on the adequacy of the environmental intervention measures adopted was therefore further strengthened.
In March 2021, the Inspection Commission also issued a test certificate for the works carried out on the soils, thereby further strengthening the restorative suitability of the measures carried out by the Company.
On August 10, 2021, the Company filed an extraordinary appeal to the President of the Republic to eliminate the part in which the Company was requested to start a new remediation procedure in order to rebuild, in the light of an alleged contamination, the model and the consequent interventions aimed at its containment/ elimination, as well as against the opinion of ISPRA-ARPA Liguria on the health risk analysis for a portion of the site of Cengio.

iv) **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.

v) **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 blanc" 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 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. Pending the decision of the Ninth Circuit Court – which is expected within one year and which, as indicated by the Supreme Court, will in any case have to take into consideration all the potential legal bases of federal jurisdiction – the proceedings remain suspended.

vi) **Eni Rewind/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. A provision for risks has been accrued for the execution of these interventions.

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 September 2014, the Public Prosecutor notified Eni of a restraining order issued by a British judge who ordered the seizure of a bank account not pertaining to Eni domiciled at a British bank following a request from the Public Prosecutor. Since the act had also been notified to some individuals, including the CEO of Eni and the former Chief Development, Operation & Technology Officer of Eni and the former CEO of Eni, it was assumed that the same had been registered in the register of suspects at the Milan Prosecutor's office. During a hearing before a court in London in September 2014, Eni and its current executive officers stated their non-involvement in the matter regarding the seized bank account. Following the hearing, the Court reaffirmed the seizure. 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 Technological 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 of conviction of all 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 grounds 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 sentence of March 17, 2021. The hearing is scheduled July 19, 2022.

In January 2017, Eni's subsidiary Nigerian Agip Exploration Ltd ("NAE") became aware of an Interim Order of Attachment ("Order") issued by the Nigerian Federal High Court upon request from the Nigerian Economic and Financial Crimes Commission (EFCC), attaching OPL 245 temporarily pending a proceeding in Nigeria relating to alleged corruption and money laundering. In March 2017, the Nigerian Court revoked the Order accepting the recourse filed by NAE and its partner. Subsequently Eni became aware of the filing of the objections formulated by the EFCC and made a copy available to the US lawyers in charge of the aforementioned independent verification. The latter have concluded that these further analyses confirm the conclusions of the previous ones, on the basis of which no evidence of unlawful conduct by Eni emerged in relation to the acquisition of the OPL 245 license from the Nigerian government.

In November 2018, Eni SpA and its subsidiaries NAE, NAOC and AENR (as well as some companies of the Shell Group) were notified of the intention of the Federal Government of Nigeria "FGN" to bring a civil claim before an English court to obtain compensation for damages allegedly deriving from the transaction that resulted in assignment of the OPL 245 to NAE and Shell subsidiary SNEPCO. On April 15, 2019 the Nigerian subsidiaries NAE, NAOC and AENR received formal notification of the commencement of the proceeding, while similar notification was received by Eni SpA on May 16, 2019. In the introductory deeds of the proceeding, the claim is set at $1,092 million or at any other amount that will be established during the proceedings. The FGN has based its assessment on an estimated fair value of the asset of $3.5 billion. Eni's interest in the asset is 50%. As the FGN is also acting as claimant in the Italian proceeding before the Court of Milan, this claim appears to duplicate the claims made before the Milan Court against Eni employees. On May 22, 2020, the Judge accepted the argument presented by Eni and declined to exercise jurisdiction over the case, because the same case was pending before an Italian tribunal. The Judge also denied the FGN permission to appeal against the decision. Similarly, the Appeal Court rejected the FGN's claim to appeal the latter decision of the Judge, thus making it definitive.

On January 20, 2020, NAE was notified of the beginning of a new criminal case before the Federal High Court in Abuja. The proceeding, mainly focused on the accusations against Nigerian persons (including the Minister of Justice in office in 2011, at the time of the disputed facts), involves NAE and SNEPCO as co-holders of the OPL 245 license. These Nigerian persons 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.

ii) **Congo.** In March 2017, the Italian Finance Police served Eni with an information request in accordance with the Italian Code of Criminal Procedure in connection with an investigative file opened by the Public Prosecutor of Milan against unknown persons. The request related in particular to the agreements signed by Eni Congo SA with the Ministry for Hydrocarbons of the Republic of Congo in 2013, 2014 and 2015 in relation to exploration, development and production activities concerning certain permits held by Eni Congo SA for Congolese projects and Eni's relationships with Congolese companies that hold stakes in those projects. In July 2017, the Italian Financial Police, on behalf of the Public Prosecutor of Milan, served Eni with another information request and a notice of investigation pursuant to Legislative Decree no. 231/01 for alleged international corruption. The request expressly stated that it was based in part on the March 2017 information request and concerned the relationship of Eni and its subsidiaries with certain third-party companies from 2012 to the present. Eni produced all of the documentation requested in March and July 2017 and voluntarily disclosed this matter to the relevant US authorities (SEC and DoJ). In January 2018, the Public Prosecutor's Office requested a six-month extension of the deadline for conducting its preliminary investigation into this matter, from January 31, 2018 until July 30, 2018. Subsequently in July 2018, the Public Prosecutor requested a second extension until February 28, 2019. In April 2018, the Public Prosecutor of Milan served Eni SpA with a further request for documentation and notified a former Eni employee, who was the then Chief Development, Operation & Technology Officer, of a search order stating that he and another Eni employee had been placed under investigation. In October 2018, the Public Prosecutor ordered the seizure of an e-mail account of another Eni manager who was formerly the general director of Eni in Congo during the period 2010-2013. In December 2018 and subsequently in May, September and December 2019, Eni was notified by the Public Prosecutor of Milan of a request for documents in accordance with the Italian Code of Criminal Procedure, concerning certain economic transactions between Eni Group companies and certain third-party companies. All the required documentation has been produced to the Judge. In September 2019, the Company was informed that the Company's CEO was served with a search decree and an investigation decree in connection with an alleged violation of article 2629 bis of the Italian Civil Code which penalizes directors of listed companies, who fail to communicate conflicts of interest. The alleged omission relates to the

supply of logistics and transportation services to certain Eni's subsidiaries operating in Africa, including Eni Congo SA, by third-party companies owned by Petroserve Holding BV, in the period 2007-2018. The claims are based on the allegations that the wife of the Company's CEO retained a shareholding of the above-mentioned holding company during part of the period of time under investigation. The Board of Directors of Eni SpA has never been involved in any resolution concerning the suppliers under investigation. Subsequently, on June 15, 2020, the company was informed that an extension of the investigations relating to these allegations was requested until December 21, 2020.
In April 2018, the Board of Statutory Auditors, the Watch Structure and the Control and Risk Committee of Eni jointly appointed an independent law firm and a professional consulting company, knowledgeable in the matter of anti-corruption, to carry out a forensic review of facts relating to Eni's work in Congo. Such review did not find any factual evidence as to the involvement of Eni, nor of any Eni employees and key managers, in the alleged crimes.
In November 2019, following the notification of further investigative documents, the Board of Statutory Auditors, the Watch Structure of Eni and the Control and Risk Committee asked the professional consultants, which had been engaged in 2018, also to review the conclusions reached, in the light of the documentation made available following the decree notified to the CEO in September 2019. The second report of the consultants, which was delivered in July 2020, integrates the findings achieved in the first report, particularly indicating that: (i) it is probable that the CEO's wife retained a shareholding in the Petroserve Group for a few years, at least, starting from 2009 until 2012; (ii) there is an absence of evidence to contradict the statements made by the CEO as to his lack of knowledge of his wife's interests in the ownership of Petroserve Group, and; (iii) there is an absence of evidence that the activity of the abovementioned people was carried out in the interest of Eni.
On September 9, 2020, Eni was notified of a decree, setting a hearing due to the filing by the Public Prosecutor of Milan requesting a restrictive measure pursuant to Legislative Decree no. 231/01, relating to some oilfields in Congo. In particular, the Judge requested Eni to be banned from exploiting Djambala II, Foukanda II, Mwafi II, Kitina II, Marine VI Bis, Loango, Zatchi oilfields for 2 years and subordinately the appointment of a judicial commissioner to manage those oilfields.
In the decree setting the hearing for September 21, 2020, the judge for preliminary investigations stated that the public prosecutor's injunction request was time-barred by a five-year statute of limitations. The claim had expired on July 14, 2020, since the Public Prosecutor alleged that the conduct in question was committed only until July 14, 2015. However, this five-year limitation period had been suspended until September 16, 2020 due to recent legislation regarding the COVID-19 pandemic. The Judge also stated that a claim was pending before the Constitutional Court about the constitutional legitimacy of the aforementioned COVID-19 legislation, with particular reference to the principle of non-retroactivity of an unfavorable rule. Therefore, the hearing first set for September 21, 2020 was postponed initially to December 10, 2020 pending the resolution of the Constitutional Court case and then, once the Constitutional Court declared the COVID-19 rule valid, to February 17, 2021, in order to await the entry of the opinion explaining the Constitutional Court's reasoning.
On March 15, 2021, the Board of Directors of Eni SpA approved a settlement with the Public Prosecutor amounting to a €11.8 million fine. At the hearing on March 25, 2021 the Judge for Preliminary Investigations approved the settlement and the Prosecutor also revoked the request for restrictive measures for Eni SpA.

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 is pending before the Monocratic Court of Rome for offenses relating to excise duties, forgery, and procedural fraud. The trial is underway with witnesses and technical consultants.

ii) **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 Risk 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, 2020.
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, 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 1st, 2021.

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 1st, 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) **Eni Rewind SpA and Versalis SpA – Porto Torres – Prosecuting body: Public Prosecutor of Sassari.** Proceedings initiated in 2011 by the Public Prosecutor of Sassari for alleged environmental disaster and poisoning of water and substances destined for food against the former plant manager of Eni Rewind SpA in Porto Torres, and subsequently against Eni Rewind itself and Versalis SpA as alleged civil parties. The proceeding ended with a sentence of no place to proceed due to a statute of limitations, which has become final.

ii) **Eni Rewind SpA – Summon for alleged environmental damage caused by DDT pollution in Lake Maggiore.** In May 2003, the Italian Ministry for the Environment claimed compensation from Eni Rewind for alleged environmental damage caused by the activity at the Pieve Vergonte plant in the years 1990 through 1996. In July 2008, the District Court of Turin ordered Eni Rewind to pay environmental damages amounting to €1,833.5 million, plus interests accrued from the filing of the decision. Eni and its subsidiary deemed the amount of the environmental damage to be absolutely groundless as the sentence lacked sufficient elements to support such a material amount of the liability from the volume of pollutants ascertained by the Italian Environmental Ministry. During the proceedings the technical appraisal requested by the Court validated the activities of the technical discussions carried out by the Company and concluded that: (i) no further measure for environmental restoration is required; (ii) there was no significant and measurable impact on the environment of the ecosystem, therefore no restoration or damage compensation should be claimed; the only impact seen concerned fishing activity, with an estimated damage of €7 million which could be already restored through the measures proposed by Eni Rewind, and; (iii) the necessity and convenience of dredging should be excluded, both from the legal and scientific point of view, while confirming technical and scientific correctness of the Eni Rewind's approach based on the monitoring of the process of natural recovery, which is estimated to require 20 years.
In March 2017, the Second Instance Court: (i) excluded the application of compensation for monetary equivalent, and (ii) annulled the monetary compensation of €1.8 billion requesting Eni Rewind to perform the already approved clean-up project of the polluted areas, which comprise groundwater, as well as compensatory remediation works. The value of these compensatory works required by the Court, in case of Eni Rewind's failure or misperformance, is estimated at €9.5 million. The clean-up project filed by Eni Rewind was ratified by the authorities and is currently being executed. Expenditures expected to be incurred have been provisioned in the environmental provision; (iii) rejected all other claims filed by the Ministry (including compensation for non-material damage).
In April 2018, the Ministry for the Environment filed an appeal to the Third Instance Court. Following this appeal, the Company appeared in Court.

With sentence no. 18811 filed on July 2nd, 2021, the Third Instance Court definitively ruled on the dispute regarding environmental damage and the site of Pieve Vergonte, rejecting the appeal presented by the Ministry of the Environment, confirming the reasons of the Second Instance Court. In particular, the Court confirmed the validity of the defensive positions presented by the Company in terms of restoration, also by implementing natural solutions, and in-kind compensation for environmental damage.

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 no. 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 2021, 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 17.74 million tonnes, Eni was awarded free emission allowances of 5.34 million tonnes, determining a deficit of 12.40 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
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 other products	40	6	132	5,316	1	5,495
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 other products	113	(2)	36	2,366	2	2,515
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
2019						
Sales from operations	**10,499**	**9,230**	**41,976**	**7,972**	**204**	**69,881**
Products sales and service revenues:						
Sales of crude oil	3,505		17,361			20,866
Sales of oil products	1,189		19,615			20,804
Sales of natural gas and LNG	5,454	8,881	214	3,373		17,922
Sales of petrochemical products			4,088		22	4,110
Sales of other products	68		16	2,503	6	2,593
Services	283	349	682	2,096	176	3,586
	10,499	**9,230**	**41,976**	**7,972**	**204**	**69,881**
Transfer of goods/services						
Goods/Services transferred in a specific moment	9,946	9,117	41,727	7,972	86	68,848
Goods/Services transferred over a period of time	553	113	249		118	1,033

(€ million)	2021	2020	2019
Revenues associated with contract liabilities at the beginning of the period	658	818	747
Revenues associated with performance obligations totally or partially satisfied in previous years	30		10

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)	2021	2020	2019
Gains from sale of assets and businesses	107	10	152
Other proceeds	1,089	950	1,008
	1,196	960	1,160

Other proceeds include €281 million (€357 million in 2020 and €368 million in 2019) 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)	2021	2020	2019
Production costs - raw, ancillary and consumable materials and goods	41,174	21,432	36,272
Production costs - services	10,646	9,710	11,589
Lease expense and other	1,233	876	1,478
Net provisions for contingencies	707	349	858
Other expenses	1,983	1,317	879
	55,743	33,684	51,076
less:			
- capitalized direct costs associated with self-constructed assets - tangible assets	(185)	(128)	(197)
- capitalized direct costs associated with self-constructed assets - intangible assets	(9)	(5)	(5)
	55,549	33,551	50,874

Purchase, services and other charges included geological and geophysical costs of exploration activities for €194 million (€196 million and €275 million in 2020 and 2019, 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 €177 million (€157 million and €194 million in 2020 and 2019, respectively).
Royalties on the extraction rights of hydrocarbons amounted to €946 million (€673 million and €1,183 million in 2020 and 2019, respectively).

Additions to provisions net of reversal of unused provisions mainly related to net additions for environmental liabilities amounting to €279 million (net reversals of €15 million and net additions of €329 million in 2020 and 2019, respectively) and net additions for litigations amounting to €162 million (net additions of €76 million and €60 million in 2020 and 2019, 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)	2021	2020	2019
Wages and salaries	2,182	2,193	2,417
Social security contributions	455	458	449
Cost related to employee benefit plans	165	102	85
Other costs	204	239	213
	3,006	**2,992**	**3,164**
less:			
- capitalized direct costs associated with self-constructed assets - tangible assets	(111)	(118)	(152)
- capitalized direct costs associated with self-constructed assets - intangible assets	(7)	(11)	(16)
	2,888	**2,863**	**2,996**

Other costs comprised provisions for redundancy incentives of €94 million (€105 million and €45 million in 2020 and 2019, respectively) and costs for defined contribution plans of €97 million (€96 million and €99 million in 2020 and 2019, 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:

	2021		2020		2019	
(number)	Subsidiaries	Joint operations	Subsidiaries	Joint operations	Subsidiaries	Joint operations
Senior managers	966	18	993	17	1,014	16
Junior managers	9,143	78	9,280	73	9,267	77
Employees	15,747	380	15,995	349	15,945	361
Workers	5,476	284	4,780	287	4,910	287
	31,332	**760**	**31,048**	**726**	**31,136**	**741**

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")[28] and the TSR of their corresponding stock exchange market[29]; (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: (i) for 25% on a market objective measured as the difference between the Total Shareholder Return (TSR) of Eni Shares and the TSR of the FTSE Mib Index of Italian Stock Exchange on a three-year period, adjusted with Eni's correlation index, compared with similar differences for each company of the Eni's group of competitors (Peer Group); (ii) for 20% on a relative parameter represented by an industrial objective measured in terms of annual unit value ($/boe) of the Net Present Value of Proven Reserves (NPV) compared with the analogous value of each company in the Peer Group, with a final outcome equal to the average annual results over the three-year period; (iii) for 20% on an absolute parameter represented by an economic-financial objective measured as the Organic Free Cash Flow accumulated in the three-year reference period, compared to the equivalent accumulated value provided for in the first three years of the Strategic Plan approved by the Board of Directors in the year of award and kept unchanged during the performance period. The verification of CFC targets is conducted net of external variables, using a gap-analysis approach approved by the Remuneration Committee, in order to assess the effective corporate performance deriving from the management action; (iv) for the remaining 35% on an environmental sustainability and energy transition objective in a three-year period consisting of three absolute objectives as follows: (a) for 15% to a decarbonisation objective measured in terms of Upstream Scope 1 and Scope 2 CO^2eq. equity emissions (tCO_2eq./kboe) at the end of the three-year period compared with the same value expected in the third year of the Strategic Plan approved by the Board of Directors in the year of award and kept unchanged during the performance period; (b) for 10% on an energy transition objective measured in megawatts (MW) of installed capacity of power generation from renewable sources, at the end of the three-year performance period, compared with the same value expected in the third year of the Strategic Plan approved by the Board of Directors in the year of award and kept unchanged in the performance period; (c) for 10% on a circular economy objective measured in terms of progress of three important projects at the end of the three-year performance period, compared with the progress expected in the third year of the Strategic Plan approved by the Board of Directors in the year of award and kept unchanged during the performance period.

Depending on the performance of the parameters mentioned above, the number of shares that will vest after three years may range between 0% and 180% of the initial award. Furthermore, 50% of the shares that will eventually vest 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) 2,365,581 shares in 2021, with a weighted average fair value of €8.15 per share; (ii) 2,922,749 shares in 2020, with a weighted average fair value of €4.67 per share; (iii) 1,759,273 shares in 2019, with a weighted average fair value of €9.88 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 €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; €13.714 per share in 2019), reduced by dividends expected along the vesting period (between 7.1% and 7.4% of the share price at vesting date in 2021; 7.1% and 10.0% of the share price at vesting date in 2020; 6.1% of the share price at vesting date in 2019), considering the volatility of the stock (between 44% and 45% in relation to the 2021 award; 41% and 44% in relation to the 2020 award; 19% for attribution 2019), 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 2021, the costs related to the Long-Term Monetary Incentive Plan, recognized as a component of the payroll cost, amounted to €16 million (€7 million in 2020; €9 million in 2019) 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:

(28) The Peer group consists of the following oil companies: Apache, BP, Chevron, ConocoPhillips, Equinor, ExxonMobil, Marathon Oil, Occidental, Royal Dutch Shell and Total.
(29) The performance condition connected with the TSR in accordance with the international accounting standards represents a so-called market condition.

(€ million)	2021	2020	2019
Wages and salaries	29	30	28
Post-employment benefits	3	2	2
Other long-term benefits	15	12	12
Indemnities upon termination of employment		21	12
	47	**65**	**54**

COMPENSATION OF DIRECTORS AND STATUTORY AUDITORS OF ENI SPA

Compensation of Directors amounted to €10.13 million, €7.54 million and €9.2 million in 2021, 2020 and 2019, respectively. Compensation of Statutory Auditors amounted to €0.550 million, €0.571 million and €0.613 million in 2021, 2020 and 2019, 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)	2021	2020	2019
Finance income (expense)			
Finance income	3,723	3,531	3,087
Finance expense	(4,216)	(4,958)	(4,079)
Net finance income (expense) from financial assets held for trading	11	31	127
Income (expense) from derivative financial instruments	(306)	351	(14)
	(788)	**(1,045)**	**(879)**

The analysis of finance income (expense) was as follows:

(€ million)	2021	2020	2019
Finance income (expense) related to net borrowings			
- Interest and other finance expense on ordinary bonds	(475)	(517)	(618)
- Net finance income (expense) on financial assets held for trading	11	31	127
- Interest and other expense due to banks and other financial institutions	(94)	(102)	(122)
- Interest on lease liabilities	(304)	(347)	(378)
- Interest from banks	4	10	21
- Interest and other income on financial receivables and securities held for non-operating purposes	9	12	8
	(849)	**(913)**	**(962)**
Exchange differences	**476**	**(460)**	**250**
Income (expense) from derivative financial instruments	**(306)**	**351**	**(14)**
Other finance income (expense)			
- Interest and other income on financing receivables and securities held for operating purposes	67	97	112
- Capitalized finance expense	68	73	93
- Finance expense due to the passage of time (accretion discount)[a]	(144)	(190)	(255)
- Other finance income (expense)	(100)	(3)	(103)
	(109)	**(23)**	**(153)**
	(788)	**(1,045)**	**(879)**

(a) 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)	2021	2020	2019
Dividends	230	150	247
Net gain (loss) on disposals	1		19
Other net income (expense)	(8)	(75)	15
	223	75	281

Dividend income primarily related to Nigeria LNG Ltd for €144 million (€113 million in 2020 and €186 million in 2019) and to Saudi European Petrochemical Co 'IBN ZAHR' for €54 million (€28 million in 2020 and €46 million in 2019).

33 INCOME TAXES

(€ million)	2021	2020	2019
Current taxes:			
- Italian subsidiaries	439	199	347
- subsidiaries of the Exploration & Production segment - outside Italy	3,609	1,517	4,729
- other subsidiaries - outside Italy	157	84	152
	4,205	1,800	5,228
Net deferred taxes:			
- Italian subsidiaries	(45)	672	599
- subsidiaries of the Exploration & Production segment - outside Italy	552	73	(172)
- other subsidiaries - outside Italy	133	105	(64)
	640	850	363
	4,845	2,650	5,591

Current income taxes payable by Italian subsidiaries include foreign taxes for €214 million and the effect of the additional Corporate tax as per Law 7/2009 for €97 million.

The reconciliation between the statutory tax charge calculated by applying the Italian statutory tax rate of 24% (same amount in 2020 and 2019) and the effective tax charge is the following:

(€ million)	2021	2020	2019
Profit (loss) before taxation	10,685	(5,978)	5,746
Tax rate (IRES) (%)	24.0	24.0	24.0
Statutory corporation tax charge (credit) on profit or loss	2,564	(1,435)	1,379
Increase (decrease) resulting from:			
- higher tax charges related to subsidiaries outside Italy	2,301	1,980	2,934
- effect of the valuation of the investments under the equity method	180	97	9
- Italian regional income tax (IRAP)	140	107	25
- effect additional tax Law no 7/2009	97		
- impact pursuant to foreign tax effects of italian entities	108	108	105
- tax effects related to previous years	52	(30)	147
- effect due to the tax regime provided for intercompany dividends	54	96	65
- impact pursuant to the write-down of deferred tax assets	(666)	1,785	938
- other adjustments	15	(58)	(11)
	2,281	4,085	4,212
Effective tax charge	4,845	2,650	5,591

The higher tax charges at non-Italian subsidiaries related to the Exploration & Production segment for €2,040 million (€1,777 million and €2,934 million in 2020 and in 2019, 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, 2021, the shares that could be potentially issued related the estimation of new shares that will vest in connection with the 2017-2019 and 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:

		2021	2020	2019
Weighted average number of shares used for basic earnings (loss) per share		**3,565,973,883**	**3,572,549,651**	**3,592,249,603**
Potential shares to be issued for ILT incentive plan		7,598,593		2,251,406
Weighted average number of shares used for diluted earnings per share		**3,573,572,476**	**3,572,549,651**	**3,594,501,009**
Eni's net profit (loss)	(€ million)	**5,821**	**(8,635)**	**148**
Remunaration of subordinated perpetual bonds net of tax effect	(€ million)	(95)		
Eni's net profit (loss) for basic and diluted earnings (loss) per share	(€ million)	**5,726**	**(8,635)**	**148**
Basic earnings (loss) per share	(€ per share)	1.61	(2.42)	0.04
Diluted earnings (loss) per share	(€ per share)	1.60	(2.42)	0.04

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 gas e luce, 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
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
2019							
Sales from operations including intersegment sales	23,572	11,779	42,360	8,448	1,676		
Less: intersegment sales	(13,073)	(2,549)	(384)	(476)	(1,472)		
Sales from operations	10,499	9,230	41,976	7,972	204		69,881
Operating profit	7,417	431	(682)	74	(688)	(120)	6,432
Net provisions for contingencies	(97)	(234)	(276)	5	(307)	51	(858)
Depreciation and amortization	(7,060)	(124)	(620)	(190)	(144)	32	(8,106)
Impairments of tangible and intangible assets and right-of-use assets	(1,347)		(1,127)	(83)	(13)		(2,570)
Reversals of tangible and intangible assets	130	5	205	41	1		382
Write-off of tangible and intangible assets	(292)		(6)	(1)	(1)		(300)
Share of profit (loss) of equity-accounted investments	7	(21)	(63)	10	(21)		(88)
Identifiable assets(a)	68,915	4,092	13,569	4,068	1,643	(492)	91,795
Unallocated assets(b)							31,645
Equity-accounted investments	4,108	346	3,107	141	1,333		9,035
Identifiable liabilities(a)	20,164	3,836	6,272	2,380	3,890	(141)	36,401
Unallocated liabilities(b)							39,139
Capital expenditure in tangible and intangible assets	6,980	15	933	357	89	(14)	8,360

(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
2021								
Identifiable assets[(a)]	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[(a)]	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
2019								
Identifiable assets[(a)]	19,346	7,237	1,151	5,230	17,898	40,021	912	91,795
Capital expenditure in tangible and intangible assets	1,402	306	9	1,017	1,685	3,886	55	8,360

(a) Include assets directly associated with the generation of operating profit.

Sales from operations by geographical area of destination:

(€ million)	2021	2020	2019
Italy	29,968	14,717	23,312
Other European Union	14,671	9,508	18,567
Rest of Europe	12,470	8,191	6,931
Americas	4,420	2,426	3,842
Asia	7,891	4,182	8,102
Africa	7,040	4,842	8,998
Other areas	115	121	129
	76,575	**43,987**	**69,881**

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, 2021 are presented separately in the annex "List of companies owned by Eni SpA as of December 31, 2021".

TRANSACTIONS AND BALANCES WITH RELATED PARTIES

	December 31, 2021			2021		
Name (€ million)	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		
Società 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.

Name (€ million)	December 31, 2020 Receivables and other assets	Payables and other liabilities	Guarantees	2020 Revenues	Costs	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	
Società 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.

Name (€ million)	December 31, 2019 Receivables and other assets	Payables and other liabilities	Guarantees	2019 Revenues	Costs	Other operating (expense) income
Joint ventures and associates						
Agiba Petroleum Co	3	71			229	
Angola LNG Supply Services Llc			181			
Coral FLNG SA	15		1,168	71		
Gas Distribution Company of Thessaloniki - Thessaly SA		13			53	
Saipem Group	75	227	510	27	503	
Karachaganak Petroleum Operating BV	33	198		1	1,134	
Mellitah Oil & Gas BV	57	171		3	365	
Petrobel Belayim Petroleum Co	50	1,130		7	1,590	
Unión Fenosa Gas SA	8	1	57	1	6	63
Vår Energi AS	32	143	482	63	1,481	(64)
Other(*)	106	29	1	112	87	
	379	**1,983**	**2,399**	**285**	**5,448**	**(1)**
Unconsolidated entities controlled by Eni						
Eni BTC Ltd			180			
Industria Siciliana Acido Fosforico - ISAF SpA (in liquidation)	101	1	3	14		
Other	5	25	14	6	18	
	106	**26**	**197**	**20**	**18**	
	485	**2,009**	**2,596**	**305**	**5,466**	**(1)**
Entities controlled by the Government						
Enel Group	185	284		105	602	(8)
Italgas Group	3	154		1	677	
Snam Group	278	229		71	1,208	
Terna Group	40	45		171	223	17
GSE - Gestore Servizi Energetici	26	24		549	468	11
Other	10	19		12	35	
	542	**755**		**909**	**3,213**	**20**
Other related parties	**2**	**3**		**5**	**37**	
Groupement Sonatrach - Agip «GSA» and Organe Conjoint des Opérations «OC SH/FCP»	**75**	**74**		**33**	**457**	
Total	**1,104**	**2,841**	**2,596**	**1,252**	**9,173**	**19**

(*) 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 «GSA», Organe Conjoint des Opérations «OC SH/FCP» 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;
- a guarantee issued on behalf of Angola LNG Supply Services Llc to cover the commitments relating to the payment of the regasification fee;
- 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);
- engineering, construction and drilling services by Saipem Group mainly for the Exploration & Production segment;
- 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 AS, the supply of upstream specialist services, 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 the construction of an oil pipeline on behalf of Eni BTC Ltd;
- 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:

- sale of fuel, sale and purchase of gas, 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.

Transactions with other related parties concerned:

- provisions to pension funds managed by Eni of €25 million;
- contributions and service provisions to Eni Enrico Mattei Foundation for €5 million and to Eni Foundation for €3 million.

FINANCING TRANSACTIONS AND BALANCES WITH RELATED PARTIES

	December 31, 2021			2021	
Name (€ million)	Receivables	Payables	Guarantees	Gains	Charges
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 Gains	Charges
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**
Total	**807**	**218**	**1,533**	**114**	**26**

Name (€ million)	December 31, 2019 Receivables	Payables	Guarantees	2019 Gains	Charges
Joint ventures and associates					
Angola LNG Ltd			249		
Cardón IV SA	563	5		77	
Coral FLNG SA	253				2
Coral South FLNG DMCC			1,425		
Société Centrale Electrique du Congo SA	85				20
Other	18	14	2	18	14
	919	**19**	**1,676**	**95**	**36**
Unconsolidated entities controlled by Eni					
Other	48	28		1	
	48	**28**		**1**	
Entities controlled by the Government					
Other	4	12			
	4	**12**			
Total	**971**	**59**	**1,676**	**96**	**36**

The most significant transactions with joint ventures, associates and unconsolidated subsidiaries concerned:
- the financing loan granted to Cardón IV SA for the exploration and development activities of a gas field in Venezuela;
- 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.

The most significant transactions with entities controlled by the Italian Government concerned:
- financial debts towards Enel group for margins on derivative contracts.

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, 2021			December 31, 2020		
(€ million)	Total	Related parties	Impact %	Total	Related parties	Impact %
Other current financial assets	4,308	55	1.28	254	41	16.14
Trade and other receivables	18,850	1,301	6.90	10,926	802	7.34
Other current assets	13,634	492	3.61	2,686	145	5.40
Other non-current financial assets	1,885	1,645	87.27	1,008	766	75.99
Other non-current assets	1,029	29	2.82	1,253	74	5.91
Short-term debt	2,299	233	10.13	2,882	52	1.80
Current portion of long-term debt	1,781	21	1.18	1,909		
Current portion of non-current lease liabilities	948	17	1.79	849	54	6.36
Trade and other payables	21,720	2,298	10.58	12,936	2,100	16.23
Other current liabilities	15,756	339	2.15	4,872	452	9.28
Long-term debt	23,714	5	0.02	21,895		
Non-current lease liabilities	4,389	1	0.02	4,169	112	2.69
Other non-current liabilities	2,246	415	18.48	1,877	23	1.23

The impact of transactions with related parties on the profit and loss accounts consisted of the following:

	2021			2020			2019		
(€ million)	Total	Related parties	Impact %	Total	Related parties	Impact %	Total	Related parties	Impact %
Sales from operations	76,575	3,000	3.92	43,987	1,164	2.65	69,881	1,248	1.79
Other income and revenues	1,196	52	4.35	960	35	3.65	1,160	4	0.34
Purchases, services and other	(55,549)	(8,644)	15.56	(33,551)	(6,595)	19.66	(50,874)	(9,173)	18.03
Net (impairment losses) reversals of trade and other receivables	(279)	(6)	2.15	(226)	(6)	2.65	(432)	28	..
Payroll and related costs	(2,888)	(21)	0.73	(2,863)	(36)	1.26	(2,996)	(28)	0.93
Other operating income (expense)	903	735	81.40	(766)	13	..	287	19	6.62
Finance income	3,723	79	2.12	3,531	114	3.23	3,087	96	3.11
Finance expense	(4,216)	(46)	1.09	(4,958)	(26)	0.52	(4,079)	(36)	0.88

Main cash flows with related parties are provided below:

(€ million)	2021	2020	2019
Revenues and other income	3,052	1,199	1,252
Costs and other expenses	(7,814)	(5,789)	(6,869)
Other operating (expense) income	735	13	19
Net change in trade and other receivables and payables	(342)	(136)	(839)
Net interests	38	73	81
Net cash provided from operating activities	**(4,331)**	**(4,640)**	**(6,356)**
Capital expenditure in tangible and intangible assets	(851)	(842)	(2,332)
Net change in accounts payable and receivable in relation to investments	(20)	(370)	(339)
Change in financial receivables	(105)	(160)	(241)
Net cash used in investing activities	**(976)**	**(1,372)**	**(2,912)**
Change in financial and lease liabilities	(13)	164	(817)
Net cash used in financing activities	**(13)**	**164**	**(817)**
Total financial flows to related parties	**(5,320)**	**(5,848)**	**(10,085)**

The impact of cash flows with related parties consisted of the following:

	2021			2020			2019		
(€ million)	Total	Related parties	Impact %	Total	Related parties	Impact %	Total	Related parties	Impact %
Net cash provided from operating activities	12,861	(4,331)	..	4,822	(4,640)	..	12,392	(6,356)	..
Net cash used in investing activities	(12,022)	(976)	8.12	(4,587)	(1,372)	29.91	(11,413)	(2,912)	25.51
Net cash used in financing activities	(2,039)	(13)	0.64	3,253	164	5.04	(5,841)	(817)	13.99

37 OTHER INFORMATION ABOUT INVESTMENTS[30]

INFORMATION ON ENI'S CONSOLIDATED SUBSIDIARIES WITH SIGNIFICANT NON-CONTROLLING INTEREST

In 2021 and 2020, Eni did not own any consolidated subsidiaries with a significant non-controlling interest.

Equity pertaining to minority interests as of December 31, 2021, amounted to €82 million (€78 million December 31, 2020).

CHANGES IN THE OWNERSHIP INTEREST WITHOUT LOSS OF CONTROL

In 2021 and in 2020 Eni did not report any changes in ownership interest without loss or acquisition of control.

PRINCIPAL JOINT VENTURES, JOINT OPERATIONS AND ASSOCIATES AS OF DECEMBER 31, 2021

Company name	Registered office	Country of operation	Business segment	% ownership interest	Eni's % of the investment
Joint venture					
Cardón IV SA	Caracas (Venezuela)	Venezuela	Exploration & Production	50.00	50.00
Doggerbank Offshore Wind Farm Project 1 Holdco Ltd	Reading (UK)	UK	Plenitude	20.00	20.00
Doggerbank Offshore Wind Farm Project 2 Holdco Ltd	Reading (UK)	UK	Plenitude	20.00	20.00
Mozambique Rovuma Venture SpA	San Donato Milanese (MI) (Italy)	Mozambique	Exploration & Production	35.71	35.71
Saipem SpA	San Donato Milanese (MI) (Italy)	Italy	Corporate and financial companies	30.54	31.20
Vår Energi AS	Sandnes (Norway)	Norway	Exploration & Production	69.85	69.85
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					
Abu Dhabi Oil Refining Co (Takreer)	Abu Dhabi (United Arab Emirates)	United Arab Emirates	Refining & Marketing	20.00	20.00
Angola LNG Ltd	Hamilton (Bermuda)	Angola	Exploration & Production	13.60	13.60
Coral FLNG SA	Maputo (Mozambique)	Mozambique	Exploration & Production	25.00	25.00

(30) Investments in subsidiaries, joint arrangements and associates as of December 31, 2021 are presented in the annex "List of companies owned by Eni SpA as of December 31, 2021".

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:

	2021						
(€ million)	Cardón IV SA	Doggerbank Offshore Wind Farm Project 1 Holdco Ltd	Doggerbank Offshore Wind Farm Project 2 Holdco Ltd	Mozambique Rovuma Venture SpA	Saipem SpA	Vår Energi AS	Other joint ventures
Current assets	285	22	12	202	6,819	1,382	632
- of which cash and cash equivalent	*3*	*20*	*9*	*82*	*1,632*	*198*	*88*
Non-current assets	1,947	1,935	1,306	3,810	4,723	16,589	714
Total assets	**2,232**	**1,957**	**1,318**	**4,012**	**11,542**	**17,971**	**1,346**
Current liabilities	373	95	59	162	6,844	2,148	853
- current financial liabilities	*4*			*4*	*1,256*	*390*	*296*
Non-current liabilities	1,301	1,548	1,085	2,856	4,347	14,900	193
- non-current financial liabilities	*430*	*1,414*	*908*	*2,823*	*2,679*	*4,160*	*22*
Total liabilities	**1,674**	**1,643**	**1,144**	**3,018**	**11,191**	**17,048**	**1,046**
Net equity	**558**	**314**	**174**	**994**	**351**	**923**	**300**
Eni's % of the investment	50.00	20.00	20.00	35.71	31.20	69.85	
Book value of the investment	**279**	**246**	**238**	**355**	**137**	**645**	**157**
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)	(1)	(1)		(140)	(350)	(22)
Income (expense) from investments					9		
Profit (loss) before income taxes	**(25)**	**(1)**	**(1)**		**(2,397)**	**1,758**	**(31)**
Income taxes	(131)				(70)	(1,729)	(3)
Net profit (loss)	**(156)**	**(1)**	**(1)**		**(2,467)**	**29**	**(34)**
Other comprehensive income (loss)	39	31	(9)		(117)	61	5
Total other comprehensive income (loss)	**(117)**	**30**	**(10)**		**(2,584)**	**90**	**(29)**
Net profit (loss) attributable to Eni	**(78)**				**(752)**	**20**	**(97)**
Dividends received from the joint venture						**561**	**25**

(€ million)	Cardón IV SA	Gas Distribution Company of Thessaloniki -Thessaly SA	Saipem SpA	Unión Fenosa Gas SA	Vår Energi AS	Other joint ventures
	2020					
Current assets	235	31	6,411	599	804	858
- of which cash and cash equivalent		*10*	*1,687*	*36*	*222*	*43*
Non-current assets	2,040	344	4,831	717	16,042	924
Total assets	**2,275**	**375**	**11,242**	**1,316**	**16,846**	**1,782**
Current liabilities	262	38	4,903	311	189	1,022
- current financial liabilities		*11*	*609*	*99*	*33*	*90*
Non-current liabilities	1,615	51	3,391	501	15,019	333
- non-current financial liabilities	*785*	*39*	*2,827*	*421*	*4,389*	*237*
Total liabilities	**1,877**	**89**	**8,294**	**812**	**15,208**	**1,355**
Net equity	**398**	**286**	**2,948**	**504**	**1,638**	**427**
Eni's % of the investment	50.00	49.00	31.08	50.00	69.85	
Book value of the investment	**199**	**140**	**908**	**242**	**1,144**	**188**
Revenues and other income	612	62	7,408	854	2,450	286
Operating expense	(453)	(19)	(6,980)	(805)	(980)	(304)
Depreciation, amortization and impairments	(95)	(16)	(1,273)	(108)	(3,425)	(85)
Operating profit (loss)	**64**	**27**	**(845)**	**(59)**	**(1,955)**	**(103)**
Finance income (expense)	(98)	(1)	(166)	(29)	31	(21)
Income (expense) from investments			37	3		
Profit (loss) before income taxes	**(34)**	**26**	**(974)**	**(85)**	**(1,924)**	**(124)**
Income taxes	(58)	(6)	(143)	(2)	603	(4)
Net profit (loss)	**(92)**	**20**	**(1,117)**	**(87)**	**(1,321)**	**(128)**
Other comprehensive income (loss)	(35)		46	(33)	(273)	(25)
Total other comprehensive income (loss)	**(127)**	**20**	**(1,071)**	**(120)**	**(1,594)**	**(153)**
Net profit (loss) attributable to Eni	**(46)**	**10**	**(354)**	**(68)**	**(918)**	**(93)**
Dividends received from the joint venture		**9**	**3**		**274**	**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:

	2021			
(€ million)	Abu Dhabi Oil Refining Co (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)
Net profit (loss)	**(1,810)**	**669**		**187**
Other comprehensive income (loss)	892	623	46	74
Total other comprehensive income (loss)	**(918)**	**1,292**	**46**	**261**
Net profit (loss) attributable to Eni	**(362)**	**90**		**52**
Dividends received from the joint venture				**16**

(€ million)	2020 Abu Dhabi Oil Refining Co (TAKREER)	Angola LNG Ltd	Coral FLNG SA	Other associates
Current assets	1,391	618	133	623
- of which cash and cash equivalent	*97*	*428*	*83*	*303*
Non-current assets	17,938	8,633	4,777	4,072
Total assets	**19,329**	**9,251**	**4,910**	**4,695**
Current liabilities	4,897	424	172	656
- current financial liabilities	*4,404*	*101*		*263*
Non-current liabilities	2,757	1,187	4,186	3,068
- non-current financial liabilities	*456*	*999*	*4,186*	*2,928*
Total liabilities	**7,654**	**1,611**	**4,358**	**3,724**
Net equity	**11,675**	**7,640**	**552**	**971**
Eni's % of the investment	20.00	13.60	25.00	
Book value of the investment	**2,335**	**1,039**	**138**	**321**
Revenues and other income	11,933	976	1	954
Operating expense	(12,370)	(548)		(917)
Depreciation, amortization and impairments	(851)	(508)		(75)
Operating profit (loss)	**(1,288)**	**(80)**	**1**	**(38)**
Finance income (expense)	(91)	(96)	(11)	(13)
Income (expense) from investments				16
Profit (loss) before income taxes	**(1,379)**	**(176)**	**(10)**	**(35)**
Income taxes	4		2	(9)
Net profit (loss)	**(1,375)**	**(176)**	**(8)**	**(44)**
Other comprehensive income (loss)	(1,101)	(710)	(48)	(60)
Total other comprehensive income (loss)	**(2,476)**	**(886)**	**(56)**	**(104)**
Net profit (loss) attributable to Eni	**(275)**	**(24)**	**(2)**	**(26)**
Dividends received from the joint venture				**13**

38 PUBLIC ASSISTANCE - 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) assistances 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) assistances granted by Eni SpA and by its fully consolidated subsidiaries to companies, persons and public and private entities[31], are provided below.

Furthermore, it should be underlined that when Eni acts as operator[32] of unincorporated joint ventures[33], 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.

Assistances are identified on a cash basis[34]. The disclosure includes assistance equal or exceeding €10,000, even though they are granted through several payments during 2021.

Under art. 1, subsection 125-quinquies of Law no. 124/2017, for received assistance 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.

(31) The following disclosures do not include assistance granted by foreign subsidiaries to foreign beneficiaries.
(32) 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.
(33) 'Unincorporated joint ventures' mean a grouping of companies that operate jointly within the project in accordance with a contract.
(34) In case of non-monetary economic benefits, the cash basis must be assumed substantially referring to the year in which the benefit was enjoyed.

The granted assistance provided herein is 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)(*)	5,125,000
Fondazione Teatro alla Scala	3,088,384
Eni Foundation	2,653,205
Fondazione Giorgio Cini	500,000
Presidio Ospedaliero "Vittorio Emanuele" di Gela	393,255
WEF - World Economic Forum	279,408
Ministero della Salute dell’Angola (MINSA)	265,000
Fondazione Campagna Amica	200,000
The Halo Trust	169,084
Ara Pacis Initiative For Peace ONLUS	149,755
Presidio Ospedaliero di Villa d'Agri "Ospedale San Pio da Pietrelcina"	114,660
Croce Rossa di Ancona, Pesaro, Chieti e Pubblica Assistenza città di Ravenna	92,250
Lebanese Armed Forces (LAF)	90,000
ONG Volontariato Internazionale per lo Sviluppo (VIS)	84,542
Atlantic Council	82,771
Famiglia di un dipendente scomparso	75,000
World Business Council for Sustainable Development	74,335
La Semente - Società Agricola Cooperativa Sociale	70,000
Council on Foreign Relations	62,331
Associazione Pionieri e Veterani Eni	57,000
Indian Red Cross Society (IRCS)	52,434
Extractive Industries Transparency Initiative (EITI)	51,147
Bruegel	50,000
Cotec - Fondazione per l'innovazione tecnologica	50,000
IFRI - Institut français des relations internationales	50,000
Carnegie Endowment for International Peace (CEIP)	42,082
Parrocchia di Santa Barbara - San Donato Milanese	40,000
Aspen Institute Italia	35,000
E4Impact Foundation	35,000
Italiadecide	35,000
Center for Strategic and International Studies	29,349
Global Reporting Initiative	27,500
CENSIS - Fondazione Centro Studi Investimenti Sociali	25,000
Institute for Human Rights and Business (IHRB)	23,452
AMICAL	22,641
Associazione CILLA Liguria	21,000
Associazione Amici della Luiss	20,000
Centro Studi Americani	20,000
Scuola materna "Sacro Cuore e Maria Ausiliatrice"	20,000
Parrocchia San Domenico Savio - Gela	20,000
Parrocchia di San Giacomo Maggiore Apostolo - Caviaga	20,000
Ospedale "Santo Spirito" e ASL di Pescara	20,000
Voluntary Principles Association (VPA)	11,339
Harvard University	10,221
Parks - Liberi e Uguali	10,000
Sport Insieme Livorno ONLUS	10,000
TDS - Toscana Disabili Sport ASD	10,000
Associazione di Volontariato e di promozione Sociale Pro Loco Sannazzaro	10,000

(*) The amount also includes the contribution relating to the protocol between Eni and the Basilicata Region.

39 SIGNIFICANT NON-RECURRING EVENTS AND OPERATIONS

In 2021, in 2020 and 2019, Eni did not report any non-recurring events and operations.

40 POSITIONS OR TRANSACTIONS DERIVING FROM ATYPICAL AND/OR UNUSUAL OPERATIONS

In 2021, in 2020 and 2019, no transactions deriving from atypical and/or unusual operations were reported.

41 SUBSEQUENT EVENTS

In March 2022, the Italian Government enacted a law that imposes a one-time expense on extra-profits of energy companies determined on the basis of certain transactions for the six-months ended March 31, 2022 compared to the same period in the prior year. Considering that further legislative action and implementation guidance are required and because the data required to determine the extra-profit are not fully available, management is not able to make a reliable estimate of the impact of the law on the consolidated financial statements.
No further significant events were reported after December 31, 2021, apart from what is already included in the notes to these Financial Statements.

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
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**
2020										
Consolidated subsidiaries										
Proved property	18,456	6,465	14,596	19,081	39,848	11,278	10,662	14,567	1,359	136,312
Unproved property	20	311	454	33	2,163	10	1,411	896	179	5,477
Support equipment and facilities	300	20	1,424	216	1,226	109	34	20	11	3,360
Incomplete wells and other	671	147	1,094	193	2,551	1,064	1,469	458	39	7,686
Gross Capitalized Costs	**19,447**	**6,943**	**17,568**	**19,523**	**45,788**	**12,461**	**13,576**	**15,941**	**1,588**	**152,835**
Accumulated depreciation, depletion and amortization	(15,565)	(5,597)	(12,793)	(12,161)	(32,248)	(2,839)	(9,003)	(12,612)	(805)	(103,623)
Net Capitalized Costs consolidated subsidiaries(a)	**3,882**	**1,346**	**4,775**	**7,362**	**13,540**	**9,622**	**4,573**	**3,329**	**783**	**49,212**
Equity-accounted entities										
Proved property		11,466	68		1,384			1,833		14,751
Unproved property		2,131					11			2,142
Support equipment and facilities		23	8					6		37
Incomplete wells and other		1,566	9		17			209		1,801
Gross Capitalized Costs		**15,186**	**85**		**1,401**		**11**	**2,048**		**18,731**
Accumulated depreciation, depletion and amortization		(6,196)	(59)		(343)			(1,076)		(7,674)
Net Capitalized Costs equity-accounted entities(a)		**8,990**	**26**		**1,058**		**11**	**972**		**11,057**

(a) The amounts include net capitalized financial charges totalling €767 million in 2021 and €843 million in 2020 for the consolidates subsidiaries and €360 million in 2021 and €170 million in 2020 for equity-accounted entities.

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
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**
2019										
Consolidated subsidiaries										
Proved property acquisitions								144		144
Unproved property acquisitions			135	1			23	97		256
Exploration	20	62	101	94	206	15	232	106	39	875
Development[(a)]	1,098	230	749	1,589	1,959	481	1,199	879	43	8,227
Total costs incurred consolidated subsidiaries	**1,118**	**292**	**985**	**1,684**	**2,165**	**496**	**1,454**	**1,226**	**82**	**9,502**
Equity-accounted entities										
Proved property acquisitions		1,054								1,054
Unproved property acquisitions		1,178								1,178
Exploration		125					(1)			124
Development[(b)]		1,574	4		5			37		1,620
Total costs incurred equity-accounted entities[(c)]		**3,931**	**4**		**5**		**(1)**	**37**		**3,976**

(a) Includes the abandonment costs of the assets for €62 million in 2021, €516 million in 2020 and €2,069 million in 2019.
(b) Includes the abandonment decrease of the assets for €464 million in 2021, costs €424 million in 2020 and costs €838 million in 2019.
(c) Includes allocation at fair value of the assets purchased by Vår Energi AS.

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
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.

(€ million)	Italy	Rest of Europe	North Africa	Egypt	Sub - Saharan Africa	Kazakhstan	Rest of Asia	America	Australia and Oceania	Total
2019										
Consolidated subsidiaries										
Revenues:										
- sales to consolidated entities	1,493	618	1,081		4,576	1,195	2,367	825	5	12,160
- sales to third parties		30	4,084	3,715	944	766	149	180	227	10,095
Total revenues	**1,493**	**648**	**5,165**	**3,715**	**5,520**	**1,961**	**2,516**	**1,005**	**232**	**22,255**
Production costs	(391)	(181)	(520)	(330)	(847)	(255)	(256)	(273)	(43)	(3,096)
Transportation costs	(5)	(31)	(60)	(10)	(39)	(158)	(4)	(15)		(322)
Production taxes	(183)		(263)		(483)		(252)	(7)	(6)	(1,194)
Exploration expenses	(25)	(51)	(30)	(10)	(90)	(39)	(170)	(31)	(43)	(489)
D.D. & A. and Provision for abandonment[(a)]	(944)	(201)	(839)	(978)	(3,060)	(444)	(820)	(607)	(97)	(7,990)
Other income (expenses)	(337)	(16)	(452)	(433)	(502)	(71)	(76)	(86)	(1)	(1,974)
Pretax income from producing activities	**(392)**	**168**	**3,001**	**1,954**	**499**	**994**	**938**	**(14)**	**42**	**7,190**
Income taxes	148	(11)	(2,561)	(839)	(268)	(326)	(719)	(5)	(31)	(4,612)
Results of operations from E&P activities of consolidated subsidiaries[(b)]	**(244)**	**157**	**440**	**1,115**	**231**	**668**	**219**	**(19)**	**11**	**2,578**
Equity-accounted entities										
Revenues:										
- sales to consolidated entities		1,080								1,080
- sales to third parties		677	15		207			315		1,214
Total revenues		**1,757**	**15**		**207**			**315**		**2,294**
Production costs		(336)	(8)		(24)			(25)		(393)
Transportation costs		(84)	(1)		(11)					(96)
Production taxes			(2)		(7)			(81)		(90)
Exploration expenses		(47)								(47)
D.D. & A. and Provision for abandonment		(722)	(1)		(70)			(51)		(844)
Other income (expenses)		(237)	(1)		(28)		(3)	(133)		(402)
Pretax income from producing activities		**331**	**2**		**67**		**(3)**	**25**		**422**
Income taxes		(179)	(2)					(54)		(235)
Results of operations from E&P activities of equity-accounted entities		**152**			**67**		**(3)**	**(29)**		**187**

(a) Includes asset net impairment amounting to €1,217 million.

(b) Results of operations exclude revenues, D.D. & A. and income taxes associated with 3.8 million boe as part of a long-term supply agreement to a state-owned national oil company, whereby the buyer has paid the price without lifting the underlying volume in exercise of the take-or-pay clause. The price collected by the buyer has been recognized as revenues in the segment information of the E&P sector prepared in accordance with IFRS and D.D. & A. and income taxes have been accrued accordingly, because the Group performance obligation under the contract has been fulfilled and it is very likely that the buyer will not redeem its contractual right to lift within the contractual terms.

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 2021, the average price for the marker Brent crude oil was $69 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 audited 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 2021, Ryder Scott Company, DeGolyer and MacNaughton and Societé Generale de Surveillance provided an independent evaluation of about 27% of Eni's total proved reserves as of December 31, 2021[37], confirming, as in previous years, the reasonableness of Eni's internal evaluations.

In the three-year period from 2019 to 2021, 93%[38] of Eni's total proved reserves were subject to independent evaluation. As of December 31, 2021, the principal properties which did not undergo an independent evaluation in the last three years were Belayim in Egypt and the fields of Area 1 in Mexico.

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 58%, 57% and 57% of total proved reserves as of December 31, 2021, 2020 and 2019 respectively, on an oil-equivalent basis. Similar effects as PSAs apply to service contracts; proved reserves associated with such contracts represented 3%, 4%, and 3% of total proved reserves on an oil-equivalent basis as of December 31, 2021, 2020 and 2019, 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

(35) From 1991 to 2002 DeGolyer and McNaughton, from 2003 also Ryder Scott. In 2018 and 2021 an independent evaluation was provided also by Societé Generale de Surveillance (SGS).
(36) The reports of independent engineers are available on Eni website eni.com, section Publications/Annual Report 2021.
(37) Including reserves of equity-accounted entities.
(38) The percentage increases to 94% considering the certification of A-LNG conducted by Gaffney Cline for the shareholders of the A-LNG Consortium (Eni 13.6%).

as producer of reserves. Reserves volumes associated with oil and gas deriving from such obligation represent 4%, 3% and 4% of total proved reserves as of December 31, 2021, 2020 and 2019, respectively, on an oil equivalent basis; (ii) volumes of proved reserves of natural gas to be consumed in operations amounted to approximately 2,335 BCF at 2021 year-end (2,337 BCF and 2,330 BCF respectively at 2020 and 2019 year-end); (iii) the quantities of hydrocarbons related to the Angola LNG plant.
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, 2021 totalled 2,020 mmboe, of which 990 mmbbl of liquids mainly concentrated in Africa and Asia and 5,469 BCF of natural gas particularly located in Africa. Proved undeveloped reserves of consolidated subsidiaries amounted to 775 mmbbl of liquids and 4,152 BCF of natural gas. Changes in Eni's 2021 proved undeveloped reserves were as follows:

(mmboe)	
Proved undeveloped reserves as of December 31, 2020	**2,005**
Transfer to proved developed reserves	(232)
Extensions and discoveries	62
Revisions of previous estimates	174
Improved recovery	11
Proved undeveloped reserves as of December 31, 2021	**2,020**

In 2021, total proved undeveloped reserves increased by 15 mmboe (proved undeveloped reserves of consolidated companies decreased by 168 mmboe, while those of joint ventures and associates increased by 183 mmboe).
Main changes derived from:
(i) proved undeveloped reserves matured to proved developed reserves amounted to -232 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 fields of Merakes in Indonesia (55 mmboe), LNG project in Nigeria (45 mmboe), Mizton in Mexico (23 mmboe), Snorre in Norvay (13 mmboe), Karachaganak in Kazakhstan (11 mmboe) e Zubair in Iraq (8 mmboe);
(ii) new discoveries and extensions of 62 mmboe, of which 19 mmbbl of oil and 230 BCF of natural gas. The increase in oil reserves of 19 mmbbl was driven by the FIDs made for the New Gas Consortium in Angola (6 mmbbl), Cuica e Ndungu in Block 15/06 in Angola (5 mmbbl) and Berkine North project in Algeria (5 mmbbl). The increase of 230 BCF of natural gas was due to the New Gas Consortium in Angola;
(iii) revisions of previous estimates were positive for 174 mmboe, of which 9 mmbbl of oil and 882 BCF of natural gas. Positive revisions of 334 mmBOE mainly refer to increased entitlements in area D in Libya (74 mmboe) and Val d'Agri in Italy (23 mmboe), as well as the progress of development activities at Zohr in Egypt (58 mmboe) and the finalization of gas commercial agreements in Nigeria (30 mmboe). Negative revisions of 160 mmboe mainly refer to the price effect relating to Zubair in Iraq (-56 mmboe), Area 1 in Mexico (-13 mmboe), Coral in Mozambique (-13 mmboe), Belayim in Egypt (-13 mmboe) and the price effect on Merakes in Indonesia (-11 mmboe);
(iv) improved recoveries of 12 mmboe mainly referred to the Oooguruk field in United States.

PROVED RESERVES OF CRUDE OIL (INCLUDING CONDENSATE AND NATURAL GAS LIQUIDS)

Main changes in proved reserves of crude oil (including condensates and natural gas liquids) reported in the tables above for the period 2021, 2020 and 2019 are discussed below:

(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

(million barrels)	Italy	Rest of Europe	North Africa	Egypt	Sub - Saharan Africa	Kazakhstan	Rest of Asia	America	Australia and Oceania	Total
2019										
Consolidated subsidiaries										
Reserves at December 31, 2018	208	48	493	279	718	704	476	252	5	3,183
of which: developed	*156*	*44*	*317*	*153*	*551*	*587*	*252*	*143*	*5*	*2,208*
undeveloped	*52*	*4*	*176*	*126*	*167*	*117*	*224*	*109*		*975*
Purchase of Minerals in Place								29		29
Revisions of Previous Estimates	5	1	37	10	46	79	45	(16)	(4)	203
Improved Recovery										
Extensions and Discoveries				2	21		2	9		34
Production	(19)	(8)	(62)	(27)	(90)	(37)	(32)	(20)		(295)
Sales of Minerals in Place(a)					(1)			(29)		(30)
Reserves at December 31, 2019	**194**	**41**	**468**	**264**	**694**	**746**	**491**	**225**	**1**	**3,124**
Equity-accounted entities										
Reserves at December 31, 2018		297	11		12			37		357
of which: developed		*154*	*11*		*8*			*32*		*205*
undeveloped		*143*			*4*			*5*		*152*
Purchase of Minerals in Place		109								109
Revisions of Previous Estimates		45	2					(5)		42
Improved Recovery										
Extensions and Discoveries		6								6
Production		(27)	(1)		(2)			(1)		(31)
Sales of Minerals in Place		(6)								(6)
Reserves at December 31, 2019		**424**	**12**		**10**			**31**		**477**
Reserves at December 31, 2019	**194**	**465**	**480**	**264**	**704**	**746**	**491**	**256**	**1**	**3,601**
Developed	**137**	**256**	**313**	**149**	**526**	**682**	**245**	**179**	**1**	**2,488**
consolidated subsidiaries	137	37	301	149	519	682	245	148	1	2,219
equity-accounted entities		219	12		7			31		269
Undeveloped	**57**	**209**	**167**	**115**	**178**	**64**	**246**	**77**		**1,113**
consolidated subsidiaries	57	4	167	115	175	64	246	77		905
equity-accounted entities		205			3					208

(a) Includes 0.6 Mboe as part of a long-term supply agreement to a state-owned national oil company, whereby the buyer has paid the price without lifting the underlying volume in exercise of the take-or-pay clause because it is very likely that the buyer will not redeem its contractual right to lift (make up) the volume paid.

Main changes in proved reserves of crude oil (including condensates and natural gas liquids) reported in the tables above for the period 2019-2021 are discussed below.

CONSOLIDATED SUBSIDIARIES

Purchase of Minerals in Place

In 2019, purchase of proved reserves (29 mmbbl) related to the acquisition of 100% of the Oooguruk production field in Alaska.
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.

Revisions of Previous Estimates

In 2019, revisions of previous estimates amounted to 203 mmbbl and were mainly due to: (i) positive revisions of 79 mmbbl in Kazakhstan in relation to the progress in development activities of the Kashagan and Karachaganak fields; (ii) positive revisions of 37 mmbbl in North Africa primarily in relation to the development of the Berkine Nord project in Algeria and, to a lesser extent,contributions from development projects in Libya; (iii) positive revisions of 46 mmbbl in the Sub-Saharan Africa in relation to the progress in development activities of projects in Nigeria and Angola; and (iv) 45 mmbbl of upward revisions in the rest of Asia were due to the progress of development in the Umm Shaiff and other projects in UAE (25 mmbbl) and to entitlement effects in Iraq, Turkmenistan and Timor Leste. Upward revisions also include 6 mmbbl in Italy and Rest of Europe and 4 mmbbl in the USA. Downward revisions (total 24 mmbbl) are related to Mexico Area 1 (20 mmbbl) due to the removal of uneconomic volumes and for 4 mmbbl in Australia.

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 non-economic 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 are 10 mmbbl detailed as follows. In Italy there are 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 are negative 58 mmbbl, mainly related to the Karachaganak field. In the Rest of Asia revisions (-74 mmbbl) are 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.

Improved Recovery

In 2019, no improved recoveries were reported.
In 2020, improved recoveries of 5 mmbbl related to the Burun project in Turkmenistan.
In 2021, 12 mmbbl are totaled from recovery-assisted improvements primarily on the Oooguruk field in the U.S.

Extensions and Discoveries

In 2019, new discoveries and extensions of 34 mmbbl were driven for 21 mmbbl by the final investment decisions relating to the Assa North field in Nigeria and the Agogo field in the operated Block 15/06 offshore Angola. The remaining extensions and discoveries related to certain fields in USA (9 mmbbl in total, relating to Nikaitchuq and Pegasus-2 fields) and 4 mmbbl in North Africa and Middle East Region driven by incremental near-field 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.

Sales of Minerals in Place

In 2019, the sale of 29 mmbbl related for 28 mmbbl to the sale of the entire interest in the production assets in Ecuador.
In 2020, no sales of oil properties were reported.
In 2021, there is a sale of OML 17 in Nigeria for 2 mmbbl.

EQUITY-ACCOUNTED ENTITIES

Purchase of Minerals in Place

In 2019, purchase of 109 mmbbl related to the acquisition of assets of ExxonMobil in Norway by the joint venture Vår Energi.
In 2020 and 2021, no purchases of proved reserves were made.

Revisions of Previous Estimates

In 2019, positive revisions of previous estimates for 42 mmbbl mainly related to the Rest of Europe area (45 mmbbl) due to development activities of the Balder X project in Norway.
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.

Extensions and Discoveries

In 2019, extensions and new discoveries of 6 mmbbl related to the development of the Trestakk field in Norway.
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 are located in Norway.

Sales of Minerals in Place

In 2019, sales of 6 mmbbl related to the divestment of minor assets in Norway.
In 2020 and 2021, no sales of proved reserves were made.

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
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.

(billion cubic feet)	Italy	Rest of Europe	North Africa	Egypt	Sub - Saharan Africa	Kazakhstan	Rest of Asia	America	Australia and Oceania	Total
2019										
Consolidated subsidiaries										
Reserves at December 31, 2018	1,199	320	2,890	5,275	3,506	1,989	1,217	277	651	17,324
of which: developed	*980*	*300*	*1,447*	*3,331*	*1,871*	*1,846*	*822*	*154*	*452*	*11,203*
undeveloped	*219*	*20*	*1,443*	*1,944*	*1,635*	*143*	*395*	*123*	*199*	*6,121*
Purchase of Minerals in Place								7		7
Revisions of Previous Estimates	(310)	4	267	467	747	79	104	(23)	(108)	1,227
Improved Recovery										
Extensions and Discoveries		2			78		274	4		358
Production[(a)]	(137)	(64)	(419)	(551)	(210)	(99)	(198)	(24)	(36)	(1,738)
Sales of Minerals in Place[(b)]					(18)		(48)	(1)		(67)
Reserves at December 31, 2019	**752**	**262**	**2,738**	**5,191**	**4,103**	**1,969**	**1,349**	**240**	**507**	**17,111**
Equity-accounted entities										
Reserves at December 31, 2018		360	14		310			1,716		2,400
of which: developed		*276*	*14*		*57*			*1,716*		*2,063*
undeveloped		*84*			*253*					*337*
Purchase of Minerals in Place		405								405
Revisions of Previous Estimates		76	1		13			1		91
Improved Recovery										
Extensions and Discoveries		(2)								(2)
Production[(c)]		(67)	(1)		(36)			(69)		(173)
Sales of Minerals in Place										
Reserves at December 31, 2019		**772**	**14**		**287**			**1,648**		**2,721**
Reserves at December 31, 2019	**752**	**1,034**	**2,752**	**5,191**	**4,390**	**1,969**	**1,349**	**1,888**	**507**	**19,832**
Developed	**657**	**839**	**1,388**	**4,777**	**1,946**	**1,969**	**685**	**1,834**	**322**	**14,417**
consolidated subsidiaries	657	242	1,374	4,777	1,858	1,969	685	186	322	12,070
equity-accounted entities		597	14		88			1,648		2,347
Undeveloped	**95**	**195**	**1,364**	**414**	**2,444**		**664**	**54**	**185**	**5,415**
consolidated subsidiaries	95	20	1,364	414	2,245		664	54	185	5,041
equity-accounted entities		175			199					374

(a) It includes production volumes consumed in operations equal to 231 Bcf.
(b) Includes 498 Mscms as part of a long-term supply agreement to a state-owned national oil company, whereby the buyer has paid the price without lifting the underlying volume in exercise of the take-or-pay clause because it is very likely that the buyer will not redeem its contractual right to lift (make up) the volume paid.
(c) It includes production volumes consumed in operations equal to 11 Bcf.

Main changes in proved reserves of natural gas reported in the tables above for the period 2019-2021 are discussed below.

CONSOLIDATED SUBSIDIARIES

Purchase of Minerals in Place

In 2019, purchase of 7 BCF related to the Oooguruk field in Alaska.
In 2020, no purchases were made.
In 2021, 1 BCF of acquisition related to the Lucius field in the United States is recorded.

Revisions of Previous Estimates

In 2019, positive revisions of previous estimates of 1,227 BCF mainly related to: (i) the Sub-Saharan Africa area for 747 BCF following the final investment decision for the upgrading of the LNG Bonny project in Nigeria (Eni's interest 10.4%); (ii) Egypt for 467 BCF following the progress in development activities of the Zohr field and other minor projects; (iii) upward revisions of 267 BCF were reported in North Africa and were mainly driven by progress in the development at Berkine North fields in Algeria (227 BCF), while the remaining volumes related to the progress of activities in Lybia and other fields in Algeria; (iv) in Kazakhstan we recorded upward revisions of 79 BCF due to better field performance; (v) in the Rest of Asia the upward revisions related to Pakistan (23 BCF relating to over nine fields), United Arab Emirates (13 BCF in three fields), Indonesia at the Jangkrik field (15 BCF) and Iraq at the Zubair Field (15 BCF) mainly driven by progress in development activities. Other revisions for 11 BCF were recorded in U.K. and U.S.
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 are 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.

Improved Recovery

In 2019, 2020 and 2021, no material improved recoveries were recorded.

Extensions and Discoveries

In 2019, new discoveries and extensions of 358 BCF mainly related to the Rest of Asia (274 BCF) following to the final investment decision for the Udr-Ghasha project in the offshore of the United Arab Emirates.
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 total 206 BCF and relate primarily to the New Gas Consortium project in Angola and to a lesser extent the Berkine North project in Algeria.

Sales of Minerals in Place

In 2019, sales of 67 BCF mainly related to the Rest of Asia area (48 BCF) following the sale of the 20% stake in the Merakes discovery in Indonesia.
In 2020, no sales were made.
In 2021, there are divestments of 15 BCF related to the exit from OML 17 in Nigeria.

EQUITY-ACCOUNTED ENTITIES

Purchase of Minerals in Place

In 2019, purchase of 405 BCF related to the acquisition of assets of ExxonMobil in Norway by the joint venture Vår Energi.
In 2020 and 2021, no purchases were made.

Revisions of Previous Estimates

In 2019, positive revisions of previous estimates of 91 BCF essentially related to the Rest of Europe (76 BCF) following the progress in the Balder X project and the Snorre and Smørbukk fields in Norway.
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 the Angola LNG project due to a better performance.
In 2021, revisions to previous estimates are 1,171 BCF, primarily due to the reclassification of the Mozambique project from a consolidated company to a equity-accounted company.

Extensions and Discoveries

In 2019 and 2020, there were no extensions or new relevant discoveries.
In 2021, 28 BCF of extensions and new discoveries are recorded, mainly due to the investment decision in Tommeliten Alpha in Norway.

Sales of Minerals in Place

In 2019 sales were not material in Rest of Asia and Europe, respectively, while in 2020 and 2021 no sales were made.

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, 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

(€ million)	Italy	Rest of Europe	North Africa	Egypt	Sub - Saharan Africa	Kazakhstan	Rest of Asia	America	Australia and Oceania	Total
December 31, 2019										
Consolidated subsidiaries										
Future cash inflows	12,363	3,268	38,083	37,020	48,778	36,435	31,220	11,378	1,686	220,231
Future production costs	(5,078)	(1,175)	(6,944)	(10,934)	(15,534)	(8,239)	(8,888)	(5,060)	(293)	(62,145)
Future development and abandonment costs	(3,551)	(1,338)	(4,985)	(1,591)	(6,265)	(2,362)	(6,047)	(2,629)	(225)	(28,993)
Future net inflow before income tax	3,734	755	26,154	24,495	26,979	25,834	16,285	3,689	1,168	129,093
Future income tax	(796)	(249)	(13,632)	(7,829)	(9,926)	(5,485)	(11,379)	(1,034)	(143)	(50,473)
Future net cash flows	2,938	506	12,522	16,666	17,053	20,349	4,906	2,655	1,025	78,620
10 % discount factor	(466)	63	(5,852)	(5,822)	(6,604)	(10,832)	(1,990)	(1,187)	(443)	(33,133)
Standardized measure of discounted future net cash flows	2,472	569	6,670	10,844	10,449	9,517	2,916	1,468	582	45,487
Equity-accounted entities										
Future cash inflows		25,094	380		1,787			7,730		34,991
Future production costs		(6,953)	(113)		(863)			(2,038)		(9,967)
Future development and abandonment costs		(6,519)	(23)		(59)			(145)		(6,746)
Future net inflow before income tax		11,622	244		865			5,547		18,278
Future income tax		(7,020)	(77)		(225)			(1,783)		(9,105)
Future net cash flows		4,602	167		640			3,764		9,173
10 % discount factor		(1,544)	(88)		(322)			(1,809)		(3,763)
Standardized measure of discounted future net cash flows		3,058	79		318			1,955		5,410
Total consolidated subsidiaries and equity-accounted entities	2,472	3,627	6,749	10,844	10,767	9,517	2,916	3,423	582	50,897

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, 2021, 2020 and 2019, are as follows:

(€ 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**

(€ million)	Consolidated subsidiaries	Equity-accounted entities	Total
2019			
Standardized measure of discounted future net cash flows at December 31, 2018	**52,411**	**5,241**	**57,652**
Increase (Decrease):			
- sales, net of production costs	(18,236)	(1,675)	(19,911)
- net changes in sales and transfer prices, net of production costs	(14,972)	(2,247)	(17,219)
- extensions, discoveries and improved recovery, net of future production and development costs	1,240	86	1,326
- changes in estimated future development and abandonment costs	(1,157)	(916)	(2,073)
- development costs incurred during the period that reduced future development costs	5,128	687	5,815
- revisions of quantity estimates	5,573	1,377	6,950
- accretion of discount	8,666	1,050	9,716
- net change in income taxes	6,013	(761)	5,252
- purchase of reserves in-place	260	2,579	2,839
- sale of reserves in-place[(a)]	(429)	(88)	(517)
- changes in production rates (timing) and other	990	77	1,067
Net increase (decrease)	**(6,924)**	**169**	**(6,755)**
Standardized measure of discounted future net cash flows at December 31, 2019	**45,487**	**5,410**	**50,897**

(a) Includes volume as part of a long-term supply agreement to a state-owned national oil company, whereby the buyer has paid the price without lifting the underlying volume in exercise of the take-or-pay clause because it is very likely that the buyer will not redeem its contractual right to lift (make up) the volume paid.

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, 2021 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 2021 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 2021 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 17, 2022

/s/ Claudio Descalzi
Claudio Descalzi
Chief Executive Officer

/s/ Francesco Esposito
Francesco Esposito
Head of Accounting
and Financial Statements

Annex
2021

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List of companies owned by Eni SpA as of December 31, 2021

INVESTMENTS OWNED BY ENI AS OF DECEMBER 31, 2021

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, 2021, 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, 2021, 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	**73**	**202**	**275**						
Consolidated joint operations				**3**	**7**	**10**			
Investments owned by consolidated companies[b]									
Equity-accounted investments	5	33	38	25	54	79			
Investments at cost net of impairment losses	5	5	10	4	26	30			
Investments at fair value							4	22	26
	10	**38**	**48**	**29**	**80**	**109**	**4**	**22**	**26**
Investments owned by unconsolidated companies									
Owned by controlled companies		6	6		4	4			
Owned by joint arrangements					4	4			
		6	**6**		**8**	**8**			
Total	**83**	**246**	**329**	**32**	**95**	**127**	**4**	**22**	**26**

(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 29 November 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, 2021, Eni controls 5 companies that benefit from a privileged tax regime. These 5 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 2021 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 Ministero dell'Economia e delle Finanze Eni SpA Other shareholders	25.96 4.37 1.83 67.84

SUBSIDIARIES

Exploration & Production

IN ITALY

Company name	Registered office	Country of operation	Currency	Share Capital	Shareholders	% Ownership	% Equity ratio	Consolidation or valutation method(*)
Eni Angola SpA	San Donato Milanese (MI)	Angola	EUR	20,200,000	Eni SpA	100.00	100.00	F.C.
Eni Mediterranea Idrocarburi SpA	Gela (CL)	Italy	EUR	5,200,000	Eni SpA	100.00	100.00	F.C.
Eni Mozambico 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	100.00	F.C.
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 Third parties	99.96 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 in the 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 Eni Oil Holdings BV	95.00 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 Eni UK Ltd	99.99 (..)	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 AEP Ltd	London (United Kingdom)	Pakistan	GBP	471,000	Eni UK Ltd	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 Angola Exploration BV	Amsterdam (Netherlands)	Angola	EUR	20,000	Eni International BV	100.00	100.00	F.C.
Eni Angola Production BV	Amsterdam (Netherlands)	Angola	EUR	20,000	Eni International BV	100.00	100.00	F.C.
Eni Argentina Exploración y Explotación SA	Buenos Aires (Argentina)	Argentina	ARS	31,997,266	Eni International BV Eni Oil Holdings BV	95.00 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.

(*) 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 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.
Eni BTC Ltd	London (United Kingdom)	United Kingdom	GBP	1	Eni International BV	100.00		Eq.
Eni Bukat Ltd	London (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	Point-Noire (Republic of the Congo)	Republic of the Congo	USD	17,000,000	Eni E&P Holding BV Eni Int. NA NV Sàrl Eni International BV	99.99 (..) (..)	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	2,008	Eni International BV	100.00	100.00	F.C.
Eni Denmark BV	Amsterdam (Netherlands)	Greenland	EUR	20,000	Eni International BV	100.00		Eq.
Eni do Brasil Investimentos em Exploração e Produção de Petróleo Ltda	Rio de Janeiro (Brazil)	Brazil	BRL	1,593,415,000	Eni International BV Eni Oil Holdings BV	99.99 (..)		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	4,000,000,000	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.

(*) 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(*)
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.
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 Eni UK Ltd	99.99 (..)	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 Eni UK Ltd	99.99 (..)	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)	Morocco	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 Eni Oil Holdings BV	99.90 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.

(*) 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 MOG Ltd (in liquidation)	London (United Kingdom)	United Kingdom	GBP	0(a)	Eni Lasmo Plc Eni LNS Ltd	99.99 (..)	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	100.00	F.C.
Eni Mozambique LNG Holding BV	Amsterdam (Netherlands)	Netherlands	EUR	20,000	Eni International BV	100.00	100.00	F.C.
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 Ieoc Exploration BV Ieoc Production BV	99.98 0.01 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 Pakistan Ltd	London (United Kingdom)	Pakistan	GBP	90,087	Eni ULX Ltd	100.00	100.00	F.C.
Eni Pakistan (M) Ltd Sàrl	Luxembourg (Luxembourg)	Pakistan	USD	20,000	Eni Oil Holdings BV	100.00	100.00	F.C.
Eni Petroleum Co Inc	Dover (USA)	USA	USD	156,600,000	Eni SpA Eni International BV	63.86 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)	Netherlands	EUR	20,000	Eni International BV	100.00		Eq.
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 Eni Oil Holdings BV	99.99 (..)		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.

(*) 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.
(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.

Company name	Registered office	Country of operation	Currency	Share Capital	Shareholders	% Ownership	% Equity ratio	Consolidation or valutation method(*)
Eni South Africa BV	Amsterdam (Netherlands)	Republic of South Africa	EUR	20,000	Eni International BV	100.00	100.00	F.C.
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.
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 Eni UK Ltd	99.99 (..)	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 Eni International BV	99.99 0.01		
Eni Ukraine Shallow Waters BV (in liquidation)	Amsterdam (Netherlands)	Ukraine	EUR	20,000	Eni Ukraine Hold.BV	100.00		
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 Eni Oil Holdings BV	99.99 (..)	100.00	F.C.
Eni Ventures Plc (in liquidation)	London (United Kingdom)	United Kingdom	GBP	0(a)	Eni International BV Eni Oil Holdings BV	99.99 (..)		Co.
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.

(*) F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value.
(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.
(a) Shares without nominal value.

Company name	Registered office	Country of operation	Currency	Share Capital	Shareholders	% Ownership	% Equity ratio	Consolidation or valutation method(*)
Eurl Eni Algérie	Algiers (Algeria)	Algeria	DZD	1,000,000	Eni Algeria Ltd Sàrl	100.00		Eq.
First Calgary Petroleums LP	Wilmington (USA)	Algeria	USD	1	Eni Canada Hold. Ltd FCP Partner Co ULC	99.99 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.
Liverpool Bay CCS Ltd	London (United Kingdom)	United Kingdom	GBP	10,000	Eni Lasmo Plc	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 Eni Oil Holdings BV	99.90 0.10		Eq.
Mizamtec Operating Company S. de RL de CV	Mexico City (Mexico)	Mexico	MXN	3,000	Eni US Op. Co Inc Eni Petroleum Co Inc	99.90 0.10	100.00	F.C.
Nigerian Agip CPFA Ltd	Lagos (Nigeria)	Nigeria	NGN	1,262,500	NAOC Ltd Agip En Nat Res.Ltd Nigerian Agip E. Ltd	98.02 0.99 0.99		Co.
Nigerian Agip Exploration Ltd	Abuja (Nigeria)	Nigeria	NGN	5,000,000	Eni International BV Eni Oil Holdings BV	99.99 0.01	100.00	F.C.
Nigerian Agip Oil Co Ltd	Abuja (Nigeria)	Nigeria	NGN	1,800,000	Eni International BV Eni Oil Holdings BV	99.89 0.11	100.00	F.C.
Zetah Congo Ltd(8)	Nassau (Bahamas)	Republic of the Congo	USD	300	Eni Congo SA Burren En.Congo Ltd	66.67 33.33		Co.
Zetah Kouilou Ltd(8)	Nassau (Bahamas)	Republic of the Congo	USD	2,000	Eni Congo SA Burren En.Congo Ltd Third parties	54.50 37.00 8.50		Co.

(*) 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.
(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	50,000	Eni SpA	100.00		Eq.
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 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(*)
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 International BV Third parties	66.67 33.33	66.67	F.C.
Société pour la Construction du Gazoduc Transtunisien SA - Scogat SA	Tunis (Tunisia)	Tunisia	TND	200,000	Eni International BV Eni SpA LNG Shipping SpA Trans Tunis. P. Co SpA	99.85 0.05 0.05 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.
Eni Fuel SpA	Rome	Italy	EUR	59,944,310	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.
Eni4Cities SpA	San Donato Milanese (MI)	Italy	EUR	50,000	Ecofuel SpA	100.00		Eq.
EniBioCh4in Alexandria Srl Società Agricola	San Donato Milanese (MI)	Italy	EUR	50,000	EniBioCh4in SpA Third parties	70.00 30.00	70.00	F.C.
EniBioCh4in Annia Srl Società Agricola	San Donato Milanese (MI)	Italy	EUR	50,000	EniBioCh4in SpA	100.00	100.00	F.C.
EniBioCh4in Appia Srl Società Agricola	San Donato Milanese (MI)	Italy	EUR	10,000	EniBioCh4in SpA	100.00	100.00	F.C.
EniBioCh4in Aprilia Srl	San Donato Milanese (MI)	Italy	EUR	10,000	EniBioCh4in SpA	100.00	100.00	F.C.
EniBioCh4in Briona Srl Società Agricola	San Donato Milanese (MI)	Italy	EUR	20,000	EniBioCh4in SpA	100.00	100.00	F.C.
EniBioCh4in Calandre Energia Srl Società Agricola	San Donato Milanese (MI)	Italy	EUR	10,000	EniBioCh4in SpA	100.00	100.00	F.C.
EniBioCh4in Gardilliana Società Agricola Srl	San Donato Milanese (MI)	Italy	EUR	50,000	EniBioCh4in SpA	100.00	100.00	F.C.
EniBioCh4in Grupellum Società Agricola Srl	San Donato Milanese (MI)	Italy	EUR	100,000	EniBioCh4in SpA Third parties	98.00 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 Maddalena Società Agricola Srl	San Donato Milanese (MI)	Italy	EUR	50,000	EniBioCh4in SpA	100.00	100.00	F.C.
EniBioCh4in Medea Srl Società Agricola	San Donato Milanese (MI)	Italy	EUR	50,000	EniBioCh4in SpA	100.00	100.00	F.C.
EniBioCh4in Momo Società Agricola Srl	San Donato Milanese (MI)	Italy	EUR	20,000	EniBioCh4in SpA Third parties	95.00 5.00	95.00	F.C.
EniBioCh4in Mortara Società Agricola Srl	San Donato Milanese (MI)	Italy	EUR	20,000	EniBioCh4in SpA Third parties	95.00 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 Plovera Società Agricola Srl	San Donato Milanese (MI)	Italy	EUR	20,000	EniBioCh4in SpA Third parties	98.00 2.00	98.00	F.C.
EniBioCh4in Quadruvium Srl Società Agricola	San Donato Milanese (MI)	Italy	EUR	50,000	EniBioCh4in SpA	100.00	100.00	F.C.
EniBioCh4in Rhodigium Società Agricola Srl	San Donato Milanese (MI)	Italy	EUR	20,000	EniBioCh4in SpA	100.00	100.00	F.C.
EniBioCh4in San Benedetto Po Srl Società Agricola	San Donato Milanese (MI)	Italy	EUR	10,000	EniBioCh4in SpA	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(*)
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	Ecofuel SpA	100.00	100.00	F.C.
EniBioCh4in Vigevano Srl Società Agricola	San Donato Milanese (MI)	Italy	EUR	100,000	EniBioCh4in SpA	100.00	100.00	F.C.
EniBioCh4in Villacidro Agricole Società Agricola a responsabilità limitata	San Donato Milanese (MI)	Italy	EUR	10,000	EniBioCh4in 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 Third parties	80.00 20.00		Eq.
Servizi Fondo Bombole Metano SpA	Rome	Italy	EUR	13,580,000.20	Eni SpA	100.00		Co.

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 International BV Eni Deutsch. GmbH	75.00 25.00	100.00	F.C.
Eni Benelux BV	Rotterdam (Netherlands)	Netherlands	EUR	1,934,040	Eni International BV	100.00	100.00	F.C.
Eni Deutschland GmbH	Munich (Germany)	Germany	EUR	90,000,000	Eni International BV Eni Oil Holdings BV	89.00 11.00	100.00	F.C.
Eni Ecuador SA	Quito (Ecuador)	Ecuador	USD	103,142.08	Eni International BV Esain SA	99.93 0.07	100.00	F.C.
Eni Energy (Shanghai) Co Ltd (former Eni Lubricants Trading (Shanghai) Co Ltd)	Shanghai (China)	China	EUR	5,000,000	Eni International BV	100.00	100.00	F.C.
Eni France Sàrl	Lyon (France)	France	EUR	56,800,000	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.

Company name	Registered office	Country of operation	Currency	Share Capital	Shareholders	% Ownership	% Equity ratio	Consolidation or valutation method(*)
Eni Iberia SLU	Alcobendas (Spain)	Spain	EUR	17,299,100	Eni International BV	100.00	100.00	F.C.
Eni Marketing Austria GmbH	Wien (Austria)	Austria	EUR	19,621,665.23	Eni Mineralölh.GmbH Eni International BV	99.99 (..)	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	Lausanne (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 Eni Oil Holdings BV	99.90 0.10		Eq.
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 Third parties	87.00 13.00		Eq.
Esain SA	Quito (Ecuador)	Ecuador	USD	30,000	Eni Ecuador SA Tecnoesa SA	99.99 (..)	100.00	F.C.
Llc "Eni-Nefto"	Moscow (Russia)	Russia	RUB	1,010,000	Eni International BV Eni Oil Holdings BV	99.01 0.99		Eq.
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 Esain SA	99.99 (..)		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(*)
Finproject SpA	Morrovalle (MC)	Italy	EUR	18,500,000	Versalis SpA	100.00	100.00	F.C.
Padanaplast Srl	Roccabianca (PR)	Italy	EUR	18,000,000	Finproject SpA	100.00	100.00	F.C.
Versalis SpA	San Donato Milanese (MI)	Italy	EUR	446,050,728.65	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(*)
Asian Compounds Ltd	Hong Kong (Hong Kong)	Honk Kong	HKD	1,000	Finproject Asia Ltd	100.00	100.00	F.C.
Dunastyr Polisztirolgyártó Zártkörûen Mûködõ Részvénytársaság	Budapest (Hungary)	Hungary	HUF	1,577,971.20	Versalis SpA Versalis Deutschland GmbH Versalis International SA	96.34 1.83 1.83	100.00	F.C.
Finproject Asia Ltd	Hong Kong (Honk Kong)	Honk 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 Finproject Asia Ltd	99.00 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.

(*) 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(*)
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) Finproject SpA	99.99 (..)	100.00	F.C.
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	Padanaplast Srl	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 Versalis Deutschland GmbH Dunastyr Zrt Versalis France	59.00 23.71 14.43 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 R.L. de CV	Mexico City (Mexico)	Mexico	MXN	1,000	Versalis International SA Versalis SpA	99.00 1.00	100.00	F.C.
Versalis Pacific (India) Private Ltd	Mumbai (India)	India	INR	238,700	Versalis Singapore P. Ltd Third parties	99.99 (..)		Eq.
Versalis Pacific Trading (Shanghai) Co Ltd	Shanghai (China)	China	CNY	1,000,000	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 Third parties	80.00 20.00	80.00	F.C.

(*) F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at 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	Be Power SpA	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 gas e luce SpA SB Third parties	99.19 (a) 0.81	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.
Eni gas e luce SpA Società Benefit	San Donato Milanese (MI)	Italy	EUR	770,000,000	Eni SpA	100.00	100.00	F.C.
Eni New Energy SpA	San Donato Milanese (MI)	Italy	EUR	9,296,000	Eni gas e luce SpA SB	100.00	100.00	F.C.
Eolica Lucana Srl	Milan	Italy	EUR	100,000	Eni New Energy SpA	100.00	100.00	F.C.
Evolvere SpA Società Benefit	Milan	Italy	EUR	1,130,000	Eni gas e luce SpA SB Third parties	70.52 29.48	70.52	F.C.
Evolvere Venture SpA	Milan	Italy	EUR	50,000	Evolvere SpA Soc. Ben.	100.00	70.52	F.C.
Finpower Wind Srl	Milan	Italy	EUR	10,000	Eni New Energy SpA	100.00	100.00	F.C.
Green Energy Management Services Srl	Rome	Italy	EUR	10,000	Eni New Energy SpA	100.00	100.00	F.C.
SEA SpA	L'Aquila	Italy	EUR	100,000	Eni gas e luce SpA SB Third parties	60.00 40.00	60.00	F.C.
Società Energie Rinnovabili 1 SpA	Rome	Italy	EUR	120,000	SER SpA CEF 3 Wind Energy	96.00 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.
Wind Park Laterza Srl	San Donato Milanese (MI)	Italy	EUR	10,000	Eni New Energy SpA	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 gas e luce SpA SB 100.00

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 gas e luce SpA SB Third parties	51.00 49.00	51.00	F.C.
Aldro Energía y Soluciones SLU	Torrelavega (Spain)	Spain	EUR	3,192,000	Eni gas e luce SpA SB	100.00	100.00	F.C.
Aleria Solar SAS	Bastia (France)	France	EUR	100	Dhamma Energy SAS	100.00	100.00	F.C.
Alpinia Solar SLU	Madrid (Spain)	Spain	EUR	3,000	Dhamma Energy Group	100.00	100.00	F.C.
Argon SAS	Argenteuil (France)	France	EUR	180,000	Dhamma Energy SAS	100.00	100.00	F.C.
Arm Wind Llp	Nur-Sultan (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	Dhamma Energy SAS	100.00	100.00	F.C.
Bonete Solar SLU	Madrid (Spain)	Spain	EUR	3,000	Dhamma Energy Group	100.00	100.00	F.C.
Brazoria Class B Member Llc	Dover (USA)	USA	USD	1,000	Eni New Energy US Inc	100.00		Eq.
Brazoria County Solar Project Llc	Dover (USA)	USA	USD	1,000	Eni New Energy US Hold	100.00	100.00	F.C.
Brazoria HoldCo Llc	Dover (USA)	USA	USD	1,000	Brazoria Class B	100.00		
Camelia Solar SLU	Madrid (Spain)	Spain	EUR	3,000	Dhamma Energy Group	100.00	100.00	F.C.
Celtis Solar SLU	Madrid (Spain)	Spain	EUR	3,000	Dhamma Energy Group	100.00	100.00	F.C.
Desarrollos Empresariales Illas SL	Madrid (Spain)	Spain	EUR	3,000	Dhamma Energy Group Third parties	55.00 45.00	55.00	F.C.
Desarrollos Energéticos Riojanos SL	Villarcayo de Merindad de Castilla la Vieja (Spain)	Spain	EUR	876,042	Eni gas e luce SpA SB Energías Amb. Outes	60.00 40.00	100.00	F.C.
Dhamma Energy Development SAS	Argenteuil (France)	France	EUR	51,000	Dhamma Energy Group	100.00	100.00	F.C.
Dhamma Energy Group Sàrl	Dudelange (Luxembourg)	Luxembourg	EUR	10,253,560	Eni gas e luce SpA SB	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(*)
Dhamma Energy Management SLU	Madrid (Spain)	Spain	EUR	6,680	Dhamma Energy Group	100.00	100.00	F.C.
Dhamma Energy Rooftop SAS	Argenteuil (France)	France	EUR	40,000	Dhamma Energy Group	100.00	100.00	F.C.
Dhamma Energy SAS	Argenteuil (France)	France	EUR	1,116,489.72	Dhamma Energy Group	100.00	100.00	F.C.
Ecovent Parc Eolic SAU	Madrid (Spain)	Spain	EUR	1,037,350	Eni gas e luce SpA SB	100.00	100.00	F.C.
Energías Ambientales de Outes SLU	Madrid (Spain)	Spain	EUR	643,451.49	Eni gas e luce SpA SB	100.00	100.00	F.C.
Energías Alternativas Eolicas Riojanas SL	Logroño (Spain)	Spain	EUR	2,008,901.71	Eni gas e luce SpA SB Desarrollos Energéticos Riojanos SL	57.50 42.50	100.00	F.C.
Eni Energy Solutions BV	Amsterdam (Netherlands)	Netherlands	EUR	20,000	Eni gas e luce SpA SB	100.00	100.00	F.C.
Eni Gas & Power France SA	Levallois Perret (France)	France	EUR	29,937,600	Eni gas e luce SpA SB Third parties	99.87 0.13	99.87	F.C.
Eni New Energy Australia Pty Ltd	Perth (Australia)	Australia	AUD	4	Eni gas e luce SpA SB	100.00		Eq.
Eni New Energy Batchelor Pty Ltd	Perth (Australia)	Australia	AUD	1	Eni New Energ. Austr.	100.00		
Eni New Energy Katherine Pty Ltd	Perth (Australia)	Australia	AUD	1	Eni New Energ. Austr.	100.00		
Eni New Energy Manton Dam Pty Ltd	Perth (Australia)	Australia	AUD	1	Eni New Energ. Austr.	100.00		
Eni New Energy Pakistan (Private) Ltd	Saddar Town-Karachi (Pakistan)	Pakistan	PKR	1,252,000,000	Eni International BV Eni Oil Holdings BV Eni Pakistan Ltd (M)	99.98 0.01 0.01	100.00	F.C.
Eni New Energy US Holding Llc	Dover (USA)	USA	USD	100	Eni New Energy US Inc Eni New Energy US Inv. Inc	99.00 1.00	100.00	F.C.
Eni New Energy US Inc	Dover (USA)	USA	USD	100	Eni gas e luce 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 North Sea Wind Ltd	London (United Kingdom)	United Kingdom	GBP	10,000	Eni Energy Solutions BV	100.00	100.00	F.C.
Estanque Redondo Solar SLU	Madrid (Spain)	Spain	EUR	3,000	Dhamma Energy Group	100.00	100.00	F.C.
Gas Supply Company Thessaloniki - Thessalia SA	Thessaloniki (Greece)	Greece	EUR	13,761,788	Eni gas e luce SpA SB	100.00	100.00	F.C.
Holding Lanas Solar Sàrl	Argenteuil (France)	France	EUR	100	Dhamma Energy SAS	100.00	100.00	F.C.
Instalaciones Martínez Díez SLU	Torrelavega (Spain)	Spain	EUR	18,030	Eni gas e luce SpA SB	100.00	100.00	F.C.
Ixia Solar SLU	Madrid (Spain)	Spain	EUR	3,000	Dhamma Energy Group	100.00	100.00	F.C.
Krypton SAS	Argenteuil (France)	France	EUR	180,000	Dhamma Energy SAS	100.00	100.00	F.C.
Lanas Solar SAS	Argenteuil (France)	France	EUR	100	Holding Lanas Solar	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(*)
Membrio Solar SLU	Madrid (Spain)	Spain	EUR	3,000	Dhamma Energy Group	100.00	100.00	F.C.
Olea Solar SLU	Madrid (Spain)	Spain	EUR	3,000	Dhamma Energy Group	100.00	100.00	F.C.
Opalo Solar SLU	Madrid (Spain)	Spain	EUR	3,000	Dhamma Energy Group	100.00	100.00	F.C.
Pistacia Solar SLU	Madrid (Spain)	Spain	EUR	3,000	Dhamma Energy Group	100.00	100.00	F.C.
POP Solar SAS	Argenteuil (France)	France	EUR	1,000	Dhamma Energy Group	100.00	100.00	F.C.
Tebar Solar SLU	Madrid (Spain)	Spain	EUR	3,000	Dhamma Energy Group	100.00	100.00	F.C.
Xenon SAS	Argenteuil (France)	France	EUR	1,500,100	Dhamma Energy SAS Third parties	0.01(a) 99.99	100.00	F.C.
Zinnia Solar SLU	Madrid (Spain)	Spain	EUR	3,000	Dhamma Energy Group	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: Dhamma Energy 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 Third parties	86.50 13.50	86.50	F.C.
EniPower SpA	San Donato Milanese (MI)	Italy	EUR	944,947,849	Eni SpA	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.

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-Service Media Srl (in liquidation)	Milan	Italy	EUR	75,000	D-Share SpA	100.00		Eq.
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 Nuova Energia 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.
Serfactoring SpA	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 Eni Oil Holdings BV	99.90 0.10	100.00	F.C.
D-Share USA Corp.	New York (USA)	USA	USD	0(a)	D-Share SpA	100.00		Co.
Eni Finance International SA	Bruxelles (Belgium)	Belgium	USD	1,480,365,336	Eni International BV Eni SpA	66.39 33.61	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 Finance USA Inc	Dover (USA)	USA	USD	15,000,000	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 Eni UK Ltd	99.99 (..)	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	Eni Progetti SpA Eni SpA	99.00 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	281,857,871.44	Eni SpA Third parties	99.99 (..)	100.00	F.C.
Industria Siciliana Acido Fosforico - ISAF - SpA (in liquidation)	Gela (CL)	Italy	EUR	1,300,000	Eni Rewind SpA Third parties	52.00 48.00		Eq.
Ing. Luigi Conti Vecchi SpA	Assemini (CA)	Italy	EUR	5,518,620.64	Eni Rewind 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(*)
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 Third parties	50.00 50.00		Eq.
Mozambique Rovuma Venture SpA(†)	San Donato Milanese (MI)	Mozambique	EUR	20,000,000	Eni SpA Third parties	35.71 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 Third parties	50.00 50.00		Co.
Angola LNG Ltd	Hamilton (Bermuda)	Angola	USD	8,817,000,000	Eni Angola Prod. BV Third parties	13.60 86.40		Eq.
Ashrafi Island Petroleum Co (in liquidation)	Cairo (Egypt)	Egypt	EGP	20,000	Ieoc Production BV Third parties	25.00 75.00		Co.
Barentsmorneftegaz Sàrl(†)	Luxembourg (Luxembourg)	Russia	USD	20,000	Eni Energy Russia BV Third parties	33.33 66.67		Eq.
Cabo Delgado Gas Development Limitada(†)	Maputo (Mozambique)	Mozambique	MZN	2,500,000	Eni Mozambique LNG H. BV Third parties	50.00 50.00		Co.
Cardón IV SA(†)	Caracas (Venezuela)	Venezuela	VED	0	Eni Venezuela BV Third parties	50.00 50.00		Eq.
Compañia Agua Plana SA	Caracas (Venezuela)	Venezuela	VED	0	Eni Venezuela BV Third parties	26.00 74.00		Co.
Coral FLNG SA	Maputo (Mozambique)	Mozambique	MZN	100,000,000	Eni Mozambique LNG H. BV Third parties	25.00 75.00		Eq.
Coral South FLNG DMCC	Dubai (United Arab Emirates)	United Arab Emirates	AED	500,000	Eni Mozambique LNG H. BV Third parties	25.00 75.00		Eq.
East Delta Gas Co (in liquidation)	Cairo (Egypt)	Egypt	EGP	20,000	Ieoc Production BV Third parties	37.50 62.50		Co.
East Kanayis Petroleum Co(†)	Cairo (Egypt)	Egypt	EGP	20,000	Ieoc Production BV Third parties	50.00 50.00		Co.
East Obaiyed Petroleum Co(†)	Cairo (Egypt)	Egypt	EGP	20,000	Ieoc Production BV Third parties	50.00 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(*)
El Temsah Petroleum Co	Cairo (Egypt)	Egypt	EGP	20,000	Ieoc Production BV Third parties	25.00 75.00		Co.
El-Fayrouz Petroleum Co(†) (in liquidation)	Cairo (Egypt)	Egypt	EGP	20,000	Ieoc Exploration BV Third parties	50.00 50.00		
Fedynskmorneftegaz Sàrl(†)	Luxembourg (Luxembourg)	Russia	USD	20,000	Eni Energy Russia BV Third parties	33.33 66.67		Eq.
Isatay Operating Company Llp(†)	Nur-Sultan (Kazakhstan)	Kazakhstan	KZT	400,000	Eni Isatay Third parties	50.00 50.00		Co.
Karachaganak Petroleum Operating BV	Amsterdam (Netherlands)	Kazakhstan	EUR	20,000	Agip Karachaganak BV Third parties	29.25 70.75		Co.
Khaleej Petroleum Co Wll	Safat (Kuwait)	Kuwait	KWD	250,000	Eni Middle E. Ltd Third parties	49.00 51.00		Eq.
Liberty National Development Co Llc	Wilmington (USA)	USA	USD	0(a)	Eni Oil & Gas Inc Third parties	32.50 67.50		Eq.
Mediterranean Gas Co	Cairo (Egypt)	Egypt	EGP	20,000	Ieoc Production BV Third parties	25.00 75.00		Co.
Meleiha Petroleum Company(†)	Cairo (Egypt)	Egypt	EGP	20,000	Ieoc Production BV Third parties	50.00 50.00		Co.
Mellitah Oil & Gas BV(†)	Amsterdam (Netherlands)	Libya	EUR	20,000	Eni North Africa BV Third parties	50.00 50.00		Co.
Nile Delta Oil Co Nidoco	Cairo (Egypt)	Egypt	EGP	20,000	Ieoc Production BV Third parties	37.50 62.50		Co.
Norpipe Terminal HoldCo Ltd	London (United Kingdom)	Norway	GBP	55.69	Eni SpA Third parties	14.20 85.80		Eq.
North Bardawil Petroleum Co	Cairo (Egypt)	Egypt	EGP	20,000	Ieoc Exploration BV Third parties	30.00 70.00		
North El Burg Petroleum Co	Cairo (Egypt)	Egypt	EGP	20,000	Ieoc Production BV Third parties	25.00 75.00		Co.
Petrobel Belayim Petroleum Co(†)	Cairo (Egypt)	Egypt	EGP	20,000	Ieoc Production BV Third parties	50.00 50.00		Co.
PetroBicentenario SA(†)	Caracas (Venezuela)	Venezuela	VED	0	Eni Lasmo Plc Third parties	40.00 60.00		Eq.
PetroJunín SA(†)	Caracas (Venezuela)	Venezuela	VED	0.02	Eni Lasmo Plc Third parties	40.00 60.00		Eq.
PetroSucre SA	Caracas (Venezuela)	Venezuela	VED	0	Eni Venezuela BV Third parties	26.00 74.00		Eq.
Pharaonic Petroleum Co	Cairo (Egypt)	Egypt	EGP	20,000	Ieoc Production BV Third parties	25.00 75.00		Co.
Point Resources FPSO AS	Sandnes (Norway)	Norway	NOK	150,100,000	PR FPSO Holding AS	100.00		
Point Resources FPSO Holding AS	Sandnes (Norway)	Norway	NOK	60,000	Vår Energi AS	100.00		
Port Said Petroleum Co(†)	Cairo (Egypt)	Egypt	EGP	20,000	Ieoc Production BV Third parties	50.00 50.00		Co.

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(†) 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(*)
PR Jotun DA	Sandnes (Norway)	Norway	NOK	0(a)	PR FPSO AS PR FPSO Holding AS	95.00 5.00		
Raml Petroleum Co	Cairo (Egypt)	Egypt	EGP	20,000	Ieoc Production BV Third parties	22.50 77.50		Co.
Ras Qattara Petroleum Co	Cairo (Egypt)	Egypt	EGP	20,000	Ieoc Production BV Third parties	37.50 62.50		Co.
Rovuma LNG Investment (DIFC) Ltd	Dubai (United Arab Emirates)	Mozambique	USD	50,000	Eni Mozambique LNG H. BV Third parties	25.00 75.00		Eq.
Rovuma LNG SA	Maputo (Mozambique)	Mozambique	MZN	100,000,000	Eni Mozambique LNG H. BV Third parties	25.00 75.00		Eq.
Shorouk Petroleum Company	Cairo (Egypt)	Egypt	EGP	20,000	Ieoc Production BV Third parties	25.00 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 Third parties	20.00 80.00		Eq.
Société Italo Tunisienne d'Exploitation Pétrolière SA(†)	Tunis (Tunisia)	Tunisia	TND	5,000,000	Eni Tunisia BV Third parties	50.00 50.00		Eq.
Sodeps - Société de Developpement et d'Exploitation du Permis du Sud SA(†)	Tunis (Tunisia)	Tunisia	TND	100,000	Eni Tunisia BV Third parties	50.00 50.00		Co.
Solenova Ltd(†)	London (United Kingdom)	Angola	USD	1,580,000	Eni E&P Holding BV Third parties	50.00 50.00		Eq.
Thekah Petroleum Co (in liquidation)	Cairo (Egypt)	Egypt	EGP	20,000	Ieoc Exploration BV Third parties	25.00 75.00		
United Gas Derivatives Co	New Cairo (Egypt)	Egypt	USD	153,000,000	Eni International BV Third parties	33.33 66.67		Eq.
Vår Energi AS(†)	Sandnes (Norway)	Norway	NOK	399,425,000	Eni International BV Third parties	69.85 30.15		Eq.
Vår Energi Marine AS	Sandnes (Norway)	Norway	NOK	61,000,000	Vår Energi AS	100.00		
VIC CBM Ltd(†)	London (United Kingdom)	Indonesia	USD	52,315,912	Eni Lasmo Plc Third parties	50.00 50.00		Eq.
Virginia Indonesia Co CBM Ltd(†)	London (United Kingdom)	Indonesia	USD	25,631,640	Eni Lasmo Plc Third parties	50.00 50.00		Eq.
West Ashrafi Petroleum Co(†) (in liquidation)	Cairo (Egypt)	Egypt	EGP	20,000	Ieoc Exploration BV Third parties	50.00 50.00		

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(†) Jointly controlled entity.
(a) Shares without nominal value.

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 SpA Third parties	50.00 50.00		Eq.
Transmed SpA(†)	Milan	Italy	EUR	240,000	Eni SpA Third parties	50.00 50.00		Eq.

OUTSIDE ITALY

Company name	Registered office	Country of operation	Currency	Share Capital	Shareholders	% Ownership	% Equity ratio	Consolidation or valutation method(*)
Angola LNG Supply Services Llc	Wilmington (USA)	USA	USD	19,278,782	Eni USA Gas M. Llc Third parties	13.60 86.40		Eq.
Blue Stream Pipeline Co BV(†)	Amsterdam (Netherlands)	Russia	USD	22,000	Eni International BV Third parties	50.00 50.00	74.62(a)	J.O.
Damietta LNG (DLNG) SAE(†)	Damietta (Egypt)	Egypt	USD	375,000,000	Eni Gas Liquef. BV Third parties	50.00 50.00	50.00	J.O.
GreenStream BV(†)	Amsterdam (Netherlands)	Libya	EUR	200,000,000	Eni North Africa BV Third parties	50.00 50.00	50.00	J.O.
Premium Multiservices SA	Tunis (Tunisia)	Tunisia	TND	200,000	Sergaz SA Third parties	49.99 50.01		Eq.
SAMCO Sagl	Lugano (Switzerland)	Switzerland	CHF	20,000	Transmed.Pip.Co Ltd Eni International BV Third parties	90.00 5.00 5.00		Eq.
SEGAS Services SAE(†)	Damietta (Egypt)	Egypt	USD	1,000,000	Damietta LNG Eni Gas Liquef. BV Third parties	98.00 1.00 1.00	50.00	J.O.
Société Energies Renouvelables Eni-ETAP SA(†)	Tunis (Tunisia)	Tunisia	TND	1,000,000	Eni International BV Third parties	50.00 50.00		Eq.
Transmediterranean Pipeline Co Ltd(†)(9)	St. Helier (Jersey)	Jersey	USD	10,310,000	Eni SpA Third parties	50.00 50.00	50.00	J.O.

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(†) Jointly controlled entity.
(a) Equity ratio equal to the Eni's working interest.
(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 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	Eni Fuel SpA Third parties	50.00 50.00		Eq.
CePIM Centro Padano Interscambio Merci SpA	Fontevivo (PR)	Italy	EUR	6,642,928.32	Ecofuel SpA Third parties	44.78 55.22		Eq.
Consorzio Operatori GPL di Napoli	Napoli	Italy	EUR	102,000	Eni Fuel SpA Third parties	25.00 75.00		Co.
Costiero Gas Livorno SpA(†)	Livorno	Italy	EUR	26,000,000	Eni Fuel SpA Third parties	65.00 35.00	65.00	J.O.
Disma SpA	Segrate (MI)	Italy	EUR	2,600,000	Eni Fuel SpA Third parties	25.00 75.00		Eq.
Livorno LNG Terminal SpA (in liquidation)	Livorno	Italy	EUR	200,000	Costiero Gas L. SpA Third parties	50.00 50.00		Co.
Porto Petroli di Genova SpA	Genova	Italy	EUR	2,068,000	Ecofuel SpA Third parties	40.50 59.50		Eq.
Raffineria di Milazzo ScpA(†)	Milazzo (ME)	Italy	EUR	171,143,000	Eni SpA Third parties	50.00 50.00	50.00	J.O.
Seram SpA	Fiumicino (RM)	Italy	EUR	852,000	Eni SpA Third parties	25.00 75.00		Eq.
Sigea Sistema Integrato Genova Arquata SpA	Genova	Italy	EUR	3,326,900	Ecofuel SpA Third parties	35.00 65.00		Eq.
Società Oleodotti Meridionali - SOM SpA(†)	Rome	Italy	EUR	3,085,000	Eni SpA Third parties	70.00 30.00		Eq.
South Italy Green Hydrogen Srl(†)	Rome	Italy	EUR	10,000	Eni SpA Third parties	50.00 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 Third parties	20.00 80.00		Eq.
ADNOC Global Trading Ltd	Abu Dhabi (United Arab Emirates)	United Arab Emirates	USD	100,000,000	Eni Abu Dhabi R&T Third parties	20.00 80.00		Eq.

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(†) Jointly controlled entity.

Company name	Registered office	Country of operation	Currency	Share Capital	Shareholders	% Ownership	% Equity ratio	Consolidation or valutation method(*)
AET - Raffineriebeteiligungsgesellschaft mbH(†)	Schwedt (Germany)	Germany	EUR	27,000	Eni Deutsch. GmbH Third parties	33.33 66.67		Eq.
Bayernoil Raffineriegesellschaft mbH(†)	Vohburg (Germany)	Germany	EUR	10,226,000	Eni Deutsch. GmbH Third parties	20.00 80.00	20.00	J.O.
City Carburoil SA(†)	Monteceneri (Switzerland)	Switzerland	CHF	6,000,000	Eni Suisse SA Third parties	49.91 50.09		Eq.
Egyptian International Gas Technology Co	New Cairo (Egypt)	Egypt	EGP	100,000,000	Eni International BV Third parties	40.00 60.00		Co.
ENEOS Italsing Pte Ltd	Singapore (Singapore)	Singapore	SGD	12,000,000	Eni International BV Third parties	22.50 77.50		Eq.
Fuelling Aviation Services GIE	Tremblay-en-France (France)	France	EUR	0	Eni France Sàrl Third parties	25.00 75.00		Co.
Mediterranée Bitumes SA	Tunis (Tunisia)	Tunisia	TND	1,000,000	Eni International BV Third parties	34.00 66.00		Eq.
Routex BV	Amsterdam (Netherlands)	Netherlands	EUR	67,500	Eni International BV Third parties	20.00 80.00		Eq.
Saraco SA	Meyrin (Switzerland)	Switzerland	CHF	420,000	Eni Suisse SA Third parties	20.00 80.00		Co.
Supermetanol CA(†)	Jose Puerto La Cruz (Venezuela)	Venezuela	VED	0	Ecofuel SpA Supermetanol CA Third parties	34.51(a) 30.07 35.42	50.00	J.O.
TBG Tanklager Betriebsgesellschaft GmbH(†)	Salzburg (Austria)	Austria	EUR	43,603.70	Eni Marketing A. GmbH Third parties	50.00 50.00		Eq.
Weat Electronic Datenservice GmbH	Düsseldorf (Germany)	Germany	EUR	409,034	Eni Deutsch. GmbH Third parties	20.00 80.00		Eq.

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(†) Jointly controlled entity.
(a) Controlling interest: Ecofuel SpA 50.00
Third parties 50.00

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 Eni Rewind SpA EniPower SpA Third parties	49.00 20.20 8.90 21.90		Eq.
IFM Ferrara ScpA	Ferrara	Italy	EUR	5,270,466	Versalis SpA Eni Rewind SpA S.E.F. Srl Third parties	19.74 11.58 10.70 57.98		Eq.
Matrìca SpA(†)	Porto Torres (SS)	Italy	EUR	37,500,000	Versalis SpA Third parties	50.00 50.00		Eq.
Priolo Servizi ScpA	Melilli (SR)	Italy	EUR	28,100,000	Versalis SpA Eni Rewind SpA Third parties	37.22 5.65 57.13		Eq.
Ravenna Servizi Industriali ScpA	Ravenna	Italy	EUR	5,597,400	Versalis SpA EniPower SpA Ecofuel SpA Third parties	42.13 30.37 1.85 25.65		Eq.
Servizi Porto Marghera Scarl	Venezia Marghera (VE)	Italy	EUR	8,695,718	Versalis SpA Eni Rewind SpA Third parties	48.44 38.39 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 Third parties	50.00 50.00		Eq.
Versalis Chem-invest LLP(†)	Uralsk City (Kazakhstan)	Kzakhstan	KZT	64,194,000	Versalis International SA Third parties	49.00 51.00		Eq.
VPM Oilfield Specialty Chemicals Llc(†)	Abu Dhabi (United Arab Emirates)	United Arab Emirates	AED	1,000,000	Versalis International SA Third parties	49.00 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(*)
E-Prosume Srl(†)	Milan	Italy	EUR	100,000	Evolvere Venture SpA Third parties	50.00 50.00		Eq.
Evogy Srl Società Benefit	Seriate (BG)	Italy	EUR	11,785.71	Evolvere Venture SpA Third parties	45.45 54.55		Eq.
GreenIT SpA(†)	San Donato Milanese (MI)	Italy	EUR	50,000	Eni gas e luce SpA SB Third parties	51.00 49.00		Eq.
Renewable Dispatching Srl	Milan	Italy	EUR	200,000	Evolvere Venture SpA Third parties	40.00 60.00		Eq.
Tate Srl	Bologna	Italy	EUR	408,509.29	Evolvere Venture SpA Third parties	36.00 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 Third parties	99.00 1.00		Eq.
Clarensac Solar SAS	Meyreuil (France)	France	EUR	25,000	Dhamma Energy SAS Third parties	40.00 60.00		Eq.
Doggerbank Offshore Wind Farm Project 1 Holdco Ltd(†)	Reading (United Kingdom)	United Kingdom	GBP	1,000	Eni North Sea Wind Third parties	20.00 80.00		Eq.
Doggerbank Offshore Wind Farm Project 2 Holdco Ltd(†)	Reading (United Kingdom)	United Kingdom	GBP	1,000	Eni North Sea Wind Third parties	20.00 80.00		Eq.
Enera Conseil SAS(†)	Clichy (France)	France	EUR	9,690	Eni G&P France SA Third parties	51.00 49.00		Eq.
Fotovoltaica Escudero SL	Valencia (Spain)	Spain	EUR	3,000	Dhamma Energy Group Third parties	45.00 55.00		Eq.
Gas Distribution Company of Thessaloniki - Thessaly SA(†)	Ampelokipi-Menemeni (Greece)	Greece	EUR	247,127,605	Eni gas e luce SpA SB Third parties	49.00 51.00		Co.
Novis Renewables Holdings Llc	Wilmington (USA)	USA	USD	100	Eni New Energy US Inc Third parties	49.00 51.00		Eq.

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(†) 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 Third parties	50.00 50.00		Eq.
OVO Energy (France) SAS	Paris (France)	France	EUR	66,666.66	Eni gas e luce SpA SB Third parties	25.00 75.00		Eq.
Vårgrønn AS(†)	Stavanger (Norway)	Norway	NOK	100,000	Eni Energy Solutions BV Third parties	69.60 30.40		Eq.

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(†) 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 Third parties	51.00 49.00	51.00	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.

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 Third parties	25.00 75.00		Co.
Saipem SpA(#)(†)	San Donato Milanese (MI)	Italy	EUR	2,191,384,693	Eni SpA Saipem SpA Third parties	30.54(a) 2.12 67.34		Eq.

OUTSIDE ITALY

Company name	Registered office	Country of operation	Currency	Share Capital	Shareholders	% Ownership	% Equity ratio	Consolidation or valutation method(*)
Commonwealth Fusion Systems Llc	Wilmington (USA)	USA	USD	215,000,514.83	Eni Next Llc Third parties			Eq.
CZero Inc	Wilmington (USA)	USA	USD	8,116,660.78	Eni Next Llc Third parties			Eq.
Form Energy Inc	Somerville (USA)	USA	USD	328,901,396.67	Eni Next Llc Third parties			Eq.
Obantarla Corp.	Wilmington (USA)	USA	USD	20,499,995	Eni Next Llc Third parties			Eq.
sHYp BV PBC	Wilmington (USA)	USA	USD	3,000,000	Eni Next Llc Third parties			Eq.
Tecninco Engineering Contractors Llp(†)	Aksai (Kazakhstan)	Kazakhstan	KZT	29,478,455	EniProgetti SpA Third parties	49.00 51.00		Eq.
Thiozen Inc	Wilmington (USA)	USA	USD	2,999,987.81	Eni Next Llc Third parties			Eq.

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(#) Company with shares quoted in the regulated market of Italy or of other EU countries.
(†) Jointly controlled entity.
(a) Controlling interest: Eni SpA 31.20
Third parties 68.80

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 Third parties	50.00 50.00		Co.
Progetto Nuraghe Scarl	Porto Torres (SS)	Italy	EUR	10,000	Eni Rewind SpA Third parties	48.55 51.45		Eq.

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(†) Jointly controlled entity.

OTHER SIGNIFICANT INVESTMENTS

Exploration & Production

IN ITALY

Company name	Registered office	Country of operation	Currency	Share Capital	Shareholders	% Ownership	Consolidation or valutation method(*)
BF SpA(#)	Jolanda di Savoia (FE)	Italy	EUR	187,059,565	Eni Natural Energies SpA Third parties	3.32 96.68	F.V.
Consorzio Universitario in Ingegneria per la Qualità e l'Innovazione	Pisa	Italy	EUR	138,000	Eni SpA Third parties	16.67 83.33	F.V.

OUTSIDE ITALY

Company name	Registered office	Country of operation	Currency	Share Capital	Shareholders	% Ownership	Consolidation or valutation method(*)
Administradora del Golfo de Paria Este SA	Caracas (Venezuela)	Venezuela	VED	0	Eni Venezuela BV Third parties	19.50 80.50	F.V.
Brass LNG Ltd	Lagos (Nigeria)	Nigeria	USD	1,000,000	Eni Int. NA NV Sàrl Third parties	20.48 79.52	F.V.
Darwin LNG Pty Ltd	West Perth (Australia)	Australia	AUD	187,569,921.42	Eni G&P LNG Aus. BV Third parties	10.99 89.01	F.V.
New Liberty Residential Co Llc	West Trenton (USA)	USA	USD	0(a)	Eni Oil & Gas Inc Third parties	17.50 82.50	F.V.
Nigeria LNG Ltd	Port Harcourt (Nigeria)	Nigeria	USD	1,138,207,000	Eni Int. NA NV Sàrl Third parties	10.40 89.60	F.V.
North Caspian Operating Co NV	The Hague (Netherlands)	Kazakhstan	EUR	128,520	Agip Caspian Sea BV Third parties	16.81 83.19	F.V.
OPCO - Sociedade Operacional Angola LNG SA	Luanda (Angola)	Angola	AOA	7,400,000	Eni Angola Prod. BV Third parties	13.60 86.40	F.V.
Petrolera Güiria SA	Caracas (Venezuela)	Venezuela	VED	0	Eni Venezuela BV Third parties	19.50 80.50	F.V.
SOMG - Sociedade de Operações e Manutenção de Gasodutos SA	Luanda (Angola)	Angola	AOA	7,400,000	Eni Angola Prod. BV Third parties	10.57 89.43	F.V.
Torsina Oil Co	Cairo (Egypt)	Egypt	EGP	20,000	Ieoc Production BV Third parties	12.50 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 in the 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 Capital	Shareholders	% Ownership	Consolidation or valutation method(*)
Norsea Gas GmbH	Friedeburg-Etzel (Germany)	Germany	EUR	1,533,875.64	Eni International BV Third parties	13.04 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 Capital	Shareholders	% Ownership	Consolidation or valutation method(*)
BFS Berlin Fuelling Services GbR	Berlin (Germany)	Germany	EUR	89,199	Eni Deutsch. GmbH Third parties	12.50 87.50	F.V.
Compañia de Economia Mixta "Austrogas"	Cuenca (Ecuador)	Ecuador	USD	6,863,493	Eni Ecuador SA Third parties	13.38 86.62	F.V.
Dépôts Pétroliers de Fos SA	Fos-Sur-Mer (France)	France	EUR	3,954,196.40	Eni France Sàrl Third parties	16.81 83.19	F.V.
Dépôt Pétrolier de la Côte d'Azur SAS	Nanterre (France)	France	EUR	207,500	Eni France Sàrl Third parties	18.00 82.00	F.V.
Joint Inspection Group Ltd	Cambourne (United Kingdom)	United Kingdom	GBP	0(a)	Eni SpA Third parties	12.50 87.50	F.V.
Saudi European Petrochemical Co IBN ZAHR	Al Jubail (Saudi Arabia)	Saudi Arabia	SAR	1,200,000,000	Ecofuel SpA Third parties	10.00 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 Third parties	12.50 87.50	F.V.
Sistema Integrado de Gestion de Aceites Usados	Madrid (Spain)	Spain	EUR	175,713	Eni Iberia SLU Third parties	15.45 84.55	F.V.
Tanklager - Gesellschaft Tegel (TGT) GbR	Hamburg (Germany)	Germany	EUR	4,953	Eni Deutsch. GmbH Third parties	12.50 87.50	F.V.
TAR - Tankanlage Ruemlang AG	Ruemlang (Switzerland)	Switzerland	CHF	3,259,500	Eni Suisse SA Third parties	16.27 83.73	F.V.
Tema Lube Oil Co Ltd	Accra (Ghana)	Ghana	GHS	258,309	Eni International BV Third parties	12.00 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.

Chemical

IN ITALY

Company name	Registered office	Country of operation	Currency	Share Capital	Shareholders	% Ownership	Consolidation or valutation method(*)
Novamont SpA	Novara	Italy	EUR	13,333,500	Versalis SpA Third parties	25.00 75.00	F.V.

(*) 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

Other activities

IN ITALY

Company name	Registered office	Country of operation	Currency	Share Capital	Shareholders	% Ownership	Consolidation or valutation method(*)
Ottana Sviluppo ScpA (in bankruptcy)	Nuoro	Italy	EUR	516,000	Eni Rewind SpA Third parties	30.00 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.

CHANGES IN THE SCOPE OF CONSOLIDATION FOR 2021

Fully consolidated subsidiaries

COMPANIES INCLUDED (No. 91)

4Energia Srl	Milan	Plenitude	Acquisition
Aldro Energía y Soluciones SLU	Torrelavega	Plenitude	Acquisition
Aleria Solar SAS	Bastia	Plenitude	Acquisition
Alpinia Solar SLU	Madrid	Plenitude	Acquisition
Argon SAS	Argenteuil	Plenitude	Acquisition
Asian Compounds Ltd	Hong Kong	Chemical	Acquisition of the control
Athies-Samoussy Solar PV1 SAS	Argenteuil	Plenitude	Acquisition
Athies-Samoussy Solar PV2 SAS	Argenteuil	Plenitude	Acquisition
Athies-Samoussy Solar PV3 SAS	Argenteuil	Plenitude	Acquisition
Athies-Samoussy Solar PV4 SAS	Argenteuil	Plenitude	Acquisition
Athies-Samoussy Solar PV5 SAS	Argenteuil	Plenitude	Acquisition
Be Charge Srl	Milan	Plenitude	Acquisition
Be Charge Valle d'Aosta Srl	Milan	Plenitude	Acquisition
Be Power SpA	Milan	Plenitude	Acquisition
Belle Magiocche Solaire SAS	Bastia	Plenitude	Acquisition
Bonete Solar SLU	Madrid	Plenitude	Acquisition
Brazoria County Solar Project Llc	Dover	Plenitude	Acquisition
Camelia Solar SLU	Madrid	Plenitude	Acquisition
CEF 3 Wind Energy SpA	Milan	Plenitude	Acquisition
Celtis Solar SLU	Madrid	Plenitude	Acquisition
Desarrollos Empresariales Illas SL	Madrid	Plenitude	Acquisition
Desarrollos Energéticos Riojanos SL	Villarcayo de Merindad de Castilla la Vieja	Plenitude	Acquisition
Dhamma Energy Development SAS	Argenteuil	Plenitude	Acquisition
Dhamma Energy Group Sàrl	Dudelange	Plenitude	Acquisition
Dhamma Energy Management SLU	Madrid	Plenitude	Acquisition
Dhamma Energy Rooftop SAS	Argenteuil	Plenitude	Acquisition
Dhamma Energy SAS	Argenteuil	Plenitude	Acquisition
Ecovent Parc Eolic SAU	Madrid	Plenitude	Acquisition
Energias Alternativas Eolicas Riojanas SL	Logroño	Plenitude	Acquisition
Energías Ambientales de Outes SLU	Madrid	Plenitude	Acquisition
Eni España Comercializadora De Gas SAU	Madrid	Global Gas & LNG Portfolio	Acquisition
Eni Natural Energies SpA	San Donato Milanese	Exploration & Production	Constitution
Eni New Energy US Holding Llc	Dover	Plenitude	Constitution
Eni New Energy US Investing Inc	Dover	Plenitude	Constitution
Eni North Sea Wind Ltd	London	Plenitude	Relevancy

EniBioCh4in Alexandria Srl Società Agricola	San Donato Milanese	Refining & Marketing	Acquisition
EniBioCh4in Annia Srl Società Agricola	San Donato Milanese	Refining & Marketing	Acquisition
EniBioCh4in Appia Srl Società Agricola	San Donato Milanese	Refining & Marketing	Acquisition
EniBioCh4in Aprilia Srl	San Donato Milanese	Refining & Marketing	Acquisition
EniBioCh4in Briona Srl Società Agricola	San Donato Milanese	Refining & Marketing	Acquisition
EniBioCh4in Calandre Energia Srl Società Agricola	San Donato Milanese	Refining & Marketing	Acquisition
EniBioCh4in Gardillana Società Agricola Srl	San Donato Milanese	Refining & Marketing	Acquisition
EniBioCh4in Grupellum Società Agricola Srl	San Donato Milanese	Refining & Marketing	Acquisition
EniBioCh4in Jonica Srl	San Donato Milanese	Refining & Marketing	Acquisition
EniBioCh4in Maddalena Società Agricola Srl	San Donato Milanese	Refining & Marketing	Acquisition
EniBioCh4in Medea Srl Società Agricola	San Donato Milanese	Refining & Marketing	Acquisition
EniBioCh4in Momo Società Agricola Srl	San Donato Milanese	Refining & Marketing	Acquisition
EniBioCh4in Mortara Società Agricola Srl	San Donato Milanese	Refining & Marketing	Acquisition
EniBioCh4in Pannellia BioGas Srl Società Agricola	San Donato Milanese	Refining & Marketing	Acquisition
EniBioCh4in Plovera Società Agricola Srl	San Donato Milanese	Refining & Marketing	Acquisition
EniBioCh4in Quadruvium Srl Società Agricola	San Donato Milanese	Refining & Marketing	Acquisition
EniBioCh4in Rhodigium Società Agricola Srl	San Donato Milanese	Refining & Marketing	Acquisition
EniBioCh4in San Benedetto Po Srl Società Agricola	San Donato Milanese	Refining & Marketing	Acquisition
EniBioCh4in Service BioGas Srl	San Donato Milanese	Refining & Marketing	Acquisition
EniBioCh4in Società Agricola Il Bue Srl	San Donato Milanese	Refining & Marketing	Acquisition
EniBioCh4in SpA	San Donato Milanese	Refining & Marketing	Acquisition
EniBioCh4in Vigevano Srl Società Agricola	San Donato Milanese	Refining & Marketing	Acquisition
EniBioCh4in Villacidro Agricole Società Agricola a responsabilità limitata	San Donato Milanese	Refining & Marketing	Acquisition
Eolica Lucana Srl	Milan	Plenitude	Acquisition
Estanque Redondo Solar SLU	Madrid	Plenitude	Acquisition
Finpower Wind Srl	Milan	Plenitude	Acquisition
Finproject Asia Ltd	Hong Kong	Chemical	Acquisition of the control
Finproject Brasil Industria De Solados Eireli	Franca	Chemical	Acquisition of the control
Finproject Guangzhou Trading Co Ltd	Guangzhou	Chemical	Acquisition of the control
Finproject India Pvt Ltd	Jaipur	Chemical	Acquisition of the control
Finproject Romania Srl	Valea Lui Mihai	Chemical	Acquisition of the control
Finproject Singapore Pte Ltd	Singapore	Chemical	Acquisition of the control
Finproject SpA	Morrovalle	Chemical	Acquisition of the control
Finproject Viet Nam Company Limited	Hai Phong	Chemical	Acquisition of the control
Foam Creations (2008) Inc	Quebec City	Chemical	Acquisition of the control
Foam Creations México SA de CV	León	Chemical	Acquisition of the control
Green Energy Management Services Srl	Rome	Plenitude	Acquisition
Holding Lanas Solar Sàrl	Argenteuil	Plenitude	Acquisition
Instalaciones Martínez Díez SLU	Torrelavega	Plenitude	Acquisition
Ixia Solar SLU	Madrid	Plenitude	Acquisition

Krypton SAS	Argenteuil	Plenitude	Acquisition
Lanas Solar SAS	Argenteuil	Plenitude	Acquisition
Membrio Solar SLU	Madrid	Plenitude	Acquisition
Olea Solar SLU	Madrid	Plenitude	Acquisition
Opalo Solar SLU	Madrid	Plenitude	Acquisition
Padanaplast America Llc	Wilmington	Chemical	Acquisition of the control
Padanaplast Deutschland GmbH	Hannover	Chemical	Acquisition of the control
Padanaplast Srl	Roccabianca	Chemical	Acquisition of the control
Pistacia Solar SLU	Madrid	Plenitude	Acquisition
Po' Energia Srl Società Agricola	Bolzano	Refining & Marketing	Acquisition
POP Solar SAS	Argenteuil	Plenitude	Acquisition
Società Energie Rinnovabili 1 SpA	Rome	Plenitude	Acquisition
Società Energie Rinnovabili SpA	Palermo	Plenitude	Acquisition
Tebar Solar SLU	Madrid	Plenitude	Acquisition
Xenon SAS	Argenteuil	Plenitude	Acquisition
Zinnia Solar SLU	Madrid	Plenitude	Acquisition

COMPANIES EXCLUDED (No. 5)

Eni Hydrocarbons Venezuela Ltd	London	Exploration & Production	Irrelevancy
Eni Trading & Shipping SpA (in liquidation)	Rome	Global Gas & LNG Portfolio	Irrelevancy
Eni Ukraine Holdings BV	Amsterdam	Exploration & Production	Irrelevancy
Evolvere Smart Srl	Milan	Plenitude	Cancellation
Llc "Eni Energhia"	Moscow	Exploration & Production	Irrelevancy

Consolidated joint operations

COMPANIES INCLUDED (No. 2)

SEGAS Services SAE	Damietta	Global Gas & LNG Portfolio	Acquisition of joint control
Damietta LNG (DLNG) SAE	Damietta	Global Gas & LNG Portfolio	Acquisition of joint control

COMPANIES EXCLUDED (No. 1)

Mozambique Rovuma Venture SpA	San Donato Milanese	Exploration & Production	Change of the joint arrangement

Independent auditor's report on the consolidated non-financial statement

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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 31 DECEMBER 2021

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 30 December 2016 (the "Decree") and article 5 of CONSOB Regulation No. 20267/2018, we bave undertaken a limited assurance engagement on the consolidated non-financial statement of Eni SpA and its subsidiaries (the "Group") for the year ended 31 December 2021 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 17 March 2022 (hereinafter the "NFS").

Our review does not extend to the information set out in the "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.

PricewaterhouseCoopers SpA

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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 31 December 2021;
4. understanding of the following matters:
   - business and organizational model of the Group with reference to the management of the matters specified in article 3 of the Decree;
   - policies adopted by the Group with reference to the matters specified in article 3 of the Decree, actual results and related key performance indicators;
   - 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;

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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 sites of Eni SpA (Taranto Refinery), Eni Congo SA (Mboundi site), Eni US Operating Inc (Green Canyon 254 site), Petrobel Belayim Petroleum CO (Zohr site) and Versalis France SAS (Dunkerque 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 deep dive meetings 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 31 December 2021 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 "Taxonomy" paragraph of the NSF, required by article 8 of European Regulation 2020/852.

Rome, 8 April 2022

PricewaterhouseCoopers SpA

Signed by	*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 2021 translation.

Independent auditor's report on the consolidated financial statements

Independent auditor's report
in accordance with article 14 of Legislative Decree No. 39 of January 27, 2010 and article 10 of Regulation (EU) No. 537/2014

Eni SpA

Consolidated Financial Statements as of December 31 2021

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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, 2021, 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, 2021, 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.

PricewaterhouseCoopers SpA

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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 *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 "Impairment review of tangible and intangible assets and right-of-use assets", 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 mineral exploitation wells and plant of the Exploration & Production (E&P) segment in an amount of Euro 42,342 million, E&P exploration assets and appraisal amounting to Euro 1,244 million, E&P tangible assets in progress equal to Euro 6,545 million, Right-of-use assets amounting to Euro 3,195 million, Exploration rights in an amount of Euro 913 million. The carrying amount of the mineral assets also comprises estimated costs for site restoration and abandonment and social projects, the provision of which amounted to Euro 8,580 million at December 31, 2021. Furthermore, the Group holds investments in the E&P segment, accounted for with the equity method, for a total amount of Euro 2,639 million at December 31, 2021. 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, 2021 depreciation of mineral assets related to the E&P segment amounted to Euro 5,976 million.	Our audit procedures consisted in the comprehension, assessment and verification of the operating efficacy 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 other additional financial statement items related thereto. 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. With reference to the estimate of abandonment costs, the following additional audit procedures were also carried out: (i) We obtained an understanding of the legislative and regulatory framework and of the underlying mineral arrangements; (ii) We compared the costs and related times of expenses at year-end with the previous year's forecasts and, when significant, we investigated the differences identified and we also verified the consistency of the expected

Key Audit Matters	*Auditing procedures performed in response to key audit matters*
At year-end mineral assets recognised in the consolidated financial statements are tested for impairment, 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 obtain 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. As at December 31, 2021 net reversals related to the mineral assets of the E&P segment, marked by the upside in hydrocarbon prices expected in the short/medium term, amounted to Euro 1,244 million. 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, such as: (i) 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' internal and external experts; (ii) the estimate of future production units and related flows of operating income and expense, of development and abandonment costs, as well as the timing these costs are incurred; (iii) long-term price projections of hydrocarbons, which include the possible impacts linked to the energy transition, reflected in the 2022 – 2025 Strategic Plan, and which management considers to be consistent with the goals of the 2015 Cop21 Paris Agreement on climate and reasserted by the Cop26 summit in Glasgow; (iv) changes in the tax legislation, in administrative regulations and changes in the underlying contract types; (v) the production of oil and natural gas extracted and subsequent reservoir analyses, which can entail significant revisions; and	expenses and times in comparison with actual data. 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 set by the Group. 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. With regard to the impairment test the following additional audit procedures were also carried out: (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; (ii) For a sample of 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; (iii) We verified the sensitivity analysis performed by the Group. 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. Our Valuation & Economics experts and those of the Enterprise Risk Management function supported us in the verification of the

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Key Audit Matters	*Auditing procedures performed in response to key audit matters*
(vi) the discount rate used. 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.	consistency of the assumptions contained in the 2022 – 2025 Strategic Plan with the changed macroeconomic perspectives of the E&P segment, also in relation to the effects of the post-COVID-19 rally in demand for hydrocarbons, 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. 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 statement on the achievement of carbon neutrality and the related climate risks.

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.

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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, related safeguards.

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 statutory audit of the Company's and the 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, 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 have been prepared in XHTML format and have been marked up, in all significant respects, in compliance with the provisions of the Commission Delegated Regulation.

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, 2021, 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, 2021, 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, 2021 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 statement pursuant to Legislative Decree No. 254 of 30 December 2016.

We have verified that the directors approved the non-financial statement.

Pursuant to article 3, paragraph 10, of Legislative Decree No. 254 of 30 December 2016, the non-financial statement is the subject of a separate statement of compliance issued by ourselves.

Rome, April 8, 2022

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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