

**ENI SHAREHOLDERS' MEETING, 10 MAY 2023**  
**MESSAGE FROM THE CHAIRMAN OF THE BOARD, LUCIA CALVOSA AND**  
**THE CHIEF EXECUTIVE OFFICER, CLAUDIO DESCALZI ON CLIMATE**  
**STRATEGY**

*FOCUSED ON NET ZERO EMISSIONS TARGET AT 2050; CREATING LONG TERM*  
*VALUE FOR STAKEHOLDERS AND MEETING THE CHALLENGE OF THE ENERGY*  
*TRILEMMA*

Dear Shareholders,

We are pleased to share with you an outline of our climate transition strategy to 2050. Our commitment to reaching Net-Zero carbon emissions by 2050, aligned with the Paris Agreement target of a 1.5°C maximum temperature increase, remains unchanged, and enjoys the full support of our Board of Directors, whose oversight role and that of its key committees is core to Eni's strategic transformation. The targets that are critical to delivering this outcome are embedded in executive remuneration and key performance indicators are also contained in our Sustainability-Linked borrowing.

The continued impact of the war in Ukraine, the aftermath of the global pandemic including high inflationary conditions and the legacy effects of a prolonged period of underinvestment into the global energy system have each contributed to market volatility and uncertainty. Amid these challenging conditions it is clear that achieving a socially and economically viable path to Net Zero by 2050 can only be achieved if delivered alongside energy security and affordability. Eni is responding to the complexity of the Energy Trilemma (security-sustainability-affordability) by building a geographically and technologically diverse portfolio of energy sources, shifting over time to a different energy mix with a combination of lower carbon, renewable and breakthrough technologies. Continued strong demand for gas confirms its crucial role on the decarbonization path and Eni strategies for meeting that demand and reducing time to market have proved to be even more relevant in the currently challenging scenario.

Our pathway to Net Zero is unfolding on two tracks: firstly addressing Scope 3 emissions by offering progressively decarbonised services and products to our customers, contributing to their emissions reductions and securing Eni's long-term competitive resilience in a decarbonizing economy; and second, focusing on Scopes 1 and 2 emissions, reducing both our direct operational emissions and the emissions related to purchased energy.

Our business model seeks to leverage proprietary and breakthrough technology to decarbonize our activities and products. We also innovate by developing new business models to accelerate our transformation while sustaining shareholder remuneration and build stakeholder alliances for a Just Transition that includes our people, suppliers, clients, institutions, producing nations and industrial partners. Our strategic progress is backed by our strong financial position and cash neutrality at a low Brent price.

Over the years we have developed proprietary technologies and know-how that have significantly improved both safety and operational performance. In the Upstream this is very evident in our exploration activities which are consistently high performing and a highly differentiating feature of Eni. Furthermore, our exploration is predominantly directed towards

areas of existing activity infrastructure and gas. This is complemented by our shift towards a focus on delivering efficient projects in terms of incremental investment, time to market and, crucially, environmental sustainability. Our existing infrastructure and sub-surface competencies are also crucial to the emerging and economically viable technology of Carbon Capture and Storage (CCS) that will be important in both reducing our own emissions but also responding to the hard to abate decarbonization challenges of our clients.

In a further example of our technology leadership, in 2014 Eni was also the first in the world to convert traditional refineries into refineries for biofuels production thanks to the proprietary technology Ecofining. This innovation now places the company as a leader in the shift towards the use of sustainable biofuels. Furthermore, in 2022 Eni received the first delivery of feedstock from its new agri-hub in Kenya to its biorefineries in Italy. Our agri-hubs, operated in partnership with independent local farmers, are under development across eight countries in Africa, and represent a unique, vertically integrated, supply source producing certified sustainable vegetable oil. These hubs promote the valorisation and regeneration of land without the risk of competition with food production or other land uses, including forests, and provide new employment opportunities and economic diversification in the communities where we operate. The agri-hubs enable these countries to progress against their national development plans and Sustainable Development Goals (SDGs), which Eni is committed to supporting through its core business activities. The Board's Sustainability and Scenarios Committee created in 2014 and the first of its kind in the industry, plays a lead role in ensuring that a Just Transition is embedded into Eni's overall strategy, creating value for all stakeholders through integration along the entire energy value chain.

In terms of breakthrough technologies, we are particularly excited by the prospect of developing magnetic fusion, initially with the SPARC experimental plant designed to generate net energy that is currently under construction near Boston and targeting a 2025 start-up, followed by the first industrial plant, ARC, expected in the 2030s. This initiative, called CFS, is the result of collaboration between MIT and Eni as a main partner, and could potentially open up a route for a virtually limitless source of clean energy.

A further defining characteristic of Eni's strategy is the development of new business models to support growth through dedicated entities focused on their customers and with independent access to capital markets. These offer Eni greater capital flexibility in existing business and in developing new opportunities and competencies as the energy market evolves. We continue to make meaningful progress in this area. In the Upstream we now have two examples of the new model – Vår Energi, successfully listed in Norway in February 2022, and Azule Energy, our combination with BP in Angola, which was formally launched in August 2022. In our Energy Evolution division, we are also making significant progress in delivering the initiatives that will support the transformation of Eni, with two further examples of the satellite concept. Plenitude is our dedicated company for the supply of green power to more than 10 million clients in Europe. It combines our retail and renewable businesses together with e-mobility. We are committed to further unlocking and growing the value in Plenitude by way of an IPO or sale to a strategic investor, or both, of a minority stake when market conditions allow. In addition, in January 2023 we announced the creation of Eni Sustainable Mobility company, combining our growing biorefining with our mobility product marketing operations.

In the context of our pathway to 2050 intermediate targets are in place to allow our stakeholders to track progress in the execution of our decarbonization strategy. In particular in 2030 we expect to be Net Zero Scope 1+2 in upstream and to cut by 35% our Scope 1-2-3 emissions for

the entire company. In 2022, our Net Zero emission KPIs (Scope 1+2+3) registered a reduction trend, both in absolute and intensity terms, in line with our decarbonization strategy and intermediate targets. Our operational emissions (Scope 1+2, equity) also decreased in 2022 and, regarding Upstream operations, we confirm our intermediate target to reduce the Net Carbon Footprint by 65% by 2025 and reach Net Zero for the Upstream by 2030.

Eni has long been committed to reducing methane emissions, keeping Upstream methane emissions intensity well below 0.2% and helping to deliver the Global Methane Pledge launched at COP 26. Indeed, following our success in drastically curbing our methane emissions, in order to improve accuracy and transparency of methane emissions reporting, we are progressing with a detection campaign on our main operated assets with a third party that will be finalised this year facilitating the setting of a new methane emissions target.

In the context of our operations Upstream production will plateau in the second part of this decade, with the share of gas progressively rising to 60% in 2030 and to more than 90% beyond 2040 from the current 50% - helping to drive a significant reduction in Scope 3 emissions over that period. Hydrocarbons volumes will reduce in the medium-long-term primarily contributing to our full decarbonization target. The second most important lever of our emissions reduction will come from Midstream and Downstream with actions focused, respectively, on equity gas and LNG and the conversion of traditional refineries into bio refineries and circular economy hubs.

We will expand our offer to a complete range of decarbonised energy products and services for our customers, thus reducing the Scope 3 emissions associated to the use of our products. These will be complemented by rising bio-refining capacity, biogas and hydrogen production. Carbon Capture and Storage projects will be needed to reduce hard-to-abate emissions, with only a residual 5% of emissions in 2050 to be compensated for using high quality offsets. In order to align interests in delivering these decarbonization targets a weighting 35% of executives' equity incentive is ascribed to the transition and decarbonization component.

In our Natural Resources division, our strategy emphasizes reducing GHG emissions from operations including flaring, methane emissions and CCS projects, shifting towards a greater gas portfolio weighting and building out a pipeline of offset projects through Natural Climate Solutions. In the past year the shift of our future production portfolio towards gas has been evident with, for instance, the start-up of Coral South FLNG in Mozambique, the sanction of Congo LNG and the A&E Structures in Libya and the entry in the North Field LNG in Qatar. These projects are also key to addressing the energy security issue in Italy and Europe. Indeed, the depth and quality of our gas portfolio with the integration of our Upstream and Midstream operations was crucial in 2022 in our success in replacing 50% of the gas we would normally import from Russia. In CCS we are advancing material new projects with Ravenna Phase 1 in Italy sanctioned in 2022 for a start-up in 2024 and Hynet based around Liverpool Bay in the UK on track for a 2025 start-up. We are maturing additional projects in the UK, North Africa and the Middle East all of which use depleted reservoirs and existing infrastructure with well-defined economics through which we aim to be storing 30 million tonnes per year of CO<sub>2</sub> by 2030 (equity Eni), both on our own behalf and for customers.

In the past year, within Energy Evolution, we have also made meaningful progress in our biorefining growth ambitions. We announced a new biorefinery under study at our Livorno site, a new biorefinery to be built in Malaysia also under study, and the acquisition of a 50% stake in a new biorefinery joint venture in Louisiana. As a result, we have raised our target to reach over 3 million tonnes of capacity by 2025 and more than 5 million tonnes by 2030.

Furthermore, after the first deliveries of sustainable bio-feedstock from our agri-hubs in 2022 we expect this supply to build to around 700 thousand tonnes by 2026. Eni biojet fuel is already in use for commercial flights from Milan and Rome and earlier this year we began to market the first biodiesel with 100% renewable raw materials. Plenitude is executing well on its pipeline of renewable projects, doubling installed capacity to over 2 Giga Watts in 2022. The pace of growth is expected to be very strong with capacity expanding to over 7 Giga Watts by 2026, to more than 15 Giga Watts by 2030 and 60 Giga Watts by 2050.

Eni's financial strength is a critical enabler in the execution of business strategy, providing flexibility across the cycle, funding our growth and transformation investments, and delivering returns to our investors. The financial model funds both capital investment and our dividend at between \$50 and \$55 per barrel. Capital allocation in our plan is aligned to our decarbonization strategy by progressively expanding the share of investments in gas projects to deliver the Upstream portfolio shift and raising investment to expand low and zero carbon activities, renewable generation, circular economy, and new energy vectors. Our capital allocated to these low and zero carbon activities is expected to total 30% of investment in 2026, 70% by 2030 and 85% by 2040. We apply a rigorous methodology in investment selection, both in terms of emission profile and CO2 costs, to ensure that each significant investment decision is compatible with emissions reduction plan and the objectives of the Paris Agreement. A sensitivity analysis on the lowest carbon scenarios, including the IEA Net Zero "NZE 2050", is also performed on assets' value in use versus book value to stress test their resilience even under these aggressive scenarios, and we can confirm that we retain comfortable headroom. Our financial strength and liquidity allow us to pursue our investment plans through the cycle and we have progressively de-levered our balance sheet meaning that we anticipate leverage of between 0.1 and 0.2 through our 2023-2026 plan. We have also aligned our funding needs to our decarbonization targets and in January of 2023 we issued our first sustainability-linked bond to Italian retail investors with very significant success, recording demand over 5 times larger than the €2 billion offering.

Thanks to the ambition of these targets and the rigorousness of our methodology, our pathway towards Net-Zero is recognized by Transition Pathway Initiative as in line with a 1.5°C scenario in the long term. The latest CA100+ Net Zero Benchmark has likewise cited Eni, for the third consecutive year, as one of the companies most aligned with the investor coalition requirements. Eni also maintained its A- score by CDP and was ranked first among Integrated Energy Companies by Carbon Tracker in its 2022 Absolute Impact Research report.

In conclusion, even amid the extreme volatility, we have been successful in meeting the challenge of the Energy Trilemma, continuing to supply affordable and reliable energy to our customers and progressing on our de-carbonization pathway towards Net Zero Scope 1-2-3 emissions by 2050.

With the backdrop of persistent and significant energy market uncertainty, our decarbonization strategy is informed by continuous engagement and in-depth dialogue with our stakeholders, including CA100+ shareholders, government, civil society and customers. In this volatile context, we believe that this is the most appropriate and effective approach to gather feedback as we continue to monitor the development of the scenario.

*Lucia Calvosa*

*Claudio Descalzi*

*21 April 2023*