

Meeting and activities of the Control and Risk Committee in 2022

The composition, appointment and operational procedures, duties, powers, and resources of the Committee are governed by its Rules, which was updated following Eni's adoption as from 2021 of the Corporate Governance Code 2020.

In 2022 the Committee met 17 times with an average participation rate of 99%. The average duration of the meetings held in 2022 was 4 hours and 53 minutes.

During the year, documentation relating to the items on the agenda was made available to the members of the Committee in almost all cases within the terms and in the manner provided for by the Committee Rules. In some limited cases it was not possible to comply with these time limits, for reasons mainly related to the need to ensure that the documentation submitted to the review of the Control and Risk Committee was as updated as possible (also taking into account the large advance with which the Committee meets with respect to the Board). In any case, the Chair of the Committee always ensured that adequate information was provided during the meeting, ensuring in particular that detailed illustrations of the topics were provided by the representatives of the competent company functions and stimulating discussion on the same topics, so that the members of the Committee could act in an informed and aware manner.

The following provides a summary of the main issues tackled during 2022.

1) In assisting the Board, in order to oversee the activities of the Internal Audit function, monitor its independence and ensure that its activities are performed with the required independence conditions and level of objectivity, competence and professional diligence, in accordance with the Eni Code of Ethics and international standards, as well as within the terms provided by the guidelines on Internal Audit (Internal Audit Charter), the Committee:

- in line with 2021, continued the review of several methodological issues in the Internal Audit activity and innovative initiatives launched by the Internal Audit function, in particular, by analysing the outcomes of the new types of audits carried out, in the context of the 2022 Audit Plan, with an "end-to-end" approach along the value chain and a "cross entity" approach, also including benchmarking and surveys within and outside the Company;
- as part of the overall review of the architecture, instruments and rules of the Eni Regulatory System (see point 8 below), studied the activities launched by Internal Audit in relation to the combined assurance project aimed at promoting synergy and optimising controls;
- examined the results of scheduled internal audits, the monitoring operations on the status of corrective actions planned by the operational units to tackle issues emerging during the audits, audits carried out in response to requests from the control and supervisory bodies, as well as the other activities conducted by the Internal Audit function (such as whistleblowing management, independent monitoring in accordance with the provisions of the Eni MSG Control system over financial reporting, supervisory activities envisaged by the 231 Models of the Italian subsidiaries and by the MSG "Compliance Models regarding Corporate Administrative Liability for the Subsidiaries of Eni");
- examined the Internal Audit Reports at December 31, 2021 and June 30, 2022 on the main results of internal audits performed and on the assessment of the suitability of the Internal Control and Risk Management System for achieving an acceptable overall risk profile, in addition to the continued compliance with independence requirements by the Internal Audit Director;
- in the meeting on December 12, 2022, examined the Integrated Audit Plan and the Eni Internal Audit Budget for 2023, expressing its favourable opinion to the Board.

2) In performing its duties with respect to the internal control system as applied to the financial reporting model, during periodic meetings with the "Financial Reporting Officer" (the "FRO") and the Company's administrative structures, and the audit firm in attendance, the Committee examined, among other things:

- the reports of the FRO on: (i) Eni's administrative and accounting structure at December 31, 2021 and June 30, 2022; (ii) the internal control system as applied to financial reporting at December 31, 2021 and June 30, 2022.

On such basis, it expressed its favourable opinion to the Board on the appropriateness of the powers and resources assigned to the FRO and on the actual compliance with administrative and accounting procedures for the purposes of the Board's supervisory function;

- the disclosure by the audit firm on the progress of the auditing of the internal control system on financial reporting;
- the key aspects of the individual and consolidated financial statements at December 31, 2021 of Eni as well as the contents of the Eni's 2021 Consolidated Disclosure of Non-Financial Information, included in the Management Report, for the purposes of the provisions of Recommendation 35, letter b), in coordination with the Sustainability and Scenarios Committee, and letter c). Before the topic was submitted to the Board of Directors, it examined impairment test methodology and findings as well as the major issues related to the application of the accounting principles in preparation for the drafting of the 2021 Annual Report;
- the main aspects of the 2021 Annual Report on Form 20-F;
- the main contents of the Report of the Board of Statutory Auditors on the results of the audit of the 2021 Annual Financial Report and on the contents of the Auditor's Additional Report;
- the "Consolidated Report on Payments to Governments" for 2021 by Eni SpA, its consolidated subsidiaries and companies consolidated proportionately (EU Accounting Directive 2013);
- the 2021 Management Letter of the independent auditors, issuing its favourable assessment for the purposes of the subsequent Board Review;
- the essential features of Eni's consolidated half-year financial report at June 30, 2022, following the examination of the main issues connected with the application of accounting standards;
- the Annual Report on the Tax Strategy 2021 and the "Country by Country report" for 2021.

It also examined the issues associated with the EU Taxonomy and the impacts of regulatory changes in relation to non-financial reporting.

Lastly, it was informed in relation to management's assessments of the accounting considerations associated with: i) the operational aspects of the groundwater treatment plants of Eni Rewind; ii) the business combination Azure Energy.

3) In supporting the Board of Directors in conducting the assessments and making decisions concerning risk management, including with regard to potentially prejudicial situations, the Committee conducted an in-depth analysis of specific situations at the request of the Board; in this context, it has, among other things, it reviewed in the context of its periodic meetings with the Legal Affairs function, the main legal issues and received updated information on developments in the major pending legal proceedings, particularly as concerns the possible accounting repercussions, for the purpose of performing its duties as they pertain to the process of preparing the annual and half-year financial reports.

4) In light of the application method adopted by Eni in relation to Recommendation 33, letter a) of the 2020 Corporate Governance Code, it expressed a positive assessment of the approval by the Board of Directors of the specific 2022 annual guidelines for the ICRMS based on the Strategic Plan, approved in March 2022, and was informed about the monitoring of their implementation.

5) During several meetings with the Integrated Compliance function, the Committee examined: i) the Annual Integrated Compliance Report and the semiannual update of said Report aimed at providing an integrated view of the status of Eni's compliance activities; ii) the annual report on Anti-Corruption and its semiannual update, considering in particular the training and support provided to Eni units and subsidiaries in the areas for which it is responsible. The Committee also expressed its positive assessment in support of the Board of Directors in relation to the professionalism and resources of the Integrated Compliance function.

The Committee also met with the Eni 231 Supervisory Body to illustrate the half-year report on the activity carried out (II Half of 2021 and I Half of 2022).

6) With reference to “Transactions involving the Interests of the Directors and Statutory Auditors and Transactions with Related Parties”, for the purposes of the subsequent assessment by the Board of Directors, the Committee expressed a favourable opinion on the guidance of the Corporate Affairs and Governance function not to make changes to the regulations in question.

During the year, the Committee examined a number of transactions of lower importance on which it expressed a favourable opinion on the interest of the Company in the transactions and the appropriateness of the associated terms and conditions.

7) The Committee thoroughly examined specific internal control and risk management issues, including during special meetings with members of Eni’s top management, also from the perspective of updating its analysis of the corporate risks in light of the particular geopolitical context resulting from the conflict in Ukraine. In this context, the Committee:

- met on several occasions with the Integrated Risk Management function for periodic reporting by the latter, focusing among other things on the evolution of the assessments of Eni’s main risks and the related treatment actions and providing for more frequent examinations of certain specific risks (i.e. sanctions, energy supplies, cyber security, commercial credit exposure, etc.); the Committee also expressed its positive assessment in support of the Board of Directors in relation to the professionalism and resources of the Integrated Risk Management function;
- met with the Finance unit to examine the periodic reports on the management and control of financial risks, receiving information on their trends with respect to the defined limits. In this context, given the ongoing tensions on the energy commodity markets, it received periodic updates on the monitoring of the margin and financial risks associated with the hedging strategies;
- with reference to the top risk climate change, it continued the analyses launched in the two previous years, meeting with the various competent corporate functions in several sessions, regarding in particular: i) the discussion of the managerial leverage of Eni’s decarbonisation strategy and associated risks; ii) the assessment of the physical risk related to climate change understood as the risk of potential future changes of natural (acute and chronic) events expected in the medium/long term, which could impact the operating conditions and asset security, and iii) several emerging issues associated with climate risk, especially the management of the water resource in areas under water stress; furthermore, including in conjunction with the company’s energy transition path, it carried out specific analyses related to “permitting” risk;
- following on from the analyses developed in the two previous years, it continued its meetings with company management on issues related to i) security, in relation to the security risk management model adopted by Eni (especially abroad), and the monitoring of risk scenarios, and ii) Eni’s cyber security, in particular relation to Eni’s management model for cyber security, emergencies and cyber security crises;
- met with the HSEQ structures for the 2021 Eni HSE Review and studied in depth, also in dedicated meetings, the development of innovative projects in the HSE field with a view to the evolution of safety in Eni, taking into account both the evolution of digital solutions and the weight of the “human factor” in the dynamics of incidents;
- examined the extract from the report on Eni’s organisational structure with a focus on the Eni regulatory system and the internal control and risk management system;
- with reference to Asset Integrity, it continued the analyses launched in the two previous years, pursuing a “holistic approach” ensured by the involvement of the competent corporate structures as well as the contribution made by Internal Audit; in this context, the activities and initiatives developed to mitigate technical, technological and environmental risk on new and existing assets were examined in more depth;
- also in conjunction with several accounting issues, it continued analyses of topics related to reclamation management and the evolution of the related authorisation procedures;
- through periodic meetings with the CFO structures, it was informed about the evolution of credit exposure in certain countries where Eni operates, in particular Nigeria and Venezuela;

- with particular reference to the risks associated with the procurement process, it developed specific analyses while being kept informed about the innovative initiatives developed to further strengthen the internal control system in relation to Procurement; it also examined the issue of managing protocols/territorial agreements adopted by Eni in Italy;
- examined the reports on: i) the disciplinary actions adopted following unlawful conduct by employees and ii) measures taken in relation to suppliers, following whistleblowing files/audits.

8) With reference to the company Regulatory System, the Committee:

- examined the new MSG “Compliance Models on Corporate Liability for Eni Subsidiaries” prepared with the objective of integrating and streamlining the regulatory framework, governed by two distinct MSGs dedicated to Italian subsidiaries and to foreign subsidiaries, expressing a favourable opinion prior to the examination of the Board of Directors;
- expressed a favourable opinion to the Board of Directors in relation to the proposed amendments to: i) the MSG “Antitrust”; ii) the MSG “Corporate Governance for Eni companies”;
- was also informed about the initiatives launched for the evolution of Eni’s Regulatory System with the aim of equipping the company with a more flexible, usable and streamlined management system in line with the operating and governance requirements of the new business model, alongside an effective tool to support management when identifying and managing risks and the related measures.