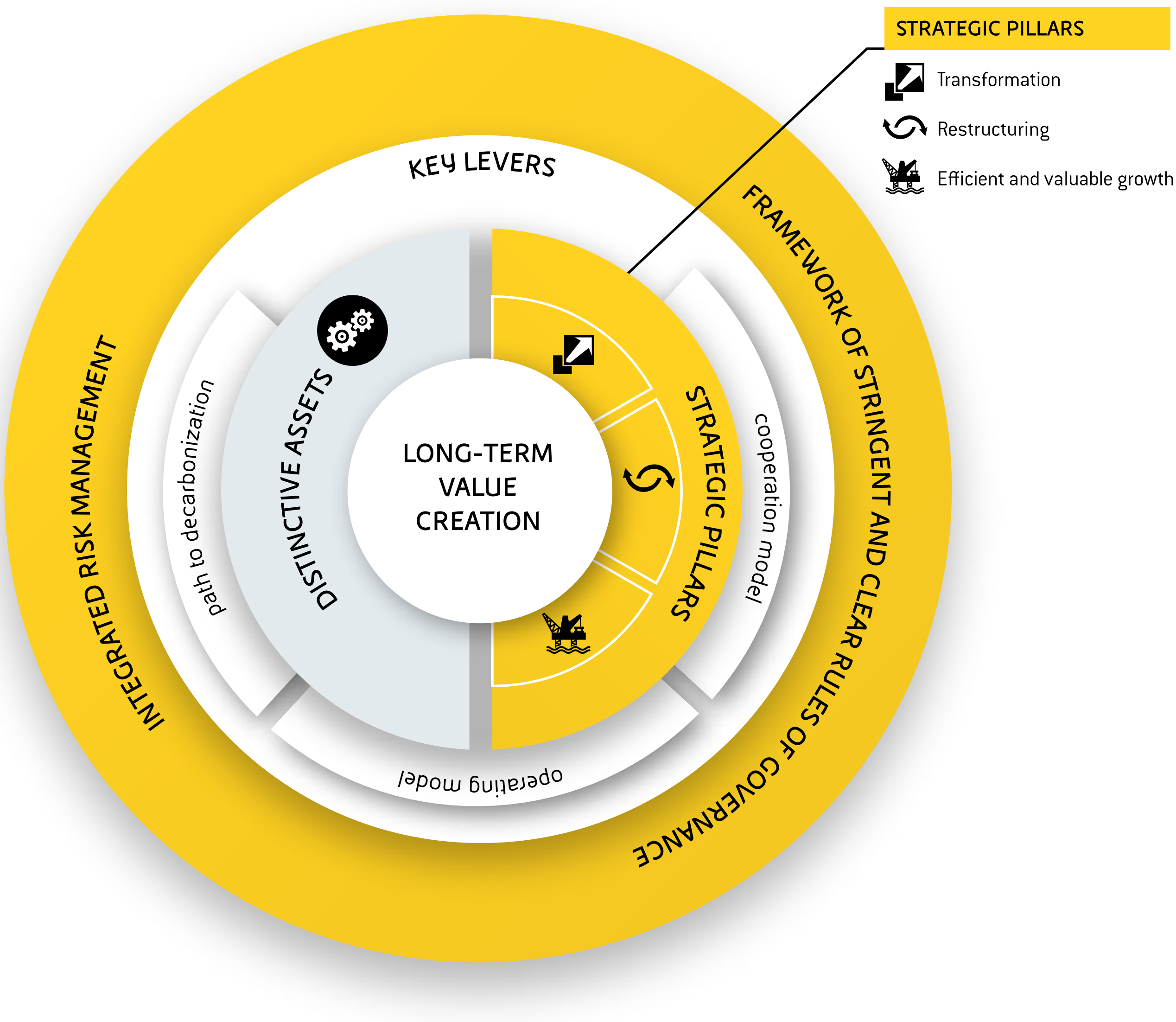
Business model

Eni's business model targets long-term value creation by delivering on profitability and growth, efficiency, operational excellence and handling operational risks of its businesses.
Eni identifies as main challenge of the energy industry the balance between the maximization of the access to energy and the fight against the climate change, which necessarily involves a change in the energy mix, through the reduction of carbon footprint.
The answer of Eni to this challenge is the integrated strategy that combines financial strength with social and environmental sustainability, articulated on the following critical success factors: i) the cooperation and development model relating to the Countries in which Eni operates. Eni's commitment is addressed to the energy production for domestic market, the diffusion of the access to energy and diversification of the energy mix; ii) the operating model able to minimize risks and the social and environmental impacts of the activities; iii) a clear and defined strategy of decarbonization.

The environmental conservation and relationships with local communities, the fight against the climate change, the preservation of health and safety of people working in Eni and with Eni, the respect of human rights, ethics and transparency represent the fundamental values which address the use of Eni's distinctive assets.
In the following page, the table provides details about our distinctive assets, analyzed on the basis of financial, operational, environmental, technological, human, social and relational dimensions, in order to identify the related quantitative parameters (KPIs). These KPIs allow a continuous monitoring of the target achievement and the identification of the intervention areas by pursuing the strategic guidelines that allow, in an increasingly complex scenario, to optimize and anticipate the value creation.
The benefits for the company and stakeholders are highlighted as result of the use of our assets and their related connections.



Dimension	Distinctive assets for value creation	Main KPIs	Value creation for Eni	Value creation for Eni's stakeholders
ECONOMIC AND FINANCIAL	- Financial structure - Liquidity reserves	- Cash flow from operations - Leverage - Dividend per share - Dividend yield - Opex per boe (E&P) - Adjusted operating profit - Net profit - F&D cost (3 year average) (E&P) - Capital expenditure - Future net cash flows	- Going concern - Lower cost of capital - Leverage optimization - M&A opportunities - Mitigation of market volatility - Credit rating	- Yields - Share price appreciation - Social and economic growth - Satellite activities
OPERATING PERFORMANCE	- Hydrocarbon reserves (oil and gas) - Efficiency in exploration - Reduced time to market - Developed and productive assets - Retail G&P portfolio - Refineries and bio-refineries - Chemical plants - Green plants - Integrated risk management	- Discovered resources on yearly basis and cumulated - Unit Exploration cost per boe (E&P) - Organic RRR - Break-even of new upstream projects - Time to market - Break-even SERM - Total biofuels production - Installed renewable energy power (MWp)	- Profitability - Growth in hydrocarbon reserves - Enlarging asset portfolio - Increase assets value - Reduction of operational risk - Reputation - Energy and operational efficiency	- Availability of energy sources and green products - Energy for local market - Satellite activities - Reduction of emissions and responsible use of resources - Employment
ENVIRONMENTAL AND CLIMATE	- Hydrocarbon reserves (oil and gas) - Air - Water - Biodiversity and ecosystems - Soil	- Reserves by type - Direct GHG emissions (tons CO_2eq) - Gas flaring - Upstream GHG emission index - Investments in energy efficiency - Avoided emissions due to renewable energy - Oil spill from operations - Water withdrawal	- Growth in hydrocarbon reserves - Opex reduction - Higher energy efficiency - Operating risks mitigation - Reputation - License to operate - Stable relationship with stakeholders	- Reduction of GHG emissions - Reduction of gas flared - Reduction of oil spill - Mitigation of blow-out risk - Biodiversity preservation - Green products - Containment of water consumption - Energy efficiency
INNOVATION AND RESEARCH	- Technologies and intellectual properties - Corporate internal procedures - Corporate governance system - Control and management system - Knowledge management - ICT (Green Data Center)	- Investments in R&D by type (of which: new energy) - Number of R&D partnership - Tangible value generated by R&D activity - Number of patents in renewable energies	- Competitive advantage - Risk mitigation - Transparency - Productivity - License to operate - Stakeholders' Acceptability - Increase of energy and operational efficiency	- Reduction of environmental and social impacts - Transfer of best available technologies and know-how to host Countries - Contribution to fight against corruption in host Countries - Green products
PEOPLE AND SAFETY	- Health and safety of people - Know-how and skills - Experience - Engagement - Diversity (gender, seniority, geographical) - Eni's thinking - Asset integrity	- Number of total employees by gender and type - Local employees by category - TRIR (Employees and Contractors) - Investments and spending in asset integrity - Frequency of incidents by sectors (including blow-out)	- Productivity - Efficiency - Competitiveness - Innovation - Risk mitigation - Reputation - Talent attraction - Job enhancement - Career advance	- Create employment and preserve jobs - Wellness of Eni's people and local communities - Increase and transfer of know-how
SOCIAL, HUMAN RIGHTS AND TRANSPARENCY	- Relationship with stakeholders (institutions, governments, communities, associations, customers, suppliers, industrial partners, NGOs, universities, labor unions) - Eni brand	- % procurement on the local market by Country - Community investments - N. of people trained/training hours on human rights - Total payments to Governments	- Operational & Social license - Reduction in time to market - Reduction in Country risk - Market share - Alignment to international best practices - Reputation - Competitive advantage - Customers retention - Suppliers reliability	- Local socio-economic development - Customers and suppliers satisfaction - Share of expertise with territories and communities - Satisfaction and incentive of people - Promoting respect for workers' rights - Contribution to fight against corruption in host Countries