

Eni for 2020

A just transition



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.

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.

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.



Disclaimer

Eni for 2020 is a document published on a yearly basis which contains certain forward-looking statements related to the different topics covered therein. Forward-looking statements are based on Eni management's reasonable assumptions and belief in light of the information available to them at the time the statements are made. Nevertheless, by their nature, forward-looking statements involve a component of uncertainty as they relate to events and depend on circumstances that may or may not occur in the future and which are, in whole or in part, out of Eni's control. Actual results, also with reference to the targets and objectives identified in the strategic planning or those of Corporate Governance, may differ from those expressed in such statements, depending on a variety of factors, including without limitation: the impact of the pandemic disease (COVID-19); the fluctuation of the demand, the offer and the pricing of oil and natural gas and other oil products; the actual operational performances; the general macroeconomic conditions; geopolitical factors and changes in the economic and regulatory framework in many of the Countries in which Eni operates; the achievements reached in the development and use of new technologies; changes in the stakeholders' expectations and other changes to the business conditions. The readers of the document are therefore invited to take into account a possible discrepancy between the estimates reported and the results that may be achieved as a consequence of the occurrence of the above. Eni for 2020 also contains terms such as, for instance, "partnership" or "public/private partnership" used for convenience only, without a technical-legal implication. "Eni" means the parent company Eni SpA and its consolidated subsidiaries.

On the cover: The Onshore Receiving Facility (ORF) plant in Sanzule, Ghana, where the gas is compressed and subsequently distributed to the national network.

Some photos contained in this report were taken by Eni colleagues who participated in an internal Photo Contest organized to help Eni to describe its sustainability path.

Contents

Why read Eni for 2020?

In this document, Eni wants to describe its contribution to a just transition, an energy transition that allows to give access to energy for all and to protect the environment, while being socially fair. Eni for 2020 recounts Eni's path to meet these challenges, which are now even harder following the health emergency that began in 2020.

Eni for explores Eni's business model and in particular Operational Excellence, i.e. the enabling factors for achieving strategic objectives, as well as the importance of the Alliances for Development for creating value in the Countries where Eni operates.

Eni for also includes two annexes, one detailing the path towards "Carbon Neutrality by 2050" and one dedicated to the Sustainability performance over the last 5 years, with related comments.

Compared to the Consolidated Disclosure of Non-Financial Information (pursuant to Leg. Decree 254/2016) published within the Annual Report to provide an integrated view of financial and non-financial information, Eni for is a voluntary sustainability report aimed at further exploring non-financial issues by presenting concrete cases and testimonials of people with whom Eni shares its journey.

For more information:
Annual Report 2020

External links

Bookmarks

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Annexes

Eni for 2020 - Carbon neutrality by 2050

Eni for 2020 - Sustainability performance (including the Reference table with the standards/guidelines)

Message to our Stakeholders

During a year that we will not easily forget, the global pandemic has revealed the vulnerability of global development models to the intense and rapid social, environmental and especially health turbulence that was difficult to predict.

The current economic and health crisis has heightened awareness of the strong interdependence between economic growth and the health of the natural and social environment, and also of the essential need to combine activities and economic development with the careful management of natural resources and the generation of social value.

Last February, at the presentation of the Long-Term Strategic Plan, we defined strategies and operational objectives for 2030, 2040 and 2050, confirming our tangible commitment to setting our energy transition strategy on the evolution of our business model, strongly focused on long-term value creation. Such an evolution combines the objectives of continuous development of the energy market with a significant reduction of the portfolio's carbon footprint, through the integration, diversification and expansion of retail and renewable businesses, bio products and the circular economy, as well as the contribution of gas, which in the long term will represent over 90% of our upstream sector.

As we consolidate our role as a global player in the world and in competitive and dynamic energy markets, one of the fundamental objectives of our strategy is to achieve total decarbonisation of all our products and processes by 2050: an ambitious goal that we intend to achieve by leveraging the quality of our assets, technologies and skills and with a technologically feasible plan supported by criteria and careful performance audits of economic, energy and environmental sustainability.

The total decarbonisation of Eni's products and operations will be achieved through existing activities and technologies, which will enable the accelerated doubling of biorefinery capacity, increased production and use of biogas and hydrogen, increase of renewable capacity to 60 GW in 2050, as well as the expansion of CO₂ capture, storage and reuse systems and the development of forest management plans in large tropical compartments, as provided for in the UN REDD+ scheme.

As part of our decarbonisation strategy, we have launched innovative systems that can access clean, safe and basically inexhaustible energy sources such as the transformation of wave energy into electricity and – still in the experimental stage – the magnetic confinement fusion of two hydrogen nuclei, which generates huge amounts of energy without the unfavourable emission of undesirable greenhouse gases.

In the IT field, we have focused and will continue to focus on energy savings based on efficiency and digitalisation in operations and customer services, and on the use of energy-efficient supercomputers with which we also study new energies. In particular, our HPC5 is one of the most powerful and sustainable computing systems in the world, and it has recently been used in the research service for the comparative evaluation of solutions against COVID-19.

Our strategies are in line with the Paris Agreement, which has been ratified by more than 190 Countries, and are based on the 17 Sustainable Development Goals of the United Nations 2030 Agenda. They represent common sustainable development goals for today's complex social challenges and, in energy issues, guide us towards achieving the fair and inclusive energy transition that preserves the environment and ensures universal access to energy sources.

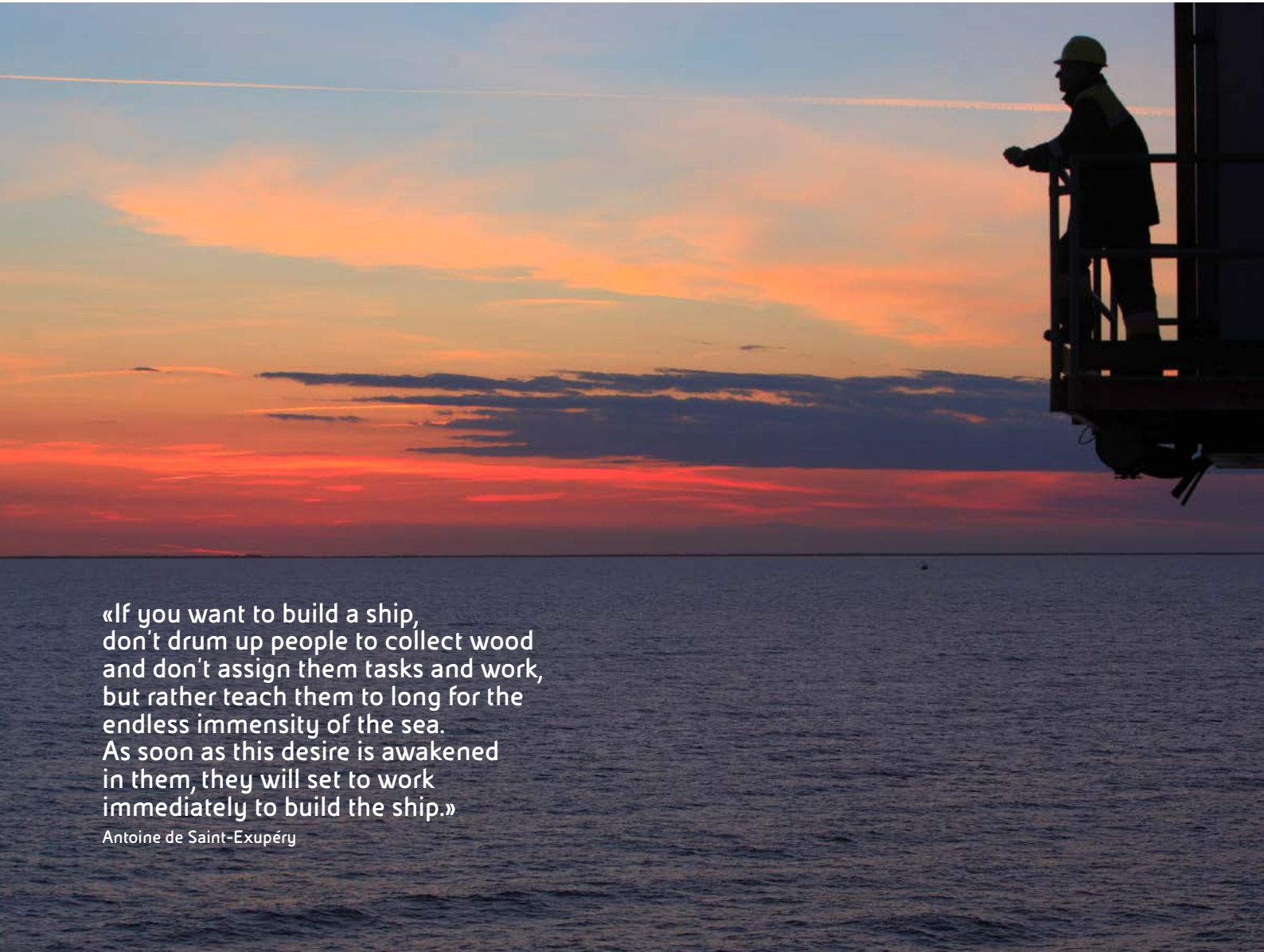
Our transformation journey is underpinned by rigorous financial discipline, which has resulted in consistent endorsements over time that have been measured by prestigious indicators such as the ESG Responsible Investment criteria, which are used in business to measure environmental, social and governance performance.

The challenges outlined by the 2030 Agenda, the Guiding Principles on Business and Human Rights (UNGPs) and the 10 principles of the Global Compact call for action in a systemic perspective in which all stakeholders are required to play an active role in a mutually complementary manner, ranging from the private sector, institutions, governments, civil society, through the individual behaviour of each of us. Pursuing this vision, we have strengthened our partnerships with international development cooperation agencies and organizations, which constitute an effective tool to mobilize resources that are not exclusively economic and to support the growth of our host Countries.

In order to create long-term value for our stakeholders, we cannot disregard the development of the Countries in which we operate, working in synergy with all the stakeholders in the territories. In addition, in recent years we have established an extensive network of partnerships with more than 70 universities and institutes around the world to catalyse those ideas, skills and innovations that can successfully propel us towards a more sustainable and human-friendly future.

Each of us is called upon to play an active part in the transition process, to build a more sustainable future for tomorrow's generations. Businesses are organisations of economic, financial and technical resources, but also and above all of human resources. Values such as respect for human rights, transparency, entrepreneurial spirit, a drive for innovation and the courage to go against the grain have characterised our company and are still the basis for our growth as a business. Our company is making a crossing, exposing ourselves to waves that we are now able to navigate safely. In this journey ahead, we are all called to act responsibly. Each of us plays an important role and must be at the service of others, working with and for others, creating a virtuous circle that unites all stakeholders and therefore achieves the just energy transition that we desire.

Claudio Descalzi
Chief Executive Officer



«If you want to build a ship,
don't drum up people to collect wood
and don't assign them tasks and work,
but rather teach them to long for the
endless immensity of the sea.
As soon as this desire is awakened
in them, they will set to work
immediately to build the ship.»

Antoine de Saint-Exupéry

Eni in the world

Eni is a global energy company present in 68 Countries with over 30,000 people, operating along the entire value chain.

The company's Mission clearly expresses the commitment of Eni to play a decisive role in the just transition for a low-carbon future that guarantees efficient and sustainable access to energy for all in order to contribute to the achievement of the Sustainable Development Goals (SDGs). This commitment is confirmed by the transformation path that Eni has been pursuing for some years, and which saw in 2020 an acceleration. In fact, in February 2021, was announced the commitment to achieve net zero emissions by 2050, through the full decarbonisation of products and processes.



■ COUNTRIES WITH ENI'S PRESENCE

68

Countries of presence
(2019: 66)

30,775

People
(2019: 31,321)

- EXPLORATION & PRODUCTION
- GLOBAL GAS & LNG PORTFOLIO
- REFINING & MARKETING AND CHEMICALS (VERSALIS)
- ENI GAS E LUCE, POWER (ENIPOWER) & RENEWABLES

EUROPE

ALBANIA
AUSTRIA
BELGIUM
CYPRUS
CZECH REPUBLIC
DENMARK
FRANCE
GERMANY
GREECE
GREENLAND
HUNGARY
IRELAND
ITALY
MONTENEGRO
NORWAY
POLAND
PORTUGAL
ROMANIA
SLOVAK REPUBLIC
SLOVENIA
SPAIN
SWEDEN
SWITZERLAND
THE NETHERLANDS
THE UNITED KINGDOM
TURKEY

AFRICA

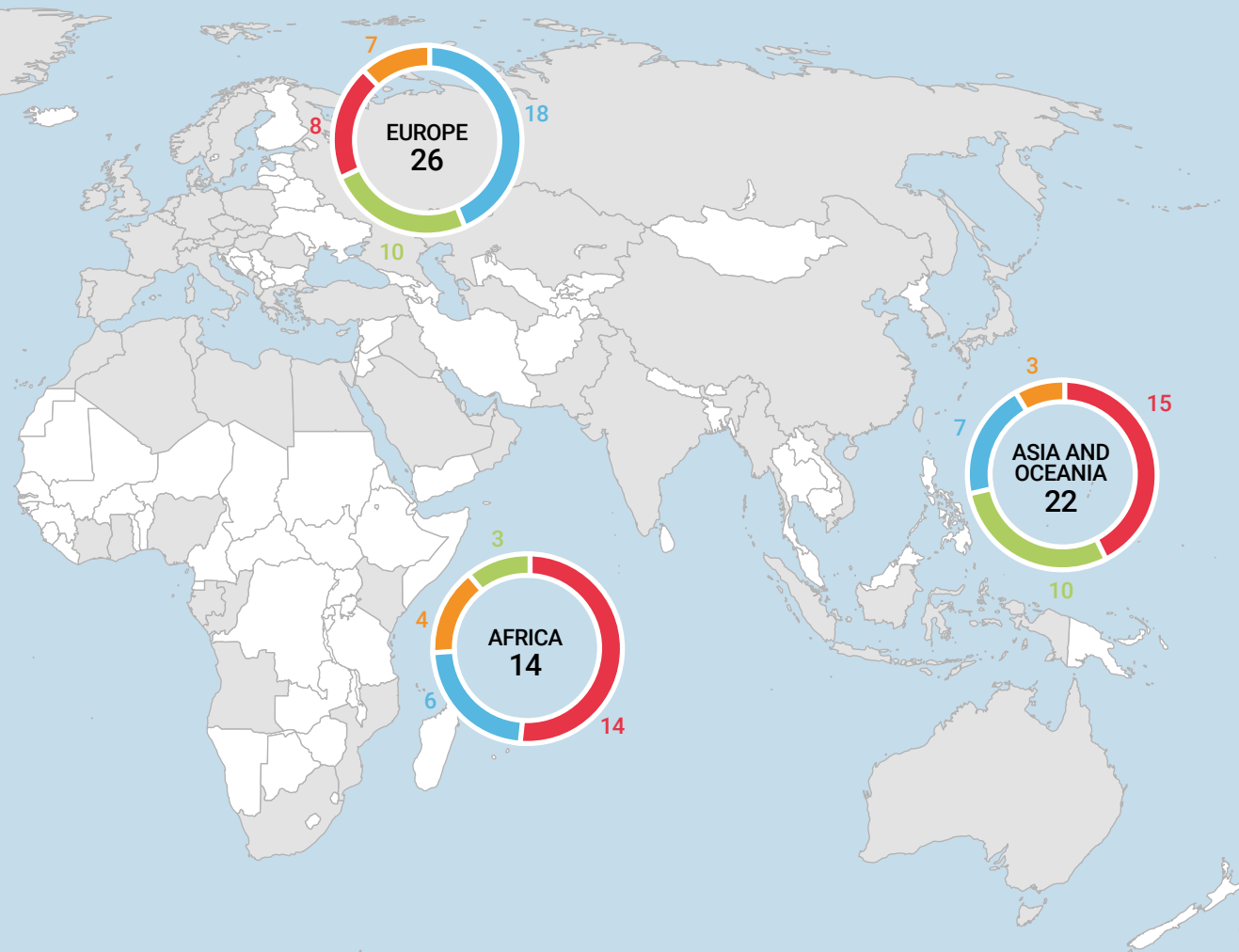
ALGERIA
ANGOLA
CONGO
EGYPT
GABON
GHANA
IVORY COAST
KENYA
LIBYA
MOROCCO
MOZAMBIQUE
NIGERIA
SOUTH AFRICA
TUNISIA

AMERICAS

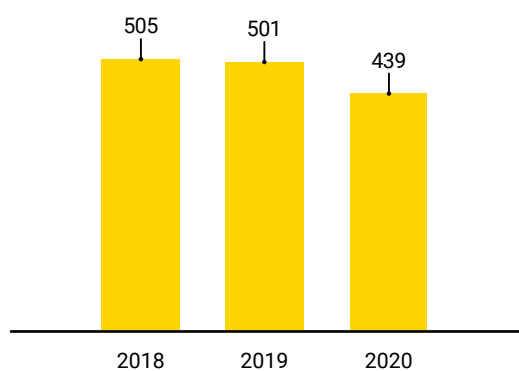
ARGENTINA
CANADA
ECUADOR
MEXICO
THE UNITED STATES
VENEZUELA

ASIA AND OCEANIA

AUSTRALIA
BAHRAIN
CHINA
INDIA
INDONESIA
IRAQ
JAPAN
KAZAKHSTAN
LEBANON
MYANMAR
OMAN
PAKISTAN
QATAR
RUSSIA
SAUDI ARABIA
SINGAPORE
SOUTH KOREA
TAIWAN
THE UNITED ARAB EMIRATES
TIMOR LESTE
TURKMENISTAN
VIETNAM



Net GHG Lifecycle Emissions (Scope 1+2+3) (million tonnes of CO₂eq.)



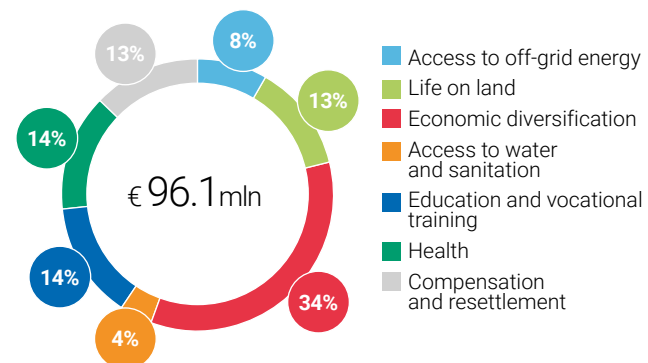
€157 million

Total expenditure on Research and Development in 2020

91%

Freshwater reused in 2020

Investments in local development in 2020



0.36

Total Recordable Injury Rate (TRIR) of the workforce in 2020

57 billion Sm³

Gas sold to domestic markets in 16 Countries in 2020

Eni activities: the value chain

"Our Strategic Plan 2021-2024 is another step forward in boosting our transformation. We commit to the full decarbonization of all our products and processes by 2050."

Claudio Descalzi, CEO of Eni

Eni is a global energy company that operates along the entire value chain: from exploration, development and extraction of oil and natural gas, to generation of electricity from cogeneration and renewable sources, traditional and bio refining and chemicals, to the development of circular economy processes. Eni extends its reach to end markets, selling gas, electricity and products to retail and business customers and local markets.

Both CO₂ capture and storage initiatives and forest conservation projects (REDD+ initiatives) will be implemented to absorb residual emissions.

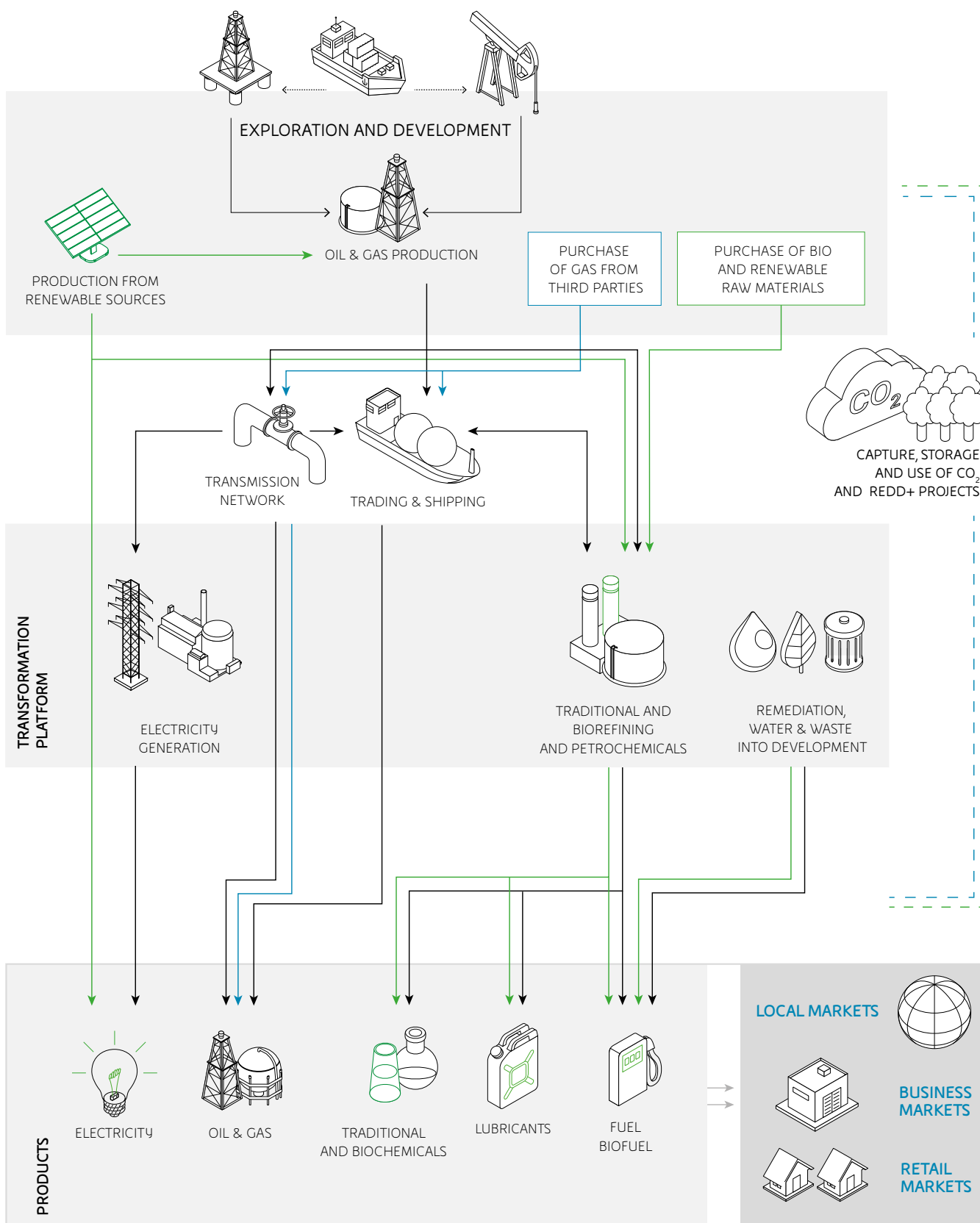
Consolidated expertise, technologies and geographical distribution of assets are Eni's levers to strengthen its presence along the value chain. Along this path, Eni has committed to becoming a leading company in the production and sale of decarbonised energy products, increasingly customer-oriented, through:

- **Bio-refineries** where production capacity is expected to grow to **5-6 million tonnes by 2050**; Eni will be **palm-oil free by 2023**, with an increasing input of raw materials from **waste and scrap that will account for around 80% of the total in 2024** compared to 20% today;
- **Circular economy** with increased use of biomethane, waste products and recycling of end products;
- **Efficiency and digitalisation** in operations and customer services;
- **Renewables** with an increase in capacity to **60 GW by 2050**, fully integrated with Eni's customers;
- **Blue and green hydrogen** to power Eni biorefineries and other highly energy-intensive industrial activities;
- **Natural or artificial carbon capture** to absorb residual emissions through **REDD+ forest conservation initiatives** and **CCS** projects.

Gas, which in the long term **will account for more than 90% of Eni's production**, will be an important support for intermittent sources in the energy transition.

The Gela biorefinery plant, operating since 2019





Towards a Just Transition: scenario and global challenges

Eni intends to play
a defining role in
the path towards a just
energy transition

9.2 billion

People in 2040

+19%

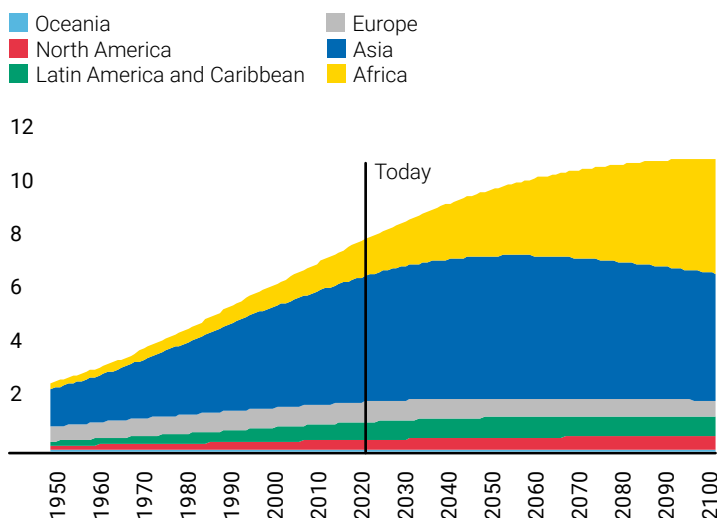
Energy demand in 2040 vs.
2019 according to IEA STEPS
scenario

Over the last three decades, energy demand has grown at high rates and there has been a change in the composition of the energy mix, marked initially by an increasing contribution from fossil fuels, and later by a major increase in gas and renewables. In recent years, growth in energy demand has been mainly driven by developing Countries, while OECD Countries have experienced substantially stable/slightly decreasing consumption, which, in terms of mix, has seen an increase in renewables and natural gas (the only growing fossil source), to the detriment of primary energy sources. Against this changing mix, OECD Countries have seen emissions remain broadly stable, while in non-OECD Countries the increasing use of fossil fuels to meet rising energy needs has resulted in a fairly sharp rise in emissions. It is clear, therefore, that the path to energy transition is made even more challenging by the constantly evolving scenario: on one hand, demographic growth in non-OECD Countries triggers a significant increase in energy demand, on the other hand combating climate change requires a reduction of atmospheric greenhouse gas emissions.

Population growth will result in an increase of 1.5 billion people by 2040 on top of the 7.7 billion global population in 2019, with about half of this increase concentrated in Africa and 1/3 in emerging Asian economies. With respect to energy demand, the International Energy Agency (IEA) has identified two main energy paths: a scenario in line with current and planned policies (STEPS¹ - Stated Policies Scenario) and a decarbonised scenario (SDS² - Sustainable Development Scenario). In the first one, global energy demand is forecast to grow by 19% in 2040 from 2019 levels, driven mainly by non-OECD Countries (+34%), in the second one consumption is expected to contract from 2019 (-10%), mostly driven by efficiency and energy savings measures concentrated in the OECD area. In the SDS scenario, at global level, non-fossil sources (including nuclear) will account for 44% of primary energy consumption by 2040 (vs. 19% today and 27% in the STEPS scenario by 2040).

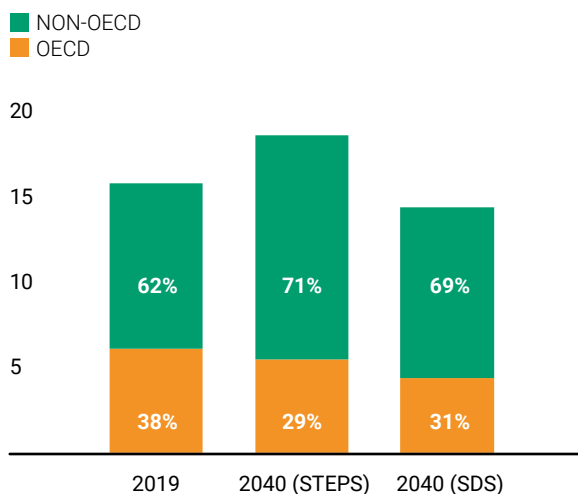
World population
(billions of people)

Source: UN, World Population Prospects, 2020 revision



Energy demand
(Gtoe)

Source: IEA (2020) World Energy Outlook.
All rights reserved.



1) This is the IEA baseline scenario and reflects all existing and announced government policies, although it does not meet the temperature limitation target as set out in the Paris Agreement.

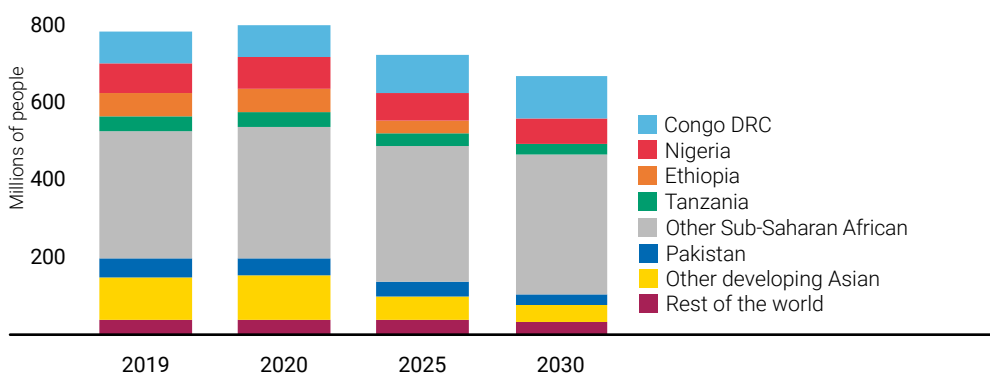
2) It is a backcasting scenario, incorporating a series of measures needed to reach net zero by 2070 and limit the global temperature increase over pre-industrial levels to 1.65 °C with 50% probability. It ensures universal access to energy by 2030, reduction of local pollution and implementation of actions to combat climate change, limiting global temperature rise in line with the Paris Agreement.

To meet the world's energy demand, it is essential that OECD Countries promote efficiency-boosting processes and limit the carbon footprint associated with consumptions, while non-OECD Countries need to ensure universal access to energy through a sustainable energy mix, while also leveraging existing local resources. The International Energy Agency estimates that there will still be 790 million people without access to electricity in 2020 and, while in the SDS scenario the target is full access to electricity by 2030, in the STEPS scenario by 2030 there will still be 660 million people without access to electricity. In 2030, 50% of the world population without access to electricity will be concentrated in 7 Countries - Democratic Republic of Congo (Congo DRC), Nigeria, Uganda, Pakistan, Tanzania, Niger and Sudan.

660 million

People still without access to electricity in 2030 according to IEA STEPS scenario

People without access to electricity

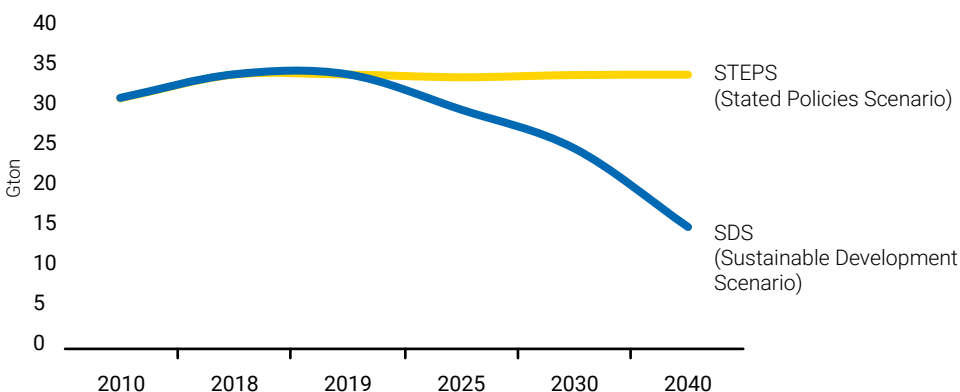


Source: IEA (2020) World Energy Outlook. All rights reserved.

Energy demand will have to be met, limiting atmospheric emissions of climate-altering gases to combat climate change. Currently, around two-thirds of global greenhouse gas emissions derive from the energy sector; of these, more than 40% are from the power sector, with coal accounting for more than 70% of the sector's emissions. According to the IEA, a trajectory compatible with the goals of the Paris Agreement requires halving the emissions of the energy sector by 2040, in order to reach by 2050 approximately 1/3 of the current value of emissions and ultimately zeroing net emissions in 2070.

For more information: Eni for 2020 - Carbon neutrality by 2050

Emissions of CO₂ (Gton)



Source: IEA (2020) World Energy Outlook. All rights reserved.

-56%

CO₂ emissions in 2040 vs. 2019 according to IEA SDS scenario

Health emergency related to COVID-19

2020 was marked by the worldwide health crisis due to COVID-19, which triggered a series of containment measures, such as shutting down productive activities and implementing mobility restrictions, with severe negative impacts on the economic environment and consequently on energy demand. The energy sector was characterised by a memorable contraction in global oil demand, which fell by around 9% over 2019 and is now expected to return to pre-COVID 19 levels in 2023 according to the International Energy Agency (STEPS scenario). However, in the case of a prolonged pandemic (DRS - Delayed Recovery Scenario), realignment to pre-COVID 19 levels will only occur in 2025. The most profound effects of the crisis will be most evident in non-OECD Countries. Increased poverty may have resulted in basic electricity services being unaffordable for more than 100 million people around the world who previously had access to them.

A Crisis Unit was set up, comprising all relevant corporate functions, to identify timely and consistent measures to be applied across businesses for managing the health emergency

Emergency management at Eni

Despite the scope and pace at which the pandemic spread throughout the world, Eni intervened promptly, also by virtue of the experience gained in the past in managing epidemics such as Sars-Cov-1 and Ebola, and thanks to the regulatory, organisational and operational tools it had 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. Since January 2020, there has been a constant flow of communication with subsidiaries, both in Italy and abroad, with the aim of monitoring the evolution of the crisis and implementing the necessary preventive measures defined by the Company's regulatory instruments in accordance with provisions enforced by national and international health authorities. Eni has therefore updated its epidemic and pandemic response plan as part of the medical emergency procedure. Eni, through its Board of Directors, has defined strategic guidelines and coordination protocol, including the establishment of a Crisis Unit formed by all the relevant corporate functions, with the mandate of identifying timely and consistent measures to be applied across the different businesses. These measures mainly focused on: (i) hygiene and prevention; (ii) management and use of Personal protective equipment (PPE); (iii) hygiene and sanitation measures in the workplace; (iv) operational control and diagnostic methods; (v) communication and information activities; (vi) reorganisation of working methods and agile work; (vii) management of suspected and confirmed cases.

Eni's initiatives to tackle health emergencies in Italy and around the world

Permanent infrastructure works	Preference for infrastructure works of a "permanent nature" capable of strengthening the response capacity of regional and national health systems in a stable and lasting manner, both in an emergency situation and in an ordinary situation. Such works are aimed not only at responding to the emergency in progress but also at being used once the emergency is over.
Provision of medical equipment	Providing medical equipment and protection devices that are not readily available (e.g. pulmonary ventilators), through the intervention of the company's procurement and logistics network, to those healthcare facilities and hospitals that are "in the front line" in terms of emergency management, in accordance with the regional policy on COVID 19 hospitals and in coordination with the Civil Protection Department and, in general, with healthcare institutions.
Support for Institutions	Supporting regional and national institutions by making Eni's know-how and procurement and logistics network available.
Health projects for communities	A preference for interventions focused on the needs of the communities where Eni operates, in line with the overall strategies for relations with local communities.

Eni's fight against the coronavirus

Eni has mobilised all available resources to meet the challenge through numerous health and social activities in support of Italian health institutions, Eni people and the communities in which Eni operates, with investments of around €35 million and initiatives around the world, with a focus on Africa.

Eni has in fact supported several hospitals in Italy, as part of the "Eni for Italy" program, dedicated to the care of coronavirus patients: key collaborations include those with the IRCCS Luigi Sacco Hospital in Milan, the Fondazione Policlinico Universitario Agostino Gemelli IRCCS, the IRCCS Policlinico San Matteo in Pavia, and the IRCCS Policlinico di San Donato for the construction and expansion of hospital facilities dedicated to coronavirus patients. Other hospitals were also supported in the regions of Veneto, Emilia Romagna, Marche, Basilicata, Apulia, Sardinia and Sicily with the supply of medical equipment to increase intensive care capacity.

Eni also financed public information campaigns on the role of General Practitioners and services for the elderly and, thanks to its employees, it collected and donated over €600,000 to the Italian Red Cross to deal with the emergency. [see p. 46](#)

In terms of technological support, Eni has made its supercomputing infrastructures and molecular modelling skills available to coronavirus research, offering the contribution of excellent tools and resources in the fight against the global emergency. It also partnered with the CNR's Institute of Complex Systems and the Italian National Institute of Health for the use of the Eni/HPC5 supercomputer for medical research related to infectious diseases.

[see p. 27](#)

Eni also launched an information campaign in collaboration with the Federazione Italiana Medici di Medicina Generale (Italian Federation of General Practitioners) to raise awareness on the importance of family doctors in the fight against coronavirus, in addition to complying with all the Ministry of Health's provisions.

Finally, alongside the 'Eni for Italy' program, initiatives have been identified in several Countries where Eni is present and able to support the diagnostic capacity of national health systems with respect to COVID-19. These initiatives, in accordance with the needs expressed by the selected Countries, comprised the donation of medical and diagnostic equipment, consumables and protective devices. [see p. 77](#)

€35 million

Allocated by Eni to actions against the coronavirus

over €600,000

Donated to the Italian Red Cross to deal with the emergency by Eni's employees



At a time of global emergency such as the present, we must mobilise all available resources with the aim of meeting the challenge before us, and we are honoured as Eni to be able to make our contribution to trying to find solutions to this challenge for humanity.



Claudio Descalzi, Chief Executive Officer of Eni

[For more information: eni.com](#)

Business model



Eni's business model is focused on creating value for all its stakeholders through a strong presence along the entire value chain

Eni organically combines its business plan with the principles of environmental and social sustainability, extending its range of action along three pillars:

- 1. operational excellence;**
- 2. carbon neutrality by 2050;**
- 3. alliances for development.**

1. First of all, 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.

2. Second, Eni's business model envisages a decarbonisation path towards carbon neutrality 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 decarbonisation 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.

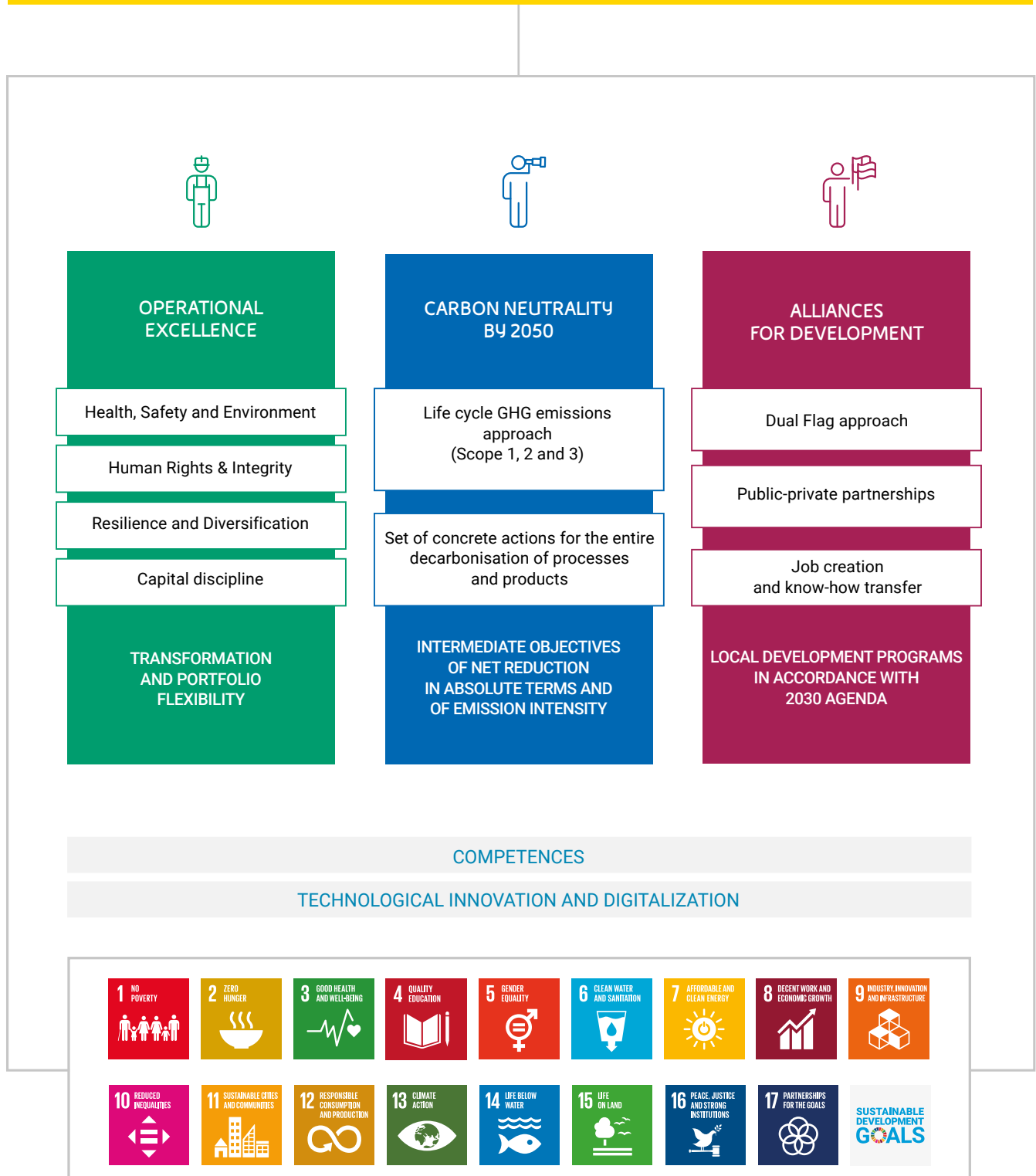
3. The third guideline refers to alliances for the promotion of development through the enhancement of the resources of the Countries where it operates, promoting access to electricity and promoting Local Development Programmes (LDPs) with a broad portfolio of initiatives in favour of communities. This 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.

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



Sustainability governance

Eni has adhered to the new Corporate Governance Code, which introduces the concept of sustainable success

Energy transition topics have been discussed in all the meetings of the Sustainability and Scenarios Committee in 2020

Board of Directors and Committees

Eni's corporate governance system, based on the principles of integrity and transparency, reflects the desire to integrate sustainability into the business model. This approach is confirmed by the adherence to the new Corporate Governance Code, applicable as of 1 January 2021, which identifies "sustainable success" as the objective that must guide the actions of the Board of Directors and that consists of creating long-term value for the benefit of shareholders, taking into account the interests of other stakeholders relevant to the company. Moreover, since 2006 Eni has considered the interest of stakeholders other than shareholders as one of the necessary references that Directors must assess when making informed decisions.

The Board of Directors (BoD) has a central role in defining, on the proposal of the Chief Executive Officer (CEO), sustainability policies and strategies, in identifying annual, four-year and long-term objectives and in monitoring results. In performing its sustainability duties, the BoD has been supported, since 2014, by the Sustainability and Scenarios Committee (SSC), which makes proposals and provides advice on scenarios and sustainability, for example in the areas of climate change and human rights. Under the new Corporate Governance Code, the Control and Risk Committee, in assisting the Board of Directors, is also responsible for assessing the suitability of periodic non-financial information for the appropriate representation of the company's business model and strategies, for the impact of its activities and the performance achieved, and for examining the content of periodic non-financial information relevant to the internal control and risk management system.

Roles and responsibilities of the Board of Directors on sustainability topics

BOARD OF DIRECTORS			
Defines: <ul style="list-style-type: none">the Corporate Governance system;the fundamental lines of the organisational, administrative and accounting set-up and the guidelines of the internal control and risk management system;the strategic lines and the objectives, including sustainability objectives, at the CEO's proposal.		It reviews or approves: <ul style="list-style-type: none">the basic outlines of the internal regulatory system and the main corporate regulatory instruments;the main risks, including socio-environmental ones;the Policy for the Remuneration of Directors and managers with strategic responsibilities;financial and non-financial reporting.	
CHIEF EXECUTIVE OFFICER		CHAIRMAN	
<ul style="list-style-type: none">The main responsible for the management of the Company, without prejudice to the tasks reserved to the Board;Implements the resolutions of the BoD, informs and submits proposals to the BoD and to the Committees.		<ul style="list-style-type: none">Central role in the internal control and risk management system;Steers the BoD's activities and ensures that Directors are trained on sustainability matters.	
COMMITTEES			
SUSTAINABILITY AND SCENARIOS COMMITTEE	CONTROL AND RISK COMMITTEE	REMUNERATION COMMITTEE	NOMINATION COMMITTEE
It provides proposals and advice to the BoD on scenarios and sustainability and delves further into the integration between strategy, evolutionary scenarios and business sustainability in medium-long term.	It supports the Board in evaluations and decisions relating to the internal control and risk management system, and in particular in the quarterly review of the main risks, including ESG risks, and the approval of periodic financial and non-financial reports.	It makes proposals and provides advice to the Board of Directors on remuneration topics, and in this context proposes annual and long-term incentive systems, defining their objectives, also supporting the guidelines adopted on sustainability issues.	It supports the BoD in the appointments, in the periodic assessments of the directors' requirements and in the self-assessment process, formulating opinions to the BoD on the composition of the BoD and of its Committees also with respect to required competencies.

Sustainability topics addressed by the Board of Directors and/or by the Sustainability and Scenarios Committee in 2020

Strategy and energy transition	Energy, climate and technology scenarios and climate change risks Four-year and long-term plan (including sustainability targets) Performance and prospects of the renewable energy sector Sustainable finance instruments Updates on: Forestry, magnetic fusion, R&D, sustainable mobility, 2019 CDP (Climate and Water) Climate Resolutions and reference Peer Review Disclosure Updates on climate change advocacy and Eni's responsible engagement on climate policies within business associations
Human rights and social topics	Update on Eni's activities in the areas of human rights, diversity and inclusion Approval of the Statement in accordance with the UK "Modern Slavery Act" Investment plan for local development and non-profit budget
Reports and monitoring	Approval of Eni for and of the Disclosure of Non-Financial Information, included in the Annual Report Insight into HSE results Summary of results in key ESG indices and ratings
Other topics	Analysis of COVID emergency management and its impacts Expansion of the anti-corruption compliance programme New Code of Ethics

Remuneration linked to sustainability targets

The commitment to energy transition is reflected in the Variable Incentive Plans for the CEO and company management. The 2020-2022 Long-Term Equity Incentive Plan supports the implementation of the strategy through parameters related to the objectives of decarbonisation, energy transition and circular economy, with an overall weight of 35% for both the CEO and all Eni's management recipients of the Plan; the 2021 Short-Term Incentive Plan with deferral (IBT) includes, as in previous years, a target on reducing the intensity of GHG emissions, now extended to indirect emissions (so-called Scope 2) and non-operated activities (weight 12.5%), and a target on personnel safety (weight 12.5%) measured through the Severity Incident Rate (SIR) index, which aims to focus Eni's commitment on reducing the most serious incidents, as it calculates the frequency of total incidents that can be recorded with respect to the number of hours worked, attributing progressively increasing weights as the level of incidents severity increases. From this year, within the operating results, the incremental installed capacity of renewable sources (weight 12.5%) replaces the indicator of exploratory resources, to support the energy transition. As a result, the overall weight of sustainability objectives is 37.5% for the CEO, while weights for company management depend on responsibilities assigned as well as to specific objectives based on the role (e.g. linked to environmental issues, human rights, or local development projects).

37.5%

CEO sustainability objectives for Short-Term Incentive Plan

35%

CEO sustainability objectives for Long-Term Incentive Plan

Management role at local and central level












To ensure that sustainability topics are properly managed from top management down to all subsidiaries, Eni has established a sustainability structure since 2006. This unit coordinates and supervises activities related to the main sustainability topics, in cooperation with central and local staff and business functions. As of 2019, climate strategy topics, part of long-term planning, are managed by the CFO area through dedicated structures with the aim of overseeing the process of defining Eni's climate strategy and related portfolio of initiatives, in line with international climate agreements. At the local branches, managing directors, who are responsible for defining the Country development plans according to local needs, are supported by both local sustainability reference personnel and the central sustainability function.

Eni's mission and Sustainable Development Goals (SDGs)

Eni's Mission highlights the company's commitment to a just transition

Eni's mission – approved by the BoD in September 2019 – shows the path that the Company is undertaking to address the main challenge of the energy sector: ensuring access to efficient and sustainable energy for all while reducing greenhouse gas emissions, in order to counter climate change in line with the objectives of the Paris Agreement. The mission, which is inspired by the 17 SDGs to the achievement of which Eni intends to contribute by seizing new business opportunities, confirms the commitment of Eni to a just energy transition. This commitment is affirmed by Eni's new strategy, which has accelerated the transformation process with the goal of achieving total decarbonisation of all products and processes by 2050, by the new organisational structure of the company and by the new sustainable finance strategy. For a closer look at all Eni's objectives, see the relevant chapters.

COMMITMENTS

 CARBON NEUTRALITY BY 2050	FIGHTING CLIMATE CHANGE  Targets, p. 30 Eni has defined a medium-long term plan to take full advantage of the opportunities offered by the energy transition and progressively reduce the carbon footprint of its activities, committing to achieving total decarbonisation of all products and processes by 2050
 OPERATIONAL EXCELLENCE	PEOPLE  Targets, p. 36 Eni is committed to supporting the just transition process by consolidating and developing skills, enhancing every psychophysical dimension of its people and recognising diversity as a resource
	HEALTH  Targets, p. 44 Eni considers 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
	SAFETY  Targets, p. 48 Eni considers workplace safety an essential value to be shared among local employees, contractors and stakeholders and it is committed to reduce incidents down to zero and safeguarding the integrity of assets
	ENVIRONMENT  Targets, p. 54 Eni promotes the efficient management of natural resources and the safeguard of protected areas relevant to biodiversity, through actions aimed at improving energy efficiency and transitioning to a circular economy, and by identifying potential impacts and mitigation actions. Eni is also committed not to carry out hydrocarbon exploration and development activities in UNESCO World Heritage Sites
	HUMAN RIGHTS  Targets, p. 60 Eni is committed to respecting human rights in its activities and to promoting their respect with partners and stakeholders
 ALLIANCES FOR DEVELOPMENT	COOPERATION MODEL  Targets, p. 74 The cooperation model integrated into the business model is a distinctive feature of Eni, which aims to support Countries in achieving their development goals
	TECHNOLOGICAL INNOVATION  Targets, p. 25 For Eni, research, development and rapid implementation of new technologies are an important strategic lever to drive business transformation
CROSS-CUTTING TOPICS	

Eni and sustainable finance

In 2020, Eni signed sustainable financial contracts with banks for a total amount of €5.1 billion linked to the achievement of the United Nations Sustainable Development Goals (SDGs). Sustainability elements were introduced through a bonus/malus mechanism associated with a specific sustainability performance target linked to SDG 7 “Affordable and clean energy” and SDG 13 “Climate action”. Furthermore, Eni is one of the signatories of the CFO Principles on Integrated SDGs Investments and Finance. The principles, announced on the sidelines of the 2020 UN General Assembly and signed by Eni’s CFO, aim to highlight the role that companies and CFOs play in contributing to the financing of the SDGs and guide companies in aligning their sustainability commitments with credible corporate finance strategies to create real impact for the SDGs.

Eni signed the CFO Principles on Integrated SDGs Investments and Finance in 2020

MAIN RESULTS IN 2020

SUSTAINABLE DEVELOPMENT GOALS

- -26% upstream GHG emission intensity index vs. 2014
- -39% volume of hydrocarbons sent to routine flaring vs. 2014
- -90% upstream methane fugitive emissions vs. 2014 (TARGET REACHED)



- 30,775 employees as of 31 December (reported -1.7% vs. 2019)
- +2.3 percentage point increase in women hired (34.6% in 2020 vs. 32.3% in 2019)
- Approx. 1.04 million hours of training (-23.6% vs. 2019)
- 13,300 professional profiles mapped to date



- 354,192 health services provided
- 222,708 registrations to health promotion initiatives



- Total Recordable Injury Rate (TRIR): 0.36
- Initiatives focused on the Human Factor to prevent incidents and enhanced the “Safety starts @ home” campaign



- Adherence to the 4 principles for solutions based on “Together with Nature”
- Extension of biodiversity risk mapping to the R&M pipeline network
- Water: 91% freshwater reused; -11% freshwater withdrawals vs. 2019
- -19% waste generated by production activities vs. 2019
- -7% operational oil spills vs. 2019



- Eni ranked first among around 200 companies evaluated by Corporate Human Rights Benchmark (CHRB)
- Adherence to Voluntary Principles on Security and Human Rights
- New Code of Ethics and Supplier Code of Conduct
- New Policy on Indigenous Peoples in Alaska
- 97% security contracts with human rights clauses
- 100% new suppliers assessed according to social criteria



- 9 Countries where Eni supports the EITI Multi Stakeholder Groups at local level
- Publication of Country-by-Country Report and Eni’s position on contractual transparency



- €96.1 million invested in local development
- Cooperation agreements signed with World Bank, USAID and civil society organizations



- €157 million invested in research and development
- 25 new applications for first patent filings, of which 7 concern renewable sources



Main events of 2020



2020 ESG ratings

Eni's transition path continues to gather support even among the most popular ESG rating agencies in the market, such as leadership rating according to four international ESG agencies: MSCI, Sustainalytics, Bloomberg ES and V.E (formerly Vigeo Eiris). Additional leadership ratings were obtained in the CDP Climate Change, CDP Water Security and Transition Pathway Initiative ratings. Eni was also confirmed in the FTSE4Good Developed index and, from this year, in the ESG iTraxx index. In addition, Eni received recognition from specialist research institutes such as Carbon Tracker. Finally, Eni confirms its leadership in the approach to human rights, by ranking first among around 200 companies assessed by the Corporate Human Rights Benchmark (CHRB) in 2020, ex aequo with only one other company.

Eni's transition path continues to gather support even among the most popular ESG rating agencies and indices on the market

IN 2020 ENI WAS CONFIRMED IN THE FOLLOWING RATINGS

	Eni confirmed by MSCI in its ESG "A" rating (AAA - CCC scale).	LEADER
	In December 2020, Eni received an ESG Risk Rating score of 25.7, placing it in the top 3% of Oil & Gas producers assessed.	LEADER
	Eni scored highest in the Bloomberg ranking of Oil & Gas companies assessing environmental performance, with a score of 6.42 out of 10.	1
	Eni achieved an overall score of 65/100 and was therefore placed in the "advanced" bracket, the highest in the Vigeo Eiris assessment framework.	LEADER
	Eni confirmed its leadership position in tackling climate change by obtaining an A- rating in the CDP Climate Change and CDP Water Security questionnaire.	LEADER
	Eni was confirmed as a leading company in the Oil & Gas sector for the fourth consecutive year, with the highest rating in the Management Quality area at level 4 "STAR" for strategic assessment of climate-related risks and opportunities.	1
	Eni was confirmed for the 14 th consecutive year in the FTSE4Good Developed stock market index and improved its performance by achieving a score of 4.5 out of 5, confirming its position among the top 5 in the Oil & Gas sector.	LEADER
	Eni was included in the ITRAXX ESG Index, which derives from the iTraxx Main index with the application of 3 conditions - based on research by the ESG rating agency MSCI.	LAUNCHED IN 2020
	Eni was voted first among comparable companies on the competitiveness of its non-sanctioned project portfolio, emission reduction targets and medium to long-term price scenario.	1
	Eni was awarded the "Contingent Workforce Data Award" for being one of the companies with the most data provided to the 2020 survey on workers with non permanent contracts. Eni is also in the top 10% of companies that provided the most complete disclosure to the 2020 questionnaire.	1
	Eni confirms its leadership in its approach to human rights, ranking first among about 200 companies assessed by the Corporate Human Rights Benchmark (CHRB) in 2020, ex aequo with only one other company. CHRB is a benchmark part of the World Benchmarking Alliance which will evaluate Eni's performance on a set of core social indicators and on its decarbonisation process (evaluating its contribution to SDGs).	LEADER
	Eni received the special award, promoted by FERPI with Borsa Italiana and Università Bocconi, "Oscar di Bilancio per la Dichiarazione Non Finanziaria" for its Non-Financial Information integrated in the financial statements.	1
	For the second year running, Eni was included among the 10 companies with the best sustainability reporting in the World Business Council for Sustainable Development (WBCSD) analysis, ranking among the Top Performers.	TOP TEN
	Eni has achieved a "Gold" rating in the analysis carried out by EcoVadis, making it one of the 5% of companies with the highest score globally.	GOLD

Material topics

Materiality is defined on the basis of stakeholder concerns, ESG risks resulting from the Integrated Risk Management process and scenario elements

Every year Eni updates the analysis to define material aspects, which include priority topics for all Eni's relevant stakeholders, external and internal, through the so-called "multi-stakeholder approach", and which identify key challenges and opportunities across the entire business chain for long-term value creation.

Identification of relevant aspects

The analysis has been updated from last year's material aspects and supplemented with the priorities reported by ESMA³ on non-financial reporting.

Analysis of internal and external priorities

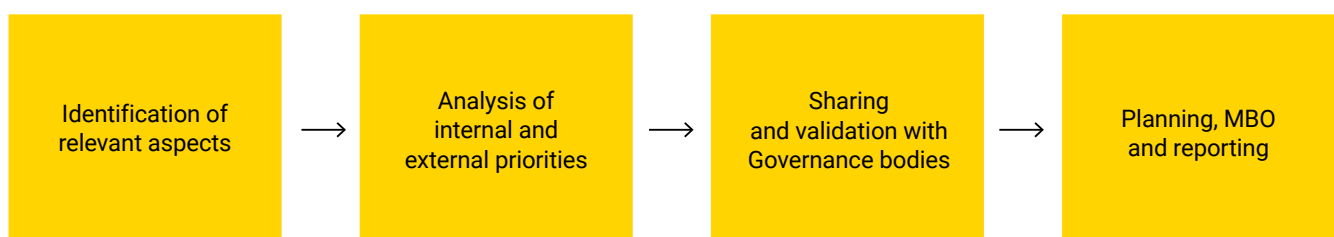
The materiality of the topics identified is determined based on:

- relevance of stakeholders and their requests, mapped and weighed both through a dedicated platform (Stakeholder Management System - SMS), which supports the management of relations with local stakeholders, and through interviews with the responsible functions that have relations with specific stakeholders at a central level on an ongoing basis throughout the year;
- ESG risks resulting from the Integrated Risk Management (IRM) process, which takes into account evidence provided by external providers, including RepRisk⁴. Assessment of these risks also includes potential environmental, social, health and safety and reputational impacts;
- scenario elements defined on the basis of topics discussed during Sustainability Committee meetings and submitted to the Board of Directors.

Planning, definition of MBOs and reporting

Identified material topics underpin the development of the Strategic Plan, which, by combining economic-financial and sustainability objectives, enables an integrated strategic planning. Furthermore, these topics, enriched with specific context analyses of the socio-economic, environmental and cultural aspects of the Countries where Eni operates, help define Strategic Plan priorities at the local level and local development promotion activities. Once the Strategic Plan is finalized, sustainability managerial objectives (MBOs) are assigned to all managers. Finally, material topics allow to identify the content of Eni's non-financial reporting (Consolidated Disclosure of Non-Financial Information and Eni for).

Materiality process



³) The European Securities and Markets Authority (ESMA), the EU body tasked with overseeing the European financial market, issued a public statement on 28 October 2020 that also contained priorities relating to non-financial reporting.

⁴) RepRisk is a provider for the materiality analysis of ESG risks related to companies, sectors, Countries and themes, whose calculation model is based on collection and classification of information (i.e. "risk incidents") from the media, other stakeholders and public sources external to companies.

MATERIAL TOPICS IDENTIFIED IN 2020

CARBON NEUTRALITY BY 2050	FIGHTING CLIMATE CHANGE GHG emissions, promotion of natural gas, renewables, biofuels and chemicals from renewable sources, CO ₂ storage solutions <div> </div>
OPERATIONAL EXCELLENCE	<div> <div> PEOPLE Employment and Diversity and Inclusion; Training <div> </div> </div> <div> HEALTH Health emergency management; Health protection of workers and communities <div> </div> </div> <div> SAFETY People safety and asset integrity <div> </div> </div> <div> ENVIRONMENT Water resources, biodiversity, oil spills, air quality, remediation and waste <div> </div> </div> <div> HUMAN RIGHTS Workers' and local communities' rights, Supply chain and Security <div> </div> </div> <div> INTEGRITY IN BUSINESS MANAGEMENT Transparency and anti-corruption <div> </div> </div> </div>
ALLIANCES FOR DEVELOPMENT	<div> <div> ACCESS TO ENERGY Access to energy <div> </div> </div> <div> LOCAL DEVELOPMENT THROUGH PUBLIC-PRIVATE PARTNERSHIPS Economic diversification; Education and training; Access to water and sanitation; Health; Protection and conservation of forests and land protection; Public-private partnerships Health emergency support <div> </div> </div> <div> LOCAL CONTENT Business and added value created in Countries where Eni is present <div> </div> </div> </div>
CROSS-CUTTING TOPICS	DIGITALISATION, INNOVATION AND CYBER SECURITY <div> </div>

Stakeholder engagement activities

Eni believes that dialogue and direct involvement of stakeholders are key to long-term value creation

Operating in 68 Countries with different social, economic and cultural contexts, Eni considers dialogue and direct involvement of stakeholders fundamental elements for the creation of long-term value, in every phase of its activities. For Eni, openness listening, mutual exchange, inclusion, understanding of stakeholders' different views and expectations, and sharing choices are essential components for building relationships based on mutual trust, transparency and integrity. To improve the knowledge and understanding of the points of view and expectations of the many stakeholders, Eni adopted in 2018 an IT platform called Stakeholder Management System (SMS). Since 2020, the system has been in use on all the sites where Eni has industrial operations, monitoring the relationship with about 4,000 stakeholders. The SMS helps to understand the singularities of local contexts, any needs, critical issues and areas for improvement, the main topics of interest, potential impacts on human rights, and allows to identify the possible presence of vulnerable groups and any areas listed by UNESCO as sites of cultural and/or naturalistic interest (WHS - World Heritage Sites).

STAKEHOLDER CATEGORIES	MAIN STAKEHOLDER ENGAGEMENT ACTIVITIES
ENI'S PEOPLE AND NATIONAL AND INTERNATIONAL UNIONS ■ see p. 36	<ul style="list-style-type: none"> → 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	<ul style="list-style-type: none"> → Presentation of the long-term Strategic Plan to 2050 and the 2020-23 Plan, followed by the virtual Road-Show of Eni's CEO and top management at the main financial centres → Participation in ESG thematic conferences
LOCAL COMMUNITIES & COMMUNITY BASED ORGANISATIONS	<ul style="list-style-type: none"> → Involvement of more than 600 communities, including hosts (villages/communities that host Eni plants in their territory), transit (communities near pipelines), neighbouring (communities close to Eni activities in the territory, not directly impacted) and indigenous communities - close to plants
CONTRACTORS, SUPPLIERS AND COMMERCIAL PARTNERS ■ see p. 66	<ul style="list-style-type: none"> → Publication and distribution of Eni's Supplier Code of Conduct → Collaboration with suppliers for health emergency management → Launch of JUST (Join Us in a Sustainable Transition), an initiative to involve suppliers in the energy transition process, placing sustainability in every phase of the procurement process
CUSTOMERS AND CONSUMERS ■ Eni for 2020 - Sustainability performance ■ Eni for 2020 - Carbon Neutrality by 2050	<ul style="list-style-type: none"> → Meetings and workshops with Presidents, General Secretaries and Energy Managers of national and local Consumer Associations on topics such as sustainability, circular economy, remediation, environmental restoration, energy saving, customer service and new business initiatives
NATIONAL, EUROPEAN AND INTERNATIONAL INSTITUTIONS	<ul style="list-style-type: none"> → Active participation in workshops and working groups, including technical and institutional ones, with local, national, European and international political and institutional representatives on energy, climate, sustainable development, research and innovation → Meetings with local, national, European and international political and institutional representatives on strategic issues
UNIVERSITIES AND RESEARCH CENTRES	<ul style="list-style-type: none"> → Meetings with Universities, Research Centres and third-party companies with which Eni collaborates or interfaces in the development of innovative technologies → Agreements and collaborations with Milan and Turin Polytechnics, Universities of Bologna, Naples and Pavia, MIT, CNR, INSTM, ENEA and INGV^(a) and establishment with CNR of 4 research centres in Southern Italy for sustainable environmental and economic development in Italy and worldwide
VOLUNTARY ADVOCACY AND CATEGORY ORGANISATIONS AND INDUSTRY ASSOCIATIONS	<ul style="list-style-type: none"> → Membership and participation in OGCI, IPIECA, WBCSD, UN GLOBAL COMPACT, CIDU, EITI and VPI^(b) → Conferences, debates, seminars, events and training initiatives on sustainability topics (energy, circular economy, remediation, corporate social responsibility); implementation of guidelines and sharing of best practices
ORGANISATIONS FOR COOPERATION AND DEVELOPMENT ■ see p. 80	<ul style="list-style-type: none"> → Definition of new types of local development collaboration agreements → Consolidation of collaborations with civil society organisations, cooperation bodies and agencies and religiously inspired organisations (AMREF, AVSI, CUAMM, VIS, GHACCO, E4Impact Foundation, Don Bosco High School in Maputo, Diocese of Sekondi-Takoradi and Halo Trust Foundation)

(a) Massachusetts Institute of Technology; National Research Council (Consiglio Nazionale delle Ricerche); National Interuniversity Consortium for Materials Science and Technology (Consorzio Interuniversitario Nazionale per la Scienza e Tecnologia dei Materiali); National agency for new technologies, energy and sustainable economic development (Agenzia nazionale per le nuove tecnologie, l'energia e lo sviluppo economico sostenibile); National Institute of Geophysics and Volcanology (Istituto nazionale di geofisica e vulcanologia).

[illegible]

^b Oil and Gas Climate Initiative; World Business Council for Sustainable Development; Comitato Interministeriale dei Diritti Umani (Inter-ministerial Committee for Human Rights); Extractive Industries Transparency Initiative; Voluntary Principles Initiative.

(1) The topics on which there was the most interaction during 2020 were highlighted.

Integrated Risk Management Model

The Integrated Risk Management Model ensures that management makes informed decisions within an organic and comprehensive vision

Eni has developed and adopted an Integrated Risk Management Model directed at ensuring that management make risk-informed decisions, through the assessment and analysis of risks, including short, medium and long term risks, carried out with an integrated, comprehensive and perspective vision. Risk Governance assigns a central role to the BoD, which defines the nature and level of risk compatible with the strategic objectives and assesses all risks that may have relevance for medium-long term business sustainability. Risks are (i) assessed with quantitative and qualitative tools considering both probability of occurrence and the impacts (economic, operational, HSE, social, reputational) that would take place in a given time horizon if the risk were to occur; (ii) represented, based on the probability of occurrence and impact, on matrices that allow comparison and classification by relevance. In 2020, two assessment cycles were undertaken: in the first half of the year, the Annual Risk Profile Assessment was carried out, involving 121 subsidiaries in 43 Countries, while in the second half the Interim Top Risk Assessment was carried out, entailing the revision of assessments and treatment of Eni's top risks and of the main business risks. Three monitoring cycles were then performed on Eni's top risks to analyse their progress and the status of implementation of the respective mitigation actions, the results of which were presented to the Management and Control bodies in March, July and October 2020. Eni's Top Risk portfolio consists of 20 risks, classified into external, strategic and operational risks. The main ESG risks are summarised below. For each risk event, the type of risk – top and non-top risk – and page references for the main treatment actions covered in the document are given.

AREA	EVENT	MAIN MITIGATION ACTIONS
CARBON NEUTRALITY BY 2050		
CLIMATE CHANGE	Climate Change risk and energy transition risks	P. 30; 78
OPERATIONAL EXCELLENCE		
PEOPLE	Biological risk, i.e. the spread of pandemics and epidemics with potential impacts on people, health systems and business	P. 10; 44; 77
	Risks regarding human health and safety: • Incidents involving workers and contractors • Process safety and asset integrity incidents	P. 44; 48; 51; 53
	Risks connected with the portfolio of skills	P. 43
	Blow out Process safety and asset integrity incidents Energy sector regulatory risk Permitting Environmental risks (e.g. water scarcity, oil spills, waste, biodiversity)	P. 30; 54
HUMAN RIGHTS	Risks related to potential violations of human rights (supply chain, security, workplace, local communities)	P. 60; 85
SUPPLIERS	Risks associated with procurement activities	P. 66; 88; 94
TRANSPARENCY AND ANTI-CORRUPTION	Investigations and litigation: • Environment, health and safety • Corruption Risks connected with Corporate governance	P. 14; 30; 48; 54; 68
ALLIANCES FOR DEVELOPMENT		
COMMUNITIES	Risks connected with local content	P. 88; 94
CROSS-CUTTING RISKS	Risks associated with research and development activities	P. 25
	Cyber Security	P. 26
	Relations with stakeholders	P. 22
	Political and social instability and global security risk	P. 65; 84

Innovation

Research and technological innovation are two pillars of the company's organic growth, allowing know-how to be consolidated and enriched, thus contributing to development of internal skills and technological evolution. Integration, efficiency and application of technologies are the strategic levers that characterise Eni's operating model, along the entire energy value chain. Research projects cover every aspect of the production chain: their objectives are, therefore, pursued by the following strategic directions, defined as technology platforms:

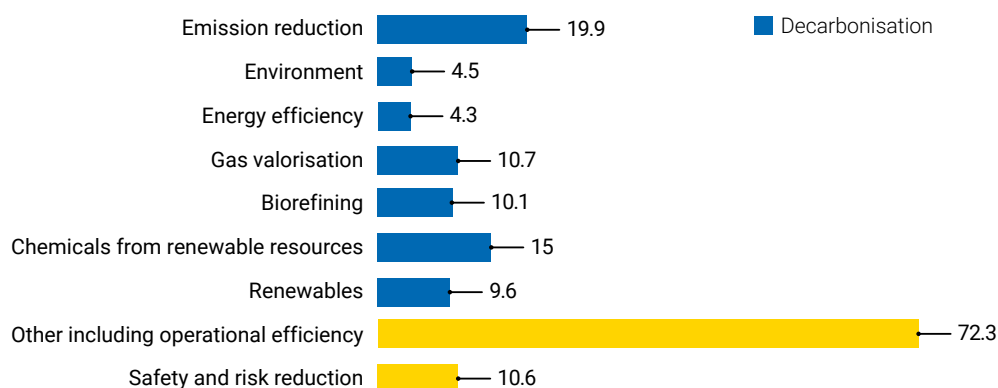
- 1) Operational Excellence: to research technologies for asset development, increasing energy efficiency, ensuring the highest level of safety and minimum environmental impact.
- 2) Carbon Neutrality: to reduce, capture, transform or store CO₂, promoting natural gas as an energy source in the transition to a low-carbon energy mix, integrating it with renewable energies and developing innovative energy technologies.
- 3) Circular economy: to reduce the use of raw materials, including recycling and transforming waste into value-added products, with a view to sustainable development based on the principles of circular economy.

In addition to its seven proprietary research facilities in Italy, Eni collaborates with nationally and internationally recognised centres of excellence, such as the National Research Council (CNR) or the Massachusetts Institute of Technology (MIT), with whom it has been working since 2008 on issues such as renewables, environmental protection, energy transition and asset integrity. As part of the challenge of pursuing energy production with the lowest possible carbon footprint, Eni is engaged in research on magnetic confinement fusion together with the main Italian (ENEA, CNR, Universities) and international technical and scientific bodies (Commonwealth Fusion System, a spin-off of MIT).

■ **For more information: Eni for 2020 - Carbon neutrality by 2050**

Expenditure on Research and Development in 2020

(€ mln)



€787 million

Planned R&D investments in the 2021-2024 period, of which:

71% of investments dedicated to long-term carbon neutrality

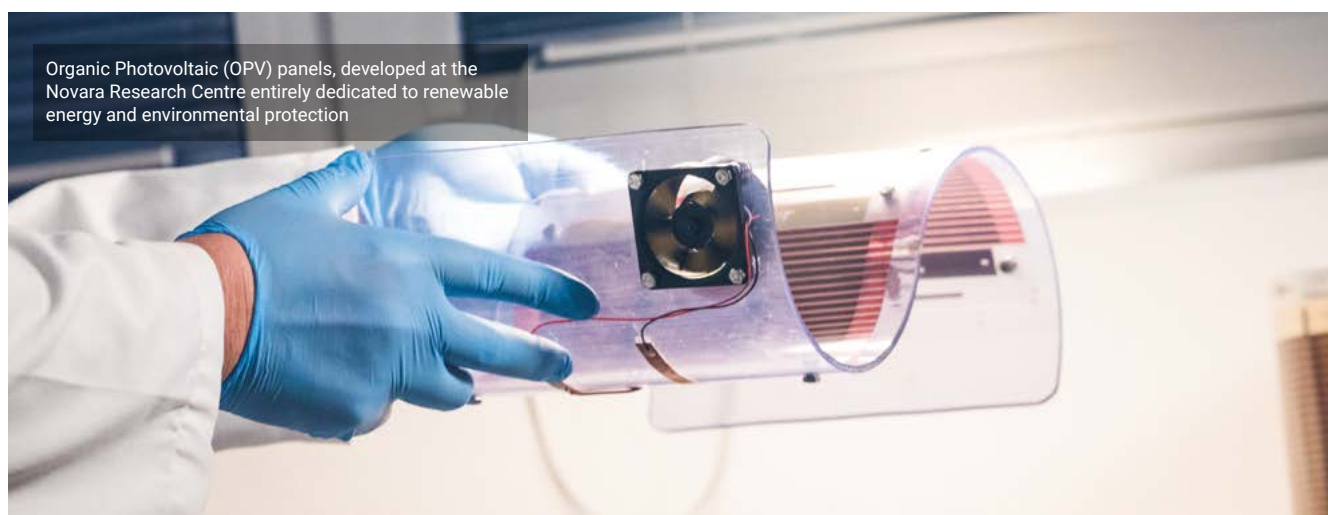
7,471

Current patents

€157 million

Total expenditure on Research and Development in 2020, of which:

€74 million in decarbonisation



Organic Photovoltaic (OPV) panels, developed at the Novara Research Centre entirely dedicated to renewable energy and environmental protection

Digitalisation and cyber security

Digitalisation is a value creation lever, aimed at making Eni's business increasingly integrated, efficient and sustainable

In order to accelerate its transformation process, contribute to ensuring competitiveness and long-term sustainable growth, and achieve its strategic objectives, Eni has given greater impetus to innovation by creating the conditions for research and development, new technologies and digital solutions to be increasingly integrated into its business for the creation of value. Data available at Eni, combined with powerful calculation systems and the skills of Eni's people, represent an essential asset for developing innovative projects and achieving important sustainability goals. Cutting-edge technologies enhance the safety of people and the integrity of assets, increase the energy efficiency of production sites, reduce environmental impact, optimise processes for greater business agility, strengthen infrastructure resilience and cybersecurity, and help achieve decarbonisation targets. The transversal and integrated approach of technological innovation promotes an ecosystem in which needs are met and new opportunities and solutions are identified, combining mature and emerging technologies.

A few figures on Eni's digitalisation

Increase in user connections and conferences compared to baseline (pre-massive smart working)



14,500

VPN connections (+700%)



6,900

Skype conferences (+600%)



6,600

Teams conferences (+7,200%)

IT activities

130 digital projects

in 30 Countries

over 60 initiatives

of Digital Open Innovation

over 400 applications

Major projects in 2020

Enabling infrastructures	Evolution of the company's IT and TLC infrastructures to allow a 90% reduction in office presence and enable smart working, helping Eni to promptly address the COVID-19 health emergency.
Digital Safety	With the aim of increasing worker safety and enhancing the effectiveness of emergency procedures, the Smart Safety solution was extended to new sites, leveraging the use of wearable technology and smart networks. In 2020, the roll out of the eWP (electronic Work Permit) solution for the full digitalisation of the work permit process continued, reaching a total coverage of 62 sites in Italy and abroad. see p. 48
Asset Integrity	The digitalisation of production sites launched at the end of 2018 continued. Projects at Eni Angola's East Hub production site and Versalis' Brindisi plant to optimise processes, improve people safety and production efficiency were completed. In addition, new digital solutions have been launched to improve and simplify the work of Eni's employees through artificial intelligence and automation to support process efficiency and error reduction.
Open-es platform	Collaboration with the Boston Consulting Group and Google Cloud has begun on the creation of an open digital platform dedicated to sustainability in the industrial supply chain engaged in the energy transition, in order to collect and share sustainability experiences, growth plans and information in compliance with regulations. see p. 66
e-das	Digitilisation of shipping processes undertaken by Eni with the Customs Agency and Sogei with a view to combating fraud in the energy products sector; shipments have been digitilised nationwide, for a total of approximately 4,500 digital e-das per day.

Cyber security

The cyber security risk represents the possibility that cyber attacks compromise corporate information systems (management and industrial) leading to interruption of services and theft of Eni's sensitive information. This risk, which is high in Eni due to both the geopolitical context in which it operates and the constantly growing trend of cyber attacks, is a factor of attention in the development of the company's digital transformation strategy. The company since long had a number of defensive measures in place to prevent and contain potential impacts, according to a risk-based approach, such as: (i) the strengthening of Cyber Security Defence infrastructures and services, which in 2020 made it possible to block approximately 89 million malicious e-mails, 715 phishing campaigns, and 109 million attempts at malicious access to applications exposed on the Internet; (ii) the strengthening of technological and government security systems for foreign and industrial sites; (iii) actions to strengthen the continuity of IT services and improve monitoring of the management of central systems. In addition, specific defensive measures have been taken due to the increased use of smart working. In 2020, the programme for promoting a corporate culture on the right behaviour to adopt in order to deal with cyber risks continued, with the completion of training, simulations, awareness-raising and communication actions aimed at the entire corporate population. Finally, implementation of the Cyber Security 4 Kids programme continued, aimed at promoting a more secure and aware digital culture among younger generations.

Eni has enhanced its cyber security defence services, which have made it possible to block:

89 million
malicious e-mails

715
phishing campaigns

109 million
attempts at malicious access to applications exposed on the Internet



The Green Data Centre houses the HPC5 supercomputer used to fight the pandemic

HEALTH EMERGENCY

The HPC5 supercomputer against the virus

Eni is collaborating with the European project EXSCALATE4CoV to identify the safest and most promising drugs to combat the Coronavirus, by providing its HPC5 – the world's highest performing industrial supercomputing infrastructure – and Eni's expertise in molecular modelling. Molecular dynamics simulations of the proteins on the surface of SARS-CoV-2, which play a key role in the virus' infection mechanism, were conducted, and 10,000 active ingredients of currently known pharmaceutical compounds were screened to identify the most effective molecular targets and with the goal to prevent the virus from unleashing its viral load. With HPC5, molecular interactions between each of the proteins that make up SARS-CoV-2 and the active ingredients were studied. Those that were found to be most effective in binding to viral proteins, blocking them and preventing them from harming the body, are now being tested in clinical trials for tolerability and activity. To date, the most promising one appears to be Raloxifene: a generic drug that can be prescribed to treat osteoporosis. The aim is to have more effective drugs that are already clinically tested and therefore quickly available.

In 2020, the HPC5 made it possible to conduct the world's most complex molecular supercomputing experiment ever carried out to identify new therapies against the virus: 1,074 billion interactions were processed, equivalent to 5 million molecular simulations per second

➔ **For more information:**
[eni.com](https://www.eni.com)

Carbon neutrality by 2050

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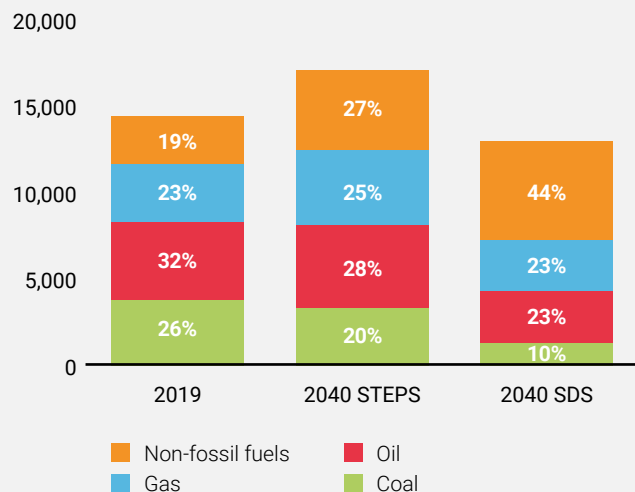
Eni's business model provides for a pathway towards carbon neutrality based on an approach that looks at emissions generated throughout the life cycle of the energy products sold by Eni and on a set of actions that will lead to total

decarbonisation of processes and products by 2050.

In fact, in 2021, the new strategy was defined to relaunch the operational objectives in the short, medium and long term, which outline the evolutionary and integrated path of the individual businesses and which will lead Eni to carbon neutrality by 2050, in line with the provisions of the scenarios compatible with keeping global warming within the 1.5 °C threshold. The speed of evolution and the relative contribution of the businesses will depend on market trends, the technological scenario and the relevant legislation.

SCENARIO ELEMENTS: CHALLENGES AND OPPORTUNITIES

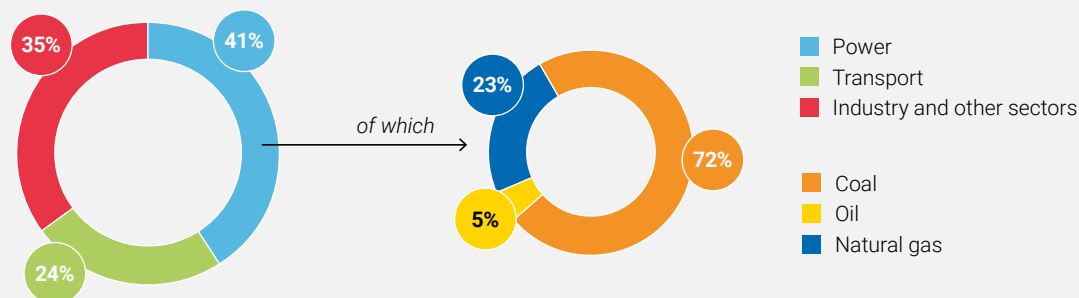
Energy demand by source (Mtoe; %)



Over the next two decades, energy demand will continue to grow (STEPS), driven by the needs of emerging economies, while industrialised Countries will see a gradual slowdown in consumption growth driven by ongoing energy efficiency and savings. Fossil fuels will continue to play a key role in the energy mix, accounting for 73%, although their share is expected to decrease mainly due to a lower contribution of coal in favour of renewables. In the SDS scenario, consumption is expected to decrease (-10% compared to today) despite growing population and economy. Fossil sources will decrease their weight in the mix, mainly in favour of renewables. Natural gas is the only fossil source that will maintain its share in the mix even in a decarbonised scenario, supported by its lower environmental impact and higher efficiency compared to other fossil fuels.

Source: IEA (2020) World Energy Outlook. All rights reserved.

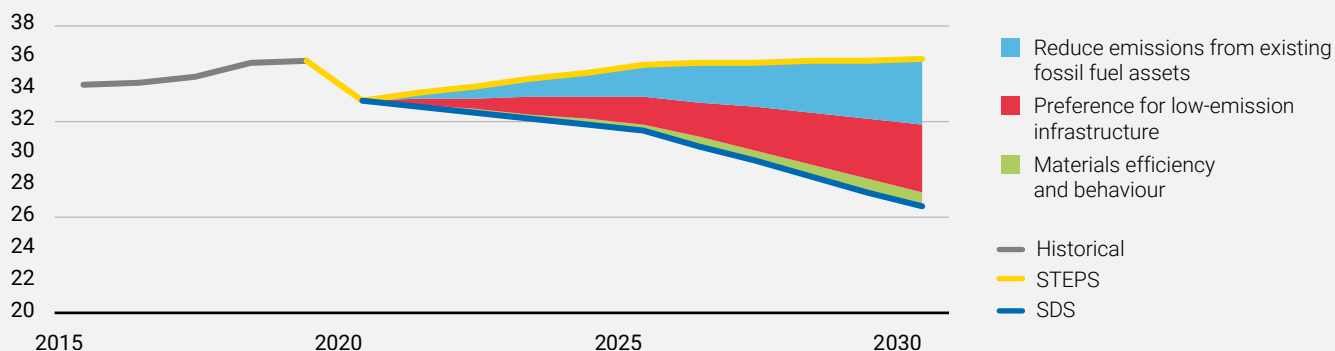
Energy-related global CO₂ emissions



Energy-related global CO₂ emissions in 2019 are 33.3 billion tons, 13.7 of which from electricity generation. Coal continues to dominate the electricity sector emissions (>70%).

Source: IEA (2020) World Energy Outlook. All rights reserved.

Reduction of CO₂ in the Sustainable Development Scenario (SDS) and in the Stated Policies Scenario (STEPS) (Gton CO₂)



The SDS scenario focuses efforts on reducing emissions from existing energy infrastructure (such as coal-fired power plants, steelworks and cement plants), energy efficiency and changing consumer behaviour.

Source: IEA (2020) World Energy Outlook. All rights reserved.

Carbon neutrality by 2050



Why is it important to Eni?

Eni is aware of the ongoing climate emergency and wants to be an active part of a virtuous path of the energy sector towards carbon neutrality by 2050, to keep average global warming within the threshold of 1.5 °C by the end of the century. Eni's business model is therefore based on an approach that considers emissions generated throughout the entire life cycle of energy products sold and on a set of actions that will lead to the total decarbonisation of processes and products by 2050, through the use of existing technologies.

POLICIES AND OTHER REGULATORY TOOLS

"Sustainability" policy; Eni's position on biomass, Eni's responsible engagement on climate change within business associations, Strategic Plan 2021-2024: towards zero emissions (February 2021); Code of Ethics.

ORGANISATIONAL AND MANAGEMENT MODELS

New organisation to be a leader in energy transition with two Business Groups; Central organisational function overseeing climate change strategy and positioning; Technologies for Energy Transition and Biomasses Programme; Energy management systems coordinated with ISO 50001 standards.

2020 PROGRESS

SHORT- AND MEDIUM-TERM TARGETS BY 2025

GHG EMISSIONS (SCOPE 1, data referring to 100% of operated assets)

i) -26% upstream GHG emission intensity index vs. 2014; ii) -39% volume of hydrocarbons sent for routine flaring vs. 2014; iii) -90% upstream fugitive methane emissions vs. 2014 (TARGET ACHIEVED); iv) Substantially stable carbon efficiency index.

i) -43% of upstream GHG emission intensity index to 2025 vs. 2014; ii) Zero routine gas flaring to 2025; iii) -80% of upstream fugitive methane emissions to 2025 vs. 2014; iv) Average improvement of 2% per year to 2021 compared to 2014 carbon index.

2020 PROGRESS

SHORT- AND MEDIUM-TERM TARGETS BY 2025

LONG-TERM TARGETS (2030 AND BEYOND)

BY 2030

BY 2040

BY 2050

NET CARBON FOOTPRINT (GHG SCOPE 1+2 EMISSIONS, on equity basis)

Net Carbon Footprint (GHG emissions Scope 1+2) upstream: 11.4 MtonCO₂eq. (-23% vs. 2019).

Halving the Net Carbon Footprint for Scope 1+2 upstream emissions by 2024 vs. 2018.

Net Zero Carbon Footprint for Scope 1+2 emissions of upstream activities by 2030.

Net Zero Carbon Footprint for Scope 1+2 emissions from all group activities by 2040.

NET GHG LIFECYCLE EMISSIONS (GHG SCOPE 1+2+3 EMISSIONS, on equity basis)

439 MtonCO₂eq. (-13% vs. 2019)

-25% vs. 2018

-65% by 2040

Net-zero by 2050

CARBON INTENSITY (GHG SCOPE 1+2+3 EMISSIONS, on equity basis)

68 gCO₂ eq./MJ (~ 2019)

-15% vs. 2018

-40% vs. 2018

Net-zero by 2050

[Eni For 2020 - Carbon neutrality by 2050](#)
[Eni for 2020 - Sustainability performance \(pp. 8-12\)](#)
[eni.com](#)

[Eni's position on biomass](#)
[Eni's responsible engagement on climate change in business associations](#)

[CDP Climate change questionnaire](#)
[Methodology for the assessment of GHG emissions along the value chains of Eni products](#)

Climate governance

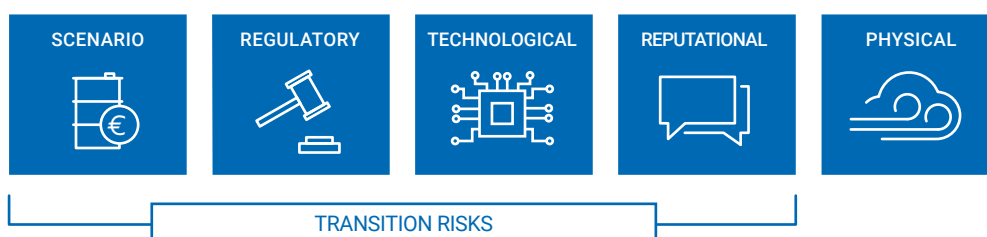
Eni's decarbonisation strategy is part of a structured system of Corporate Governance, where the BoD and the CEO play a central role in managing key climate change issues. Upon the CEO's proposal, the BoD examines and approves the Strategic Plan, which sets out strategies and targets, including those 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 periodically examines the integration between strategy, future scenarios and medium/long-term sustainability of the business. During 2020, the SSC explored climate change issues at all meetings, including the outcomes of the 2019 United Nations Climate Change Conference (COP25), energy scenarios, the state of the art in research and development for energy transition, Eni's decarbonisation strategy, forestry activities and climate partnerships, Eni's responsible engagement in climate policies within business associations, climate resolutions and assembly disclosure of reference peers. As from 2019, the BoD has examined and approved Eni's medium-long term plan, aiming to guarantee sustainability of its business portfolio in a time frame up to 2050, in line with the provision in the Four-Year Strategic Plan. Several members of the current Board of Directors, which took office on May 13, 2020, have had experience with ESG topics. Immediately after the appointment of the BoD and Board of Statutory Auditors, a training program (so-called "board induction") was carried out for directors and statutory auditors which covered, among other topics, issues relating to decarbonisation and the environmental and social sustainability of Eni's activities. The economic and financial exposure of Eni to the risks deriving from the introduction of new carbon pricing mechanisms is examined by the BoD both in the phase leading up to authorisation of each investment and in the following half-year monitoring of the entire project portfolio. The BoD is also informed annually on the result of the impairment test carried out on the main Cash Generating Units in the upstream sector and processed with the introduction of a carbon tax valued according to the IEA's Sustainable Development Scenario (SDS). Finally, the BoD is informed on a quarterly basis on the results of risk assessment and monitoring activities related to Eni top risks, including climate change.

The CEO and the BoD have a central role in the definition of the decarbonisation strategy

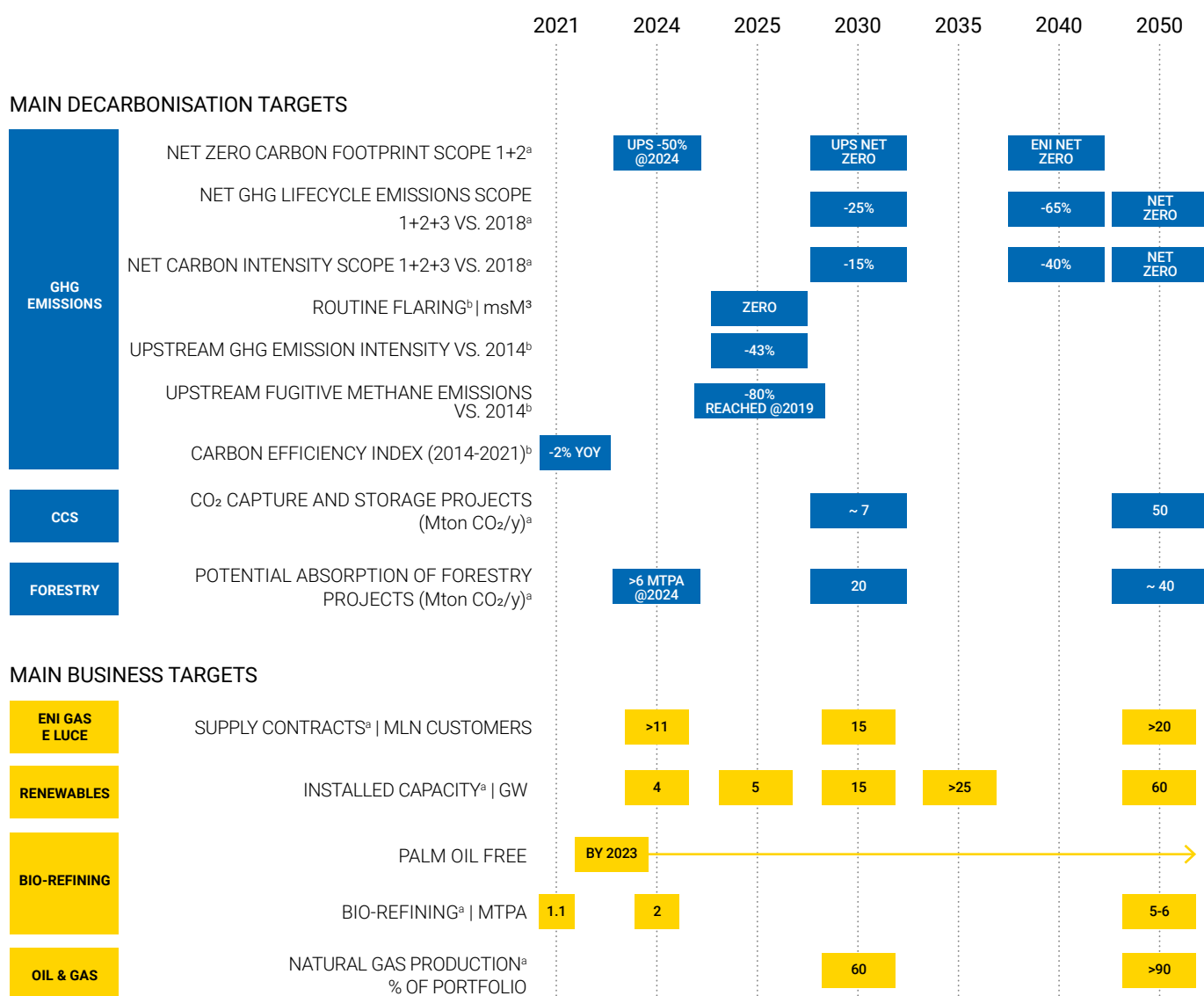
Risk management

Climate change is analysed, assessed and managed by considering 5 key drivers, identified by the Task force on Climate-related Disclosure (TCFD), relating to both transition risks (market scenario, regulatory and technological development, reputational issues) and physical risks such as extreme or chronic weather events. The analysis is carried out using an integrated and cross-cutting approach, which involves specialist departments and business lines and includes an assessment of the risks and opportunities related to climate change.

Climate change is one of Eni's top strategic risks



Eni's strategy



(a) Based on Eni's shareholding; (b) 100% according to operatorship.

New strategy defined to relaunch short, medium and long-term operational objectives that will lead Eni to carbon neutrality by 2050

Following a phase of great transformation that allowed the group to grow and diversify its portfolio, while strengthening its financial organisation, Eni initiated a new phase in the development of its business model, strongly oriented towards the creation of long-term value, combining economic/financial, social and environmental sustainability. Based on these principles, the new strategy was defined in 2021 to relaunch short, medium and long-term operating objectives, that outline the integrated evolutionary path of individual businesses and that will lead Eni to carbon neutrality in 2050, in accordance with the scenarios compatible with keeping global warming within 1.5 °C. The speed of the evolution and the relative contribution from the businesses may be influenced by market trends, by the technological scenario and by reference regulations.

Eni will pursue a strategy that aims to achieve by 2050 the net-zero target on GHG Scope 1, 2 and 3 emissions (Net GHG Lifecycle Emissions), and the elimination of related emission intensity (Net Carbon Intensity), referred to the entire life cycle of the energy products sold. The new strategy has also set more stringent intermediate decarbonisation targets:

- -25% Net GHG Lifecycle Emissions @2030 vs. 2018 and -65% @2040;
- -15% Net Carbon Intensity of energy products sold @2030 vs. 2018 and -40% @2040;
- Net Zero Carbon Footprint for Scope 1 and 2 emissions from upstream activities by 2030, with a new halving target to 2024 from 2018;
- Net Zero Carbon Footprint for Scope 1 and 2 emissions from all group operations by 2040.

Actions, most of which are already in place, that will help achieve these results include:

- reduction of hydrocarbon production in the medium term, with gradual growth of the gas component, which will exceed 90% by 2050;
- gradual conversion of traditional refining using new technologies for the exploitation of decarbonised products and recycling of waste materials;
- increase of "bio" refining capacity to 5-6 million tonnes by 2050, palm oil free starting from 2023;
- circular economy: increasing the use of bio-methane, waste and recycling of end products;
- efficiency and digitalisation in operations and customer services;
- growth in renewable energy capacity to 60 GW by 2050;
- blue and green hydrogen to power Eni biorefineries and other highly energy-intensive industrial activities;
- progressive increase in electricity production from gas, combined with CO₂ capture and storage projects;
- increase in Eni gas and electricity retail customers, exceeding 20 million by 2050;
- forest conservation projects for a total CO₂ offset of about 40 million tonnes/year by 2050.

The total amount for investments in decarbonisation, circular economy and renewables and expenditure on research and development is equal to €5.7 billion in the 2021-24 plan.

For GHG emissions accounting, Eni uses a model that provides a rigorous methodology for the assessment of Scope 1, 2 and 3 emissions associated with the supply chain of energy products sold

Metrics and targets

The following are Eni's main long-term objectives and the performance of related indicators, on an equity basis by applying a reporting model that considers all GHG Scope 1+2+3 emissions associated with the supply chain of the energy products sold.

ENI'S MAIN LONG-TERM OBJECTIVES AND PERFORMANCE OF THE RELATED INDICATORS

Net Zero Carbon footprint of upstream activities by 2030	This indicator considers Scope 1+2 emissions from upstream assets operated by Eni and third parties, net of carbon sinks. In 2020, it was down 23% compared to 2019 due to production declines related to the health emergency and to offsetting through forestry credits of 1.5 million tonnes of CO ₂ eq.
Net Zero GHG Lifecycle Emissions	This indicator refers to GHG Lifecycle emissions (Scope 1+2+3) associated with activities and products sold by Eni, along their value chain, net of carbon sinks. In 2020, it was down 13% mainly due to the decrease in production and sales in all sectors because of the health emergency.
Net Zero Carbon Intensity by 2050	This indicator is calculated as the ratio between net GHG Lifecycle emissions (Scope 1+2+3) along the value chain of energy products sold and the amount of energy included in them. In 2020, it was essentially stable as the decrease in emissions across all sectors was accompanied by a proportional decrease in production related to diminished activities because of the health emergency.

Operational excellence

Each of us	36
Health	44
Safety	48
Environment	54
Human rights	60
Transparency, anti-corruption and tax strategy	68

Eni's business is constantly focused on operational excellence.

This translates into an ongoing commitment to the development of people through consolidation and evolution of skills to support the transformation process, to the protection of the health and safety of both people and asset integrity, and to the protection of the environment by promoting the efficient use of natural resources and the safeguard of protected areas relevant to biodiversity.

Furthermore, Eni is committed to respecting and promoting integrity and respect for human rights in its activities and with the involvement of its stakeholders, with a focus on transparency and the anti-corruption in all its forms.

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.

SCENARIO ELEMENTS: CHALLENGES AND OPPORTUNITIES

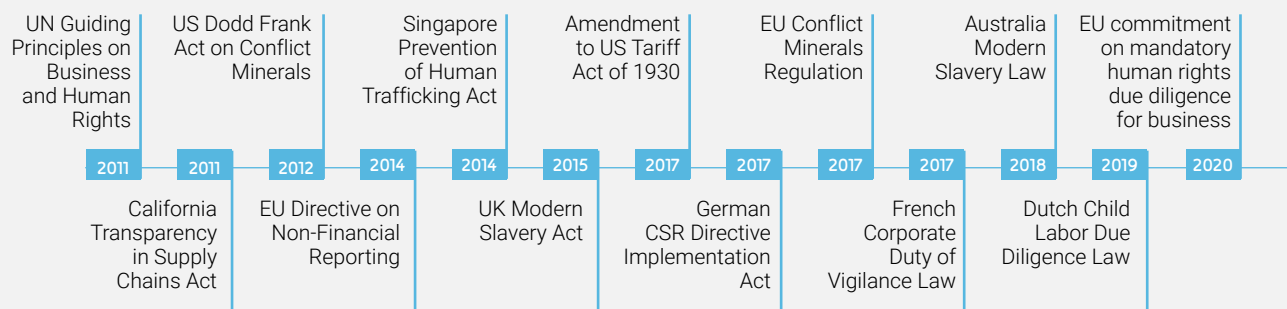
Impact of the health emergency on employment

8.8% of global working hours lost in 2020 vs. 2019 **114 million** of full-time jobs lost **\$3.7 trillions** of global labour income lost in 2020*

Source: ILO Monitor: COVID-19 and the world of work. Seventh edition, 25 January 2021

(*) amounting to 4.4% of global Gross Domestic Product (GDP)

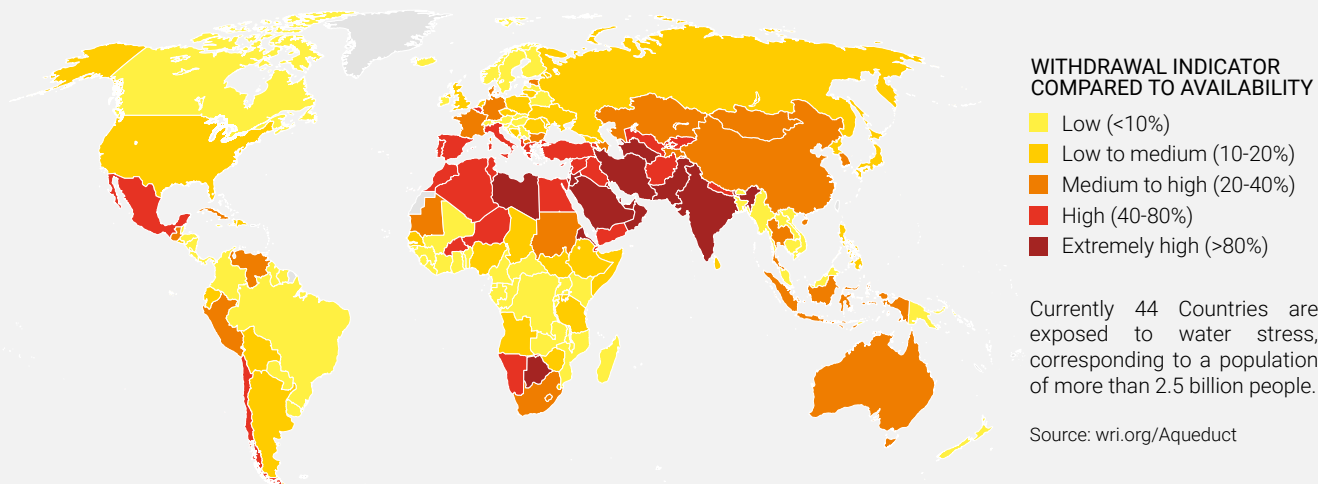
New international references in the field of human rights



Since 2011, when the United Nations published its "Guiding Principles on Business and Human Rights", relevant legislation and documents have proliferated worldwide. Internationally, in particular at the European level, there is a constant and growing focus on the introduction of regulatory prescriptions providing for reporting obligations and due diligence processes on human rights by companies.

Source: Eni revision of the CEO Guide to Human Rights, WBCSD 2020

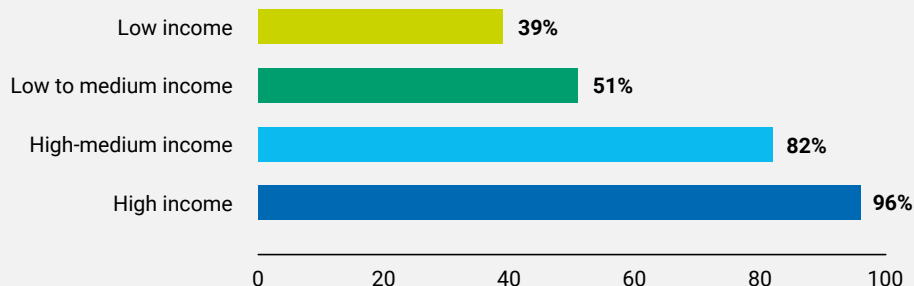
Water stress level per Country in 2019



Waste collection rates, by income level (%)

Waste collection is a key step in waste management, but rates vary widely according to income levels, with upper-middle-income and high-income Countries providing almost universal waste collection.

Source: WHAT A WASTE 2.0 A Global Snapshot of Solid Waste Management to 2050, The World Bank



Each of us



Why is it important to Eni?

For Eni, people are the company's most important resource, as they support and spread values and culture in the Countries where Eni operates and enable Eni, through their skills, to achieve challenging business objectives. The successes achieved so far are the direct result of passion and internal expertise, an asset in which Eni continues to invest in order to generate value in the short and long term. For this reason, Eni is committed to guaranteeing the health and safety of its people and of those who work with the company, and to building a working environment free from any form of discrimination or harassment, based on decent working conditions, open dialogue and appreciation of diversity.

POLICIES AND OTHER REGULATORY TOOLS

Policies entitled "Our People", "The integrity in Our Operations", Eni's Statement on Respect for human rights; Code of Ethics.

ORGANISATIONAL AND MANAGEMENT MODELS

Employment management and planning process to align skills to technical-professional needs; Tools for management and professional development; Working group to define the impact of Digital Transformation on Roles/Skills; Training quality management system in accordance with the ISO 9001:2015 standard; Knowledge management system for know-how sharing; System for managing industrial relations at the national and international level; Welfare system for work-life balance and enhancement of services to employees and their families.

2020 PROGRESS

SHORT-TERM TARGETS (2021)

MEDIUM-TERM TARGETS (2022-2024)

LONG-TERM TARGETS (2030 AND BEYOND)

TURNOVER

Turnover of 1, 2019-20 figure.

Valuing internal resources and selecting strategic skills to support the energy transition process.

Strengthening new structures with a turnover above 1.

TRAINING AND DEVELOPMENT

Revised distance learning, bringing e-learning hours to 67% of total Eni hours.

Training to accompany, in terms of knowledge and skills, organisational change and strategic and business evolution.

Updating skills in line with strategic directions and business and technological developments.

Ongoing process of upgrading skills in order to achieve completion of the strategic transformation.

GENDER DIVERSITY

2020 women's turnover: 0.76 (vs. male turnover 0.38).

Commitment to keeping turnover of female staff higher than that of male staff.

Enhancement of female employment in all professional fields.

Increase in female employment by at least 3 percentage points by 2030.

WORK-LIFE BALANCE

Revision of organisational arrangements for welfare initiatives to support families and strengthening of preventive health initiatives.

Further increase in welfare cases as a result of a larger number of usable smart working days; identification of new welfare services for emerging needs.

Strengthening work-life integration initiatives (e.g. support to care givers), well-being and digital caring.

Monitoring and listening to social, family and individual needs and designing coherent initiatives.

Employment challenges

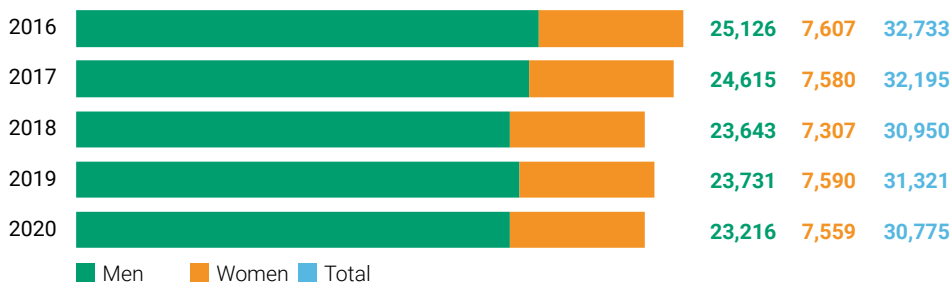
The path undertaken by Eni for the profound transformation of its business activities implies both a strong involvement of people working at and with the company, and an important evolution of professional skills through initiatives to enrich or reorient the set of competences needed to face the new business challenges. To this end, management and development systems for Eni's people are based on tools for mapping and updating competences, evaluating skills and personal motivations, in order to enhance specific talents in line with business objectives. During 2020, 1,374 people were involved in the extension of the competence model, bringing the number of role mappings supporting career paths to around 13,300. In addition, a first trial on digital platforms was launched in order to support communication, management and self-confidence skills and competences, also through an interactive coaching course on leadership and diversity & inclusion issues. This activity was supplemented with the usual development of performance assessment and feedback processes designed to direct resources towards skills upgrading which, in 2020, covered 97% of the target population worldwide (managers, middle managers and young graduates).

With regard to employment levels, the health emergency negatively affected the business scenario, leading to a slight reduction in overall employment in Italy and abroad. However, despite the discontinuity of the energy market, Eni hired 780 resources in 2020, of which 607 with permanent contracts. Eni also continued to pursue its diversity objectives, with an increase in female hires of 2.3 percentage points (p.p.) compared to 2019 (34.6% of total hires).

30,775

Eni people at the end of 2020

Employees (number)



607

Resources hired on a permanent basis in 2020

34.6%

Women compared to total recruitment
+2.3 p.p. vs. 2019



For more information: [Eni for 2020 - Sustainability performance \(p. 13\)](#)

HEALTH EMERGENCY

Employee engagement during the health emergency

With the health emergency, the company has adopted smart working for 5 days a week for all workers with compatible duties (14,400 employees equal to 87% of the non-shifting staff), including for situations of health fragility prescribed by physicians. This smart working mode will be preserved and modulated in line with the evolution of the emergency and in accordance with indications from relevant authorities. In this context, internal engagement played a crucial role in managing crisis communication and involving people. The CEO, through his Blog and with live streaming, has been close to Eni's people throughout 2020, with regular events to express togetherness, give strength and create a deeper sense of community. A number of actions were also carried out both to provide updates on the health situation and its requirements, government regulations and company decisions, and to create awareness on the importance of health and hygiene rules and the rules of conduct to be adopted in the workplace. In addition, a collective storytelling initiative entitled "We've never stopped" was developed, involving all Eni's people, from smart workers to colleagues at industrial sites, who ideally came together, united by a strong sense of belonging.

For more information: [Eni for 2020 - Sustainability performance](#)

>80,000 views

4 streaming events from March to November with the CEO

700,000 views

of the intranet section "Informed. Aware. Safe."

200,000 views

of "We've never stopped" stories

Diversity is a resource to be safeguarded and valued both within the company and in all relations with external stakeholders, including suppliers, commercial and industrial partners, as underlined by Eni's mission and Code of Ethics

Diversity and inclusion - The culture of plurality

Eni's approach to Diversity and Inclusion (D&I) has developed in the wake of its international culture of plurality, based on the fundamental principles of non-discrimination, equal opportunities and inclusion of all forms of diversity, as well as integration and balancing work with personal and family needs. Eni is committed to creating a working environment in which different personal and cultural characteristics or orientations are considered a source of mutual enrichment and an indispensable element of business sustainability, both through constant individual involvement and responsibility and through communication and awareness-raising actions by top management towards all employees, as in the case of the violent episodes of racial discrimination that occurred in the US (George Floyd) in the summer of 2020. At Eni, there are no differences in gender, religion, nationality, political opinion, sexual orientation, social status, physical abilities, medical conditions, family circumstances, age and any other irrelevant aspect; furthermore, Eni aims to establish working relationships free from any form of discrimination, requiring that similar values be adopted by all third parties. All Eni's people and third parties have a duty to report any violations of one of the principles of the Code of Ethics, using one of the Reporting Channels available, in line with relevant regulatory provisions.



Initiatives to promote inclusion

D&I Matters programme	A D&I Matters training and internal communication programme was launched in 2019 to raise awareness of unconscious biases and in 2020 the "Eni Global Inclusion" event was organised to further explore this content in corporate culture and in daily and working relational life.
Unconscious Bias education campaign	A training campaign on unconscious biases was launched for all employees, in English, Italian and soon French. The campaign is designed to address the issue both from a theoretical point of view and through a series of exercises and self-observation possibilities, as well as in-depth studies, to strengthen individual awareness and the ability to manage prejudice correctly and effectively.
International intergenerational female monitoring	Processes to reinforce the value of intergenerational exchange and make internal relations more open to dialogue between different sensitivities and mutual inclusion, with particular attention to women's careers. Since 2017, about 250 mentoring paths have been implemented with about 130 mentors, involving younger colleagues (including women returning from maternity leave).
Orange the world	Adhesion to the worldwide initiative against gender-based violence "Orange the world" (25 November - 10 December) through support to the campaign by top management, including the CEO and the President, individual adhesion of Eni's people, orange lighting at Eni's headquarters in Rome, activation of a new e-learning course on harassment.

Women's empowerment

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 trajectories for women in the company. This commitment is confirmed by the main employment and development indicators monitored to enhance the presence and development of women. In fact, of all permanent hires in 2020, 34.6% were women (up 2.3 percentage points vs. 2019). Furthermore, in 2020, the percentage of women in positions of responsibility rose to 26.64%, compared to 26.05% in 2019; overall, women accounted for 24.56% of Eni's total workforce. At Eni, 33% of people reporting directly to the CEO are women.

33%

CEO's direct reports are women

26.6%

People in positions of responsibility are women
+0.6 p.p. vs. 2019



Female role modelling to support STEM studies

Eni organises initiatives with a focus on gender equality for students oriented towards STEM (Science, Technology, Engineering and Mathematics) disciplines and participates in national and international initiatives with the aim of constantly enriching its own processes and operational practices from a gender equality perspective. Activities, which took place online in 2020, include:

- **InspirinGirls:** an initiative that started three years ago, involving some 5,000 girls in 187 secondary school classes, to help them overcome prejudice by becoming aware of their talent;
- **Fondazione Mondo Digitale (Digital World Foundation):** initiatives carried out in high schools to help young people discover professional areas and profiles in technology and artificial intelligence;
- **Think About Tomorrow:** an event in high schools aimed at helping young people make an informed educational and professional choice beyond gender stereotypes, stimulating girls' interest in STEM studies and raising awareness of gender equality issues among the male audience;
- **Women in Technical Roles:** an event taking place at universities in collaboration with the Politecnico di Milano with a focus on gender equality;
- participation in the work of the **inter-company STEM Committee** promoted by Valore D with the aim of proposing an action plan to complement implementation of the Manifesto for Women's Employment, which Eni's CEO signed in 2016.

Eni's female Role Models is an important lever of intergenerational alliance to help reduce the gender gap in key economic sectors for the future of society

Eni's specialist working at the biorefinery in Gela, Italy



Eni promotes a range of initiatives to foster gender equality beyond its direct workforce

Eni is also committed to continually improving its ability to integrate women's perspectives in its internal business processes as well as in the contexts where it is present and where it operates indirectly, with the following evidence for the year 2020:

- **local development projects to promote women's empowerment** such as "100 Women in demining", promoted by HALO Trust to involve Angolan women in the clearance of land mines; [see p. 80](#)
- **involvement of the supply chain:** adhesion to the JUST initiative, whereby Eni is committed to reducing and eliminating all possible forms of discrimination and making sure that suppliers guarantee equal opportunities in their employee recruitment process and professional career paths; [see p. 66](#)
- **attention to the marketing chain:** Eni takes care of the representation of the female role in the media, paying the utmost attention not to convey gender stereotypes and harm the image of other diversities through its communication;
- **support for female entrepreneurship:** through its Joule business school, Eni promotes the entrepreneurial development of women, encouraging business ideas and participating in the Women 4.0 - The Women Enterprise Project. In addition, Eni promotes the CoLABoRA programme aimed at developing innovative business ideas through start-ups with a specific focus on those owned and/or managed by women.



Internationality

Eni's strong international presence is characterised by solid alliances with host Countries aimed at creating value, also through knowledge transfer, while respecting local cultures.

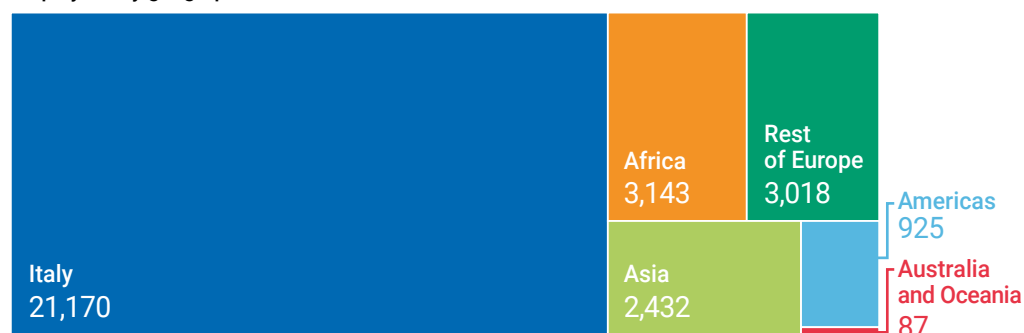
68

Countries of presence

106

Nationalities

Employees by geographical area in 2020



The average presence of local staff abroad has remained substantially constant at around 84% over the last three years, confirming Eni's attention to local content through the involvement of local communities in operational activities in each Country. The use of expatriate staff is limited to particular skills and expertise that are not readily available at local level. Eni promotes cross professional exchange through a series of processes, including geographical mobility, as an important experience for personal growth. Consolidation over the years of processes such as onboarding of new recruits, coaching, training and sharing of skills and best practices with local personnel has ensured continuity in operating activities in 2020, a year characterized by a massive return of expatriate personnel to headquarters. In recent years, around 20% of resources in positions of responsibility are non-Italian, with an increase in 2020 compared to 2019 (+1.3 p.p.), partly due to professional development paths that include periods of activity in Eni's offices in Italy or in Countries other than their Country of origin. The percentage of local senior managers and middle managers abroad increased by 2.48 p.p. in 2020 compared amounting to 2019, to 19.13%. A more detailed analysis of the upstream sector, which accounts for 81.5% of non-Italian employees, shows that the percentage of local employees out of the entire workforce increases significantly in Eni's Countries of historical presence (92%) (e.g. Nigeria, Congo, Egypt, Libya and Kazakhstan) compared to more recent ones (e.g. Mexico, United Arab Emirates and Myanmar), where transfer of know-how is still in progress.

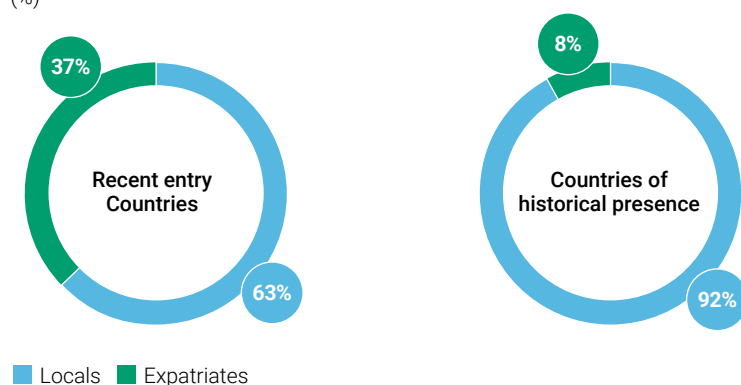
18.6%

Non-Italians in positions of responsibility
+1.3 p.p. vs. 2019

19.13%

Senior managers and middle managers abroad
+2.5 p.p. vs. 2019

Local Eni people in the upstream sector (%)

**92%**

Local employees in Eni's Countries of historical presence

Remuneration

Remuneration policies for Eni's employees are defined according to a global integrated model and promote salary progression based exclusively on meritocratic criteria based on role related skills, performance achieved and local remuneration market benchmarks. In order to verify implementation of these policies, Eni has been monitoring on an annual basis the remuneration gap between women and men since 2011, finding a substantial alignment of remuneration.

Gender pay ratio*



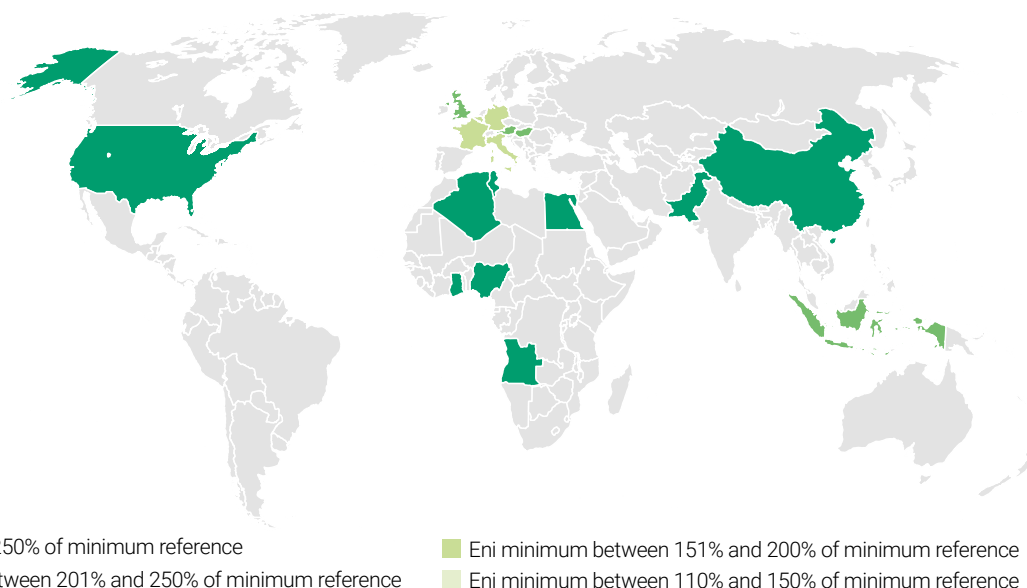
* As in previous years, Eni's methodology neutralises any effects arising from differences in role level and seniority.

In the various Countries in which Eni operates, Eni guarantees fair and competitive remuneration policies with respect to roles and professional skills, providing salaries that ensure a decent standard of living, above mere subsistence levels and/or legal or contractual minimums in force, as well as minimum remuneration levels found on the local market. For this purpose, Eni provides its business lines, for each Country, with policy salary references that are significantly higher than the 1st decile of the local salary market, as well as the legal/contractual minimums as found in the checks that Eni carries out annually on the salaries of local staff in the main Countries where it operates, compared to the minimum reference salaries provided by international providers.

Ratio between Eni minimum wage and law minimum wage (1st decile)

(Middle manager – Senior staff – Employee)

The minimum wage levels of Eni's personnel are significantly higher than both the legal minimum wages and market minimum wage levels



Welfare

The 2020 health emergency situation has had an impact on all personal services, making it necessary both to review the way in which consolidated initiatives are organised with a view to maximum safety and compliance with regulations, and to identify areas of innovation for the design of new services capable of responding to the emerging needs arising from family and social complexity and new ways of working.

Family and work-life balance	The organisational and management methods of the San Donato and Rome crèche schools and summer camps have been redesigned, in response to the health emergency. Vocational school guidance for employees' children and caregiver services have been kept in place. More than 2,500 people signed up for the proposed initiatives. Extension of smart working to about 90% of office staff and to all workers in conditions of fragility, evaluated by the competent doctor. Application in the offices of daily and multi-periodal flexible hours and paid leave for events such as bereavement, serious family infirmities, marriages and civil unions, study permits and professional training courses.
Parenting	Recognition in all Countries of presence of 10 working days paid 100% to fathers, as well as a minimum maternity leave of 14 weeks with payment of at least 2/3 of the salary received in the previous period, in accordance with the standards set by the ILO Convention. Right of access to smart working for the child's first three years of age in favor of parents working in the main offices.
Health prevention campaigns and well-being	Reinforced prevention programmes with the integration of the oncological check-up medical protocol and cardiovascular examinations; new prevention initiatives for employees' families are also being studied. More than 2,400 people signed up for check-up programs and targeted specialist visits. Catering services remodeled to cope with the health emergency and guarantee service to employees.

Training

The 2020 training program was extensively redesigned: distance learning was adopted for many courses, giving priority to health and safety issues, alongside courses to support people, up to and including master's degrees, which Eni kept in place. Innovative training activities continued with the use of Virtual Reality Training, the development and enhancement of digital skills, by also revamping the "Digital Transformation Centre" platform, and provision of cyber security courses. The Diversity & Inclusion training offer was also expanded with new content, including a course on "gender harassment in the workplace". As previously, the focus of many training initiatives was on contamination of content, both of a technical nature and of Corporate Identity (for new recruits, junior or expert, for new executives, or for managerial figures), on emerging themes such as Energy Transition, Circular Economy, Carbon Capture Utilization and Storage, Forestry, Renewable Energy and Digitalisation.

€22.4 million

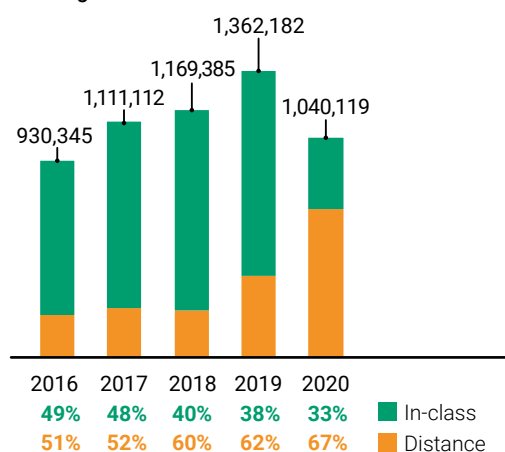
Investments in training in 2020

67%

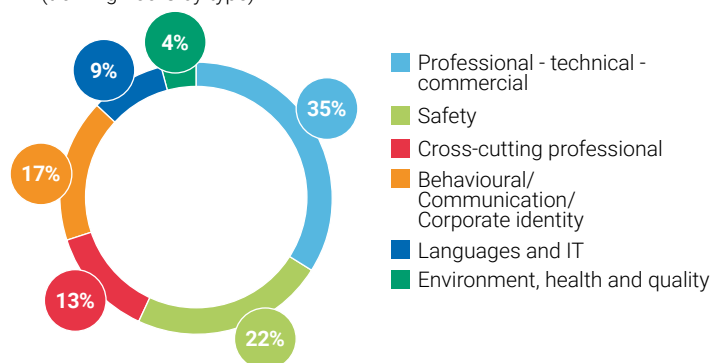
Total hours of distance learning
vs. 28% in 2019



Training hours



Main training courses offered by Eni
(training hours by type)



Main training courses offered by Eni

Technical Commercial Professional: technical training courses dedicated to professional families as well as master's degrees, commercial projects and training on asset integrity made available to all employees.

Safety: due to restrictions applying to face-to-face courses with practical tests, compulsory distance learning courses for workers and dissemination of the new Golden Rules for upstream activities have been crucial.

Cross-cutting professional: cross-cutting initiatives on compliance issues, professional courses required by business units and training on the Digital Transformation Centre platform.

Behavioural/communication/corporate identity: open courses on Diversity&Inclusion or energy transition; courses on corporate identity, human rights/sustainability and cyber security.

Language and IT: initiatives to disseminate new computer and language skills.

Environment, health and quality: initiatives for the enhancement of core professionalism in the field of environmental regulations and health pathways such as the HSEQ Master.

HEALTH EMERGENCY

Training support during the health emergency

During the crisis management, "Enicampus live" was created, a programme accessible to all Eni people, with the aim of fostering greater awareness of individual behaviour in the emergency context, acquiring renewed responsibility for individual and team results, and interpreting current phenomena. Similarly, daily leadership figures were offered tools and insights for managing the emergency and coping with uncertainty.

Health



Why is it important to Eni?

Eni considers health protection as 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. Eni's approach includes a vision of health as a state of bio-psycho-social well-being and as a fundamental human right, in which health is considered the result of not only biological but also economic, social, political, cultural and environmental processes. This approach is applied by Eni both to protection, promotion and health welfare actions and to actions supporting the communities in which it operates.

POLICIES AND OTHER REGULATORY TOOLS

Policies entitled "Our People", "The integrity in Our Operations", Eni's Statement on Respect for human rights; Code of Ethics.

ORGANISATIONAL AND MANAGEMENT MODELS

Integrated environment, health and safety management system; Occupational medicine for the protection of workers' health and safety; Health care and health promotion system for the provision of health services; Preparedness and response to health emergencies, including epidemic and pandemic response plans; Health for communities: initiatives aimed at maintaining, protecting and/or improving the health of communities.

2020 PROGRESS	SHORT-TERM TARGETS (2021)	MEDIUM-TERM TARGETS (2022-2024)	LONG-TERM TARGETS (2030 AND BEYOND)
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DIGITALISATION OF HEALTH PROCESSES AND SERVICES

Identification and testing of new technological solutions - IoT for continuous monitoring of healthy conditions in indoor environments.

Ongoing experimentation to monitor air quality of indoor environments with technologically improved sensors (e.g. generic hydrocarbons, CO₂, particulate matter).

Planning and implementation of a pilot project involving several Business Units in Italy and abroad.

Potential adoption of the continuous monitoring system throughout Eni's operations and completion of digitisation of health operating processes.

INVESTMENTS IN HEALTH ACTIVITIES

€76 million invested in health activities in 2020.

€73 million investments in health activities in 2021.

€161 million investments in health activities over the period 2022-2024.

Continuation of health promotion for all Eni's people and interventions in favor of local communities.

Eni's health initiatives

The extreme variability of working contexts requires constant updating of the health risk matrices of the Countries where Eni operates, based both on international indicators and, in case of exceptional events such as epidemic/pandemic outbreaks with significant impacts on Country risk. This variability makes it particularly challenging to ensure health at every stage of the business cycle, and for this reason Eni has developed an operational platform ensuring services to its people through occupational health and hygiene, travel medicine, health care and medical emergencies, as well as health promotion initiatives for Eni people and the communities where it operates. In 2020, all the companies continued to implement health management systems with the objective of promoting and maintaining people's health and well-being and ensuring adequate risk management in the workplace.

354,192

Health services sustained by Eni in 2020

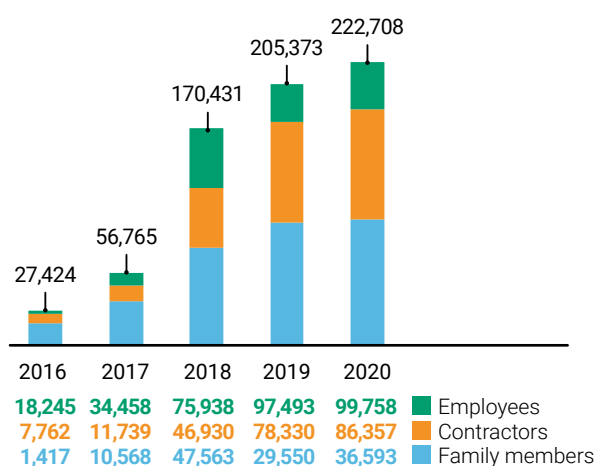
Eni's health management strategy

Health care	Increasing access to health care for all Eni people, reinforcing community-based interventions and emergency shelters to support situations of fragility created or aggravated by the pandemic.
Culture of health	Disseminating a culture of health by implementing initiatives for workers, their families and communities identified as a result of risk and health impact assessment.
Community health	Promotion of the state of health of the populations of the Countries of presence as a prerequisite for socio-economic development, through the implementation of specific programs. see p. 77
Occupational medicine	Implementing identified occupational health activities, while also considering risks inherent in new projects, industrial processes and the findings of industrial hygiene activities.
Process digitalisation	Promoting the digitalisation of health processes and services through the use of mobile information and communication technologies.

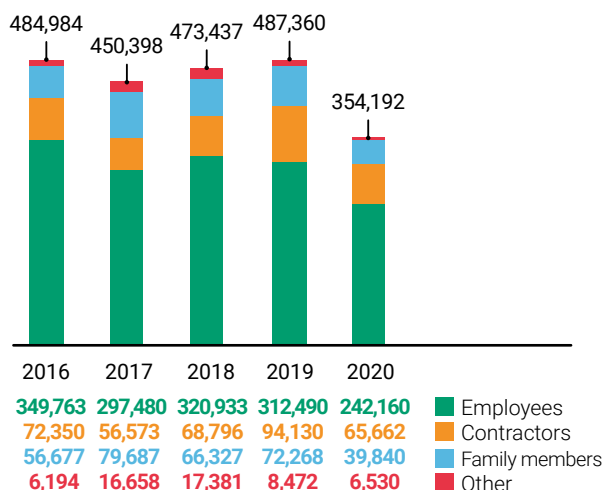
In 2020, 354,192 health services were supported by Eni, including occupational medicine and health care services; the flu vaccination campaign was implemented and initiatives for early diagnosis of chronic diseases continued for Eni's employees in Italy. Initiatives to meet the health needs of the populations of the Countries where Eni operates have continued, through Health Impact Assessments and the implementation of community health projects.

For more information: [Eni for 2020 - Sustainability performance \(p. 23\)](#)

Number of registrations to health promotion initiatives



Number of health services provided



In the critical global health context, Eni has taken a range of measures to support those on the front line of emergency management and local health facilities

Efforts and initiatives to deal with the health emergency

In the critical global health context, Eni has taken a range of measures to support those on the front line managing emergencies and local health facilities, also guided by the experience gained in dealing with epidemic events around the world, through: i) epidemiological updates and new guidelines from international bodies, ii) hygiene measures for prevention and containment of epidemics/pandemics, iii) clinical and care flow management best practices, vaccination and recommendations for travel medicine and iv) support in defining technical specifications for services related to emergency response. Activities to promote the psychological wellbeing of employees and in-depth studies on various health issues were initiated, especially on the new virus, new lockdown habits, necessary precautionary measures, as well as constant updates on the ongoing health emergency.

During 2020, the medical emergency procedure, the "Medical Emergency Response Plan" (MERP), of all Eni's subsidiaries with operational and management specificities was updated several times, "Pandemic Preparedness Response Plans" were activated and specific health emergency response actions were identified.

Health emergency response actions for Eni's workers

Prevention measures	Restrictive and preventive measures (including alternative working arrangements) in offices and operational sites.
Monitoring of production activities	Identification of priorities for monitoring production activities.
Personnel management	Reduction of expatriated personnel and their family and review of rotation and shift change arrangements.
Quarantine modes	Arrangements for quarantine in dedicated quarters.
PPE procurement	Supporting the procurement of personal protective equipment (PPE) required for emergency management.
Travel medicine	Adaptation of travel medicine procedures by assessing additional restrictions in relation to the level of risk.
Awareness campaigns	Launching awareness and information campaigns for employees with hygiene and prevention measures to reduce the risk of infection.
Safe clinical pathways	Establishment, where Eni-managed health facilities are present, of appropriate safe clinical pathways for suspected cases.
Health surveillance	Adaptation of health surveillance activities both in Italy and abroad, giving priority to people present at the workplace.
Management of fragile workers	Definition of guidelines for the management of frail workers, with respect to pre-existing conditions, in accordance with progressively enacted legislation, local legislation and international best practices.
Serological tests	Project launched to offer workers in the Lombardy Region the opportunity to take serological tests on a voluntary basis.
Psychological support	Activation of a remote psychological support service in Italy and abroad for all Eni personnel in Italy and their families, in relation to the COVID emergency.

Eni has also mobilised all available resources with the aim of addressing the emergency situation through numerous health and social activities with an economic commitment of approximately €27.5 million, including interventions for employees (approximately €21.4 million) and COVID initiatives for local communities (approximately €6.4 million). Eni has also made its supercomputing infrastructures and molecular modelling skills available to Coronavirus research, offering the contribution of excellent tools and resources in the fight against the global emergency. Furthermore, Eni also financed public information campaigns on the role of the family doctor and services for the elderly and, thanks to its employees, collected and donated over €600,000 were collected and donated to the Italian Red Cross to deal with the emergency. [see p. 10](#)

€27.5 million

Economic commitment to respond to the emergency in interventions for employees and local communities



COVID 2 Hospital in Rome
dedicated to the care of
Coronavirus patients

Eni is with Italy and the Gemelli Hospital in Rome

What was Gemelli's response within the Italian health system to the COVID emergency?

As soon as the emergency began, we promptly decided to totally transform the Columbus hospital, attached to the Policlinico Gemelli, into a 'COVID hospital', a facility for treating cases of coronavirus infection. In the space of three weeks, a general hospital equipped to care for patients of all pathologies was transformed into a specialised hospital with 250 inpatient beds and 60 intensive care beds entirely dedicated to COVID with a special radiology and all the specific services and pathways for this type of patient. Moreover, in the most acute phase of the crisis, many wards of the Gemelli Hospital were transformed for COVID. To date, we have treated thousands of cases from all over Lazio, being the second reference centre of the health service for the treatment and management of these cases.

In order to respond promptly to the Coronavirus emergency, Eni has implemented numerous initiatives to support the local health structures in the areas where it operates. Specifically, what has been achieved in collaboration with Policlinico Gemelli?

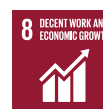
The collaboration between Eni and Gemelli was timely and effective. Eni gave us a big hand with the equipment needed to set up the "COVID Hospital". The largest part of the major contribution was directed towards the purchase of the latest generation of respirators for patients in intensive care. This collaboration has continued and is still active in prevention and assistance for Eni personnel, especially from abroad, through the provision of diagnostic services for suspected cases and prompt admission for symptomatic patients and the management of the most critical cases.



Interview with **Professor Rocco Bellantone** Director of Clinical Governance and Director of the UOC of Endocrine and Metabolic Surgery at the Fondazione Policlinico Universitario Agostino Gemelli IRCCS. Full Professor and Dean of the Faculty of Medicine and Surgery at the Catholic University of the Sacred Heart

➤ [For more information: eni.com](https://www.eni.com)

Safety



Why is it important to Eni?

Eni is constantly committed to ensuring safety in the workplace, regardless of any contingent situation, in order to guarantee the safety of its employees and contractors. Commitment to zero incidents is achieved through the implementation of organisational models for risk analysis and management and the application of a thorough system of procedures and standards for the protection of employees, suppliers, processes and plant integrity. The commitment to safety also includes the dissemination and strengthening of the safety culture as an essential part of the activities, with the development of campaigns and projects promoting healthy and safe behaviour in every working and, in general, living environment.

POLICIES AND OTHER REGULATORY TOOLS

Policies entitled "Our People", "The integrity in Our Operations", Eni's Statement on Respect for human rights; Code of Ethics.

ORGANISATIONAL AND MANAGEMENT MODELS

Integrated environment, health and workers' safety management system certified in accordance with the OHSAS 18001/ISO 45001 standard; Process safety management system; Emergency preparedness and response plans; Product safety management system; Methodologies and tools for managing the Human Factor in incident prevention.

2020 PROGRESS

SHORT-TERM TARGETS (2021)

MEDIUM-TERM TARGETS (2022-2024)

LONG-TERM TARGETS (2030 AND BEYOND)

CONSOLIDATION OF THE SAFETY CULTURE

Development of a methodology for the analysis and management of the safety-related human factor (THEME project). Launch of a "Behavioural HSE" training area, in the field of behavioural safety and non-technical skills. Consolidation of the Process Safety Fundamentals campaign.

Promotion of HSE involvement and leadership of Eni's people, partners and Contractors. Application of THEME on operational sites and behavioural coaching. Dissemination of Process Safety Fundamentals at all operational sites in Italy and abroad.

Enhancing HSE awareness and decision-making capacity to increase the HSE awareness of employees, as well as the ability to act safely, through monitoring of risk variables and knowledge of possible errors in perception and assessment.

Increasing focus on behaviour, enhancing the sense of responsibility towards oneself and others, with greater awareness of HSE aspects, transforming people from those who generate mistakes and suffer the consequences to active barriers that prevent them.

OCCUPATIONAL SAFETY, PROCESS SAFETY AND ASSET INTEGRITY

New digital initiatives to increase operators' safety (IoT technologies, wearable devices and IT tools). New regulatory tools for Operational Safety Management in the field and introduction of mobile apps as a digital working tool.

Extension of Digital Safety initiatives in Italy and abroad and introduction of new digital technologies; digitisation of HSE processes.

Application of digital technologies with predictive capabilities, to intercept potentially dangerous situations and introduce preventive measures at operational sites.

Full digitalisation of all operational processes through digital technologies that make business processes safer, more efficient and faster.

Injury rates and intervention actions

In 2020, Eni has once again confirmed its commitment to zero incidents through the consolidation of the Severity Incident Rate (SIR), an internal index that measures the level of severity of incidents, and its inclusion in the short-term remuneration of the CEO and senior managers with strategic responsibilities. [For more information: Report on remuneration policy and remuneration paid 2021](#)

2020 saw the consolidation of the Safety Culture Program (SCP), a preventive safety management indicator involving aspects such as analysis and management of weak signals, implementation of safety awareness campaigns and emergency preparedness. In 2020, the Total Recordable Injury Rate (TRIR) of the workforce increased by 5% compared to 2019, with a rise in the employee index and a decrease in the contractor index. In September 2020, a fatal injury occurred involving an upstream contractor in Egypt due to crushing. The identification and analysis of the causes of the event made it possible to implement specific preventive actions to avoid its recurrence:

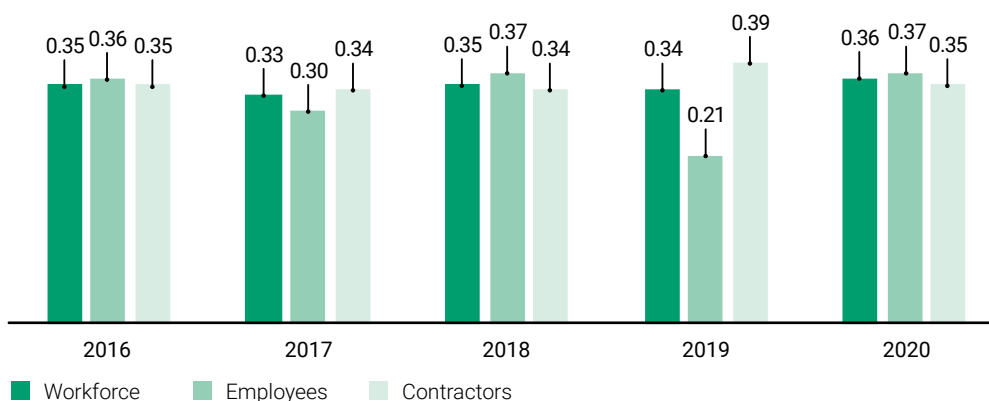
- Reinforced work permit system for activities involving the use of heavy goods vehicles;
- Introduction of checklists for periodic verification of vehicle condition;
- Update of the contract management system, with new requirements on access to areas, staff roles and responsibilities, and emergency management;
- Provision of training courses on "Safe Driving".

Eni is also engaged in initiatives for: (i) development of human factor analysis methods in the field of behavioural safety; (ii) renewal and enhancement of event investigation techniques with a new root cause analysis methodology; (iii) use of new digital technologies for data analysis with a focus on prevention aspects.

Severity Incident Rate (SIR) in the short-term incentive plan of the CEO

Total Recordable Injury Rate (TRIR)

(total recordable injuries/worked hours) x 1,000,000



0.36

TRIR of the workforce in 2020

+5%

TRIR vs. 2019
-50% vs. 2014



[For more information: Eni for 2020 - Sustainability performance \(p. 24\)](#)



Digital initiatives for safety: Safety Pre-Sense

As part of the digital initiatives, the use of the "Safety Pre-Sense" tool was launched, which, using Artificial Intelligence, is able to analyse the thousands of data and information recorded annually in the HSE database, in order to intercept potential dangerous situations before unwanted events occur. The tool has been developed and progressively trained to identify hidden keywords in reports that, because they have been automatically recognised as recurring in past incidents sequences, can be used effectively as warning signals. The use of these new technologies will help expand large-scale statistical data analysis capabilities, extending the possibilities of analysis beyond human capabilities, and an automatic alert system will be able to highlight potential incidents risk situations in real time and allow implementation of preventive actions.

Safety Pre-Sense, a tool that intercepts dangerous situations before unwanted events occur

Safety culture

Eni is constantly striving to ensure that the culture of safety becomes increasingly preventive rather than reactive through projects, initiatives and activities that aim to make every Eni person a leader in safety, setting an example through the continuous commitment of management. In particular, several initiatives were launched in 2020, including those in the area of behavioural safety and Human Factor analysis and management.

Main initiatives to strengthen the safety culture

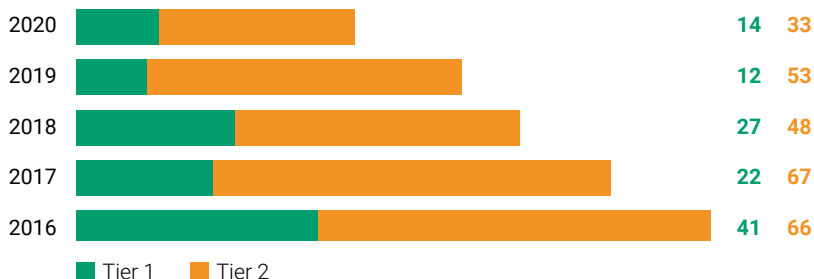
The Safety Pact game	Implementation by the staff of the Safety Competence Centre (SCC - safety competence centre for the coordination and supervision of contract works, in Italy and abroad) of a training-experiential course for company supervisors to develop, through "gamification" (which makes classroom training fun, interactive and exciting), technical skills on safety management and leadership skills.
THEME (The Human Error Model for Eni)	The THEME Project (The Human Error Model for Eni) saw the creation of a model for analysing the human factor in the field of safety, with the support of the University of Bologna ALMA MATER, for the development of the methodology and application tools. The methodology identifies factors influencing behaviour, assesses 'barriers' and characterises the influence of cultural elements in a given operational reality in order to identify appropriate interventions. The novelty lies in the redefinition of the role of man, who is no longer seen as a passive subject or only partially involved in the improvement process, but as the first barrier to prevent incidents. An on-site test of the methodology was conducted in 2020, and on-site activities are planned for 2021-23, both in Italy and abroad, with several assessments.
HSE behavioural training line	In 2020, a new line of behavioural training was launched in the field of behavioural safety and Non-Technical Skills, to promote safe and virtuous behaviour at work and in everyday life (in continuity with the "Safety Starts @HOME" and "safety starts@office" campaigns). Two courses were designed for all staff with the aim of influencing behaviour and developing a new sense of responsibility towards oneself and others, with greater awareness of HSE aspects: (i) leadership in HSE: to enhance the ability to make decisions that will increase the awareness of employees; (ii) acting in Safety: to increase the ability to act in safety, through the monitoring of risk variables and awareness of possible errors of perception and evaluation.



Eni technicians on the FPSO Kufuor, offshore Ghana

Process safety

Process safety events (number)



Process safety events more than halved vs. 2016

In 2020, there was an overall improvement in Process Safety performance signalled by the downward trend in Tier 1 and Tier 2 events, both in absolute numbers and by normalising the number of incidents for the hours worked in "process" activities. Levels ("tier") 1 and 2 indicate the severity of the consequences of the incidents (from the most serious to the least serious) in terms of released quantities of dangerous substances and damage caused to people or assets.

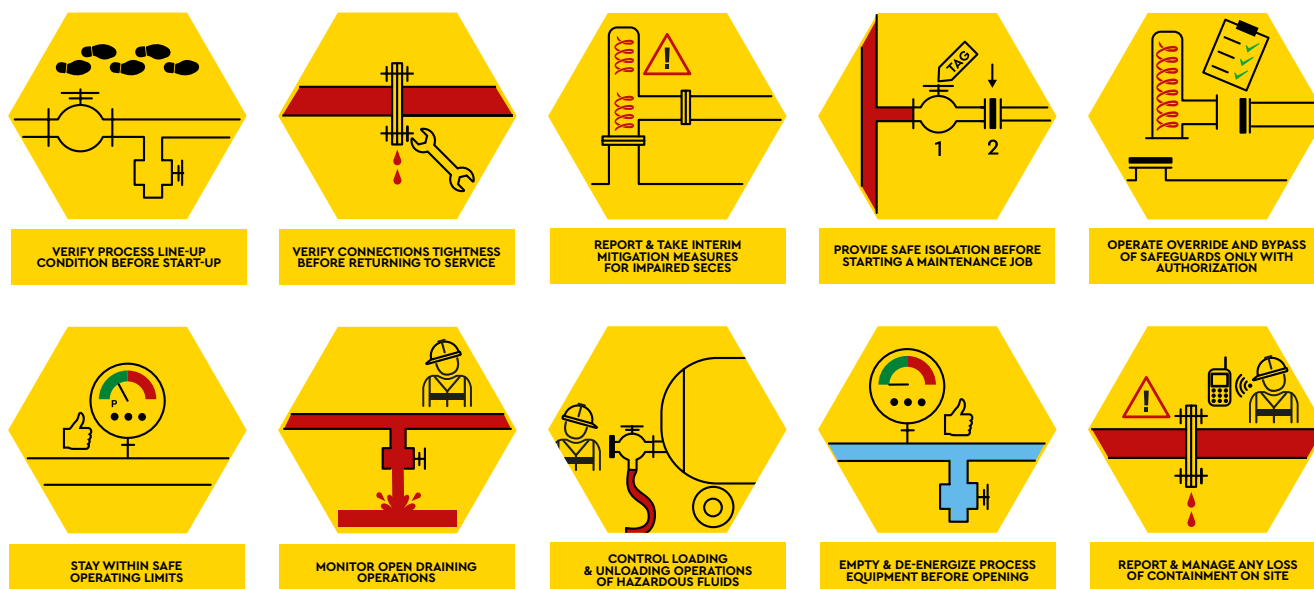
For more information: [Eni for 2020 - Sustainability performance \(p. 25\)](#)

In 2019, Eni defined the 10 fundamental rules for Process Safety, the Process Safety Fundamentals (PSF). Following the pilot initiative at the Southern District (DIME), the Venice Refinery and the Porto Marghera Petrochemical, which ended in April 2020, dissemination began at all Eni sites in Italy and abroad through selected promoters and dedicated workshops. The campaign was supported by in-depth material, including 10 video clips and Lessons Learned 3D films on process safety incidents. The initiative involved 22 subsidiaries, 15 sites including refineries, depots and affiliates, 14 Versalis plants, 6 EniPower power plants and 14 Eni Rewind sites, involving over 10,000 workers. A number of initiatives then escalated at Country level: in Libya, at the request of the National Operating Company, two dissemination events were organised with the participation of the main Libyan players in the Oil & Gas world. The ultimate goal is to significantly prevent release events, by acting on the Process Safety culture, through the involvement of all Eni personnel and contractors on all 10 operational rules.

More than 10,000 workers involved in the dissemination of Process Safety Fundamentals (Eni's 10 operating rules for process safety)

For more information: [eni.com](https://www.eni.com)

Process Safety Fundamentals



More than 4,000
exercises run in 2020

Emergency preparedness and response

Emergency preparedness is regularly tested during exercises where the ability to respond in line with dedicated plans is assessed, including the timely alerting of the chain of command and resources necessary to deal with the event. Although the pandemic has scaled down exercises, especially those with complex scenarios, the operational sites have maintained a high level of emergency preparedness, even readjusting, in agreement with management or the authorities, the exercise methods, carrying out over 4,000 exercises. For example, the exercise carried out at the Ortona depot, in collaboration with the Harbour Master's Office, simulated two different incidents scenarios: a fire on board a tanker, with consequent spillage at sea, and the presumed loss of product from the transfer line.



Exercise carried out at the Ortona depot, in cooperation with the Harbour Office

More than 2,500
companies monitored
and evaluated by the
Safety Competence
Centre

Contractors management

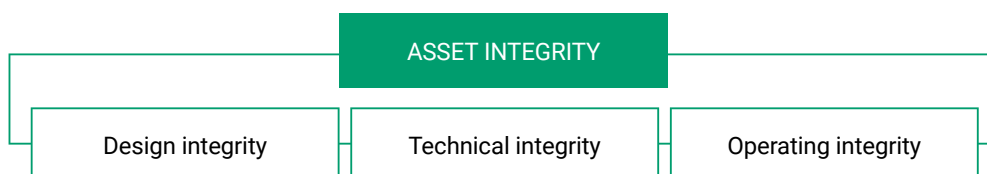
With regard to the management of contractors at Eni's industrial sites, the 130 resources of the Safety Competence Centre (SCC), employed to coordinate and supervise the safety of construction sites and contract work, continued to monitor and support the process of improving company safety by orienting them towards more functional and preventive management models. More than 2,500 companies were monitored (representing 70% of the suppliers with potential HSE criticalities in Italy) and the anomalies detected were subject to immediate corrective action, while at the same time implementing the recognition and dissemination of good practices. In 2020, the 'Safety Pact', which involves contractors on SCC tools and methodologies to safeguard workers' health and safety during operations, was extended to Eni's subsidiaries in Ghana and Angola.

Industrial hygiene

In 2020, Eni developed and promoted activities aimed at strengthening its monitoring and control of risk factors in the workplace, in particular i) participation in working groups with national bodies aimed at preparing reference guidelines on the subject in order to anticipate and optimise any impacts on activities; ii) strengthening awareness of risk factors by ensuring alignment with the most recent best practices on the subject, through the implementation of a targeted training/information program; iii) development and application of new monitoring systems in the field in order to ensure increasingly effective risk control. Finally, in 2020, Eni organised a workshop in collaboration with the main sector associations in order to analyse and discuss the effects of the new law on radiation protection (Legislative Decree no. 101/2020). The topics covered reinforced the awareness of the responsibility of compliance for organisational roles.

Asset integrity

Eni applies the Asset Integrity process to all plants, which ensures that they are well designed, well built with the most appropriate materials, well operated and decommissioned, managing residual risk in the best possible way, guaranteeing maximum reliability and above all safety for people and the environment. The Asset Integrity Management System therefore is employed from the initial design stage (Design Integrity), to procurement, construction, installation and testing (Technical Integrity) through to operating and decommissioning (Operating Integrity). During 2020, Eni followed up on the initiatives launched in 2019 to further promote the Asset Integrity culture with a transversal and widespread approach, also through the creation of a centralised and transversal organisational structure dedicated to the technical oversight of skills and standards.

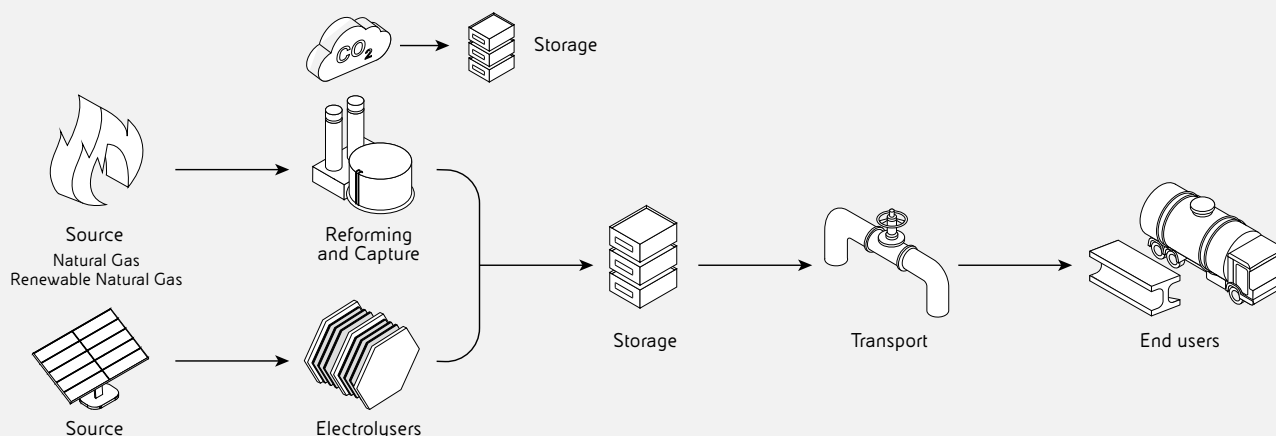


Hydrogen transport infrastructure

There are more than 5,000 km of high-pressure hydrogen pipelines in the world, built to 'ad hoc' standards, mostly for hydrogen destined for refineries and chemical plants. A key factor in reducing decarbonisation costs is to reuse existing natural gas transport infrastructure as much as possible, either to transport mixtures of hydrogen and natural gas or for conversion to pure hydrogen. The re-use of existing pipelines implies a process of upgrading, consisting of a re-evaluation of the design of the system according to the changed conditions, which may also lead to a reduction of the maximum working pressure. Many aspects need to be considered in upgrading activities, such as the composition of the gas, the state of integrity of the existing line, the characteristics of the construction material, welding technologies, safety implications and risk assessment. Eni has recently carried out engineering studies to estimate the potential of a strategic trans-European pipeline system, in which Eni has a stake, for hydrogen transport, assessing its integrity and commenting on the maximum percentage of hydrogen that could be mixed into the flow, highlighting tests to be performed on the pipelines and providing recommendations for further studies to ensure pipeline integrity. In addition, within the e-kms (Knowledge Management System) platform, dedicated to sharing Eni's technical knowledge, two different discussion areas have been launched on the prospects of hydrogen and its production technologies, possible transport modes, environmental impacts and the entire carbon life cycle.

As part of its decarbonisation strategy, Eni has carried out engineering studies to estimate the potential of a strategic trans-European pipeline system for hydrogen transport

The hydrogen value chain in which Eni is engaged



Environment



Why is it important to Eni?

Protection of the environment, based on the principles of prevention, protection, information and participation, is an essential component of how Eni operates. Particular attention is paid to the efficient use of natural resources, like water; to reducing operational oil spills; to managing waste; to the interaction with biodiversity and ecosystem services. For Eni, environmental culture is an important lever and for this reason in 2020 it involved both its own people through various initiatives to raise awareness on the correct management of environmental aspects, including a communication campaign dedicated to all employees, and its suppliers, whose activities must reflect Eni's values, commitment and standards.

POLICIES AND OTHER REGULATORY TOOLS

Policies: "Sustainability", "The integrity in our operations", "Eni biodiversity and ecosystem services policy"; "Eni's commitment not to conduct exploration and development activities within the boundaries of Natural Sites included in the UNESCO World Heritage List"; Code of Ethics.

ORGANISATIONAL AND MANAGEMENT MODELS

Integrated environment, health and safety management system certified in accordance with the ISO 14001:2015; Application of the ESHIA (Environmental Social & Health Impact Assessment) process in all projects; Technical meetings for analysis and sharing of experiences on specific environmental and energy issues; Green Sourcing: model for identifying analysis logics and technical requirements for selecting products and suppliers with better environmental performances; Site-specific circularity analysis; International Environmental Legislative Analysis.

2020 PROGRESS

SHORT-TERM TARGETS (2021)

MEDIUM-TERM TARGETS (2022-2024)

LONG-TERM TARGETS (2030 AND BEYOND)

WATER RESOURCES

6.1 Mm³ of water from TAF reused in the production cycle or re-injected; 53% of production water re-injected for production or disposal purposes.

Increase in the share of reclaimed water from the current 6.1 Mm³ to 12.6 Mm³ by 2024; Increase in the share of re-injected produced water to 64% of total produced water by 2024.

Commitment to achieve an efficient, collective and sustainable management of water resources at the river basin level.

OIL SPILLS

-7% vs. 2019 operational spills.

Start of e-vpms installation on the Clough Creek-Tebidaba pipeline (52 km) in Nigeria.

Actions to improve the asset integrity of upstream, downstream and retail facilities.

Exploration of new technologies and tools to enhance prevention, mitigation and response capabilities to oil spill events.

BIODIVERSITY

Adherence to the 4 principles for nature-based solutions of "Together with Nature"; extended biodiversity risk mapping to R&M pipelines.

Extension of biodiversity risk mapping to renewable energy plants.

Commitment to contribute to the conservation of biodiversity through a progressive increase in the number of Biodiversity Action Plans in sensitive areas and the implementation of NbS.

Efficient use of water

With a view to the sustainable management of water resources, initiatives were implemented at Eni sites in 2020 aimed at reducing fresh water withdrawals and replacing it, in both civil and industrial uses, with water from secondary sources such as rainwater, reclaimed groundwater or treated wastewater. In addition, the Upstream sector continues to develop projects aimed at both the re-injection of production water and its treatment and reuse for industrial purposes, with the aim of reducing the impact on local communities and ecosystems, especially in water-stressed areas. In particular, five wells in the production field in Turkmenistan were converted to re-inject the production water, while in Egypt a project was launched to optimise its treatment before disposal. Eni constantly monitors water risk, especially in the water-stressed areas in which it operates, in order to effectively implement mitigation actions of water saving, reuse and circularity of water resources to achieve an increase in the water efficiency and resilience of sites, also actively involving suppliers during the qualification process. As a result of joining the CEO Water Mandate in 2019, water balances have been drawn up at many Upstream sites in order to map the water resource used and identify actions to optimise its use. Finally, in accordance with its principles of transparency, in 2020 Eni also gave a public response to the CDP Water Safety questionnaire, confirming the A- score obtained the previous year.

-11%

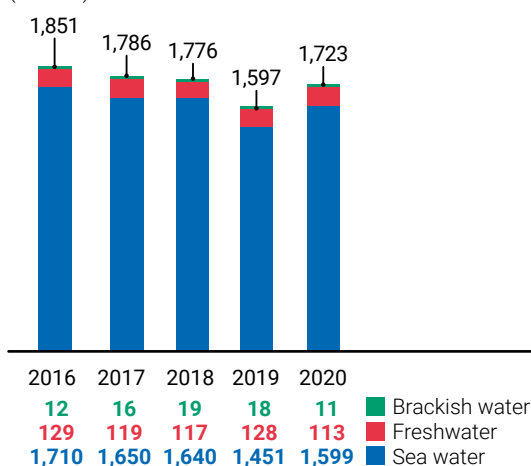


Freshwater withdrawals vs. 2019

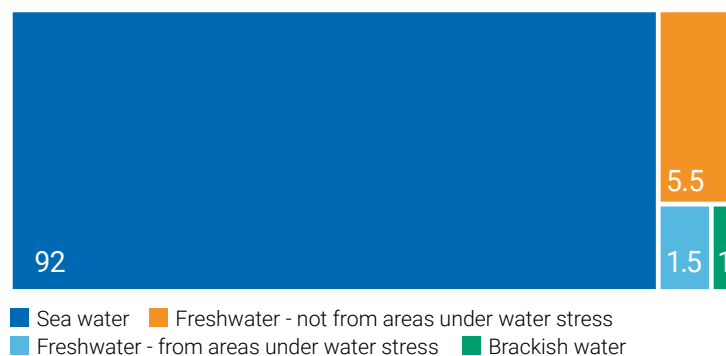
91%

Proportion of fresh water reused
+2 p.p. vs. 2019

Total water withdrawals
(mln m³)



Water withdrawals, by source
(%)



For more information: [Eni for 2020 - Sustainability performance \(p. 26\)](#)

An offshore installation at Zohr, Egypt's giant field





Zohr desalination plant is an example of a sustainable approach to water resource conservation

The desalination plant at the Zohr field in Egypt

The desalination plant in the Zohr offshore gas field (Egypt), operational from the beginning of 2021, aims to ensure the independence of the water supply and minimise the withdrawal of fresh water for necessary uses. Designed and installed in 2020 for a maximum production capacity of 1,200m³/day of desalinated water, the plant treats seawater taken from coastal supply wells through a unit consisting of three filtration and reverse osmosis trains, meeting the Zohr camp's water needs previously guaranteed by tankers and the local aqueduct. In addition, the plant minimises the impact of natural waste management by injecting the saline concentrate resulting from the osmosis process into coastal wells. Finally, with the aim of reducing the waste produced, the new plant will be able to receive, treat and recirculate for internal use on the site the effluent from the demineralisation units (up to 200 m³/day), currently transported by truck to external sites for disposal.

Oil spill management

With regard to the risks associated with operational oil spills and sabotage, Eni is constantly engaged on every front: prevention, preparedness, followed by mitigation, response and restoration. In particular, in the area of prevention, the installation of e-vpms®⁵ technology was completed in Italy on two backbones of the flowline network of the Val D'Agri Oil Centre, which also obtained recognition of Conformity to the Industry 4.0⁶ plan by a third party. Also in Italy, on downstream pipelines, an analysis of the risk of natural events, such as landslides and river overflows, continued, enabling the most vulnerable points to be identified and corrective consolidation measures to be implemented. In addition, testing of various technologies was advanced to assess the effect of the combined action of fungi and bacteria in the remediation of hydrocarbons ("Myco Remediation" project) or to draw up sensitivity maps using satellite images from the European Space Agency (ESA) which are also useful in responding to oil spill events ("Ecosesam" project). In 2020, total volumes spilled as a result of production-related events decreased by 7% with a recovery rate of 64%; barrels spilled as a result of effective attempts decreased by 6% with a recovery rate of 46% in 2020.

■ [For more information: Eni for 2020 - Sustainability performance \(p. 28\)](#)

-7%

Volumes spilled from operating activities vs. 2019

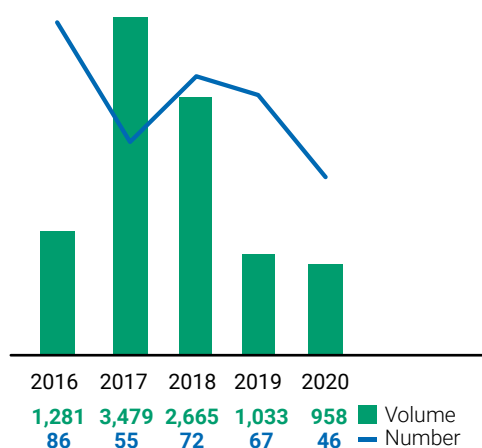


-6%

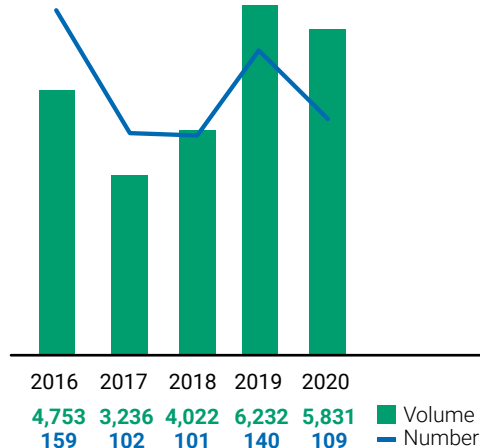
Volumes spilled due to sabotage vs. 2019



Operational oil spills*



Oil spills due to sabotage (including theft)*



(*) Spill data (>1 barrel) both in terms of numbers and volumes spilled are subject to updates over the years due to possible completion of investigations after publication of this document.

5) Eni Vibroacoustic Pipeline Monitoring System - Proprietary patent for pipeline monitoring.

6) The Industry 4.0 Plan, included in the Budget Law 2017, is a tool that aims to support and encourage private investment functional to the technological and digital transformation of production processes.

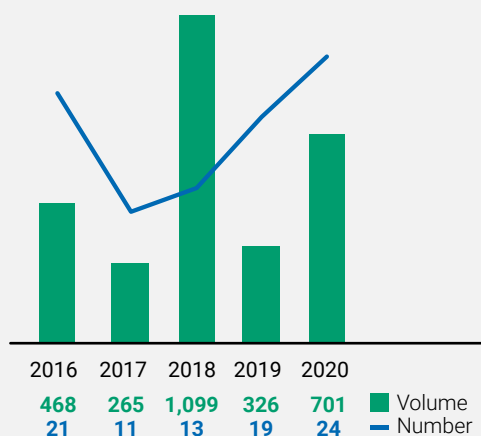
Eni's presence in Nigeria dates back to 1962 when the Nigerian Agip Oil Co. Ltd (NAOC) was established

Oil spills in Nigeria

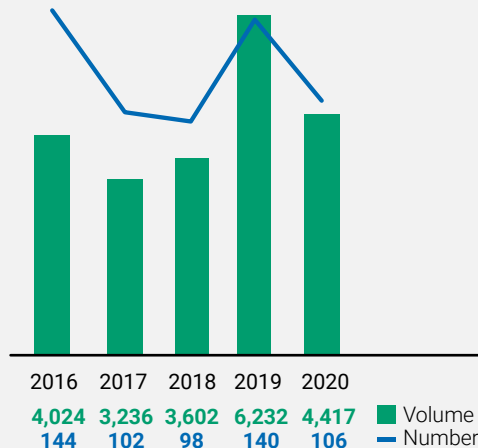
In recent years, Eni's facilities in Nigeria (wells, flow lines and pipelines covering approximately 3,000 km) were the target of illegal activities, resulting in significant spills, despite a 29% reduction in spilled volumes in 2020, probably due to both the easing of social tensions that had characterised the post-election period in 2019 and the increase in surveillance activities. With regard to the latter, the e-vpms® technology, which allows the early identification of leaks, damage or sabotage activity near or on the pipelines, is already operational on the Kwale-Akri and Ogboinbiri-Tebidaba pipelines and is expected to be completed on the Clough Creek-Tebidaba pipeline (52 km) during 2021-2022, slightly later than initially planned due to the pandemic. Surveillance activities are part of Eni's integrated strategy to prevent, reduce, contain these events and reclaim their impacts and they include different types of actions: from engagement with local communities to technical prevention, control initiatives, increasing the quality and speed of intervention, as well as participation in international initiatives on the subject. In 2020, operational oil spill figures were affected by an operational spill of 300 barrels, almost all recovered, caused by a malfunction during the transfer of crude oil at the Brass terminal. At the same time, 37% of sabotage oil spills and 66% of operational oil spills were recovered in 2020, broadly in line with the volumes recovered in 2019.



Operational oil spills*



Oil spills due to sabotage (including theft)*



-29%

volumes spilled as a result of sabotage events



(*) Spill data (>1 barrel) both in terms of numbers and volumes spilled are subject to updates over the years due to possible completion of investigation after publication of this document.

➤ **For more information: NAOC website** (Eni company in Nigeria, with constantly updated data. For this reason small deviations may be noted from the figures provided herein).

Eni applies the Mitigation Hierarchy to prioritise preventive mitigation measures

Adherence in 2020 to the 4 principles for solutions based on "Together with Nature"

Biodiversity

The management of biodiversity and ecosystem services (BES) is a key component of Eni's environmental strategies and operating practices, also in view of the multiple environmental contexts of business activities, characterised by different ecological sensitivities and regulatory regimes. As specified in the BES Policy Eni ensures that the interrelations between environmental aspects such as biodiversity, ecosystemic services, climate change, management of water resources and social issues of sustainable development of local communities, are identified and managed correctly. Eni, in collaboration with international scientific partners (for example with Fauna and Flora International, UN Environment World Conservation Monitoring Centre e Wildlife Conservation Society), assesses the risks arising from the complexity of each project, the value of the natural environment and the local social context. Through the application of the Mitigation Hierarchy, it prioritises preventive mitigation measures, monitoring their effectiveness and adapting the management approach based on observed results, with the aim of avoiding net loss of biodiversity. Consultation and collaboration with communities, indigenous peoples and other local stakeholders is an inclusive and transparent process that takes place from the early stages of a project and continues throughout its life cycle, and it helps to understand their expectations and concerns, determine how ecosystem services and biodiversity are used, and to identify management options that take into account their needs. From 2019 Eni has committed not to conduct exploration and development activities within the boundaries of Natural Sites in the UNESCO World Heritage List (as of May 31, 2019). This commitment confirms Eni's long-standing policy and reaffirms both its approach to the preservation of the natural environment in every area with high biodiversity value and the promotion of good management practices in the joint ventures where Eni is not an operator. In 2020, in order to identify where Eni's activities fall, even partially, within protected areas or priority sites for biodiversity conservation, Eni updated its biodiversity risk exposure assessment for R&M, Versalis and EniPower operating sites and concessions under development or exploitation in the upstream sector, and carried out a similar analysis for R&M pipelines operating in Italy.

■ **For more information: Eni for 2020 - Sustainability performance (pp. 27-28)**

Moreover, in 2020, Eni adhered to the "Together with Nature" principles, undertaking efforts guided by the recognition of the close link between climate change and biodiversity loss, to minimise risks and maximise efforts to protect and conserve existing ecosystems through the application of Nature-based Solutions, based on rigorous ecological principles.

View of an alluvial forest in the area of Kouilou, near M'Boundi, Congo



Circular economy

The path to the transition towards a circular economy represents for Eni one of the main responses to the current environmental challenges, and it is based on the revision of the production processes and the management of assets, reducing the withdrawal of natural resources in favour of materials from renewable sources, reducing and enhancing scrap (from production, waste, emissions, discharges) through recycling or recovery actions and extending the useful life of products and assets through reuse or reconversion actions. For the implementation of the transition to the circular economy, the process of measuring circularity is a prerequisite as it is an essential tool for the management, control and transparency of the objectives. In this regard, starting in 2017, Eni began carrying out site-specific circularity analyses, moving from an initial qualitative approach, based on the 3R (Reduce, Reuse, Recycle) criterion, to quantitative assessments with a measurement model developed on the basis of internationally recognised principles and validated by the third-party body Certiquality, which made use of the collaboration of the Scuola Superiore Sant'Anna in Pisa. This model, through the monitoring of specific indicators, including HSE indicators, makes it possible to measure both the current state of circularity and the effect of the improvement opportunities identified, while at the same time anticipating the setting of future national and international regulations on the subject. This model has been applied in 2020 to different contexts within the company including operational sites, processes and business units and a study has been launched to integrate it with environmental redevelopment projects in order to help increase their overall level of circularity. [To learn more about Eni's strategy on the circular economy: Eni for 2020 - Carbon neutrality by 2050](#)

"It is essential a new paradigm of development that makes us move from linear to circular growth to reduce waste, transform waste and give new life to what already exists."

Claudio Descalzi

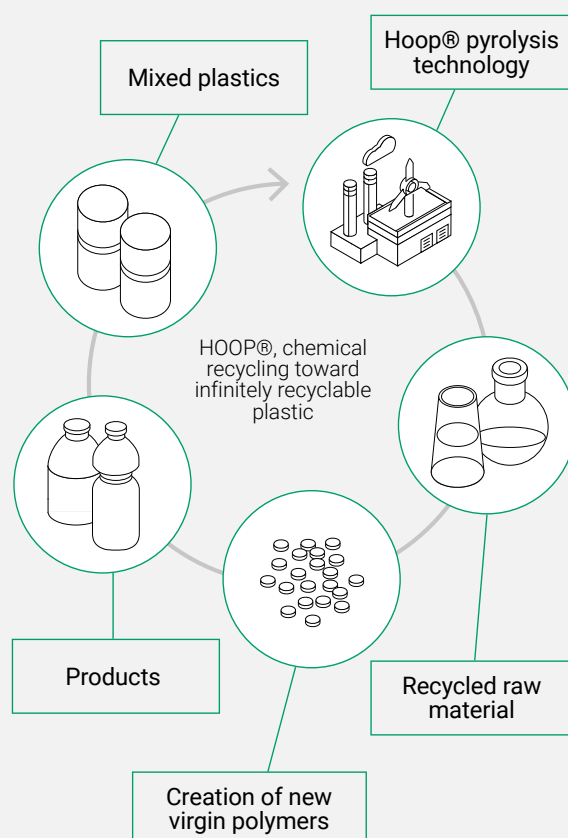


Plastic recycling

The commitment to plastics recycling is a concrete example of the implementation of the principle of circular economy and, in this context, Eni, through its subsidiary Versalis, is active in the research and development of technologies both for mechanical recycling, currently the most widespread, and for chemical recycling, which is highly innovative. In terms of mechanical recycling, a product line (Versalis Revive®) has been developed from municipal and industrial waste in order to improve the characteristics of recycled plastic. These products have a better environmental performance, in terms of both carbon footprint and water use, than products made from virgin raw materials. Versalis is also engaged in experimenting with innovative chemical recycling technologies that overcome the limitations of mechanical recycling, including the impossibility of treating complex and contaminated waste. In particular, chemical recycling makes it possible to reconvert mixed plastic waste, currently destined for disposal (plasmix), into raw material for producing new polymers. For this purpose, in 2020, Versalis launched the Hoop® project, through a joint development agreement with the Italian engineering company Servizi di Ricerche e Sviluppo (S.R.S.), owner of a pyrolysis technology for chemical recycling, which makes it possible to transform mixed plastic waste into a raw material with the same qualities as virgin plastic and capable of being used in high-value applications, such as those in contact with food. To prevent marine pollution, Versalis is also involved in the "Operation Clean Sweep" project, which involves the entire value chain, and has joined the "Alliance to end Plastic Waste" to promote projects and implement concrete solutions to the problem of plastic waste in the sea. Finally, Versalis has joined the Circular Plastics Alliance initiative to actively contribute to the European target of using 10 million tonnes of recycled plastic in new products by 2025.

[For more information: versalis.eni.com](https://www.versalis.eni.com)

Chemical recycling



Human rights



Why is it important to Eni?

Respect for human rights is an integral part of Eni's culture, based on the dignity of every human being and on companies' responsibility to contribute to the well-being of individuals and of local communities. This approach, a prerequisite for a fair energy transition, is rooted in Eni's business model and it is guided by the Top Management, which diffuses it in the corporate culture. The effort starts from relations with employees and contractors and extends to those with local communities, governments, suppliers and commercial partners, as well as to security activities and workers' rights. This commitment is also confirmed by the adherence to the 10 principles of the Global Compact and by Eni's recognition among the Lead companies of the initiative.

POLICIES AND OTHER REGULATORY TOOLS

Policies: "Sustainability", "Our People", "Our Partners of the Value Chain", Whistleblowing reports received, including anonymously, by Eni SpA and by its subsidiaries in Italy and abroad, "Alaska Indigenous Peoples", Code of Ethics, Eni's statement on respect for human rights, Supplier Code of Conduct.

ORGANISATIONAL AND MANAGEMENT MODELS

Human rights management process regulated by an internal regulatory instrument ; Inter-functional activities on Business and Human Rights to further align processes with key international standards and best practices; Human Rights Impact Assessment (HRIA); Security Management System to guarantee respect for human rights in all Countries; Three-year e-learning training plan on human rights; Procurement process with assessment based on criteria inspired by the Social Accountability Standard (SA8000); JUST: initiative aimed at involving suppliers in the energy transition process.

2020 PROGRESS

SHORT-TERM TARGETS (2021)

MEDIUM-TERM TARGETS (2022-2024)

LONG-TERM TARGETS (2030 AND BEYOND)

HUMAN RIGHTS MANAGEMENT MODEL

Application of the risk-based model to the renewable energy business; adoption of new due diligence models.

Extension to other business units; dissemination and updating of new due diligence models.

Extension of the model to the business areas; periodic review of the general system.

MANAGEMENT REMUNERATION LINKED TO HUMAN RIGHTS

18 objectives assigned to managers reporting to the CEO.

Continued widespread assignment of specific MBOs on human rights to Eni management at all levels and to subsidiaries.

TRAINING

28% increase in hours compared to 2019.

Continuation of human rights training campaign on the 4 specialist modules.

Updating training modules and launching new awareness campaigns.

Continuous updating of employees on human rights according to company strategies and needs.

SUPPLIERS

Publication and dissemination of the Supplier Code of Conduct; Due Diligence on human rights of the Procurement process.

Acceptance of the Code of Conduct by suppliers; gradual application of the model in the subsidiaries.

Application of the human rights model by all subsidiaries.

Human rights governance

Eni's approach to human rights is embedded in its mission and is carefully explained in Eni's Statement on Respect for human rights, approved by the Board in December 2018, which highlights the priority areas of engagement and which is subject to in-depth due diligence, according to an approach developed in coherence with the United Nations Guiding Principles on Business and Human Rights (UNGPs). This commitment is reiterated in the Code of Ethics, renewed in 2020, and supported by the commitments required of suppliers to respect human rights in the Supplier Code of Conduct, also adopted in 2020. The Vision is based on the dignity of every human being and the responsibility of companies to contribute to the well-being of people and local communities, beyond obtaining a social licence to operate, as part of Eni's identity and its way of doing business. The path undertaken by Eni in recent years in disseminating and consolidating a culture of respect for human rights, based on the UNGPs, has led to the strengthening of human rights due diligence procedures, a process outlined in a specific internal regulatory document adopted in 2020. This process is based on an approach of shared responsibility between several functions for managing the most important processes in human rights risk management: human resources, procurement, security, and sustainability. Another important step in Eni's journey is the unanimous approval by the Voluntary Principles Initiative (VPI) Plenary of Eni's entry as an "Engaged Corporate Participant" in 2020. A detailed description of Eni's commitment and performance with respect to human rights can be found in "Eni for Human rights".

➤ [For more information: Eni for Human rights](#)

In 2018, Eni published its Statement on respect for human rights

Eni publishes a dedicated annual report, "Eni for Human rights"



Now, more than ever, strengthening our commitment to respecting human rights is crucial to meet today's challenges. For us, respecting human rights means first and foremost recognising the value of each person, guaranteeing their dignity, safety and health, equal working conditions and, above all, promoting diversity.



Claudio Descalzi, Chief Executive Officer of Eni



Eni in the Corporate Human Rights Benchmark assessment

CHRB is an initiative resulting from the collaboration between investors and civil society organisations to create the first public benchmark to assess companies' performance with respect to human rights, in line with UNGPs. The initiative annually compares the world's largest companies in the extractive, agricultural products, apparel, ICT, manufacturing and since 2020 automotive sectors. Due to the global pandemic, this year the companies taking part in the benchmark were judged on a restricted set of indicators related to the three pillars of the UNGPs. Eni confirmed its leadership in its approach to human rights, ranking first among the around 200 companies assessed by the CHRB in 2020, ex aequo with only one other company. The work carried out in recent years has enabled Eni to further improve its performance with a considerable increase in score, thanks to the strengthening of due diligence processes, monitoring and evaluation of the effectiveness of the actions taken to identify risks and deal with possible impacts, also with a view to constantly improving its approach, and the accessibility of this information.

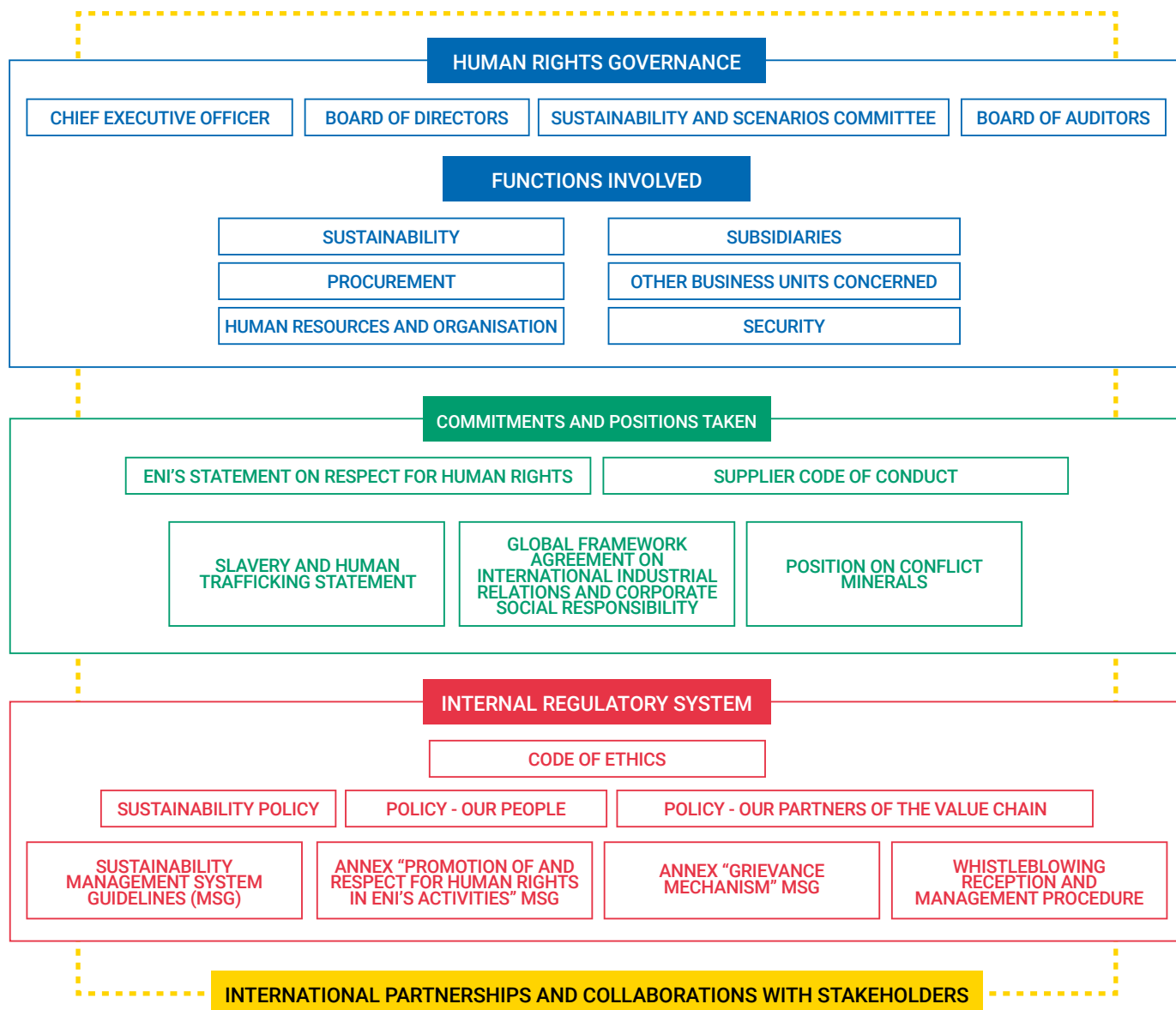
In 2020, Eni ranked first among the around 200 companies assessed by the Corporate Human Rights Benchmark (CHRB), ex aequo with only one other company

100%

Managers reporting directly to the CEO to whom a human rights target was assigned

Human rights are one of the issues on which the Sustainability and Scenarios Committee (SSC) makes proposals and provides advice to the Board of Directors. In 2020, the SSC reviewed the year's activities, including the implementation of the human rights due diligence model based on priority areas of intervention relating to Eni's salient human rights issues and the result achieved in the fourth edition of the Corporate Human Rights Benchmark (CHRB).

With the aim of defining roles and responsibilities, Eni has adopted a specific procedure that provides the internal framework for the human rights management model and defines the main guidelines for preventing human rights violations for all corporate functions. In 2020, the process of providing management with incentives linked to human rights performance was further strengthened by assigning specific targets to all 18 first reports to the CEO and more than 50 targets to other levels of management, including at subsidiary level. In addition, Eni adopted a new internal procedure outlining the human rights due diligence process as required by the UNGPs and updated its Code of Ethics.



Human rights training

In 2020, mandatory training continued for senior managers and middle managers (Italy and abroad) on the four specific modules of the course on human rights: (i) in the workplace; (ii) in the communities hosting Eni's activities; (iii) in security operations; (iv) in business relationships (with suppliers, contractors and other business partners). During the last year the participation rate of the course, in terms of number of enrolments, has been very positive. In addition to the specific course on human rights, other courses on sustainability and human rights issues are accessible to all employees, such as 'Sustainability in stakeholder, reporting and human rights', 'Sustainability and business integration' and courses on the SDGs. Finally, a training course on the new Code of Ethics, adopted in 2020, was launched through a video in which the CEO and the Director of the Integrated Compliance Department introduced the structure of the new Code and the main innovations.

33,112

Hours of human rights training
+28% vs. 2019



Salient human rights issues

The commitment of Eni, the management model and activities on human rights focus on the issues considered most significant for the company – also as requested by the UNGPs – in light of the business activities carried out and the contexts in which the company operates. During 2017, this set of themes, called salient human rights issues, had been identified by a cross-functional group on human rights and business, with the support from the Danish Institute for Human Rights, as part of a broader work study to analyse Eni's approach to human rights. The salient human rights issues identified by Eni are 13, grouped into 4 categories: (i) human rights in the workplace; (ii) human rights in business relationships (with suppliers, contractors and other business partners); (iii) human rights in security operations; (iv) human rights in communities hosting Eni's activities.

Since 2018, Eni has been implementing a risk-based model that makes use of elements linked to the reference context, such as the risk indices of the data provider Verisk Maplecroft, and to project characteristics, in order to classify upstream projects according to potential human rights risk and identify appropriate management measures. Higher-risk projects are specifically assessed through a Human Rights Impact Assessment (HRIA) to identify measures to prevent potential impacts on human rights and manage existing ones. During the 2019-2020 two-year period, Eni carried out in-depth analyses aimed at extending the management model adopted on human rights to specific business areas, with a view to constantly expanding the scope of the due diligence. The activities of the business areas traditional and bio refining, marketing of products and services for mobility and Energy Solutions (production of energy from renewable sources) have been the subject of specific analyses that made possible to identify improvement actions, that have been included in Eni's action plan on human rights; however the list of salient issues remained unchanged.

Since 2018, Eni has had a risk-based model to classify upstream projects according to potential human rights risk and identify appropriate management measures

HUMAN RIGHTS SALIENT ISSUES FOR ENI, SHARED IN 2020 WITH OUTSIDE STAKEHOLDERS AND LEADING EXPERTS

Human rights in the workplace

- Discrimination and equal treatment
- Safe and healthy working conditions
- Freedom of association and collective bargaining

Human rights and security

- Excessive use of force by public and private security forces
- Employee safety in high-risk environments

Human rights in the supply chain

- Modern slavery
- Migrant workers
- Freedom of associations and collective negotiation
- Safe and healthy working conditions
- Working conditions (wages and working hours)

Human rights in the communities

- Land rights
- Environmental impacts that affects livelihood, health, availability of water
- Decommissioning

ACCESS TO REMEDIAL MEASURES

In possible cases of violation: for the process of managing whistleblowing reports, including anonymous ones, by employees or third parties

■ [For more information: Eni for 2020 - Sustainability performance \(p. 34\)](#), for grievance mechanism ■ [see p. 84](#)

New industrial relations protocol "Insieme" signed in 2020 by Eni and Italian trade unions to support the energy transition process

Human rights in the workplace: industrial relations

Respecting the rights of the people who work within Eni and for Eni is essential to build mutually satisfactory and long-lasting relations. Eni's industrial relations model is based on agreements that identify how to share information with organisations representing workers, defined at national and international level: among these there are two European bodies, the European Works Council and the European Observatory for the Health and Safety of Workers at Eni, and a global one, the Global Framework Agreement on International Industrial Relations and Corporate Social Responsibility (GFA) renewed in 2019. The GFA, which is the result of collaborations with the main Italian trade union organisations and IndustriALL Global Union⁷, encloses a series of commitments to comply with the main international regulatory references⁸. With this agreement, Eni and the signatory trade unions have confirmed their joint commitment to promoting sustainable development and raising awareness among direct and indirect employees about respect for human and labour rights. The new industrial relations protocol "Insieme" (Together), signed in 2020 by Eni and the Italian trade unions to support the energy transition process, is also moving towards a more sustainable model in terms of business and people.



Definition of a human rights risk assessment in the workplace model

Model of human rights risk assessment in the workplace

In 2020, a model for assessing human rights risk in the workplace was implemented as a pilot project on some subsidiaries. It is a "risk-based" model aimed at segmenting Eni companies on the basis of specific quantitative and qualitative parameters that capture the specific characteristics and risks of the Country/operating context and linked to the human resources management process, including the fight against all forms of discrimination, gender equality, working conditions, freedom of association and collective bargaining. This approach identifies possible areas of risk, or improvement, for which specific actions should be defined and monitored over time. During 2021, the model will be extended to the other subsidiaries of the upstream business by expanding the assessment of human rights risk in the workplace.

HEALTH EMERGENCY

Eni's industrial relations model in relation to the management of the SARS-CoV2 emergency

Eni's consolidated model of industrial relations made it possible, in relation to the management of the SARS-CoV2 emergency, to identify common paths with the reference trade unions, to share information and action plans aimed at containing the effects of the pandemic in the workplace. In Italy, this approach took concrete form in the signing with the Italian trade unions of the "Shared protocol regulating the measures to contrast and contain the spread of the COVID-19 virus in workplaces", containing a series of provisions to protect the health of employees, including the establishment of the "Committee for the application and verification of the rules of the protocol", a body with joint company and trade union representation, which met periodically to analyse the situation at national and international level. Within the framework of the European Works Council activities, Eni maintained a constant flow of information to the workers' representatives, also holding a meeting of the relevant Restricted Committee, in which the main evidence relating to emergency management was analysed. With regard to the GFA's scope of competence, Eni fed the communication channel to IndustriALL Global Union, co-signatory of the Agreement itself, periodically providing an overview of the measures adopted at global level to address the crisis situation.

7) Organisation that represents more than 50 million workers distributed in 140 Countries, in the energy, manufacturing and mining sectors.

8) The reference regulatory instruments include: the United Nations Universal Declaration of Human Rights, the International Labour Organisation (ILO) conventions directly applicable to Eni's activities, the OECD Guidelines for Multinational Enterprises, the principles of the Global Compact of the United Nations, the ILO Declaration on Multinational Enterprises, as well as the United Nations Guiding Principles on Business and Human Rights (UNGPs), the Declaration on the Elimination of All Forms of Discrimination against Women, the Declaration of the Rights of the Child, the International Covenant on Civil and Political Rights.

Human rights and security

Eni manages its own security operations in compliance with international principles, including the Voluntary Principles on Security & Human Rights. In May 2020, Eni was admitted as an "Engaged Corporate Participant" to the Voluntary Principles Initiative (VPI), the multi stakeholder initiative dedicated to the respect of human rights in the management of Security operations that involves governments, companies and NGOs. In line with its commitment, Eni has designed a coherent system of rules and instruments to assure that: (i) contractual terms comprise provisions on respect for human rights; (ii) security force providers are selected also on the basis of human rights criteria; (iii) security operators and supervisors receive adequate training on the respect for human rights; and (iv) the events considered most at risk are managed in accordance with international standards.

97%

Security contracts containing clauses on human rights in 2020

Main activities and initiatives implemented in 2020

Activities related to the adherence to the Voluntary Principles on Security and Human Rights (VPSHR)	Exchange of information and co-operation with the VPSHR Secretariat; regular participation in initiatives organised by VPI (e.g. Verification Presentation on VPSHR Implementation, webinars, forums) and calls dedicated to Eni with the VPI Secretariat.
Launch of the human rights due diligence model in the security field	A model that identifies, analyses and prioritises the risk of negative impact on human rights in security activities and assesses the use of appropriate preventive or remedial measures, formalised in the strategic document "Security & Human Rights Action Plan", which provided for: (i) random review of the security contracts in place in the first 10 Countries resulting from the Risk-Based Model to verify the presence or absence in them of Human Rights clauses; (ii) verification of the allocation/use of Security goods and services made available to the Public and Private Security Forces operating at Eni Pakistan sites; (iii) implementation of a training and information workshop on "Security & Human Rights" in Angola.
Support for security and human rights awareness-raising activities	Support to subsidiaries through regulatory updates, newsletters and reports related to human rights and security; an information package for security professionals to share and use in their local environments.



Security and human rights training program

On 29 October 2020, a training workshop on Security and Respect for Human Rights was held in Angola, attended by 32 representatives of public and private security forces in Luanda; the event was also attended, both in person and remotely, by around 100 other people, including Eni management and employees, other oil companies and NGOs. The workshop was divided into two face-to-face sessions: one dedicated to senior officers of the Armed Forces (Army Special Forces, Navy), the Angolan Police with the participation of other oil majors present in Angola; another dedicated to private security operators who carry out their activities at Eni sites. The Angola initiative is part of a broader training project launched in 2009 to promote corporate best practices that incorporate the international principles established by the United Nations in the Universal Declaration of Human Rights; international principles that are referred to in the Voluntary Principles Initiative and that inspire Eni's statement on respect for human rights in all the Countries in which the company operates. This project was also recognised as a best practice in the joint UN Global Compact and Principles for Responsible Investment (PRI) publication of 2013. To date, workshops have been successfully held in 14 Countries around the world, confirming Eni's commitment to protecting people's safety, respecting local communities and engaging in a constant dialogue with authorities and local security operators.



The training workshop on security and human rights that took place in 2020 in Angola

Management of suppliers and business partners

The promotion and protection of human rights in the supply chain is ensured through the adoption of transparent, impartial, consistent and non-discriminatory behaviour based on a model for assessing and monitoring respect for human rights, developed according to a risk-based approach, in order to identify, prevent and mitigate the risks of violations of the rules on the protection of human rights throughout the procurement process. The risk-based approach allows the segmentation of qualified suppliers according to potential Country and product risk. Suppliers assessed in the human rights area carry out activities directly related to Eni's needs, both industrial and civil. This model makes it also possible to apply control measures differentiated on the basis of the level of risk, using criteria inspired by international standards, such as the SA 8000 standard.

Control measures to ensure respect for human rights in the procurement process



JUST
JOIN US IN A SUSTAINABLE TRANSITION

1) Supplier Code of Conduct: published in 2020, it sets out the principles contained in the Code of Ethics for suppliers who are required to sign it during the self-application/qualification or awarding of contracts, recognising and protecting the value of people and the prohibition of any kind of discrimination.

2) Due diligence: introduction of keyword search strings dedicated to possible human rights violations in the reputational analysis of counterparties. To support due diligence on human rights, Eni has implemented a risk-based model to segment qualified suppliers according to a potential risk of human rights violations in consideration of the risks related to the Country and the activities carried out.

3) Qualification questionnaire: verification of professionalism, technical-operational capacity, ethical, economic and financial reliability, health, safety, environmental protection, respect for human rights, by filling in a special section inspired by the SA8000 standard and cyber security to minimise the risks inherent in working with third parties.

4) Tender and award: definition of any minimum human rights requirements necessary for the evaluation of bids (scoring model) and the subsequent awarding of the tender. Strengthening of contractual clauses guaranteeing respect for human rights, including the possibility of specific audits of the supplier's activities.

5) Handover: transmission to the contract manager of all relevant information, including the indication of the contractual clauses protecting human rights, in order to allow actions aimed at the optimal management of the contract also in relation to the protection of human rights.

6) Feedback: if critical issues are identified, improvement actions are requested or, if minimum standards of acceptability are not met, limitations or inhibitions are placed on the invitation to tender. Inclusion of dedicated tags in the system, in order to periodically detect which reports have led to action being taken against the supplier and in respect of which human rights violations.

To ensure that suppliers maintain their qualification requirements over time, they are continuously monitored and periodically are required to undergo the entire evaluation process again. In 2020, 5,655 suppliers were also audited and assessed on environmental and social sustainability issues. Of these, for 15% potential problems and/or areas for improvement have been identified, which in 85% of the cases did not compromise the possibility of engaging the supplier. Further actions to counter modern forms of 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 Statement⁹" and in the "Position on conflict minerals¹⁰". [For more information: eni.com](https://www.eni.com)

5,655

suppliers subject to screenings and assessment on environmental and social sustainability issues in 2020

Main initiatives in 2020, aimed at involving suppliers in the energy transition process

JUST Initiative For more information: eni.com	Initiative aimed at involving suppliers in Eni's fair and sustainable energy transition path, enhancing the aspects of environmental protection, economic development and social growth at every stage of the procurement process.
eniSpace supplier portal For more information: esupplier.eni.com	A collaborative environment between Eni and its current and future suppliers, where they can keep up to date on Eni's business initiatives, share common goals and best practices, stimulate ideas, work and grow together in the energy transition path.
Open-es platform For more information: eni.com	Digital platform, developed in partnership with Google and Boston Consulting Group (BCG), open and dedicated to all suppliers interested in embarking on the path of fair and sustainable energy transition, with the aim of pooling and exploiting information, best practices and sustainability models across the entire ecosystem of companies, in a collaborative and non-competitive spirit, for common growth on the four pillars of sustainability (People, Planet, Prosperity and Governance Principles), fundamental for the present and future. This platform is based on a standard ESG data model, according to the core metrics defined in the WEF initiative "Measuring Stakeholder Capitalism", with a simple, flexible approach suitable for all realities present in the energy industry chain, from SMEs to big players.

HEALTH EMERGENCY

Supply chain resilience during the health crisis

With the health emergency, Eni found itself having to respond promptly to a double challenge: i) ensuring the safe continuation of operations for its own people and contract staff, and ii) ensuring supply chain resilience during the health and economic crisis. Eni has set up a task force to meet internal procurement needs (e.g. masks, protective glasses, gloves, thermoscanners, services for the return of expatriates) and in support of the National Health Service (e.g. medical devices and equipment) as part of the broader program launched to support the Country ("Eni with Italy"). Further actions have also been implemented, such as: i) the establishment of an airlift with China through cargo charters dedicated to Eni and used to transport masks and medical supplies; ii) constant monitoring of the global supply market, which has been impacted by the emergency and is often unable to respond to growing needs with the quality and timeliness required, identifying over 100 companies of potential interest; iii) recourse to domestic supplies, as soon as production of locally produced materials becomes available, also in order to reduce procurement and logistics risks.

Finally, Eni's response to the crisis has also involved supporting its supply chain with targeted actions such as: (i) renegotiation of contracts, ensuring greater flexibility and efficiency and identifying contractual forms capable of sustaining employment levels where possible; (ii) measures to protect suppliers at greater financial risk, for example by rebalancing payment terms; (iii) tendering strategies to encourage the opening of the market also to small and medium-sized enterprises or, where not feasible, favouring joint ventures between small/medium-sized enterprises.

Eni has set up a task force to meet internal procurement needs and to support the National Health Service

9) In accordance with the English Modern Slavery Act 2015 and, from this year, the Australian Commonwealth Modern Slavery Act 2018.

10) Compliance with US SEC regulations.

Transparency, anti-corruption and tax strategy



Why is it important to Eni?

To improve the governance and transparency of the extraction sector, it is essential to promote a good use of resources and to prevent corruption phenomena. Repudiating corruption has been one of the fundamental ethical principles of Eni's Code of Ethics since 1998 and for this reason Eni adopted a comprehensive system of rules and controls for the prevention of corruption offences (the Anti-Corruption Compliance Program).

POLICIES AND OTHER REGULATORY TOOLS

"Anti-Corruption" Management System Guideline; "Our partners of the value chain" policy, Tax Strategy Guidelines, Code of Ethics; Eni's position on Contracts Transparency.

ORGANISATIONAL AND MANAGEMENT MODELS

Model 231; Eni SpA Anti-Corruption Compliance Program, certified in accordance with the ISO 37001:2016 standard; Anti-Corruption Unit located in the "Integrated Compliance" function reporting directly to the CEO; Eni participation in local EITI multi stakeholder group activities.

2020 PROGRESS

SHORT-TERM TARGETS (2021)

MEDIUM-TERM TARGETS (2022-2024)

LONG-TERM TARGETS (2030 AND BEYOND)

EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (EITI)

Participation in the work of the Board Meeting and consultations organised by the Supporting Companies Constituency.

Organization of training plans for the subsidiaries recently admitted as member Countries and/or are in the application process to join the initiative.

Strengthening interaction and engagement with the International Secretariat, Board and EITI Working Committees.

Recognition of Eni as a best practice in fiscal transparency with the voluntary publication of the Country by Country report.

Supporting subsidiaries in members Countries on specific emerging issues.

Promotion of the active role of the subsidiaries in the implementation of EITI in the members Countries and to take part in the initiatives undertaken at local level in the potential upcoming accession Countries or that might be new members Countries.

ANTI-CORRUPTION COMPLIANCE PROGRAM

Confirmation of ISO 37001:2016 "Anti-bribery management system" certification.

Update of the Anti-Corruption MSG; Successful passing of the surveillance audit required to maintain the ISO 37001: 2016 "Anti-bribery management systems" certification.

Continuous updating and improvement of the Anti-Corruption Compliance Program; Maintenance of the ISO 37001: 2016 "Anti-bribery management systems" certification.

ANTI-CORRUPTION TRAINING

The methodology for segmentation of Eni people on the basis of corruption risk is now fully implemented.

Updating of the basic online anti-corruption training course that will feed into the new e-learning on Code of Ethics and its delivery.

Delivery of the basic online anti-corruption training course that will be incorporated into the new e-learning on Code of Ethics, which is mandatory for all Eni personnel.

In order to improve the governance and transparency of the extractive sector and to contribute to increasing the awareness of local communities – by stimulating governments to publish more complete information on payments, investments and revenues generated by Oil & Gas activities – Eni adheres as a supporting company to EITI (Extractive Industries Transparency Initiative), the global multi-stakeholder initiative that promotes the responsible and transparent use of financial resources generated in the extractive sector, and publishes specific reports on the disclosure of payments to governments, profits and taxes. Moreover, in line with disclosure on beneficial ownership, Eni publishes its corporate structure in its Annual Report.

Membership of the Extractive Industries Transparency Initiative (EITI) since 2005	In the area of the commitment with EITI, Eni follows the activities conducted at international level and in member Countries contributes annually to preparation of the Reports; additionally, as a member, Eni takes part in the activities of the Multi Stakeholder Groups in Congo, Ghana, Timor Leste, and the United Kingdom. In Kazakhstan, Indonesia, Mozambique, Nigeria and Mexico, the Eni subsidiaries interface with the local EITI Multi Stakeholder Groups through the trade associations present in the Countries. ➤ For more information: EITI.org
Report on payments to Government	Annual publication in compliance with the reporting obligations introduced by the Directive EU 2013/34 (Accounting Directive) and in line with the EITI standard.
Country-by-Country Report (CbC)	Drafting of the annual report in accordance with Italian Law No. 208/2015, in line with Action 13 of the OECD project and supported by the G20 to counter “tax base erosion and profit shifting” by multinational companies. The CbC contains data on business volumes, profits and taxes aggregated with reference to the jurisdictions in which Eni operates, which constitutes an information obligation towards the Italian tax authorities. Although there are no obligations to disclose this information, in order to maximise its own transparency in the taxation field, Eni publishes the CbC Report every year; The publication of this report has been recognised as best practice by the EITI. ➤ For more information: EITI.org
Tax Strategy	Preparation of the Guidelines in the Tax strategy guidelines that define the commitments pursued by Eni from the taxation viewpoint, approved by the BoD and available on eni.com. The tax strategy is based on the principles of transparency, honesty, fairness and good faith set forth in the Code of Ethics and in the “OECD Guidelines for Multinational Enterprises” and has as its primary objective the payment of taxes in the various Countries in which Eni operates, in the knowledge that it can contribute significantly to tax revenues in those Countries, supporting local economic and social development. ➤ For more information: eni.com
US SEC consultation	Eni has participated to a SEC consultation on the rule proposed to implement Section 1504 of the Dodd-Frank Act and relating to the disclosure of payments to governments, declaring itself favourable to the alignment of regulatory standards on transparency and to the guarantee of a “level playing field”.



Eni's position on contractual transparency

The new EITI standard, launched in 2019, has introduced significant changes in reporting and, in particular, on contract transparency; under this standard, all EITI member Countries will have to “publicly disclose contracts and licences granted, entered into or amended after 1 January 2021”. The aim of this new requirement is to contribute to greater transparency in the management of natural resources and to strengthen the trust of communities, stakeholders and investors in governments and companies, allowing civil society to monitor and oversee the terms of these agreements, the expected revenues and the related social and environmental obligations. Eni, in line with its commitment to transparency and participation in the EITI multi-stakeholder initiative as a supporting company, has expressed its position in favour of contract transparency, encouraging governments to comply with the new standard on contract publication and expressing its support for mechanisms and initiatives that will be launched by Countries to promote transparency in this area.

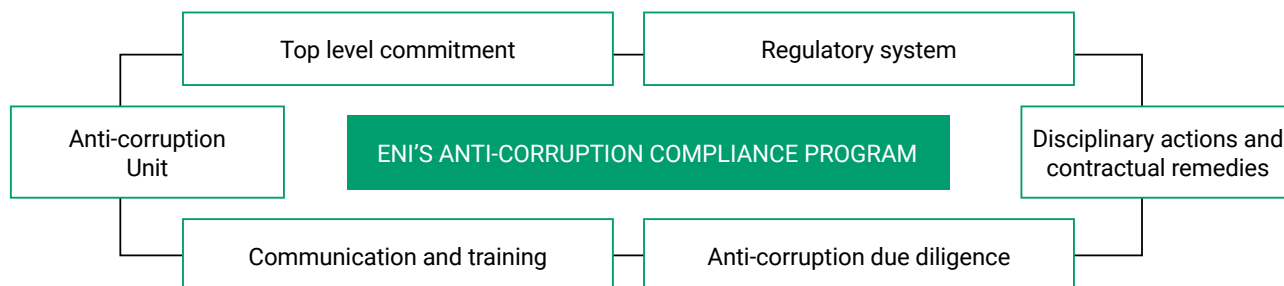
[➤ For more information: eni.com](https://www.eni.com)

Eni expressed its position in favour of contractual transparency

Eni SpA Anti-Corruption Compliance Program is certified ISO 37001:2016 "Anti-bribery management systems" since 2017

Eni's Anti-Corruption Compliance Program

Consistently with the "zero tolerance" principle expressed in the Code of Ethics, Eni adopted a comprehensive system of rules and controls for the prevention of corruption offences: the Anti-Corruption Compliance Program. The Anti-Corruption Compliance Program, which was drawn up in accordance with applicable anti-corruption provisions and international conventions, including the United Nations Convention against Corruption, the Foreign Corrupt Practices Act and the UK Bribery Act, is characterised by its dynamism and constant attention to the evolution of the national and international regulatory landscape and best practices. The primary internal legislation is represented by the Anti-Corruption Management System Guidelines and by further detailed regulatory instruments which constitute the reference framework for identifying activities at risk and the control tools that Eni makes available to its staff to prevent and combat the risk of corruption. All subsidiaries, in Italy and abroad, adopt, by resolution of their BoD, all the anti-corruption regulatory instruments issued by Eni SpA. In addition, companies and entities where Eni holds a non-controlling interest are encouraged to comply with Eni's anti-corruption standards by adopting and maintaining an adequate internal control system consistent with the requirements of relevant laws. The implementation of the Anti-Corruption Compliance Program has been guaranteed, since 2010, by a dedicated organisational structure (Anti-Corruption Unit) which provides specialist anti-corruption assistance in relation to the activities of Eni SpA and its subsidiaries, with particular reference to the assessment of the reliability of potential counterparties at risk ("anti-corruption due diligence"), the management of any critical issues/red flags that emerge and the development of the relevant 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 regulations. The main anti-corruption activities and information on the related regulatory instruments issued or updated during the reporting period are the subject of periodic reports addressed to Eni control bodies and the Chief Financial Officer.



904

Participants in general workshops

568

Participants in job-specific training

Anti-corruption training

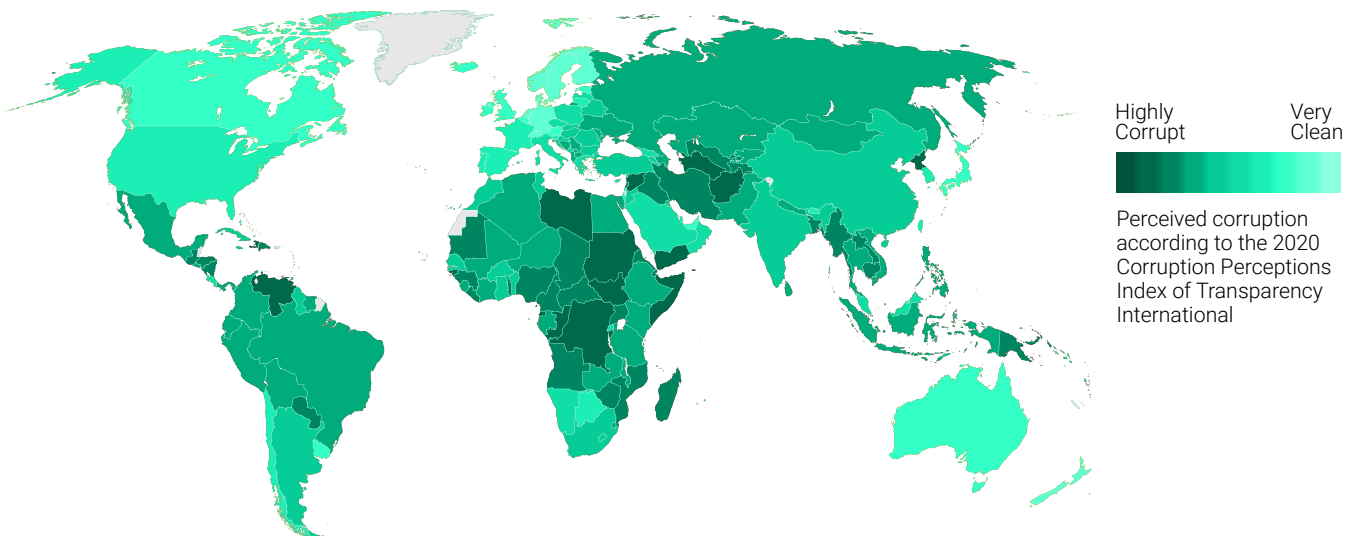
Another pillar of the program is represented by the anti-corruption training activities:

- e-learning courses, online courses for the entire corporate population;
- general workshops, training sessions for resources at mid-high corruption risk;
- job specific training, training sessions generally administered together with the general workshops and intended for professional areas under specific risk of corruption.

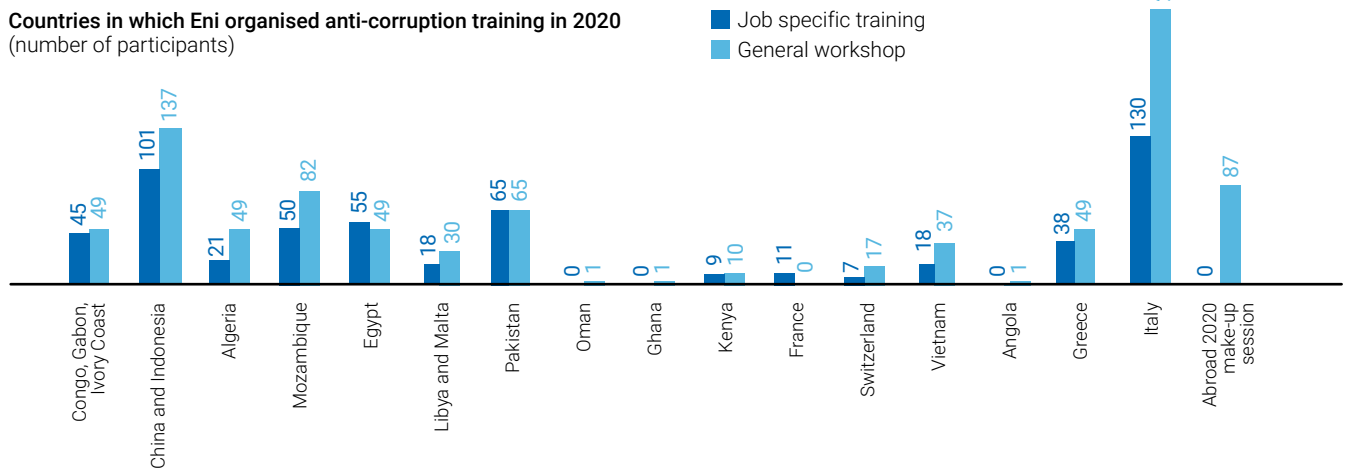
To optimise the identification of the recipients of training initiatives, a methodology was defined for a systemic segmentation of Eni personnel on the basis of the level of corruption risk they are exposed to according to specific risk drivers such as Country, qualification, professional family. In addition, periodic information and updating activities continued through the preparation of short information briefs on compliance, including any anti-corruption issues. Due to the emergency, the 2020 training events were carried out in distance mode with the continuation of regular information and update activities on compliance and anti-corruption issues. In 2020, on the occasion of the inauguration of the new Eni Board of Directors, the key elements of the Anti-Corruption Compliance Program were illustrated for training purposes, also in terms of its consistency with international best practices. In addition, the anti-corruption training program continued for certain categories of Eni's third parties to raise their awareness of recognising

corrupt behaviour and how to prevent violations of anti-corruption laws in their professional activities. Eni's anti-corruption experience also matures through participation in international events and working groups, which represent a tool for growth, promotion and dissemination of its values. In this regard, it is worth mentioning Eni's participation in the Partnering Against Corruption Initiative and in the O&G ABC Compliance Attorney Group (a discussion group on anti-corruption issues in the Oil & Gas sector).

2020 Corruption Perceptions Index



Countries in which Eni organised anti-corruption training in 2020 (number of participants)



Whistleblowing management

Since 2006 Eni has issued an internal procedure, 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, analyzing and processing whistleblowing reports received, even in confidential or anonymous form, by Eni SpA and its subsidiaries in Italy and abroad. This internal procedure allows employees and third parties, to report facts relating to the Internal Control and Risk Management System and concerning behaviors in violation of the Code of Ethics, any laws, regulations, provisions of authorities, internal regulations, Model 231 or Compliance Models for foreign subsidiaries, that may cause damage or prejudice to Eni, even if only to its public image. Dedicated and easily accessible channels have been set up and are available on the eni.com.

74

Whistleblowing report opened in 2020

22

Files for which the verifications have confirmed at least in part the content of the whistleblowing reports and appropriate corrective actions have been taken

Alliances for development

Eni as a local development actor	74
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Partnerships for development	80
Local Development Programme	84
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The outbreak of the health emergency triggered an unprecedented crisis, affecting the poorest and most vulnerable people in the world, and hindering progress towards the SDGs.

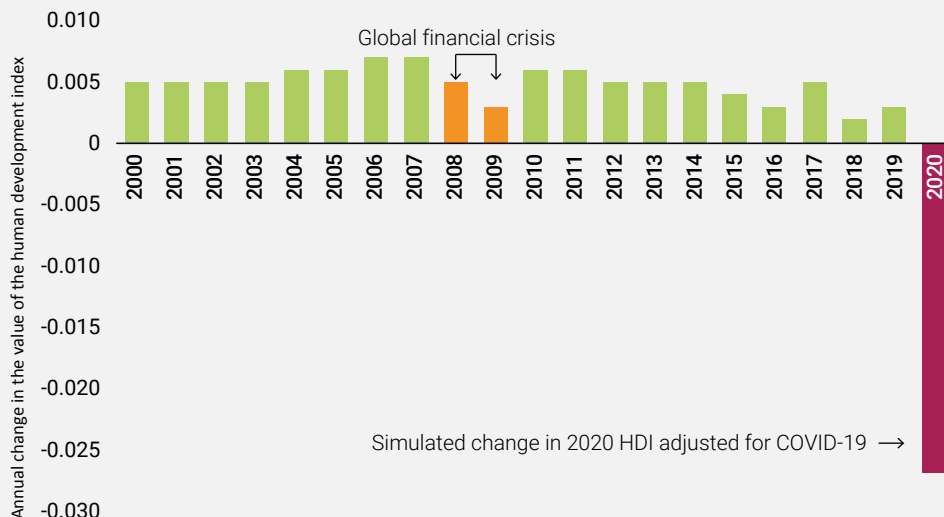
In 2020, Eni has increased its efforts towards a just energy transition that combines the need to reduce carbon footprint with the need for community development by reinforcing resources in the Countries where it operates, allocating gas production to the local market, promoting access to energy and supporting the definition of Local Development Programmes (LDPs). To address the health emergency, Eni has taken immediate action, in collaboration with local authorities, to reorient local development projects to better meet primary needs of the most vulnerable populations. In order to meet development challenges, partnerships with international development cooperation agencies and organisations have become increasingly important as an effective lever to mobilize resources that are not exclusively economic and to contribute to the development of Countries.

SCENARIO ELEMENTS: CHALLENGES AND OPPORTUNITIES

The unprecedented shock caused by COVID-19 pandemic for human development

In 2020, the Human Development Index (HDI) may have suffered the worst setback in a generation due to the COVID-19 emergency: the decline would be equivalent to erasing all the progress in human development of the past 6 years. The HDI is a summary measure that encompasses the standards achieved by Countries in three key dimensions of human development: the ability to lead a long and healthy life, the level of education and a decent standard of living. The HDI is the geometric mean of the normalised indices for each of the three dimensions.

Source: The 2020 Human Development Report, UNDP



Impact of COVID-19 on multidimensional poverty

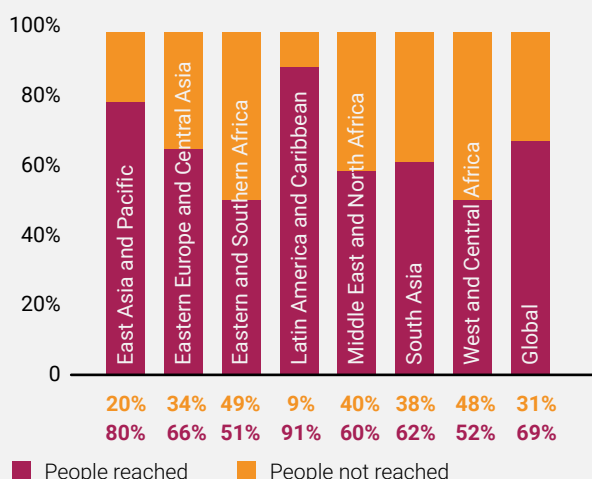
8-10 years setback

Potential progress setback on poverty reduction across 70 Countries

OPHI has developed scenario-based simulations of the possible impacts of the COVID-19 pandemic on the multidimensional global poverty index (MPI), a measure of acute poverty in over 100 developing Countries. The measure is complementary to traditional monetary poverty measures and is based on the identification of severe and simultaneous deprivations in health, education and standard of living.

Source: Oxford Poverty and Human Development Initiative (OPHI), and United Nations Development Programme (UNDP) Human Development Report Office.

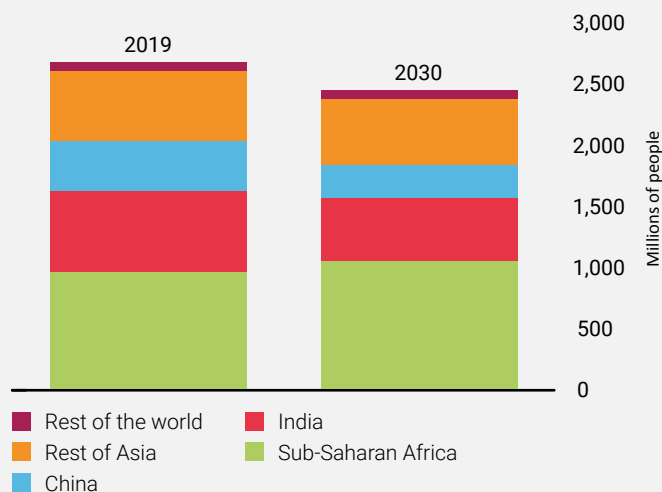
The potential scope of remote learning



The graph represents the percentage of students potentially reached/not reached by digital remote learning policies, by region (pre-primary to upper school). At least 463 million - or 31% - of students cannot be reached by digital distance learning programmes put in place to counteract school closures.

Source: United Nations Children's Fund, "COVID-19: Are children able to continue learning during school closures? A global analysis of the potential reach of remote learning policies using data from 100 Countries." UNICEF, New York, 2020.

People without access to clean cooking



In the Stated Policies Scenario (STEPS), there is a slowdown in progress during 2020 and 2021, which means that by 2030 there will be around 2.4 billion people without access to clean cooking, around 60 million more than in the previous year. Sub-Saharan Africa, in particular, would see the situation worsen, with 1.1 billion without access to clean cooking.

Source: IEA (2020) World Energy Outlook. All rights reserved.

Eni as a local development actor



Why is it important to Eni?

The distinctive element of Eni's cooperation model in Countries of presence, particularly in non-OECD Countries, is the application of the 'Dual Flag' strategy. This approach translates into constant interactions with local institutions and stakeholders to identify the initiatives necessary to meet the needs of the communities and to lay the foundations for new growth opportunities for the Country and for Eni's business activities. Thanks to the definition of specific Local Development Programmes (LDPs), Eni invests in initiatives for energy access, economic diversification, training, community health, access to water and sanitation, and land protection in line with the Country's national or regional development strategies, with the 2030 Agenda of the United Nations and with the Nationally Determined Contributions (NDCs). The development strategies in the Countries are strengthened by the establishment of public-private partnerships and alliances with committed local and globally recognised actors who, by pooling not only economic resources but also know-how and experience, contribute to improving the initiatives identified and achieving the SDGs.

POLICIES AND OTHER REGULATORY TOOLS

Policies: "Sustainability", "Alaska Indigenous People"; Eni Statement on Respect for human rights; Code of Ethics.

ORGANISATIONAL AND MANAGEMENT MODELS

Presence of sustainability contact persons at local level, to define development programs for local communities in line with national development plans, integrating business processes; Application of ESHIA process in all business projects; Stakeholder Management System Platform for managing and monitoring relations with local stakeholders; Process for managing sustainability in the business cycle and design specifications according to international methodologies (e.g. Logical Framework).

2020 PROGRESS

SHORT-TERM TARGETS (2021)

MEDIUM-TERM TARGETS (2022-2024)

LONG-TERM TARGETS (2030 AND BEYOND)

LOCAL DEVELOPMENT PROJECTS

Access to energy: 9,445 households accessing clean cooking technology.
Education: 4,526 students attending schools that were renovated and with services improved by Eni.

Access to energy: 4,100 households accessing clean cooking technology.
Education: 6,180 students attending schools that were renovated and with services improved by Eni.

Access to energy: 11,300 households accessing clean cooking technology.
Education: 61,125 students attending schools that were renovated and with services improved by Eni.

Access to energy: Ensuring access to modern energy, in particular clean cooking, for local communities.
Education: Ensuring access to quality and inclusive education for students from local communities.

HUMAN RIGHTS IN COMMUNITIES

Defined a new Human Right Risk Analysis methodology to be applied to industrial projects.

Carrying out two pilot projects for the application of the new methodology.

Full implementation of the new methodology in relevant projects.

INVESTMENTS IN LOCAL DEVELOPMENT

€96.1 million invested in 2020 for local development.

€109.4 million invested in local development.

€243.9 million invested in local development.

Contributing to the promotion of development interventions for local communities.

Integrating sustainability into business

From the first entry into a Country or new territory to the decommissioning phase, Eni adopts tools and methodologies, in line with the main international standards, ensuring a more efficient and systematic decision-making approach in order to contribute to the development of host Countries, in line with the Sustainable Development Goals (SDGs). This approach improves the sustainability of industrial activities throughout the business cycle.

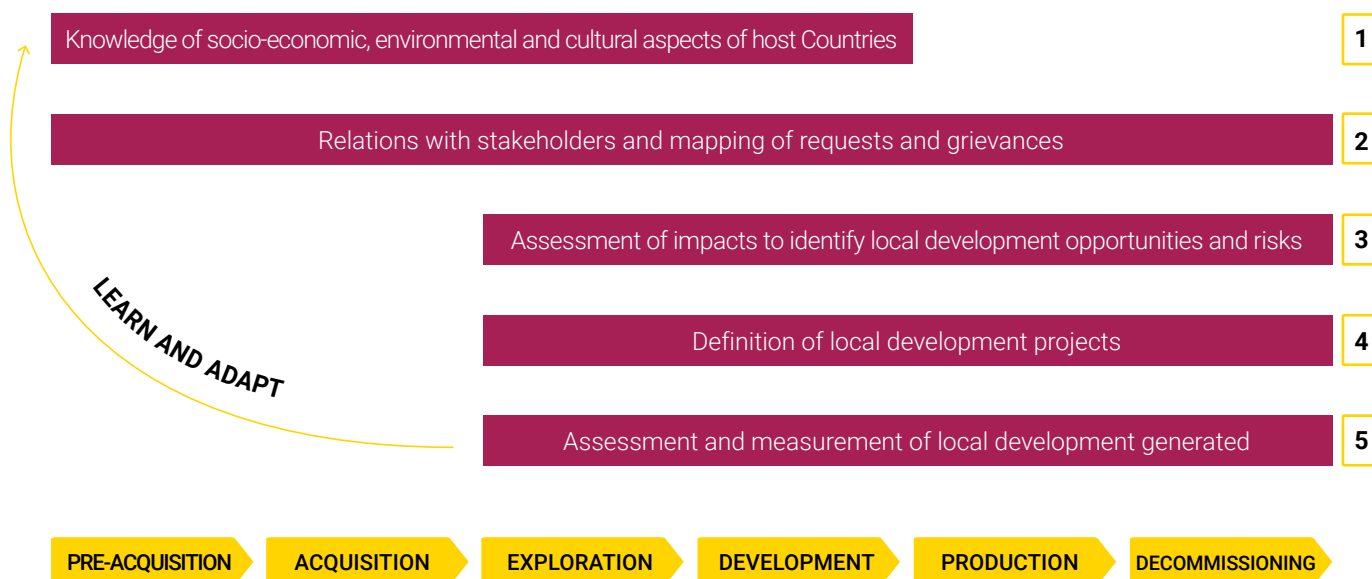
The analysis of the socio-economic context, that accompanies in an ever deeper manner the business design stages, allows Eni to know local needs and hence to define the sectors of intervention to prioritise. These priorities translate into objectives in the four-year Strategic Plan, aimed at contributing to the achievement of the SDGs, including through the application of the following principles:

1. **the knowledge of the Country context** from the socio-economic, environmental and cultural viewpoint, with the use of internationally recognised tools that are also applied at the sub-national level, such as the global Multidimensional Poverty Index (MPI)¹¹;
2. **the constant and two-way relationship with local stakeholders**, directly and/or indirectly involved, to analyse their requests and any grievances, understand local needs and consolidate mutual trust; [see p. 84](#)
3. the assessment and **mitigation of the potential impacts of the activities** to identify critical issues, opportunities, risks from the socio-economic and environmental standpoint, including respect for and promotion of human rights;
4. the definition and implementation of **Local Development Programmes (LDPs)** consistent with the Country Development Plans, the 2030 Agenda, the Nationally Determined Contributions and local needs analysis; [see p. 84](#)
5. the assessment and measurement of local development generated ("learn and adapt") through the use of instruments and methodologies either internationally recognised and adopted by Eni, such as the logical framework approach, the results-based management approach and project cycle management, or developed directly by Eni in collaboration with academic institutions such as the Eni impact tool and the Eni Local Content Evaluation.

[see p. 94](#)

This approach is based on collaborations with institutions, cooperation agencies and local stakeholders to identify the interventions necessary to meet the communities' needs in line with the National Development Plans and the 2030 Agenda of the United Nations. [see p. 80](#)

The approach to development in Countries where Eni operates responds to the needs of communities in line with National Development Plans and the UN 2030 Agenda



¹¹ The MPI measures multidimensional poverty in over 100 developing Countries, measuring acute deprivation in health, education and living standards. Source: Oxford Poverty and Human Development Initiative (OPHI), and United Nations Development Program (UNDP) Human Development Report Office.

Integrating Sustainable Development Goals into planning and strategies

The issues related to the Sustainable Development Goals (SDGs) are acquiring an increasingly important role also in the approval phase of an investment. In 2020 Eni has set itself the objective of systematising qualitative and quantitative information on the SDGs, in order to integrate these aspects into its planning, monitoring and reporting processes. The analysis focused on a sample of upstream investments: the Area 1 project (Mexico), as an example in which Eni is the operator and the Dalma project (United Arab Emirates), in which Eni is present within the Joint Venture as a non-operator.



In 2020, a pilot study was carried out to analyse qualitative and quantitative information related to the SDGs within the framework of the Area 1 Project in Mexico

Application of the analysis to the Project Area 1 in Mexico

CONTEXT

Eni holds a 100% interest in the Area 1 (67 km²), in the Gulf of Mexico, 200 km west of Ciudad del Carmen, where development work is underway on the Amoca, Miztón and Tecoailli fields. The development plan provides for a total of 2.1 billion barrels of oil equivalent. In 2019, Eni launched the early production phase of the Miztón field and the full production phase is scheduled to start in 2022, with the installation of the first platform of the Amoca field and a Floating, Production, Storage and Offloading (FPSO) unit with a processing capacity of 90,000 boe/d. The associated natural gas is exported onshore and sold on the local market, helping to support economic development in the region.

PROJECT AND RESULTS

The Project Area 1 was analysed by first considering the documentation for the final investment decision, in order to identify the project elements associated with the 2030 Agenda targets and the respective quantitative metrics. Based on these results, a questionnaire was then defined and shared with the subsidiary in Mexico, in order to investigate the project actions and the available indicators, in relation to the context indicators of the Agenda. Based on the 169 targets, the analysis has defined the Goals (SDGs) mostly addressed by the project.

How SDGs Targets are addressed by the project



HIGH: for each Goal, more than half of the Targets are addressed by the project actions



MEDIUM: for each Goal, at least one quarter of the Targets are addressed by the project actions



LOW: for each Goal, less than a quarter of the Targets are addressed by the project actions



Health emergency management in local communities

Since the start of the pandemic, Eni has further strengthened its contacts with national governments to monitor and analyse the health situation of local communities, understand their real needs and activate interventions in the areas of health care, social protection, access to water and sanitation, prevention and education. In 2020, Eni implemented a number of initiatives in Africa, Asia and the Americas, targeting vulnerable groups to respond to the rapid spread of the pandemic and supporting local authorities. In particular, health infrastructure and emergency services were improved, providing ventilators and respirators; intensive care and other medical equipment; and personal protective equipment. Other initiatives included awareness-raising campaigns to prevent the spread of the virus, the establishment of access and distribution points for safe water with hand-washing soap, the implementation of social protection and food assistance measures such as the distribution of meals for families, vulnerable groups and school canteens, and support to the education system with the creation of widespread learning spaces and the distribution of teaching materials. ➔ [For more information: eni.com](https://www.eni.com)

About €9 million

to support initiatives in favor of communities in response to the COVID-19 health emergency

Algeria	Support to local health authorities through the distribution of medical equipment for intensive care in the governorate of Ouargla.
Angola	Support to local health authorities by providing fans and donating food to homeless shelters; awareness-raising campaigns to prevent the spread of the virus.
Congo	Support to local health authorities through the provision of ventilators, medical consumables and fuel vouchers; awareness campaigns to prevent the spread of the virus through distribution of leaflets and disinfectants.
Ghana	Support to local health authorities through the provision of ventilators, consumables and other medical supplies; awareness-raising campaigns to prevent the spread of the virus through distribution of leaflets and disinfectants.
Indonesia	Support to the local community through the donation of PPE.
Italy	Support to several hospitals under the Eni Program for Italy. ➔ see pp. 10-11
Iraq	Support to local health authorities through the provision of PPE, food parcels and computers for university distance learning students.
Kazakhstan	Support to local health authorities by donating ventilators, consumables and other medical supplies.
Libya	Support to local health authorities through the provision of medical equipment, including respirators, diagnostic tools, PRC and consumables to Zuwara Hospital as well as PPE.
Mexico	Support to health authorities in Tabasco State through donation of fans; distribution of food and cleaning aid kits to families; awareness-raising campaigns to prevent the spread of the virus.
Mozambique	Supporting local health authorities through the donation of ventilators, ambulance and PPE; awareness-raising campaigns to prevent the spread of the virus; distribution of safe water and soap for hand washing; food assistance through the distribution of meals for vulnerable families.
Myanmar	Support to Ministry of Health in Magway through donation of ventilators and PPE.
Nigeria	Support to initiatives implemented by the local government through the improvement of health infrastructure and emergency services and the donation of medical equipment.
Tunisia	Support to local health authorities through the provision of respirators, medical equipment and food parcels at community level.
Vietnam	Support to local government initiatives by donating ventilators.

Access to energy



In its Mission, Eni reaffirmed its commitment to promoting access to energy in an efficient and sustainable manner for all

In 2020, 98% of Ghana's thermal power was generated by gas, more than 50% of which came from the OCTP project, in which Eni is the operator

Fighting energy poverty is the first step to meet the primary needs related to education, health and economic diversification, and ensuring universal access to energy in an efficient and sustainable manner is the main challenge for the energy sector in the transition process towards a low-carbon future. Eni contributes to this challenge through the construction of gas infrastructure as an integral part of the business model, the development of initiatives to improve access to modern cooking systems and through off-grid and renewable energy projects. Clean cooking projects also combat exposure to toxic fumes and reduce forest exploitation.

Construction of infrastructure for the production and transport of gas

Eni invests in the construction of infrastructure for the production and transport of gas both for export, and for local consumption. In Ghana, Eni is operator of the Offshore Cape Three Points (OCTP), the only non-associated gas project destined for the domestic market in Sub-Saharan Africa, which since 2018 has been feeding the Country's power plants. In addition, Eni completed the Takoradi-Tema Interconnection Project (TTIP) in 2020¹², through which it transports gas from the Western Region to the eastern part of the Country, while continuing to transport gas from Nigeria to Benin, Togo and Ghana. These projects meet Ghana's growing energy demands and reinforce Eni's commitment to fostering employment, local training and sourcing goods and services from local suppliers. In Libya in 2020, Eni carried out a series of initiatives, in coordination with the Libyan General Electricity Company (GECOL), to strengthen the electricity generation and transmission sectors¹³. In addition, Eni continues to supply almost all of the gas needed to power its power plants and is studying the development of a new one, as well as a pilot photovoltaic plant in the North West of the Country. In Egypt, thanks to the discovery of the Zohr and Noor fields, Eni has made a fundamental contribution to achieving energy independence. In Iraq, the start-up phase of the power generation plant in Zubair continues. The plant is equipped with 4 gas turbines, capable of generating up to 520 MW of power and represents an important support for the national electricity grid. In 2020, Eni supplied 71% of the gas produced from its fields to local markets, for a total of approximately 57 billion Sm³, down from last year due to lower gas demand, mainly in Egypt, as a result of the ongoing health emergency. In particular, in 12 Countries it has allocated 100% of the gas produced to the domestic market.

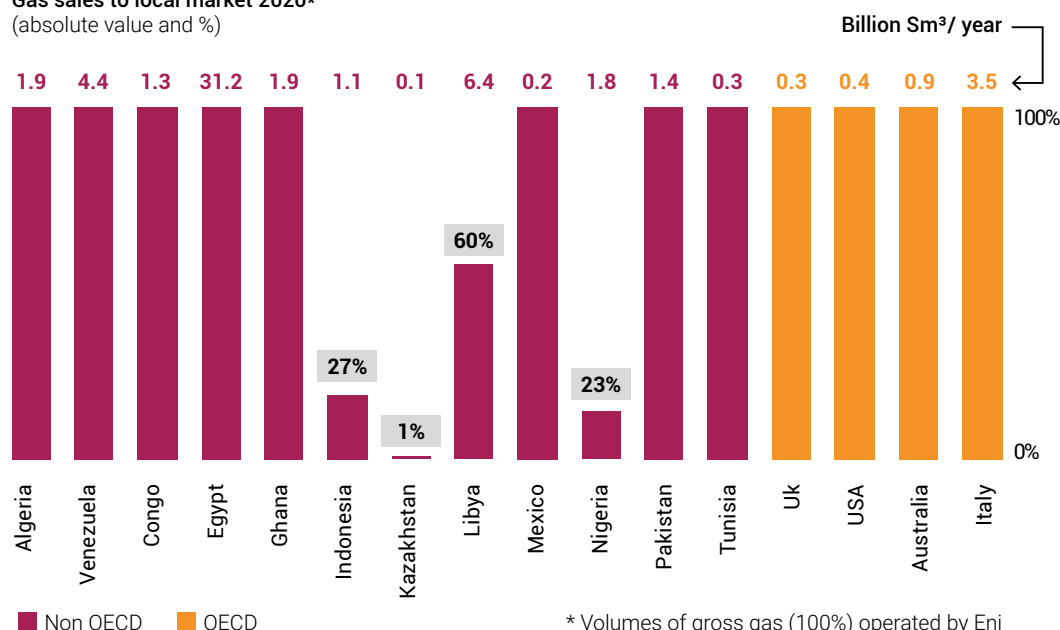
57 billion Sm³

of gas sold to domestic markets in 16 Countries

100%

gas sold to the domestic markets of 12 out of 16 Countries

Gas sales to local market 2020*
(absolute value and %)



12) Expanded West African Gas Pipeline Company's facilities in Takoradi and Tema and the connection of the West African Gas Pipeline system.

13) Initiatives including: 1) the supply of spare parts for routine and extraordinary maintenance of the main power plants; 2) the training of GECOL's technical sector and the updating of the grid code, revised in line with the latest international standards and industry best practices.

Construction of thermoelectric power stations

In Sub-Saharan Africa, Eni has invested in the construction of thermoelectric power plants through the exploitation of associated gas in order to diversify the energy mix by introducing natural gas. In Nigeria, the Okpai power plant, with an originally installed capacity of 480 MW, generated around 1,601 GWh in 2020, contributing around 7.7% of the total energy fed into the national transmission grid of the capacity available in the Country. Two additional gas turbine generation sets were completed in 2019 and 2020, now available for operation, further increasing the originally available capacity by 320 MW and bringing Okpai's total generation capacity to over 800 MW, thus placing Okpai IPP as the largest privately built power generation facility in Nigeria. Also in Nigeria, since 2012, Eni has been supplying gas to third parties through the Ob-Ob plant, which, with a power station with an installed capacity of 150 MW, generates electricity for around 1 million beneficiaries. In Congo, the Centrale Electrique du Congo (CEC), created in 2010 in Pointe-Noire and expanded in 2019 to reach a total installed capacity of 484 MW (with a progressive increase from 484 MW to 1 GW in the next 10 years), contributes around 70% of the Country's total electricity generation. Its strategic positioning in industrial production centres is an advantage in terms of expanding capacity and marketing electricity directly to industrial customers, who thus have a reliable and competitive source of energy supply.

800 MW



total generation capacity
of Okpai power plant
+ 320 MW vs. 2019



A technician checks some of the improved cookstoves produced thanks to the project

Energy efficiency and sustainable cooking in Mozambique

CONTEXT

In Mozambique, more than 80% of the population depends on wood and charcoal to meet daily household energy needs, and on average, households in urban areas spend about 20% of their total monthly income on energy consumption. The city of Pemba, capital of the province of Cabo Delgado, is one of the urban areas most affected by the use of biomass for domestic needs, and deforestation and the extensive use of wood and charcoal have a huge socio-economic, health and environmental impact on the Country.

PROJECT AND OBJECTIVES

With the Promoting Energy Efficiency and Clean Cooking project, which started in 2018, Eni has contributed to the replacement, especially among the most vulnerable households, of 10,000 traditional stoves with the improved ones, contributing to the reduction of CO₂ emissions, deforestation and respiratory diseases, creating jobs and opportunities for small businesses.

RESULTS

The project has produced 9,488 improved stoves, reaching a total of 8,833 households, 6,245 households in 2020. As part of the project's certification by the international standardisation body, a reduction of 9,776 tCO₂eq. was monitored in 2020 compared to 2018. The next step will be the completion in the first quarter of 2021, of the distribution of 10,000 improved cookstoves, achieving the project goals and expected results.

Promoting Energy Efficiency and Clean Cooking project: replacement of 10,000 conventional stoves with improved cookstoves



Partnerships for development



"We need to team up, it is necessary for all actors to play their part, working in a complementary way, from institutions to governments, which must invest in sustainable development, to private actors and civil society, which must optimise consumption"

Claudio Descalzi, "The Milestones of the Integral Ecology for a Human Economy", October 23rd, 2020

The unpredictable and rapid spread of the pandemic has shaken the whole world disrupting health, social and economic systems. However, at the same time, these events have also demonstrated to everyone that, in response to major challenges, everyone must join forces leveraging on common goals with the different actors involved in the hosting Countries: from International Organisations to Development Banks, from National Institutions to the private sector, from Universities to Research Centres, from Cooperation Bodies to Civil Society Organisations (including Faith Based Organisations). It is necessary to build collaborative networks that include all these stakeholders with the common goal of promoting sustainable local development and respecting the dignity of each person, as highlighted in the "Third International Conference on Financing for Development" organised in Addis Ababa by the United Nations in July 2015.

The collaborations started in the past years continued in 2020 such as the one with FAO (Food and Agriculture Organisation of the United Nations) in Nigeria, the Don Bosco Higher Institute in Mozambique, the Banco Alimentare in Italy, or the alliances aimed at promoting the achievement of the SDGs with UNDP (United Nations Development Programme), to improve the access to sustainable energy and the fight against climate change in Africa, and with UNIDO (United Nations Industrial Development Organisation) to improve youth employment and the value chain of the agrifood chain in Mozambique and research activities on renewable energy and energy efficiency in Congo. 2020 represents a very significant year in terms of new collaborations signed with Civil Society Organisations, such as AMREF, AVSI, CUAMM and VIS, which will allow the launch of local partnerships in the fields of access to energy, economic diversification, land protection, education and training, access to water and sanitation and support to health systems to improve the health of local populations, in particular vulnerable groups. These activities contribute to the public interest and arise in response to socio-economic fragilities identified through internationally recognised methodological approaches that highlight the degree of poverty and deficiencies in primary resources and goods.

The interventions of Eni in favor of the communities are in line with the Paris Agreement, the UN 2030 Agenda, the National Development Plans and the United Nations Guiding Principles on Business and Human Rights (UNGPs)

Ghana. Collaborations with the local office of the World Bank and with the Ghana Alliance for Clean Cookstoves and Fuels (GHACCO) were carried out to implement the use of more efficient cookstoves powered by wood fuels, to reduce exposure to toxic fumes and prevent forest exploitation. These activities, in line with the Ghanaian government's strategy and SDG 7, are aimed at ensuring access to clean cooking technologies to over 600 households of the Western Region and to promote an awareness campaign on the benefits of clean cooking. Collaborations were carried out in the Country also with Ghana Enterprises Agency - GEA (former National Board for Small Scale Industries) for entrepreneurial and managerial training of 800 people, especially women and young people, from 10 coastal communities in the Western Region and with the Diocese of Sekondi-Takoradi for vocational training and job placement of 90 young women from Nyakrom and neighbouring villages.

Angola. Women empowerment is at the centre of the collaborations signed in Angola with the United States Agency for International Development (USAID) and the NGO Aid for the Development of People for People (ADPP), as part of economic diversification in rural areas, also through the Women's Global Development and Prosperity (W-GDP) Initiative. In Angola Eni supports, since 2017, the Halo Trust Project "100 Women in Demining" with the aim of giving women job opportunities, training and the necessary skills in the demining sector and contributing to the security of the Country. Eni signed a Cooperation Agreement with the Institute of Agronomic Investigation and Cabinda's Provincial Secretariat of Agriculture and Fisheries to immediately support small farmers affected by the pandemic, with interventions in favour of food security by improving the quality of crops, with more productive and resistant varieties.

Kenya. Promotion of impact entrepreneurship is the focus of the collaborations started in Kenya with the E4Impact Foundation that, together with the Italian Agency for Development Cooperation (AICS), have created a business accelerator in Nairobi.

Mexico. An agreement has been signed with AVSI and the Government of the State of Tabasco for the implementation of a project to support students, teachers and school staff. The activities carried out include the distribution of school materials for primary public schools, the development of skills through courses and workshops and the involvement of the local community in educational activities.

GHANA

World Bank and Ghana Alliance for Clean Cookstoves and Fuels (GHACCO) – SDGs 7 and 15

Area of collaboration: Access to clean cooking

Results and beneficiaries: Ensure access to clean cooking technologies to over 600 households in 10 coastal communities of the Western Region

Ghana Enterprises Agency (GEA) – SDGs 4, 5 and 8

Area of collaboration: Professional training and employability

Results and beneficiaries: 800 people trained on entrepreneurial and managerial skills

Diocese of Sekondi-Takoradi – SDGs 4, 5 and 8

Area of collaboration: Professional training and employability

Results and beneficiaries: 90 young women from Nyakrom and neighbouring villages trained and employed

ANGOLA

United States Agency for International Development (USAID) and Aid for the Development of People for People (ADPP) – SDGs 1, 2, 3, 4, 5, 6 and 7

Area of collaboration: Rural Development and Women socio-economic empowerment

Results and beneficiaries: Increased women farmers' capacities, production, and incomes. Promoted equality, participation and women's rights

Halo Trust Foundation – SDGs 1, 3, 5 and 16

Area of collaboration: Women empowerment and land remediation

Results and beneficiaries: Recruitment and training of female deminers; over 80,000 m² reclaimed area (since 2018) and other 40,000 m² in 2020-21; 62 anti-personnel mines deactivated, 50 munitions and 24 unexploded ordnances destroyed during COVID-19 awareness activities have been implemented

KENYA

E4Impact – SDG 8

Area of collaboration: Impact entrepreneurship

Results and beneficiaries: 20 companies financially supported by Eni

MEXICO

AVSI Mexico – SDG 4

Area of collaboration: Access to education

Results and beneficiaries: Promotion of a qualitative, inclusive and effective education in 13 primary public schools to the benefit of 1,300 students and 60 teachers

Eni's partnerships contribute towards progress of the Sustainable Development Goals.





Access to clean water is ever more important, as hygiene is the first line of defence in this pandemic

FAO and Eni promote access to water in Nigeria

CONTEXT

Socio-economic problems, exposure to climate change and internal conflicts are factors that have fuelled the Country's crisis in recent years. The crisis has triggered important migratory flows and informal settlements have grown both in the north-east and in the Abuja Federal Capital Territory (FCT), to which many people are fleeing.

PROJECT AND OBJECTIVES

On February 26, 2018, Eni and FAO signed a Collaboration Agreement for the improvement of access to water in the Country. The Access to Water Project contributes to the achievement of SDG 6 "Clean water and sanitation" and SDG 13 "Fight against climate change", intervening beyond the perimeter of the operational areas. The project – aligned with the "Rebuilding the North East-The Buhari Plan" – responds to the invitation addressed to the energy companies by the Federal Government to counter the suffering of the population in the North-East of the Country threatened by the violence of Boko Haram and the water crisis of Lake Chad.

RESULTS

In the 3 years of activity, the synergy with FAO has made it possible to build 22 wells powered by photovoltaic systems: 5 in the federal territory of the capital Abuja and 17 in the North-East of the Country (5 in the state of Borno, 5 in Adamawa state and 7 in Yobe state), reaching over 67,000 beneficiaries.

➤ [For more information: eni.com](https://www.eni.com)



With the project, also thanks to the help of our partners, water is available to them, for both household use and also for agriculture. So they can cultivate small gardens with the extra water.



Fred Kafeero, FAO Representative in Nigeria and of the Economic Community of West African States (ECOWAS)

➤ [For more information: eni.com](https://www.eni.com)

Packaging and labelling of papaya-based products made by one of the supported local companies



With E4Impact to promote entrepreneurship in Kenya

CONTEXT

In 2020, Eni supported the business acceleration program set up in Nairobi, Kenya, by the E4Impact Foundation. Since 2018, the accelerator has supported 40 companies (40% run by women). The project was funded by the Italian Agency for Development Cooperation and the Catholic University of the Sacred Heart in Milan.

PROJECT AND OBJECTIVES

The initiative offered selected companies the opportunity to become catalysts for social and environmental change while contributing to the integration of social and business needs by leveraging private sector resources. The program supports the local private sector by initiating micro-entrepreneurship initiatives, also promoting the inclusion of Kenyan women in the labour market. In two years, Eni has contributed to promoting high-impact entrepreneurship in Kenya, providing financial support, fostering job creation for new generations and promoting the internationalisation of companies in strategic sectors for Kenya-Italy collaboration (agribusiness and food, circular economy, technology, fashion, cosmetics and health). Companies had to meet certain quality criteria to apply for the program and special attention was given to mission-driven companies supporting disadvantaged communities.

RESULTS

40 companies were incubated, of which 20 were financially supported.



Collaboration between Eni and E4Impact, the business accelerator that launches start-ups in Kenya



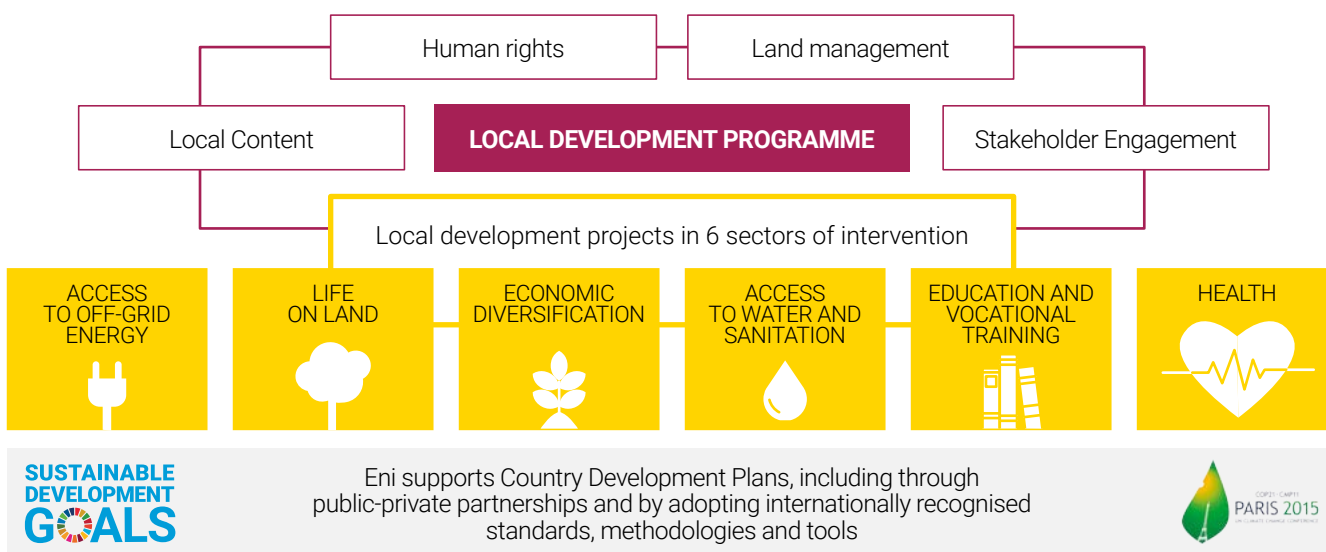
The biggest impact in my experience has been the increase in female employment. We have involved many women in cultivating the land, harvesting and packing the papaya and processing the products in the factory. This has led to an increase and diversification of their sources of income.

Felix Asenji, Startupper

Local Development Programme

The Local Development Programme provides an integrated view of the various activities that Eni, as a local development actor, carries out in the Countries where its business projects are located. The Programme is divided into five action lines: 1) stakeholder engagement; 2) human rights; 3) local content; 4) land management; 5) local development projects. The activities included therein, defined in coherence with the National Development Plans, contribute as a whole to the achievement of the objectives set by the Country in relation to the 2030 Agenda and the Paris Agreement (Nationally Determined Contributions - NDCs) to improve the well-being of local communities.

Structure of the Local Development Programme



107

complaints received by Eni in 2020

57

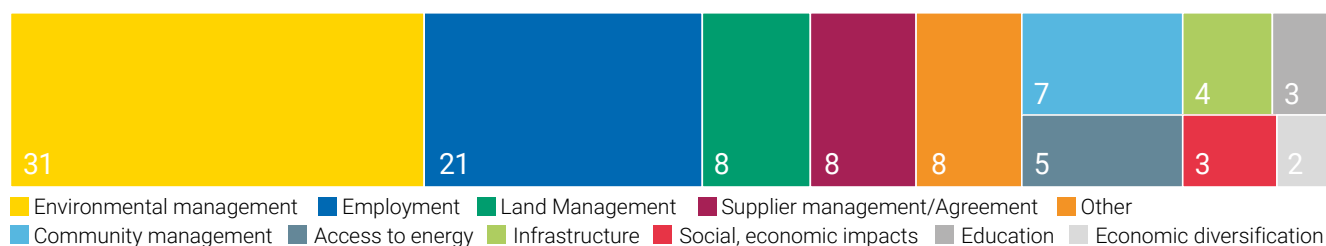
cases have been solved and closed

Local Stakeholder engagement

Eni considers the relationship with its stakeholders, and in particular with the people who live in the Countries of presence, to be an important element of comparison. For this reason, Eni tracks and examines all requests received in order to implement development initiatives, shared with local communities, and consistent with sustainable development. Grievance management is also a key focus of attention and is managed by the Grievance Mechanism (GM) which is based on the International Guidelines on the subject, published by IPIECA and which has been active in all subsidiaries since 2016. Grievances are monitored through the "Stakeholder Management System - SMS", which makes it possible to respond quickly and effectively to possible critical situations and to control and reduce stakeholder-related risks.

In 2020, Eni received 107 claims from 7 subsidiaries/districts/plants, of which 53%, i.e. 57 cases, were resolved and closed. Most of the grievances have come from Sub-Saharan Africa in particular Ghana and Nigeria and mainly concerned: management of environmental aspects, employment development, land management. [see p. 22](#)

2020 grievances - Main issues (%)



Human rights in communities

Eni is engaged in preventing possible negative impacts on the human rights of individuals and host communities deriving from the implementation of industrial projects. For this purpose, in 2018 Eni adopted a risk-based model to classify the business projects of the upstream activities based on the potential risk to human rights, extended in 2020 to the evaluation of renewable energy projects. The highest risk projects are, therefore, specifically studied through "Human Rights Impact Assessments" (HRIA), which include also a preliminary analysis of the local context on human rights and a subsequent engagement with the main "rightsholders". A final report provides the recommendations for the implementation of measures to prevent potential human rights impacts and to manage existing ones, followed by the adoption of a specific action plan identifying actions to be introduced and their timing. Using these models, 100% of the exploration and upstream development projects as well as renewable energy projects were analysed: a medium-high risk profile was found for 6 projects, which will be subject to dedicated in-depth studies in 2021-2022. In addition, a new analysis methodology – Human Rights Risk Analysis – is being developed to be applied to medium risk projects and will be tested in 2021. Although no new HRIAs were launched in 2020 due to the health emergency, the implementation of the actions foreseen in the analyses carried out in 2019 and 2018 in Mexico and Mozambique continued. Also in Mozambique, the Action Plan for the exploration of Area 5 was finalised. In 2020, Eni also published two Reports, one on the completion of the Action Plan related to the Cabinda North project in Angola and the other on the progress of the Action Plan related to the Area 1 development project in Mexico. Finally, a further progress report on the Action Plan for the Area 4 development project in Mozambique was published in early 2021. [➤ For more information: eni.com](#) With regard to the state of emergency declared in Myanmar on 1 February 2021, Eni has adhered to the Statement by concerned businesses operating in Myanmar promoted on 19 February 2021 by the Myanmar Centre for Responsible Business. [➤ For more information: myanmar-responsiblebusiness.org](#)

Projects assessed by the risk-based model as having a higher risk on human rights are subject to a "Human Rights Impact Assessment" (HRIA)



An example of Eni's cooperation with non-judicial mechanisms: update

In December 2017, an association called Egbema Voice of Freedom (EVF), in the Aggah community, issued a complaint before the Italian National Contact Point (NCP) for the OECD Guidelines. The application complained that Eni was not doing enough to mitigate the impact of its operations on the effects of the floods on the community. During the procedure, Eni provided objective elements – also with the support of photo and video documentation – to demonstrate that NAOC operations and infrastructures have no aggravating impact on the natural flooding of the area. The natural flooding affects a much wider area than the one of the community of Aggah, and it is a typical phenomenon of the Niger Delta region. While always reaffirming its position, Eni has chosen to comply with and participate in good faith in the procedure at the NCP and to actively contribute to its proper implementation. Following the signing of the Terms of Settlement (ToS), Eni in Nigeria (NAOC) and Egbema voice of Freedom (EVF) designated their respective contact persons who met several times in order to define the contents of the drainage interventions to be carried out in the community. The work is currently being completed. On 4 March 2021, the NCP, having heard the parties, published a follow-up report on its website with the following final considerations: "During conversations with the NCP, both parties recognised that there has been progress on the implementation of the ToS and confirmed their willingness to continue the dialogue to reap the benefits of the agreement reached. The NCP reiterates the enormous value of the agreement of the 8th July 2019 and welcomes the progress made up to now in its implementation. The NCP invites the Parties to continue to cooperate in good faith and with the utmost commitment for the implementation of the Terms of Settlement and to follow the final recommendations formulated by the Conciliator in the ToS."



The Aggah community resides in the state of Rivers in Nigeria, in an area that is regularly prone to flooding, due to seasonal rains and flooding of the Niger River



Interview to **Sheila Guadalupe Cadena Nieto**, appointed in 2020, by the Governor of Tabasco, Adán Augusto López Hernández, as the first woman to become head of the Secretariat for Energy Development of the State.

➤ [Read the complete interview on eni.com](#)

An example of cooperation with local authorities: interview to the Head of Secretariat for Energy Development of the State of Tabasco.

The Secretariat for Energy Development (hereinafter, SEDENER), is the Mexican agency in charge of the state energy affairs. The role of SEDENER is to promote before the federal authorities, regulatory bodies and the state productive companies – and through the creation of legal instruments and mechanisms of association that allow the attraction of public and private investment – the development and implementation of strategic energy projects aiming the growth of the sector in the field of hydrocarbons, oil, petrochemicals, electricity and renewable energies. SEDENER also promotes both the efficient use of energy among the population and in the productive sectors, and the use of renewable energies in isolated or dispersed communities where it is difficult to have traditional energy services. Moreover, the Secretariat has the responsibility to prevent and restore the impact caused by energy activities, through mediation as a mechanism of conflict resolution.

Eni has made a specific commitment on this issue, with a Statement approved by its Board of Directors. In Mexico, in particular in the State of Tabasco, Eni carried out an impact analysis on human rights with an external consultant, followed by a specific action plan. What suggestions could you give the company to continue improving coverage of this issue in the Country?

An analysis of the both the Human Rights Impact Assessment and the Human Rights Action Plan reveals the transversality of the protection of human rights in business activity and in the public sector. In this sense, it is important that the company continues to actively participate in the formulation and execution of public policy, signing collaboration agreements with dependencies, bodies and entities related to the enjoyment and exercise of human rights, the gender perspective and social development. The latter with the aim that in the medium term the company is able to attend and have a voice in the working groups where the decisions, in the fields mentioned above, are taken.

The search for social welfare in the communities surrounding the areas of hydrocarbon exploration and exploitation requires the participation of all those involved. In this logic it is essential that the experience and capacities of the Government of the State of Tabasco represented by SEDENER are considered.

Eni was invited to present its approach to human rights at the V Regional Forum on Business and Human Rights for Latin America and the Caribbean

“Eni’s vision on human rights is based on the dignity of every human being and on the responsibility of the company to contribute to the well-being of people and communities in the Countries where it operates”. These words come from the Eni’s statement on respect of human rights, the document that sets out the terms of Eni’s engagement with its communities. Eni constantly monitors what is happening in the Countries where it has a presence, and Domenico Barranca, Eni’s head of sustainability in Mexico, gave evidence of this. He took part in the virtual forum Business and Human Rights for Latin America and the Caribbean, held on 9 September 2020, where Eni was invited as a best practice on the approach to human rights to take stock of the activities implemented by the company. The event, organised by the Office of the UN High Commissioner for Human Rights (OHCHR), the ILO and the OECD, discussed due diligence and human rights in Latin America and the Caribbean.



At the end of the HRIA many people in the community approached us to express their satisfaction with being involved, and having their opinions taken into account.

Domenico Barranca,

head of sustainability for Eni in Mexico, at the Business and Human Rights Latin America and Caribbean virtual forum

The relations with indigenous populations

Considering the industrial contexts in which it operates, Eni has direct contacts with indigenous populations and their representatives exclusively in Australia, Alaska and Norway. In these cases the relationship is managed in compliance with international and local regulations that define how to involve and consult them. In Australia, Eni operates in the Northern Territory, near the Wadeye community, and regularly engages local administrative bodies which protect the rights of Aboriginal populations, developing participatory projects concerning local development and environmental conservation.



Policy for Indigenous Peoples in Alaska

CONTEXT

In Alaska, Eni's Oil & Gas operations are concentrated in the northern end of the State (North Slope), where native peoples live on subsistence-based lifestyles (hunting and fishing); Eni's key stakeholders include representatives of the villages located close to Eni's operating activities, as well as cooperatives and corporations which supply goods and services to companies operating in the area, according to local regulations.

ADOPTION OF THE POLICY

Eni's commitment to these communities is the subject of a specific policy on respecting the rights of indigenous peoples in the conduct of its activities and operations in the state of Alaska, adopted by Eni's subsidiaries in US (Eni US Operating) in 2020 and in line with the Eni's statement on respect of human rights. The commitment includes to:

- establish, in agreement with Indigenous People an inclusive and effective framework to ensure the free and informed participation and consultation of indigenous peoples on Eni's activities, with appropriate communication open to dialogue, use of the local language, a continuative presence in the community and strategic participation in community events;
- in cooperation with Indigenous People, undertake an appropriate due diligence process in order to assess, anticipate, avoid, mitigate negative impacts. A mutually agreed plan or land use agreement (LUA) will take into account the results of these assessments; the definition of mitigation and compensation measures in case of identified impacts, based on the results of the consultation process;
- seek agreement (LUA), wherever possible, with the Indigenous People communities on activities that affect land rights. Where these activities include relocation or affect their critical cultural heritage, indigenous people prior consent will be sought and obtained;
- establish and ensure, including through cooperation, effective and culturally appropriate grievance mechanisms to contributing access to remedy and ensure company/contractor-wide stakeholder training.

The policy also includes a commitment to periodic reporting on its implementation.

➤ For more information: [eni.com](https://www.eni.com)



Eni in 2020 has adopted a specific Policy on respecting the rights of indigenous peoples in the conduct of its activities and operations in the state of Alaska

The Local Content is the added value that Eni is able to bring to the Countries where it operates, thanks to the positive impact it generates on the socio-economic system

Local Content

Local Content is the added value that Eni is able to bring to the Countries where it operates, thanks to the positive impact it generates on the socio-economic system. The Local Content action has three main lines of action:

1. skills and knowledge transfer, through training programs intended for local employees in the energy sector, together with the diffusion of technological innovation;
2. activation of all local economic sectors of the supply chain involved in the Eni business, to promote the competitiveness of local enterprises;
3. development initiatives to promote the local economy's growth and diversification also through vocational training programs to enhance the community's competencies.

Local Content is of fundamental importance for the development of local communities: an effective strategy can create social and commercial benefits that stimulate economic growth and contribute to sustainable development; at the same time it can face a local supply chain that is not yet fully developed. For this reason, Local Content initiatives are also followed by Eni in those contexts where specific local legislation is absent or where exploration and production agreements do not specifically require action on local employment or the provision of goods and services. In Mozambique, for example, as part of the Coral South Project, Eni has developed a local content strategy that aims at enhancing the inclusion of the Mozambican workforce and of local small and medium enterprises through the involvement of its own main suppliers. Training, in particular, is an essential lever to sustain the development of the new generations; therefore, actions have been launched to transmit competencies to the local workforce through specialist Oil & Gas training programs, vocational training and sharing know-how in the long term for over 800 Mozambican resources during the operational phase of the project. [see p. 94](#)



View of the port of Pemba, Mozambique

Land Management

The development of natural resource use projects may require the acquisition and/or use of areas from local communities. The term “land management” refers not only to the physical displacement of people, but also to the management of this challenging process with the aim of minimising socio-economic changes to the lives of people living in these communities by minimising the loss of assets or access to assets (economic displacement) that generates the loss of income or livelihood resources that people, households and communities use to make a living, such as agriculture, fishing or other natural resource-based livelihoods, minor trade and barter. For this purpose, Eni is first of all committed to ensuring that the choice of the area to be acquired is made by taking into consideration different project alternatives. In the event that relocation of families or loss of livelihood resources is unavoidable, Eni ensures a timely process for defining fair and sustainable compensation measures, applying principles and methods that comply with both internal and international standards - such as the IFC (International Finance Corporation) Performance Standard on involuntary resettlement. Eni’s goal is to improve or at least restore the living standards of the communities involved.

The compensation measures, if required, are defined in accordance with high international standards



A moment of the Environmental Impact Assessment (EIA) carried out in Soyo as part of the Quiluma & Maboqueiro Project

Land Management Quiluma & Maboqueiro Project in Angola

CONTEXT

The city of Soyo with its approximately 219,000 inhabitants is located in the Province of Zaire in north-east Angola, at the mouth of the Congo River. Its economy is mainly driven by the Oil & Gas industry, and to a lesser extent by subsistence fishing and farming activities.

PROJECT AND OBJECTIVES

Eni and its partners are evaluating the commercialisation potential of non-associated gas from the two fields Quiluma and Maboqueiro located in an area of Angolan offshore about 50 km from the coast opposite the municipality of Soyo and south of the Congo River. The project includes both an offshore and an onshore part with a Gas Treatment Plant (GTP) and pipelines to send the treated gas to the existing gas liquefaction plant a few kilometres away.

RESULTS

For the onshore component, the acquisition of the rights for the use of land is required and to manage the process Eni has developed a Land Management Action Plan and involved the Government of Angola, local authorities and Sonangol¹⁴, in line with the requirements of Angolan law, Eni procedures and international standards. The process is managed by an ad hoc committee, made up of members of the Municipality of Soyo, traditional authorities and Eni, and has led to the registration of 389 persons (Project Affected Persons “PAPs”) who use assets and land where the GTP will be built, and has defined compensation for the loss of livelihood resources due to the acquisition of the rights for land use.



Creation of an ad hoc committee with local authorities for land management in Soyo

¹⁴ The Sonangol group is a parastatal that oversees the production of oil and natural gas in Angola.

€353.4 million

Investments for local development planned in the period 2021-2024

€96.1 million

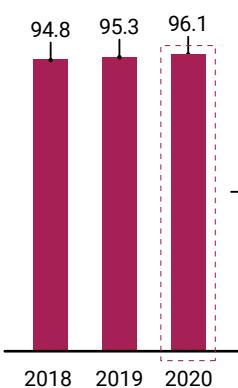
Invested in 2020 for local development

Local Development Projects

Eni operates in difficult contexts where simple daily actions such as washing, heating, eating are for the privileged few, given the difficulty of having energy, water and sanitation. For this reason and thanks to its experience, Eni studies and implements targeted interventions to support the needs of local populations, in collaboration with local institutions and stakeholders. In line with the Sustainable Development Goals, Eni wants to “promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all” (SDG 8). Within the Local Development Programs, Eni implements projects to contribute to improved access to off-grid energy and clean cooking technologies, economic diversification (e.g. farming projects, micro-credit, infrastructure initiatives), education and professional training, land protection, access to water and sanitation and to the improvement of healthcare services for communities. These initiatives are developed with a long-term perspective and they are carried out after assessing the local context. Particular attention is paid to circular economy projects, such as the “CATREP” training and technical support centre in Congo, and programs to promote the development of diversified economic entrepreneurship in Mozambique, in collaboration with the Standard Bank business incubator. Eni also pays particular attention to “gender transformative” projects in support of local communities, such as “100 Women in demining”, a project promoted by the HALO Trust to involve Angolan women in clearing land littered with landmines, and the Standard Bank’s “Lioness of Africa” women’s entrepreneurship project in Mozambique. Finally, Eni supports groups of women in carrying out productive activities in the agriculture, livestock and aquaculture sectors with the Green River Project in Nigeria.

■ [For more information: Eni for 2020 - Sustainability performance \(p. 35\)](#)

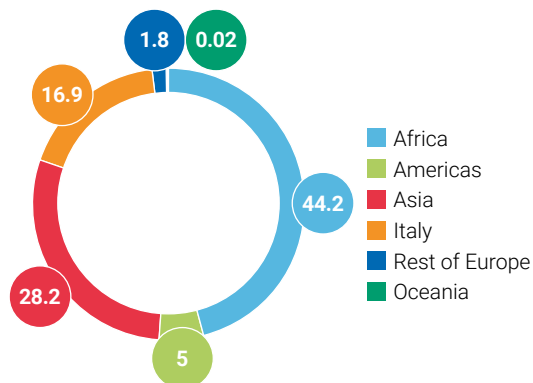
Investments in local development
(€ mln)



SECTORS OF INTERVENTION

Access to off-grid energy	8.1
Life on land	12.2
Economic diversification	33.1
Access to water and sanitation	3.9
Education and vocational training	13.3
Health	13.3
Compensation and resettlement	12.2

2020 investments in local development
by geographical area (€ mln)



A Green River Project (GRP) plant propagation centre in Obiafu-Obrikom, Nigeria (photo by Amachree Isoboye)



Local development in Italy

Eni in Italy works in close collaboration with local authorities to implement local development projects capable of generating long-term value for the communities in which it operates. With respect to energy access, in 2020, Eni supported the energy upgrading and qualificazione of public buildings in Ravenna, it continued its commitment in Val d'Agri for the supply of natural gas to 11 municipalities, and it financed a photovoltaic revolving fund in Porto Torres. Projects were developed to promote innovation and entrepreneurial skills in Ravenna and in Gela and to enhance tourism in this areas. Through Coldiretti Basilicata Eni continued its support to over 1,000 farms, contributing to the opening of new sales points for local products. In the field of education, despite the health emergency, awareness-raising activities on sustainability were carried out in Ravenna and educational support against school drop-out was provided in Gela. With regard to environmental protection, Eni continued its support for the preservation of natural coastal habitats, in compliance with the VIII Agreement with the Municipality of Ravenna, and it financed the management of an environmental monitoring center under the of Intent with the Basilicata Region.

€16.9 million

Invested in 2020 in Italy

New olive grove collection planted on the land of project CASF



CASF (Centro Agricolo di Sperimentazione e Formazione, Agricultural Research and Training Centre) Project

CONTEXT

In 2019, as part of the Energy Valley program, the CASF project was launched for the creation of an "Agricultural Research and Training Centre" that will serve as a local demonstration hub for farming techniques, attracting new talents and fostering innovation for the promotion of sustainable agriculture to the benefit of the Lucanian community.

PROJECT AND OBJECTIVES

The project, implemented on the land adjacent to the Val d'Agri Oil Centre, which covers an area of approximately 25 hectares, includes: (i) cultivations of different varieties of fruit trees, proposing replicable farming techniques for a profitable and high-quality production; (ii) demonstrations of low-impact agricultural practices also with the aid of a biological plant-protection product derived from chemistry powered by renewable sources; (iii) technologies for a green agriculture that promote the efficient use of water resources and contribute to the energy transition; (iv) training activities and work placement programs; (v) public events and educational courses for schools; (vi) experimental trials on energy crops for the production of advanced biofuels.

RESULTS

The project, financed by Eni in joint venture (approximately €3.5 million up to 2024), is expected to generate an employment impact (direct and indirect) of over 100 people and a cumulative economic impact on induced activities estimated at over €7 million over the 2019-2029 decade. In 2020, the project, despite the 5-month work hiatus due to the health emergency, directly engaged 27 local resources and achieved the requalification of approximately 13 hectares to new agricultural use, planting more than 2,000 fruit trees.



CASF aims to act as a lever for regional development by promoting technological transfer and innovative practices in the agricultural sector



Local development projects in the world

SECTORS OF INTERVENTION



Project examples by sector of intervention

ACCESS TO OFF-GRID ENERGY

Ghana - Rural Clean Cooking Pilot Project ↗

Targets:

Promoting local production and marketing of certified, quality cooking systems, by creating employment opportunities and local micro-entrepreneurship and replacing traditional cooking systems with improved ones in coastal communities in the Ellembele District of the Western Region.

Beneficiaries and results in 2020:

Training of 45 young traders, 1 production expert and 5 production technicians; creation of 2 sales units; production of 3,500 improved local stoves; implementation of market research and development of strategies for local production.

ECONOMIC DIVERSIFICATION

Congo - Agricultural project CATREP ↗

Targets:

Promoting food security, growth and economic diversification for the inhabitants of the rural centres of M'Boundi, Kouakouala, Zingali and Loufika, by promoting research and innovation and circular economy, to reduce the environmental impact of waste generated by companies with compost production.

Beneficiaries and results in 2020:

22 villages involved and 25,000 beneficiaries; 30 drinking water wells built for houses, schools and health facilities, 27 of which are solar-powered; 15 cooperative groups of 75 people established and assistance provided to more than 110 farmers and cooperatives, facilitating their access to the market; 2 industrial composters installed, for biodegradation of 120 tonnes per year of organic waste.

LIFE ON LAND

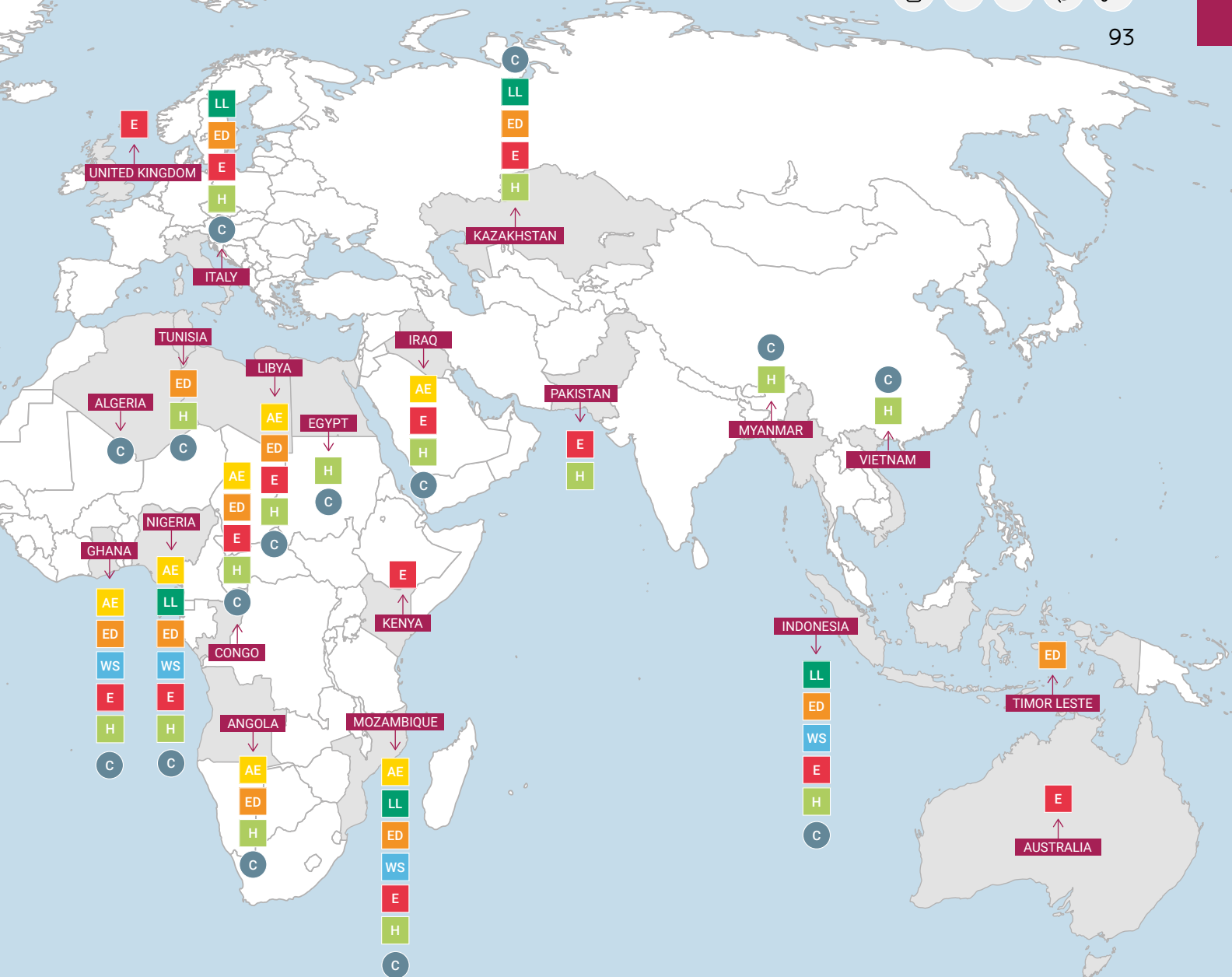
Italy - Reconstruction of the "Saline di Priolo" Nature Reserve

Targets:

Contributing to reconstruction of the "Saline di Priolo" Nature Reserve following the fire that devastated this protected area in 2019. Securing work involved pruning and removal of hundreds of burnt trees, making the paths in the reserve accessible again.

Beneficiaries and results in 2020:

The project, carried out by Eni Rewind (Eni's environmental company), and Versalis as part of the agreement signed with Lipu (Lega Italiana Protezione Uccelli - Italian League for the Protection of Birds), contributes to the recovery of a natural oasis of great environmental and tourist value for the area.

**ACCESS TO WATER****Iraq - Water management****Targets:**

In line with Eni's strategy focused on the integration of forces and skills necessary for the growth of own value and of the territories, the project, developed by Eni Rewind together with Eni, provides for the complete refurbishment of one of the three lines of the Al Buradieiah purification plant located in the city of Basra and the construction of a new drinking water production plant for the inhabitants of the Zubair locality located near the city of Bardjazia.

Beneficiaries and results in 2020:

The two new plants will provide 30 million drinking water a day to approximately 150,000 inhabitants of the city of Basra and the area of Al Bardjazia. The design of the 2 new plants is almost completed while their construction is underway mainly as regards the civil works.

EDUCATION**Mozambique - Promotion of schooling Paquitequete ↗****Targets:**

Paquitequete is the oldest neighborhood in the city of Pemba with approximately 22,000 inhabitants. The Paquitequete community is one of the most vulnerable in terms of access to basic services such as education and health. The project aims to contribute to ensure an inclusive and equitable quality education and promoting lifelong and lasting learning opportunities for all.

Beneficiaries and results in 2020:

Since 2013, about 3,800 children reached, 41 primary school teachers of which 1,470 children and 26 teachers in 2020, 400 kindergarten children, 4 educators, 10 administrative staff members; a new primary school in Paquitequete built in 2020.

HEALTH**Libya - Training activities for health personnel****Targets:**

As part of the MoU signed in 2018 between National Oil Corporation and Eni, the project aims to improve health management capacity in two main areas: "Assistance Program" to support the implementation of the "Master Program in Healthcare" aimed at young professionals, and the "Management Course", dedicated to officials involved in management roles at hospitals in the eastern region of Libya, with the support of the SDA Bocconi University.

Beneficiaries and results in 2020:

26 participants; 6 courses from SDA Bocconi amounting to 36 training sessions. Since December 2020, the design of the third quarter at the University of Benghazi has been underway, again supported by SDA Bocconi and Eni.

Instruments and methodologies for local development



The use of tools and methods, in line with internationally recognised standard principles, is fundamental through the different business phases in order to:

- understand the context and define local development projects through tools for context analysis [see p. 75](#) and assessing human rights impacts, if any [see p. 85](#);
- map the relationship with stakeholders with the Stakeholder Management System [see p. 84](#);
- monitor the progress of the projects and the results achieved through dedicated management tools (e.g. Logical Framework Approach, Monitoring, Evaluation and Learning);
- assess the impact and quantify the benefits generated by Eni in the operating environment of the business and through the cooperation model (e.g. Eni Local Content Evaluation and Eni Impact Tool).

Eni has defined a model for measuring the value generated by business projects at local and international level

ELCE Local Content Model

A company's legitimacy in operating in different Countries also depends on its ability to actively contribute to their socio-economic development, creating wealth, offering employment opportunities and developing human capital. Local Content, as discussed in more detail ([see p. 88](#)), represents the added value brought to the local economy, society and communities over the lifetime of a project or activity. In the last five years, Eni has developed the "proprietary" ELCE Model ("Eni Local Content Evaluation") for the evaluation of Local Content, validated by the Politecnico di Milano. ELCE is a tool for measuring the value generated by business projects, and is applicable at both a forecast and an actual level, from a local and/or national perspective. Impacts are assessed, through ELCE, with specific indicators to capture the local content components in a way that best reflects the regulatory and economic reality of the individual Country; for example, expenditure on "local" purchases is assessed using the criterion of payments in local currency, or that of the percentage of local companies' participation in consortia, depending on the Country's regulations. Since 2020, the model has been updated in order to refine the economic impact assessment to quantify the effects on production, tax revenues and the wage bill. This assessment is complemented by the employment impact, which continues to be measured in terms of jobs. The ELCE model, in addition to the "direct" effects generated by Eni's activities, also considers the action of the entire supply chain (and not only the first level of direct contractors) to the extent of the "indirect" effects and the consequent "induced" effects referring to the macroeconomic sectors of the Country affected by the activity.

Application of the ELCE Model to the Quiluma & Maboqueiro project in Angola

The model was applied in early 2020 in order to support the 'Definition' phase of the business project development. The analysis period considered the construction and operation phases over a period of 20 years.

Major product classes activated locally by Eni out of total contracts:
Drilling services (77.2%)
Support services (100%)

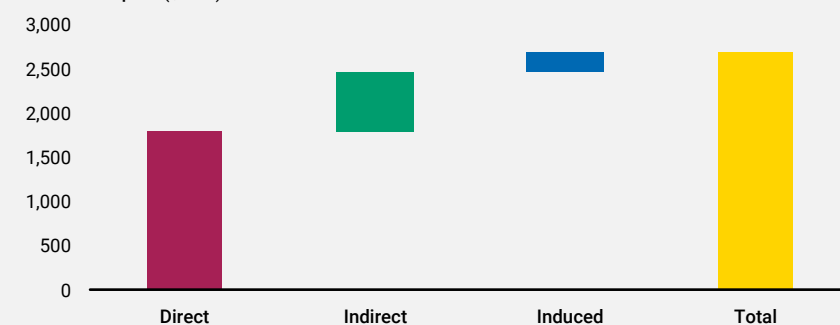
\$2,608 mln

Total economic impact (2020-2039)

\$2,475 mln

Eni investment (construction & operation)

Economic impact (\$ mln)



\$0.69 mln

Expenditure on training for employees

6,743

Local jobs created (2020-2039)

235

Local employees trained over the project life-span

How data collection in a “baseline” can support local development projects (Ghana)

In Ghana, in connection with the “Offshore Cape Three Points-OCTP” project ([see p. 80](#)), the OCTP Local Development Project was launched in 2020 to promote inclusive economic growth and the well-being of the approximately 14,000 people living in the 10 villages surrounding the OCTP gas reception facility. The project is divided into different areas of intervention, affecting on the one hand the quality of life (access to energy, health conditions, education and access to water) and on the other hand the development of the local economy. In February 2020, Eni carried out a data collection in the communities, aimed at defining the project baseline to identify needs, to support the formulation of activities and to monitor and evaluate the impact after the activities were completed. The questionnaire consisted of 80 questions, on aspects of community life related to the areas of intervention, involving a statistically significant sample of about 360 households, in order to obtain results that could be generalised to the whole community. In particular, it was possible to quantify metrics recognised by international institutions, such as the World Food Program and the World Bank, which may also be of support in a future dialogue with these organisations.

In 2020, in Ghana, the OCTP Local Development Project was launched to promote inclusive economic growth

Areas of investigation	Data collected from interviews with households of local communities	Activities of the OCTP Local Development Project
ACCESS TO ENERGY	Almost all households are connected to the grid and access to electricity is not critical.	Potential interventions should focus on the quality and reliability of the supply.
COOKING SYSTEMS	<ul style="list-style-type: none"> Half of all households use traditional systems such as three-stone, while only a quarter have gas cooking systems; Almost 30% of households have the habit of cooking inside the house; indoor air pollution and the consequent impact on health is not perceived as negative by more than 3% of households. 	The project will focus both on access to improved stoves as a transitional solution towards more modern stoves systems and on awareness-raising campaigns on health risks due to indoor pollution.
ECONOMIC DIVERSIFICATION	<ul style="list-style-type: none"> Fishing is the main economic activity for 20% of households, while the majority work in services and handicrafts; 40% of households have a bank account with a local financial institution; Only 20% have previously applied for a loan to finance their business; About one of three families works the land; farming is for subsistence, without the use of modern agronomic techniques and not aimed at selling products on the local market. 	The project will activate mechanisms for access to credit, especially for young people and women, by offering support to the main cooperative banks already operating in the ten villages. In addition, an agricultural project will be launched to support self-production at family level, with a view to strengthening food security and stimulating production for the market.



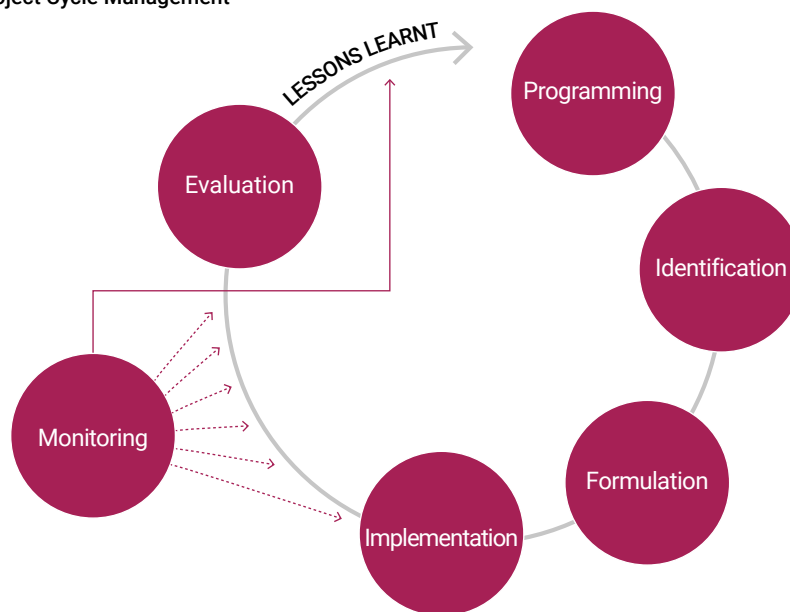
Interview with a beneficiary family of the OCTP local development project (photo by Lorenzo Mattarolo)

Project Cycle Management consists of mutually connected phases through which the project goes from the initial idea to the end of the project, when (ideally) the objectives are achieved

Logical Framework Approach and monitoring, evaluation and learning system

In line with the work undertaken in 2019, to strengthen the effectiveness and efficiency of local development projects, Eni consolidated monitoring, evaluation and learning tools within Project Cycle Management to manage the project with a view to continuous improvement, also allowing lessons learned and/or recommendations for future projects to be identified.

Project Cycle Management



Collaboration between Eni and the University of Milan for an impact assessment of the efficiency and effectiveness of the GRP project

Application of Project Cycle Management in Nigeria: Green River Project 2.0

CONTEXT

The formulation of the four-year Green River Project (GRP) 2.0 (2021-2024) is a concrete example of how Project Cycle Management has been virtuously applied to community and land initiatives. The GRP has been established since 1987 in the Niger Delta region to assist communities in improving agricultural practices and obtaining better outputs.

PROJECT

In 2019, thanks to a proactive collaboration between Eni and the University of Milan, an assessment of the impact the project had on beneficiaries in the period 2013-2018 was conducted. Careful data collection and analysis gave a clear picture of the context and the results achieved through a constant presence on the ground.

By following the five DAC¹⁵ criteria (Relevance, Effectiveness, Efficiency, Impact and Sustainability), it was possible to identify precise recommendations that take into account both the strengths and weaknesses of the project.

RESULTS

Based on these recommendations, GRP 2.0 was formulated in 2020, adopting a new implementation strategy targeted to the needs of the current context following the logical framework approach, setting up the monitoring strategy and a baseline study from the outset. The adoption of clear indicators will make it possible to assess the efficiency and effectiveness of the project in a timely manner to ensure both the reliability of the data and the relevance of the activities undertaken. The choice of specific actions in response to the lessons learnt is a clear consequence of the continuous improvement process, advocated by the project cycle, through which Eni identifies and disseminates best practices to all its subsidiaries.

15) DAC: OECD Development Aid Committee.

Independent Auditors' Report



Independent auditor's report on the limited assurance engagement of the Sustainability Report – Eni for 2020

To the Board of Directors of Eni SpA

We have been engaged to undertake a limited assurance engagement on the Sustainability Report – Eni for of Eni Group (hereinafter also the “Group”) for the year ended 31 December 2020 (hereinafter also the “Report”).

Responsibilities of the Directors for the Report

The Directors of Eni SpA are responsible for the preparation of the Report in accordance with the “Global Reporting Initiative Sustainability Reporting Standards” issued in 2016 and last updated in 2019 by GRI - Global Reporting Initiative (the “GRI Standards”), as illustrated in the “Reporting Criteria” section of the Report.

The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of a Report that is free from material misstatement, whether due to fraud or error.

The Directors are also responsible for defining the sustainability performance targets of Eni Group, as well as for identifying its stakeholders and material topics to be reported on.

Auditor's Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 (ISQC Italia 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibilities

Our responsibility is to express a conclusion, based on the procedures performed, on whether the Report complies with the requirements of the GRI Standards. We conducted our work in accordance with “International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements other than Audits or Reviews of Historical Information” (hereinafter also “ISAE 3000 Revised”) issued by the International Auditing and Assurance Standards Board (IAASB) for limited

PricewaterhouseCoopers SpA

Sede legale: **Milano** 20145 Piazza Tre Torri 2 Tel. 02 77851 Fax 02 7785240 Capitale Sociale Euro 6.890.000,00 i.v. C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 071 2132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 080 5640211 - **Bergamo** 24121 Largo Belotti 5 Tel. 035 229691 - **Bologna** 40126 Via Angelo Finelli 8 Tel. 051 6186211 - **Brescia** 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - **Catania** 95129 Corso Italia 302 Tel. 095 7532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 055 2482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 010 29041 - **Napoli** 80121 Via dei Mille 16 Tel. 081 36181 - **Padova** 35138 Via Vicenza 4 Tel. 049 873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091 349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521 275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 085 4545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06 570251 - **Torino** 10122 Corso Palestro 10 Tel. 011 556771 - **Trento** 38122 Viale della Costituzione 33 Tel. 0461 237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422 696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 040 3480781 - **Udine** 33100 Via Poscolle 43 Tel. 0432 25789 - **Varese** 21100 Via Albuzzi 43 Tel. 0332 285039 - **Verona** 37135 Via Francia 21/C Tel. 045 8263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444 393311

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assurance engagements. That standard requires that we plan and perform procedures to obtain limited assurance about whether the Report is free from material misstatement.

The work performed was less in scope than in a reasonable assurance engagement conducted in accordance with ISAE 3000 *Revised* and, consequently, we did not obtain assurance that we became aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

The procedures performed on the Report were based on our professional judgement and included inquiries, primarily of personnel of the Company responsible for the preparation of the information presented in the Report, inspection of documents, recalculations and other procedures designed to obtain evidence considered useful.

In detail, we performed the following procedures:

1. we analysed the reasons for the existence of both a Non-financial Statement (required under articles 3, 4 and 7 of Legislative Decree No. 254/2016) and the Report, and the features distinguishing the two documents;
2. we analysed the process of definition of the material topics reported on in the Report, with reference to the method of their identification in terms of priority for the various categories of stakeholders and to the internal validation of the results of the process;
3. we compared the financial information reported in the “Governance and business ethics” section of the Sustainability Report with the information included in the Group’s annual consolidated financial statements;
4. we obtained an understanding of the processes underlying the generation, collection and management of significant qualitative and quantitative information included in the Report.

In detail, we inquired of and discussed with management personnel of Eni SpA and with personnel of Eni Mediterranea Idrocarburi SpA, Eni UK Limited and Versalis SpA and we carried out limited analyses of documentary evidence, in order to obtain information about the processes and procedures supporting the collection, aggregation, processing and submission of non-financial information to the corporate function in charge of the preparation of the Report.

Furthermore, for significant information, taking into account the activities and characteristics of the Group:

- at parent company level
 - a) with reference to the qualitative information presented in the Report, we carried out interviews and obtained supporting documents to verify its consistency with available evidence;
 - b) with reference to quantitative information, we performed both analytical procedures and limited tests to verify, on a sample basis, the accuracy of data aggregation.
- for Eni SpA (Venezia refinery and Distretto Centro-Settentrionale – Centro Olio Trecate), Eni Mediterranea Idrocarburi SpA (Nuovo Centro Olio Gela), Eni UK Limited (Liverpool Bay Offshore Assets) and Versalis SpA (Porto Marghera plant), which we selected based on their activities, contribution to performance indicators at a consolidated level and location, we carried out meetings and interviews during which we met the persons responsible and obtained documentary evidence, on a sample basis, about the correct application of the procedures and calculation methods applied for the indicators.



Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the Sustainability Report – Eni for of Eni Group for the year ended 31 December 2020 is not prepared, in all material respects, in accordance with the requirements of the GRI Standards as illustrated in the “Reporting criteria” section of the Report.

Other aspects

With reference to the annex "Statement on GHG accounting and reporting - year 2020" of the Sustainability Report - Eni for called "Carbon neutrality by 2050", which has been prepared with principles (suitable criteria) that differ from the GRI Standards, the audit activities envisaged by ISAE 3000 Revised were carried out using the limited assurance approach for the indicators GHG Lifecycle Emissions (Net GHG Lifecycle Emissions and Net Carbon Intensity), Net Zero Carbon Footprint Upstream (Scope 1 and 2) on an equity basis and Scope 3 emissions, and reasonable assurance for the indicators Scope 1 emissions and Scope 2 emissions. On the basis of these activities, a special report was prepared and attached to the document "Carbon neutrality by 2050".

Milan, 12 May 2021

PricewaterhouseCoopers SpA

Signed by

Paolo Bersani
(Authorised signatory)

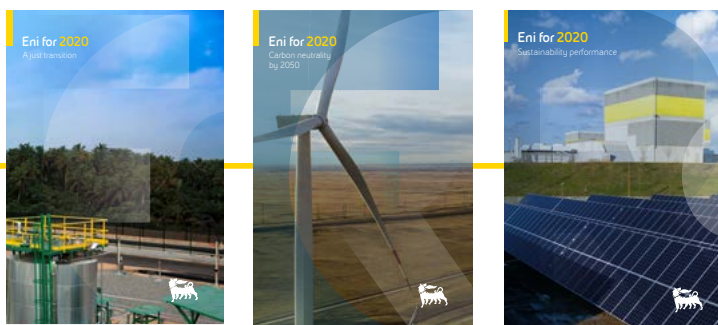
This report has been translated from the Italian original solely for the convenience of international readers. We have not performed any controls on the Sustainability Report – Eni for translation.

Eni's non-financial reporting

Through its non-financial reporting, Eni wants to proactively describe its role in the energy transition, sharing its values, corporate strategies, objectives and results achieved to date. For this reason, also aware of the increasing centrality of non-financial information, over the years Eni has developed an articulated reporting system with the aim of satisfying the information needs of its stakeholders in a complete and timely manner in terms of both variety and of level of deepening.

The **2020 Consolidated Disclosure of Non-Financial Information (NFI)**, prepared in accordance with the requirements of Legislative Decree 254/2016 (transposing European Directive 95/2014) and published in the Annual Report 2020, has the aim of clearly and concisely meeting the information needs of Eni's stakeholders, further promoting the integration of financial and non-financial information. The NFI provides integrated reporting on the management model, policies applied, main risks and results related to environmental, social, personnel, human rights and anti-corruption issues.

■ **For more information: Annual Report 2020**



Your feedback is important to us. If you have any comments, suggestions or questions, please write an email to sostenibilita@eni.com

Eni for 2020 - A just transition

Report that describes how, through the integrated business model, Eni creates long-term value, through the operational excellence model, alliances for local development and carbon neutrality by 2050.

Eni For 2020 - Carbon neutrality by 2050

In-depth analysis of governance, risk management activities, strategy and main Eni metrics and targets on climate change.

Eni for 2020 - Sustainability performance

This report, available only online, provides an overview of non-financial performance indicators along the three pillars of Eni's business model.

Other reports

By June 2021 Eni will publish **Eni for Human rights**. Report describing Eni's strategy on promoting and respecting human rights and reporting the main activities and performance indicators. In addition to these documents, Eni publishes **other local sustainability reports** on an annual basis, which will be available in the course of 2021 on the site ■ **For more information: eni.com**

REPORTING PRINCIPLES AND CRITERIA

Eni for 2020 is prepared in accordance with the "Sustainability Reporting Standards" of the Global Reporting Initiative (GRI Standards) with an "in accordance Core" level of adherence and taking into account the 10 principles of the Global Compact. Eni for 2020 - Carbon Neutrality by 2050 is prepared in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Moreover, for the first time, in line with the commitment to promote a complete and comparable disclosure, the metrics related to the Sustainability Accounting Standards Board (SASB) standard and the "core" metrics defined by the World Economic Forum (WEF) in the White Paper "Measuring Stakeholder Capitalism - Towards Common Metrics and Consistent Reporting of Sustainable Value Creation" were published (the latter already included in the Non-Financial Information). The reference tables related to the GRI standards, the TCFD recommendations, the SASB standards and the WEF metrics are available in Eni for 2020 - Sustainability Performance and on eni.com. ■ **For more information: Eni for 2020 - Sustainability performance (pp. 57-58)**

EXTERNAL ASSURANCE

Eni for 2020 was also subjected to limited assurance this year by the same independent auditors who also audited the Consolidated Financial Statements and the NFI (■ **pp. 97-99**). In addition, GHG Scope 1 and Scope 2 emissions are also subject to a reasonable assurance by the same external auditing company (PwC), with the aim of guaranteeing an even greater solidity of these data having strategic relevance for Eni. ■ **For more information: Eni for 2020 - Carbon neutrality by 2050 (pp. 56-59)**



Eni SpA

Headquarters

Piazzale Enrico Mattei, 1 - Rome - Italy

Capital Stock as of December 31, 2020: € 4,005,358,876.00 fully paid

Tax identification number 00484960588

Branches

Via Emilia, 1 - San Donato Milanese (Milan) - Italy

Piazza Ezio Vanoni, 1 - San Donato Milanese (Milan) - Italy

Contacts

eni.com

+39-0659821

800940924

segreteria@societaria.azionisti@eni.com

Investor Relations

Piazza Ezio Vanoni, 1 - 20097 San Donato Milanese (Milan)

Tel. +39-0252051651 - Fax +39-0252031929

e-mail: investor.relations@eni.com

Layout and supervision

K-Change - Rome

Printing

Tipografia Facciotti - Rome - Italy



Printed on Fedrigoni Arena paper



ELEMENTAL
CHLORINE
FREE
GUARANTEED





Eni for 2020 - Sustainability Report



00276

Eni for 2020

Carbon neutrality
by 2050



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.

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.

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.



Disclaimer

Eni for 2020 is a document published on a yearly basis which contains certain forward-looking statements related to the different topics covered therein.

Forward-looking statements are based on Eni management's reasonable assumptions and belief in light of the information available to them at the time the statements are made. Nevertheless, by their nature, forward-looking statements involve a component of uncertainty as they relate to events and depend on circumstances that may or may not occur in the future and which are, in whole or in part, out of Eni's control. Actual results, also with reference to the targets and objectives identified in the strategic planning or those of Corporate Governance, may differ from those expressed in such statements, depending on a variety of factors, including without limitation: the impact of the pandemic disease (COVID-19); the fluctuation of the demand, the offer and the pricing of oil and natural gas and other oil products; the actual operational performances; the general macroeconomic conditions; geopolitical factors and changes in the economic and regulatory framework in many of the Countries in which Eni operates; the achievements reached in the development and use of new technologies; changes in the stakeholders' expectations and other changes to the business conditions.

The readers of the document are therefore invited to take into account a possible discrepancy between the estimates reported and the results that may be achieved as a consequence of the occurrence of the above.

Eni for 2020 also contains terms such as, for instance, "partnership" or "public/private partnership" used for convenience only, without a technical-legal implication.

"Eni" means the parent company Eni SpA and its consolidated subsidiaries.

On the cover: The wind farm in Badamsha, Kazakhstan, operating since march 2020, with an overall capacity of 48 MW. The plant is located in the north-west region of Aktobe, and will allow production of 198 GWh for 25 years.

Some photos contained in this report were taken by Eni colleagues who participated in an internal Photo Contest organized to help Eni to describe its sustainability path.

Contents

Why read Eni for 2020?

In this document, Eni wants to describe its contribution to a just transition, an energy transition that allows to give access to energy for all and to protect the environment, while being socially fair. Eni for 2020 recounts Eni's path to meet these challenges, which are now even harder following the health emergency that began in 2020.

Eni for explores Eni's business model and in particular Operational Excellence, i.e. the enabling factors for achieving strategic objectives, as well as the importance of our Alliances for Development for creating value in the Countries where Eni operates.

Eni for also includes two annexes, one detailing the path towards "Carbon Neutrality by 2050" and one dedicated to the Sustainability performance over the last 5 years, with related comments.

Compared to the Consolidated Disclosure of Non-Financial Information (pursuant to Leg. Decree 254/2016) published within the Annual Report to provide an integrated view of financial and non-financial information, Eni for is a voluntary sustainability report aimed at further exploring non-financial issues by presenting concrete cases and testimonials of people with whom Eni shares its journey.

➤ For more information:

Annual Report 2020

➤ External links

🚩 Bookmarks

🔍 Additional information

Focus **HEALTH EMERGENCY**

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Message to our stakeholders

The past year has shown that the fight against climate change and the commitment to a sustainable and just development have now become clear guidelines for the global agenda, and shall be top priorities for governments, civil society, investors and companies.

Year 2021 has already shown positive signs in this direction with the renewal of decarbonization pledges by many countries globally. The next COP26 will be a further key milestone on the path towards achieving the objectives of the Paris Agreement, which aim to limit the temperature increase to 1.5°C.

Eni wants to play an active role in this virtuous path and its transition strategy to becoming an integrated energy company that offers a wide range of fully decarbonized products to customers goes precisely in this direction. Our commitment to decarbonizing all our products and processes by 2050 is in line with these challenging objectives. In addition, to ensure full visibility of our path, we set intermediate targets for 2030 and 2040, both in terms of absolute emission reductions and carbon intensity.

Our strategy, presented last February, is concrete, detailed and economically sustainable. It leverages proprietary technologies, integration, diversification and expansion of our gas & power and renewable retail businesses, bio-products, circular economy and a growing share of gas in the production portfolio. The merger of our retail gas&power and renewables businesses is a cornerstone of our strategy which will enable us, by exploiting the synergies between the two businesses, to accelerate the growth of our customer base and installed capacity from renewables, to reach 15 million customers and 15 GW installed by 2030 respectively, while making a key contribution to reducing our customers' emissions. Furthermore, we have planned numerous investments in circular economy initiatives and expect to double our biorefining capacity over the next 4 years, while fulfilling our commitment to make our biorefineries palm oil free by 2023. We are committed to decarbonizing all businesses, both by continuing investments in energy efficiency and, for "hard-to-abate" emissions, by deploying CO₂ capture and storage or utilization technologies (CCS, CCUS). In addition, we will offset through REDD+ forest conservation projects over 6 million tons/year of CO₂ by 2024.

The robustness of our strategy has been recognized in a number of areas, including the first Net-Zero Company Benchmark by CA100+, one of the world's most influential investor engagement initiatives, which ranked Eni among the companies most aligned with investor demands, confirming our leadership role on climate reporting and ambition.

All this has been possible thanks to the progress we made in recent years, where we started a transformation path by integrating sustainability principles into each of our activities, inspired by the United Nations Sustainable Development Goals (SDGs), which are reflected in our mission.

To define and monitor the achievement of our reduction targets, we developed, with the support of academia experts, a rigorous methodology for the estimation of GHG Scope 1+2+3 emissions, along the entire value chain of the energy products sold, which results are annually verified by an independent auditor.

In line with our targets, in the last year we almost doubled the installed capacity of our renewable electricity generation plants and have been awarded a license by the UK Oil & Gas Authority to implement a CO₂ storage project in the Liverpool Bay area, a recognition of our distinctive expertise in these processes and technologies. Through investments in REDD+ projects, we have already compensated our carbon footprint by 1.5 million tons of CO₂eq. In addition, in early 2021 we reached an agreement to acquire a leading company in the biogas production sector, setting the stage to become the leading producer of bio-methane in Italy. Notwithstanding the enormous challenges related to the pandemic, the investments envisaged in the 2021-2024 plan confirm Eni's commitment towards carbon neutrality, providing for an increase in the component linked to decarbonization and the development of green and retail activities, which now make up 20% of the entire capital expenditure plan, in a context of general reduction in investments.

Throughout this path, the support of our robust governance is fundamental. The Board of Directors, with the assistance of the Committees, has a central role in managing the main issues related to climate change and sustainability. Over the last year, Eni has further strengthened the link between energy transition and remuneration policy, by raising the weight of objectives related to decarbonization and the development of renewable energy in top management incentive plans.

The commitments we are undertaking today reflect the continuous dialogue with our stakeholders, with whom we engage year after year to align our strategy with the objectives of the Paris Agreement and to improve climate disclosure, in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) of the Financial Stability Board, of which Eni is a member since its foundation. Participation in initiatives and partnerships represents an opportunity for Eni to build synergies and promote shared solutions in response to climate challenges.

In this perspective, to leverage sustainability experiences and best practices throughout the supply chain, in 2020 we launched Open-ES, an innovative digital platform aimed at strengthening the involvement of all our suppliers in the energy transition path through the sharing of sustainability data.

Only a joint response and a long-term view can ensure a just transition and, as Eni, today more than ever, we confirm our commitment to this objective.

For the fourth consecutive year, we are publishing this report in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), showing the milestones of our journey towards carbon neutrality and the robustness of our commitment and actions, according to the requests of our stakeholders to whom it is addressed.

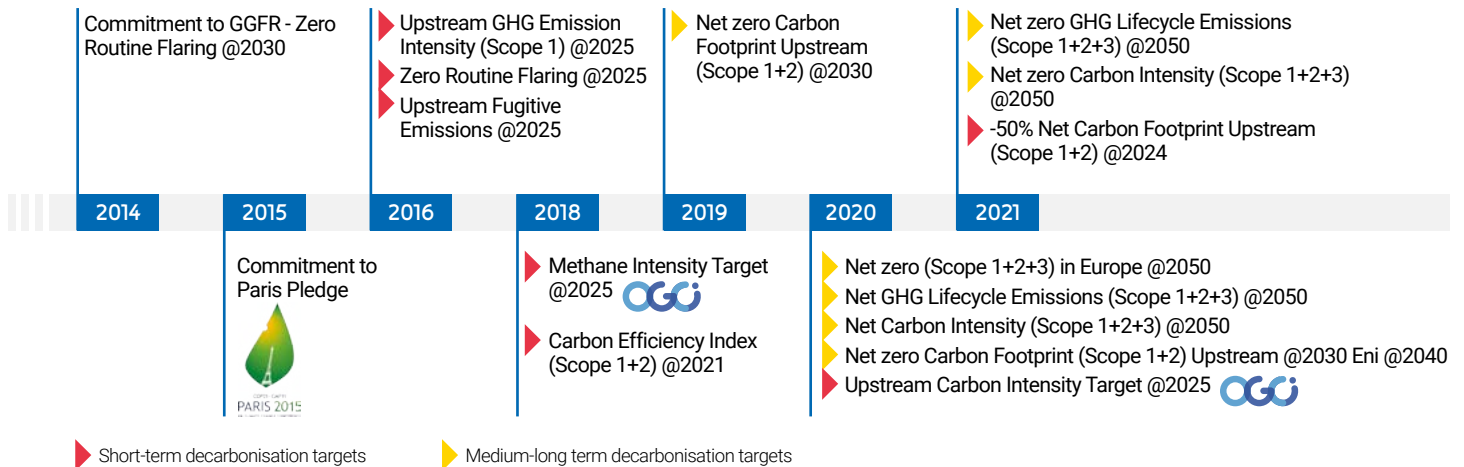
Some steps on the path towards a decarbonized world have already been taken and many are still ahead of us. As Eni we intend to pursue our path to achieve carbon neutrality and we are ready to seize the opportunities of the energy transition, creating long-term value for all our stakeholders.

Claudio Descalzi
Chief Executive Officer

A panel from the Gela
pilot plant within Eni
CSP - Concentrated Solar
Power project



The path of Eni's climate commitments



GLOSSARY

GHG Emissions	Scope 1	These are the emissions from sources attributable to the company's assets (e.g., combustion, flaring, fugitive, venting).
	Scope 2	These are the emissions resulting from the generation of electricity, heat and steam purchased from third parties and consumed in the company's assets.
	Scope 3	These are the emissions produced along the upstream and downstream value chain of the company's activity (e.g. suppliers and customers).
	GHG Lifecycle Emissions	Scope 1+2+3 emissions related to the supply chain of energy products sold in accordance with the reporting methodology defined by Eni.
Main GHG indicators	Net Carbon Footprint Upstream	This metric considers GHG Scope 1+2 emissions from Eni's hydrocarbon development and production assets, both operated and non-operated, accounted for on an equity basis (revenue interest) and net of cancellations of forestry credits during the reporting year.
	Net GHG Lifecycle Emissions	This metric refers to GHG Lifecycle emissions (Scope 1+2+3) associated with the supply chain of energy products sold by Eni, including both those deriving from its own production and those purchased from third parties accounted for on an equity basis and net of carbon sinks.
	Net Carbon Intensity	This metric, accounted for on an equity basis, is expressed as the ratio between Net GHG Lifecycle Emissions and the energy content of products sold by Eni.
	Emission intensity	Indicators include direct GHG emissions (Scope 1) which are derived from assets operated by Eni, include CO ₂ , CH ₄ and N ₂ O and are accounted for on a 100% basis. <ul style="list-style-type: none"> Upstream: indicator focused on emissions from hydrocarbon development and production activities. The denominator refers to operated hydrocarbon gross production. R&M: indicator focusing on emissions from conventional refineries and biorefineries. The denominator refers to incoming processed quantities (raw materials and semi-finished products). EniPower: indicator focused on emissions from production of electricity and steam from thermoelectric power plants. The denominator refers to the equivalent electricity produced (excluding the Bolzano cogeneration plant).
	Carbon Efficiency Index	It expresses the GHG emissions intensity (Scope 1+2 expressed in tonCO ₂ eq) of the main industrial assets operated by Eni divided by the productions (for homogeneity converted into barrels of oil equivalent using Eni average conversion factors) in each relevant business, thus measuring their degree of operating efficiency in a decarbonisation scenario.

Main results

INDICATOR	UNIT OF MEASUREMENT	2018	2019	2020
Net Carbon Footprint Upstream (GHG emissions, Scope 1+2)	Mton CO ₂ eq	14.8	14.8	11.4
Net GHG Lifecycle Emissions (Scope 1+2+3) ^(a)	Mton CO ₂ eq	505	501	439
Net Carbon Intensity (Scope 1+2+3) ^(a)	gCO ₂ eq/MJ	68	68	68
Installed capacity from renewable sources	MW	40	174	307
Biorefining capacity ^(b)	Mton	0.36	1.11	1.11
Incidence of gas production on total equity production	%	52	52	51

(a) The methodology for determining Scope 1+2+3 emissions associated with the supply chain of energy products sold has been refined to better represent Scope 3 end-use emissions. 2019 and 2018 data updated consistently.

(b) The value of the installed capacity of the Gela biorefinery has been updated to 750 thousand tonnes/year following a revision of the indicator calculation method (thus also updating the 2019 value).

Indicators accounted for on equity basis.

UPS GHG emission intensity Upstream GHG emissions (Scope 1)/gross hydrocarbon production 100% operated (UPS)	tCO ₂ eq/kboe	21.44	19.58	19.98
Upstream fugitive methane emissions	ktonCH ₄	38.8	21.9	11.2
Total volume of hydrocarbons sent to routine flaring	Billion Sm ³	1.4	1.2	1.0
Carbon efficiency index (Scope 1+2)	tCO ₂ eq/kboe	33.90	31.41	31.64

Indicators calculated on 100% of data for operated assets.

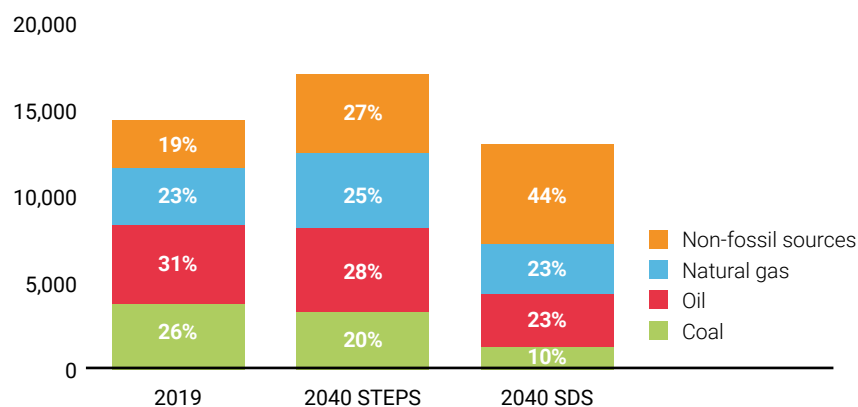
R&D expenditure	€ Mln	197.2	194	157
of which related to carbon neutrality (including circular economy)	€ Mln	74	102	74

The energy sector is called to respond to growing energy needs while limiting greenhouse gas emissions in order to contribute to the global decarbonisation process

Reference scenario

The energy sector is called to respond to a dual challenge: satisfying the growing energy needs of an ever more numerous population, guaranteeing sufficient access to energy, and limiting greenhouse gas emissions into the atmosphere, in order to contribute to the decarbonisation process. The International Energy Agency (IEA) has identified two main paths on the evolution of the energy mix: a scenario in line with current and planned policies (STEPS¹ - Stated Policies Scenario) and a decarbonised scenario (SDS² - Sustainable Development Scenario). In the first one, global energy demand is forecast to grow by 19% in 2040 from the 2019 levels, driven mainly by non-OECD Countries (+34%), while in the SDS consumption will decline compared to 2019 (-10%), sustained mostly by efficiency and energy savings measures concentrated in the OECD area. At a global level, non-fossil sources (including nuclear) will account for 44% of primary energy consumption by 2040 (vs. 19% today and 27% in the STEPS scenario by 2040). In terms of emissions, in 2040, the emission profile is expected to remain substantially stable in the STEPS scenario while it is expected to halve from current levels in the decarbonised scenario. The increasing use of renewables is identified by the IEA as one of the main drivers for moving from STEPS to the decarbonisation pathway represented in the SDS scenario, covering, together with energy efficiency, about 70% of the emissions gap between the two scenarios by 2050.

Energy demand by source (Mtoe)



Evolution of the energy mix. Source: IEA (2020) World Energy Outlook. All rights reserved.

Natural gas will continue to play a central role

The next few decades will also see a gradual evolution of the global electricity mix, with the share of fossil sources decreasing from 63% today to 44% by 2040 in the STEPS scenario and to 17% in the SDS scenario, as electricity production levels rise. Among fossil sources, gas will continue to play a central role also in the energy transition, acting as a bridging solution to compensate for intermittent renewables and ensure the security and balance of electricity systems on a global scale. The high plant efficiency, the reduced lead time of power stations, and the lower emissions impact compared to other sources, make gas a suitable solution for integrating renewables, awaiting for batteries to reach technological maturity and electricity systems to adapt to the new balances, and for replacing coal, at least in the medium term. Oil demand, on the other hand, is expected to peak immediately within the next two years and then gradually decline in almost all Countries (with the exception of India and Sub-Saharan Africa). Nevertheless, significant upstream investments are still needed to offset the decline in production from existing fields, although uncertainty remains related to the influence that regulatory changes and technological

1) This is the IEA baseline scenario and reflects all existing and announced government policies, although it does not meet the temperature limitation target within 2°C.

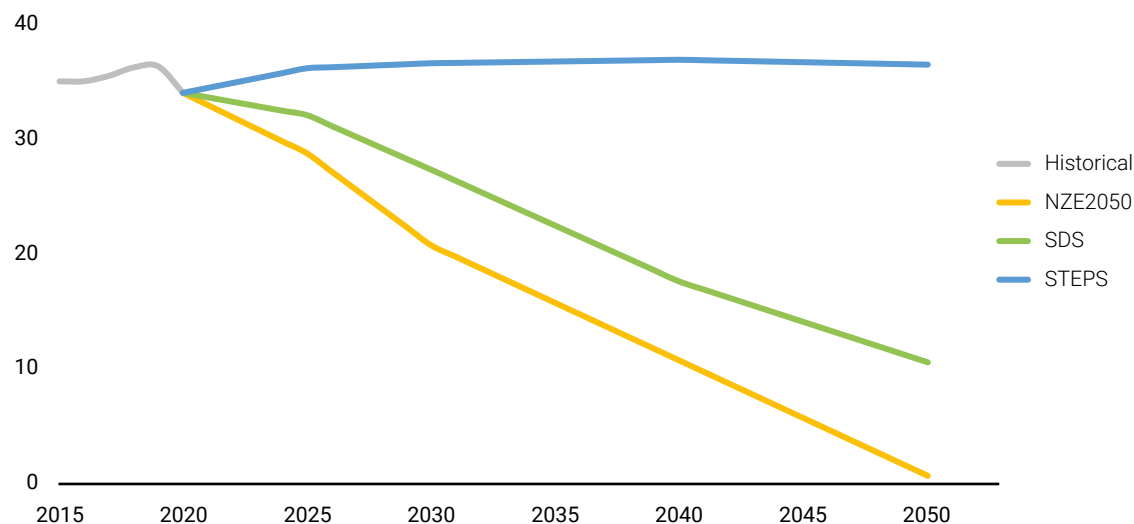
2) It is a backcasting scenario, incorporating a series of measures needed to reach net zero by 2070 and limit the global temperature increase over pre-industrial levels to 1.65°C with a 50% probability. It ensures universal access to energy by 2030, reduction of local pollution and implementation of actions to combat climate change, limiting the increase in global temperature well below 2°C.

breakthroughs could have on the scenario. In its World Energy Outlook 2020 (WEO), the IEA introduced a scenario called NZE2050 (Net Zero Emissions) which builds on the SDS scenario and calls for much stronger measures than SDS to achieve net zero emissions by 2050 in order to limit the temperature increase to 1.5°C by 2100 compared to pre-industrial levels. Energy demand in the NZE2050 decreases by 17% as early as 2030 (-7% compared to SDS), reaching a level similar to 2006, but with an economy twice the size.

This is made possible through an even more pronounced recourse (compared to what is foreseen in the SDS) to electrification, efficiency and changing of consumer behaviours. Currently, around two-thirds of global greenhouse gas emissions come from the energy sector; of these, more than 40% are from the power generation sector, with coal accounting for more than 70% of the sector's emissions. According to the IEA, a trajectory compatible with the Paris Agreement's goals of limiting global temperature rise to well below 2°C would require emissions from the energy sector to halve by 2040, to reach about 1/3 of the current level by 2050, and then target net zero emissions by 2070. In the STEPS scenario, global energy demand is projected to return to pre-COVID-19 levels in 2023. However, in the case of a prolonged pandemic (DRS - Delayed Recovery Scenario), realignment to pre-COVID-19 levels will only occur in 2025. The deepest effects of the crisis will be most evident among non-OECD Countries.

In IEA STEPS scenario, global energy demand is projected to return to pre-COVID-19 levels in 2023

Energy and industrial process CO₂ emissions (GtCO₂)



Eni reprocessing of IEA (2020) World Energy Outlook data. All rights reserved.

HEALTH EMERGENCY

Health emergency connected with COVID-19

2020 was marked by the worldwide spread of the health crisis due to COVID-19, which triggered a series of containment measures, such as shutting down productive activities, social distancing and mobility restrictions, with severe negative impacts on the economic environment and consequently on energy demand. Against this background, the energy sector has succeeded in ensuring business continuity, given its strategic importance, while confirming its commitment to achieve the decarbonisation process, seizing the opportunities emerging from the energy transition.

The energy sector has succeeded in ensuring business continuity during the health crisis

Governance

The Board of Directors of Eni plays a central role in managing the main aspects linked to climate change

For more information, see [Eni for 2020 - Sustainability performance \(pagg. 3-4\)](#)

Role of the board

The Board of Directors³ (BoD) plays a central role in managing the main aspects linked to climate change. In particular, based on a proposal by the Chief Executive Officer (CEO) or by the competent bodies, the BoD examines and/or approves:

- **goals** related to **climate change** and energy transition, integral part of business strategies;
- the portfolio of **Eni's top risks**, including climate change;
- Eni's **medium-long term plan**, aiming to guarantee the sustainability of the business portfolio over a thirty-year period;
- the **Short-Term Incentive (STI) and Long-Term Incentive (LTI) Equity Plan** with targets linked to reduction of GHG emissions and to energy transition for the CEO and the managers with strategic responsibilities⁴;
- **annual sustainability** results, the sustainability report (**Eni for**), the **HSE review**, and including the decarbonization performances;
- **institutional reporting**, which includes the Interim Consolidated Report and the Annual Report (including the Consolidated Disclosure of Non-Financial information);
- the relevant projects and their progress, on a semiannual basis, with sensitivity Eni and IEA SDS carbon pricing⁵ sensitivities;
- within the Annual Report, resilience tests on all upstream cash generating units (CGUs) applying the IEA SDS scenario;
- **strategic agreements**, including climate change-related initiatives.

Committees of the Board of Directors

Sustainability and Scenarios Committee (SSC)	It addresses integration issues among strategy, future scenarios and business sustainability over the medium-long term and examines the scenarios for the Strategic Plan definition. During 2020, the SSC explored climate change issues at all meetings, including the outcomes of the 2019 United Nations Climate Change Conference (COP25), energy scenarios, the state of the art in research and development for energy transition, Eni's decarbonisation strategy, forestry activities and climate partnerships, Eni's responsible engagement on climate change within business associations, climate resolutions and assembly's disclosure of reference peers.
Control and Risk Committee	It supports the BoD in its quarterly review of the main risks, including climate change, in the review of periodic financial and non-financial reports and in the HSE review.
Remuneration Committee	It proposes to the BoD the general criteria for the annual incentives for the CEO and managers with strategic responsibilities including specific targets associated with reduction of GHG emissions.
Nomination Committee	It supports the Board of Directors in the appointments for which it is responsible, in the self-assessment process and in the formulation of guidelines for the shareholders, formulating opinions on the criteria and related designations also in relation to the necessary competencies.

The BoD has assigned a central role to the Chairman, in the internal control system in particular regarding the Internal Audit function. The chosen model establishes a clear separation between the functions of Chairman and Chief Executive Officer. For what concerns the BoD in charge since May 13, 2020, several members have experience with ESG issues⁶. 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 decarbonisation process and the environmental and social sustainability of Eni's activities.

3) Board of Directors: <https://www.eni.com/it-IT/chi-siamo/governance/consiglio-amministrazione.html>. To learn more about Eni's organisational structure, please refer to the section "Company" of the corporate website (www.eni.com) and to the Corporate Governance Report and 2020 ownership structure.

4) Managers with strategic responsibilities: Managers reporting directly to Eni's Chief Executive Officer and Chairman and members of the Management Committee of Eni SpA.

5) Sustainable Development Scenario (SDS) from the World Energy Outlook 2020 of the International Energy Agency (IEA).

6) In particular, in addition to the Chief Executive Officer, Director Litvack and Director Guindani, current and former Chair of the Sustainability and Scenarios Committee respectively, as well as Directors Piccinno and Vermeir.

Role of management

Issues connected with the management of risks and opportunities related to climate change and energy transition are considered and integrated in all the stages of the business cycle, starting from negotiations for acquisition of mining rights up to decommissioning. In order to facilitate the energy transition path, in 2020 Eni adopted a new organisational structure with two Business Groups, Natural Resources and Energy Evolution, and central structures to support the CEO in the compliance and risk management control functions and the Business Groups in achieving their objectives. The strategic commitment to the energy transition is part of the company's essential goals and is therefore also reflected in the Variable Incentive Plans for the CEO and company management⁷.

The strategic commitment to the energy transition is part of the company's essential goals and is therefore also reflected in the Variable Incentive Plans

Short-term Incentive Plan	As in previous years, the Short-Term Incentive Plan with deferral 2021 (STI) includes, as part of the environmental sustainability and human capital objectives, an objective to reduce the intensity of Upstream GHG emissions (weight 12.5%), that this year has been extended to indirect emissions (Scope 2) and non-operated activities. Moreover, within the framework of operating results, the incremental installed capacity of renewable sources (weight 12.5%) replaces the indicator relating to exploration of resources, to support of the energy transition strategy. Considering both objectives, the weight related to decarbonisation is 25% for the CEO, while for company management, according to weights coherent with the responsibilities assigned, in addition to specific objectives according to their role.
Long-term Incentive Plan	The 2020-2022 Long-Term Equity Incentive Plan (LTI) supports the implementation of the Strategic Plan through parameters related to the objectives of decarbonisation, energy transition and circular economy, consistently with the targets communicated to the market and with a view to aligning with the interests of all stakeholders. The total weight of these targets is equivalent to 35% both for the CEO and for all Eni managers involved in the Plan.

From 2019, issues related to climate change, energy transition and medium-long term plan are managed through dedicated structures reporting to the CFO with the aim of supervising the process of defining Eni's climate strategy and the related portfolio of initiatives as part of long-term planning in line with the commitments made by the company with respect to the decarbonisation of all products and processes by 2050.

The management, and more generally all Eni's personnel, is constantly informed on the progress towards carbon neutrality through various sharing opportunities, for example: **Live streaming** in which the CEO explains the strategies and objectives of the Strategic Plan to the entire corporate population; **Business review**: a quarterly meeting between the Chairman, the CEO and its direct reports, to monitor progress on the objectives and implementation of strategic lines; **HSE review**; **Annual and interim results**; **Quarterly report on top risks**; **The CEO blog** in which the CEO comments on the main events on the corporate intranet and creates a direct communication channel with all employees.

The management, and more generally all Eni's personnel, is constantly informed on the progress towards carbon neutrality



Eni's new organization

In 2020, Eni adopted a new organisational structure with two General Business Groups:

- **Natural Resources**, which focuses on the sustainable valorization of the upstream oil and gas portfolio, wholesale gas marketing, and projects related to forest conservation (REDD+) and CO₂ capture and storage projects;
- **Energy Evolution**, dealing with the evolution of the generation businesses and the transformation and sale of products from fossil to bio, blue and green, also through the merger of the retail and renewable businesses.

The two Business Groups maintain a close relationship in the management of the hydrocarbons chain with the aim of optimising the energy transition phases and jointly developing decarbonisation processes to generate green, blue and bio products. Finally, with regard to central structures, the new Technology, R&D, Digital unit has been set up, highlighting the great strategic importance that Research and Development and technological innovation have for Eni as essential drivers for creating value and growth, thanks to the development of new technologies and their rapid implementation in the field on an industrial scale.

In June 2020, Eni adopted a new organisational structure with two Business Groups: Natural Resources and Energy Evolution

⁷) For further details see the 2021 Report on remuneration policy and remuneration paid.

Risk Management

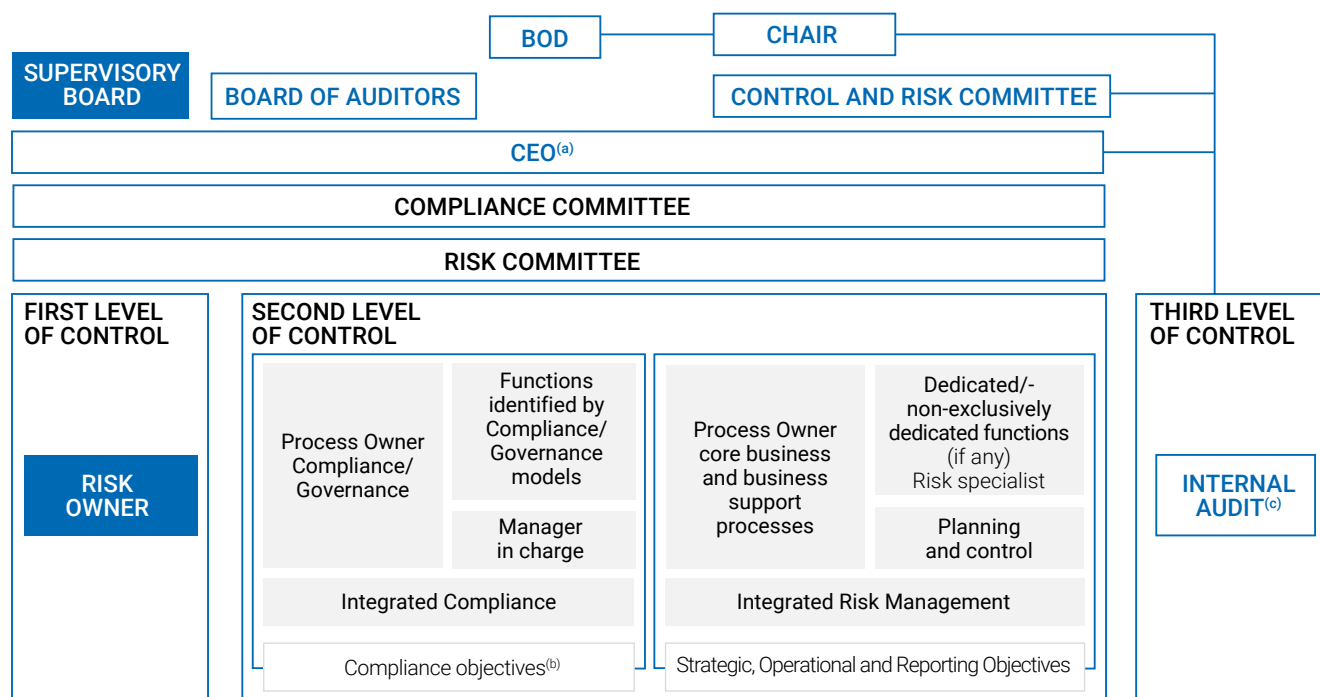
The Integrated Risk Management Model has the aim of supporting the management in the decision-making process by strengthening awareness of the risk profile and related mitigations

Integrated climate risk management model

The risk and opportunity management process connected with climate change is part of the Integrated Risk Management (IRM) Model, developed by Eni with the aim of supporting the management in the decision-making process by strengthening awareness of the risk profile and related mitigations. Roles and responsibilities relevant for the IRM process:

- the **BoD** defines the nature and level of risk compatible with the strategic objectives also with a view to business sustainability in the medium-long term, and it outlines the guidelines for identifying, assessing, managing and monitoring risks;
- the **Control and Risk Committee** supports the BoD in defining the guidelines for risk management. The Board of Statutory Auditors monitors the effectiveness of the IRM process;
- the **Chief Executive Officer** implements the BoD guidance; in particular, using the IRM process, he ensures the identification, assessment, management and monitoring of the main risks, which he submits to the BoD on a quarterly basis, taking into account the operations and specific risk profiles of each business line and individual processes, for an integrated risk management policy; he also ensures that the RMI process evolves in line with the dynamics of the business and the regulatory context;
- the **Risk Committee**, chaired by the CEO, advises the CEO on the main risks: for this purpose, it examines and expresses opinions, at the request of the CEO, on the main findings of the IRM process.

The IRM model ensures detection, consolidation and analysis of all of Eni's risks and supports the BoD in verifying compatibility of the risk profile with the strategic objectives, also in the medium-long term. The process is continuous and dynamic and provides for the following sub-



(a) Director in charge of the internal control and risk management system.

(b) Including financial reporting reliability objectives.

(c) The Internal Audit Director reports hierarchically to the Board of Directors, and on its behalf, to the Chairman, without prejudice to his/her functional reporting to the Control and Risk Committee and to the CEO, as Director in charge of the Internal Control and Risk Management System.

processes: (i) risk governance, methodologies and tools, (ii) risk strategy, (iii) integrated risk management, (iv) risk knowledge, training and communication. The IRM process starts from the contribution to the definition of Eni's medium- long-term plans and Four-Year Plan (risk strategy) through the analysis of the risk profile and business opportunities that are the basis of the plan and long-term development, as well as the identification of proposals for de-risking objectives and strategic treatment actions. The 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 if a risk event were to occur. The assessment is expressed at both inherent and residual level (taking into account the effectiveness of mitigation actions) and allows the impact to be measured against the achievement of strategic and whole life objectives for business projects. Risks are represented, based on probability of occurrence and impact, on matrices that allow comparison and classification according to relevance.

IRM - Integrated Risk Management

Risk-based process

1 Risk Governance, methodologies and tools	Definition of criteria, procedures and tools for integrated risk management.
2 Risk Strategy	Contribution to defining Eni's medium and long-term plans and Four-Year Plan by identifying proposals for de-risking objectives and strategic treatment actions.
3 Integrated Risk Management > INTEGRATED RISK ASSESSMENT > INTEGRATED COUNTRY RISK > CONTRACT RISK MANAGEMENT > INTEGRATED PROJECT RISK MANAGEMENT & M&A	Periodic cycles of risk assessment and monitoring (Integrated Risk Assessment); analysis and management of contract risks (Contract Risk Management); integrated analysis of existing risks in countries where Eni operates or countries of potential interest (ICR); support to the decision-making process for authorising investment projects and more important operations (Integrated Project Risk Management and M&A).
4 Risk Knowledge, training and communication	Dissemination of risk culture, strengthening of a common language and sharing of information and experiences through the development of a Community of Practice.

During 2020:

- two cycles of assessment were carried out: the Annual Risk Profile Assessment that involved 121 subsidiaries in 43 Countries in the first half, and the Interim Top Risk Assessment in the second half;
- approximately 170 risks were identified, 20 of which were top risks, grouped into strategic, external and operational risks⁸; **climate change is one of Eni's top strategic risks** analysed, assessed and monitored by the CEO as part of the IRM process;
- three monitoring cycles were performed on the top risks in order to analyse risk trends and the implementation status of treatment actions put in place by the management.

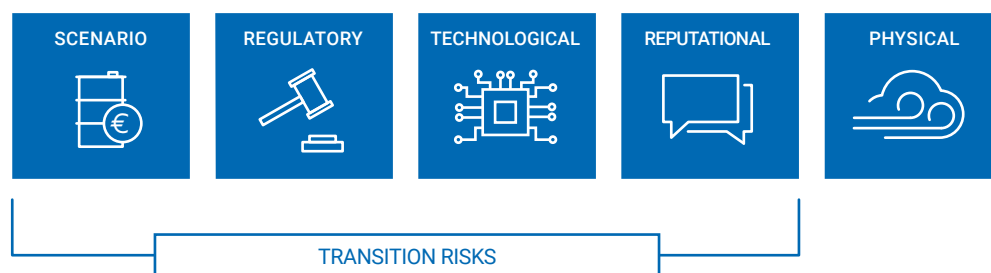
Results from the assessment and monitoring cycles are presented to the Board of Directors and the Board of Statutory Auditors on a quarterly basis.

Risks assessed as top risks are those that impact on one or more strategic objectives and can lead to a broad review of business strategies

⁸) For more information see Eni for 2020 - A just transition (page 24).

Risks and opportunities related to climate change

Climate change is analysed, assessed and managed in Eni by considering the 5 key drivers identified by the Task Force on Climate related Financial Disclosure (TCFD) relating to both transition risks – market scenario, regulatory and technological development, reputational issues – and physical risks such as extreme or chronic weather events. The analysis is carried out using an integrated and cross-cutting approach, which involves specialist departments and business lines and enables an holistic assessment of the risks and opportunities related to climate change.



Natural gas will be able to play an important role in the future also in terms of growing production of hydrogen or implementation of CO₂ capture, use and storage

Market scenario. In the International Energy Agency (IEA) Sustainable Development Scenario (SDS), used as a benchmark for assessing energy transition risks, fossil sources maintain a central role in the energy mix (Oil & Gas equal to 46% of the mix in 2040) and global energy demand in 2040 is expected to fall compared to today (-9.6% vs. 2019, CAGR 2019-2040 -0.5%). Natural gas maintains its portion of the energy mix (23%) in the SDS scenario, and appears as the fossil fuel with the best future prospects both for integration with renewable sources and for replacement of other sources with higher environmental impacts, especially in emerging Countries. In the future, moreover, natural gas will be able to play an important role also in terms of growing production of hydrogen or implementation of CO₂ capture, use and storage (CCUS) projects. Oil demand, on the other hand, is expected to peak immediately within the next two years and then gradually decline in almost all Countries (with the exception of India and Sub-Saharan Africa). Renewable sources will instead take on a growing importance in the progress towards decarbonisation, meeting up to 36% of primary consumption in 2040 (vs. 14% in 2019), above all thanks to wind and solar energy.

All Parties to the Paris Agreement are called upon to review and strengthen their National Emission Reduction Plans by COP26

Regulatory developments. The adoption of policies aimed at sustaining the energy transition towards low carbon sources could have significant impacts on the evolution of Eni's business portfolio. In particular, all Parties to the Paris Agreement are called upon to review and strengthen their National Emission Reduction Plans (NDCs⁹) by COP26, to be held in November 2021 in Glasgow. At the same time, an increasing number of governments are announcing carbon neutrality targets by 2050 and some of them, including the EU, have already transposed this into law. In fact, EU published in December 2019 the European Green Deal, a set of initiatives aimed at achieving carbon neutrality by 2050, a goal transposed into law with the Climate Law. In this context, the EU revised its 2030 emissions reduction target upwards setting a reduction target of -55% (vs. 1990), and it is updating much of the relevant legislation accordingly; among the most significant regulatory issues in the current European debate include, in particular, the extension of the EU Emissions Trading System to other sectors, the introduction of a carbon duty on imported goods (the so-called carbon border adjustment mechanism) and the Green Taxonomy.

Technological developments. The need to build a final consumption model for low carbon impact energy will favour technologies for GHG emissions capture and reduction, production of hydrogen from gas as well as technologies that support methane emissions

9) NDCs = Nationally determined contributions.

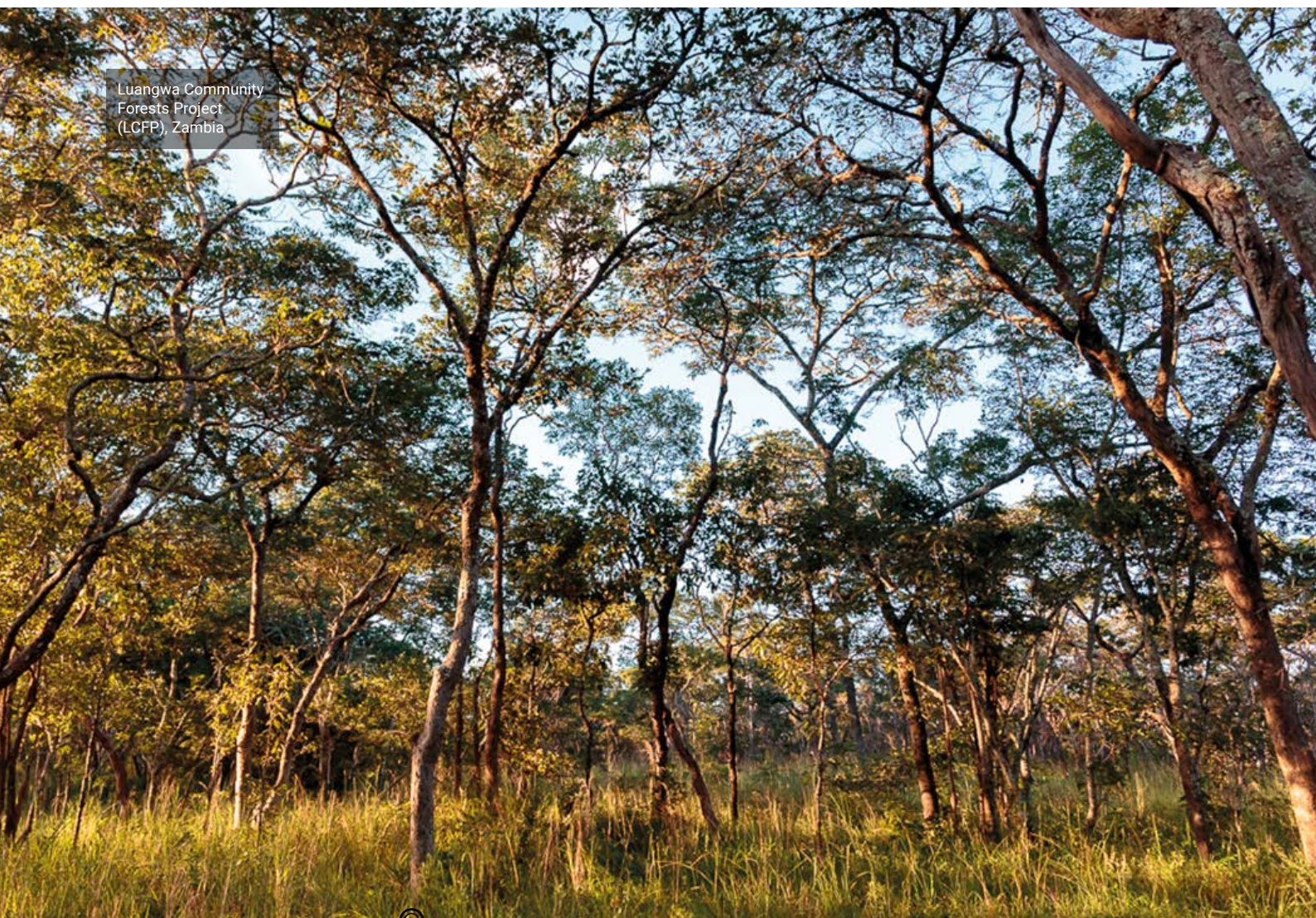
control along the Oil & Gas production chain. These elements will contribute to sustaining the role of hydrocarbons in the global energy mix. Furthermore, technological evolution in the field of energy production and storage from renewable sources and in bio-based activities represents a key driver for the industrial transformation of Eni's business.

Reputation. Awareness-raising campaigns by NGOs and other environmentalist organisations, media campaigns, initiatives to ban plastic, shareholder resolutions during meetings, disinvestments by some investors and class action by groups of stakeholders are increasingly oriented towards greater transparency on the tangible efforts of Oil & Gas companies towards energy transition. Additionally, some public and private parties have begun proceedings, legal or otherwise, against the major Oil & Gas companies, including companies belonging to Eni Group, deeming them responsible for the impacts related to climate change and human rights. Eni has long been committed to promoting a constant, open and transparent exchange of views on climate change and human rights issues as an integral part of its strategy and therefore as a subject of communications to all stakeholders. This commitment is part of a broader relationship that Eni has been building with its stakeholders on relevant sustainability issues through initiatives on governance, dialogue with investors and targeted communication campaigns, participation in initiatives and international partnerships.

Eni has long been committed to promoting a constant, open and transparent exchange of views on climate change and human rights issues



Luangwa Community
Forests Project
(LCFP), Zambia



Eni is addressing the issue of adaptation to Climate Change also in terms of socio-economic and environmental impacts in the countries where it operates

Physical risk

Intensification of extreme/chronic weather phenomena in the medium-long term could cause damage to plants and infrastructures, resulting in an interruption to industrial operations and increased recovery and maintenance costs. With regard to **extreme phenomena**, such as hurricanes or typhoons, Eni's current portfolio of assets, designed in accordance with current regulations to withstand extreme environmental conditions, has a geographical distribution that does not result in high-risk concentrations. For Eni, the most vulnerable area is the Gulf of Mexico, where an Emergency Plan has been drawn up that can lead to the temporary interruption of operations, if necessary. With regard to **chronic phenomena** that occur more slowly over time, such as sea level rise or coastal erosion, vulnerability of Eni's assets is assessed through specific analyses, as in the Nile Delta area, where impact is limited and preventive mitigation actions can be envisioned and implemented. In parallel with its commitment to ensuring the integrity of its operations, Eni is addressing the issue of adaptation to Climate Change also in terms of socio-economic and environmental impacts in the Countries where it operates. To this end, Eni has launched a project in collaboration with FEEM (Fondazione Eni Enrico Mattei) and IDM (Management Institute) of Pisa, to assess the main risks/opportunities related to Climate Change. In this context, a methodological framework for the identification of specific adaptation measures/actions has been developed and is currently being tested in a pilot Country.

RISKS**OPPORTUNITIES****ENI RESPONSE ACTIONS**

(MORE DETAILS IN THE NEXT SECTIONS OF THIS DOCUMENT)

SCENARIO LOW CARBON

- Decline in global hydrocarbon demand
- Loss of results and cash flow
- "Stranded asset" risk
- Impacts on shareholders' returns

- Growth in gas demand and opening up of new market opportunities (such as LNG - Liquefied Natural Gas)
- Development of renewable energies
- Growing demand for hydrogen
- Diversification of raw materials for biorefineries and the chemical industry and development of new products
- CCS development

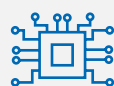
- Resilient and flexible Oil & Gas portfolio
- Renewable energy projects and Eni gas e luce retail business development
- Circular economy and sustainable mobility
- Hydrogen
- CCUS - Carbon Capture Utilisation and Storage
- REDD+ projects

**POLICY AND LEGAL**

- Increase in operating and investment costs
- Declining demand for oil products
- Climate change proceedings

- Development of renewable energies
- Diversification of raw materials for biorefineries and the chemical industry and development of new products
- Reassessment of assets in a circular long term perspective
- Replacement of the demand for coal with gas
- Energy efficiency interventions with the adoption of BAT

- Resilient and flexible Oil & Gas portfolio
- Renewable energy projects and Eni gas e luce retail business development
- Circular economy and sustainable mobility
- Commitment to energy efficiency
- Climate disclosure and positioning

**TECHNOLOGICAL DEVELOPMENTS**

- Reduction in hydrocarbon demand through technological breakthroughs

- Development of renewable energies
- Development of technologies for recovery and reuse of waste
- Partnerships for the development of technological solutions to cut emissions

- Role of research and development in the energy transition
- Renewable energy projects and Eni gas e luce retail business development
- Circular economy and sustainable mobility
- CCUS - Carbon Capture Utilisation and Storage

**REPUTATION**

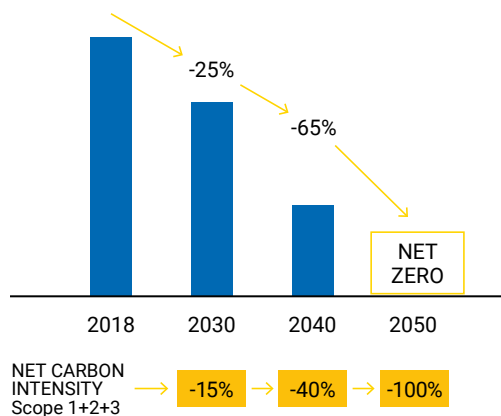
- Impacts on stakeholders' perception
- Impacts on share price
- Proceedings on climate change

- Continued leadership in disclosure
- Partnerships

- Research and development in the energy transition
- Climate disclosure and positioning
- Partnerships for carbon neutrality in the long term

Strategy

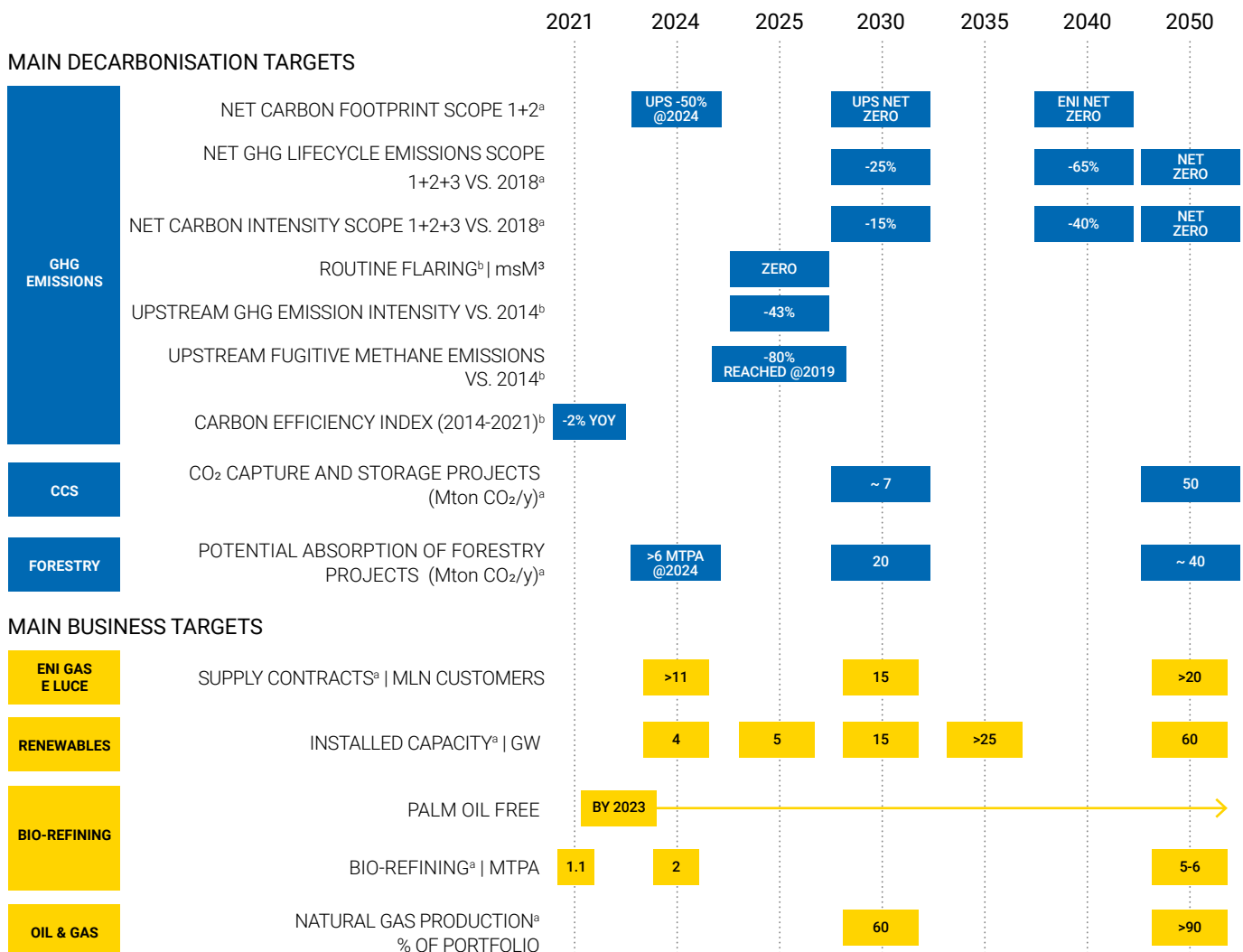
NET GHG LIFECYCLE EMISSIONS (SCOPE 1+2+3)



Eni's strategy

Following a phase of great transformation that allowed the group to grow and diversify its portfolio, while strengthening its financial organisation, Eni initiated a new phase in the development of its business model, strongly oriented towards the creation of long-term value, combining economic/financial and environmental sustainability.

Based on these principles, the new strategy was defined in 2021 to relaunch short, medium and long-term operational objectives, which outline the integrated and evolutionary path of individual businesses and which will lead Eni to carbon neutrality in 2050, in line with the scenarios compatible with keeping global warming within 1.5°C. The speed of evolution and the related contribution of businesses may be influenced by market trends, technological scenario and reference regulations.



(a) Based on Eni's shareholding; (b) 100% according to operatorship.

Eni will pursue a strategy that aims to achieve by 2050 the net zero target on GHG Scope 1, 2 and 3 emissions (Net GHG lifecycle emissions), and the associated emission intensity (Net Carbon Intensity), referred to the entire life cycle of the energy products sold. The new strategy has also confirmed the intermediate decarbonisation targets:

- -25% of Net GHG Lifecycle Emissions @2030 and -65% @2040 vs. 2018;
- -15% Net Carbon Intensity of energy products sold @2030 and -40% @2040 vs. 2018;
- Net zero Carbon Footprint for Scope 1 and 2 emissions from upstream activities by 2030, with a new halving target to 2024 from 2018;
- Net zero Carbon Footprint for Scope 1 and 2 emissions from all group activities by 2040.

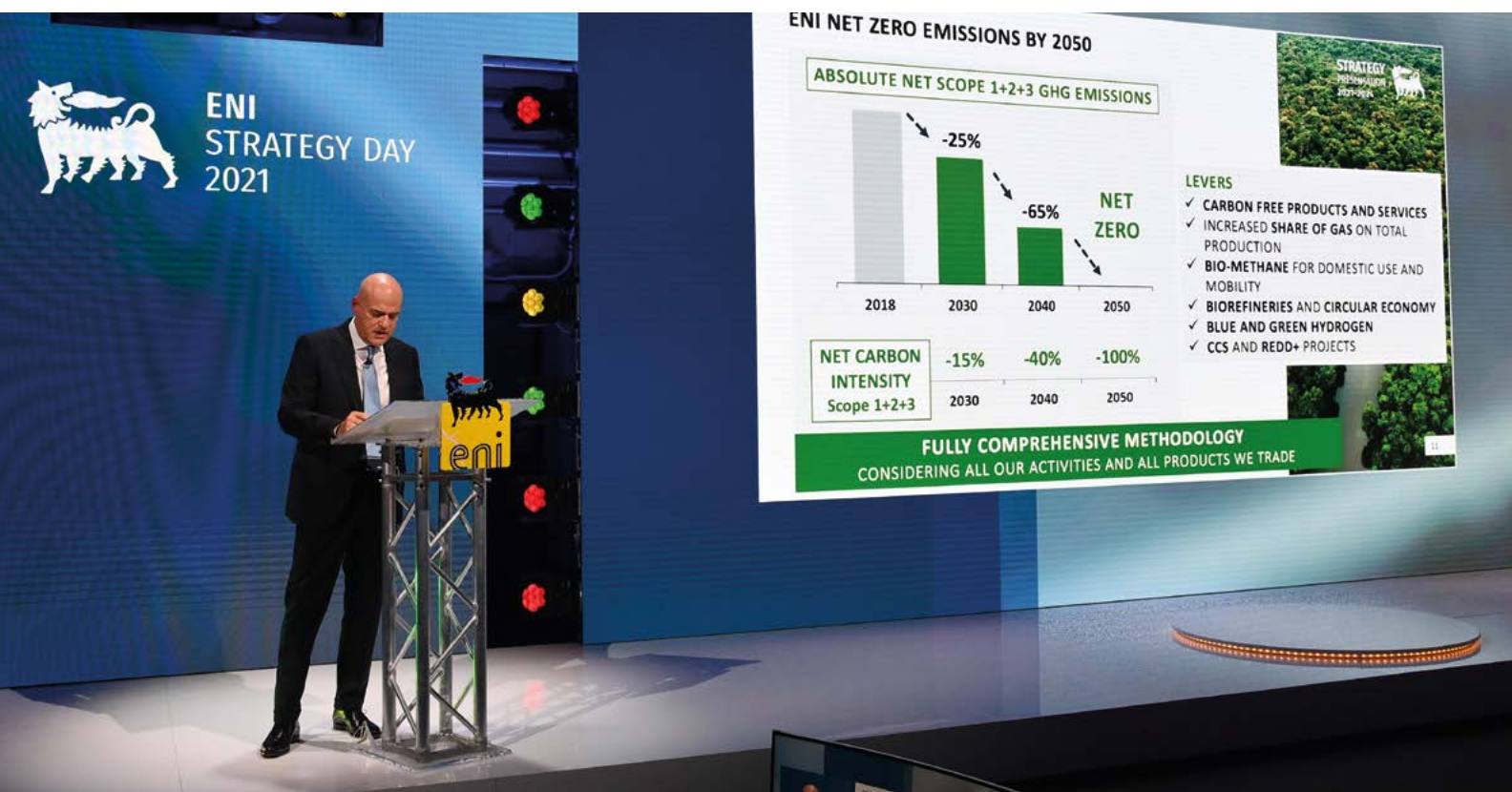
Appropriate accounting of GHG emissions is guaranteed by the application of a reporting model based on a rigorous methodology for evaluating Scope 1+2+3 emissions associated with the supply chain of the energy products sold.

Actions, most of which already in place, that will contribute in achieving the decarbonization targets include:

- reduction of hydrocarbon production in the medium term, with progressive growth of the gas share, which will exceed 90% by 2050;
- gradual conversion of traditional refining using new technologies to valorize decarbonised products and recycled waste materials;
- increase of "bio" refining capacity to 5-6 million tonnes by 2050, palm oil free starting from 2023;
- circular economy: increasing the use of biomethane, waste and recycling of end products;
- efficiency and digitalisation in operations and customer services;
- growth in renewable energy capacity to 60 GW by 2050;
- progressive increase in the production of blue energy carriers (electricity and hydrogen) from gas, combined with CO₂ capture and storage projects;
- blue and green hydrogen to power Eni biorefineries and other highly energy-intensive industrial activities;
- increase in Eni gas e luce retail customers, with more than 20 million by 2050;
- forest conservation projects for a total CO₂ offset of about 40 million tonnes/year by 2050.

Overall spending in the four-year period 2021-24 for decarbonisation, circular economy and renewables investments is €5.7 billion, including R&D expenditures. [see p. 41](#)

Eni will pursue a strategy that aims to achieve by 2050 the net zero target on GHG Scope 1, 2 and 3 emissions, and the associated emission intensity referred to the entire life cycle of the energy products sold

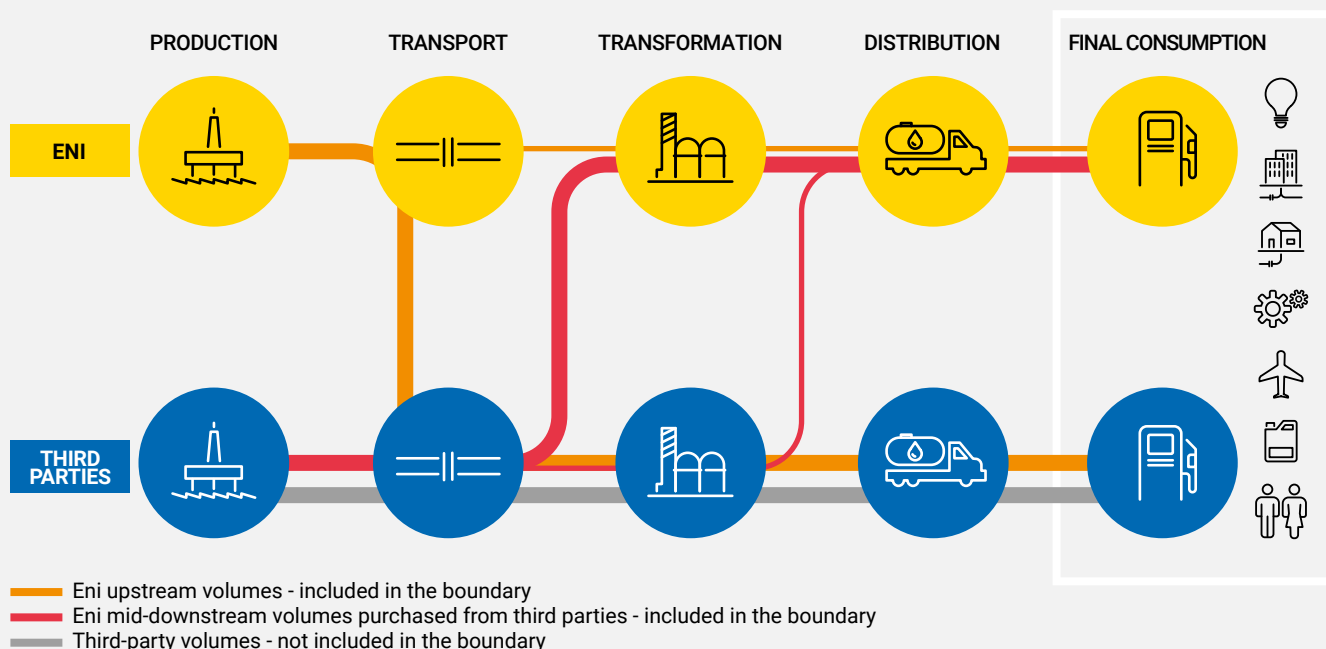




Eni has adopted an approach that includes all GHG scope 1, 2 and 3 emissions, in absolute and intensity terms, linked to the energy products sold by Eni and includes all energy products managed by the various Eni businesses and all the emissions that they generate across the entire value chain

The value chain approach

Eni's medium-long term decarbonization targets refer to a distinctive accounting methodology for GHG emissions along the entire value chain of energy products sold. Most GHG emissions associated with the Oil & Gas value chain are due to activities not directly managed by the companies of this sector (known as Scope 3). Of these, the largest part is related to **end use of energy products**, for which reference international protocols do not provide a univocal estimation methodology that allows concise and comparable representation of GHG emissions. In this context, Eni has adopted an approach inspired by **life cycle** analysis as the most suitable and representative tool for tracing progress towards carbon neutrality. This methodology includes all GHG Scope 1, 2 and 3 emissions, in absolute and intensity terms, linked to the energy products sold by Eni, whether they derive from own productions or purchased from third parties. This approach, therefore, includes **all energy products managed by the various Eni businesses** and all the emissions that they generate across the entire value chain. For each of these products, the methodology includes all significant sources of GHG emissions, following a well-to-wheel approach. The volumes of energy products considered are quantified based on an **extended boundary**, which includes both equity productions and volumes purchased from third parties. The methodology was developed in 2020 with the collaboration of independent experts, the resulting indicators are published annually and certified by the financial auditor and is being progressively improved to reflect the latest developments in emissions reporting standards. In 2021, the reporting model was further refined to better represent the actual use of the volumes sold to the market, including non-energy uses (e.g. petrochemicals) or those associated with decarbonised products (e.g. blue hydrogen, power with CCS).



All the emissions generated along the value chain of the products, produced by Eni and by third-party plants are included.

Products purchased from third-parties and the emissions they generate in the production, transport and transformation phases at Eni and third-party plants are also included.

Climate disclosure: a game-changer to boost corporate ambitions for GHG emissions reduction

CDP has worked for over 20 years with investors, companies, cities, States, and regions to improve disclosure of environmental impacts. How has disclosure changed?

In 2001, CDP introduced the link between environmental and financial data, when 35 investors backed our request to companies to report. It has now grown to 590 institutions with assets of €110 trillion. What began as a small initiative to improve transparency by companies, cities, States, and regions has today become mainstream. CDP has played the integral role. 10,000 organizations report to us – 80% of Europe's market value. And we've seen more action across the value chain, with 200 corporates with \$5.5 trillion buying budgets now requesting suppliers to disclose. The growth in transparency has been encouraging – though we have a way to go. Governments are now starting to play their role by making higher quality disclosure mandatory, a process CDP supports worldwide.

To decarbonize our economy fast enough to cap global warming at 1.5°C, we must reach net zero emissions by 2050. CDP supports companies in measuring their environmental impacts and improving their understanding of climate-related risks and opportunities. Is the private sector moving in the right direction, and at the appropriate path, to achieve the most ambitious international climate goals?

From the pandemic we have an historic opportunity to recover in the right way. We must build forward better and radically transform all parts of our economy.

I see progress. More financial institutions and companies committing to net-zero. Over 500 companies worth \$13 trillion part of the Business Ambition for 1.5°C, to set a net zero target in line with 1.5°C. These targets work: over 5 years, companies with science-based targets reduced emissions by 25%, as global emissions rose 3.4%. And it's encouraging to see momentum increasing during the pandemic. There is now huge attention on the need for a green recovery, supported by governments.

However, the pace is too slow. Our report shows European companies on a 2.7°C warming path. Science-based targets cover a fraction of the market. Finance portfolios must align to a 1.5°C path, but there are too few Paris-aligned companies or assets on the market. More needs to be done to invest now and decarbonize industrial processes in hard-to-abate sectors. Policy advancements should propel us. Major economies are upping emissions targets before COP26. Europe has a roadmap and law for climate neutrality with the European Green Deal – keeping us on track with the Paris Agreement.

Last year saw an unprecedented increase in the climate ambitions of major integrated energy companies. In February, Eni announced its strategy and a detailed roadmap towards carbon neutrality by 2050. What do you think are the essential characteristics of a successful decarbonization strategy for energy companies?

Disclosure is of course the first step. You cannot manage without measuring. This must be the basis of a sustainability strategy so stakeholders can see the trajectory and progress. Companies need ambitious targets in line with the Paris Agreement, and commit to a science-based net zero strategy through the Business Ambition for 1.5°C. This requires interim targets and provides a clear roadmap for decarbonization in line with science.

To make the investments in lower carbon assets at the scale required, companies must have strong environmental governance. Board governance is key to transforming targets to reality – embedding sustainability in the overall strategy and ensuring the direction of travel is led from the C-suite. Huge investments into lower carbon technologies and assets are needed to put hard-to-abate sectors on a Paris-aligned path. Investment decisions must therefore include the impact on emissions – supported by detailed scenario analysis and internal carbon pricing mechanisms. The environmental crisis is urgent.

The key question for all businesses and investors is: does your target and strategy cover all relevant value chain emissions? And are these in line with 1.5°C across all scopes?



Interview with **Maxfield Weiss** who leads all CDP's activities in Europe as Executive Director. Outside CDP, he oversaw the environmental supply chain responsibility program at Hewlett Packard Enterprise. Maxfield graduated from Columbia University with a Master of Public Administration in Environmental Science & Policy.

Resilience of the investments portfolio is also measured through a monitoring process aimed at identifying and assessing potential risks deriving from the market scenario and legislative and technological evolution

Resilient and flexible Oil & Gas portfolio

PORTFOLIO RESILIENCE

Eni's decarbonisation path includes, in the short term, a progressive growth of hydrocarbon production until a plateau is reached in 2025, followed by a downward trend mainly in the oil component. With the adoption of a model of operational excellence based on successful exploration at competitive costs, reduction of time-to-market of reserves, a phase-based approach to project development and continuous control of operating expenditure, Eni has built a resilient Oil & Gas portfolio. Today, in fact, the main upstream projects in progress feature a break even price of 23 \$/bl and an overall internal rate of return (IRR) of about 18% at the Eni price scenario. Projects remain competitive even under less favourable scenarios; specifically, at a 20% price reduction, the internal rate of return (IRR) drops by approximately 2 percentage points. Resilience of the investments portfolio is also measured through a monitoring process aimed at identifying and assessing potential risks deriving from the market scenario and legislative and technological evolution. In this respect, profitability of the most important new investment projects is subject to a sensitivity to carbon pricing using two sets of assumptions:

- hydrocarbon price and CO₂ cost from Eni scenario;
- hydrocarbon price and CO₂ cost from IEA SDS scenario.

In particular, by adopting the IEA SDS scenario, which envisages the global application of a strongly increasing cost for direct CO₂ emissions, the internal rate of return would decrease by 1.3 percentage points assuming that the cost is not recoverable contractually and for tax purposes. In order to verify the resilience of Eni's asset portfolio, a sensitivity analysis was also carried out on all CGUs (Cash Generating Units) in the upstream sector. The stress test, performed under the IEA SDS scenario, showed that the overall book values of the assets were stable with a reduction in fair value of around 11%, or around 5% in the event of contractual and fiscal recoverability of the costs of direct CO₂ emissions. Analyses carried out on the 3P¹⁰ reserves of the current upstream portfolio confirmed their resilience and flexibility.

Resilience	In terms of resilience, the average Brent break even price, meaning the price that guarantees a return on investment equal to the cost of capital, is around 20 \$/bl, with values ranging from around 10 \$/bl to 35 \$/bl for the most costly reserve.
Flexibility	In terms of flexibility, adopting a sensitivity scenario with a constant Brent equal to 50 \$/bl and a constant gas price (PSV) equal to 5 \$/mmbtu, the result is that 93% of the value and 81% of the volumes of 3P reserves ¹¹ could be produced by 2035. This leaves broad freedom to plan exploration and development campaigns to support future production and to adapt to sudden market changes without incurring in the stranded assets risk.

Gas will play an increasingly important role in the evolution of Eni's hydrocarbons productive mix

THE ROLE OF GAS

As the hydrocarbon production mix evolves, gas will play an increasingly important role with the aim of achieving a 60% share by 2030 and more than 90% by 2050. LNG also plays a crucial role in the growth of gas and Eni is developing a new model which guarantees a leading position in the market. Over the next few years, the portfolio is expected to grow with a forecast for traded volumes of 14 MTPA¹² by 2024, a significant increase (+45%) with respect to 2020 traded volumes. This growth will mainly come from new projects in Indonesia, Nigeria, Angola, Mozambique and Egypt, where the Damietta start-up has been completed. These actions contribute to make the Group's portfolio more sustainable and enhance the value of natural gas as a fossil fuel with lower GHG emissions. The use of technological solutions such as Carbon, Capture, Utilization and Storage applied to power generation plants, LNG plants and

10) 3P reserves include: proven reserves (P1), probable reserves (P2), possible reserves (P3).

11) Properly risked, considered 70% (P2) and 30% (P3).

12) Million Tonnes per year.

blue hydrogen production, will allow a further reduction in the carbon footprint of gas from equity production. To this end, recognising the importance of maximising the benefit to the climate deriving from using gas, Eni is a partner in various initiatives ([see p. 38](#)) that provide for implementation of voluntary actions to reduce methane emissions throughout the Oil & Gas production process and that promote the implementation of regulations and targets for reducing methane emissions along the natural gas supply chain. Eni also supports actions for the introduction of mechanisms that encourage the use of less emission-intensive fuels such as natural gas. The progressive mitigation of its carbon impact makes gas a fundamental energy source for accompanying the transition towards a low carbon content energy mix, also thanks to substitution of more polluting fossil fuels in electricity generation and in energy-intensive industries. It will also contribute to electric systems balancing by integrating intermittence of renewable sources. Another important aspect connected with promotion of gas in Eni's strategy is linked to the development of projects in emerging Countries and with growing energy needs, in particular in Sub-Saharan Africa where over half a billion people today, do not have access to electricity, despite the large availability of energy sources. Eni is committed to researching and developing energy resources for local markets, and in projects for energy access and energy mix diversification towards lower impact sources such as gas and renewables.

■ [For more information: Eni for 2020 - A just transition \(p. 78\)](#)

GAS SHARE

60%

@2030

>90%

@2050

The LNG portfolio

LNG GROWTH

14 MTPA

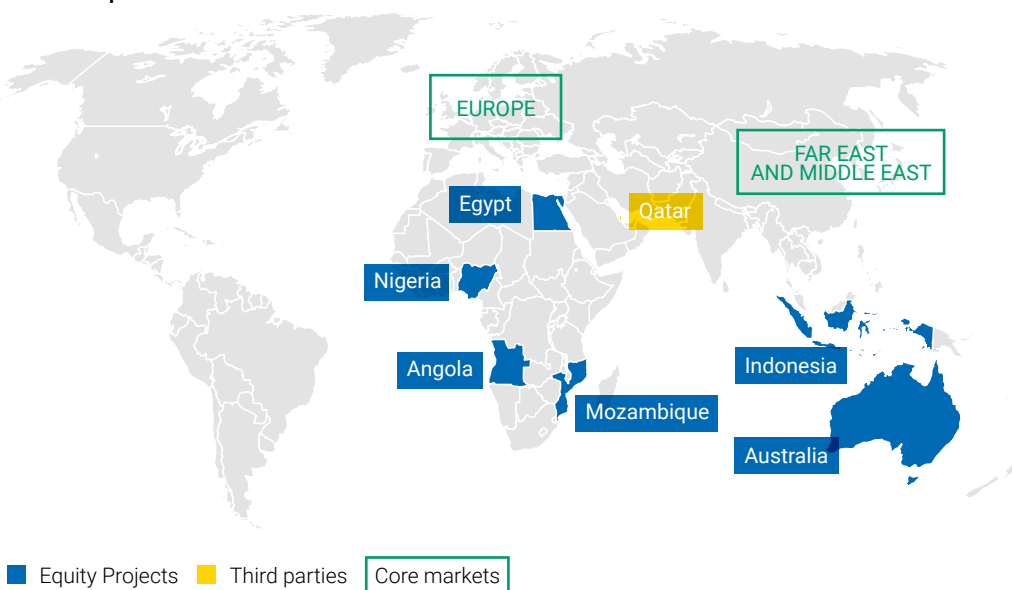
in 2024

CONTRACTED VOLUMES

EQUITY SHARE

>70%

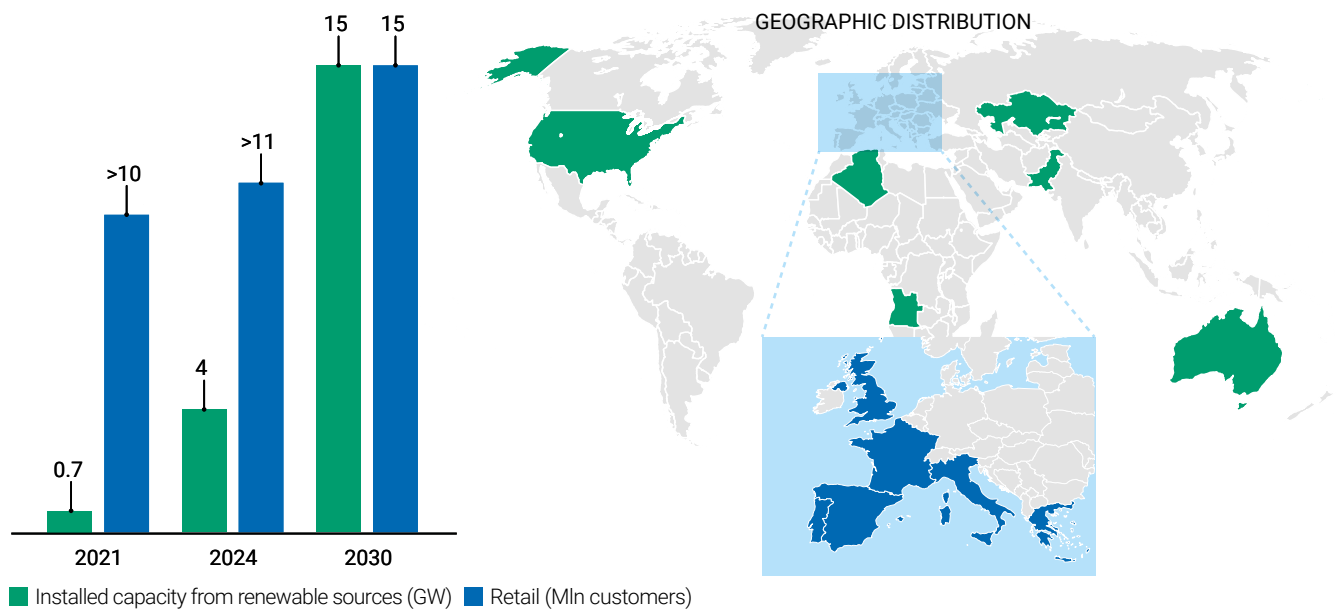
in 2024



Renewable energy projects and Eni gas e luce retail business development

In February 2021, the merger of the renewables business with the retail of Eni gas e luce was announced, to further strengthen integration, synergies, diversification and expansion of the two businesses and to maximise value generation across the entire green energy value chain. This merger will leverage the yet large customer base of Eni gas e luce and the increased supply of energy from renewables. Eni gas e luce will also provide its customers with an increasing share of bioproducts and products from circular economy projects.

Increased integration across the green power value chain



In 2020, the electricity production from renewable sources more than quintupled

RENEWABLE ENERGY PROJECTS

Eni confirms its medium-long term strategy that includes the progressive global growth of the renewables business, up to an installed capacity of 60 GW by 2050, through the selection of expansion areas linked to the presence of Eni's customers and the maximization of synergies deriving from the integration with the retail business. In 2020, the commitment to the development of the renewable energy business continued on the path of steady growth in terms of installed capacity and, consequently, electricity production. Installed capacity at the end of 2020 exceeded 300 MWp, almost doubling compared to the end of 2019 (around 170 MWp, +76%), while electricity production more than quintupled from around 61 GWh in 2019 to around 340 GWh at the end of 2020 (+460%).

In particular, the growth in **installed capacity** is due to:

- results of the strategic partnership with Falck Renewables, thanks to which Eni entered the US market by acquiring operating photovoltaic and wind power plants for about 90 MWp in Eni's share;
- completion of two Australian photovoltaic plants, Batchelor and Manton, totalling 25 MWp.

The solid increase in **electricity production** is due not only to the acquisition of the North American plants already in operation (84 GWh), but also to the production of the plants completed in 2019 and commissioned between the end of 2019 and the beginning of 2020, in particular the Badamsha wind farm in Kazakhstan (111 GWh) and the Porto Torres photovoltaic plant (49 GWh). The initiatives completed in 2020 confirm the validity of Eni's distinctive model based on:

- integration with other business lines and existing assets, generating value through industrial, logistical, contractual and commercial synergies;
- a progressive international geographical expansion with a focus on Countries where Eni has

a consolidated presence, solid commercial relationships, knowledge of energy markets and local needs;

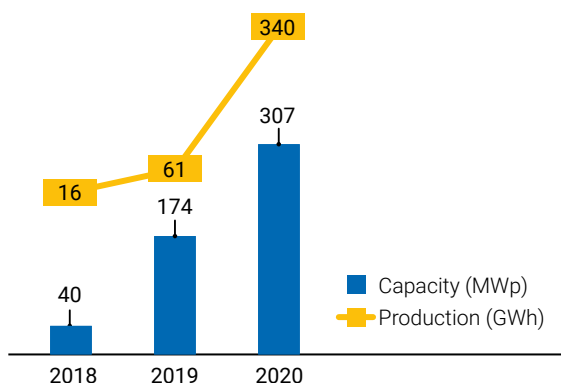
- a technology neutral approach due to the close cooperation with the R&D function, which will enable the introduction of innovative technological solutions that are currently being studied.

For future years, Eni confirms the strategic importance of the renewable energy business in the path towards decarbonisation, also thanks to the integration with the Eni gas e luce retail business. Over the next four years, plans are to reach 4 GW of installed electrical power from renewable sources, with further long-term targets of 5 GW in 2025, 15 GW in 2030 and 60 GW in 2050.

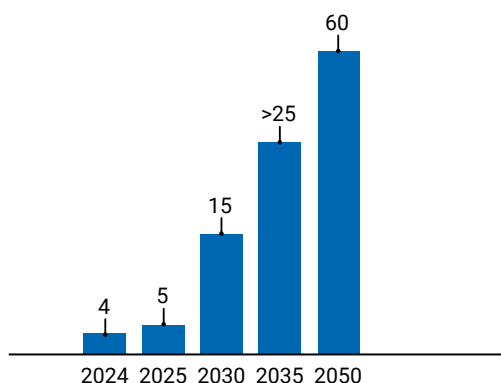
An important contribution to the development of the sector and the achievement of these objectives will come from the reinforced position in Italy and the United States thanks to the partnerships with CDP and Falck Renewables and from entering into new markets in southern Europe, in particular thanks to the recent partnership with X-Elio, following which Eni acquired the first three photovoltaic projects in Spain for a total of 140 MW and which envisages the development of projects up to 1 GW in the four-year period. At the beginning of 2021, Eni gas e luce also entered the Iberian energy market through the acquisition of Aldro Energía, a company that sells gas and electricity to residential customers, small and medium enterprises and large companies.

An important contribution to the achievement of Eni's objectives related to renewable resources will come from its partnerships as well as Eni's entering in new markets

Installed capacity and electricity production by renewable sources



Installed capacity by renewable sources (GW)



Wind power projects

Growth in the renewables business over the four-year period will also be driven by the significant contribution of wind technology, which is expected to account for up to 40% of electricity production from renewable sources by 2024. In addition to the first wind farm already in operation in Badamsha in Kazakhstan (48 MWp) and the one recently acquired in the United States (15 MWp, Eni's share), in 2021 the second wind farm in Kazakhstan (Badamsha-2, 48 MWp) and three wind farms in Italy totalling 35 MWp are expected to be completed and start production. Worthy of note is Eni's entry into the **offshore wind power** sector with the acquisition of 20%, from Equinor and SSE Renewables, of the *Dogger Bank project (A and B)* in Great Britain, which envisages the installation of 190 latest-generation turbines of 13 MW each at a distance of over 130 km from the British coast, for a total capacity of 2.4 GWp (at 100%). The project will consist of two phases, the first of which will be completed by 2023 and the second by the end of 2024. When fully operational, the project (3.6 GWp, 100%) will be the largest offshore wind farm in the world.



View of wind farm in Badamsha, Kazakhstan

The business expansion of Eni gas e luce foresees a goal of achieving more than 20 million supply contracts by 2050

■ **For more information:**
[Eni for 2020 - Sustainability performance \(pp. 3-4\)](#)

Eni gas e luce retail business development

The 2050 carbon neutrality strategy envisages an important role for Eni gas e luce activities, with a business expansion with the goal of achieving more than 20 million supply contracts by 2050. This expansion will go hand in hand with the expected growth in energy generation from renewable sources and biomethane and with the target, again by 2050, of distributing fully decarbonised products. In order to make an increasingly tangible contribution to the energy transition, in recent years Eni gas e luce has undertaken a growth strategy aimed at expanding its services to customers beyond the commodity offering.

In 2019, the acquisition of the majority stake in SEA SpA, an energy service company operating in the energy efficiency services and solutions sector, was completed, confirming the strategy aimed at a stronger presence in the value-added services market. An example in this area is CappottoMio: the Eni gas e luce service for energy upgrading of buildings, devised to satisfy the energy needs of privately-owned apartments, from both the technical and financial points of view, increasing their comfort and reducing wastage. Thermal cladding consists in insulating walls with thermal insulation panels for interiors and exteriors, thus reducing heat dispersion and improving energy efficiency of houses.

In 2020, Eni gas e luce completed the agreement for the acquisition of 70% of Evolvere SpA, a company operating in the sale, installation and maintenance of small-scale photovoltaic and storage systems for residential and business customers with power up to 20 kW, thus becoming the Italian market leader for distributed generation from renewable sources. At the end of 2020, Evolvere managed 11,000 systems, of which 8,000 are owned by domestic and



In order to achieve long-term objectives, Eni deems it necessary to involve all stakeholders, including end consumers in order to make them more energy-conscious

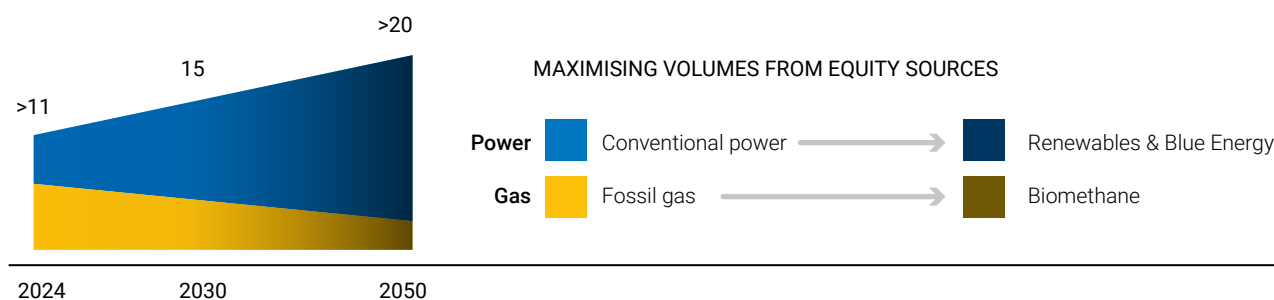
Raising awareness among customers for a conscious use of energy

In order to achieve long-term objectives, it is necessary to involve all stakeholders, including end consumers, and with this aim, in 2020 there were numerous activities aimed at making consumers more energy-conscious. In particular, in the French market, a strategic partnership between Eni gas e luce and OVO Energy was started for the launch of Kaluza, a platform already used by OVO Energy in the UK, dedicated to raising awareness among retail customers regarding the conscious use of energy and the access to zero emission technologies. In Italy, Eni gas e luce launched a digital communication campaign (Smart Conversation) in the final months of 2020 with the aim of encouraging virtuous behaviour by consumers to contribute to a more rational use of energy, towards the common goal of a more sustainable future. Finally, as part of the partnership with Eataly "Sentieri Sostenibili per una Nuova Energia" (Sustainable Paths for a New Energy), activities are planned to promote the culture of energy efficiency, as well as energy requalification of Eataly shops.



business customers. In 2020, 20% of Tate Srl was acquired, a start-up company operating in the activation and management of electricity and gas contracts through digital services that now has more than 6,000 customers.

Customers (mln)



Hydrogen

For Eni it is crucial to follow a technologically neutral approach, developing and applying all available and sustainable decarbonization technologies, without excluding any of them. In this view, Eni is developing different solutions for the production of low carbon and from renewable sources hydrogen: from natural gas reforming combined with emission capture (blue hydrogen) to electrolysis by means of renewable sources (green hydrogen) and, following a circular economy approach, to technologies for the production of hydrogen from waste. In particular, low carbon hydrogen, produced by steam reforming of methane with CO₂ capture (CCS), is an enabling and already available solution for an emerging hydrogen economy. Deploying CCS technologies for hydrogen production represents the most cost-effective solution in the short-to-medium term to reduce the carbon footprint of existing and new facilities by ensuring continuous production (a necessary requirement to decarbonise hard-to-abate industries).

Promoting the use of hydrogen in the decarbonisation process can make an important contribution to reducing emissions, it represents a solution to decarbonising energy-intensive industries, where electrification is not a currently viable or decisive option

Pathways to low carbon and from renewable sources hydrogen production

Decarbonisation of existing plants and hydrogen production with CCS systems	Through natural gas steam reforming plants combined with the capture of CO ₂ generated by its industrial processes, Eni intends to produce blue hydrogen, to reduce the carbon footprint of hydrogen used as feedstock for its plants, therefore guaranteeing the progressive decarbonization of the energy products.
kGas	Eni is developing kGas, a technology to convert natural gas into synthesis gas (a mixture of hydrogen and carbon monoxide that is a valuable source of H ₂) through catalytic partial oxidation of natural gas. kGas can produce synthesis gas and hydrogen with a strong reduction in CO ₂ emissions by also using biomethane as a feedstock. This process may become the technology of choice for blue hydrogen production, as it allows to capture CO ₂ efficiently.
Waste-to-Hydrogen	Eni is considering the implementation of the Waste-to-Hydrogen project, based on an innovative gasification technology: a process for the production of sustainable hydrogen through gasification of non-recyclable waste, i.e. Plasmix and CSS (secondary solid fuel), waste that is currently used in waste-to-energy plants or sent to landfills, with associated atmospheric emissions. This process enables the production of sustainable H ₂ in synergy with refining plants, helping to reduce emissions associated with conventional waste treatment and conventional hydrogen production.
Hydrogen from water electrolysis	Eni is developing projects to produce hydrogen from renewable sources through water electrolysis (so-called green hydrogen). In this perspective, Eni has developed a collaboration with Enel for joint projects (initially in the vicinity of two of Eni's refineries, with two pilot projects with electrolyser of about 10 MW that will begin to generate green hydrogen by 2023) and a collaboration with Cassa Depositi e Prestiti and Snam for the decarbonisation of the energy system through joint initiatives aimed at developing production, transport and marketing of green hydrogen.

PILLARS

- Eco-design
- Sustainable inputs
- Reduction, Reuse, Recycling and Recovery
- Extension of useful life
- Product as a service
- CO₂ circularity

DRIVERS

- Life Cycle Perspective
- Research and technological innovation
- Collaborations

Circular economy

Eni's circular economy model is based on a regenerative approach whereby business and production processes are reconsidered in a new perspective to maximise the efficiency of resources, products and assets while preserving natural capital. In this way withdrawal of virgin natural resources is minimized in favour of sustainable inputs resorting to solutions aimed at reusing, recycling and recovering circulating matter, existing assets and CO₂; this is done with a view to minimising waste, by recovering and reusing it, and, in the case of CO₂, by removing and balancing the residual part in the atmosphere. The circular economy model adopted by Eni is based on **six pillars**, i.e. the approaches that contribute to the creation of a circular model, and **three drivers**, representing the tools that support their application.

The **six pillars** are:

1. Eco-design: designing innovative and integrated solutions aimed at improving the efficiency of processes and products to optimise resources across their life cycle and recyclability of manufactured goods;
2. Sustainable inputs: reducing use of exhaustable and virgin inputs, in favour of renewable and alternative sources including secondary raw materials;
3. Reduction, Reuse, Recycling and Recovery: maximising the efficiency of resource utilization (including water and land) and reducing and minimising waste valorising it as a new sustainable input, promoting its regenerative capacity;
4. Extension of useful life: valuing assets, land and products by repurposing them and giving them a new life;
5. Product as a service: meeting user needs by reducing production of new goods, maximising their lifetime and promoting their more effective and efficient use;
6. CO₂ circularity: CO₂ emissions are interpreted as a flow of matter to be reduced, reused, recycled, removed and balanced for the residual part in the atmosphere.

The three drivers of Eni's circular economy model

Life Cycle Perspective	Analysing innovative circular economy processes and products throughout their life cycle, from design to final destination, using analysis tools such as <i>Life Cycle Assessment</i> (LCA).
Research and technological innovation	Rethinking the classic business model in a circular perspective by leveraging both internal research, focusing on Eni's skills and proprietary technologies, and external research, including identification of new solutions through <i>open innovation</i> actions to support the business and production ecosystem.
Collaborations	Operating in synergy and (industrial) symbiosis with stakeholders in order to optimise the use of resources and energy and to share experiences and best practices, thereby enhancing the circular economy culture: <ul style="list-style-type: none"> • Working in synergy: developing joint projects and initiatives with local areas and communities and also between the Group's different business units. • Industrial Symbiosis: pooling resources (usually by-products) between traditionally separate industries in order to create a new tool of closing the resources loop through an integrated approach. • Sharing experiences: identifying new opportunities and needs for innovation and proposing new cultural models, which are crucial for ensuring sustainable development.

Biorefineries

Biorefineries play a central role in Eni's energy transition because they contribute to achieving total decarbonisation of all products and processes by 2050. Advanced biofuels are key to reducing greenhouse gas emissions in the transport sector. Thanks to the development of proprietary technologies, patented in its own Research Centres, Eni has converted the Venice and Gela refineries to allow processing of raw materials of organic origin such as vegetable oils, but also animal fats, used cooking oils or extracted from algae. Eni has a total processing capacity of 1.1 million tonnes per year and has set a target of doubling the total capacity by

2024 reaching 5-6 million tonnes by 2050. Furthermore, by 2023, biorefineries will be palm oil free, i.e. they will not use palm oil in their production cycles. Alternative feedstocks (e.g. used cooking and frying oils, animal fats and vegetable oil processing waste) and advanced feedstocks (e.g. lignocellulosic material and bio-oils) will be used. During 2020, biorefineries obtained ISCC-PLUS certification, which allows them to be integrated into the circular economy products value chain.

VENICE BIOREFINERY	Venice was the world's first example of a traditional refinery converted into a biorefinery. Launched in 2014 with a capacity of 360 kton/year, by 2024, thanks to further plant upgrades, a processing capacity of 560 kton/year is planned, with an increasing share of feedstock coming from food production waste, such as waste oils, animal fats and other advanced by-products.
GELA BIOREFINERY	Gela started its activities in 2019. The plant has a capacity to process 750 kton/year of used vegetable oils, frying fats, animal fats, algae and waste by-products from leftover or energy crops in desert or pre-desert lands to produce quality biofuels. In addition, in March 2021, the new BTU (Biomass Treatment Unit) plant was started up and tested, which will make it possible to use up to 100% of biomass that is not in competition with the food chain, i.e., used cooking oils, and fats derived from fish and meat processing in Sicily. The aim is to create a circular economy model for the production of HVO (hydrotreated vegetable oil) biofuel, HVO naphtha, HVO LPG and HVO jet fuel.



Biomass transparency and traceability

As part of its responsible approach to biomass, Eni is committed to transparency and disclosure of information relating to the biomasses used and the country of origin, providing this information at least once a year. [For more information: Eni for 2020 - Sustainability performance \(p. 11\)](#) and during 2021 will extend the CDP disclosure to the Forests questionnaires as well. In 2020, Eni traced 100% of the mills and plantations from which its palm oil was sourced for the Venice and Gela biorefineries. 100% of the palm oil used is ISCC certified and over 80% of the volumes used come from RSPO certified mills. [For more information: eni.com](#)

Biomethane

Biomethane production is part of the circular economy, allowing the use of agricultural and livestock waste and effluents, thus strengthening the relationship between the worlds of agriculture and energy with a view to long-term sustainability. Eni wants to play a key role in this important energy transition process, becoming a major player in the development of the biomethane sector, giving a concrete response to the demand for decarbonisation of the energy mix. Eni intends to promote the entire biomethane supply chain and this is why it has reached cooperation agreements with Consorzio Italiano Biogas, Coldiretti and Confagricoltura and is negotiating with biogas production companies to promote production of biomethane deriving from anaerobic digestion of biomasses, livestock manure and OFMSW (organic fraction of municipal solid waste).

In early 2021, Eni reached an agreement to acquire FRI-EL Biogas Holding, an Italian leader in biogas production with 21 plants for electricity generation from biogas and a plant for OFMSW treatment, which Eni intends to convert to the production of biomethane. The objective is to feed more than 50 million cubic metres per year into the grid when fully operational. With this acquisition, Eni reinforces its growth by laying the foundations to become the leading producer of biomethane in Italy.

Eni intends to promote the entire biomethane supply chain and this is why it has reached cooperation agreements and is negotiating with biogas production companies to promote production of biomethane

Waste to fuel

Eni's R&D has developed the Waste to Fuel technology for the transformation of organic biomass waste through thermoliquefaction process, in particular OFMSW, into bio-oil and biomethane with recovering of water naturally contained in wet waste. Resulting bio-oil, which

Waste to Fuel technology meets the requirements of the circular economy because it reduces the use of raw materials in the energy production and reuses the waste from society

varies according to feedstock composition and has a high energy yield, can be used directly in blending as a low sulphur fuel for maritime transport or refined into biofuels, while recovered water can be used for industrial purposes. A Waste to Fuel pilot plant was launched in 2018 in the area of the Gela refinery by Eni Rewind, Eni's environmental company that will be developing the technology on an industrial scale. The pilot plant treats municipal waste (100 kg/day) and aims to provide useful insights to optimise and further develop the Waste to Fuel technology. To successfully pursue this path, Eni has promoted public-private partnerships to promote circular economy and value resources. An important milestone is the collaboration agreement between Eni Rewind and Cassa Depositi e Prestiti Equity, signed in March 2020, for the development and industrial-scale management of Waste to Fuel plants by establishing the CircularIT Joint Venture. The first industrial plant is planned in Porto Marghera, in areas owned by Eni Rewind within the petrochemical site, and will have a treatment capacity of up to 150,000 tonnes per year, equivalent to the OFMSW produced by about 1.5 million inhabitants. The project envisages collaborating with local industrial and manufacturing businesses, in a perspective of synergy with the territory, with the start-up planned in 2024.

Chemicals from renewables and feedstock diversification

To contribute to long-term carbon neutrality goals, Versalis (Eni's chemical company) has implemented numerous initiatives and projects, designed to apply the principles of circular economy and develop chemicals from renewable sources. Versalis considers circularity as a strategic driver applied to processes and products throughout their life cycle.

■ [For more information: Eni for 2020 - A just transition \(p. 59\)](#)

In the midst of the health emergency, Versalis has started up a new line in Crescentino for the production of liquid and gel hand sanitiser. This disinfectant, marketed under the Invix® brand name, has bioethanol as its active ingredient and is a Medical Product, and aims to meet the growing demand for this now strategic product. The Invix® range will soon be expanded to include a liquid specific for surfaces

CHEMICAL PLATFORMS FROM RENEWABLE SOURCES

Versalis is pursuing its commitment to strengthening its competitive positioning in chemicals from renewable sources, creating synergies between its own research projects and developing integrated technological platforms in line with the development strategy undertaken in recent years.

- In Crescentino, Versalis is engaged in restarting production of bioethanol from second-generation sugars using a system of full recycling of process water and making the site completely independent from an energy point of view, thanks to the exploitation of lignin (the part of biomass not intended for the production of second-generation sugars) in the thermoelectric plant. In addition, the necessary raw material (residual biomass not in competition with the food chain) comes from a short supply chain, i.e. from suppliers within a 70 km radius, and from production waste from wood industries. Crescentino's production process is based on Proesa® technology for the conversion of biomass into second-generation sugars. With the research and know-how developed by Versalis, this technology will enable further developments in the production of a full range of fermentatively renewable products such as bio-oils for biorefinery, polyhydroxyalkanoate (PHA) polymers, intermediates for biopolymers and biochemicals.



In early 2021 Versalis obtained ISCC PLUS certification

Renewable feedstock

In early 2021 Versalis obtained ISCC PLUS certification for monomers, intermediates, polymers and elastomers produced with sustainable raw materials from bionaphtha and chemical recycling, at the Brindisi, Porto Marghera, Mantua, Ferrara and Ravenna sites. Thanks to this certification, Versalis can bring to the market new decarbonised and circular products such as "bio-attributed" and "bio-circular attributed" made with bionaphtha, and "circular attributed" products, when the raw material is a "recycled oil", i.e. pyrolysis oil obtained from the chemical recycling process of mixed plastic waste. Availability of bionaphthas depends on the availability of Eni's biorefineries, which guarantee the supply of sustainable raw materials.

- In Porto Torres (Sardinia), with the Matrica Joint Venture, Versalis has set up an innovative platform for chemicals from renewable sources to produce biointermediates for high added value applications (e.g. paints and inks, bioplastics, biolubricants and bioherbicides), in line with the circular economy model. Versalis will also enter in the market of agricultural protection products from renewable sources, using the production of active ingredients from the Porto Torres renewable chemical platform, in Sardinia. Thanks to an agreement with AlphaBio Control, a research and development company specialising in natural crop protection formulations, it will develop herbicides as well as plant-based, biodegradable surface disinfection biocides.
- Versalis has signed an agreement with Bridgestone to create synergies and accelerate development of a technology platform based on guayule (a plant native to the Mexican desert/Arizona) for the production of natural rubber and resins from the guayule shrub, as a sustainable alternative for production from Hevea Brasiliensis.

Eni promotes a holistic approach to sustainable mobility, with a mix of innovative solutions to minimize environmental impact and to increase efficiency for consumers.

Sustainable mobility

Within the roadmap towards carbon neutrality, Eni plays a key role in promoting a holistic approach, technologically neutral, to sustainable mobility, with a focus on promoting a synergistic mix of innovative solutions to guarantee minimisation of the environmental impact and increased efficiency for consumers.

Expanding public transport	Electricity from renewable sources	Low carbon fuels with low environmental impact	Collaborations with car makers	Multiservice points of sale and infrastructures	Research and technology	Reducing the demand for mobility
Increased car sharing and carpooling, intermodality	Associated with ultra-fast electric charging at service stations	Biofuels from biomass and waste, biomethane, hydrogen, and methanol	To encourage the use of alternative fuels as well as vehicle optimisation ^(a)	Promoting the distribution of all types of sources ^(b) and developing innovative services	Projects for the development of new fuels ^(c)	Increased smart working and home working

(a) For example, collaboration with FCA.

(b) Fossil fuels, biofuels, biomethane, CNG (Compressed Natural Gas), LNG (Liquefied Natural Gas), LPG (Liquefied Petroleum Gas), electricity, hydrogen, and infrastructures for distribution of liquid compressed methane and hydrogen and electricity production from renewable sources.

(c) For example, the new fuel for A20 petrol with lower emissions.



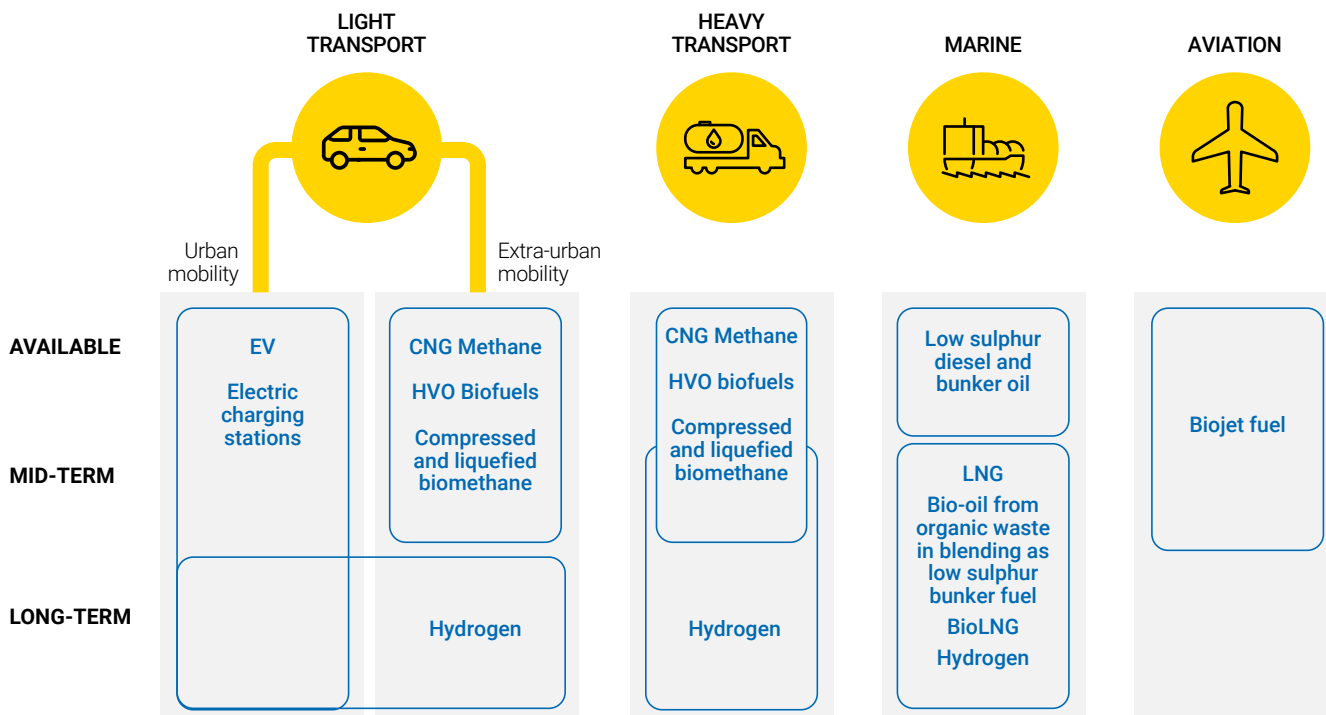
Eni gas e luce and Be Charge: an agreement to accelerate the transition to electric mobility

In accordance with Eni's decarbonisation and energy transition strategy, which it aims to become a leader in the sale of decarbonised products by 2050, Eni gas e luce has announced in February 2021 the signing of an agreement with Be Charge, a company of the Be Power SpA Group dedicated to the diffusion of charging infrastructures for electric mobility. The agreement with Be Charge provides for the installation, throughout the country, of co-branded public charging stations.

The charging stations will be powered by renewable energy, supplied by Eni gas e luce, certified by guarantees of European origin, fed into the grid and produced by plants powered 100% by renewable sources. The joint commitment, the growth of the charging network and the increasingly cutting-edge services aim to accelerate the transition to increasingly sustainable and electric mobility.

The agreement with Be Charge provides for the installation of charging stations for electric vehicles, that will be powered by renewable energy, supplied by Eni gas e luce and produced by plants powered 100% by renewable sources

A mix of Eni's solutions for sustainable mobility



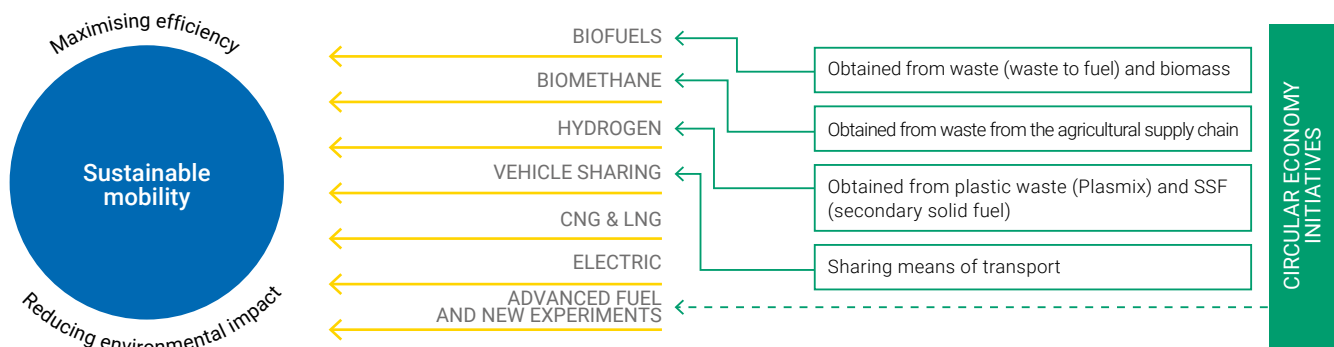
Eni service stations will increasingly be at the heart of the transport decarbonisation strategy, thanks to a wide range of products for sustainable mobility, such as biofuels, biomethane and bioLNG and solutions for electric recharging, and will be complemented by innovative services (e.g. Eni Emporium).



Innovation and efficiency for decarbonisation characterise Eni's approach, with targeted responses for each sector

Eni's position on transport decarbonisation

The transport sector is still predominantly powered by fossil sources and is responsible for 25% of global GHG emissions. Innovation and efficiency for decarbonisation characterise Eni's approach, a vision that looks at the entire transport system with targeted responses for each sector. Thanks to technology neutrality, Eni considers all useful technologies to achieve decarbonisation of the sector with a synergistic approach. In urban areas, Eni believes that electrification is the main option for new vehicles. However, considering the slow renewal of the fleet, biofuels and biomethane will contribute to the decarbonisation of conventionally powered vehicles. In addition, vehicle sharing services reduce congestion in city centres and thus city pollution. Long-distance and suburban transport, which falls within the so-called hard-to-abate segments, can immediately benefit from biofuels, such as Hydrotreated Vegetable Oil (HVO), which is already compatible with the vehicle fleet, or compressed and liquefied biomethane. One long-term solution in this area is fuel cell engines powered by hydrogen. In the maritime sector, LNG and biofuels are the technological solutions that can be applied on a large scale in the medium term, with room for hydrogen in the long term. Finally, for the aviation sector, Eni believes that a contribution to decarbonisation can come from the development of sustainable aviation fuel or Saf, i.e. a traditional fuel blended with percentages of HVO jetfuel.



The new Eni Station: from a service station to Eni Mobility Point

The transformation of Eni stations into Eni Mobility Points is the result of an innovative approach by Eni in the strategy on sustainable mobility, which enhances the assets, evolving their role, to guarantee, in addition to traditional fuels integrated with new energy carriers, the supply of services able to meet the different needs of customers on the go. The evolution required by the mobility of the future finds full correspondence in Eni Station, thanks to the integration of the offer with alternative energy carriers, which will also play a central role in the energy transition thanks to the widespread presence of the Stations network. In the Eni Stations it will be possible to refuel the cars with hydrogen, BioGNC, BioLNG and electricity and in the future also with the HVO biofuel, today blended at 15% with diesel in the Eni Diesel+ premium product, that will be available 100% pure. To concretely contribute to the objectives of sustainable mobility, Eni Stations also offer services ranging from long-distance to urban mobility, including very short distances. In support of long-distance journeys, thanks to partnership agreements with rental companies and road passenger transport companies, at the Eni Stations there will be the chance to collect and deliver rental cars, as well as a dedicated area used as a terminal/parking buses, and it will be possible to continue the journey with an Enjoy or a rental car. The new Eni Parking car parks will be built in some Eni Stations and in disused Eni sites and they will be redeveloped and upgraded, offering parking spaces equipped with smart parking and electric recharging, that can be accessed with a fully digital subscription, paying by credit card and debit card. The car parks can be used by both private customers and Enjoy cars, thus transforming them into real intermodal hubs.

At the Eni Stations it will be possible to refuel the cars with hydrogen, BioGNC, BioLNG and electricity and in the future also the HVO biofuel will be available 100% pure

For more information:
[Eni for 2020 - Sustainability performance \(p. 39\)](#)

BIOFUELS	<p>Biofuels are not derived from fossil fuels, but from biomass and waste and can make an immediate contribution to the decarbonisation of transport sector, as they are already compatible with existing with current motorizations and distribution infrastructures. Since 2014, alongside its traditional business, Eni has been producing biofuels by turning vegetable oils, waste and refuse into an innovative biofuel, HVO (Hydrotreated Vegetable Oil), which – when added to diesel fuel – gives rise to Eni Diesel+, Eni's premium fuel. Used cooking oils (UCO) are an example of how the circular economy can help develop solutions for sustainable mobility starting from urban waste. Properly collected UCOs can be used as an alternative feedstock to vegetable oils processed in biorefineries, and about 50% of the UCOs collected in Italy is treated in Eni's biorefineries, also thanks to the partnerships signed by Eni with the CONOE, RenOils and Utilitalia consortia and the agreements signed with several multi-utility companies in charge of waste collection and treatment. Waste, in this case organic waste from separated urban waste collection, can be used to produce (see p. 27) a low sulphur bio-oil that can be used either directly in blending as a low sulphur fuel for shipping or refined into biofuels.</p>
HYDROGEN	<p>Hydrogen is an energy carrier with great development potential and represents a viable option for sustainable mobility of heavy goods vehicles in the medium-long term. Hydrogen vehicles only emit exhaust steam and provide range and recharging/refuelling times similar to internal combustion vehicles, thus offering a decarbonisation solution especially in "hard-to-abate" transport sectors, such as heavy and long-haul road transport, where electric mobility is not technologically feasible. In the long term, hydrogen could be a solution for maritime mobility or aviation. To date, the development of European hydrogen-based mobility is hampered by high production, storage and distribution costs and the lack of an adequate infrastructure network. With this perspective, Eni is working on the construction of two hydrogen refuelling stations: one in San Donato Milanese, where hydrogen will be produced on site using an electrolyser, and the second in the municipality of Venice.</p>
GAS (CNG and LNG) and BIOMETHANE	<p>Methane, among the alternative fuels with the lowest environmental impact, is the most technologically mature and is already available thanks to a distribution network of about 1,392 points of sale (in Italy) and a consolidated market. In early 2021, Eni reached an agreement to acquire 21 plants for electricity generation from biogas and a plant for OFMSW treatment, which Eni will convert into the production of biomethane with the aim of marketing it for automotive use at its points of sale. By expanding its distribution network, Eni will play an important role in facilitating the spread of gas mobility. To date, Eni's network has around 200 Eni's branded points of sale delivering gaseous methane and 12 points of sale delivering liquid methane (LNG). In the next four years, 40 new methane outlets (in partnership with Snam) and 10 for LNG sale (for development in the heavy transport sector) will be created. Moreover, all the methane sold will be biomethane.</p>
ADVANCED FUEL AND NEW EXPERIMENTS	<p>In addition to the research projects already mentioned on biofuels and hydrogen, Eni is investing in new fuels produced from waste, such as hydrogen or methanol from non-recyclable plastic waste (Plasmix, a mix of currently non-recyclable plastics and SSF, Secondary Solid Fuel). The process is based on production of synthetic gas from carbon-based material. The resulting synthetic gas is first purified so that it can be used to synthesise methanol or produce pure hydrogen. Methanol produced using waste as a raw material could be considered as a Recycled Carbon Fuel, as provided for by the RED II European directive on renewable energy, and therefore comparable to a biofuel. It can be used in petrol by transformation into MTBE or mixed with experimental high alcohol content petrol together with bioethanol (A20 petrol). A new fuel, A20, based on a mix containing 15% methanol and 5% bioethanol, has been developed with FCA Group and tested for 13 months, during which five Fiat 500s of the Enjoy fleet travelled about 50,000 km, when rented out for a total of 9,000 times, without encountering any problems.</p>



New collaboration agreement signed with ASSTRA, the national association of Italian local public transport companies

Eni-ASSTRA agreement to support sustainable and decarbonised mobility

In August 2020, Eni and ASSTRA, the national association of local public transport companies in Italy, signed a collaboration agreement to implement a series of initiatives and trial tests aimed at decarbonising the public transport sector and reducing the emission of atmospheric pollutants, following a holistic and technologically neutral approach aimed at identifying the right solution for each use. With this aim, the agreement provides for the promotion of innovative solutions such as the integration between public transport and forms of sharing mobility, the use of biolubricants and biofuels in public transport and the application of the Life Cycle Assessment (LCA) and "Well to Wheel" approach in assessing the emission impact of each mobility solutions. Hydrogen mobility is also on the horizon of the agreement. Eni and ASSTRA will evaluate the opportunity to start experimentation of hydrogen utilization as an alternative fuel.

VEHICLE SHARING	Enjoy is Eni's vehicle sharing service that aims to reduce the private vehicle fleet, relieving traffic congestion and improving the quality of life of those who live and work in cities. Enjoy was set up in Milan in December 2013 and is now operating in Milan, Rome, Florence, Turin and Bologna with around 2,500 Fiat 500s (Euro 6) and over 100 Fiat Doblò vans (some of them methane-fuelled). In 2021, the fleet will also include Fiat 500 hybrid vehicles. Service operation is entirely app-based and uses the "free floating" model with pick up and drop off anywhere within the area covered by the service (as of 2021, the service is also intended for B2B). Furthermore, to meet the need for greater security, all vehicles are automatically sanitized at the end of each rental, thanks to an innovative technology developed in collaboration with highly qualified industry partners. At the end of 2020, Enjoy counts over one million members.
ELECTRIC MOBILITY	Eni has a four-year programme for installation of electric charging points in about 350 service stations and hydrogen in 2 service stations. The plan to develop electric charging points foresees the installation on roads with high vehicle traffic, of ultra-fast charging stations (350 kW) able to deliver up to 100km of range in 5 minutes, thanks to an agreement with Ionity (a JV between some of the major car manufacturers), while in urban centres the plan provides for the installation of fast charging points (50 kW). Moreover, Eni gas e luce (with E-start) offers customisable electric mobility solutions based on customer needs: from wallboxes for the residential segment to charging stations for business customers.

CCUS - Carbon Capture Utilisation and Storage

In Italy, a project has been launched to create a hub for CO₂ capture and storage in the depleted offshore reservoirs in Ravenna, which have a total storage potential of more than 500 million tonnes. The development plan includes the implementation of a pilot project, with activities scheduled to start by 2022, following all necessary authorisations. The industrial phase will follow, with expected start of operations in 2026. The initial storage capacity of the industrial phase is 2.5 million tonnes/year, of which 2 million from Eni's industrial activities and the remaining half million from third parties. In the UK, in October 2020, the UK Oil & Gas Authority (OGA) awarded Eni a licence for a CO₂ storage project in the Liverpool Bay area. The CCS project envisages the reuse of Eni's depleted offshore fields in the area with an initial storage potential of up to 3 million tonnes/year and start-up of operations in 2025. Eni will be the operator of the project both in the storage and transport phase of the CO₂ captured by existing industrial plants and future hydrogen production sites in the area. The project will make a significant contribution to achieving the UK's carbon neutrality targets by 2050. Eni has also signed a cooperation agreement with other partners in the Oil & Gas sector, entering the Net Zero Teesside (Eni 20%) and North Endurance Partnership (Eni 16.7%) projects. Integration of these two projects will enable the decarbonisation of the Teesside industrial estate in the north east of the UK through the capture, transport and storage of carbon dioxide. Start-up is planned for 2026 with an initial capture and storage capacity of 4 million tonnes/year of CO₂. Eni is also assessing the feasibility of a CO₂ capture project in the United Arab Emirates at Ghasha and is studying a CCS application in Libya, for the Bahr Essalam project. Finally, thanks to its considerable experience in numerical modelling for reconstruction of subsoil and fluid dynamics of oil fields, Eni is defining innovative algorithms for controlled management of the phases of CO₂ storage and related monitoring, with the fundamental support of Eni's Green Data Center. Leveraging the development of its CCS project portfolio, Eni is targeting total storage of around 7 MTPA by 2030, with a total gross capacity of 15 MTPA. The long-term goal is progressive growth to a total CO₂ storage capacity of about 50 million tonnes per year by 2050. As regards the capture and use of carbon dioxide, Eni is researching and developing two technologies: the first with a pilot project in Ravenna to mineralise CO₂ for the formulation of cement to be used in the building industry; the second with a pilot project in the Gela biorefinery to bio-fix CO₂ with microalgae to produce value-added products.

In the UK, in October 2020 Eni obtained a licence for a CO₂ storage project that envisages the reuse of depleted offshore fields in the Liverpool Bay

Eni is researching and developing innovative technologies for the capture and use of carbon dioxide

Eni considers as crucial the inclusion of Natural Climate Solutions (NCS) in its strategy to achieve global carbon neutrality goals in the long term

REDD+ Projects guarantee important positive effects in terms of social and economic development of local populations, in addition to the climatic and environmental benefits

REDD+ projects

Acknowledging the important role of Natural Climate Solutions (NCS) in limiting global warming to 1.5°C, as envisaged by the more ambitious goals of the Paris Agreement, Eni considers as crucial the inclusion of such solutions in its strategy to achieve global carbon neutrality goals in the long term. In order to offset part of its residual direct emissions that are difficult to abate with current technologies (so-called hard-to-abate), Eni has envisaged the possibility of using, starting in the short-medium term, carbon credits generated mainly by REDD+ (*Reducing Emissions from Deforestation and Forest Degradation*) projects. In addition to the climate and environmental benefits (such as reducing deforestation, increasing forest carbon stocks, and preserving and restoring biodiversity), projects developed under the REDD+ scheme also ensure significant positive impacts in terms of the social and economic development of local populations. In fact, these projects include economic development alternatives that also allow for the creation of new jobs and economic diversification, as part of the Countries' growth path. Over recent years, Eni has built strong partnerships with recognized international developers such as BioCarbon Partners, Peace Parks Foundation, First Climate, Carbonsink and Terra Global, which will allow to oversee every phase of REDD+ project design and development, from planning to implementation up to verification of emission reductions, with an active role in project governance. Direct participation in the projects is essential to ensure adherence to the REDD+ scheme and thus alignment with the highest international standards for certification of carbon reduction such as the Verified Carbon Standard (VCS) and the Climate Community and Biodiversity Standard (CCB), issued by the international body VERRA, which certifies the impacts. In this context, in full respect of local communities and with their active participation, Eni works to reduce the causes of deforestation and degradation of forests and biodiversity, proposing local development alternatives compatible with the territorial context. The main activities proposed are initiatives of economic diversification, such as sustainable agricultural projects, initiatives intended to increase access to energy and to Clean Cooking, as well as education and professional



Eni and the REDD+ project in Zambia

Eni has made a 20-year commitment to purchase carbon credits generated by the project ensuring its long-term success

In November 2019, Eni signed an agreement with BioCarbon Partners (BCP), a leading African company operating in long-term forestry conservation, to become an active member in the governance of the Luangwa Community Forests Project (LCFP), the largest REDD+ project in Africa as regards the area involved (944,000 hectares). Cooperation has begun with the government and now involves 12 Chiefdoms and 173,000 beneficiaries. The LCFP also achieved CCB Standard, "Triple gold" level validation in 2019 for its exceptional impact on communities, climate, and biodiversity. With a long-term perspective, Eni has made a 20-year commitment to purchase carbon credits generated by the project and certified according to Verified Carbon Standards, ensuring its long-term success. Through the sale of carbon credits as part of the REDD+ Luangwa Community Forests Project (LCFP) and based on work plans determined through the involvement of BCP, communities and relevant government bodies, payments to local communities or "conservation fees" are reinvested in activities to promote local development, for example, ensuring access to markets for new products such as honey, the adoption of sustainable agricultural practices on a target of over 3,000 hectares, the construction of schools, clinics and water wells in the 12 chiefdoms, and the training of over 50 full-time local community scouts to protect biodiversity. This virtuous circle underlines the importance of environmental and social benefits in achieving the overall long-term sustainability of REDD+ projects. The signing of the agreement by Eni to purchase carbon credits led to the distribution in 2020 of a share derived from "conservation fees" of approximately 50 million Kwacha (equal to approximately \$2.3 million) in the 12 jurisdictions.

training programmes. Eni is considering several initiatives in various Countries and, at present, has begun the first partnerships with governments and international developers in Zambia, Mozambique, Vietnam, Mexico, Ghana, Republic of Congo, Malawi and Angola. In particular in Zambia Eni has become an active member in the governance of the REDD+ Luangwa Community Forests Project (LCFP) and is committed to purchasing carbon credits until 2038, thus ensuring the success of this long-term REDD+ project. This path, already started, is meant to ensure a steady growth of Eni's contribution to the overall CO₂ abatement, which should reach a minimum of 20 million tons per year by 2030 and about 40 million tons per year by 2050. In 2020, Eni benefited from offsetting through forestry credits amounting to 1.5 million tonnes of CO₂eq.

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In 2020, about half of total R&D expenditure was dedicated to decarbonisation and circular economy

In the 2021-2024 four-year period, 70% of R&D expenditure will be for projects related to carbon neutrality and circular economy

For more information:
[Eni for 2020 - Sustainability performance \(pp. 6-7\)](#)

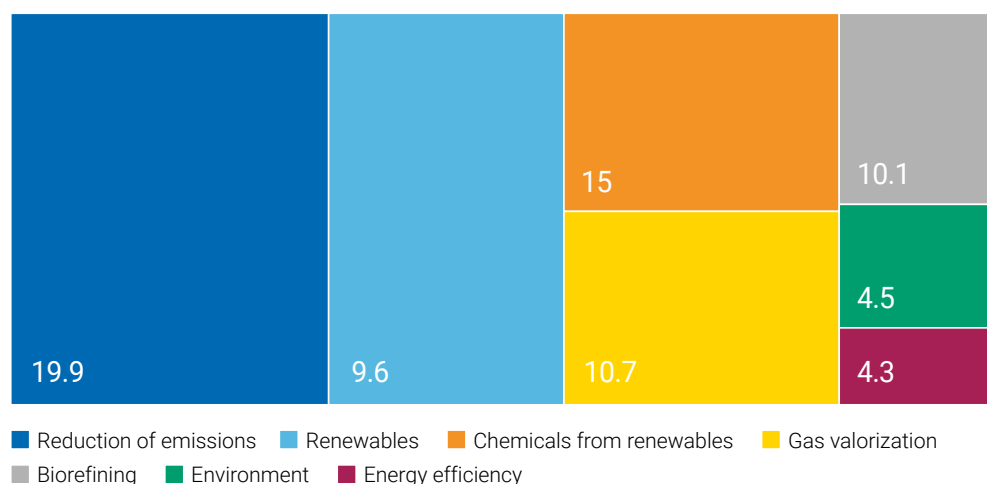
In 2020 Eni's commitment to scientific research and technological development activities aimed at carbon neutrality and the circular economy amounted to €74 million

Research and development in the energy transition

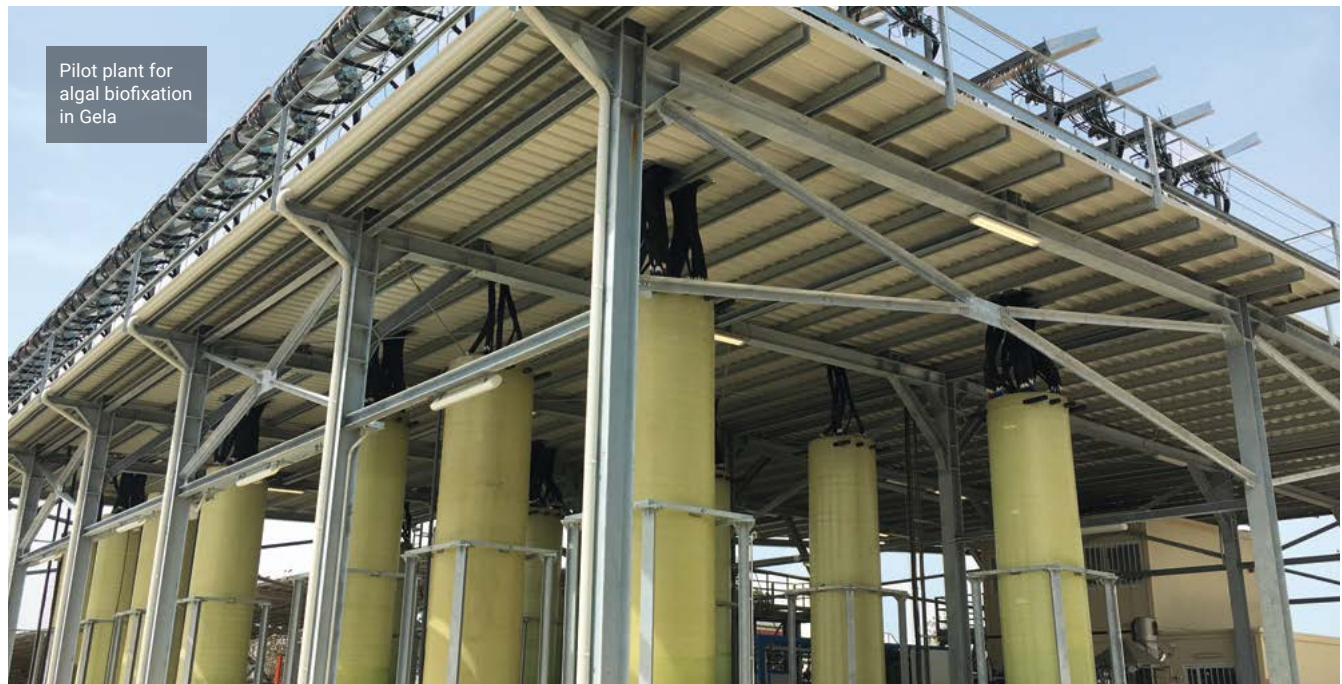
Producing energy with the lowest carbon footprint is the goal that drives Eni's investment in scientific and technological research. In 2020, about half of total R&D expenditure was dedicated to decarbonisation and circular economy. R&D projects have used the skills of at least 1,500 people of Eni at the 7 proprietary Research Centres and the collaborations with more than 70 of the most important universities and Research Centres in Italy and the rest of the world. Eni's commitment to decarbonisation and energy transition is also reflected in its partnerships with the Oil and Gas Climate Initiative (OGCI), Commonwealth Fusion Systems LLC (CFS), Divertor Tokamak Test (DTT) and leading universities and research institutions, including ENEA, CNR and MIT. To multiply access to high-impact emerging technologies, Eni adopts an Open Innovation approach through Eni Next and OGCI-Climate Investments. Thanks to these collaborations, Eni wants to continue to develop its network with universities, research centres, start-ups, hi-tech companies and all the entities that are preparing the low carbon energy future. At the same time, Eni continues to invest in venture capital initiatives and in the development and implementation of frontier technologies, with a focus on Circular Economy, Decarbonisation and Renewable Energies. In the 2021-2024 four-year period, 70% of R&D expenditure will be for projects related to carbon neutrality and circular economy.

The focus here is not only on technologies, but also on their implementation: Eni is committed to speeding up technological "time-to-market" by developing the pilot, pre-commercial demonstration and first industrial application phases in parallel. In order to reduce time risks, Eni's research focuses on the growth of internal skills, but also on collaborations with the academic and technological worlds through a series of framework agreements, alliances with major technological and industrial players, the creation of large interdisciplinary and multi-business programmes and an R&D structure to support the business. In the **decarbonisation path**, Carbon Capture Utilisation and Storage (CCUS) represents an important driver, where technologies, skills and innovation are and will be key to success. Innovative solutions are being studied in terms of capture technologies as well as new energy generation systems with integrated capture. Hub solutions, transport networks and offshore injection networks in depleted reservoirs are also being explored, taking advantage of expertise acquired on gas developments through an incremental innovation approach. Eni's research is engaged in Carbon Utilization initiatives. In particular, technologies for reducing CO₂ into methane or methanol (e-fuels) and for mineralisation and biofixation are being developed. Equally important is the typical **circular economy** approach, i.e. a focus on research and development that looks at the entire life cycle of technologies, with the aim of developing new and creative solutions across the value chain, enabling significant savings in resources and energy, with considerable benefits for the environment. Finally, scientific research and **digitisation** will make it possible to do even

Breakdown of R&D expenditure for carbon neutrality and circular economy - year 2020 (mln €)



more: smart digital solutions in all areas can, on their own, make a substantial contribution to reducing CO₂ emissions by 2030. The digitalisation process has the potential to accelerate the energy transition path, generating important benefits in terms of efficiency and environmental impact. Numerous projects have been launched at Eni: for example, for each physical asset a “digital twin” will be created through which it will be possible to predict and control operations in advance; with the widespread application of sensors and the use of advanced algorithms, Eni expects to be able to improve the performance and reduce the emissions of its activities.



Pilot plant for
algal biofixation
in Gela



CO₂ valorisation

CO₂ capture and utilisation is progressively becoming one of the significant challenges in the field of energy resources, and CO₂ biofixation and mineralisation technologies are being developed in this area. With regard to CO₂ biofixation with microalgae, Eni has developed, in collaboration with the Politecnico di Torino and a network of Italian start-ups, a multilayer photobioreactor in which the algae are fed with artificial light using wavelengths optimised for photosynthesis. The plant biomass that is produced, harvested and dried, is an algal meal that can be used as a product or component for agro-industrial, food and nutraceutical markets. The process is capable of fixing a high amount of CO₂ per unit area occupied and has characteristics that make it attractive for the production of highly pure compounds with high added value (such as pharmaceuticals and nutraceuticals), and the final product can be sent to biorefineries for the production of advanced biofuels. Another very interesting technology that Eni is developing enables the storage of significant amounts of CO₂ on a permanent basis with the production of special products for the construction industry. The mineralisation of CO₂ with materials widely available in nature makes it possible to permanently fix a considerable amount of CO₂ in the final product, an inert, stable and non-toxic phase. The distinctive and innovative feature of Eni's technology is the development of properties that allow the product to be used in the formulation of cements, thus opening up a potentially huge market. In addition, the formulation of this material with pozzolanic properties also avoids a significant production of CO₂ that would result from the production of normal Portland cement, which is replaced by the new product.

CO₂ capture and utilisation is progressively becoming one of the significant challenges in the field of energy resources, and biofixation and mineralisation technologies are being developed in this area by Eni

Eni promotes the need to use consistent methodologies for GHG reporting to make the sector performance and decarbonisation targets comparable

Partnerships for carbon neutrality in the long term

Among the many international climate initiatives that Eni participates in, 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, the OGCI now counts twelve companies, representing about one-third of global hydrocarbon production. To reinforce its commitment to reducing operational emissions, the OGCI has communicated a new collective target in 2020 for the reduction of the GHG emission intensity (Scope 1+2) of upstream operated assets, consistent with scenarios in line with the Paris Agreement. This target is in addition to the methane emission intensity reduction target announced in 2018. Furthermore, the commitment to the joint investment in a 1 billion dollar fund for development of technologies to reduce GHG emissions in the whole global energy chain has continued, as well as the initiative launched in 2019 (CCUS KickStarter) to promote global wide-scale marketing of CCUS (CO₂ Capture, Utilisation and Storage) technology. Furthermore, Eni promotes the need to use consistent methodologies for GHG reporting to make the Oil & Gas sector performance and decarbonisation targets comparable. In this respect, Eni cooperated with the Science Based Target Initiative (SBTi), which is working on the definition of guidelines and standards applicable to the sector to define decarbonisation targets in line with the objectives of the Paris Agreement. Moreover, in December 2020, together with 7



During 2020, Eni launched several initiatives to involve the entire value chain in the path of decarbonisation

Engagement with suppliers

During 2020, Eni launched several initiatives to involve the entire value chain in the virtuous path of decarbonisation undertaken by the company.

JUST (Join Us in a Sustainable Transition): Initiative addressed to all suppliers with the aim of involving them in Eni's fair and sustainable energy transition process, enhancing the environmental protection aspects of environmental protection, economic development and social growth in the procurement process. In the qualification phase, sustainability criteria have been introduced to assess supplier performance and in the tender phase, rewarding mechanisms have been adopted to encourage suppliers' best practices. In addition, as part of the JUST initiative, workshops with qualified Eni suppliers were launched, with the aim of discussing the spaces for the adoption of circular economy models and/or sustainability initiatives and lay the foundations for a common sustainable development path.

Open-es: digital platform, developed in partnership with Google and BCG, open and dedicated to all suppliers interested in undertaking a just and sustainable energy transition, with the aim of sharing and exploiting information, best practices and sustainability models throughout the supply chain. This platform is based on a standard ESG data model, according to the core metrics defined in the WEF initiative "Measuring Stakeholder Capitalism", with a simple, flexible approach suitable for all players across the energy industry chain, from SMEs to big players. By using this platform, Eni will promote adoption of Stakeholder Capitalism Metrics by its suppliers, involving them in a path of growth and development based on the values of sustainability, for greater awareness throughout the value chain.

Engagement with the Value Chain

Joule: an initiative launched in 2019 dedicated to the entrepreneurs of the future, with which Eni wants to share the company's objectives and commitment to finding solutions for the transition to a sustainable energy model, renewable sources and circular economy. The project aims to train the entrepreneurial class of tomorrow by providing training tools, skills and keys to understanding for those who want to do business in the circular economy, with climate change and decarbonisation as their compass. Two programmes coexist: i) the Human Knowledge Program, which offers aspiring women entrepreneurs who want to grow sustainably an in-person training plan, supplemented by online distance learning; ii) the "equity free" business accelerator Energizer, which promotes incubation and acceleration programmes for start-ups and small and medium-sized enterprises, providing methodological, logistical and financial support.

other companies, Eni joined the Energy Transition Principles initiative, committing to increasing transparency and consistency in reporting on GHG emissions and Net Carbon Intensity targets.

PARTNERSHIP	OBJECTIVE AND MAIN ACTIONS
OIL & GAS CLIMATE INITIATIVE (OGCI)	A Business Partnership between 12 among the major O&G companies, representing over a third of world hydrocarbon production, with the aim of demonstrating leadership in the fight against climate change by investing in technologies to reduce GHG emissions across the O&G supply chain. In addition to investing in technologies, OGCI is promoting scientific studies (Methane Science Studies) to close the gap in knowledge of methane emissions across the Oil & Gas supply chain in collaboration with the UN Environment Programme. Using the expertise of the Environment Defense Fund and Imperial College, Oil & Gas assets measurement campaigns and LCA (Life Cycle Assessment) studies on the entire natural gas supply chain are underway.
CLIMATE AND CLEAN AIR COALITION - OIL & GAS METHANE PARTNERSHIP 2.0 (CCAC OGMP 2.0)	A Public-Private Partnership coordinated by UNEP focused on fostering an improved understanding of methane emissions across all Oil & Gas segments, which then leads to strategic action for civil society and governments for reducing methane emissions. To encourage more solid and transparent reporting, it sets stringent reporting and monitoring requirements for the main methane sources. Eni holds the role of co-chair of the Steering Committee (together with the European Commission).
GLOBAL METHANE ALLIANCE	An initiative coordinated by UNEP which, by involving the O&G sector and governments, international organisations and NGOs, aims to promote the adoption of targets for reduction of methane emissions in the O&G sector. The Countries that agree to the initiative undertake to include these targets for reduction in their respective NDCs.
GLOBAL GAS FLARING REDUCTION (GGFR)	A Public-Private Partnership led by the World Bank which aims to reduce the practice of flaring at a global level, including through the launch of the zero routine flaring initiative, whereby participating parties undertake to eliminate gas sent to routine flaring by 2030.
INTERNATIONAL EMISSIONS TRADING ASSOCIATION	IETA is the main association supporting the implementation of market-based trading schemes for GHG emissions, involving businesses in the pursuit of climate actions in line with the objectives supported by the UNFCCC.
METHANE GUIDING PRINCIPLES	An initiative that currently groups 42 Oil & Gas companies with the aim of reducing methane emissions across the Oil & Gas supply chain, by involving major main supply chain stakeholders.
TCFD (TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES)	A Task Force launched by the Financial Stability Board with the aim of establishing recommendations and guidelines to improve corporate disclosure on financial aspects related to climate change. Eni is also part of the TCFD Oil & Gas Preparers' Forum for development of sector-specific guidelines.
IPIECA	IPIECA is the main association of the Oil & Gas industry active on the most important environmental and social issues.
WBCSD (World Business Council for Sustainable Development)	An association of companies committed to sustainability issues. The WBCSD coordinates the Oil & Gas focus group for the implementation of the TCFD recommendations.
MIT CSF	A partnership with the Massachusetts Institute of Technology and Commonwealth Fusion Systems for industrial development of technologies for the production of energy by magnetic confinement fusion.
ERCST (European Roundtable on Climate Change and Sustainable Transition)	It is an independent non-profit organisation working on European and global climate change policies.
SCIENCE BASED TARGET INITIATIVE (SBTi)	The Science Based Target Initiative is an initiative promoted by CDP, WWF Global Compact and WRI to establish shared target setting and disclosure methodologies on low carbon transition issues. The Oil & Gas transition project is part of this process, which involves various O&G companies and other stakeholders in the development of a shared methodology for the sector that will allow tracing of emission performances by the companies and their level of alignment to the goals of the Paris Agreement.
ENERGY TRANSITION PRINCIPLES	An initiative set up by 8 of the world's leading energy companies (bp, Eni, Equinor, Galp, Occidental, Repsol, Royal Dutch Shell, Total) with the aim of defining shared principles to guide Energy Transition and improve the transparency and comparability of reporting on climate-related issues.
ITALIAN CIRCULAR ECONOMY STAKEHOLDER PLATFORM (ICESP)	An ENEA platform to bring together initiatives, experiences, issues and perspectives relating to circular economy and to promote circular economy in Italy through specific actions.

Eni was the only Oil & Gas company involved from the very start in the work of the Task Force on Climate-related Financial Disclosure (TCFD)

In March 2021, the first CA100+ Net-Zero Company Benchmark showed Eni as one of the companies most closely aligned with the coalition's requirements, confirming its leadership role on climate reporting and ambition

Climate disclosure and positioning

Eni was the only Oil & Gas company involved from the very start in the work of the TCFD and has contributed to developing the voluntary recommendations for corporate reporting on climate change issues. Transparency in climate change-related reporting and the strategy implemented by the company have enabled Eni to be confirmed, again in 2020 in the leadership group of the CDP Climate Change Program¹⁵. The A- rating achieved by Eni was equalled by only a handful of others in the Oil & Gas industry and far exceeds the global rating average C, in a rating scale ranging from D (minimum) to A (maximum). In addition, in 2020, the TPI¹⁶ assessment awarded Eni, for the first time, the highest rating in the area of management quality, due to the completeness of the decarbonisation strategy, and a high ranking on the emission performance of the products sold (carbon performance). In the same period, Carbon Tracker¹⁷ published an analysis of the potential investment risk of the upstream sector of the main Oil & Gas companies in transition scenarios, in which Eni ranked first, distinguishing itself for the ambition of its GHG emission reduction targets, the competitiveness of future projects and for a medium-long term hydrocarbons price scenario among the most conservative in the sector.

In March 2021, the first CA100+ Net-Zero Company Benchmark¹⁸ showed Eni as one of the companies most closely aligned with the coalition's requirements, confirming its leadership role on climate reporting and ambition.

Eni participates in several industry associations at national and international level; these participations allow to (i) develop, share and promote best practices and standards with peers in the sector; (ii) contribute to drafting advocacy positions on climate policies and regulations; (iii) identify new approaches to satisfy stakeholders' expectations; and (iv) take part in joint actions in the industry to mitigate the risks related to climate change and in support of the energy transition. As an energy company, Eni has a clear and coherent position on all issues related to climate, with a clear positioning on issues of climate policy and sound internal guidelines for a responsible commitment within the associations to which Eni belongs. In this context and with the aim of satisfying the expectations of all our stakeholders, including investors, in the early months of 2020, Eni decided to publish its guidelines on responsible engagement on climate change within the industry associations. These guidelines clearly set the key issues that Eni considers to be essential for defending the climate, in line with its own strategy.

➔ [For more information: eni.com](https://www.eni.com)

15) CDP (formerly the Carbon Disclosure Project) is an internationally recognised organisation among the leading institutions in assessing the climate performance and strategy of listed companies.

16) Transition Pathway Initiative, an investor-led global initiative that assesses companies' progress in low-carbon transition. The report published in September 2020 is an update of the first TPI assessment published in 2019.

17) Think tank financial initiative that for years has been conducting analyses to assess the impact of energy transition on financial markets.

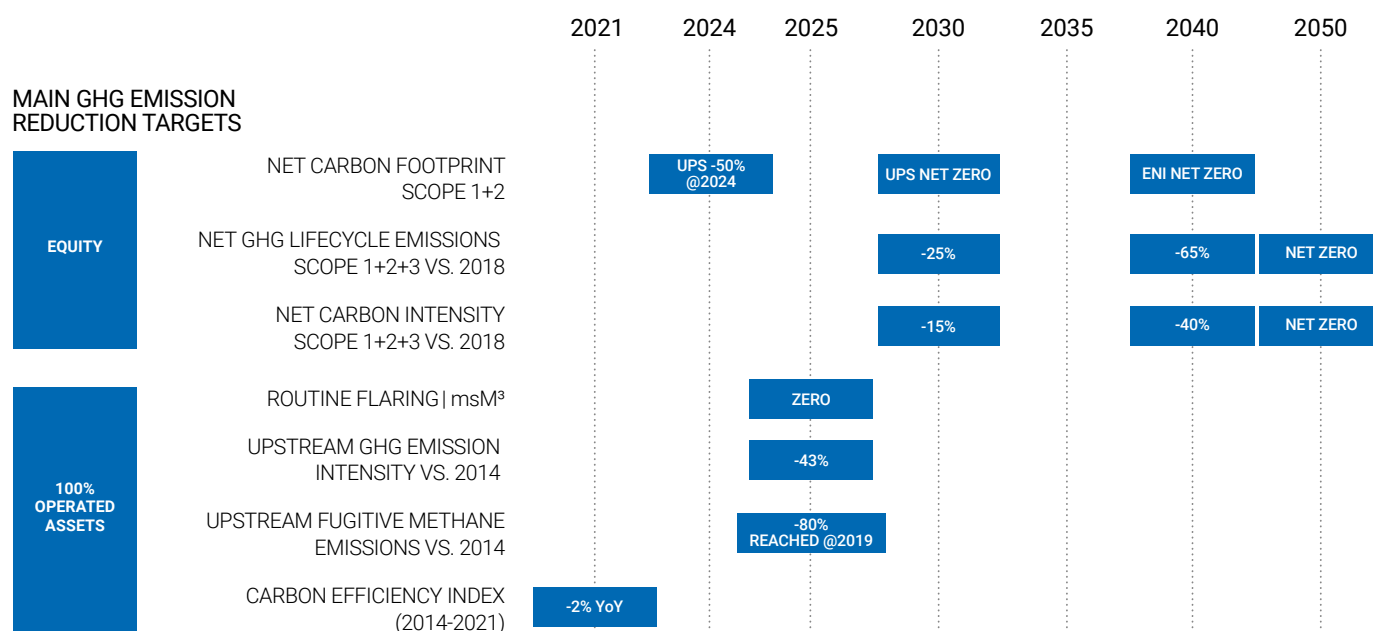
18) Climate Action 100+ is the largest shareholder engagement initiative on climate change issues with more than 570 investors to date. CA100+ objectives include increasing ambition on emission reduction targets, improving climate governance and strengthening climate-related financial disclosure.

Metrics & Targets

GHG emission reduction targets and commitments

Starting in 2016, among the first in the industry, Eni committed to targets aimed at improving the performance related to GHG emissions of the assets it operates, with specific indicators illustrating the progress achieved so far in terms of reduction of GHG emissions into the atmosphere, use and consumption of energy resources from primary sources and production of energy from renewable sources. In addition to these, in 2020 further medium- and long-term targets were added, accounted for on an equity basis, which were relaunched during the presentation of the strategy in 2021, in which Eni announced the target of net zero Scope 1, 2 and 3 emissions by 2050.

In 2021 Eni defined a new net zero target of Scope 1, 2 and 3 emissions by 2050



The total spending planned in the 2021-24 four-year time interval for decarbonisation, circular economy and renewable energies amounts to approximately €5.7¹⁹ billion and includes relevant R&D activities and the forestry programme. The details of the main items are as follows:

Figures in billion €	2021-2024
Investments in power generation plants from renewable sources	3.2
Investments for the reduction of GHG emissions	0.5
Investments in circular economy	1.1
Expenditure on research for decarbonisation and circular economy projects	0.6
Expenditure on forestry and other initiatives	0.3

¹⁹) This amount includes organic capex, acquisitions and R&D and forestry expenditures.

The pathway towards Eni's carbon neutrality in 2050 includes a series of steps that foresee reaching net zero emissions (Scope 1 + 2) for the upstream business by 2030 and for Eni's group by 2040, then achieving net zero emissions of all GHG Scope 1, 2 and 3 emissions associated with the portfolio of products sold in 2050

GHG indicators for carbon neutrality in the medium-long term

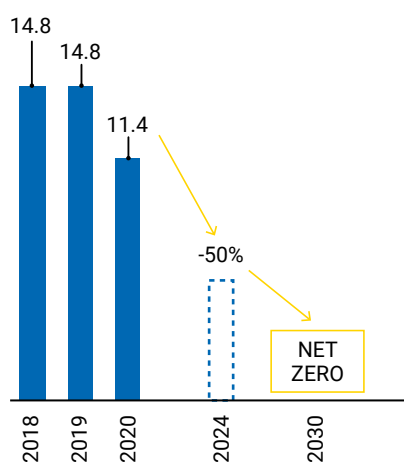
The pathway towards Eni's carbon neutrality in 2050 includes a series of steps that foresee reaching net zero emissions (Scope 1+2) for the upstream business by 2030 and for Eni's group by 2040, then achieving net zero emissions by 2050 of all GHG Scope 1, 2 and 3 emissions associated with the portfolio of products sold. The accounting of emissions is guaranteed by the application of a reporting model that considers all GHG emissions, direct and indirect, associated with the value chain of the energy products sold, including both those deriving from own production and those purchased from third parties. Below are Eni's key medium long-term GHG emissions targets and the performance of the associated indicators, accounted for on an equity basis.

Net Zero Carbon Footprint Upstream by 2030: this indicator considers Scope 1+2 emissions from upstream assets operated by Eni and third parties, net of carbon sinks. In 2020, it was down 23% compared to 2019 due to production declines related to the health emergency and to offsetting through forestry credits of 1.5 million tonnes of CO₂eq.

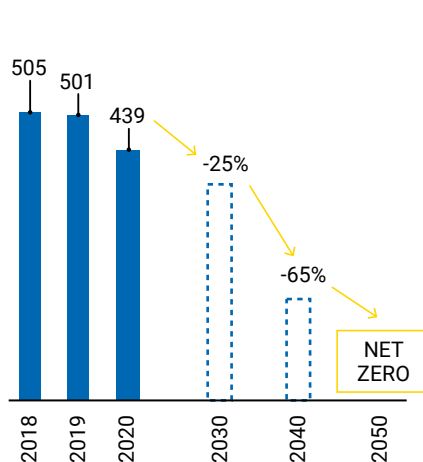
Net Zero GHG Lifecycle Emissions by 2050: this indicator refers to Scope 1+2+3 emissions associated with Eni activities and products, across their value chain, net of carbon sinks. In 2020, it was down by 13% mainly due to the decrease in production and sales in all sectors related to the health emergency.

Net Zero Carbon Intensity by 2050: this indicator is calculated as the ratio between absolute net GHG emissions (Scope 1+2+3) across the value chain of energy products sold and the amount of energy included in them. In 2020, it was essentially stable as the decrease in emissions across all sectors was accompanied by a proportional decrease in production related to diminished activities because of the health emergency.

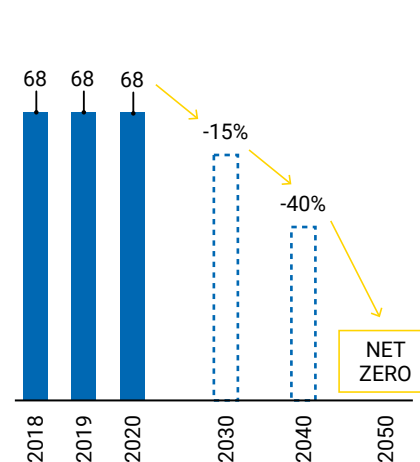
Net Carbon Footprint Upstream
(MtCO₂eq)



Net GHG Lifecycle Emissions
(MtCO₂eq)



Net Carbon Intensity
(gCO₂eq/MJ)



GHG performance from operated assets

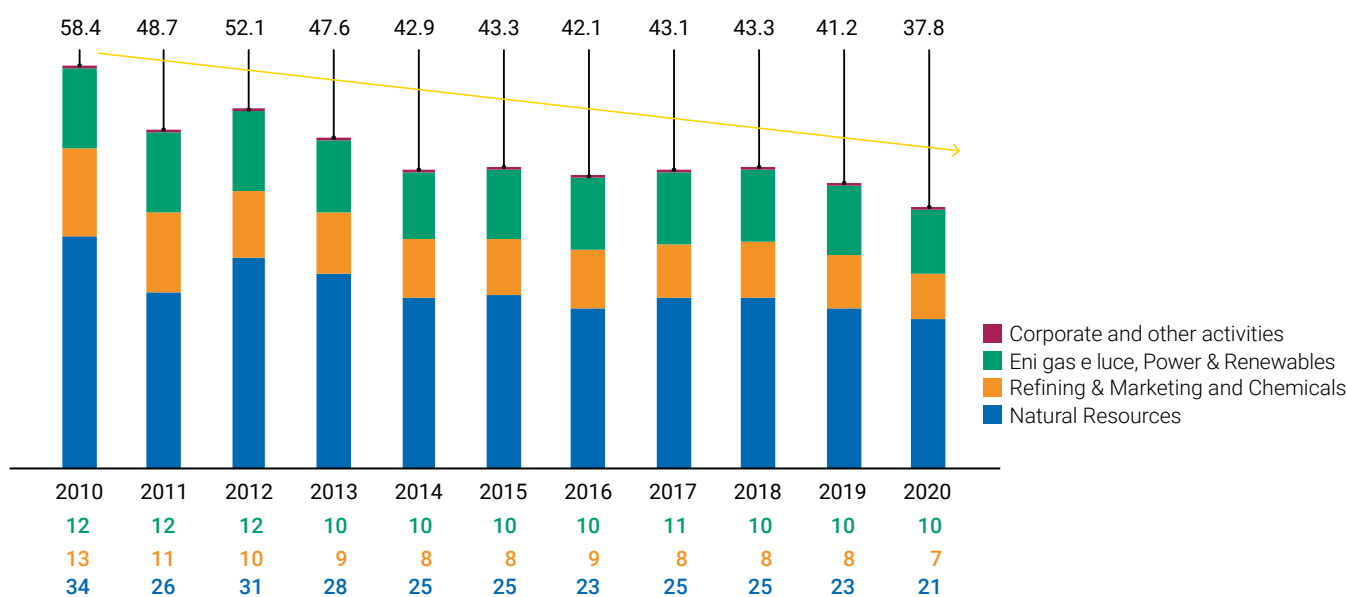
With specific reference to the short-term decarbonisation objectives and related indicators, defined for operated assets and accounted for at 100%, the following paragraphs provide a summary of the results achieved in 2020 and the state of progress compared to the targets. Scope 1 and Scope 2 GHG emissions are accounted according to the operator criteria (activities carried out by Eni globally accounted for on a 100% basis), in all relevant businesses. Since 2019, these emissions are subject to a "reasonable assurance" verification by the auditing firm.

Direct GHG emissions in 2020 are down 8% compared to 2019 and 35% compared to 2010

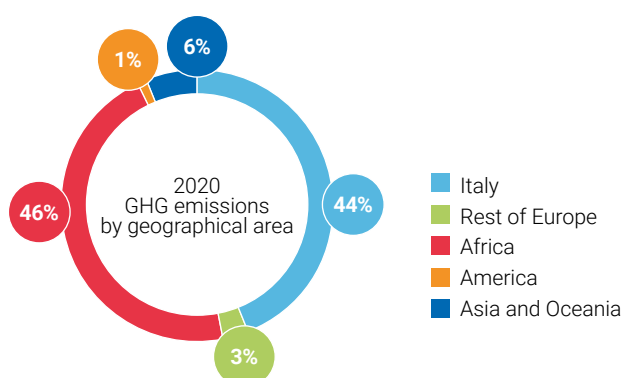
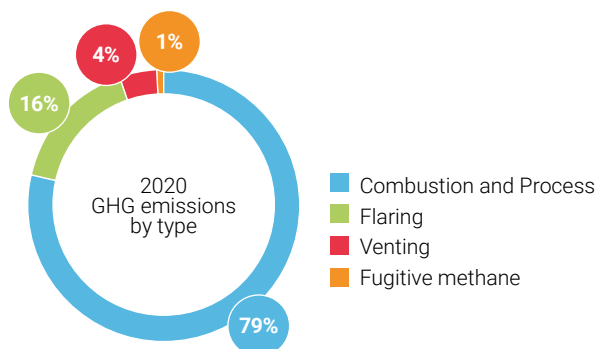
SCOPE 1 GHG EMISSIONS

Direct GHG emissions in 2020 are down 8% compared to 2019 and 35% compared to 2010. This reduction is mainly due to the decline in activities related to the health emergency, in the upstream, power and refining sectors. Approximately 50% of GHG emissions are subject to carbon pricing schemes, mainly the European Emission Trading Scheme, which covers all major mid-downstream facilities, and 56% of direct emissions come from Hydrocarbon Exploration & Production activities. The largest emission contribution is from combustion and process, linked to the energy consumption of production assets. GHG emissions are mainly linked to activities in Italy and Africa. The remaining amounts are located in Asia, Oceania, Rest of Europe and America.

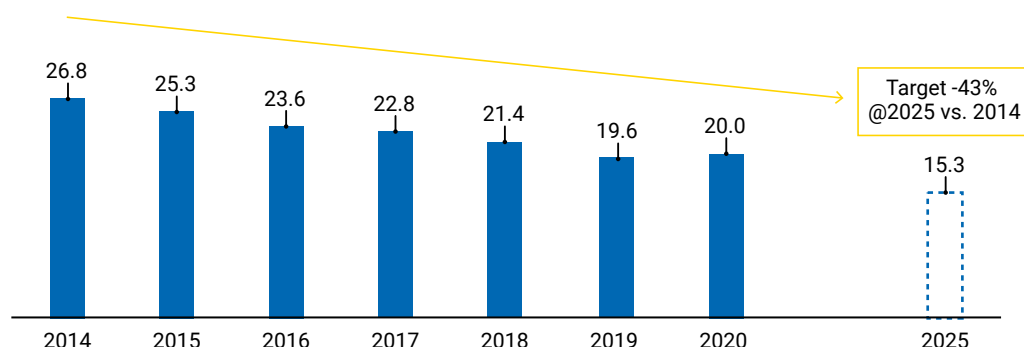
Eni direct GHG emissions (MtCO₂eq)



GHG direct emissions 2020 by type and geographical area



The upstream GHG intensity index, expressed as the ratio between direct emissions in tonnes of CO₂eq and hydrocarbons gross production in thousands of barrels of oil equivalent, was 20.0 tonCO₂eq/kboe in 2020. The trend of gradual improvement has been interrupted by a drop in production due largely to the health emergency, which has mainly affected some fields whose production is associated with low emission impact. The overall reduction compared to 2014 was 26%.

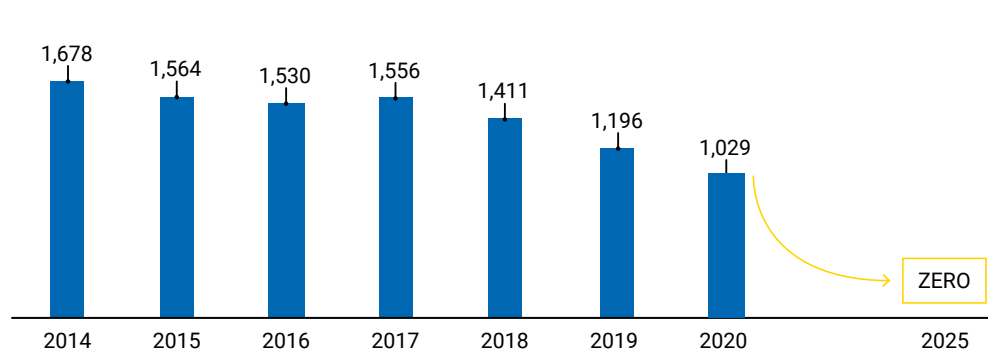
Upstream GHG intensity (tCO₂eq/kboe)

Eni remains committed to the progressive reduction of Upstream emission intensity in line with achieving the target of -43% by 2025 compared to 2014.

ZERO ROUTINE FLARING

One of the drivers for reducing the emission intensity of the upstream sector is the progressive reduction of routine flaring (so-called process flaring). As part of this, Eni joined in 2014 the “Zero Routine Flaring” initiative promoted by the Global Gas Flaring Reduction Partnership (GGFR), of the World Bank, that brings together governments, oil companies and international development organisations. The Zero Routine Flaring initiative aims to phase out process flaring by 2030. Eni, which has decided to anticipate the objectives of the initiative to 2025, is active in specific programmes for gas valorisation through the production of electricity for local populations, distribution for domestic consumption or export. Where these procedures are not possible, Eni has built facilities for natural gas re-injection in the field.

Eni has confirmed its commitment to anticipate to 2025 the “Zero Routine Flaring” objective as part of the Global Gas Flaring Reduction (GGFR) partnership promoted by the World Bank

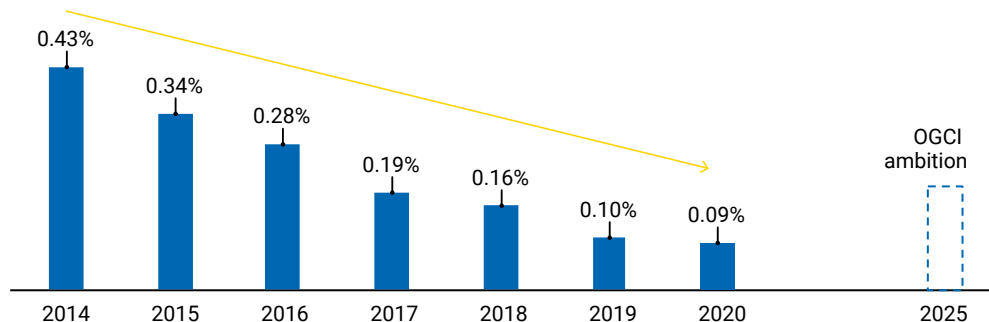
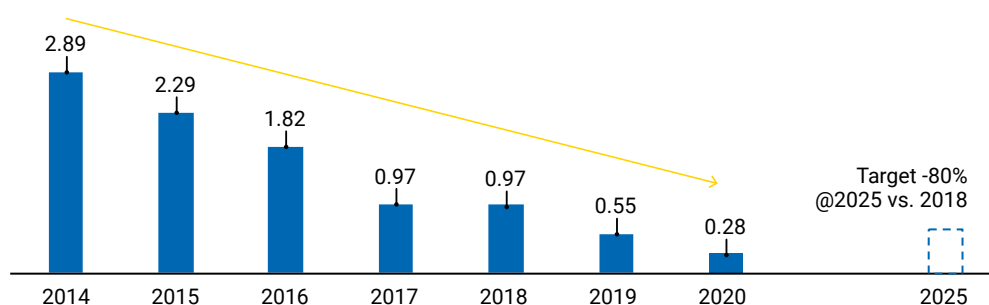
Volumes of hydrocarbon sent to routine flaring (MSm³)

In 2020, hydrocarbon volumes sent to routine flaring, amounted to 1.03 billion Sm³, decreased by 14% compared to 2019 and by nearly 40% compared to 2014, as a result of specific flaring reduction projects (Angola) and the production drop attributable to the health emergency, which affected some fields with associated gas flaring during 2020.

METHANE EMISSIONS

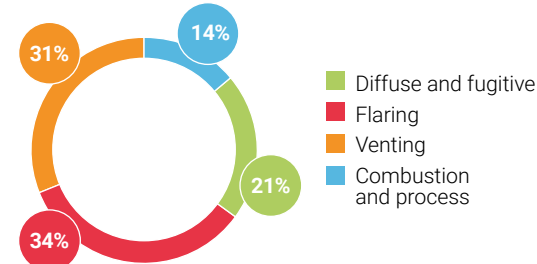
Eni continues its commitment to optimising its monitoring and reporting processes to reduce methane emissions from operated assets. Methane emissions are essentially concentrated in the upstream value chain (51 kton CH₄, equal to 92% of Eni's total) and are due to fugitive emissions, unburnt methane from flaring and consumption and process venting.

The upstream methane emissions intensity (0.09% in 2020) decreased by 16% vs. 2019. Eni contributes to the OGCI collective target of reducing the upstream methane intensity from 0.32% in 2017 to 0.25% in 2025, with an ambition of 0.20%.

Upstream methane intensity ($\text{m}^3\text{CH}_4/\text{m}^3$ gas sold)**Upstream fugitive methane emissions** (MtCO_2eq)

In absolute terms, Eni achieved a reduction of more than 2.61 MtCO_2eq of upstream fugitive methane emissions in 2020 vs. 2014, reaching the 80% reduction target in 2019, 6 years before the planned objective for 2025.

In 2020, upstream fugitive methane emissions were 0.28 MtCO_2eq , down by around 50% from 2019, partly as a result of production drops attributable to the health emergency. Monitoring and maintenance campaigns (Leak Detection And Repair - LDAR) continued during the year and contributed to maintaining the reduction trend. To date, 95% of the upstream operated production is covered by LDAR programmes (corresponding to about 60 sites). The overall reduction compared to 2014 was 90%, confirming achievement – as early as 2019 – of the 80% reduction target set for 2025.

CH₄ emissions by type**Fugitive emission monitoring**

In 2015, Eni Upstream began progressive monitoring of its plants with the aim of identifying, quantifying and minimising fugitive emissions by implementing **Leak Detection And Repair (LDAR)** programmes. LDAR campaigns consist of detecting methane leaks in the field and scheduling appropriate maintenance work. Where possible, leaks are immediately repaired by site maintenance teams, helping to minimise fugitive emissions. A proper and frequent LDAR programme can **reduce up to 85%** of the fugitive emissions quantified by standard approaches based solely on analysis of technical documentation. The instrument most commonly used in Eni sites for LDAR programmes is the **OGI (Optical Gas Imaging)** camera, a highly specialised version of an infrared camera that can detect a gaseous compound based on its wavelength. To further improve LDAR programmes at Upstream sites, thermal imaging cameras have been purchased by the operating sites since 2020, and a training programme has begun for local teams to train them in the correct use of these instruments and the monitoring methodology, in accordance with the best international standards such as **OGMP-CCAC and EPA**, which are incorporated into the company's operating instructions. The availability of the thermal imaging camera on site ensures the possibility of more frequent monitoring, at least annually, for each site and in conjunction with maintenance activities.

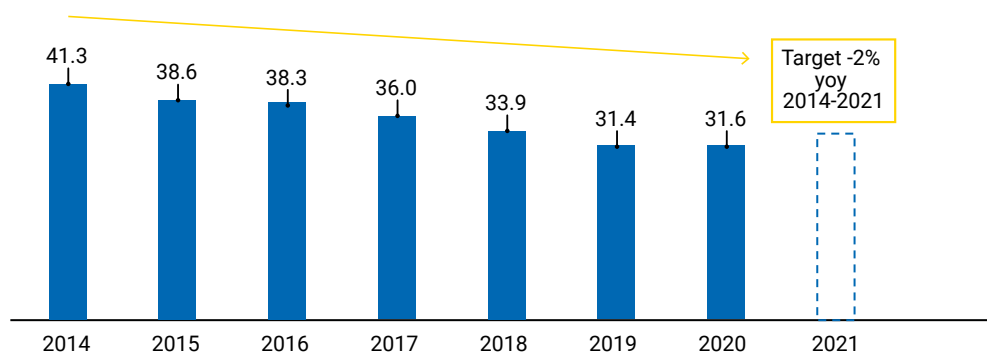
Eni Upstream began progressive monitoring of its plants with the aim of identifying, quantifying and minimising fugitive emissions by implementing "Leak Detection And Repair" (LDAR) programmes

COMMITMENT TO ENERGY EFFICIENCY

Since 2018, Eni has been monitoring the emission intensity of its industrial activities through a specific index, which expresses the intensity of GHG Scope 1 and Scope 2 emissions per unit of energy production, thus measuring their degree of efficiency in a decarbonisation context. An incremental improvement target of 2% per year was imposed on this index compared to the 2014 index value. This objective refers to the overall Eni index, maintaining an appropriate flexibility in the trends of individual businesses.

In 2020, the index was 31.6 tCO₂eq/kboe, essentially stable compared to 2019 (31.4 tCO₂eq/kboe) mainly due to the decrease in production attributable to the health emergency. This effect was partially offset by the energy efficiency projects launched or completed during the year. Although the target for reduction set for 2021 has already been achieved, Eni will continue to strive towards progressive 2% improvement over the coming years.

Carbon Efficiency Index (tCO₂eq/kboe)



In 2020 Eni went ahead with its investment plan both in projects aiming directly at increasing energy efficiency of assets and in development and revamping projects

In 2020, in fact, Eni went ahead with its investment plan both in projects aiming directly at increasing energy efficiency of assets (€10M) and in development and revamping projects with effects on the energy performance of operations. When fully operational, the interventions carried out during the year will allow fuel savings of 287 ktoe/year (mostly upstream), with a benefit in terms of emissions reduction of approximately 0.7 million tonnes of CO₂eq. The commitment to improving energy performance is also demonstrated by the inclusion in Eni's HSE regulatory system of management tools coordinated with the ISO 50001 certification schemes. The programme of energy assessments aimed at identifying opportunities for improvement in the upstream area has been complemented since the end of 2019 by a gap analysis programme for the deployment of energy management systems, which involved some of the most energy intensive assets not yet certified in 2020, and will continue in 2021. In the other businesses, whose most important sites in terms of energy consumption have already been certified for some time, certification was transitioned to the new revision of the ISO 50001:2018 standard during 2020.



Upstream energy efficiency

Energy efficiency interventions concerned the revamping of compressors, the optimization of equipment operating condition and production networks, thermal integration between neighbouring plants and importing electricity from the national grid

The improvement in energy performance in the upstream business was made possible by revamping compressors, optimising equipment operating conditions, optimising production networks, thermal integration between neighbouring plants and importing electricity from the national grid. The initiatives launched during 2020 included the project for the new electrical compressor station at the Rubicone gas treatment plant (DICS, Italy). The project involved shutting down the compressor system on the Cervia K offshore platform and installing two reconditioned electric reciprocating compressors recovered from the Candela power plant at the Rubicone onshore power plant. The two compressors use electricity drawn from the national grid. When fully operational, the project is expected to deliver annual energy savings of around 8000 toe, corresponding to annual net emission savings (Scope 1+2) of around 20 kton.



Indirect emissions (Scope 2 and 3)

In line with the main reporting standards, Eni also reports indirect emissions associated with its activities across the entire value chain, applying consolidated methodologies (GHG Protocol, IPIECA). Indirect emissions from purchases of electricity, steam and heat from third parties (so-called Scope 2) are quantitatively negligible in Eni (about 0.7 million tonnes CO₂eq), since in most cases electricity generation takes place through its own installations and related associated GHG emissions are accounted for as direct emissions. Nonetheless, Eni has included Scope 2 emissions within the scope of the target of improving carbon efficiency (see the Energy Efficiency section). As regards all the other emissions in the value chain (so-called Scope 3), Eni reports them using internationally recognised standards (IPIECA), which provide for an analysis by category of activity.

2020 data (MtCO₂eq)

- Use of sold products: 185
- Processing of sold products: 11.6
- Electricity (marketed): 6.0
- Purchased goods and services (supply chain): 1.3
- Products transport and distribution: 1.3
- Employee business travel and commuting: 0.2
- Others: 0.4

For more information on GHG emissions methodology please see "Statement on GHG accounting and reporting - year 2020".

Eni reports indirect emissions associated with its activities across the entire value chain, applying international consolidated methodologies (GHG Protocol, IPIECA)

Metrics

Below are the metrics used to evaluate and manage risks and opportunities related to climate change.

GHG indicators for carbon neutrality in the medium-long term ^(a)		2017	2018	2019	2020
Net Carbon Footprint (Upstream) (GHG emissions, Scope 1+2)	(million tonnes of CO ₂ eq)	n/a	14.8	14.8	11.4
Net GHG Lifecycle Emissions (Scope 1+2+3) ^(b)			505	501	439
Net Carbon Intensity (Scope 1+2+3) ^(b)	(gCO ₂ eq/MJ)		68	68	68
Installed capacity from renewable sources	(GW)	0.01	0.04	0.17	0.31
Biorefining capacity ^(c)	(kton/year)	360	360	1,110	1,110
- of which: Venice	(kton/year)	360	360	360	360
- of which: Gela	(kton/year)			750	750

(a) Indicators accounted for on equity basis.

(b) The methodology for determining Scope 1+2+3 emissions associated with the supply chain of energy products sold has been refined in order to better represent Scope 3 end-use emissions, consistently updating the 2019 and 2018 data.

(c) The value of the installed capacity of the Gela biorefinery has been updated to 750 thousand tonnes/year following a revision of the indicator calculation method (thus also updating the 2019 value).

Other key performance indicators ^(d)		2017	2018	2019	2020
Eni direct GHG emissions (Scope 1)	(million tonnes of CO ₂ eq)	43.15	43.35	41.20	37.76
- of which: CO ₂ eq from combustion and process		33.03	33.89	32.27	29.70
- of which: CO ₂ eq from flaring ^(e)		6.83	6.26	6.49	6.13
- of which: CO ₂ eq from fugitive methane emissions		1.14	1.08	0.56	0.29
- of which: CO ₂ eq from venting		2.15	2.12	1.88	1.64
Indirect GHG Emissions (Scope 2)		0.65	0.67	0.69	0.73
Indirect GHG emissions (Scope 3) from use of sold products ^(f)		229	203	204	185
Carbon efficiency index (Scope 1+2)	(tonCO ₂ eq/kboe)	36.01	33.90	31.41	31.64
Upstream GHG emissions (Scope 1)/100% operated hydrocarbon gross production (UPS)	(tonCO ₂ eq/kboe)	22.75	21.44	19.58	19.98
GHG emissions from refineries (Scope 1)/input processed quantities (raw materials and semi-finished products) (R&M)	(tonCO ₂ eq/kt)	258	253	248	248
GHG emissions (Scope 1)/Equivalent electricity produced (EniPower)	(gCO ₂ eq/kWheq)	395	402	394	391
Upstream methane emissions	(thousands of tonnes CH ₄)	105.2	97.8	63.6	51.4
- of which fugitive		38.8	38.8	21.9	11.2
Upstream methane intensity (m ³ CH ₄ /m ³ marketed gas)	%	0.19	0.16	0.10	0.09
Total volume of hydrocarbon sent to flaring	(million Sm ³)	2,291	1,945	1,913	1,799
- of which: routine		1,556	1,411	1,196	1,028
Equity hydrocarbon production	(kboe/day)	1,816	1,851	1,871	1,733
100% operated hydrocarbon gross production	million boe	998	1,067	1,114	1,009
R&D expenditure	(€ mln)	185	197	194	157
- of which: for decarbonisation and circular economy	(€ mln)	72	74	102	74

(d) Unless otherwise stated, emissions and consumption KPIs refer to 100% data of operated assets.

(e) From 2020, the indicator includes all Eni emissions from flaring, also aggregating the contributions from Refining & Marketing and Chemicals, which were accounted for in the combustion and process category until 2019.

(f) Category 11 of the GHG Protocol - Corporate Value Chain (Scope 3) Standard. Estimated based on Eni's share of upstream production in line with IPIECA methodologies. As from 2018, the Scope 3 emissions calculation methodology has been refined to better represent emissions from the use of products sold (Scope 3 end-use).

Additional metrics	
Hydrocarbon resources (3P+Contingent) at 31/12/2020: % gas on total	(%) >50%
Total break even price of new upstream projects in progress	Brent@23 \$/bl
Internal rate of return (IRR) of new upstream projects in progress	18% @Eni scenario
Incidence of Eni's uncommitted investments	(%) 2023-2024 equal to 55%
Carbon pricing - Eni scenario	(\$/ton) 40 in 2015 corrected by inflation
Stress test: resilience of upstream portfolio (100% cash generating unit) based on IEA SDS low carbon scenario	Impact on fair value of assets: 2%≤X≤7%
2021 Sensitivity: Brent (+1 \$/bbl)	(bln €) Adjusted operating profit: 0.21 Adjusted net profit: 0.14 Free cash flow: 0.15

Reference table of TCFD recommendations - Eni Reporting

		CONSOLIDATED DISCLOSURE OF NON-FINANCIAL INFORMATION	ENI FOR - CARBON NEUTRALITY BY 2050
GOVERNANCE			
Disclose the organization's governance around climate-related risks and opportunities.	a) Oversight by the BoD b) Role of the management	✓ Key elements	a) Ch. Role of the Board, p. 8 b) Ch. Role of management, p. 9
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 b) Incidence of climate-related risks and opportunities c) Resilience of the strategy	✓ Key elements	a) Ch. Risks and opportunities related to climate change, pp. 12-15 b) Ch. Risks and opportunities related to climate change, pp. 12-15 and Ch. Strategy, pp. 16-41 c) Ch. Strategy, pp. 16-41 For a summary of the financial commitments, see table on p. 41
RISK MANAGEMENT			
Disclose how the organization identifies, assesses, and manages risks related to climate change.	a) Identification and assessment processes b) Management processes c) Integration into overall risk management	✓ Key elements	a) Ch. Integrated climate risk management model, pp. 10-11 b) Ch. Integrated climate risk management model, pp. 10-11 c) Ch. Integrated climate risk management model, pp. 10-11
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 b) GHG emissions c) Targets	✓ Key elements	a) Ch. Metrics, p. 48 b) Ch. Metrics, p. 48 c) Ch. Targets and commitments, p. 41

In addition, Scope 1 and Scope 2 GHG emissions are subject to a reasonable assurance by PwC with the aim of ensuring even greater solidity of these data of strategic importance for Eni (for further information, see the "Statement on GHG accounting and reporting - year 2020" attached to this document).

Statement on GHG accounting and reporting - year 2020

This section contains details on Eni Group GHG performance and emissions accounting methodologies and processes, relating to direct Scope 1 GHG emissions, indirect Scope 2, and indirect Scope 3 GHG emissions from own and value chain operations and activities of Eni SpA and its subsidiaries. The report states also the medium-long term Emissions Indicators, namely the Net Carbon Footprint Upstream, Net GHG Lifecycle Emissions, and Net Carbon Intensity, associated with the long-term decarbonization targets. Figures are aligned with the ones stated in Eni's institutional publication, namely the Annual Report 2020 (Consolidated disclosure of Non-Financial information).

Level of assurance: Reasonable (Scope 1, Scope 2); Limited (Scope 3, medium-long term Emissions Indicators). Assurance Standard: ISAE 3410.

Organizational Boundaries

Scope 1, Scope 2, Scope 3

Eni applies the operational control approach to set GHG organizational reporting boundary for Scope 1 and Scope 2 emissions. According to this approach, Eni reports 100% of GHG emissions from assets over which it has operational control, that is where Eni can enforce its own policies and procedures, even when it holds less than 100% of the value (for example in a joint venture). The organizational boundary includes all companies in joint operations, with combined control or connected, where Eni owns the operational control. The inclusion is based on risk a-based clusterization process to define the impact and the materiality of each company in terms of HSE issues, including GHG emissions. Scope 3 emissions boundary is more heterogeneous, given the variability of emissions categories and the methodology applied, and it is better explained in the dedicated section (see p. 52). For the category 11, (use of sold products), which is the most relevant one, the reference boundary is the upstream equity hydrocarbons production sold.

Medium-Long Term Emissions Indicators

Regarding the Lifecycle GHG Emissions Indicators, the reference boundary includes lifecycle GHG emissions for all the energy products businesses of Eni (Scope 1+2+3), accounted for on an equity basis in line with financial

reporting, net of carbon sinks. For the Net Carbon Footprint Upstream indicator, the accounting boundary includes GHG Scope 1 and 2 emissions related to hydrocarbon exploration and development activities both operated by Eni and third parties, accounted for on an equity basis (Revenue Interest) net of annulments from forestry credits occurred in the reference reporting year.

Operational Boundaries

Regarding the Operational Boundaries, both Scope 1 and Scope 2 direct and indirect GHG emissions reporting encompasses the operations of all Eni business lines, its Italian and abroad subsidiaries, sites and facilities as listed in the 2020 Annual Report.

Some categories (as per GHG Protocol classification) of Scope 3 indirect emissions are not within the scope of the Statement/Scope 3 calculation, in detail: Category n.8 - Upstream leased assets, Category n.9 - Downstream transportation and distribution, Category n.13 - Downstream leased assets and Category n.15 - Investments.

GHG emissions sources tracked/monitored/reported are classified according to WBCSD/WRI GHG Protocol Initiative Standard and technical standard ISO 14064-1 in direct emissions (Scope 1) and indirect emissions (Scope 2 and Scope 3). In the following paragraph, every GHG emission Scope is defined and some sources relevant to Eni are identified. GHG gases considered are CO₂, CH₄ and N₂O¹. GWP over 100 years as set by the 4th Assessment Report by IPCC are applied² to convert emissions in CO₂eq.

GHG Emissions Accounting and Reporting Process

Eni has implemented a process to collect, account and report GHG emissions based on the following pillars:

- Internal procedures have been implemented for the identification of material GHG emission sources and for the identification of common methodologies to calculate GHG emissions at the bottom-up level. Methodologies are broadly inspired by WBCSD GHG Protocol, IPIECA O&G Guidance and API Compendium;
- Centralized tools have been implemented to ensure a proper calculation of GHG Emissions at the bottom-up level.

¹) Eni has carried out an analysis to assess materiality of others GHG gases (HFCs, PFCs and SF₆) based on available reported data. The analysis showed that these are not material for Eni as well as for the Oil & Gas industry, as they contribute for about 0,1% of the total CO₂+CH₄+N₂O, as stated in the Kyoto protocol.

²) As communicated by the European Environment Agency, GWP used in calculations since 2015 are: 25 for Methane and 298 for Nitrous Oxide.

Informative tools are managed by centralized units and 3rd party verified, to ensure that emissions are estimated with homogenous approaches between subsidiaries, minimizing the risk of error;

- Specific procedures for data collection are applied, consistently with the organizational structure of the Company, identifying clearly role and responsibility and the reporting timeline. Data are collected with a bottom-up approach: GHG operators of sites and facilities within Eni's operational boundary insert data into Eni's database. Then such inserted data are handled by Central Unit and it is filed on Eni servers, through rules and procedures internal to Eni.
- Quality Assurance/Quality control procedures are applied to ensure the accuracy and consistency of emissions data. Additional information is collected to ensure data consistency, to track performance and to better explain potential changes in trends and objectives. Finally, Internal

auditing is also planned at the subsidiary level, covering also GHG emissions data.

GHG Accounting Methodologies

Direct GHG Emissions - Scope 1

Stated Scope 1 GHG emissions come from sources owned or controlled by Eni Group, including:

- Emissions from "core" and support operations owned or controlled by Eni, including GHG emissions connected with energy generation export to both Eni's and out of boundary sites;
- Emissions from leased assets/operations (leased vehicles fleet).

Scope 1 GHG emissions are classified in the following categories:

Combustion and Process	GHG Emissions from stationary combustion, mobile sources and industrial process operations (e.g. Steam reforming, catalytic cracking).
GHG Emissions from Flaring	GHG emissions from the controlled combustion of hydrocarbons. This type of source includes emissions deriving from: routine flaring, non-routine and emergency flaring.
GHG Emissions from venting	GHG emissions from venting in Oil & Gas exploration and production operations, power generation and gas transportation operations. In detail: CO ₂ and CH ₄ within unburned gases discharged through venting openings.
Fugitives CH₄ Emissions	Unintentional leaks from plant's equipment like pumps, valves, compressor seals, open end lines, etc.

GHG emissions are estimated from measured Activity data and expressed in metric ton of CO₂ equivalent, using Global Warming Potential (IPCC, 4AR) as the conversion factor.

Activity data (e.g. burned fuel, electrical energy, traveled distance) according to their physical origin, are taken from: i) fuel gauge meters' records; ii) utility bills, e.g. for electric energy consumption; iii) direct measurement (for fugitive emissions as LDAR); iv) other methods arranged in some Eni's sites and facilities.

Emission Factors used are mostly calculated using fuel gas composition³ or taken by literature, consistently with:

- EU-ETS Regulation 601/2012, Table of national standard parameters for the year 2020, reviewed and published by Italian Minister for environment sea and land protection,

applied to: natural gas, LPG, refinery fuel gas, gas derived from oil, flared gas;

- API Compendium of Greenhouse Gas Emissions Methodologies for the Oil and Natural Gas Industry 2009 for CO₂, CH₄ e N₂O.

In Eni's sites and facilities where a Leak detection and repair program (LDAR) is in place, fugitive GHG emissions are estimated, reported and monitored through periodic measurement and mostly applying emissions factors from API or EPA standards (e.g. EPA protocol n. 453) and expressed as [tCO₂eq/year]. Whereas the LDAR program is not yet in place, fugitive emissions are estimated through emissions factors, achieved starting from oil and gas production (API Compendium 2009).

³ In Eni's facilities which are within scope of European Trading Scheme, if mandatory and chemical composition of fuel gas or flare gas are known, a source specific emission factor is calculated; otherwise emissions factors from references above is used. In Eni's facilities of Upstream BU line, if chemical composition of fuel gas, flare and vented gas are known, a specific emission factor is calculated, otherwise emissions factors from API Compendium are used.

Scope 2 Emissions

Stated Scope 2 GHG emission from the generation of electricity, steam, heating and cooling purchased externally and consumed by Eni are included in this category. The general criteria to estimate emissions is the same used for Scope 1 (see eq.1). Emissions are estimated by applying a *location-based* approach, considering the average energy mix in countries where 3rd party purchases occur.

The references for Scope 2 Emissions factors from electricity purchases are: IEA 2019 CO₂ emissions from fuel combustion for CO₂ and API Compendium 2009 for CH₄ e N₂O. Emissions factors used to calculate indirect emissions from steam

purchases are derived from API Compendium 2009.

The trading of electric energy carried out by Eni and their relevant GHG emissions are accounted for as Scope 3, Category n.3 "Fuel and Energy-related activities".

Scope 3 Emissions

Stated Scope 3 GHG emissions are those connected with the Eni value chain and not accounted for as either Scope 1 or Scope 2 GHG emissions. Scope 3 indirect GHG emissions are classified in the following categories, according to the WBCSD/ WRI GHG Protocol Initiative, Corporate Value Chain (Scope 3) accounting and reporting Standard, and the IPIECA standard:

Id.	Categoria	Descrizione
1	Purchased goods and services	GHG emissions associated with goods and services purchased from the first level supply chain, through purchase contracts managed by Eni's procurement department, that provides information on the type of purchases and associated expenditure. The boundary covers Eni and all controlled subsidiaries; some goods and services not managed by the procurement department may be included in other categories (e.g. transportation, sold products).
2	Capital goods	GHG emissions from purchased capital goods from tier 1 supply chain and purchases' contracts issued by Eni Procurement department. Purchased capital goods are those identified as Capex in Eni 2020 Annual Report. The boundary covers Eni and all controlled subsidiaries; some goods and services not managed by the procurement department may be included in other categories (e.g. transportation, sold products).
3	Fuel and energy-related activities (not included in Scope 1 or Scope 2)	GHG emissions from fuel and energy are not accounted for either in Scope 1 or Scope 2, purchased by Eni and sold to end-users in 2020. It includes Gas & Power sales of Electricity (GGP and Eni gas e luce SpA).
4	Upstream transportation and distribution	GHG emissions from purchased transportation and distribution services paid by Eni and carried out with vehicles not owned by Eni, including: i) Crude Oil and Petroleum Product maritime transportation, based on the fuel consumed in direct transportation (laden shipping); ii) Petroleum Products road transportation; iii) Equipment and materials transportation by vessels (Upstream).
5	Waste generated in operations	GHG Emissions from waste management carried out by third parties, occurred during disposal and treatment of waste generated in Eni's operations (100% operated). GHG Emissions of wastes sent to landfills include those from both transportation and disposal operations; GHG emissions from waste that undergo incineration, recycling or biological/chemical/physical treatment are limited to their transportation only.
6	Business travels	GHG emissions generated by vehicles not owned by Eni used by Eni's employees for business travel in 2020. GHG emissions of leased vehicles operated by Eni are included in Category n. 7. It includes emissions from cars, planes and trains, calculated from the tickets provided by Eni Travel Management Support Services.
7	Employee commuting	GHG emissions from commuting travels home-workplace and back, carried out by Eni's employees in 2020. Travels by helicopter or by car from/to Eni's offshore facilities with leased or 3rd party vehicles are included in this category. Commuting travels of Eni Joint Ventures Employees are not included.
8	Upstream leased assets	GHG emissions from assets not owned but leased by Eni. Whenever an asset leased by Eni fall within its organizational boundary, their GHG emissions are accounted for as Scope 1 and those from electric energy consumptions as Scope 2 emissions. GHG emissions in this category have not been estimated in 2020 because relevant activity data is not easily collected and a hypothesis on it is not simple to make.
9	Downstream transportation and distribution	GHG emissions due to transportation and distribution services of sold products (not paid for by Eni). GHG emissions from transportation and distribution services purchased by Eni are accounted for in Category 4, because the transportation occurs before they are sold to final customers. Indeed, most of Eni's products are fuels, so when they are sold to final customers they are not transported or distributed. Moreover, this category is not expected to be material, also according to the recent IPIECA/API overview of methodologies for estimating Scope 3 emissions from the O&G Industry.
10	Processing of sold products	GHG emissions from processing carried out by a third party of crude oil and natural gas sold by Eni. It includes equity production of crude oil and natural gas not sent to Eni refineries or sold internally to Eni's Group.

Id.	Categoria	Descrizione
11	Use of sold products	GHG emissions associated with end use of energy products sold by Eni, calculated according to sectorial guidelines (IPIECA), based on the Upstream hydrocarbon production sold and considering average destination of use based on literature data (IEA).
12	End-of-life treatment of sold products	GHG emissions associated with the end-of-life treatment of products not burned during their use. Eni's products with the relevant end of life treatments are: i) Asphalts and lubricants – Refining; ii) olefins, aromatics, intermediates, styrenics, polyethylene and elastomers – Petrochemical.
13	Downstream leased assets	GHG emissions from assets owned by Eni but leased to third parties. Emissions from this category are not expected to be material and relevant for the Oil & Gas industry. Eni doesn't account for Scope 3 emissions related to facilities and buildings not owned and not operated by Eni. The reason is that, besides the data difficult to retrieve, Eni cannot control the emissions and hasn't the opportunity to implement a reduction project, so this source should be assumed as not relevant.
14	Franchises	GHG emissions from fuel stations in franchising not included in the Scope 1 and 2 emissions.
15	Investments	GHG emissions from operations of investments (as such classified in the financial report) carried out in the reporting year. Investment emissions are potentially material only for those companies with significant joint ventures that are not included in their Scope 1 and 2 inventory. In the case of Eni, GHG inventory is based on the operational approach and also includes 100% emissions of joint venture investments in which Eni is the operator. This leads to an already conservative estimation because operated production is far higher than equity production.

Indirect Scope 3 GHG emissions from: "Upstream leased assets", "Downstream transportation and distribution", "Downstream leased assets" and "Investments" are out of scope.

For the Oil & Gas Sector, the most relevant category is the Use of sold products (cat. 11), for which GHG emissions are estimated as if all oil and natural gas production sold were consumed in 2020. To set the activity data, the net volume accounting method⁴ has been applied, considering only upstream equity

hydrocarbons production, which is the greatest hydrocarbon volumes along the O&G value chain. Internal elaborations, based on the IEA refining conversion rates from the standard oil barrel, have been used to calculate the final products sold.

GHG Emissions Data

Below are reported **Scope 1** GHG emissions categorized by gas and Business Units:

Scope 1 GHG Emissions [t]	Upstream	GGP	GTR&M	Versalis	Enipower	Other	Eni
CO ₂	19,660,014	290,925	3,851,111	2,747,169	9,553,636	16,193	36,119,049
CH ₄	51,390	2,938	109	395	942	87	55,862
N ₂ O	524	1	61	75	168	0	828
tCO₂eq	21,100,954	364,608	3,872,099	2,779,283	9,627,116	18,400	37,762,458

Emissions reported as Upstream also include contributions of some power plants generating electricity not linked with hydrocarbon production, excluding them, Upstream GHG emissions related to hydrocarbons production in 2020 are equal to 20,214,102 tCO₂eq.

This figure is used to calculate the Upstream GHG intensity Indicator.

The following table displays 2020 **Scope 2** indirect Emissions from the use of purchased electricity, steam, heating and cooling disaggregated by business line:

Scope 2 GHG Emissions [t]	Upstream	GGP	GTR&M	Versalis	Enipower	Other	Eni
CO ₂	187,083	3,270	41,273	350,410	44,571	70,901	697,508
CH ₄	15	0	2	13	2	4	37
N ₂ O	33	1	9	43	8	17	111
tCO₂eq	197,429	3,440	44,012	363,690	46,926	76,108	731,606

4) Reference: Estimating petroleum industry value chain (Scope 3) greenhouse gas emissions. Overview of methodologies, IPIECA – 2016.

Scope 2 GHG emissions broken down by type of energy purchased are:

GHG Emissions Sources	[tCO ₂ eq]
Electric energy purchases	549,596
Heat and steam purchases	182,010
Overall GHG Scope 2	731,606

In the following table are displayed 2020 **Scope 3** GHG emissions per category:

Id	Emissions sources	[tCO ₂ eq]
1	Purchased goods and services	894,899
2	Capital goods	408,971
3	Fuel and energy - related activities	5,991,346
4	Upstream transportation and distribution	1,297,937
5	Waste generated in operations	53,904
6	Business travels	6,301
7	Employee commuting	171,612
8	Upstream leased assets	Out of Scope
9	Downstream transportation and distribution	Out of Scope
10	Processing of sold products	11,609,637
11	Use of sold products	185,095,217
12	End-of-life treatment of sold products	181,872
13	Downstream leased assets	Out of Scope
14	Franchises	214,060
15	Investments	Out of Scope

In the following table is displayed 2020 data of the **Medium-Long term GHG Emissions Indicators**:

Medium-long term Indicators	2020
Net carbon footprint UPS (MtCO ₂ eq)	11.4
Net GHG Lifecycle Emissions (MtCO ₂ eq)	439
Net Carbon Intensity (grCO ₂ eq/MJ)	68

Annex - References

Data and information included are consistent with best practices for inventory development and is derived from the guidance provided by:

- WBCSD/WRI GHG Protocol Initiative, A Corporate Accounting and Reporting Standard.
- UNI EN ISO 14064-1:2012 Italian adoption of EN ISO standard on Specification with guidance at the Organization level for quantification and reporting of Greenhouse gas emissions and removals.
- Intergovernmental Panel on Climate Change (IPCC), Guidelines for National Greenhouse Gas Inventories, 2006.
- American Petroleum Institute (API), Compendium of Greenhouse Gas Emissions Methodologies for the Oil and Natural Gas Industry, 2009.
- IPIECA/API, Estimating petroleum industry value chain (Scope 3) Greenhouse Gas Emissions – Overview of methodologies, 2016.
- WBCSD/WRI GHG Protocol Initiative, Corporate Value Chain

(Scope 3) accounting and reporting Standard.

- WBCSD/WRI GHG Protocol Initiative, Technical Guidance for calculating Scope 3 emissions (supplement to the Corporate Value Chain (Scope 3) accounting and reporting Standard).
- Intergovernmental Panel on Climate Change (IPCC), 4th IPCC Assessment Report Climate Change, 2007.
- EU ETS Regulation 601/2012, Table of national standard parameters for the year 2020, reviewed and published by Italian Minister for environment sea and land protection.
- UK Government GHG Conversion Factors for Company Reporting, published by the Department for Environment, Food & Rural Affairs (DEFRA) for the year 2018.

Furthermore, Eni Group's protocols and procedures on GHG emissions are applied. For the Net GHG Lifecycle emissions and the Net Carbon Intensity indicators, the reference is the *"Methodology for the assessment of GHG emissions along the value chains of Eni products 2020 revision – abstract"*.

Independent Auditors' Report



Independent auditor's report on the reasonable assurance engagement of direct (Scope 1) and indirect (Scope 2) GHG emissions and on the limited assurance of indirect (Scope 3) GHG emissions, Lifecycle GHG Emissions Indicators and Net Zero Carbon Footprint Upstream (Scope 1 and 2) on an equity basis disclosed in Eni's Statement on GHG Accounting and Reporting – Year 2020.

To the Board of Directors of Eni SpA

We have been engaged to perform a reasonable assurance engagement on the direct (Scope 1) and indirect (Scope 2) Greenhouse Gases (hereinafter "GHG") emissions and a limited assurance engagement on the indirect (Scope 3) GHG emissions, on the Lifecycle GHG Emissions Indicators and on the Net Carbon Footprint Upstream (Scope 1 and 2) on an equity basis disclosed in the Statement on GHG Accounting and Reporting – Year 2020 of Eni Group (hereinafter the "Group") for the year ended 31 December 2020 (hereinafter the "GHG Statement").

Responsibility of the Directors for the GHG Statement

The Directors of Eni SpA are responsible for preparing the GHG Statement in accordance with the applicable criteria, as indicated in the Annex "References" of the GHG Statement.

The Directors are responsible for that part of internal control that they consider necessary to prepare a GHG Statement that is free from material misstatements due to fraud or unintentional behaviors or events.

Moreover, the Directors are also responsible for defining the GHG performance targets of Eni Group, as well as for identifying the stakeholders and the significant aspects to be reported.

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 Italy 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.

PricewaterhouseCoopers SpA

Sede legale: **Milano** 20145 Piazza Tre Torri 2 Tel. 02 77851 Fax 02 7785240 Capitale Sociale Euro 6.890.000,00 i.v. C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 071 2132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 080 5640211 - **Bergamo** 24121 Largo Belotti 5 Tel. 035 229691 - **Bologna** 40126 Via Angelo Finelli 8 Tel. 051 6186211 - **Brescia** 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - **Catania** 95129 Corso Italia 302 Tel. 095 7532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 055 2482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 010 29041 - **Napoli** 80121 Via dei Mille 16 Tel. 081 36181 - **Padova** 35138 Via Vicenza 4 Tel. 049 873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091 349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521 275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 085 4545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06 570251 - **Torino** 10122 Corso Palestro 10 Tel. 011 556771 - **Trento** 38122 Viale della Costituzione 33 Tel. 0461 237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422 696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 040 3480781 - **Udine** 33100 Via Poscolle 43 Tel. 0432 25789 - **Varese** 21100 Via Albuzzi 43 Tel. 0332 285039 - **Verona** 37135 Via Francia 21/C Tel. 045 8263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444 393311

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Auditor's responsibility

We are responsible for expressing a conclusion, on the basis of the work performed, regarding the compliance of the GHG Statement with the applicable criteria applied as indicated in the Annex "References" of the GHG Statement. We conducted our engagement in accordance with the with "International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (hereafter "ISAE 3000 Revised") and "International Standard on Assurance Engagements 3410 – Assurance Engagements on Greenhouse Gas Statement" (hereafter also "ISAE 3410"), issued by the *International Auditing and Assurance Standards Board* (IAASB) for reasonable assurance (Scope 1 and Scope 2 GHG Emissions) or limited assurance (Scope 3 GHG emissions, Lifecycle GHG Emissions Indicators and Net Zero Carbon Footprint Upstream (Scope 1 and 2) on an equity basis) engagements. The standard requires that we plan and perform procedures to obtain reasonable or limited assurance about whether the GHG Statement is free from material misstatement; it also indicates that a "GHG quantification is subject to inherent uncertainty" because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

A reasonable engagement in accordance with ISAE 3410 (carried out with regard to Scope 1 and Scope 2 GHG emissions) involves performing procedures to obtain evidence about the quantification of emissions and related information in the GHG Statement. The nature, timing and extent of procedures selected depend on the practitioner's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error, in the GHG Statement. In making those risk assessments, we considered internal control relevant to Eni Group's preparation of the GHG Statement. A reasonable assurance engagement also includes interviews, primarily with company personnel responsible for the preparation of the information presented in the GHG Statement, analysis of documents, recalculations and the following activities aimed at:

1. understanding of the process and the risks underlying the generation, detection and management of the Scope 1 and Scope 2 GHG emissions data and information reported in the GHG Statement. In order to assess the above-mentioned risks of the subject matter information we have conducted interviews and discussions with the management of Eni Group;
2. performing control testing activities to respond to a set of identified risks; in particular, we have conducted interviews and discussions with the management of Eni Group in order to:
 - select controls to test focusing on those controls deemed relevant for the scope of the assurance activity;
 - assess and consider the risk associated with each control selected for testing, in order to determine the nature, timing, and extent of evidence to be obtained about the control's operating effectiveness;
 - based on the above, evaluate and obtain evidence whether the controls selected for testing have operated effectively;
 - comment and discuss any deviation and understand its materiality.
3. performing substantive testing activities to respond to a set of identified risks; in particular, we have conducted interviews and discussions with the management of Eni Group in order to:
 - understand the processes underlying the preparation, collection and management of the significant qualitative and quantitative information included in the GHG Statement;
 - test the subject matter information for mathematical accuracy, consistency and cross-referencing with relevant documentation acquired;
 - comment and discuss any deviation and understand its materiality.



We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

A limited assurance engagement (carried out with regard to Scope 3 GHG emissions, Lifecycle GHG Emissions Indicators and Net Zero Carbon Footprint Upstream (Scope 1 and 2) on an equity basis) undertaken in accordance with ISAE 3000 Revised and ISAE 3410 involves assessing the suitability in the circumstances of Eni Group's use of applicable criteria applied as indicated in the Annex "References" of the GHG Statement as the basis for the preparation of the GHG statement, assessing the risks of material misstatement of the GHG statement whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the GHG statement. A limited assurance is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we have performed the following activities:

- a) understanding of the processes that lead to the generation, detection and management of the Scope 3 GHG emissions, Group's Lifecycle GHG Emissions Indicators and Net Zero Carbon Footprint Upstream (Scope 1 and 2) data and information reported in the GHG Statement;
- b) performing of limited verification procedures to ascertain the correct calculation and aggregation of data, by means of interviews and discussions with the management of Eni Group and of limited documentary evidence procedures.

The procedure performed in a limited assurance engagement vary in nature and timing form, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether Eni Group's GHG Scope 3 GHG emissions, Lifecycle GHG Emissions Indicators and Net Zero Carbon Footprint Upstream (Scope 1 and 2) on an equity basis have been prepared, in all material respects, in accordance with the criteria applied as indicated in the Annex "References" of the GHG Statement as the basis for the preparation of the GHG statement.

Conclusion

In our opinion, Eni Group's direct (Scope 1) and indirect (Scope 2) GHG emissions for the year ended 31 December 2020 disclosed in the GHG Statement are prepared, in all material respects, in accordance with the applicable criteria, as indicated in the Annex "References" of the GHG Statement.

Based on the limited assurance procedure we have performed, nothing has come to our attention that causes us to believe that Eni Group's:

- indirect (Scope 3) GHG emissions for the year ended 31 December 2020,
- Lifecycle GHG Emissions Indicators for the year ended 31 December 2020,



- Net Zero Carbon Footprint Upstream (Scope 1 and 2) on an equity basis for the year ended 31 December 2020,

disclosed in the GHG Statement are not prepared, in all material respects, in accordance with the applicable criteria, as indicated in the Annex “References” of the GHG Statement.

Other aspects

We have verified that Eni Group owns plants subject to the *European Union Emissions Trading Scheme* - EU ETS, which are ISO 14064 certified by a third-party certification body. We have carefully analysed the activities performed by the third-party certification body and we have evaluated the sufficiency and appropriateness of the evidence obtained. Therefore, we have deemed it not necessary to perform additional assurance activities on the certified GHG emissions subject to the EU ETS scheme.

Milano, 12 May 2021

PricewaterhouseCoopers SpA

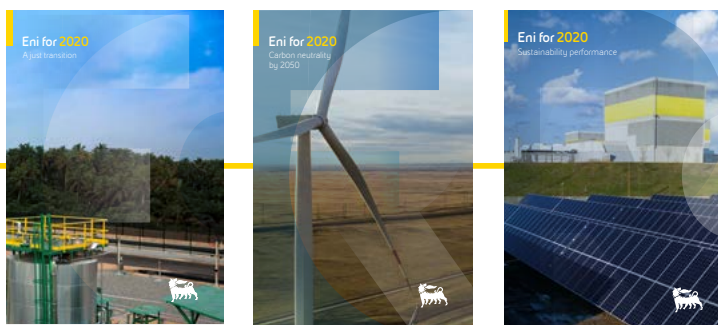
Paolo Bersani
(Authorised signatory)

Eni's non-financial reporting

Through its non-financial reporting, Eni wants to proactively describe its role in the energy transition, sharing its values, corporate strategies, objectives and results achieved to date. For this reason, also aware of the increasing centrality of non-financial information, over the years Eni has developed an articulated reporting system with the aim of satisfying the information needs of its stakeholders in a complete and timely manner in terms of both variety and of level of deepening.

The **2020 Consolidated Disclosure of Non-Financial Information (NFI)**, prepared in accordance with the requirements of Legislative Decree 254/2016 (transposing European Directive 95/2014) and published in the Annual Report 2020, has the aim of clearly and concisely meeting the information needs of Eni's stakeholders, further promoting the integration of financial and non-financial information. The NFI provides integrated reporting on the management model, policies applied, main risks and results related to environmental, social, personnel, human rights and anti-corruption issues.

■ **For more information: Annual Report 2020**



Your feedback is important to us. If you have any comments, suggestions or questions, please write an email to sostenibilita@eni.com

Eni for 2020 - A just transition

Report that describes how, through the integrated business model, Eni creates long-term value, through the operational excellence model, alliances for local development and carbon neutrality by 2050.

Eni For 2020 - Carbon neutrality by 2050

In-depth analysis of governance, risk management activities, strategy and main Eni metrics and targets on climate change.

Eni for 2020 - Sustainability performance

This report, available only online, provides an overview of non-financial performance indicators along the three pillars of Eni's business model.

Other reports

By June 2021 Eni will publish **Eni for Human rights**. Report describing Eni's strategy on promoting and respecting human rights and reporting the main activities and performance indicators. In addition to these documents, Eni publishes **other local sustainability reports** on an annual basis, which will be available in the course of 2021 on the site [eni.com](https://www.eni.com) ■ **For more information: eni.com**

REPORTING PRINCIPLES AND CRITERIA

Eni for 2020 is prepared in accordance with the "Sustainability Reporting Standards" of the Global Reporting Initiative (GRI Standards) with an "in accordance Core" level of adherence and taking into account the 10 principles of the Global Compact. Eni for 2020 - Carbon Neutrality by 2050 is prepared in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Moreover, for the first time, in line with the commitment to promote a complete and comparable disclosure, the metrics related to the Sustainability Accounting Standards Board (SASB) standard and the "core" metrics defined by the World Economic Forum (WEF) in the White Paper "Measuring Stakeholder Capitalism - Towards Common Metrics and Consistent Reporting of Sustainable Value Creation" were published (the latter already included in the Non-Financial Information). The reference tables related to the GRI standards, the TCFD recommendations, the SASB standards and the WEF metrics are available in Eni for 2020 - Sustainability Performance and on eni.com. ■ **For more information: Eni for 2020 - Sustainability performance (pp. 57-58)**

EXTERNAL ASSURANCE

Eni for 2020 was also subjected to limited assurance this year by the same independent auditors who also audited the Consolidated Financial Statements and the NFI (■ **For more information: Eni for 2020 - A just transition, pp. 97-99**). In addition, GHG Scope 1 and Scope 2 emissions are also subject to a reasonable assurance by the same external auditing company (PwC), with the aim of guaranteeing an even greater solidity of these data having strategic relevance for Eni. ■ **see pp. 56-59**



Eni SpA

Headquarters

Piazzale Enrico Mattei, 1 - Rome - Italy

Capital Stock as of December 31, 2020: € 4,005,358,876.00 fully paid

Tax identification number 00484960588

Branches

Via Emilia, 1 - San Donato Milanese (Milan) - Italy

Piazza Ezio Vanoni, 1 - San Donato Milanese (Milan) - Italy

Contacts

eni.com

+39-0659821

800940924

segreteria@societaria.azionisti@eni.com

Investor Relations

Piazza Ezio Vanoni, 1 - 20097 San Donato Milanese (Milan)

Tel. +39-0252051651 - Fax +39-0252031929

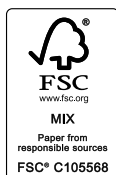
e-mail: investor.relations@eni.com

Layout and supervision

K-Change - Rome

Printing

Tipografia Facciotti - Rome - Italy



Printed on Fedrigoni Arena paper



ELEMENTAL
CHLORINE
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Eni for 2020 - Sustainability Report



00280

Eni for 2020

Sustainability performance



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.

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.

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.



Disclaimer

Eni for 2020 is a document published on a yearly basis which contains certain forward-looking statements related to the different topics covered therein. Forward-looking statements are based on Eni management's reasonable assumptions and belief in light of the information available to them at the time the statements are made. Nevertheless, by their nature, forward-looking statements involve a component of uncertainty as they relate to events and depend on circumstances that may or may not occur in the future and which are, in whole or in part, out of Eni's control. Actual results, also with reference to the targets and objectives identified in the strategic planning or those of Corporate Governance, may differ from those expressed in such statements, depending on a variety of factors, including without limitation: the impact of the pandemic disease (COVID-19); the fluctuation of the demand, the offer and the pricing of oil and natural gas and other oil products; the actual operational performances; the general macroeconomic conditions; geopolitical factors and changes in the economic and regulatory framework in many of the Countries in which Eni operates; the achievements reached in the development and use of new technologies; changes in the stakeholders' expectations and other changes to the business conditions. The readers of the document are therefore invited to take into account a possible discrepancy between the estimates reported and the results that may be achieved as a consequence of the occurrence of the above. Eni for 2020 also contains terms such as, for instance, "partnership" or "public/private partnership" used for convenience only, without a technical-legal implication. "Eni" means the parent company Eni SpA and its consolidated subsidiaries.

On the cover: The Green Data Center of Ferrera Erbognone (province of Pavia) hosts the HPC5, the most powerful and sustainable industrial supercomputer in the world, recently also used for fighting the health emergency.

Some photos contained in this report were taken by Eni colleagues who participated in an internal Photo Contest organized to help Eni to describe its sustainability path.

Contents

Why read Eni for 2020?

In this document, Eni wants to describe its contribution to a just transition, an energy transition that allows to give access to energy for all and to protect the environment, while being socially fair. Eni for 2020 recounts Eni's path to meet these challenges, which are now even harder following the health emergency that began in 2020.

Eni for explores Eni's business model and in particular Operational Excellence, i.e. the enabling factors for achieving strategic objectives, as well as the importance of our Alliances for Development for creating value in the countries where Eni operates.

Eni for also includes two annexes, one detailing the path towards "Carbon neutrality by 2050" and one dedicated to the Sustainability performance over the last 5 years, with related comments.

Compared to the Consolidated Disclosure of Non-Financial Information (pursuant to Leg. Decree 254/2016) published within the Annual Report to provide an integrated view of financial and non-financial information, Eni for is a voluntary sustainability report aimed at further exploring non-financial issues by presenting concrete cases and testimonials of people with whom Eni shares its journey.

For more information:
[Annual Report 2020](#)

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Eni for - Other documents

[Eni for 2020 - A just transition](#)
 [Eni for 2020 - Carbon neutrality by 2050](#)

Introduction

This document is part of Eni's voluntary sustainability reporting, which includes also Eni for 2020 - A just transition and Eni for 2020 - Carbon neutrality by 2050. Eni for 2020 - Sustainability performance aims to represent the Group's non-financial performance, highlighting the Key Performance Indicators (KPIs) related to the five-year period 2016-2020 along the three levers of Eni's integrated business model – Carbon Neutrality by 2050, Operational Excellence and Alliances for Development – whose objective is the creation of long-term value for all stakeholders. Eni is committed to contributing, directly or indirectly, to the achievement of the 17 Sustainable Development Goals (SDGs) by seizing new business opportunities, supporting a socially fair energy transition (Just Transition), which responds with concrete, rapid and economically sustainable solutions to the challenges of combating climate change and providing access to energy resources in a way that is efficient and sustainable for everyone.

In this contest, business management can be measured by means of non-financial indicators which, in a process of continuous improvement, provide guidance in setting out future strategies and goals.

Therefore, the development of a specific document to describe non-financial performance and the evolution of its transformation path aims at ensuring transparency with regard to Eni's operations in order to be able to maintain a constructive and proactive dialogue with its stakeholders.

The document is prepared in accordance with the international reference standards for non-financial reporting: the Sustainability Reporting Standards of the Global Reporting Initiative (GRI) and for the first year, as in the Consolidated Non-Financial Statement¹, the "core" metrics defined by the World Economic Forum (WEF) in the White Paper "Measuring Stakeholder Capitalism - Towards Common Metrics and Consistent Reporting of Sustainable Value Creation" of September 2020 have been included. Eni announced its support for the initiative, which aims to define common metrics for long-term value creation and to further promote the convergence of ESG standards and principles. In addition, from this year a table linking the metrics provided for in the SASB Exploration & Production standard² has also been included and will be published on the eni.com website for possible updates during the year.

■ [see pp. 57-58](#)

Eni's non-financial performance and the Sustainable Development Goals

The UN's 2030 Agenda for Sustainable Development, presented in New York in September 2015, identifies 17 Sustainable Development Goals (SDGs) which represent common goals for the current complex social challenges and are an important reference for the international community.

As part of these global challenges, energy plays a fundamental role in the satisfaction of the primary needs, in the socio-economic development of Countries, the protection of

the environment and international security. Aware of this, Eni, in its Four-Year and Long-Term Strategic Plan, has defined objectives that contribute to achieving the SDGs and that are measured through specific KPIs reported in this document³. In this way, Eni addresses its own business and is able to seize new opportunities, highlighting both the value generated and the mitigation actions of the negative impacts that may be caused by the business itself.



1) See the Consolidated Non-Financial Statement, integrated in **Eni's Annual Report**.

2) Sustainability Accounting Standards Board Exploration & Production; a non-profit organisation founded in 2011 that defines sustainability standards.

3) The identification of the KPIs was carried out taking as reference both the document "An Analysis of the Goals and Targets" (published by GRI and UN Global Compact) and the document "Mapping the oil and gas industry to the Sustainable Development Goals: An Atlas" (published by IPIECA).

Governance and business ethics

For more information:
[Eni for 2020 - A just transition](#)
[Sustainability governance, pp. 14-15](#)
[Eni for 2020 - Carbon neutrality by 2050](#)

Board of Directors and control bodies of Eni group^(a)

		2016	2017 ^(b)	2018	2019	2020 ^(c)	SDGs - target
Members of Eni SpA Board of Directors	(number)	9	9	9	9	9	16.7
executive		1	1	1	1	1	
non-executive		8	8	8	8	8	
independent ^(d)		7	7	7	7	7	
non-independent		2	2	2	2	2	
Representation of Minority Shareholders		3	3	3	3	3	
Presence of women on the Boards of Directors		3	3	3	3	4	8.5
Eni SpA Board of Directors Annual Meetings		14	13	12	13	15	
Average attendance at Eni SpA Board of Directors	(%)	98	100	99	100	100	
Annual board induction sessions/ongoing training of Eni SpA Board of Directors	(number)	2	4	2	1	3 ^(e)	
Presence of women on the Boards of Directors	(%)	27	32	33	29	26	5.5
Presence of women on the Boards of Statutory Auditors ^(f)		37	37	39	37	37	5.5

(a) For consistency with the representation in the 2020 balance sheet, the Eni Group is understood to mean Eni SpA and its fully consolidated subsidiaries.

(b) Refers to the Board in office until the 13th of April 2017 and from the 13th of April 2017 to the Board in office until the 13th of May 2020.

(c) Refers to the Board in office from the 13th of May 2020.

(d) Refers to independence as defined by the law, referred to in Eni's By-Laws.

(e) Further induction sessions open to all Directors and Statutory Auditors were held within the Board Committees and in the Board of Statutory Auditors.

(f) Outside of Italy, only the companies with a control body similar to the Italian Board of Statutory Auditors are considered.

The Board of Directors (BoD) and the Board of Statutory Auditors (BoSA) are appointed by the Shareholders' Meeting using the list voting system; their respective chairmen are elected by the Shareholders' Meeting with simple majorities.

Three Directors and two Auditors, including the Chairman of the Board of Statutory Auditors, are elected by non-controlling shareholders⁴. The current BoD was appointed by the Shareholders' Meeting held on 13 May 2020. To appoint the Directors, the Shareholders' Meeting took into account the advice promptly communicated to the market by the BoD previously in office on the best composition in terms of diversity, such as gender, professionalism, experience and expertise, including also the company's strategies, transformation, and energy transition path. The result is, therefore, a balanced and well-diversified Board of Directors, where more than 44% of its members and 40% of the Board of Statutory Auditors' members, including the Chairs, are women. The number of independent Directors on the BoD exceeds the number required by the By-Laws and by the law. Every year, the BoD, with the assistance of an external consultant and assisted by the Nomination Committee, carries out a self-assessment (Board Review). Essential elements of this review are comparisons with best practices at national and international level, and a review of Board dy-

namics, also evaluating whether to carry out a Peer Review of directors, which was actually carried out in 2021⁵.

In line with the procedure launched several years ago, at the start of the new term of office, training sessions were carried out in support of the Board of Directors and the Board of Statutory Auditors on institutional, business and sustainability issues. Sessions were carried out during both the BoD and BoSA and the Board Committees. To support the Board of Directors and the Board of Statutory Auditors, Eni has for several years been running a training programme (Board Induction), based on presentations of Eni's activities and organisation by top management. During 2020, a number of induction sessions open to Directors and Statutory Auditors were held, as part of meetings of both the Board and Board of Statutory Auditors and Board Committees, on issues relating to the corporate structure and its business model, Eni's mission and decarbonisation path, the environmental and social sustainability of Eni's activities, governance, compliance, the internal control and risk management system, accounting and tax issues, remuneration policy and human capital. Training continues throughout the term of office with ongoing training sessions. The internal regulations on the "Corporate Governance of Eni companies", subject to the requirements of the law, provides

4) Eni's By-Laws ensure that the number of representatives of minorities exceeds the number required by law.

5) This consists of the assessment by each Board Member of the contributions made by each other Board Member.

that in selecting the members of the management and control boards of Eni's Italian and foreign subsidiaries, the need for diversity (including gender diversity) is, where possible, taken into account. In line with these regulations, Eni's commitment to favouring the presence of women in the management and in control Boards of Eni's companies is consistent. Compared to the past, the overall percentage of women on the Boards of Directors of subsidiaries decreased to 26% in 2020 (29% in 2019), while the overall percentage of women on the Boards of Directors of subsidiaries remained substantially stable at 37%.

Remuneration

The variable remuneration of the Chief Executive Officer (CEO) presents in the 2020-2023 term-of-office, in both its short and long-term components, a greater focus on sustainability objectives with particular reference to the issues of decarbonisation and energy transition, in line with Eni's strategic commitment to reducing its carbon footprint, which is part of the company's essential goals.

In particular, the 2020-2022 Long-Term Stock-based Incentive Plan provides for a specific objective (total weight 35%), based on the indicators related to the decarbonisation, energy transition and circular economy projects, in line with the objectives

communicated to the market and with an aligning perspective to the interests of all stakeholders.

Starting in 2021, the Short-Term Variable Incentive Plan, in addition to environmental sustainability targets (GHG emissions intensity, with a weight of 12.5%) and human capital targets (Severity Incident Rate, with a weight of 12.5%), envisages replacing the target on exploration resources with the target of increasing installed capacity from renewable sources (with a weight of 12.5%). In addition, the upstream GHG emissions intensity target has been extended to indirect Scope 2 emissions and to non operated assets for both the Long-term and Short-term Plans. These objectives are also set out for senior managers with strategic responsibilities and for other managerial resources, together with other sustainability objectives (e.g. relating to human rights or local development projects) in line with the role covered and with the provisions of the Strategic Plan.

The following table shows, for the current and previous term-of-office: i) the percentage of variable remuneration linked to long-term objectives with respect to total remuneration; ii) the percentage of short-term and long-term variable remuneration linked to sustainability objectives with respect to total variable remuneration, calculated by target and maximum level of sustainability performance within an overall target level of performance.

	Policy Mandate 2017-2020		Policy Mandate 2020-2023	
	Target	Maximum	Target	Maximum
CEO remuneration linked to long-term objectives (%)	53	65	55	65
CEO variable remuneration on sustainability objectives ^(a)	20	30	36	55

(a) With reference to the percentage of variable remuneration of the CEO, it should be noted that the calculation method has been modified to give evidence of the sustainability objectives included in the Long Term Plan, thus updating the data of the 2017-2020 Mandate.

CEO's pay ratio

The table below shows the pay ratios between the CEO's and General Manager remuneration and the median remuneration of employees in Italy and globally, calculated with reference to both fixed remuneration and total remuneration⁶; these pay ra-

tios are on average lower than those published by other companies in the Peer Group with an average value in 2019 of approximately 135.

	2018	2019	2020
Employees in Italy			
Ratio between the CEO/GM fixed remuneration and the median fixed remuneration of employees	37	37	37
Ratio between the CEO/GM total remuneration and the median total remuneration of employees	115	108	97
All employees			
Ratio between the CEO/GM fixed remuneration and the median fixed remuneration of employees	38	37	36
Ratio between the CEO/GM total remuneration and the median total remuneration of employees	118	110	97

6) Total remuneration includes variable monetary remuneration components and enhanced benefits.

Economic value

		2018	2019	2020	SDGs - target
Economic value generated	(€ million)	77,381	71,565	45,638	8.2 9.1 9.4 9.5
Economic value distributed ^(a)		67,912	63,103	41,437	
of which: operating costs		55,622	50,874	33,551	
of which: wages and salaries for employees		3,093	2,996	2,863	
of which: payments to capital suppliers		3,971	4,165	2,974	
of which: payments to the Public Administration		5,226	5,068	2,049	
Economic value retained		9,469	8,462	4,201	

The method for classifying the items in the 2020 financial statements, on the basis of which the values shown in this table are calculated, has been modified in order to achieve greater compliance with the reference GRI standard. The 2019 and 2018 values have been updated consistently.

(a) For the economic value distributed relating to Community Investment, please refer to the Investments for Local Development section on p. 35.

In 2020, Eni generated an economic value of €46 billion of which €41 billion was distributed, in particular: 81% are operating costs, 7% wages and salaries for employees, 7% payments to capital suppliers, 5% payments to the Public Administration. In addition, Eni received approximately €84 million in financial

assistance from the Public Administration in 2020, mainly abroad. In 2020, investments net of write-downs amounted to €1,444 million and share buy-backs plus dividend payments amounted to €1,968 million. Eni paid €2,049 million in taxes in 2020.

Research and development

For more information:

[Eni for 2020 - A just transition - Innovation, p. 25](#)

[Eni for 2020 - Carbon neutrality by 2050](#)

		2016	2017	2018	2019	2020	SDGs - target
R&D expenditure	(€ million)	161	185	197,2	194	157	9.5
of which: related to decarbonization		63	72	74	102	74	
of which: safety and risk reduction		17	26	25	20	11	
of which: others (e.g. operational efficiency)		81	87	98	72	72	
Tangible value generated by R&D		1.395	914	921	1.126	951	
First patent filing applications	(number)	40	27	43	34	25	9.5
of which: filed on renewable sources		12	11	13	15	7	
Existing patents		6.314	6.631	7.280	7.686	7.471	
Average age of patents	(years)	9,05	9,10	9,17	9,80	9,22	
Number of partnerships on R&D ^(a)	(number)	874	1.033	1.127	1.221	733	9.5
of which: with Universities and Research Centers		131	233	271	362	204	

(a) Partnerships consider purchase orders relating to goods and services that are functional to R&D activities.

For 2020, the financial commitment of Eni in scientific research and technological development amounted to €157 million (in decrease compared to 2019 due to limitations imposed by the pandemic event) of which approximately €74 million was spent on investments for decarbonisation path and circular economy. This investment refers to the issues of energy transition, biorefinement, green chemistry, production from renewable sources, reduction of emissions and energy efficiency. Eni's Research and Technological Innovation are key elements to make effective and efficient access to new energy resources, improve the use of existing ones, while reducing the impact on the environment. From this point of view the aim is to leverage the expertise of all areas of the company, in a cross-cutting and synergistic way, to draw even more value from skills projecting them towards the challenges of the energy transition. The objectives are, therefore, declined on the following strategic directives, defined as technology platforms:

- Operational Excellence: develop innovative asset development technologies, increasing energy efficiency, ensuring the highest level of safety and minimal environmental impact, while reducing CAPEX, OPEX and time-to-market of our environmental assets;
- Carbon Neutrality: decarbonization of operations and products sold, reduce, capture, transform or store CO₂, promote natural gas as an energy source in the transition to a low carbon energy mix, integrating it with renewable energies and developing innovative energy technologies;
- Circular Economy: reduce the use of raw materials, including through recycling, transforming waste into value-added

products, with a view to sustainable development based on the principles of the circular economy;

Compared to the previous strategic plan, the expenses linked to the development of R&D projects were slightly down to €787 million, with a reduction of €170 million. The difficult context due to the pandemic led to a slowdown in some operational activities. A great effort was made, however, to preserve most of the activities that could be carried out while guaranteeing safety during the pandemic event to ensure a rapid resumption of activities that involved extensive interaction with operational sites as soon as conditions permitted. All this has allowed an overall increase in the level of technological maturity, while preserving the implementation of demonstration and pre-commercial plants, in order to support an effective energy transition of the business.

Eni is also committed to identifying the value generated by applying innovative technologies developed both in-house and with third parties. In 2020, the estimated tangible value generated was €951 million, which, although down compared to 2019, is a significant value considering all the limitations in operations due to the pandemic scenario.

Among the technologies used, great attention was dedicated to those that allow an increase in the operational and energy efficiency of operations, such as those to improve the ability to describe the subsoil, or software and hardware to improve and ensure the monitoring and asset integrity of plants. In the field of refining, great attention was paid to circular economy issues with the definition of new feedstock for biorefineries. With regard to Intellectual Property in support of technological innovation, in 2020 a total of 25 new

patent applications were filed, generated by internal R&D activities and by the external network of cooperation. New patent applications directly targeted at developing technologies in the field renewable energy sources sector (biofuels, solar and energy storage) were 7. In addition to patent applications, other intellectual property rights have been generated through protection by software copyright (2) related to algorithms for decision support in the decommissioning of upstream facilities. Therefore, the total number of new intellectual property titles generated in 2020 is 27. This fig-

ure, down from 2019 (40) is affected by the heavy impact of the COVID-19 pandemic and the forced lockdown, which resulted in a reduction in both internal and external experimental activities. The decrease in the total number of rights in the portfolio (7,471, compared to 7,686 in 2019) and the decrease in the average age (9.22 years compared to 9.80 years in 2019) are the result of the periodic review of the Group's patent portfolio, aimed at improving its alignment with the industrial and business policies of Eni and its subsidiaries.

Carbon neutrality by 2050

For more information:
[Eni for 2020 - Carbon neutrality by 2050](#)

KPIs related to medium-long term targets^(a)

		2018	2019	2020	Objectives	SDGs - target
Net Carbon Footprint Upstream (Scope 1+2 GHG emissions)	(million tonnes CO ₂ eq.)	14.8	14.8	11.4	UPS Net zero 2030	
Net GHG Lifecycle Emissions (Scope 1+2+3) ^(b)		505	501	439	Net zero 2050	
Net Carbon Intensity (Scope 1+2+3) ^(b)	(gCO ₂ eq./MJ)	68	68	68	Net zero 2050	
Renewable installed capacity	(MW)	40	174	307	60 GW 2050	
Capacity of biorefineries ^(c)	(million tonnes/y)	0.36	1.11	1.11	5-6 million tonnes/y 2050	12.2 13.1

(a) KPIs accounted for on an equity based.

(b) The methodology for calculating Scope 1+2+3 emissions associated to the value chain of energy products sold, has been enhanced in order to better represent Scope 3 end-use emissions; 2019 and 2018 data are updated accordingly.

(c) Installed capacity of Gela biorefinery has been updated to 750 ktonnes/y due to a review of KPI calculation method (2019 data updated accordingly).

GHG emission

		2016	2017	2018	2019	2020	SDGs - target
Direct GHG emissions (Scope 1)	(million tonnes CO ₂ eq.)	42.15	43.15	43.35	41.20	37.76	13.1
of which: CO ₂ equivalent from combustion and process		32.39	33.03	33.89	32.27	29.70	
of which: CO ₂ equivalent from flaring ^(a)		5.40	6.83	6.26	6.49	6.13	
of which: CO ₂ equivalent from venting		2.35	2.15	2.12	1.88	1.64	
of which: CO ₂ equivalent from methane fugitive emissions		2.01	1.14	1.08	0.56	0.29	
Direct GHG emissions (Scope 1) by sector							
Exploration & Production		22.47	24.02	24.07	22.75	21.10	
Global Gas & LNG Portfolio		0.76	0.71	0.62	0.25	0.36	
Refining & Marketing and Chemicals		8.50	7.82	8.19	7.97	6.65	
Eni gas e luce, Power & Renewables		10.41	10.59	10.46	10.22	9.63	
Corporate and other activities		0.01	0.01	0.01	0.01	0.01	
Direct GHG emissions (Scope 1) by geographical area							
Italy		19.69	19.11	19.28	18.69	16.80	
Rest of Europe		1.50	1.53	1.43	1.22	1.13	
Africa		16.62	18.43	19.15	18.45	17.24	
Americas		0.78	0.80	0.68	0.67	0.41	
Asia and Oceania		3.56	3.29	2.81	2.17	2.18	
Direct GHG emissions (Scope 1) by gas							
CO ₂		38.17	40.08	40.53	39.37	36.12	
CH ₄		3.79	2.87	2.60	1.63	1.40	
N ₂ O		0.19	0.20	0.21	0.20	0.25	

(continued)

(continued)		2016	2017	2018	2019	2020	SDGs - target
Carbon efficiency index (Scope 1+2)	(tonnes CO ₂ eq./kboe)	38.26	36.01	33.90	31.41	31.64	13.1
GHG upstream emissions (Scope 1)/100% operated hydrocarbon gross production (UPS)		23.56	22.75	21.44	19.58	19.98	13.1
GHG emissions (Scope 1)/Equivalent electricity produced (EniPower)	(gCO ₂ eq./kWh _{eq.})	398	395	402	394	391.4	13.1
GHG emissions (Scope 1)/Refinery throughputs (raw and semi-finished materials)	(tonnes CO ₂ eq./ktonnes)	278	258	253	248	248	13.1
Methane fugitive emissions Upstream	(ktonnes CH ₄)	72.6	38.8	38.8	21.9	11.2	13.1
Upstream Methane Intensity (m ³ CH ₄ /m ³ marketed gas)	(%)	n.a.	0.19	0.16	0.10	0.09	
Volumes of hydrocarbon sent to flaring	(billion Sm ³)	1.9	2.3	1.9	1.9	1.8	13.1
of which: routine flaring		1.5	1.6	1.4	1.2	1.0	
CO ₂ emissions from Eni plants subject to EU ETS	(million tonnes CO ₂)	20.23	19.72	19.92	19.57	17.32	
Quotas allocated to Eni plants subject to EU ETS		7.06	8.52	7.24	7.73	6.84	
Indirect GHG emissions (Scope 2)	(million tonnes CO ₂ eq.)	0.71	0.65	0.67	0.69	0.73	13.1
Indirect GHG emissions (Scope 3)							13.1
of which: from use of sold products ^(b)		226	229	203	204	185	
of which: from processing of sold products		10.6	11.0	11.3	11.8	11.6	
of which: from electricity (purchased and sold)		5.9	5.0	5.5	6.3	6.0	
of which: from purchased goods and services (supply chain)		1.9	1.7	2.0	2.0	1.3	
of which: from transportation and distribution of products		1.4	1.9	1.8	1.6	1.3	
of which: from business travel and employees commuting		0.4	0.2	0.2	0.2	0.2	
of which: from other contributions		0.5	0.5	0.5	0.5	0.4	
Production of biofuels	(ktonnes)	181	206	219	256	622	12.2 13.1

Unless differently specified, KPIs related to GHG emissions and consumptions refer to operated assets 100% data.

(a) Starting with 2020, the indicator includes all Eni's emissions related to flaring, aggregating also the contributions of Refining & Marketing and Chemicals, which, until 2019, are accounted in the "combustion and process" category.

(b) Category 11 of GHG Protocol Corporate Value Chain (Scope 3) Standard. Based on upstream production, Eni's share, consistently with IPIECA methodologies. As of 2018, the Scope 3 emission calculation methodology has been refined in order to better represent the emissions from use of sold products (Scope 3 end-use).

For more details, specifically regarding the GHG emissions data, subject to dedicated assurance, refer to the GHG statement document attached to Eni for 2020 - Carbon neutrality by 2050.

Starting from 2016, Eni was among the first in the industry to commit to targets aimed at improving the performance related to GHG emissions from operated assets, with specific indicators showing the progress achieved so far in terms of reduction of GHG emissions into the atmosphere, use and consumption of energy resources from primary sources and production of energy from renewable sources. In addition to these, in 2020 new medium and long-term targets, accounted for on an equity basis, were defined and in 2021 they have been relaunched during the presentation of the strategy, in which Eni announced the target of net zero emissions (Scope 1, 2 and 3) by 2050. Below are Eni's main long-term objectives and the performance of the associated indicators:

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 carbon sinks, which in 2020, was down by 23% compared to 2019 due

to both the production declines occurred in relation to the health emergency and the offsetting through forestry credits equal to 1.5 million tonnes of CO₂eq.

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 carbon sinks and in 2020, it was down by 13% mainly due to the decrease in production and sales in all sectors related to the health emergency.

Zero Net 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 2020 it was essentially stable as the decrease in emissions across all sectors was accompanied by a proportional decrease in production related to the decline in activities due to the health emergency. The Energy Solutions business in 2020 grew significantly, reporting a 76% increase in **renewables installed capacity**

compared to 2019 (307 MWp in 2020 vs. 174 in 2019) and bringing production to 339.6 GWh.

For **biofuels**, the quantities produced in 2020 rose to 622 thousand tonnes, with a 143% increase with respect to the previous year.

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 2020 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 of direct emissions in tonnes of CO₂eq. and the gross production in thousands of barrels of oil equivalent, in 2020 interrupted the progressive reduction trend, due to the drop in production ascribable to the health emergency and other causes, including the reduced production in onshore fields in Libya due to force majeure caused by the geo-political instability situation and the drop in gas demand in Egypt, whose productions are associated with a low emission impact. In 2020, the index recorded a value of 20.0 tonCO₂eq./kboe. The overall reduction compared to 2014 is 26%.

Zero routine gas flaring in 2025: in 2020, the volumes of hydrocarbons sent to routine flaring, equal to 1.03 billion Sm³, fell by 14% compared to 2019 and by 39% compared to 2014, in relation to both the completion of projects to reduce flaring, in particular in Angola, and due to the decrease in activities related to the health emergency that also affected some fields with associated gas flaring.

Reduction of upstream methane fugitive emissions by 80% in 2025 vs. 2014: upstream methane fugitive emissions were 11.2 ktCH₄ in 2020, down by approximately 50% from 2019, as a consequence of the decreased production related to the health emergency and thanks to monitoring and maintenance activities carried out as part of the Leak Detection And Repair (LDAR) campaigns that are conducted on a periodic basis and to date cover approximately 60 assets. The overall reduction compared to 2014 is 90%, confirming the achievement in advance of the 80% reduction target set for 2025.

An average improvement of 2% per year in 2021 vs. 2014 of the carbon efficiency index: the target has extended the commitment of reducing GHG emissions (Scope 1+2) to all business areas. This objective refers to the overall Eni's index, maintaining the appropriate flexibility in the trends of the individual businesses. In 2020, the index was 31.64 tonCO₂eq./kboe, substantially stable with respect to 2019 (31.41 tonCO₂eq./kboe) mainly due to the drop in production related to the health emergency, and in line with the trend in the upstream sector that weighs more on the overall index. The effect was partially offset by the energy efficiency projects launched or completed during the year. [see p. 12](#)

Reported below are the trends of other indicators referred to Eni and the main sectors, which, although not subject to specific targets, contribute to.

Overall, **direct GHG emissions from assets operated by Eni** in 2020 amounted to 37.8 mln tonCO₂eq., down by 8% compared to 2019, mainly due to the decrease in activities related to the health emergency, in the upstream, power and refining sectors.

Indirect GHG Scope 2 emissions increased by approximately 5% in 2020 compared to 2019, overall maintaining a constant trend over the period 2016-2020. These emissions are related to the purchase of energy from third parties for the consumption of the operated assets and are marginal for Eni as electricity is generated mainly through own installations.

Indirect GHG Scope 3 emissions are accounted for in accordance with IPIECA guidelines, which require an activity-based analysis. Among these, GHG emissions related to the **final consumption of the products sold** (so-called Scope 3, end-use category) make the largest contribution, and are calculated on the basis of upstream production in equity share. These emissions represent a subset of the Scope 3 end-use emissions considered in the Net GHG Life-cycle Emissions and Net Carbon Intensity indicators, in particular they represent the emissions (accounted for on an equity basis) from end users from Eni's predominant supply chain, i.e. the upstream supply chain. They decreased by 9% in 2020 compared to 2019 due to the reduction in hydrocarbon production sold by the upstream business as a result of the effects related to the health emergency. For the other Scope 3 emission categories, the trend is broadly constant over the period 2016-2020, showing a decrease in 2020 mainly due to the decrease in activity in all sectors related to the health emergency.

Exploration & Production. GHG emissions (Scope 1) from operated assets decreased by 7% as a result of a drop in activity in relation to emergency health care.

Global Gas & LNG Portfolio. GHG emissions (Scope 1) were reduced by 16% compared to 2019, mainly due to the decrease in activities in the refining sector in relation to the health emergency and the subsequent shutdown of several production plants.

GHG emissions (Scope 1)/incoming processed quantities (raw materials and semi-finished products) from refineries remain broadly stable in 2020. The slight reduction in GHG emissions was proportional to the reduction in the amount of material processed.

Eni Power & Renewables. GHG emissions (Scope 1) were reduced by 6% as a result of production drops record-

ed in relation to the health emergency and the maintenance shutdown at the Ferrara plant (SEF).

GHG emissions (Scope 1)/equivalent electricity produced (EniPower) slightly decreased compared to 2019 (-0.7%). The gap is linked to the lower use of syngas at the Ferrara Erbognone plant, which has improved the emission index.

In the area of responsible approach to the biomass (defined in the specific **Eni's Position on biomass**⁷⁾ Eni is committed

to transparency and dissemination of information related to biomass used and the Country of origin, reporting this information annually.

In 2020, Eni traced 100% of the mills and plantations from which the palm oil used in Venice and Gela biorefineries. 100% of the palm oil used is ISCC certified and over 80% of the volumes come from RSPO certified mills.

The table below shows the information related to the loads processed by the biorefineries in Venice and Gela in 2020.

Biofeedstock & HVO year 2020 used by Refining & Marketing (R&M) and output

Biomass Quantity (tonnes)	Biomass Type	HVO Output (tonnes)	Country of Origin
1,049	Waste and residues (Used Cooking Oils, from Vegetable oil processing and other industrial recovered oils)	924	Benin
22,456	Waste and residues (Used Cooking Oils, from Vegetable oil processing and other industrial recovered oils)	19,523	Italy ^(a)
126,286	Waste and residues (Used Cooking Oils, from Vegetable oil processing and other industrial recovered oils)	115,406	Malaysia
336	Waste and residues (Used Cooking Oils, from Vegetable oil processing and other industrial recovered oils)	290	France
21,080	Waste and residues (Used Cooking Oils, from Vegetable oil processing and other industrial recovered oils)	19,161	Indonesia ^(b)
514,688	Palm Oil	455,471	Indonesia
13,097	Soybean Oil	11,270	Brasil

(a) Includes 4,081 tons of HVO under Italian national system produced by 4,685 tons of biomass (Venice).

(b) Includes 4,354 tons of HVO under Italian national system produced by 4,818 tons of biomass (Venice).

It should also be noted that Versalis in 2020 at the Crescentino site used 80,137 tonnes of wood chips, while at the Mantua

site 117 tonnes of sunflower oil were used for formulation purposes. All the biomass used by Versalis comes from Italy.

7) For Eni's Position on Biomass see: <https://www.eni.com/en-IT/low-carbon/biomass.html>.

Energy efficiency

		2016	2017	2018	2019	2020	SDGs - target
Electricity produced by type of source	(TWh)	27.363	28.847	29.508	27.251	26.352	7.1
of which: from natural gas		25.826	26.395	27.209	25.305	24.555	
of which: from other sources		1.537	2.452	2.299	1.946	1.797	
Energy Intensity Index (refineries)	(%)	101.7	109.2	112.2	112.7	124.8	7.3
Energy consumption from production activities/100% operated hydrocarbon gross production (upstream)	(GJ/toe)	1.71	1.49	1.42	1.39	1.52	7.3 12.2
Net consumption of primary resources/equivalent produced electricity (EniPower)	(toe/MWheq.)	0.16	0.16	0.17	0.17	0.17	7.3
Primary sources consumption	(million toe)	12.5	13.0	13.0	12.9 ^(a)	12.2	12.2
of which: natural/fuel gas		10.0	10.5	10.2	10.2	10.0	
of which: other petroleum products		2.6	2.5	2.8	2.7 ^(a)	2.2	
Primary energy purchased from other companies		0.44	0.38	0.44	0.38 ^(a)	0.48	12.2
Electricity		0.38	0.33	0.38	0.31 ^(a)	0.40	
Other sources ^(b)		0.06	0.05	0.06	0.06	0.08	
Total energy consumed		n.a.	13.4	13.5	13.2	12.8	
Regular fuel savings resulting from energy saving projects	(ktoe/y)	234	295	313	303	287	7.3

(a) These data have been revised following a refinement in the calculation methodology.

(b) Includes steam, heat and hydrogen.

In 2020, Eni's primary source consumption decreased in relation to reduced production levels. The total energy consumed in 2020 was 12.8 million toe of which Upstream 5.5, R&M 1.6 and Chemical 1.5. In 2020, Eni went ahead with its investment plan both in projects aiming directly at increasing energy efficiency at assets (€10 million) and in development and revamping projects with significant effects on the energy performance of operations. When fully operational, the interventions carried out during the year will allow fuel savings of approx. 287 ktoe/year, with a benefit in terms of

emissions reduction of approximately 0.7 million tonnes of CO₂eq. The Exploration & Production (E&P) sector made a major contribution to this result, with 50 energy efficiency initiatives implemented in 14 companies in 13 different Countries, allowing savings equal to about 286 ktoe/year of fuel. The most significant measures implemented by the sector concerned the revamping of compression units for gas for export or reinjection, adaptation of equipment to new operating conditions, thermal integration between adjacent plants and optimisation of the production network.

Operational excellence

For more information:
Eni for 2020 - A just transition
Operational excellence, pp. 34-71

People

For more information: Eni for 2020 - A just transition
- Each of us, pp. 36-41

Employment

	2016	2017	2018	2019	2020	SDGs - target
Employees as of 31st December^(a)	32,733	32,195	30,950	31,321	30,775	8.5
(number)						
Men	25,126	24,615	23,643	23,731	23,216	
Women	7,607	7,580	7,307	7,590	7,559	5.1
Italy	20,476	20,468	20,576	21,078	21,170	
Abroad	12,257	11,727	10,374	10,243	9,605	
Africa	3,546	3,303	3,374	3,371	3,143	
Americas	1,236	1,216	1,257	1,005	925	
Asia	2,523	2,418	2,505	2,662	2,432	
Australia and Oceania	113	114	90	88	87	
Rest of Europe	4,839	4,676	3,148	3,117	3,018	
Employees aged 18 - 24	289	364	437	564	470	8.5
Employees aged 25 - 39	10,622	9,761	9,224	9,289	8,689	8.5
Employees aged 40 - 54	15,281	15,022	14,058	13,824	13,739	8.5
Employees aged over 55	6,541	7,048	7,231	7,644	7,877	8.5
Employees abroad by category:						
Locals	10,377	10,010	8,572	8,320	8,327	8.5 10.1
Italian expatriates	1,358	1,234	1,261	1,360	968	
International expatriates (including Third Country National)	522	483	541	563	310	
Employees by professional category:						
Senior managers	1,000	990	1,008	1,021	965	
Middle managers	9,135	9,043	9,147	9,387	9,172	
White collars	16,842	16,600	15,839	16,050	15,941	
Blue collars	5,756	5,562	4,956	4,863	4,697	8.5
Employees by educational qualification:						
Degree	14,655	14,802	14,603	15,375	15,345	
Secondary school diploma	14,082	14,300	13,348	13,184	12,826	
Less than secondary school diploma	3,996	3,093	2,999	2,762	2,604	
Employees by sector ^(b) :						
Exploration & Production	-	-	10,422	10,248	9,794	
Global Gas & LNG Portfolio	-	-	670	646	634	
Refining & Marketing and Chemicals	-	-	10,831	11,019	10,872	
Eni gas e luce, Power & Renewables	-	-	2,021	2,020	2,058	
Corporate and Other Activities	-	-	7,006	7,388	7,417	

(continued)

Employment (continued)

		2016	2017	2018	2019	2020	SDGs - target
Seniority	(years)						
Senior managers		22.02	22.08	22.12	22.78	23.21	
Middle managers		19.08	20.01	20.02	20.00	20.40	
White collars		16.08	17.02	17.03	16.73	17.03	
Blue collars		13.01	13.05	13.05	13.55	14.15	
Local employees abroad	(%)	85	85	83	81	87	
Local employees abroad by professional category:	(number)						8.5
Senior managers		67	58	46	46	46	
Middle managers		1,902	1,781	1,686	1,659	1,791	
White collars		5,641	5,543	4,769	4,606	4,518	
Blue collars		2,767	2,628	2,071	2,009	1,972	
Local senior managers & middle managers abroad	(%)	16.06	15.68	16.70	16.65	19.13	8.5 10.1
Non-Italian employees in positions of responsibility		19.9	19.0	17.9	17.3	18.6	
Local employees in the upstream sector							8.5 10.1
of which: historical presence Countries		86	90	87	86	92	
of which: recent entry Countries		35	30	32	30	37	
Employees in non-OECD Countries	(number)	7,002	6,631	6,705	6,535	6,044	8.5 10.1
Local employees in subsidiaries	(%)	93.49	93.36	93.22	93.16	95.15	
of which: in consolidated		84.66	85.36	82.63	81.23	86.69	
of which: in non-consolidated		97.79	97.03	97.25	97.44	98.00	
Employees in non-consolidated and proportionally consolidated subsidiaries ^(c)	(number)	26,190	26,492	28,292	29,542	29,770	
of which: local		25,632	25,733	27,540	28,810	29,199	
Employees with permanent contracts ^(d)		32,299	31,609	30,183	30,571	30,165	8.5
Employees with fixed term contracts ^(d)		434	586	767	750	610	8.5
Employees with full-time contracts		32,139	31,612	30,390	30,785	30,290	8.5
Employees with part-time contracts ^(e)		594	583	560	536	485	8.5
Average age	(years)	44.8	45.3	45.4	45.4	45.8	
New hires with permanent contracts	(number)	663	992	1,264	1,855	607	8.5
Terminations of permanent contracts		1,417	1,312	1,270	1,198	1,323	
of which: resignations		548	504	488	441	364	
of which: retirements		607	593	606	664	764	
of which: layoffs		262	178	136	72	140	
of which: other		0	37	40	21	55	
Turnover rate ^(f)	(%)	6.1	6.8	7.6	9.8	6.1	8.5 8.6

(a) The data differ from those published in the Annual Report (see p. 16), because they include only fully consolidated companies.

(b) The breakdown of employees by sector was updated following the redefinition of the "Segment Information", for the purposes of financial reporting. This information is available only for the three-year period 2018-2020.

(c) The calculation of employees in non-consolidated subsidiaries takes into account the total employees and not only the Eni employees.

(d) The breakdown of fixed-term/permanent contracts does not vary significantly either by gender or by geographical area except for China and Mozambique where it is common practice to insert local resources for fixed term and then stabilize them over a period of 1-3 years.

(e) There is a higher percentage of women (6% of total women) on part-time contracts, compared to men who are round 0.2% of total men.

(f) Ratio between the number of new hires + resolutions of permanent contracts and the permanent employment of the previous year.

EMPLOYMENT AND DIVERSITY

Overview. Overall employment amounts to 30,775 people, of whom 21,170 in Italy (68.7% of Eni employees) and 9,605 abroad (31.2% of Eni employees). In 2020, employment at global level decreased by 546 people compared to 2019, equal to -1.7%, with an increase in Italy of 92 employees and a reduction abroad of 638 employees. The reduction in employment, due mainly to a business scenario affected by the health emergency, concerned both local and international employees. The number of nationalities of Eni employees in 2020: 106.

Hires. Overall, in 2020, 780 people were hired, 607 of whom with permanent contracts. Of these, 34.6% were female and about 76% were resources under 40 years of age. Of the total number of hires, approximately 23% in upstream business (total 183, of which 109 with permanent contracts and 74 with fixed-term contracts), 20% in Support Function, 10% the R&M area and 47% the other Businesses.

Terminations. Overall, 1,600 contracts were terminated (934 in Italy and 666 abroad), 1,323 of which were permanent contracts⁸, and 21.0% regarded female employees. In 2020, 22.1% of employees with permanent contracts who ended their employment were under 40 years of age. Due to the negative business scenario generated mainly by the health emergency, the turnover rate decreased compared to previous years mainly due to a reduction in the number of hires.

Employment in Italy. There were 379 hires in Italy, of which 346 were permanent contracts (37.6% women, an increase of about 5 percentage points (p.p.) compared to 2019). Despite an increase in employment in Italy of +0.4% compared to 2019, there was a slight decrease in the number of people employed in the youngest age group (18-29) -0.6% vs 2019, while the 40-49 (+0.8%) and over 60 (+1.15%) age groups increased, also due to the return of expatriate personnel. Again in Italy, in 2020, there were 934 terminations, 893 of whom were permanently employed (and 19.0% women).

Employment abroad. Average presence of local employees abroad is constant and around 84% 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 2020, there were 401 new hires, of which 261 were with permanent contracts (30.7% women) and 78.1% were employees under 40 years of age. The balance between hires and terminations abroad at the end of the

year was -265 (401 hires and 666 terminations) and this trend is also attributable to contractual terminations of international resources employed in the E&P business. There were 666 terminations, 430 of whom permanently employed. Of these, 35.3% regarded employees under the age of 40, and 25.1% were women. Abroad, there was a reduction of 645 overseas resources compared to the previous year (-33.5%), in particular -392 Italian expatriates (-28.8%) and -253 international expatriates (-44.9%). Local personnel remains essentially stable compared to 2019 (+0.08%). A total of 1,278 expatriates work abroad (of which 968 Italians and 310 international expatriates). In last years, approximately 20% of employees in positions of responsibility are non-Italians, with an increase of 1.3 p.p. vs. 2019. Such an increase is part of professional development paths that include work periods in offices located in Italy or in Countries other than the one of origin. Specifically, percentage of local senior managers & middle managers abroad increased of 2.48 p.p. vs. 2019.

Employment by line of business. About 55% of permanent hires were in the upstream business areas (mainly in Mozambique, the United Kingdom, Mexico and the United States), Retail Gas & Power (G&P) (France and Greece) and Support Function, with the main objective of managing turnover to support the consolidation and evolution of skills. The changes in employment in the upstream business mainly relate to a negative efficiency balance of about 320 resources and outflows of international resources of about 150 positions. The G&P business decreased as a result of management outflows of about 12 resources. The R&MeC business decreased mainly as a result of a negative efficiency balance of about 210 resources, offset by inflows of about 50 resources (of which 10 for the acquisition of Versalis Kimya and Versalis Zeal). The Eni gas e luce, Power & Renewables businesses decreased mainly due to a negative management balance of approximately 30 resources, offset by the acquisition of EVOLVERE SpA (+75 resources).

Average age. The average age of Eni people in the world is 45.8 years (46.7 in Italy and 43.7 abroad): If we analyse the figures subdivided by professional category (rank), it can be seen that the average age of the resources in positions of responsibility (senior and middle managers) is 49.8 years (50.7 in Italy and 47.1 abroad). The average age is 44.4 years old (45.5 in Italy and 41.9 abroad) for white collar workers, whereas for blue collar workers it is 41.9 (40.6 in Italy and 43.7 abroad).

8) Of which about 58% for retirement and 28% for resignation.

Equal opportunities

	2016	2017	2018	2019	2020	SDGs - target
Women employees in service	(%) 23.24	23.54	23.61	24.23	24.56	5.1
Women hired	25.34	24.70	29.11	32.29	34.60	5.1
Women by professional category						
Women in managerial positions (senior managers and middle managers)	24.06	24.86	25.28	26.05	26.64	5.5
Senior managers	14.20	14.14	14.88	15.57	16.27	
Middle managers	25.13	26.03	26.42	27.19	27.74	
White collars	30.17	30.11	29.36	29.79	29.87	
Blue collars	1.51	1.58	1.82	2.02	2.07	
Replacement rate by gender	0.47	0.76	1.00	1.55	0.46	5.1
Men	0.48	0.72	0.94	1.37	0.38	
Women	0.43	0.90	1.16	2.15	0.76	

Female employment. By the end of 2020, 7,559 women worked for Eni (24.56% of total employees), 5,339 of whom were in Italy and 2,220 abroad, with an increase of 0.33% over 2019. Of the permanent hires in 2020, 34.6% involved female personnel (up 2.3 p.p. vs. 2019). In 2020, the percentage of female employees stood at: 16.3% of senior managers, 27.7% of middle managers, 29.9% of white collar workers, 2.1% of blue collar workers. Compared to the past, the overall percentage of women on the Boards of Directors of subsidiaries decreased to 26% in 2020 (29% in 2019), while the overall percentage of women on the Supervisory Boards of subsidiaries remained substantially stable at 37%. In 2020, the percentage of women in positions of responsibility reached 26.64%, compared to 26.05% in 2019; in all, women accounted for 24.56% of the Eni total workforce. At Eni, 33% of the figures reporting directly to the CEO are women. Despite the discontinuity of the energy market, Eni continued to pursue its diversity objectives: in 2020, permanent hires of female personnel stood at 34.6% of total hires compared to 32.3% in the previous year. The 2020 female turnover figure is 0.76 (vs. male turnover 0.38).

COMPENSATION AND WORKING CONDITIONS OF ENI EMPLOYEES

■ **For more information: Eni for 2020 - A just transition - Each of us, pp. 41-42**

Eni places all its people at the heart of its business strategy in line with the United Nations objectives of wage improvement, reduction of income inequality, promotion of decent job op-

portunities, gender, generational, ethnic equality etc. according to the "equal pay for equal work" principle. In particular, Eni applies a worldwide integrated remuneration system to all its people, also consistent with the reference markets in terms of pay progression and linked to company and individual performance, in compliance with local legislation. This system, as for the Chief Executive Officer, adopts market references made up, for each role, by the median of the sectors to which they belong, thus guaranteeing the application of fair and competitive remuneration policies with respect to the role and professional skills and always able to support a decent standard of living, higher than the mere subsistence levels and/or the legal or contractual minimums in force, as well as the minimum wages found on the local market, as highlighted by the indicators shown below.

GENDER PAY RATIO

Eni monitors the gender pay gap on an annual basis and shares with the relevant functions the results of the verifications for each business line and company, in order to assess corrective actions, if necessary. Furthermore, the principle of equal pay is explicitly referred to in the remuneration policies implementation provisions sent to all Eni business lines in 2021.

The table shows the gender pay ratio data for fixed and total remuneration, which show a substantial alignment between the salaries of the female and male populations for the Italian and global population, with differences between the years statistically not significant.

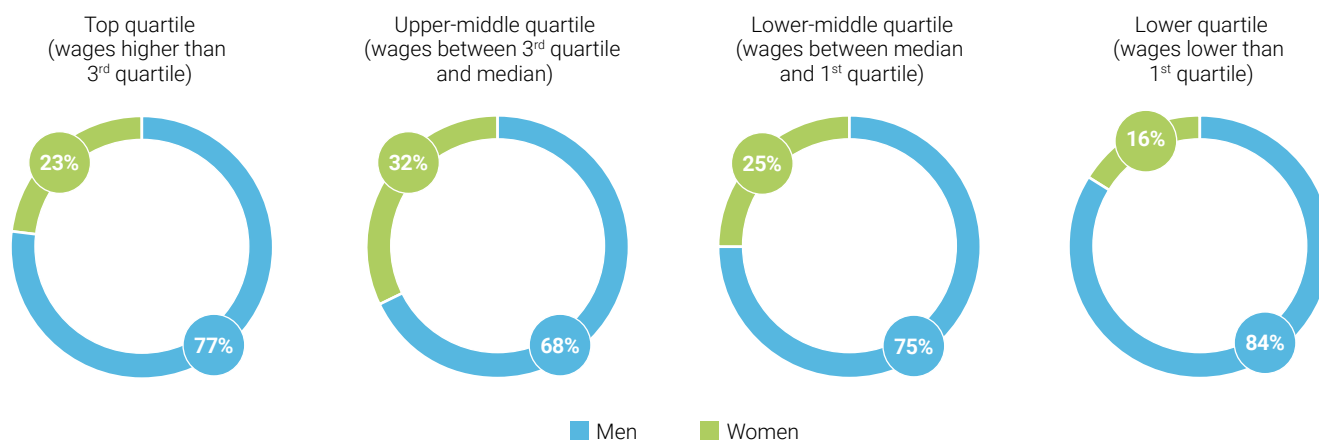
	Fixed remuneration			Total remuneration			SDGs - target
	2018	2019	2020	2018	2019	2020	
Employees in Italy (women vs. men)							5.1 8.5 10.3
Total pay ratio	99	99	98	100	99	99	
Senior Manager	96	96	97	96	96	97	
Middle Manager & Senior Staff	97	97	97	98	97	97	
White collars	102	101	101	102	102	101	
Blue collars	98	95	95	98	95	95	
All Employees^(a) (women vs. men)							
Total pay ratio	98	98	98	98	98	99	
Senior Manager	97	98	97	97	97	98	
Middle Manager & Senior Staff	99	97	97	99	97	97	
White collars	98	100	100	98	100	100	
Blue collars	98	96	96	98	96	96	

(a) The analysis for 2020 was carried out on more than 90% of Eni's employees.

In calculating the pay ratio, Eni uses a method that neutralizes the effects deriving from differences in the level of role and seniority according to the United Nations principle of "equal pay for equal work". The alignment is confirmed also when determining the pay ratio without neutralization (99% for fixed remuneration and 98% for total remuneration in 2020).

Finally, the following graphs show the presence of women within the pay quartiles, at a global level, which highlight, in relative terms, a higher presence of women in the middle-upper pay quartile (32%) and a lower presence in the lower pay quartile (16%).

Percentage share of men and women present in each remuneration quartile (SDGs - target: 8.5)



MINIMUM WAGES

Eni has policy remuneration standards well above the legal/contractual minimums, as well as the 1st decile⁹ of the local remuneration market, for all Countries in which it operates.

We annually check our positioning in terms of remuneration,

adopting any necessary corrective actions. The table below shows a comparison between the 1st decile of Eni, the 1st decile of the market and the legal minimum for the main Countries where Eni is present.

Pay ratio with law and market minimum wages (SDGs - target: 8.5)

Country	Ratio % between 1° Eni's decile and 1° market decile ^(a)	Ratio % between 1° Eni's decile and the minimum required by law ^(b)		
		women	men	total
Italy				
Algeria				
Angola				
Austria				
Belgium				
China				
Egypt				
France				
Germany				
Ghana				
Hungary				
Indonesia				
Nigeria				
Pakistan				
Tunisia				
United Kingdom				
United States				

Legend:

- Eni's minimum > 250% of the minimum reference.
- Eni's minimum between 201% and 250% of the minimum reference.
- Eni's minimum between 151% and 200% of the minimum reference.
- Eni's minimum between 110% and 150% of the minimum reference.

(a) The ratio was calculated with reference to the fixed and variable remuneration of blue-collar employees or, for Countries where Eni has no blue-collar, white-collar level (for market data, source: Korn Ferry).

(b) Minimum wages defined by law in the various Countries or, where not provided for, by the national collective agreement.

WELFARE

For more information: Eni for 2020 - A just transition - Each of us, p. 42

The 2020 health emergency situation has had an impact on all personal services, making it necessary both to review the way in which consolidated initiatives are organised with a view to maximum safety and compliance with regulations, and to identify areas of innovation for the design of new services capable of responding to the emerging needs arising from family and social complexity and new ways of working.

Family and work life balance. The organisational and management methods of the San Donato and Rome pre-primary schools and summer camps were redesigned to respond to the health emergency. Vocational school guidance for employees' children and caregiver services have also been confirmed. More than 2,500 people signed up for the proposed initiatives.

The need to preserve health during the pandemic period saw the generalised extension of smart working to around 90% of office staff and to all workers in health fragility conditions assessed by the competent physicians, regardless of their job description. In the offices Eni applies flexible daily and multi-period schedules and paid leave for special personal events (e.g. bereavement, serious family illness, marriages and civil unions, study leave and professional training courses).

Parenting. In all Countries where Eni is present, it grants 10 working days paid at 100% to workers who are fathers, as well as a minimum maternity leave of 14 weeks with payment of at least 2/3 of the salary received in the previous period, in accordance with the standards provided for by the ILO convention. A right of access to smart working for the first three years of a child's life is established for parents working in major office locations.

9) The 1st decile represents the level below which ranks 10% of remuneration.

Prevention health and wellbeing campaigns. Eni has reinforced its prevention programs with the integration of the on-cological check-up medical protocol and in-depth cardiovascular studies; new prevention initiatives for employees' families

are also being studied. More than 2,400 people signed up for check-up programs and targeted specialist visits. Dining services have been remodelled to address the health emergency and still provide service to employees.

Training

For more information: **Eni for 2020 - A just transition - Each of us, p. 43**

		2016	2017	2018	2019	2020	SDGs - target
Total attendances	(number)	158,355	152,343	177,236	266,893	242,570	
Training hours by type	(hours)	930,345	1,111,112	1,169,385	1,362,182	1,040,119	4.3
HSE and quality		309,284	401,094	354,756	438,552	274,507	
Languages and IT		105,480	124,266	108,160	125,395	91,447	
Conduct/Communication/Institutional		181,321	213,477	283,126	173,609	180,035	
Professional-cross cutting		92,575	113,117	135,684	201,853	133,426	
Professional-technical/commercial		241,685	259,158	287,659	422,773	360,704	
Total training hours by professional category							
Senior managers		28,152	32,005	42,201	52,518	28,163	
Middle managers		218,342	319,615	335,440	385,507	296,406	
White collars		526,538	580,864	592,580	703,708	578,455	
Blue collars		157,313	178,628	199,164	220,449	137,095	
Training hours by delivery method	(hours)						
of which: distance		195,311	232,399	220,554	380,893	694,099	
of which: in class		735,034	878,713	948,831	981,289	346,020	
Average training hours per employee by employee category		28.1	34.2	36.9	43.6	36.2	8.5
Senior managers		27.6	31.7	41.7	51.0	30.7	
Middle managers		23.9	35.7	37.2	42.0	34.9	
White collars		30.6	34.5	36.2	43.9	39.0	
Blue collars		27.5	31.6	37.7	44.3	30.3	
In house training hours ^(a)	(%)	19.4	24.2	27.7	34.2	40.1	
Training expenditures	(€ million)	28.1	30.7	33.6	33.4	22.4	4.3
Average training and development expenditure per full time employee	(€)	1,178.9	1,057.3	1,059.5	1,070.8	778.4	

(a) It includes also contributions related to companies not included in the scope.

In a year marked by the COVID-19 emergency, there was a 23.6% reduction in total hours of training provided in 2020 compared to 2019, and there was a less than proportional reduction in attendance that was approximately -9.1%. This is consistent with the provision of more widespread training opportunities, thanks also to the significant use of distance learning: which reached 67% of total hours (vs. 28% in 2019), and was the key to guaranteeing people the continuity of training activities even in the extreme lockdown phases. In this way it has been possible to give people the tools both to

tackle the most contingent difficulties, linked for example to remote work and uncertainty, and to have the right professional skills for daily work, and to be ready for the challenges of the energy transition.

The average expenditure compared to 2019 has a per capita decrease as it is affected by the reduction in overall training costs, which led to a decrease of 33%; however, it was possible to achieve this result also thanks to efficiency actions with reductions in external costs and greater use of internal teaching.

Knowledge management

	2016	2017	2018	2019	2020	SDGs - target
Knowledge Community/network by application sector ^(a) (number)	68	64	62	66	58	
Business	59	52	51	54	49	
Cross cutting	9	12	11	12	9	
Participants in the knowledge Community/network by application sector ^(b)	9,913	8,781	9,771	20,536	32,266	
Business	8,935	6,597	7,591	15,330	25,366	
Cross cutting	978	2,184	2,180	5,206	6,900	
Impacting knowledge in #e-kms ^(c)	1,943	2,035	2,501	1,832	1,525	4.4

(a) The aggregate indicates the classification of the Communities of Practice (CoP) based on the "prevalent" content. "Business" includes those relating to the Natural Resources, Energy Evolution and Technology, Research and Development and Digitization areas, while "Transversal" those relating to Corporate and Support Function.

(b) The data indicates the sum of the participants in each knowledge Community: it does not refer to single users and can therefore include people belonging to several knowledge Communities.

(c) Impacting Knowledge includes Knowledge Nuggets, KM webinars, Innovation Idea Management and Application of Innovative Technologies and KM Success Stories.

After the improvement of technological tools that took place previously, during 2020 the global Knowledge Management (KM) strategy focused, through new Communities of Practice¹⁰ (CoP), on supporting the evolution of skills required by Eni's new business objectives and organisational evolution. With the aim of supporting an increasingly widespread and cross-cutting contribution, the simultaneous consolidation of some Communities and the broadening of participation continued.

In addition, synergies have been strengthened with training activities and, in particular, with the Faculty of Eni Active Trainers, i.e., colleagues who are recognized as internal teachers by virtue of their skills and specific training and who carry out training activities with Eni Corporate University. In order to increasingly disseminate a culture oriented towards the sharing of know-how, the enhancement of experiences and collaboration, two courses have been created: the first course "*The learning company: building knowledge networks with KM*" deepens the basic concepts of KM and the virtuous behaviours for the construction of a collective and widespread knowledge. The second course, "*Knowledge Management System – e-kms*", illustrates the practical operation of the e-kms system¹¹.

Among the CoPs, we report the creation in 2020 of the Sustainability Community of Practice (#CoP Sustainability), which aims to

actively contribute to the creation of a Culture of Sustainability, as a fundamental component of business and increasingly integrated into corporate processes.

For Eni, people and their skills are the key aspect that characterises the company's technical expertise. Knowledge Management System activities support the management of the entire technical knowledge flow, offering technological tools, strategies and specialised models. The aim is to stimulate new ideas and innovation, to map skills and knowledge so that they can be found and activated when necessary, and to ensure that experiences and lessons learned are readily shared and disseminated throughout the Eni world and that they are adequately capitalised for future applications. In 2020, the strategy and activities of the e-kms system focused on the quality of the content shared thanks to continuous collaboration with Knowledge Owners, so as to ensure that the content in e-kms is aligned with the highest corporate standards and is capable of promptly capturing evolutions in the industry and technologies. Priority was given to quality rather than quantity and this resulted in a slight decrease in Impacting Knowledge shared during the year, but with an increase in the proactivity of technical Knowledge Owners: more than 65% of them participated in the e-kms arena, quadrupling their contribution in enhancing relevant and business impacting technical content.

Internal communication

■ For more information: [Eni for 2020 - A just transition - Each of us, p. 37](#)

	2020
Live with Claudio Descalzi Internal live streaming	4 events between March and November with over 80,000 views
Informati. Consapevoli. Sicuri (Informed. Aware. Safe.) Dedicated space for COVID-19 related information on the intranet	> 700,000 views
We've never stopped Stories People engagement initiative	> 200,000 views

10) Community of Practice (CoP) open group aiming to produce organised and quality knowledge.

11) e-kms (Eni Knowledge Management System) is a platform for sharing Eni's technical knowledge.

The health crisis has become a top priority for internal communication. The timely and massive adoption of Smart Working, an indispensable lever to protect the health of employees, guaranteeing the continuity of work activities, has also produced an equally significant change in the relational model between employees, and between employees and the company, who have suddenly found themselves isolated from a context, the working context, which incorporates profitable social implications relating to the motivation and productivity of people themselves. **The CEO supported his people with recurring appointments in 2020 through his Blog and with live streaming** to make his closeness felt and to give strength, creating a sense of deep community around him.

Eni therefore set up an **efficient model of internal information and communication** right from the very first days of the emergency at the end of February, in order to remain constantly close to its people: through widespread, global and timely actions, it informed employees about the health situation and its prescriptions, government provisions and company decisions, and guided them along a **path of awareness** on the respect and adoption of fundamental health and hygiene rules and on the rules of conduct to be adopted in the workplace to protect their own health, that of their colleagues and loved ones beside them.

Several actions have been carried out in this respect. Within the company intranet, MyEni, a space dedicated to COVID-19 communications, called **"Informed. Aware. Safe"**, has been created which reports daily updates on the subject.

An international health awareness campaign – **"All it takes is a simple gesture"** – was set up to create awareness of the importance of hygiene and health rules to be followed in the workplace. The communication took place through digital tools and posting in workplaces and industrial sites, which ensured the continuity of operations in maximum safety, also in response to an information requirement set out in the regulations issued by the Government.

Alongside these activities, equally important were the **involvement initiatives** to re-establish a sense of closeness and **internal cohesion** with and among our people who, particularly in the first phase of the health emergency, found themselves isolated and worried.

People engagement initiatives were therefore planned under the title **"We have never stopped Stories"**, a collective storytelling that involved all our people, from smart workers to colleagues of the industrial sites, who through different ways, such as photography, video, writing and interviews, were ideally united, tightened by a strong sense of belonging. In addition to this collective story, which generated exciting videos, there was also the **story of the Task Force**, through which each member told of the commitment made in specific activities to combat the emergency and from which emerged an unconditional sense of sacrifice and responsibility together with strong emotions: another way of creating community and transferring trust to the people of Eni.

Communication also accompanied the social and training initiatives implemented by the company, including an important solidarity relay of our employees in favour of the Italian Red Cross.

Alongside COVID-19's communication management, which continues to be a priority, a **communication and change management plan** was designed and implemented in 2020 named "Our Eni. Fit for purpose" which is continuing also in 2021, to accompany people in the evolution of Eni's **decarbonisation strategy** which also launched a new organization in 2020.

This is a fundamental issue that concerns all employees and marks the future of our company, which, with a view to the essential principle of "We have never stopped", had to be the subject of an important internal engagement plan, starting with management, and Eni people, the protagonists of this transformation.

Enhancing people

		2016	2017	2018	2019	2020	SDGs - target
Employees covered by performance assessment tools (senior managers, middle managers, young graduates)	(%)	73	85	90	93	97	8.5
of which: senior managers		100	100	100	100	100	
Employees subject to annual review (senior managers, middle managers, young graduated)		93	95	95	96	97	8.5
of which: senior managers		100	100	100	100	100	

Performance assessment process¹². Compared to 2019, the positive trend is maintained across the entire target and non-target population. In particular, the coverage of senior managers is confirmed as complete, that of middle managers rises to 97% (+2 p.p. vs. 2019) and that of young graduates registers an impressive +16 p.p. reaching 93%. It also continues to show a percentage increase over the population of other employees which grows up to 76% (+ 3 p.p. vs. 2019). The five-year view allows us to appreciate the clear improvement in coverage for middle managers and young graduates (about 20 p.p.) and the doubling of coverage for other employees, which is consistent with the commitment made by the entire management in the performance and feedback processes of its structures, also through timely monitoring of trends during the year.

Annual review process¹³. Compared to 2019, the analysis confirms the complete mapping of senior management and an elevated mapping of the remaining target populations (middle managers and young non-middle managers graduates)

through the management review and segmentation processes. In particular, abroad there was an increase of 4 p.p. in the middle managers population. The five-year view allows us to appreciate a continuous increase in coverage abroad, especially a marked improvement in the percentage referring to "other employees".

Potential assessment process¹⁴. In 2020, 95% of the Potential Assessments were carried out (through the Development Center methodology, Online Assessment and Individual Assessment) compared to the total planned and with an overall improving trend (+10 p.p. compared to 2019) also because of the assessment sessions carried out remotely, a method that allowed greater flexibility and "inclusiveness". In particular, abroad, where last year there was a decrease in the number of surveys carried out compared to those planned, in 2020 there is a 91% achievement. Furthermore, in 2020 over 123 resources (senior and middle managers) were assessed using Management Appraisal¹⁵.

Industrial relations

■ **For more information: Eni for 2020 - A just transition**
Operational excellence - Human rights, p. 64

		2016	2017	2018	2019	2020	SDGs - target
Employees covered by collective bargaining	(number)	27,758	27,325	25,841	26,832	26,378	8.8
Employees covered by collective bargaining	(%)	82.48	81.96	80.89	83.03	83.40	
Italy		100	100	100	100	100	
Abroad		47.46	44.54	35.33	40.91	41.78	
Consultations, negotiations with trade unions on organizational changes	(number)	288	275	192	149	189	8.5
Employees in trade unions		12,862	12,166	11,444	11,369	11,342	
Employees in trade unions	(%)	38.22	36.49	35.82	35.18	35.86	

The path of energy transition initiated by Eni has led to the need to define a new model of industrial relations that is even more effective and participative, to accompany the transformation processes underway. For this reason, on December 3rd, 2020, Eni and the Italian trade unions signed a new industrial relations protocol, called "INSIEME, industrial relations model to support the energy transition path", whose objectives include sharing information on the energy transition path, updating and renewing

the professional skills of workers in view of the new business challenges, proposing a clear regulatory framework favourable to the development of a sustainable business model, as well as providing greater detail on the initiatives undertaken and to be undertaken, always with a view to the energy transition. At international level, the model of trade union relations is based on three pillars: two in Europe (the European Works Council and the European Observatory for the Health and Safety of Workers

12) Performance appraisal: this is the main tool for the communication of corporate priorities and objectives, guidance for the activities orientation and continuous improvement of managerial and professional results and skills. Its purpose is to appraise the contribution provided and the results achieved during the year by the people and is one of the reference elements for the rewarding system.

13) Annual Review: Annual process aimed at expressing a synthetic resources evaluation that takes into account, in a coherent way, all the instruments/moments of observation/assessment of the year, identifying the population groups for the definition of targeted development actions.

14) Potential assessment: measurement of potential allows collection of information related to personal skills and behaviours expressed at work also for the purpose of the timely identification of resources with high growth potential. Measuring potential, in particular in the first period of working life, provides fundamental support for the development of personal and professional skills and for orientation towards growth paths with prevalent managerial or technical-professional content, coherent with the business needs.

15) Management Appraisal: this methodology is aimed at individually evaluating a pool of resources belonging to the middle and senior managerial population (middle managers in development and senior managers for Italy, comparable roles abroad) to detect soft/managerial skills, level of usability and their potential for growth in relation to the roles to be filled.

at Eni) and a global one, namely the Global Framework Agreement on International Industrial Relations and Corporate Social Responsibility (GFA), renewed in 2019 with the main Italian trade unions and IndustriALL Global Union, an organization representing more than 50 million workers in 140 Countries in the energy, manufacturing and mining sectors. During 2020, a constant exchange of information was ensured between the Company and

the unions, within the framework of competence provided for each agreement, on the main topics of attention (health emergency management, corporate reorganizations, Brexit, etc.) Also during 2020, Eni provided timely updates as part of the activities included in the GFA, which provides for a series of indicators aimed at jointly monitoring, by the parties, the company's evolution towards a more sustainable business model.

Employment disputes

		2016	2017	2018	2019	2020
Employee disputes	(number)	812	1,310	1,211	907	1,132
Prevention/disputes ratio		562/812	626/1,310	503/1,211	345/907	632/1,132
Disputes/employees ratio	(%)	2.46	4.05	3.89	2.9	3.68

The slowdown in court times due to the COVID-19 emergency has contributed to the increase in pending litigation as it has delayed the conclusion of many judgements, changing the normal turnover between new litigation and completed cases. As regards Italy, almost half the 901 disputes pending concern claims

for damages by former employees, or their heirs, for alleged occupational diseases. These alleged diseases are related to exposure to potentially harmful agents occurring in the past, often prior to the 1990s, at industrial sites that were not managed by Eni but acquired later as a result of corporate transactions.

Health

■ [For more information: Eni for 2020 - A just transition - Operational excellence - Health, pp. 44-47](#)

		2016	2017	2018	2019	2020	SDGs - target
Health Impact Assessments carried out	(number)	8	13	20	14	4	8.8
Employees included in health monitoring programs		31,643	30,944	28,807	28,579	28,350	3.8
Number of health services provided		484,984	450,398	473,437	487,360	354,192	3.8
of which: to employees		349,763	297,480	320,933	312,490	242,160	
of which: to contractors		72,350	56,573	68,796	94,130	65,662	
of which: to relatives		56,677	79,687	66,327	72,268	39,840	
of which: to others		6,194	16,658	17,381	8,472	6,530	
Number of registration to health promotion initiative ^(a)		27,424	56,765	170,431	205,373 ^(b)	222,708	
of which: to employees		18,245	34,458	75,938	97,493	99,758	
of which: to contractors		7,762	11,739	46,930	78,330	86,357	
of which: to relatives		1,417	10,568	47,563	29,550	36,593	
OIFR Occupational Illness Frequency Rate ^(c)	(Occupational illnesses allegations received/worked hours) x 1.000.000	0.15	0.13	0.16	0.16	0.13	3.3 8.8
Occupational illnesses allegations received	(number)	133	120	81	73	28	3.3 8.8
Employees		14	12	10	9	7	
Previous employed		119	108	71	64	21	

(a) Data refer to companies significant from the point of view of health impacts, as detailed in the Reporting criteria p. 40. For this reason 2018 data differs from those published in the Eni for Sustainability performance 2018 where the scope relates to fully consolidated entities only.

(b) The increase in the figure for the number of registrations for health promotion initiatives compared to previous years depends on the improvement of the monitoring activities of the execution of the initiatives themselves.

(c) 2018, 2019 and 2020 data refer to fully consolidated entities only.

In 2020, all the companies continued to implement 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. As confirmation of this, the business areas completed the planned health monitoring programmes. In 2020, with the aim of assessing the potential impact of projects on the health of the communities involved, Eni completed 4 HIA (Health Impact Assessment), of which 3 were integrated ESHIA studies (Environmental and Social Health Impact Assessment): 1 HIA in Oman; 3 ESHIA, of which 1 in Montenegro, 1 in Oman and 1 in Vietnam. The number of health services sustained by Eni was

354,192, of which 242,160 for employees, 39,840 for family members, 65,662 for contractors and 6,530 for others (e.g. visitors and external patients). The number of participants in health promotion initiatives in 2020 was 222,708, of whom 99,758 were employees, 86,357 contractors and 36,593 family members. As concerns occupational illnesses, claims fell during 2020 from 73 to 28, with an overall reduction of 61%, due to the reduction of illnesses reported, both by former employees (from 64 to 21 claims) and current employees (from 9 to 7 claims). Of the 28 occupational disease reports submitted in 2020, 10 were submitted by heirs (all relating to former employees).

Safety

■ **For more information: Eni for 2020 - A just transition**
Operational excellence - Safety, pp. 48-53

		2016	2017	2018	2019	2020	SDGs - target
TRIR (Total Recordable Injury Rate)	(total recordable injuries/ worked hours) x 1.000.000	0.35	0.33	0.35	0.34	0.36	8.8
Employees		0.36	0.30	0.37	0.21	0.37	
Contractors		0.35	0.34	0.34	0.39	0.35	
Italy		0.51	0.64	0.62	0.53	0.43	
Abroad		0.31	0.26	0.29	0.29	0.33	
High-consequence work-related injuries rate (excluding fatalities)	(high-consequence work-related injuries/worked hours) x 1.000.000	0.01	0.00	0.01	0.01	0.00	8.8
Employees		0.01	0.01	0.00	0.00	0.00	
Contractors		0.01	0.00	0.01	0.01	0.00	
Lost time Injury frequency rate (LTIF)	(injuries with days of absence/ worked hours) x 1.000.000	0.23	0.21	0.23	0.19	0.21	8.8
Employees		0.30	0.27	0.28	0.17	0.26	
Contractors		0.19	0.19	0.21	0.20	0.18	
Italy		0.51	0.60	0.60	0.52	0.42	
Abroad		0.15	0.12	0.14	0.11	0.14	
Injuries severity index	(days of absence/worked hours) x 1.000	0.010	0.011	0.010	0.011	0.008	8.8
Employees		0.017	0.019	0.016	0.011	0.008	
Contractors		0.007	0.008	0.007	0.012	0.008	
Fatality index	(fatal injuries/worked hours) x 100.000.000	0.72	0.33	1.21	0.90	0.39	8.8
Employees		-	-	-	1.09	-	
Contractors		1.09	0.47	1.67	0.83	0.58	
Number of fatalities as a result of work-related injury	(number)	2	1	4	3	1	8.8
Employees		0	0	0	1	0	
Contractors		2	1	4	2	1	
Near miss		1,643	1,550	1,431	1,159	841	8.8

(continued)

(continued)		2016	2017	2018	2019	2020	SDGs - target
Worked hours	(millions of hours)	276.9	306.3	330.6	334.2	255.1	
Employees		93.7	93.1	91.6	92.1	81.8	
Contractors		183.2	213.3	239.0	242.1	173.3	
Training hours on safety	(hours)	249,467	323,765	289,661	331,375	234,072	8.8
of which: to senior managers		2,144	9,567	4,945	4,399	3,399	
of which: to middle managers		30,532	67,293	57,061	55,266	46,540	
of which: to white collars		148,150	174,016	157,724	171,832	127,126	
of which: to blue collars		68,640	72,889	69,931	99,878	57,007	
Process safety events	(number)						
Tier 1		41	23	27	12	14	
Tier 2		66	67	48	53	33	

In 2020, the total recordable injury frequency ratio (TRIR) of the workforce increased compared to 2019 (+5%), particularly the employee ratio due to an increase in the number of injuries (30 compared to 19 in 2019). In contrast, the ratio for contractors improved by 10%. A fatal injury occurred involving an upstream contractor in Egypt due to crushing.

The ratio for injuries at work with serious consequences is nil, 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 Italy, the number of total recordable injuries decreased (27

events compared to 37 in 2019, of which 8 employees and 19 contractors) and the total recordable injury frequency ratio (TRIR) improved by 18%; also abroad the number of injuries decreased (64 events compared to 77 in 2019, of which 22 employees and 42 contractors), but the total recordable injury frequency ratio worsened (+14%).

The trend in the number of process safety events is slightly increasing for Tier 1 and sharply decreasing for Tier 2. Tiers 1 and 2 indicate the severity of the consequences (from the most to the least severe) in terms of quantities released and damages caused.

Environment

For more information: [Eni for 2020 - A just transition Environment, pp. 54-59](#)

HSE management system certifications and expenses

		2016	2017	2018	2019	2020	SDGs - target
OHSAS 18001/ISO 45001 certifications	(number)	104 (>90%)	103 (>90%)	103 (>90%)	102 (>90%)	98 (>90%)	8.2
ISO 14001 certifications		95 (>90%)	99 (>90%)	94 (>90%)	92 (>90%)	91 (>90%)	12.2
EMAS registrations		8	8 ^(a)	9 ^(a)	9 ^(a)	9	12.2
ISO 50001 certifications		19	22	22	23	23	12.2
Total HSE expenditure and investments	(€ million)	1,101.6	1,100.4	1,255.8	1,326.0	1,314.1	9.5
of which: current costs		839.0	865.9	990.2	995.3	1,008.6	
of which: investments		262.6	234.6	265.6	330.7	305.5	
of which: safety expenditures and investments		287.8	249.8	260.3	306.2	297.8	
of which: current costs		239.5	175.1	198.5	202.1	175.2	
of which: investments		48.3	74.7	61.8	104.1	122.6	
of which: environmental expenditures and investments		588.7	755.6	915.4	964.4	942.0	
of which: current costs		466.5	604.0	730.4	746.1	766.3	
of which: investments		122.1	151.6	185.0	218.3	175.7	

(a) 2017, 2018 and 2019 data has been revised because in the calculation the same certification was considered twice for the same site.

The total number of certifications is slightly different from the figures published in previous editions as a result of changes in the consolidation area and the merging of several businesses under the same certificate. In 2020, Eni continued its activities aimed at certifying all its companies with significant HSE risks according to the OHSAS 18001/ISO 45001 (management systems for health and safety at work) and ISO 14001 (environmental management systems) standards, maintaining coverage above 90% with full coverage for both standards forecast by 2022 for companies recently taken over. The ISO 9001 certifications referring to companies at significant HSE risk have a coverage percentage of 41%. The main production units in

the Refining & Marketing and Chemicals (R&MeC) and Eni gas e luce, Power & Renewables sectors retained EMAS¹⁶ registration and certification of the energy management systems under ISO 50001. Total HSE expenditure in 2020 is approximately €1,314 million. Expenditure on safety, amounting to over €297 million, mainly concerned work on firefighting systems, equipment and management (€88 million), maintenance of plant and equipment (€78 million) and safety of plants and buildings and vehicles (€62 million). Environmental expenditure, amounting to approximately €942 million is mainly due to remediation of land and groundwater (totalling over €411 million) and waste management (over €217 million).

Protection of water

■ **For more information: Eni for 2020 - A just transition - Operational excellence Environment - Efficient use of water, pp. 55-56**

		2016	2017	2018	2019	2020	SDGs - target
Total water withdrawals	(million m ³)	1,851	1,786	1,776	1,597	1,723	
of which: sea water		1,710	1,650	1,640	1,451	1,599	
of which: freshwater		129	119	117	128	113	6.4
of which: superficial water bodies		87	79	81	90	71	
of which: from subsoil		23	20	19	20	21	
of which: from urban net or tanker		9	10	6	8	7	
of which: polluted groundwater treated at TAF ^(a) plants and used in the production cycle		3	4	4	3	4	
of which: third-party water ^(b)		7	6	6	6	10	
of which: withdrawal from other streams ^(c)		0	0	1	1	0	
of which: brackish water from subsoil or superficial water bodies		12	16	19	18	11	
Freshwater reused	(%)	84	86	87	89	91	6.4
Total extracted produced water (upstream) ^(d)	(million m ³)	65	67	68	67	57	
Re-injected produced water	(%)	58	59	60	58	53	6.3
Total water discharge^(e)	(million m ³)	1,767	1,663	1,668	1,432	1,583	
of which: into the sea		1,667	1,574	1,575	1,334	1,501	
of which: in superficial water bodies		76	69	72	79	67	
of which: in sewerage		17	14	15	14	11	
of which: given to third-party ^(f)		8	6	5	5	4	
Total expenditures on water resources and discharges ^(g)	(€ million)	75.45	99.73	131.05	168.15	152.80	9.5
of which: current costs		53.56	73.61	91.62	86.91	104.05	
of which: investments		21.89	26.11	39.43	81.24	48.75	

(a) TAF: groundwater treatment facilities.

(b) Water withdrawal from third-party water are exclusively related to fresh water.

(c) With the aim to further increase the accordance with "GRI 303: Water and effluents 2018" standard used by Eni from 2020 reporting cycle, data related to third party water is reported separately, while in previous editions it was included in "of which freshwater withdrawal from other streams".

(d) Moreover, it is reported that in 2020 re-injected produced water and re-injected water for disposal was equal to 30.5 Mm³. Furthermore, the produced water discharged into surface and sea water bodies or sent to evaporation basins amounted to 26.9 Mm³.

(e) 6% of the total water discharges is fresh water.

(f) It is water given for industrial use.

(g) The figure is part of the environmental expenses and investments reported in the "Certificates of HSE Management Systems and Expenses" table.

¹⁶ EMAS Registration (acronym for Eco-Management and Audit Scheme) is a voluntary tool aimed at promoting rational management of environmental performance in line with the provisions of European Regulation 1221/2009.

In 2020, sea water withdrawals increased by 10% overall, mainly due to the increase recorded at the Priolo petrochemical plant (where activity resumed after the 2019 maintenance shutdown and where, starting in the second half of 2020, functionality tests were carried out on the seawater network with an increase in the related withdrawals). The increase in sea water withdrawals was also influenced by upstream start-ups activities in Angola. The increase in sea water withdrawals was partly offset by the lower quantity of raw materials processed at the Taranto refinery (-8 Mm³). Freshwater withdrawals, accounting for about 7% of total water withdrawals and over 70% attributable to the R&MeC sector, declined by 11%. The trend is attributable to a reduction in surface water withdrawals of more than 19 Mm³ at the Mantua petrochemical plant due to both the cessation of maintenance activities carried out in 2019 and the individual user awareness and control activities put in place by the site during 2020.

Freshwater reuse rate increased to 91% from 89% in 2019. The E&P sector's produced water re-injection rate stood at 53%, down from 2019 (when it stood at 58%) due to shut-

downs in Libya, malfunctions of the re-injection systems at the Loango and Zatchi fields in Congo and the Ebocha field in Nigeria (with difficulties in performing maintenance activities due to reduced staffing for the COVID-19 emergency) as well as the exit from the consolidation domain of Eni Ecuador, which recorded particularly high performances in terms of reinjection percentages. In 2020, the content of total hydrocarbons in discharged water was 90.2 tonnes. Analysis of the stress level of hydrographic basins¹⁷ and further studies carried out locally shows that freshwater withdrawals from areas under stress account for 1.5% of Eni total water withdrawals. In 2020, in particular, Eni withdrew 113 millions of cubic meters (Mm³) of freshwater, of which 26.5 Mm³ from water-stressed areas (11.8 Mm³ from superficial water bodies, 5.4 Mm³ from groundwater, 4.6 Mm³ from third parties, 3.2 Mm³ from urban net and 1.5 Mm³ from TAF). Onshore produced water in water-stressed areas was 20.7 Mm³. In 2020, Eni discharged 93.6 million cubic meters of freshwater, of which 18.3 Mm³ in water-stressed areas (equal to 20%).

BIODIVERSITY

■ For more information: [Eni for 2020 - A just transition - Operational excellence Environment - Biodiversity, p. 58](#)

Number of protected areas and KBAs overlapping with R&M, Versalis, EniPower operational sites and upstream concessions^(a)

(number)	R&M, Versalis, EniPower Operational sites						Upstream Concessions		
	Overlapping with operational sites			Adjacent to operational sites (<1km) ^(b)			With operating activities in the overlapping area		
	2018	2019	2020	2018	2019	2020	2018	2019	2020
Eni Operational sites/Concessions ^(c)	n.a.	11	11	n.a.	15	18	27	31	30
UNESCO World Heritage Natural Sites	n.a.	0	0	n.a.	0	0	0	0	0
Natura 2000	n.a.	5	5	n.a.	21	19	15	15	16
IUCN ^(d)	n.a.	4	4	n.a.	11	13	3	3	2
Ramsar ^(e)	n.a.	0	0	n.a.	3	3	2	2	3
Other Protected Areas	n.a.	2	2	n.a.	3	8	7	12	11
KBA	n.a.	6	5	n.a.	11	8	12	13	12

(a) The reporting boundary, in addition to fully consolidated entities, includes also 5 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, upstream concessions as of June 30 of reporting year are considered.

(b) The important 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 overlap/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.

¹⁷ Areas subject to water stress: areas with Baseline Water Stress value over 40%. The indicator, defined by the [World Resources Institute \(WRI\)](#), 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.

In 2020, Eni updated the assessment of exposure to biodiversity risk to the R&M, Versalis and EniPower operational sites, and to the concessions under development or exploitation in the upstream sector, in order to identify where Eni's activities fall, even only partially, within protected areas¹⁸ or key biodiversity areas (KBA)¹⁹. An analysis of the mapping of the R&M, Versalis and EniPower operational sites showed that there is overlap, even partial, with protected areas or KBAs at 11 sites, all located in Italy; another 18 sites in 7 Countries (Italy, Austria, Hungary, France, Germany, Switzerland and the United Kingdom) border with protected areas or KBAs, i.e. located at a distance of less than 1 km. As regards the upstream sector, 74 concessions overlap partially with protected areas or KBAs, 30 of which located in 6 Countries (Italy, Nigeria, Pakistan, United States/Alaska, Egypt and the United Kingdom)

have operations in the overlapping area. The number of sites and concessions overlapping protected areas/KBAs is in line with 2019 results. In addition, a similar mapping was carried out in 2020 for R&M pipelines in Italy, which showed that about 10% of the total length of the pipelines crosses (under surface) protected areas and KBAs, for stretches with a total length of 118 km and 146 km respectively. In general, for all the Business Lines, the greatest exposure in Italy and Europe is to the protected areas of the Natura 2000 Network²⁰, which is widespread across Europe. In no case, in Italy or abroad, is there any overlap of operational activity with natural sites listed as UNESCO World Heritage Sites (WHS²¹); only one upstream site²² is located in the vicinity of a natural WHS (Mount Etna) but there are no operational activities within the protected area.

Total biodiversity expenditures

		2016	2017	2018	2019	2020	SDGs - target
Total biodiversity expenditures ^(a)	(€ million)	3.90	5.25	12.51	13.62	5.80	15.1
of which: current costs		3.90	5.25	12.38	11.05	3.26	
of which: investments		0.00	0.00	0.13	2.57	2.54	

(a) The figure is part of the environmental expenses and investments reported in the "Certificates of HSE Management Systems and Expenses" table.

Oil spill management^(a)

■ **For more information: Eni for 2020 - A just transition - Operational excellence Environment - Oil spill management, pp. 56-57**

		2016	2017	2018	2019	2020	SDGs - target
Operational oil spills^(b)							12.4
Total number of oil spills (> 1 barrel)	(number)	86	55	72	67	46	
of which: upstream		77	50	63	61	43	
Volumes of oil spills (> 1 barrel)	(barrels)	1,281	3,479	2,665	1,033	958	
of which: upstream		1,147	3,178	1,595	985	882	
Operational oil spills/100% operated hydrocarbon gross productions (upstream)	(barrels/million barrels)	1.3	3.2	1.5	0.9	0.9	12.4
Oil spills due to sabotage (including thefts)^(b)							12.4
Total number of oil spills (> 1 barrel)	(number)	159	102	101	140	109	
of which: upstream		144	102	101	140	108	
Volumes of oil spills (> 1 barrel)	(barrels)	4,753	3,236	4,022	6,232	5,831	
of which: upstream		4,024	3,236	4,022	6,232	5,422	

(continued)

18) Source: World Database of Protected Areas.

19) Source: 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.

20) Natura 2000 is the main European Union biodiversity conservation tool. 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".

21) WHS, World Heritage Site.

22) 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.

(continued)		2016	2017	2018	2019	2020	SDGs - target
Volumes of oil spills due to sabotage (including thefts) in Nigeria (> 1 barrel)		4,024	3,236	3,602	6,232	4,417	12.4
Chemical Spill							12.4
Total number of chemical spills	(number)	24	17	34	21	24	12.4
Volumes of chemical spills	(barrels)	18	63	61	4	3	12.4
Spill prevention expenditures and investments ^(c)	(€ million)	37.08	53.35	41.24	40.93	66.14	9.5
of which: current costs		15.67	27.64	11.65	8.27	37.86	
of which: investments		21.40	25.72	29.60	32.66	28.28	

(a) According to international standards, all the above values refer to events over 1 barrel. Data related to sabotage include spills due to oil theft attempts and vandalism.

(b) The data relating to spills (> 1 barrel) both in terms of numbers and volumes spilled are subject to updates over the years due to possible closure of some investigations after the publication of the document.

(c) The figure is part of the environmental expenses and investments reported in the "Certificates of HSE Management Systems and Expenses" table.

Spilled barrels following operational oil spills decreased by 7% compared to 2019. The most significant events included a spill in Nigeria of almost 300 barrels at the Brass Terminal (almost all recovered) and a spill of 63 barrels at the Brindisi petrochemical plant (quantity fully recovered). Overall, 64% of operational spill volumes were recovered. Of the barrels spilled 73% are attributable to activities in Nigeria, where the installation of the proprietary e-vpms (Eni Vibroacoustic Pipeline Monitoring System), a technology for detecting vibro-acoustic variations in the structure of pipelines and in the fluid transported by them, continued in 2020, with the aim of identifying potential spills in progress. The system is already operational on NAOC's Kwale-Akri and Ogbobiri-Tebidaba oil lines, while installation on the Clough Creek-Tebidaba pipeline has been temporarily suspended due to the COVID-19 health emergency. With regard to sabo-

tage events, in 2020, there was a decrease in both the number of spills and the quantities spilled. Of volumes spilled, 76% were from upstream operations in Nigeria, where spilled quantities were down 29% compared to 2019. Two events were recorded in Egypt, one of which caused the spill of 1,000 barrels from a crude oil line in the desert (70% already recovered). In Italy, there was a break-in at the Genoa-Ferrera Erbognone oil pipeline near Novi Ligure, which caused the spillage of about 400 barrels of crude oil. Overall, 46% of oil spill volumes from sabotage were recovered. No oil spills occurred in the Arctic in 2020. Moreover, regarding spills impacting shorelines with ESI rankings 8-10, consistent to classification of National Oceanic and Atmospheric Administration, the volume is 0.

Volumes spilled as a result of chemical spills are mainly attributable to upstream activities in the UK and USA.

Air protection

		2016	2017	2018	2019	2020	SDGs - target
NO _x (nitrogen oxides) emissions	(ktonnes NO ₂ eq.)	56.0	55.6	53.1	52.0	51.7	3.9 12.4
NO _x emissions/100% operated hydrocarbon gross production (upstream)	(tonnes NO ₂ eq./kboe)	0.045	0.042	0.039	0.035	0.037	3.9 12.4
SO _x (sulphur oxides) emissions	(ktonnes SO ₂ eq.)	8.9	8.4	16.5	15.2	15.3	3.9 12.4
SO _x emissions/100% operated hydrocarbon gross production (upstream)	(tonnes SO ₂ eq./kboe)	0.005	0.003	0.011	0.010	0.012	3.9 12.4
SO _x emissions/crude oil processing and semi-processed oil (refineries)	(tonnes SO ₂ eq./ktonnes)	0.212	0.281	0.240	0.200	0.173	3.9 12.4
NM VOC (Non Methane Volatile Organic Compounds) emissions	(ktonnes)	15.9	21.5	23.1	24.1	21.4	3.9 12.4
TSP (Total Suspended Particulate) emissions		1.4	1.5	1.5	1.4	1.3	3.9 12.4
Air protection expenditures and investments ^(a)	(€ million)	47.18	55.07	65.82	53.79	54.21	9.5
of which: current costs		22.08	22.82	29.92	25.92	20.57	
of which: investments		25.10	32.25	35.89	27.87	33.64	

(a) The figure is part of the environmental expenses and investments reported in the "Certificates of HSE Management Systems and Expenses" table.

In 2020, NO_x emissions amounted to 51.7 thousand tons of NO₂ eq. of which Upstream 42.0, R&M 2.9 and Chemical 1.8; SO_x emissions amounted to 15.3 thousand tons of SO₂ eq. of which Upstream 12.5, R&M 2.7 and Chemical 0.1; NMVOC emissions amounted to 21.4 thousand tons of which Upstream 17.0, R&M 2.1 and Chemical 2.3. In 2020, Eni's atmospheric pollutant emissions decreased in relation to lower production levels during the period, with the exception of sulphur oxide (SO_x) emissions,

which increased slightly compared to 2019 (+0.1%), particularly for upstream activities where the composition of the gas sent to the emergency flares at the Val d'Agri Oil Center was updated, a gas that has a higher percentage of hydrogen sulphide (H₂S). NO_x emissions, overall down by 0.6% compared to 2019, in upstream have increased due to the different ways in which the parameter is reported at the site of the ETS Torrente Tona Power Plant.

Waste

■ For more information: **Eni for 2020 - A just transition - Environment**, p. 59

		2016	2017	2018	2019	2020	SDGs - target
Total waste from production activities	(million of tonnes)	0.8	1.4	2.6	2.2	1.8	12.5
of which: hazardous waste		0.3	0.7	0.3	0.5	0.4	
of which: non-hazardous waste		0.5	0.7	2.3	1.7	1.4	
Expenditures and investments in waste management ^(a)	(€ million)	133.80	225.80	224.14	249.64	217.02	9.5
of which: current costs		133.71	199.76	212.41	245.51	203.62	
of which: investments		0.09	26.03	11.72	4.13	13.39	

(a) The figure is part of the environmental expenses and investments reported in the "Certificates of HSE Management Systems and Expenses" table.

Waste generated by Eni from production operations in 2020 decreased by 19% compared to 2019, due to the decline in both non-hazardous waste (76% of the total), and hazardous waste. The decrease in non-hazardous waste is mainly related to the E&P sector, where more than 350,000 tonnes less were generated compared to 2019 due to the slowdown of activities following the COVID-19 emergency and as a result of the cessation of Construction activities in Zohr (Egypt). The reduction in hazardous waste is attributable to both the E&P sector (due to reduced drilling activities in Nigeria and Kazakhstan) and the R&MeC sector, where the Taranto and Sannazzaro refineries recorded a significant drop in waste production due to the slowdown in operations following the health emergency. The Eni share of recovered and recycled waste in 2020 was

13% of the total waste disposed²³, up from 2019 thanks to the increase in non-hazardous waste recovered regarding both the E&P sector (Central Southern District) and the R&MeC sector (Gela and Taranto refineries).

Regarding waste management, Eni pays particular attention to the traceability of the entire process and to the verification of the parties involved in the disposal/recovery chain, in order to ensure compliance with regulations and the environment. Nearly all of Eni waste in Italy is managed by Eni Rewind, which in 2020, launched a digitalization project for the efficiency and monitoring of its waste management process and implemented solutions to ensure its traceability up to its correct disposal/final recovery, in the face of regulatory developments that have strengthened the responsibilities of companies in this area.

Remediation

		2016	2017	2018	2019	2020	SDGs - target
Waste from remediation activities	(million of tonnes)	5.7	4.8	4.3	4.1	4.2	12.5
of which: hazardous waste		0.1	0.1	0.1	0.0	0.0	
of which: non-hazardous waste		5.6	4.7	4.2	4.1	4.2	
Soil and groundwater remediation expenditures and investments ^(a)	(€ million)	233.90	260.12	375.53	367.20	411.21	9.5
of which: current costs		223.81	254.70	358.27	336.21	377.47	
of which: investments		10.09	5.42	17.26	30.99	33.74	

(a) The figure is part of the environmental expenses and investments reported in the "Certificates of HSE Management Systems and Expenses" table. Furthermore, the 2017 figure has been restated following a refinement of the reporting tool.

23) Specifically, in 2020, 10% of hazardous waste disposed of by Eni was recovered/recycled, 4% was subjected to chemical/physical/biological treatment, 29% was incinerated, 2% was disposed of in waste dumps and the remaining 55% was sent for other types of disposal (including transfer to temporary storage plants prior to final disposal). With regard to non-hazardous waste, 14% was recovered/recycled, 50% was subjected to chemical/physical/biological treatment, 3% was disposed of in waste dumps and the remaining 33% was sent for other types of disposal (including transfer to temporary storage plants prior to final disposal and incineration of small quantity).

The total expenditure on remediation in 2020 amounts to more than €411 million, with an increase compared to previous periods. More than 50% of the expenditure on remediation is generated by Eni Rewind (over €208 million vs €197 million spent in 2019), Eni's environmental company that carries out soil and groundwater remediation at more than 80 contaminated both dismissed and operating sites, and manages waste from both industrial activities and remediation. In 2020, a total of 4.2 million tonnes of waste from remediation activities were generated (of which 3.9 million tonnes from Eni Rewind), 73% of which was groundwater treated by TAF plants, partly reused and partly returned to the environment.

Remediation activities, in line with previous years, are supervised at every stage of the process, from design to execution of works and rehabilitation and valorisation of resources (soil, water, waste). The volume of activity reflects the complexity and variability of Eni's business, which ranges from upstream to refining and chemicals, also within Sites of National Interest, to commercial activities such as service stations in the R&M sector. In addition, since 2020 Eni Rewind, thanks to the know-how acquired over the years as Eni's environmental Global Contractor, has expanded the boundaries of its activities, enhancing the skills acquired and the validated technologies on the market.

Human rights

■ For more information: [Eni for 2020 - A just transition - Human rights, pp. 60-67](#)

Training and security

		2016	2017	2018	2019	2020	SDGs - target
Human rights training hours	(number)	88,874	7,805	10,653	25,845	33,112	4.7
In class		354	52	164	108	260	
Distance		88,520	7,753	10,489	25,737	32,852	
Attendances in human rights training courses		22,307	2,084	10,557	44,396	21,150	
Employees trained on human rights		21,682	1,360	8,512	19,745	7,076	
Employees trained on human rights ^(a)	(%)	n.a.	74	91	97	92	
Security contracts containing clauses on human rights		91	88	90	97	97	16.1
Countries with armed guards protecting sites	(number)	8	7	7	8	8	16.1
Security personnel trained on human rights ^(b)		53	308	73	696	32	16.1
Security personnel (professional area) trained on human rights ^(c)	(%)	83	88	96	92	91	16.1

(a) This percentage is calculated as the ratio between the number of registered employees who have completed a training course on 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. The 2020 data is calculated considering only Eni employees, unlike the 2019 figure which also includes contractors.

Mandatory training for senior and middle managers (Italy and abroad) of the 4 specific modules continued in 2020: "Security and Human Rights", "Human Rights and relations with Communities", "Human Rights in the Workplace" and "Human Rights in the Supply Chain", with a 99% completion rate compared to registrations. In addition, the provision of sustainability and human rights pathways continued for the entire Eni population on a voluntary basis: "Stakeholder sustainability, reporting and human rights", "Sustainability and integration with business", "SDGs" and the new "SDG's Follow Up: Agenda 2030"; taking into account the two types of use, the overall percentage is 92%.

The e-learning course "Security & Human Rights", dedicated to the target population of the Security professional area

(middle and senior managers), was also reconfirmed in 2020. The e-learning course has been produced in three languages (Italian, English and French), to extend its accessibility. Thanks also to the course mentioned above, the staff belonging to the professional area trained in human rights reached 91%. Moreover, since 2009 Eni has been conducting a training programme for public and private security forces at its subsidiaries in various Countries, which was recognised as a best practice in the 2013 joint publication Global Compact and Principles for Responsible Investment (PRI) of the United Nations. In 2020, the training session was carried out in Angola and was attended in the presence of 32 representatives of the security forces²⁴. Although no new Human Rights Impact Assessments (HRIAs) were launched in 2020 due to the emergency, the implementa-

24) Other 100 people attended the event (either in presence or remotely), among which Eni's management and employees, other oil companies' members and NGOs.

tion of actions under the Action Plans related to Human Rights Impact Analyses, carried out during 2019 and 2018 on Area 1 development in Mexico and Area 4 development in Mozambique went ahead in 2020. In addition, in 2020, Eni published a Report²⁵ on the completion of the Action Plan referred to the North Cabinda project in Angola and a Report^{26.1} on the progress of the Action Plan referred to the aforementioned Area 1

development project in Mexico. Finally, a further progress Report^{26.2} on the Action Plan for the Area 4 development project in Mozambique was published in early 2021. With regard to supply chain, the promotion and protection of human rights is guaranteed, both during the qualification assessment and periodically with the aim of verifying its compliance with the main international standards. [see Suppliers chapter](#)

Whistleblowing files on human rights violations

	2016	2017 ^(a)	2018	2019	2020	SDGs - target
Whistleblowing files (assertions) on human rights violations closed during the year and categorized by results of the investigations and typology (number)	36	29 (32)	31 (34)	20 (26)	25 (28)	5.1 5.2 8.8 10.3 16.1 16.5
Founded assertions	11	3	9	7	11	
Potential socio-economic impacts on local communities ^(b)	0	0	0	0	0	
Potential impacts on health, safety and/or well-being of local communities ^(c)	1	0	0	0	1	
Potential impacts on worker rights ^(d)	9	3	6	5	6	
Potential impacts on workplace health and safety ^(e)	1	0	3	2	4	
Unfounded assertions, with the adoption of corrective/improvement measures	6	9	9	8	9	
Potential socio-economic impacts on local communities ^(b)	0	0	0	1	0	
Potential impacts on health, safety and/or well-being of local communities ^(c)	0	0	0	0	0	
Potential impacts on worker rights ^(d)	6	8	8	5	7	
Potential impacts on workplace health and safety ^(e)	0	1	1	2	2	
Unfounded/Not applicable assertions^(f)	19	20	16	11	8	
Potential socio-economic impacts on local communities ^(b)	0	0	0	0	0	
Potential impacts on health, safety and/or well-being of local communities ^(c)	1	2	2	1	0	
Potential impacts on worker rights ^(d)	14	15	12	10	8	
Potential impacts on workplace health and safety ^(e)	4	3	2	0	0	

(a) Starting from 2017, the results of the investigations carried out on the reported individual assertions have been represented (a file may contain 1 or more assertions) having a potential impact on human rights. Otherwise, for the years 2015 and 2016 the overall results of the dossiers were represented; these outcomes did not necessarily refer to specific aspects relating to potential impacts on human rights.

(b) Including issues related to consultation and/or compensation processes and increase in conflicts.

(c) Including the requirements for the management of polluting products.

(d) Including delays in the recognition of due wages, discrimination, harassment, bullying and mobbing.

(e) Including unhealthy and/or insecure workplace environments.

(f) They are classified as such whistleblowing/assertions in which the reported facts: (i) coincide with the subject of the pre-litigation, litigation and investigation; (ii) cannot be classified as Verifiable Detailed Reports, therefore it is not possible to start the investigation phase; (iii) Verifiable Detailed Reports for which, in light of the outcomes of the preliminary checks conducted, it is not being considered necessary to start the subsequent investigation referred phase.

With regard to whistleblowing reports, in 2020 investigations were completed on 73 files²⁷, 25²⁸ of which included human rights aspects, mainly concerning potential impacts on workers' rights. Among these, 28 assertions were verified with the following results: for 11 of them the reported facts were confirmed, at least in part, and corrective actions were taken to mitigate and/or minimise their impacts, including: (i) actions on the Internal Control and Risk Management

System, relating to the implementation and strengthening of controls in place; (ii) actions against business partners/suppliers; (iii) actions against employees, including disciplinary measures, in accordance with the collective labour agreement and other national laws applicable. At the end of the year, 16 files were still open, 6 of which referred to human rights aspects, in particular potential impacts on workers' rights.

25) <https://www.eni.com/assets/documents/eng/just-transition/human-rights/HRA-Action-Plan-Cabinda-Centrum-summary-report-December-2020.pdf>.

26.1) <https://www.eni.com/assets/documents/eng/just-transition/human-rights/Eni-Mexico-Summary-report-on-the-implementation-of-Human-Rights-Action-Plan-Area-1-update-2019-2020.pdf>.

26.2) https://www.eni.com/assets/documents/eng/just-transition/human-rights/HRAP-Area-4-Interim-Report_rev_20210308.pdf.

27) Whistleblowing report: is a summary document of the investigations carried out on the report(s) (which may contain one or more detailed and verifiable assertions) providing a summary of the investigation carried out on the reported facts, the outcome of the investigations and any action plans identified.

28) All relating to fully consolidated entities.

Transparency, anti-corruption and tax strategy

■ [For more information: Eni for 2020 - A just transition - Operational Excellence Transparency, anti-corruption and tax strategy, pp. 68-71](#)

Internal control and risk management system

		2016	2017	2018	2019	2020	SDGs - target
Integrated audits ^(a)	(number)	68	68	67	74	67	
Scheduled audits		57	59	57	61	61	
Spot audits		4	3	3	4	/	
Follow-up		7	6	7	9	6	
Audit actions with anti-corruption verifications ^(a)		33	36	32	27	31	
E-learning for resources in medium/high corruption risk context	(number of participants)	865	493	951	13,886	3,388	16.5
E-learning for resources in low corruption risk context		9,364	1,857	1,950	9,461	3,769	16.5
General workshop ^(b)		1,269	1,434	1,765	1,237	904	16.5
Job specific training ^(b)		1,214	1,539	1,461	1,108	568	16.5
Countries where Eni supports EITI's local Multi Stakeholder Groups	(number)	8	9	8	9	9	17.16

(a) 2017 and 2018 data refer to fully consolidated entities only.

(b) Beginning in March 2020, due to the emergency related to COVID-19, planned classroom training events were conducted in distance mode.

During 2020, 31 audits were carried out in 21 Countries, with anti-corruption checks that confirmed the overall adequacy and effective operation of the Anti-Corruption Compliance Program. As in previous years, 2020 also saw the continuation of training initiatives in relation to the Internal Control and Risk Management System (ICRMS) directed at Eni SpA's management and the main subsidiaries in Italy and abroad. These initiatives aim to provide an organic and integrated vision of the ICRMS and develop awareness of the role of management in the implementation and operation of an effective and efficient ICRMS, which were integrated with specific sessions on the subject of Whistleblowing. In particular, in 2020 workshops were conducted in 3 Countries in addition to Italy and the related e-learning course continues to be provided. In 2020, the ascertained cases of corruption²⁹ relating to Eni SpA amounted to 0; for ongoing proceedings. ■ [For more information: Annual Report 2020 - Legal Proceedings, p. 264](#)

Eni implements an anti-corruption training program, both through e-learning and with classroom events, as general workshops and job specific training. The general 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 trainings, that are trainings 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 people based on specific

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, in 2020, the e-learning training continued on anti-corruption issues according to the risk-based methodology started in 2019, aimed at the entire corporate population. In 2020, on the occasion of their appointment, the members of the Board of Directors of Eni SpA were shown the key elements of the Anti-Corruption Compliance Programme for training purposes, also in terms of its consistency with international best practices. In addition, the anti-corruption training program continued for some categories of Eni third parties with the aim of making them aware of the issue of corruption and in particular, on how to recognize corrupt conduct and how to prevent the violation of anti-corruption laws, in the context of their professional activity.

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 "Antibribery Management Systems" certification. In order to maintain this certification, Eni cyclically undergoes surveillance and recertification audits, which have always ended with a positive outcome.

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 Leste, and the United

29) This figure includes checks made on whistleblowing reports, if any.

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.

Whistleblowing management

		2016	2017	2018	2019	2020	SDGs - target
Whistleblowing files opened during the year categorized according to the process that is the subject of the report	(number)	103	73	81	68	74	5.1 5.2 8.8 10.3 16.1 16.5
Procurement		17	12	14	20	20	
Human resources ^(a)		40	23	23	22	16	
Maintenance		6	5	8	2	1	
Commercial		10	10	6	3	12	
Logistics, raw materials and products		6	4	6	3	3	
HSE		4	3	5	4	10	
Others (security, operations, portfolio management and trading)		20	16	19	14	12	
Whistleblowing files that have been closed during the year divided according to the outcome of the investigations		111	83	79	74	73	5.1 5.2 8.8 10.3 16.1 16.5
Founded		27	10	15	18	22	
Unfounded, with the adoption of improvement measures		36	35	30	26	32	
Unfounded/not applicable		48	38	34	30	19	

(a) The update of the reporting procedure of May 8th 2020 - Annex C to the Guidelines of the Management System "Internal Control and Risk Management System" - provided for the unification of the methods for managing whistleblowing reports relating to the Internal Control System and Management of Risks and whistleblowing reports relating to violations of the Code of Ethics; the files relating to the Human Resources process therefore include, for the years 2016-2019, the number of reports relating to violations of the Code of Ethics which in previous versions of this document was represented in a specific item of the table.

In 2020, 99 whistleblowing reports³⁰ were received on the "Internal Control and Risk Management System", and 74 files were opened. During the same period, a total of 73 files were closed, resulted in the following outcomes: i) for 51 files the checks did not find any evidence to confirm the facts reported, however for 32 files improvement actions were taken in any case; ii) for 22 files the checks confirmed, at least in part, the contents of the reports and the appropriate corrective action was taken. These 22 files mainly relate to: breaches of contractual obligations by commercial counterparties, anomalies in the management of HSE risks, non-compliant behaviour by employees and anomalies in the award and management of contracts. The corrective actions taken as a result of these files mainly consisted in i) actions on the Internal Control and Risk Management System, relating to the implementation and strengthening of controls in place; ii) actions against business partners/suppliers and iii) actions against employees, including disciplinary measures, in accordance with the collective labour agreement and other applicable national laws. At December 31st 2020, 16 files are still open.

In 2020, initiatives aiming to increase knowledge of Procedures by all Eni personnel on the subject of whistleblowing continued, with the organization of dedicated training workshops for the management of subsidiary companies as part of the previously mentioned ICRMS training activities.

TAX STRATEGY³¹

■ **For more information: Eni for 2020 - A just transition, p. 69**

Regarding the Tax Strategy, Eni has designed and implemented a Tax Control Framework for which the Eni 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 risk management and litigation activities, 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).

30) The term "report" means any communication received by Eni concerning the Internal Control and Risk Management System and concerning behaviours referable to Eni's People carried out in violation of the Code of Ethics, any laws regulations, provisions of authorities, internal regulations, Model 231 or Compliance Models for foreign subsidiaries, that may cause damage or prejudice to Eni, even if only to its public image. In particular, communications relating to failure to comply with external laws and regulations, the principles contained in the Code of Ethics and the rules laid down in Eni's internal regulatory system, including those concerning (i) cases of fraud against company assets and/or financial reporting, (ii) unlawful conduct pursuant to Legislative Decree 231 of 2001 and/or wilful or fraudulent violations of the 231 Model or the Compliance Models for foreign subsidiaries, (iii) possible acts of corruption (active or passive) or the violation of anti-corruption regulatory instruments.

31) https://www.eni.com/assets/documents/Tax-strategy_ENG.pdf.

Alliances for Development

For more information:
 Eni for 2020 - A just transition
 Alliances for development, pp. 84; 90

Local development investments

		2016	2017	2018	2019	2020	SDGs - target
Local development investments by sector of intervention	(€ million)	64.2	70.7	94.8	95.3	96.1	
Access to off-grid energy		0.6	1.1	1.7	4.2	8.1	7.1
Economic diversification		30.0	33.4	28.1	39.9	33.1	8.1
Education and vocational training		16.8	17.3	23.3	16.9	13.3	4.4
Access to water and sanitation		0.9	0.7	0.8	1.8	3.9	6.a
Life on land ^(a)		7.6	3.7	17.7	5.3	12.2	15.a
Health		2.9	7.0	3.3	8.6	13.3	3.8
Compensation and resettlement		5.4	7.5	19.9	18.6	12.2	8.3
Local development investments by geographic area							
Africa		14.8	22.9	46.7	53.3	44.2	
Americas		5.6	4.9	3.8	3.9	5.0	
Asia		33.5	34.3	21.9	28.1	28.2	
Italy		9.2	7.0	20.6	8.2	16.9	
Rest of Europe		1.0	1.4	1.5	1.5	1.8	
Oceania		0.1	0.2	0.3	0.3	0.02	

(a) In previous editions of Eni for this item was included in the item Economic diversification.

In 2020, investments for local development amounted to around €96.1³² million (Eni share), about 96% of which in the area of upstream activities. In Africa a total of €44.2 million was spent, of which €36.6 million in the Sub-Saharan area, mainly in the area of development and maintenance of infrastructures, particularly school buildings. In Asia, approximately €28.2 million was spent, mainly on economic diversification, in particular for the development and maintenance of infrastructures. In Italy, €16.9 million was spent. Overall, approximately €41.8 million was invested in infrastructure development activities, of which €20.8 million in Asia, €16.3 million in Africa, €4.4 million in Central and South America.

Key projects implemented in **Africa** in 2020 include initiatives to encourage: (i) access to water through wells fed by photovoltaic systems in north-east Nigeria; (ii) access to electricity in Libya and Nigeria; (iii) economic diversification both in the agricultural sector in Congo and Nigeria and to support local and youth entrepreneurship in Nigeria and Ghana; (iv) access

to education with activities for both students and trainers in Angola, Mozambique, Ghana.

In **Asia**, the main initiatives concerned the implementation of training activities and the construction of infrastructures in Kazakhstan and Pakistan (infrastructure and transport, schools, hospitals) and Iraq (desalination plants, schools, hospitals), while in **Italy** the main initiatives comprised environmental and coastal protection in the Ravenna area, initiatives carried out as part of the 1998 Eni-Basilicata Region Protocol, the advancement of project CASF for the creation of an Agricultural Research and Training Centre in Val d'Agri, the collaboration with Coldiretti on the "Io sono Lucano" project, as well as urban requalification interventions carried out as part of the Gela Protocol (RAGE).

As part of the interventions implemented in response to the health needs of the populations of the Countries in which it is present, in 2020, Eni supported 22 initiatives against the COVID-19 pandemic, in 14 foreign Countries, aimed in par-

32) The figure includes expenses for resettlement activities which in 2020 amounted to €12.2 million, of which: €11.8 million in Mozambique, €0.4 million in Ghana and €0.004 million in Kazakhstan.

ticular 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) creation of access points and distribution of safe water equipped with soap for hand washing; (iii) social protection and food assistance measures such as the distribution of meals for families, vulnerable groups and school canteens;

(iv) measures to support the education system through the creation of widespread learning spaces and the distribution of educational materials. In addition to its support to fight the pandemic, Eni has carried out 29 initiatives in 13 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.

Grievance

■ **For more information: Eni for 2020 - A just transition - Alliances for development - Grievance, p. 84**

Grievances received by topic^(a)

	2019	2020
Access to energy	(%) 14	5
Land Management	6	8
Education	6	3
Employment	16	21
Infrastructure	10	4
Community management	8	7
Suppliers management/Agreements	9	8
Partnerships	7	/
Social and economic impacts	6	3
Economic diversification	3	2
Environmental management	/	31
Other	15	8

(a) The grievances received by Eni's subsidiaries are classified into over 200 sustainability themes, within the corporate management system (SMS - Stakeholder Management System). The consistency of the various grievance themes may vary from one year to the next, both in terms of type and number, especially for particular years such as 2020 characterized by the pandemic, also involving high percentage variations for some categories. In particular, the category "Environmental management" presents the most significant value in 2020, compared to an insignificant figure for 2019 which was included in the item "Other".

Grievances³³ are monitored through a dedicated system called "Stakeholder Management System (SMS)"³⁴. A claim mechanism at the operational level allows to respond rapidly and effectively to possible critical situations, preventing their deterioration and the onset of conflicts. In 2020, Eni received 107

grievances from 7 subsidiaries/districts/plants, of which 53%, i.e. 57 cases, were resolved and closed. Most of the grievances have come from Sub-Saharan Africa in particular Ghana and Nigeria and mainly concerned: management of environmental aspects, employment development, land management.

33) Claims or complaints made by an individual or a group of individuals relating to actual or perceived impacts caused by the company's operational activities.

34) **For more information see Eni for 2020 - A just transition pp. 22-23; 84**

Other indicators

For more information:

Eni for 2020 - A just transition - Operational excellence
Human rights, pp. 60; 66-67

Suppliers

Supplier assessment

		2016	2017	2018	2019	2020	SDGs - target
Suppliers subjected to assessment on social responsibility aspects	(number)	5,171	5,055	5,184	5,906	5,655	5.2 8.8 16.1
of which: suppliers with criticalities/areas for improvement		1,336	1,248	1,008	898	828	
of which: suppliers with whom Eni has terminated the relations		131	65	95	96	124	
New suppliers assessed using social criteria	(%)	100	100	100	100	100	5.2 8.8 16.1

During 2020, 5,655 suppliers (including all the new ones) were subject to checks and assessment 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 15% of the suppliers audited (828). Of these, only a portion, equal to 124 suppliers, received a negative evaluation during the qualification phase or was subject to new preventive measures (attention status with clearance, suspension or revocation of qualification) or confirmation of the pre-existing preventive measures.

The identified criticalities (resulting in the request for the implementation of improvement plans) during the qualification process or Human Rights assessment are related to HSE issues or violations of human rights, such as health and safety regulations, violation of the Code of Ethics, corruption, environmental crimes. In 2020 the percentage spent on local suppliers at some relevant foreign upstream subsidiaries amounted to about 38% of the total amount spent.

Relations with clients and consumers

ENI GAS E LUCE CLIENTS

Eni gas e luce call center performance

		2016	2017	2018	2019	2020	Standard ARERA
Customers who called and spoke to an operator (service level)	(%)	95.7	95.5	96.0	95.5	95.4	85
Average hold time	(seconds)	103	104	107	126	228 ^(a)	180
First Call Resolution (FCR)	(%)	94	93	93	93	93	-
Self Care (operations performed autonomously by customers on the total of operations requested)		69	73	77	78	79	-

(a) COVID-19 impact on average waiting times.

The year 2020 was strongly influenced by the health emergency caused by COVID-19, which radically changed customers' habits and, consequently, the way they interface with the Company. For this reason, Eni gas e luce has chosen to pay increasing attention to meeting the needs of its customers, ensuring continuity of service and maintaining adequate levels of quality. With regard to the call centre, customer satisfaction is monitored by Eni gas e luce through a service evaluation survey based on daily interviews with a representative sample of customers. Call centre services maintained a high level of service with 95.4% of customers interfacing with an operator, exceeding the 85% minimum service level set by the Regulatory Authority for Energy, Networks and the Environment (ARERA).

The health emergency caused a sudden need to review the organization of workstations and facilities, also due to the different distribution of calls throughout the day: this affected the average waiting time, which was higher than in previous years. As regards the first call resolution rate (FCR), a constant performance of 93% was recorded. As expected, the reduced mobility scenario led to an increase in the number of operations carried out independently by Eni gas e luce customers out of the total operations requested (self care), which grew from 78% in 2019 to 79% in 2020.

Satisfaction of customers regarding telephone services

Service assessment^(a)

		2016	2017	2018	2019	2020
Clarity ^(b)	(%)	85.3	86.2	87.5	n.a.	n.a.
Courtesy ^(b)		88.8	89.7	90.7	n.a.	n.a.
Wait time ^(b)		84.5	84.4	85.4	n.a.	n.a.
Resolution		80.1	81.4	83.1	84.2	85.3
Service satisfaction		81.4	82.4	82.9	83.5	84.7
Average assessment ^(b)	(Score)	86.2	86.7	87.9	n.a.	n.a.
Customer Effort Score (CES)		n.a.	n.a.	84.3	85.1	85.9

(a) The assessment of the service, with the exception of questions related to resolutions, is measured on a scale from 0 to 100.

(b) Since May 2018, the phone survey has been modified and a new indicator (CES - Customer Effort Score) has been introduced. CES measures how comfortable a customer feels when interacting with a company. Therefore, KPIs related to clarity, courtesy, wait time and average assessment are no longer monitored. For this reason, these data in 2019 and 2020 are not available, while in 2018 they only refer to the first 4 months of the year.

During the health emergency, the customer experience took on an even more decisive value to ensure adequate quality of the service offered to the customer. Both customer satisfaction with telephone services, which increased from 83.5 in 2019 to 84.7 in 2020, and "resolvability" of call center cases, which increased from 84.2 in 2019 to 85.3 in 2020, continue to grow. The CES (Customer Effort Score) indicator³⁵, which summarises customer satisfaction in interaction with Eni gas e luce, is also growing steadily and will stand at 85.9 in 2020.

Initiatives to support customers in the COVID-19 emergency phase. Uncertainty and restraint due to lockdown periods have led to a change in customers' needs and accelerated the transformation of the way we approach them. Eni gas e luce promptly responded to the needs posed by the health emergency, thanks to the immediate adoption of remote working for all staff with a level of effectiveness that allowed the continuity of the level of service to customers with the same level of quality.

The Eni gas e luce website has been constantly updated, providing useful information for Customers to facilitate Eni gas e luce interaction during the pandemic period. In addition, in the initial phase of the emergency, extensions of payment terms for gas and electricity bills were granted, credit recovery actions were temporarily suspended, and additional payment instalments and repayment plans were granted with respect to the provisions of the regulations.

"Spotlight: facciamo luce sull'energia" (Spotlight: shedding light on energy) **campaign and anti-fraud hotline.** Eni gas e luce is committed to providing consumers with a service that is strongly based on transparency and fairness, while also providing the right information and tools to identify and defend themselves against any improper behaviour. With the aim of pursuing its commitment to raising consumer awareness of unfair commercial practices, in 2020 Eni gas e luce launched the webseries "Spotlight: facciamo luce sull'energia" on its digital properties, on the dedicated website page enigaseluce.com/truffe and on its social channels. The campaign involved the creation of four videos that address, in an ironic tone that makes them understandable and immediately effective, the issues related to suspicious phone calls, digital scams, door-to-door agents and misleading advertising. In order to further protect its customers, in January 2020, an anti-fraud hotline number was also activated, adequately communicated to customers via the website and bills sent throughout the year, through which they can collect reports of unfair commercial practices carried out by operators in the sector. During 2020, the anti-fraud hotline received 17,920 calls, of which 2,261 related to unfair commercial practices from known operators and 15,659 from unknown companies. No unfair commercial practices by Eni gas e luce were reported by customers.

35) The CES is given by the average value expressed by the Customers on that specific request expressed in 100^{ths}. The calculation is made by dividing the final average by 9 (maximum survey value = 100) and multiplying it by 100.

R&M CLIENTS

Eni Stations, today distributed in over 4,000 points of sale throughout Italy and about 1,200 abroad, with their wide range of services and technological assets, are the result of continuous evolution and the ability to renew. The new Eni Mobility Point concept is fundamental for Eni to achieve its decarbonisation objectives, involving customers, informing them and supporting them in the use of products with a low environmental impact, in order to make them more aware of their own choices and consumption habits.

Eni has revamped its Eni Stations to increase travel efficiency and optimise the time dedicated to using its services. The new offer is aimed in fact at reconciling the needs linked to the needs of the person and therefore within Eni Stations customers can find many services designed to facilitate the quality of their lives, simplifying and integrating

the performance of many daily activities. For example it is possible to take a break in one of the 600 Enicafé, you can do a quick shopping in the Emporium proximity shop, you can pick up packages purchased online, pay postal bills or withdraw cash thanks to the collaboration with Poste Italiane, or request, receive or replace your Telepass device at the over 200 Telepass points by Eni, as well as the Enjoy car sharing mobility service available in Milan, Rome, Turin, Florence and Bologna.

Technology and digitalisation also play a fundamental role in the evolution of Eni Stations and with the support of apps (Enjoy or Eni station+) refuelling will be increasingly automated, efficient and secure, through digital payments. Eni Multi-cards will be transformed into payment cards for products or services in Eni Stations.

Reporting criteria

Reporting principles

Standards, guidelines and recommendations. Eni for is prepared in compliance with the "Sustainability Reporting Standards" of the Global Reporting Initiative (GRI Standards) according to principles of balance, comparability, accuracy, timeliness, reliability and clarity (reporting principles). The level of compliance adopted is "in accordance Core" and has been subjected to a limited review by the independent auditors, who also audited the consolidated financial statements and the Consolidated Non-Financial Statement (NFI) as at December 31st 2020. All GRI indicators in the Content Index ■ [see pp. 45-53](#) 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 – and (iii) "Standard 207: Tax" of 2019.

Moreover, a reference table with the TCFD recommendations, implemented in Eni for 2020 - Carbon neutrality by 2050, is reported ■ [see p. 54](#). Lastly, for the first time this year, two reference tables have been added: one with the "core" metrics defined by the World Economic Forum (WEF) in its White Paper "Measuring Stakeholder Capitalism - Towards Common Metrics and Consistent Reporting of Sustainable Value Creation", published in September 2020 ■ [see pp. 55-56](#) (already published in the NFI 2020), the other with the metrics of SASB Exploration & Production standards ■ [see pp. 57-58](#).

Key performance indicators. KPI 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 2016-2020. In general, trends in data and performance indicators are calculated using decimal not shown in the document. The same data and indicators (reported in Eni for reports) are presented with a decimal approximation that can lead to negligible deviations between the sum of the individual contributions and the total published. The data for the year 2020 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 must be appropriately disclosed in the text. Most of the KPIs present are collected and aggregated automatically through the use of specific company software. It is recalled that in 2021 Eni published, for the fourth consecutive year, the NFI in accordance with the requirements of Legislative Decree 254/2016. This Statement constitutes a separate section of the Management Report included in the Annual Report. The integration of non-financial information in the Annual Report is a path that Eni has been following since 2010.

Reporting boundary

The boundary of the key performance indicators is aligned with the objectives set by the company and represents the potential impact of the activities Eni manages. In particular, for KPIs relating to safety, the environment and climate, the boundary is made up of companies with HSE impacts and includes: (i) companies in joint operations, jointly controlled or associated companies in which Eni has control over operations and (ii) Eni subsidiaries with HSE risk³⁶. For indicators related to medium-long term decarbonization targets, the reporting boundary covers all energy products sold by Eni, and the associated emissions, including both those deriving from own production and those purchased from third parties, and are accounted for on an equity basis. With regard to health, the data consider the companies with health impacts and companies under joint operation or joint control or associates in which Eni has control of operations

(with the sole exception of data relating to occupational illness reports, which refer to fully consolidated companies only). The boundary of data relating to anti-corruption training, local development investments and the number of Countries in which Eni supports EITI relates to the reporting companies in which these activities are conducted. The boundary of data referred to whistleblowing reports relate to Eni SpA and its subsidiaries. The boundary of data referred to audit actions on risk of corruption activities relate to: Eni SpA, subsidiaries controlled directly and indirectly, excluding listed subsidiaries that have their own internal audit department, associated companies, based on specific agreements, third parties deemed to have a higher risk, as provided for under the contracts entered with Eni. Finally, the indicators relating to people, human rights and suppliers refer to the data of fully consolidated companies.

³⁶) For more details on the HSE perimeter, refer to [Eni's Annual Report, notes 65 and 66](#).

Calculation methods

KPI	Methodology
GOVERNANCE AND BUSINESS ETHICS	
Diversity in the control bodies	Outside of Italy, only the companies with a control body similar to the Board of Statutory Auditors according to the Italian law were considered.
Economic value	The economic value generated represents the wealth generated by the Company in carrying out its activities. A significant part of this value is in turn distributed (distributed economic value), in the form of: operating costs, wages and salaries for employees, payments to capital suppliers and payments to the Public Administration. The residual portion of economic value generated that is not distributed constitutes retained economic value. All the components of these indicators are calculated with reference to the individual items of the Financial Statements published in Eni's Consolidated Financial Report.
RESEARCH AND DEVELOPMENT	
Research and development	The tangible value generated by R&D is measured by the economic benefits related to the application of innovative production/process technologies. The total value generated is divided into: a) actual benefits and b) expected benefits. Actual benefits are applied to 100% of the investment in technological applications projects and before tax. On the other hand, expected benefits are associated with: (i) investment projects that employ innovative technologies; (ii) reductions in expenditures envisaged from abandoning Upstream infrastructures and are calculated in terms of Net Present Value (NPV) at 100% of the investment and before tax; and (iii) increases in 2P reserves calculated by reportioning Eni's share of the unit NPV/boe to 100% using the SEC methodology. The latter include the benefit deriving from the application of applied technologies in exploration, which contribute to increasing the success rate and the associated values. The tangible benefits are identified in a "what if" scenario, namely as the difference compared to the application of the best alternative technology available on the market or, in the case of new products, as the difference compared to the margin derived from the sale of the new product net of any products replaced.
KPI	Methodology
CARBON NEUTRALITY BY 2050	
GHG Emission	<p>Scope 1: direct GHG emissions are those deriving from sources attributable to the company's assets (e.g. combustion, flaring, fugitive and venting), and include CO₂, CH₄ e N₂O; the Global Warming Potential used for conversion into CO₂ equivalent is 25 for CH₄ and 298 for N₂O. Contributions of biogenic CO₂ emissions are not included.</p> <p>Scope 2: are the indirect GHG emissions related to the generation of electricity, steam and heat purchased from third parties and consumed in the company's assets.</p> <p>Scope 3: indirect GHG emissions associated with the value chain of Eni 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^(a)) based on upstream equity production.</p>
Emission intensity	<p>Indicators consider the direct GHG emissions (Scope 1) related to assets operated by Eni, which include CO₂, CH₄ e N₂O, accounted for on a 100% basis.</p> <ul style="list-style-type: none"> 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 Bolgiano cogeneration plant).
Carbon efficiency	<p>The indicator represents GHG emissions (Scope 1 and Scope 2 in tonCO₂eq.) 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:</p> <ul style="list-style-type: none"> Upstream: includes the hydrocarbon production and electricity plants; R&M: includes only refineries; Chemicals: includes all plants; EniPower: includes thermoelectric plants except for Bolgiano cogeneration plant.
Energy consumption	<p>Consumption of primary sources: sum of consumption of primary sources such as fuel gas, natural gas, refinery/process gas, LPG, light distillates/petrol, diesel, etc.</p> <p>Primary energy purchased from other companies: Sum of purchases of electricity, heat and steam from third parties. Consumption from renewable sources also depends on the national electricity mix.</p>

(a) IPIECA is an Oil & Gas industry association that deals with environmental and social issues.

KPI	Methodology
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 upstream	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 annulments from forestry credits occurred in the reference reporting 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 offset. 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, 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.

KPI	Methodology
OPERATIONAL EXCELLENCE	
PEOPLE	
Employment	Eni uses a large number of contractors to carry out the activities within its own sites.
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 and service companies) could coincide.
Seniority	Average number of years worked by employees at Eni and its subsidiaries.
Training hours	Hours provided to Eni 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 Business areas/Companies independently, also through on-the-job training. Average training hours are calculated as total training hours divided by the average number of employees in the year.
Local senior and middle managers abroad	Number of local senior managers + middle managers (employees born in the Country in which their main working activity is based) divided by total employment abroad.
Turnover rate	Ratio between the number of new hires + resolutions of permanent contracts and permanent employment for the previous year.
Replacement rate	Ratio of number of hiring and termination of permanent contracts.
HEALTH	
Health	OIFR (Occupational Illness Frequency Rate): frequency index of reported occupational diseases of employees. Ratio of the number of occupational diseases in the reference accounting period and the worked hours in the same period. Result of the ratio multiplied by 1,000,000. 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).

KPI	Methodology
SAFETY	
Safety	<p>Eni uses a large number of contractors to carry out the activities within its own sites.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>The main hazards detected in 2020 in Eni concern:</p> <ul style="list-style-type: none"> • HGV maneuvers; • Load lifting; • Energized systems, in particular equipment containing high/low temperature fluids, exposed electrical parts or moving mechanical parts, the latter related to parts of drilling or cutting equipment.
ENVIRONMENT	
Water resources	<p>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 fresh water, which is more conservative than that indicated by the GRI reference standard (equal to 1,000 ppm), is 2,000 ppm TDS (Total Dissolved Solids), as provided in the IPIECA^(a)/API/IOGP 2020 guidance.</p> <p>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.</p>
Biodiversity	<p>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).</p> <p>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).</p> <p>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.</p> <p>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. There are some limitations to consider when interpreting the results of this analysis:</p> <ul style="list-style-type: none"> • 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. Specifically, in 2020, volumes spilled by operational spill impacted 95% soil and 5% water body, those due to sabotage impacted 93% soil and 7% water body.
Waste	<p>Waste from production: waste from production activities, including waste from drilling activities and construction sites.</p> <p>Waste from remediation activities: this includes waste from soil securing and remediation activities, demolition and groundwater classified as waste.</p> <p>The waste disposal method is communicated to Eni by the third party authorised for disposal.</p>
Air protection	<p>NO_x: total direct emissions of nitrogen oxide due to combustion processes with air. It includes emissions of NO_x from flaring activities, sulphur recovery processes, FCC regeneration, etc. It includes emissions of NO and NO₂, excluding N₂O.</p> <p>SO_x: total direct emissions of sulphur oxides, including emissions of SO₂ and SO₃.</p> <p>NM VOC: total direct emissions of hydrocarbons, hydrocarbon substitutes and oxygenated hydrocarbons that evaporate at normal temperature. They include LPG and exclude methane.</p> <p>PST: direct emissions of Total Suspended Particulates, finely divided solid or liquid material suspended in gaseous flows. Standard emission factors.</p>

(a) IPIECA is an Oil & Gas industry association that deals with environmental and social issues.

KPI	Methodology
HUMAN RIGHTS	
Security contracts with clauses on human rights	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 reporting 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 claims is reported as a result of the investigation conducted on the facts reported founded, not founded with adoption of improvement actions and not founded/not applicable.
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 Eni for reporting year) in line with the provisions of the relevant 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 at low risk of corruption. General workshop : classroom training events for staff in a context at high risk of corruption. Job specific training : classroom training events for professional areas in a context at risk of corruption.

KPI	Methodology
ALLIANCES FOR DEVELOPMENT	
Investments for local development	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.
Grievance	Complaints made by an individual or a group of individuals relating to actual or perceived impacts caused by the company's operational activities.

KPI	Methodology
SUPPLIERS	
Suppliers subjected to assessment	The indicator refers to the processes managed by the companies in the boundary; it represents all the suppliers subject to Due Diligence or subject to a qualification process or subject to a performance assessment feedback on HSE or Compliance or commercial conduct or subject to a feedback process or subject to an assessment on human rights issues (based on the SA 8000 standard or similar certification). The indicator therefore refers to all suppliers for which Vendor Management activities are centralized in Eni SpA (i.e. all Italian, mega and international suppliers) and to local suppliers of Eni Ghana, Eni Pakistan, Eni US and Eni Angola, Eni México S. de RL de CV and IEOC.
New suppliers evaluated 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.
Spending to local suppliers	<p>The indicator refers to the 2020 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 analyzed: 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 and UK): the share paid in local currency is identified as expenditure towards local suppliers; 3) "Country registration method" (Iraq and Nigeria): 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.</p> <p>The selected Countries are Ghana, Angola, UK, Iraq, Nigeria, Congo and Mexico. The Countries selected are those most representative for Eni business from a strategic point of view and in which a significant component of expenditure was recorded compared to the total spent by the Eni Group.</p>

GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

Disclosure	KPI description	Section and/or page number
ORGANIZATIONAL PROFILE		
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102-2	Activities, brands, products, and services	Eni for 2020 - A just transition, pp. 4-7 Annual Report 2020, pp. 2-3
102-3	Location of headquarters	Annual Report 2020, back cover
102-4	Location of operations	Eni for 2020 - A just transition, pp. 4-5 Annual Report 2020, p. 2
102-5	Ownership and legal form	Annual Report 2020, back cover https://www.eni.com/en_IT/company/governance/shareholders.page
102-6	Market served	Eni for 2020 - A just transition, pp. 4-7 Annual Report 2020, pp. 2-3
102-7	Scale of the organization	Eni for 2020 - A just transition, pp. 4-5; 36-37 Eni for 2020 - Sustainability performance, pp. 13-16 Annual Report 2020, pp. 14-17
102-8	Information on employees and other workers	Eni for 2020 - A just transition, pp. 37; 39-40 Eni for 2020 - Sustainability performance, pp. 13-16 NFI 2020, pp. 153-155; 172-173
102-9	Supply chain	Eni for 2020 - A just transition, pp. 66-67 Eni for 2020 - Sustainability performance, p. 37 NFI 2020, p. 165
102-10	Significant changes to the organization and its supply chain	Annual Report 2020, pp. 198-200; 369
102-11	Precaution Principle or approach	Eni for 2020 - A just transition, p. 24 Eni for 2020 - Carbon neutrality by 2050, pp. 10-15 Annual Report 2020, pp. 26-31
102-12	External initiatives	Eni for 2020 - A just transition, pp. 22-23 Annual Report 2020, pp. 18-19
102-13	Membership of association	Eni for 2020 - A just transition, pp. 22-23; 100 Eni for 2020 - Sustainability performance, p. 40 Annual Report 2020, pp. 18-19
STRATEGY		
102-14	Statement from senior decision-maker	Eni for 2020 - A just transition, pp. 2-3 Eni for 2020 - Carbon neutrality by 2050, pp. 2-3 Annual Report 2020, pp. 8-13
102-15	Key impacts, risks, and opportunities	Eni for 2020 - A just transition, pp. 24; 31 Eni for 2020 - Carbon neutrality by 2050, pp. 12-15 Annual Report 2020, pp. 26-31; 114-134

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Disclosure	KPI description	Section and/or page number
ETHICS AND INTEGRITY		
102-16	Values, principles, standards, and norms of behavior	Eni for 2020 - A just transition, pp. 12-13; 16-17; 68-71 Annual Report 2020, pp. 4-7; 38-39 NFI 2020, pp. 138; 140
GOVERNANCE		
102-18	Governance structure	Eni for 2020 - A just transition, pp. 14-15; 61-62 Eni for 2020 - Sustainability performance, pp. 3-4 Eni for 2020 - Carbon neutrality by 2050, pp. 8-9 Annual Report 2020, pp. 32-39
STAKEHOLDER ENGAGEMENT		
102-40	List of stakeholders groups	Eni for 2020 - A just transition, pp. 22-23 Annual Report 2020, pp. 18-19
102-41	Collective bargain agreement	Eni for 2020 - Sustainability performance, pp. 22-23 NFI 2020, pp. 155; 172
102-42	Identifying and selecting stakeholders	Eni for 2020 - A just transition, pp. 22-23 Annual Report 2020, pp. 18-19
102-43	Approach to stakeholder engagement	Eni for 2020 - A just transition, pp. 22-23 Annual Report 2020, pp. 18-19
102-44	Key topics and concerns raised	Eni for 2020 - A just transition, pp. 22-23; 84 Annual Report 2020, pp. 18-19
REPORTING PRACTICES		
102-45	Entities included in the consolidated financial statement	Eni for 2020 - Sustainability performance, pp. 40-44 Annual Report 2020, pp. 334-369 NFI 2020, p. 171
102-46	Defining report content and topic Boundaries	Eni for 2020 - A just transition, pp. 20-21; 100 Eni for 2020 - Sustainability performance, p. 40 NFI 2020, pp. 171; 176-178
102-47	List of material topics	Eni for 2020 - A just transition, pp. 20-21; 100 Eni for 2020 - Sustainability performance, pp. 40; 48-53 NFI 2020, pp. 171; 176-178
102-48	Restatements of information	Eni for 2020 - Sustainability performance, p. 40 NFI 2020, pp. 149-150; 161
102-49	Changes in reporting	Eni for 2020 - A just transition, pp. 20-21 Eni for 2020 - Sustainability performance, pp. 40; 48-53 NFI 2020, pp. 170-171; 176-178
102-50	Reporting period	Eni for 2020 - Sustainability performance, p. 40 NFI 2020, p. 171

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Disclosure	KPI description	Section and/or page number
102-51	Date of most recent reports	https://www.eni.com/en-IT/publications.html
102-52	Reporting cycle	Eni for 2020 - Sustainability performance, p. 40 NFI 2020, p. 171
102-53	Contact point for question regarding the report	https://www.eni.com/en-IT/contacts.html
102-54/102-55	Claims of reporting in accordance with the GRI Standards/GRI content index	Eni for 2020 - A just transition, p. 100 https://www.eni.com/en-IT/sustainability/our-strategy/reporting.page Eni for 2020 - Sustainability performance, pp. 40; 45-53 NFI 2020, pp. 171; 175-178
102-56	External assurance	Eni for 2020 - A just transition, pp. 97-99 NFI 2020, pp. 179-181

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Material aspect/ GRI Disclosure	GRI Disclosure description	Section and/or page number	Omission
COUNTER CLIMATE CHANGE GHG Emissions, Promotion of natural gas, Renewables, Biofuels and Green Chemistry, Solutions for the storage of CO ₂			
Economic performance - Management approach (103-1; 103-2; 103-3)		Boundary: internal and external (Suppliers - RNEF1; customers - RNEC2) Eni for 2020 - A just transition, pp. 6-9; 12-13; 16; 30; 36; 68; 74; 80-81 Eni for 2020 - Sustainability performance, pp. 40; 48 NFI 2020, pp. 140-141; 144; 170; 176	
201-2	Financial implications and other risks and opportunities due to climate change	Eni for 2020 - Carbon neutrality by 2050, p. 41 Annual Report 2020, pp. 29; 129-132 NFI 2020, pp. 144-150	
Emissions - Management approach (103-1; 103-2; 103-3)		Boundary: internal and external (Suppliers - RNEF1; customers - RNEC2) Eni for 2020 - A just transition, pp. 28-33 Eni for 2020 - Sustainability performance, pp. 40; 48 NFI 2020, pp. 140-141; 144-150; 170; 172; 176	
305-1	Direct GHG emissions (Scope 1)	Eni for 2020 - Sustainability performance, pp. 8-11 Eni for 2020 - Carbon neutrality by 2050, pp. 43; 48 NFI 2020, pp. 148-150; 172	
305-2	Greenhouse gas emissions from energy consumption (Scope 2)	Eni for 2020 - Sustainability performance, pp. 8-11 Eni for 2020 - Carbon neutrality by 2050, pp. 47-48 NFI 2020, pp. 148-150; 172	
305-3	Other indirect GHG emissions (Scope 3)	Eni for 2020 - Sustainability performance, pp. 8-11 Eni for 2020 - Carbon neutrality by 2050, pp. 47-48 NFI 2020, pp. 148-150; 172	
305-4	GHG emission intensity	Eni for 2020 - Sustainability performance, pp. 8-11 Eni for 2020 - Carbon neutrality by 2050, p. 48 NFI 2020, pp. 148-150; 172	
305-5	Reduction of GHG emissions	Eni for 2020 - Carbon neutrality by 2050, pp. 42-46	
305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	Eni for 2020 - Sustainability performance, pp. 29-30 NFI 2020, pp. 159-161; 174	
Energy - Management approach (103-1; 103-2; 103-3)		Boundary: internal Eni for 2020 - A just transition, pp. 25; 28-33; 54 Eni for 2020 - Sustainability performance, pp. 40; 48 NFI 2020, pp. 140-141; 144-150; 170; 172; 176	
302-1	Energy consumption within the organization	Eni for 2020 - Sustainability performance, p. 12	
302-3	Energy intensity	Eni for 2020 - Sustainability performance, p. 12 Eni for 2020 - Carbon neutrality by 2050, p. 46 NFI 2020, pp. 148-150; 172	
302-4	Reduction of energy consumption	Eni for 2020 - Sustainability performance, p. 12 Eni for 2020 - Carbon neutrality by 2050, p. 46	

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Material aspect/ GRI Disclosure	GRI Disclosure description	Section and/or page number	Omission
OG2	Investments in renewable energies	Eni for 2020 - A just transition, p. 25 Eni for 2020 - Sustainability performance, pp. 6-7 Eni for 2020 - Carbon neutrality by 2050, pp. 22-23; 36; 41	
OG14	Volume of biofuels produced	Eni for 2020 - Sustainability performance, pp. 9; 11 Eni for 2020 - Carbon neutrality by 2050, pp. 26-27	
PEOPLE Employment, diversity and inclusion, Training, Occupational health and local communities health			
Market presence - Management approach (103-1; 103-2; 103-3)		Boundary: internal Eni for 2020 - A just transition, pp. 36; 40-42 Eni for 2020 - Sustainability performance, pp. 40; 49 NFI 2020, pp. 140-141; 151-155; 170; 172; 176	
202-2	Proportion of senior management hired from the local community	Eni for 2020 - A just transition, p. 41 Eni for 2020 - Sustainability performance, pp. 13-15 NFI 2020, pp. 153-155; 172	
Employment - Management approach (103-1; 103-2; 103-3)		Boundary: internal Eni for 2020 - A just transition, pp. 36-37 Eni for 2020 - Sustainability performance, pp. 40; 49 NFI 2020, pp. 140-141; 151-155; 170; 172-173; 176	
401-1	New employee hires and employee turnover	Eni for 2020 - Sustainability performance, pp. 37; 39 NFI 2020, pp. 153-155; 173	
Occupational health and safety - Management approach (103-1; 103-2; 103-3; 403-1; 403-2; 403-4; 403-5; 403-7)		Boundary: internal Eni for 2020 - A just transition, pp. 14-15; 44; 48 Eni for 2020 - Sustainability performance, pp. 40; 49 NFI 2020, pp. 140-141; 151-155; 170; 173; 176	
403-10	Work-related ill health	Eni for 2020 - Sustainability performance, pp. 23-24 NFI 2020, pp. 153-155; 173	
Trading and education - Management approach (103-1; 103-2; 103-3)		Boundary: internal Eni for 2020 - A just transition, pp. 36; 43; 90; 92-93 Eni for 2020 - Sustainability performance, pp. 40; 49 NFI 2020, pp. 140-141; 151-155; 170; 172; 176	
404-1	Average hours of training per year per employee	Eni for 2020 - A just transition, pp. 36; 43 Eni for 2020 - Sustainability performance, p. 19 NFI 2020, pp. 153-155; 172	
404-3	Percentage of employees receiving regular performance and career development reviews	Eni for 2020 - A just transition, p. 37 Eni for 2020 - Sustainability performance, pp. 21-22	
Diversity and equal opportunity - Management approach (103-1; 103-2; 103-3)		Boundary: internal Eni for 2020 - A just transition, pp. 36-42 Eni for 2020 - Sustainability performance, pp. 40; 50 NFI 2020, pp. 140-141; 151-155; 170; 176	

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Material aspect/ GRI Disclosure	GRI Disclosure description	Section and/or page number	Omission
405-1	Diversity of governance bodies and employees	Eni for 2020 - A just transition, pp. 36-41 Eni for 2020 - Sustainability performance, pp. 3-4; 13-16 Corporate Governance and Shareholding Structure Report 2020, Board of Directors NFI 2020, pp. 153-155	
405-2	Ratio of basic salary and remuneration of women to men	Eni for 2020 - A just transition, pp. 41-42 Eni for 2020 - Sustainability performance, pp. 16-18	
SAFETY People safety and asset integrity			
Occupational health and safety - Management approach (103-1; 103-2; 103-3; 403-1; 403-2; 403-4; 403-5; 403-7)		Boundary: internal and external (Suppliers) Eni for 2020 - A just transition, pp. 14-15; 44; 48 Eni for 2020 - Sustainability performance, pp. 40; 50 NFI 2020, pp. 140-141; 156-157; 170; 173; 177	
403-9	Work-related injuries	Eni for 2020 - A just transition, p. 49 Eni for 2020 - Sustainability performance, pp. 24-25 NFI 2020, pp. 156-157; 173	
OG13	Process safety events	Eni for 2020 - A just transition, p. 51 Eni for 2020 - Sustainability performance, p. 25	
REDUCTION OF ENVIRONMENTAL IMPACTS Water resources, Biodiversity, Oil spill, Air quality, Remediation and waste			
Water - Management approach (103-1; 103-2; 103-3)		Boundary: internal Eni for 2020 - A just transition, pp. 54-56 Eni for 2020 - Sustainability performance, pp. 40; 50 NFI 2020, pp. 140-141; 157-161; 170; 173; 177	
303-3	Water withdrawal	Eni for 2020 - A just transition, pp. 54-56 Eni for 2020 - Sustainability performance, pp. 26-27 NFI 2020, pp. 159-161; 173	
303-4 OG5	Water discharge	Eni for 2020 - Sustainability performance, pp. 26-27 NFI 2020, pp. 159-161; 173	
Biodiversity - Management approach (103-1; 103-2; 103-3)		Boundary: internal Eni for 2020 - A just transition, pp. 54; 58 Eni for 2020 - Sustainability performance, pp. 40; 50 NFI 2020, pp. 140-141; 157-162; 170; 173; 177	
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Eni for 2020 - A just transition, p. 58 Eni for 2020 - Sustainability performance, pp. 27-28 NFI 2020, pp. 159-162; 173	

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Material aspect/ GRI Disclosure	GRI Disclosure description	Section and/or page number	Omission
Effluents and waste - Management approach (103-1; 103-2; 103-3)		Boundary: internal Eni for 2020 - A just transition, p. 54 Eni for 2020 - Sustainability performance, pp. 40; 51 NFI 2020, pp. 140-141; 157-161; 170; 173; 177	
306-2	Management of significant waste-related impacts	Eni for 2020 - Sustainability performance, p. 30 NFI 2020, pp. 159-161; 173	
OG7	Waste from drilling activities	Eni for 2020 - Sustainability performance, p. 30	
306-3	Waste generated	Eni for 2020 - Sustainability performance, pp. 28-29 NFI 2020, pp. 159-161; 173	
OG6	Hydrocarbon volumes sent to flaring or venting	Eni for 2020 - Sustainability performance, p. 9 Eni for 2020 - Carbon neutrality by 2050, pp. 44-45; 48	
Environmental compliance - Management approach (103-1; 103-2; 103-3)		Boundary: internal Eni for 2020 - Sustainability performance, pp. 40; 51 NFI 2020, pp. 140-141; 157-162; 170; 177	
307-1	Environmental compliance	Annual Report 2020, pp. 264-279	
HUMAN RIGHTS			
Rights of workers and local communities, Supply chain and Security			
Non-discrimination - Management approach (103-1; 103-2; 103-3)		Boundary: internal and external (Local security forces and Suppliers - RNEF1) Eni for 2020 - A just transition, pp. 60-67 Eni for 2020 - Sustainability performance, pp. 40; 51 NFI 2020, pp. 140-141; 162-164; 170; 174; 177	
406-1	Incidents of discrimination and corrective actions taken	Eni for 2020 - Sustainability performance, pp. 31-32 NFI 2020, pp. 164; 174	
Security practices - Management approach (103-1; 103-2; 103-3)		Boundary: internal and external (Local security forces and Suppliers - RNEF1) Eni for 2020 - A just transition, pp. 48-53 Eni for 2020 - Sustainability performance, pp. 40; 51 NFI 2020, pp. 140-141; 162-164; 170; 174; 177	
410-1	Security personnel trained in human rights policies or procedures	Eni for 2020 - A just transition, pp. 63; 65 Eni for 2020 - Sustainability performance, pp. 31-32 NFI 2020, pp. 164; 174	
Human rights assessment - Management approach (103-1; 103-2; 103-3)		Boundary: internal and external (Local security forces and Suppliers - RNEF1) Eni for 2020 - A just transition, pp. 60; 63 Eni for 2020 - Sustainability performance, pp. 40; 52 NFI 2020, pp. 140-141; 162-164; 170; 177	

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Material aspect/ GRI Disclosure	GRI Disclosure description	Section and/or page number	Omission
412-2	Training on human rights	Eni for 2020 - A just transition, p. 63 Eni for 2020 - Sustainability performance, pp. 31-32 NFI 2020, p. 164	
Suppliers and social assessment - Management approach (103-1; 103-2; 103-3)		Boundary: internal and external (Local security forces and Suppliers - RNEF1) Eni for 2020 - A just transition, pp. 60; 66-67 Eni for 2020 - Sustainability performance, pp. 40; 52 NFI 2020, pp. 140-141; 165; 170; 174; 177	
414-1	New suppliers that were screened using social criteria	Eni for 2020 - A just transition, p. 67 Eni for 2020 - Sustainability performance, p. 37 NFI 2020, pp. 165; 174	
INTEGRITY IN BUSINESS MANAGEMENT Transparency, anti-corruption and tax strategy			
Anti-corruption - Management approach (103-1; 103-2; 103-3)		Boundary: internal and external (Suppliers - RPEF3) Eni for 2020 - A just transition, pp. 68-71 Eni for 2020 - Sustainability performance, pp. 40; 52 NFI 2020, pp. 140-141; 166-167; 170; 174; 178	
205-2	Communication and training on anti-corruption policies and procedures	Eni for 2020 - A just transition, pp. 70-71 Eni for 2020 - Sustainability performance, pp. 33-34 NFI 2020, pp. 166-167; 174; 178	
205-3	Confirmed incidents of corruption and actions taken	Eni for 2020 - Sustainability performance, pp. 33-34 NFI 2020, p. 167	
Tax - Management approach (103-1; 103-2; 103-3; 207-1; 207-2; 207-3)		Boundary: internal Eni for 2020 - A just transition, pp. 68-69 Eni for 2020 - Sustainability performance, pp. 40; 52 NFI 2020, pp. 140-141; 166-167; 170; 174; 178	
207-4	Tax: Country-by-Country reporting	NFI 2020, pp. 166-167; 174. See Note 32 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 and sanitation, Health			
Indirect economic impacts - Management approach (103-1; 103-2; 103-3)		Boundary: internal Eni for 2020 - A just transition, pp. 74-96 Eni for 2020 - Sustainability performance, pp. 40; 52 NFI 2020, pp. 140-141; 168-170; 174; 178	
203-1	Infrastructure investments and services supported	Eni for 2020 - A just transition, pp. 78-79; 90-93 Eni for 2020 - Sustainability performance, pp. 35-36 NFI 2020, pp. 169; 174	
203-2	Significant Indirect Economic Impacts	Eni for 2020 - A just transition, pp. 94-96 Eni for 2020 - Sustainability performance, pp. 35-36	

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Material aspect/ GRI Disclosure	GRI Disclosure description	Section and/or page number	Omission
Economic performance - Management approach (103-1; 103-2; 103-3)		Boundary: internal Eni for 2020 - Sustainability performance, pp. 40; 53 NFI 2020, pp. 140-141; 170; 178	
201-1	Direct economic value generated and distributed	Eni for 2020 - Sustainability performance, p. 5 NFI 2020, p. 178	
Local communities - Management approach (103-1; 103-2; 103-3)		Boundary: internal Eni for 2020 - A just transition, pp. 22-23; 74-96 Eni for 2020 - Sustainability performance, pp. 40; 53 NFI 2020, pp. 140-141; 168-170; 178	
413-1	Operations with local community engagement, impact assessments, and development programs	Eni for 2020 - A just transition, pp. 22-23; 74-96 Eni for 2020 - Sustainability performance, pp. 35-36 NFI 2020, pp. 168-169	
OG10	Significant disputes with local communities and indigenous peoples	Eni for 2020 - Sustainability performance, pp. 31-32; 36	
LOCAL CONTENT			
Procurement practices - Management approach (103-1; 103-2; 103-3)		Boundary: internal and external (Suppliers - RNEF1) Eni for 2020 - A just transition, pp. 60; 74; 88; 94-96 Eni for 2020 - Sustainability performance, pp. 40; 53 NFI 2020, pp. 140-141; 168-170; 174; 178	
204-1	Proportion of spending on local suppliers	Eni for 2020 - Sustainability performance, p. 37 NFI 2020, pp. 168-169; 174	
DIGITALIZATION, INNOVATION AND CYBER SECURITY			
Technological development - Management approach (103-1; 103-2; 103-3)		Boundary: internal Eni for 2020 - A just transition, pp. 25-27 Eni for 2020 - Sustainability performance, pp. 40; 53 NFI 2020, pp. 140-141; 144-157; 178	

(1) RNES: Reporting not extended to suppliers.

(2) RNEC: Reporting not extended to customers.

(3) RPES: Reporting partially extended to suppliers.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) - REFERENCE TABLE

		Consolidated non-financial report	Eni for - Carbon neutrality by 2050
GOVERNANCE			
Represent Company governance referring to risk and opportunities connected to climate change.	a) Monitoring from BoD side	✓	Section Role of the Board, p. 8
	b) Role of management	Key elements	Section Role of management, p. 9
STRATEGY			
Represent actual and potential impacts of risks and opportunities connected to climate change on business, on the strategy and on the financial planning wherever the information is material.	a) Risks and opportunities related to climate	✓	Section Risks and opportunities related to climate change, pp. 12-15
	b) Incidence of risks and opportunities related to climate	Key elements	Section Risks and opportunities related to climate change, pp. 12-15 and Section Strategy, pp. 16-41
	c) Strategy resilience		Section Strategy, pp. 16-41 For a summary of the main financials commitments, see the table on p. 41 in the Eni for 2020 - Carbon neutrality by 2050 document.
RISK MANAGEMENT			
Represent how the Company identifies, evaluates and deals with risks connected to climate change.	a) Identification and evaluation processes	✓	Section Integrated climate risk management model, pp. 10-11
	b) Management processes	Key elements	Section Integrated climate risk management model, pp. 10-11
	c) Integration for comprehensive risk management		Section Integrated climate risk management model, pp. 10-11
METRICS & TARGETS			
Represent metrics and targets used to evaluate and manage risks and opportunities linked to climate change wherever the information is material.	a) Used metrics	✓	Section Metrics, p. 48
	b) GHG emissions	Key elements	Section Metrics, p. 48
	c) Targets		Section Metrics, p. 48

In addition, Scope 1 and Scope 2 GHG emissions are subject to a reasonable assurance by PwC with the aim of ensuring even greater solidity of these data of strategic importance for Eni (for

further information, see section "Statement on GHG accounting and reporting - year 2020" attached to Eni for 2020 - Carbon neutrality by 2050 document).

WORLD ECONOMIC FORUM (WEF) CORE METRICS - REFERENCE TABLE

Topics	Core metrics and disclosures	Eni Disclosure
Governing purpose	Setting purpose	Eni for 2020 - A just transition, pp. 14-15 Annual Report 2020, pp. 4-7; 38-39
Quality of governing body	Governance body composition	Eni for 2020 - A just transition, pp. 3-4 Corporate Governance and Shareholding Structure Report 2020, Board of Directors NFI 2020, pp. 153-155
Stakeholder engagement	Material issues impacting stakeholders	Eni for 2020 - A just transition, pp. 20-23; 84 NFI 2020, pp. 170; 176-178 Annual Report 2020, pp. 18-19
Ethical behaviour	Anti-corruption	Eni for 2020 - A just transition pp. 70-71 Eni for 2020 - Sustainability performance, pp. 33-34 NFI 2020, p. 167
	Protected ethics advice and reporting mechanisms	Eni for 2020 - A just transition, p. 71 Eni for 2020 - Sustainability performance, pp. 33-34 NFI 2020, pp. 138; 140
Risk and opportunity oversight	Integrating risk and opportunity into business process	Eni for 2020 - A just transition, p. 24 Eni for 2020 - Carbon neutrality by 2050, pp. 10-15 Annual Report 2020, pp. 26-31; 114-134
Climate change	Greenhouse gas (GHG) emissions	Eni for 2020 - Sustainability performance, pp. 8-11 Eni for 2020 - Carbon neutrality by 2050, pp. 41-44; 48 NFI 2020, pp. 148-150; 159-161; 172; 174
	TCFD implementation	Eni for 2020 - A just transition, pp. 30-33 Eni for 2020 - Sustainability performance, p. 54 Eni for 2020 - Carbon neutrality by 2050, p. 49 NFI 2020, pp. 140-141; 144-150; 170; 172; 176
Nature loss	Land use and ecological sensitivity	Eni for 2020 - A just transition, p. 58 Eni for 2020 - Sustainability performance, pp. 26-27 NFI 2020, pp. 159-162; 173
Freshwater availability	Water consumption and withdrawal in water-stressed areas	Eni for 2020 - A just transition, pp. 55-56 Eni for 2020 - Sustainability performance, pp. 26-27 NFI 2020, pp. 159-161; 173
Dignity and equality	Diversity and inclusion	Eni for 2020 - A just transition, p. 37 Eni for 2020 - Sustainability performance, pp. 13-15
	Pay equality	Eni for 2020 - A just transition, p. 41 Eni for 2020 - Sustainability performance, pp. 16-17 NFI 2020, pp. 140-141; 151-155; 170; 176 Report on remuneration policy and remuneration paid 2021, p. 12
	Wage level	Eni for 2020 - A just transition, p. 42 Eni for 2020 - Sustainability performance p. 18 NFI 2020, pp. 140-141; 151-155; 170; 176 Report on remuneration policy and remuneration paid 2021, p. 13
	Risk for incident of child, forced or compulsory labour	Eni for 2020 - A just transition, pp. 60-67 NFI 2020, pp. 140-141; 162-164; 170; 174; 177

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Topics	Core metrics and disclosures	Eni Disclosure
Health and well being	Health and safety	Eni for 2020 - A just transition, pp. 42; 45-53 Eni for 2020 - Sustainability performance, pp. 18-19; 23-25 NFI 2020, pp. 140-141; 156-157; 170; 173; 177
Skills for the future	Training provided	Eni for 2020 - A just transition, p. 43 Eni for 2020 - Sustainability performance, p. 19 NFI 2020, pp. 153-155; 172
Employment and wealth generation	Absolute number and rate of employment	Eni for 2020 - A just transition, pp. 36-41 Eni for 2020 - Sustainability performance, pp. 13-16 NFI 2020, pp. 153-155; 173
	Economic contribution	Eni for 2020 - Sustainability performance, p. 5 NFI 2020, p. 178
	Financial investment contribution	Eni for 2020 - Sustainability performance, p. 5 NFI 2020, p. 178
Innovation of better products and services	Total R&D expenses	Eni for 2020 - A just transition, pp. 5; 17; 25 Eni for 2020 - Sustainability performance, pp. 6-7 Eni for 2020 - Carbon neutrality by 2050, pp. 5; 36-37; 48 NFI 2020, pp. 148-150
Community and social vitality	Total tax paid	Eni for 2020 - Sustainability performance, p. 5 NFI 2020, p. 140-141; 170; 178

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) EXPLORATION & PRODUCTION

- REFERENCE TABLE^(a)

Aspect	Code	Metrics	Eni Disclosure
Greenhouse Gas Emissions	EM-EP-110a.1	Gross global Scope 1 emissions, percentage methane, percentage covered under emissions-limiting regulations	Eni for 2020 - Sustainability performance, pp. 8-11 Eni for 2020 - Carbon neutrality by 2050, pp. 5; 41-45; 48
	EM-EP-110a.2	Amount of gross global Scope 1 emissions from: (1) flared hydrocarbons, (2) other combustion, (3) process emissions, (4) other vented emissions, and (5) fugitive emissions	Eni for 2020 - Sustainability performance, pp. 8-11 Eni for 2020 - Carbon neutrality by 2050, pp. 5; 41-45; 48
	EM-EP-110a.3	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Eni for 2020 - Sustainability performance, pp. 8-11 Eni for 2020 - Carbon neutrality by 2050, pp. 8-19; 41-46
Air Quality	EM-EP-120a.1	Air emissions of the following pollutants: (1) NO _x (excluding N ₂ O), (2) SO _x , (3) volatile organic compounds (VOCs), and (4) particulate matter (PM10)	Eni for 2020 - Sustainability performance, pp. 29-30
Water Management	EM-EP-140a.1	(1) Total fresh water withdrawn, (2) total fresh water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Eni for 2020 - A just transition, p. 55 Eni for 2020 - Sustainability performance, pp. 26-27
	EM-EP-140a.2	Volume of produced water and flowback generated; percentage (1) discharged, (2) injected, (3) recycled; hydrocarbon content in discharged water	Eni for 2020 - Sustainability performance, pp. 26-27
	EM-EP-140a.3	Percentage of hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used	Not applicable. Eni does not operate assets with non-conventional production
	EM-EP-140a.4	Percentage of hydraulic fracturing sites where ground or surface water quality deteriorated compared to a baseline	Not applicable. Eni does not operate assets with non-conventional production
Biodiversity Impacts	EM-EP-160a.1	Description of environmental management policies and practices for active sites	Eni for 2020 - A just transition, pp. 54; 56-58 eni.com
	EM-EP-160a.2	Number and aggregate volume of hydrocarbon spills, volume in Arctic, volume impacting shorelines with ESI rankings 8-10, and volume recovered	Eni for 2020 - A just transition, pp. 56-57 Eni for 2020 - Sustainability performance, pp. 28-29
	EM-EP-160a.3	Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat	Not reported
Security, Human Rights & Rights of Indigenous Peoples	EM-EP-210a.1	Percentage of (1) proved and (2) probable reserves in or near areas of conflict	Proved reserves: 6.6% Proved + probable reserves: 11.0%.
	EM-EP-210a.2	Percentage of (1) proved and (2) probable reserves in or near indigenous land	Proved reserves: 0% Proved + probable reserves: 0%.
	EM-EP-210a.3	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	Eni for 2020 - A just transition, pp. 60-67; 85-87; 89 Eni for - Human rights June 2020, pp. 34-39; 68-84

(a) Any updates to this reference table will be available on [eni.com](https://www.eni.com).

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Aspect	Code	Metrics	Eni Disclosure
Community Relations	EM-EP-210b.1	Discussion of process to manage risks and opportunities associated with community rights and interests	Eni for 2020 - A just transition, pp. 22-24; 74-96 Eni for - Human rights June 2020, pp. 68-78; 85-86; 88-89; 92-95
	EM-EP-210b.2	Number and duration of non-technical delays	Not available
Workforce Health & Safety	EM-EP-320a.1	(1) Total recordable incident rate (TRIR), (2) fatality rate, (3) near miss frequency rate (NMFR), and (4) average hours of health, safety, and emergency response training for (a) full-time employees, (b) contract employees, and (c) short-service employees	Eni for 2020 - A just transition; pp. 43; 49 Eni for 2020 - Sustainability performance; pp. 24-25 (detail related to short-service employees excluded)
	EM-EP-320a.2	Discussion of management systems used to integrate a culture of safety throughout the exploration and production lifecycle	Eni for 2020 - A just transition, pp. 48-53
Reserves Valuation & Capital Expenditures	EM-EP-420a.1	Sensitivity of hydrocarbon reserve levels to future price projection scenarios that account for a price on carbon emissions	Eni for 2020 - Carbon neutrality by 2050, p. 20
	EM-EP-420a.2	Estimated carbon dioxide emissions embedded in proved hydrocarbon reserves	Not reported. Detailed information related to Eni's GHG direct and indirect emissions is available in the "Statement on GHG accounting and reporting - year 2020" attached to "Eni for 2020 - Carbon neutrality by 2050" and it is subject to third party independent assurance.
	EM-EP-420a.3	Amount invested in renewable energy, revenue generated by renewable energy sales	Eni for 2020 - Carbon neutrality by 2050, p. 41 (generated revenues excluded)
	EM-EP-420a.4	Discussion of how price and demand for hydrocarbons and/or climate regulation influence the capital expenditure strategy for exploration, acquisition, and development of assets	Eni for 2020 - Carbon neutrality by 2050, pp. 12-15; 20-21
Business Ethics & Transparency	EM-EP-510a.1	Percentage of (1) proved and (2) probable reserves in Countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Proved reserves: 21% Proved + probable reserves: 18%.
	EM-EP-510a.2	Description of the management system for prevention of corruption and bribery throughout the value chain	Eni for 2020 - A just transition, pp. 68-71
Management of the Legal & Regulatory Environment	EM-EP-530a.1	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	Eni for 2020 - Carbon neutrality by 2050, p. 40
Critical Incident Risk Management	EM-EP-540a.1	Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) of greater consequence (Tier 1)	Eni for 2020 - A just transition, p. 51 Eni for 2020 - Sustainability performance, pp. 24-25
	EM-EP-540a.2	Description of management systems used to identify and mitigate catastrophic and tail-end risks	Eni for 2020 - A just transition, p. 24 Eni for 2020 - Carbon neutrality by 2050, pp. 10-15
Activity	EM-EP 000.A	Production of: (1) oil, (2) natural gas, (3) synthetic oil, and (4) synthetic gas	Eni Fact Book 2020, pp. 32-34 (for oil and natural gas production). Production of synthetic oil and gas is 0.
	EM-EP 000.B	Number of offshore sites	Eni Fact Book 2020, p. 35
	EM-EP 000.C	Number of terrestrial sites	Eni Fact Book 2020, p. 35



Eni SpA

Headquarters

Piazzale Enrico Mattei, 1 - Rome - Italy

Capital Stock as of December 31, 2020: € 4,005,358,876.00 fully paid

Tax identification number 00484960588

Branches

Via Emilia, 1 - San Donato Milanese (Milan) - Italy

Piazza Ezio Vanoni, 1 - San Donato Milanese (Milan) - Italy

Contacts

eni.com

+39-0659821

800940924

segreteria@societaria.azionisti@eni.com

Investor Relations

Piazza Ezio Vanoni, 1 - 20097 San Donato Milanese (Milan)

Tel. +39-0252051651 - Fax +39-0252031929

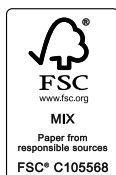
e-mail: investor.relations@eni.com

Layout and supervision

K-Change - Rome

Printing

Tipografia Facciotti - Rome - Italy



Printed on Fedrigoni Arena paper



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Eni for 2020 - Sustainability Report

