

Welcome to your CDP Water Security Questionnaire 2021

W0. Introduction

W_{0.1}

(W0.1) Give a general description of and introduction to your organization.

Eni is an integrated company that operates across the entire energy chain in 68 Countries around the world and employing more than 31,000 people.

Eni is a global energy company, engaged in the entire value chain: from the exploration, development and extraction of oil and natural gas, to the generation of electricity from cogeneration and renewable sources, traditional and biorefining and chemicals, and 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 levers to strengthen its presence along the value chain. Along this path, Eni is committed to become a leading company in the production and sale of decarbonized energy products, increasingly customer-oriented.

Decarbonization will be achieved through the implementation and strengthening of existing technologies and activities such as biorefineries with an increasing input of raw material from waste;

Circular economy with increased use of biomethane, waste products and recycling of end products;

Efficiency and digitalization in operations and customer services;

Renewables through increased capacity and integration with the retail business;

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

Eni business model is aimed at the creation of value for all stakeholders through a strong presence along the entire value chain of energy.

Eni aims to contribute, directly or indirectly, to the achievement of the Sustainable Development Goals (SDGs) of the United Nations 2030



Agenda, supporting a just energy transition, which responds with concrete and economically sustainable solutions to the challenges of combating climate change and giving access to energy in an efficient and sustainable way, for all. In **June 2021** Eni published its **position on water**, identified it as a strategic resource for the protection of biodiversity and human health, for social and economic development, The company therefore undertakes to define objectives to minimize its freshwater withdrawals in water-stressed areas, seeking improvement solutions and leveraging innovative technologies.

Electric Utilities (EU) water data are referred to the activities of Enipower SpA, the Eni company that produces electricity and steam power. The company has six gas-fired combined cycle power stations.

Chemical activities refer to Eni Versalis SpA, Eni's chemical subsidiary, is also Italy biggest chemical company in terms of turnover, production volumes and number of employees. The company is also at the cutting edge and in continuous evolution, and is one of the leading players in the international chemicals sector.

Eni Rewind (formerly Syndial) is the Eni's environmental company that operates according to the principles of the circular economy to enhance industrial land and waste through efficient reclamation and recovery projects, with attention to the specificity of the territories. Its operational model aims at regenerating soils, **waters** and resources that can be recovered thanks to the scientific research and the skills of over 1000 people. The company has launched a new business that will enable Eni Waste to Fuel technology to be applied on a large scale to transform organic waste into bio oil and water.

W-EU0.1a

(W-EU0.1a) Which activities in the electric utilities sector does your organization engage in?

Electricity generation Distribution

W-EU0.1b

(W-EU0.1b) For your electricity generation activities, provide details of your nameplate capacity and the generation for each technology.

	Nameplate capacity (MW)	% of total nameplate capacity	Gross electricity generation (GWh)
Coal – hard			
Lignite			
Oil			
Gas	5,000	100	22,700
Biomass			
Waste (non-biomass)			
Nuclear			
Fossil-fuel plants fitted with carbon capture and storage			



Geothermal		
Hydropower		
Wind	61	116
Solar	236	223
Marine		
Other renewable		
Other non-renewable		
Total	5,297	23,039

W-OG0.1a

(W-OG0.1a) Which business divisions in the oil & gas sector apply to your organization?

Upstream

Midstream/Downstream

Chemicals

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	January 1, 2020	December 31, 2020

W_{0.3}

(W0.3) Select the countries/areas for which you will be supplying data.

Albania

Algeria

Angola

Argentina

Australia

Austria

Bahrain

Belgium

Canada

China

Congo

Côte d'Ivoire

Cyprus

Czechia

Democratic People's Republic of Korea

Denmark

Ecuador

Egypt



	n	

Gabon

Germany

Ghana

Greece

Greenland

Hungary

India

Indonesia

Iraq

Ireland

Italy

Japan

Kazakhstan

Kenya

Lebanon

Libya

Mexico

Montenegro

Morocco

Mozambique

Myanmar

Netherlands

Nigeria

Norway

Oman

Pakistan

Poland

Portugal

Qatar

Romania

Russian Federation

Saudi Arabia

Singapore

Slovakia

Slovenia

South Africa

Spain

Sweden

Switzerland

Taiwan, Greater China

Timor-Leste

Tunisia

Turkey

Turkmenistan

United Arab Emirates

United Kingdom of Great Britain and Northern Ireland



United States of America Venezuela (Bolivarian Republic of) Viet Nam

W_{0.4}

(W0.4) Select the currency used for all financial information disclosed throughout your response.

EUR

W_{0.5}

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which operational control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

No

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital	Important	Direct use is vital for all sectors as it is needed for cooling and for steam production, as well as for its process activities; for these reasons direct use importance is predicted to remain vital for industrial operation also in the future. Eni intends to decrease good quality freshwater withdrawals through efficiency programs, recycle and reuse initiatives and replacing it with low quality sources in the future, i.e., contaminated groundwater after treatment (TAF water), desalinated water, rainwater or wastewater. Eni is aware of the importance of water related risks existing along its supply chain, as freshwater use is important for some item production (e.g. steel or



			pipes production) and for some industrial process (e.g. cooling purposes or hydrodynamic washing). In order to mitigate the risks of an unsustainable future, Eni has launched a series of initiatives, some of which are specifically dedicated to the management of indirect water use, with the aim of gathering information and guiding supply chain behavior. The importance of water in the supply chain is foreseen to increase and specific interventions will be implemented to address water intensive suppliers or materials.
Sufficient amounts of recycled, brackish and/or produced water available for use	Important	Not very important	Direct use: brackish water is used and important only in upstream operations and especially in arid areas where other water sources are difficult to access, mainly for pressure maintenance and for civil/industrial purposes. Produced water is an important resource as it is used to maintain the reservoir pressures and Eni intends to increase its use for reinjection. Recycled water is important to reduce the freshwater withdrawals and Eni intends to increase its use in the future. The use of seawater is important for cooling purposes and for reservoir pressure maintenance and its use is expected to be stable or to increase slightly. Eni is aware of the importance of water related risks existing along its supply chain, as recycled freshwater use is important for some item production (e.g. steel or pipes production) and for some industrial process (e.g. cooling purposes or hydrodynamic washing). There is no specific dependence identified in the supply chain regarding brackish and/or produced water therefore, on overall, recycled and brackish and/or produced water would not affect the business overall nor is predictable a change in the future,. In order to mitigate the risks of an unsustainable future, Eni has launched a series of initiatives, some of which are specifically dedicated to the management of indirect water use, with the aim of gathering information and guiding supply chain behaviour. The importance of recycled freshwater in the supply chain is foreseen to increase and specific interventions will be implemented to address water intensive suppliers or materials



W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	100%	HSE indicators are acquired from the Corporate HSEQ function through the Integrated HSE Database (BDHSE) IT system. The frequency of collecting each indicator is specified in individual tables found in the technical annex entitled "Criteria and methodologies for acquiring HSE indicators". The methodology comprises an annex for Water Resource Management and a specific Professional Operating Instruction for the Acquisition methodologies for HSE indicators, where are identified the indicators, metrics, evaluation methods and frequency of water flows accounting. The reporting takes into account what indicated in the "Sustainability reporting guidance for the oil and gas industry" issued by IPIECA/API/IOGP in 2020. Method of measurement: Computation (sum of withdrawals from saline and fresh sources).
Water withdrawals – volumes by source	100%	HSE indicators are acquired from the Corporate HSEQ function through the Integrated HSE Database (BDHSE) IT system. The frequency of collecting each indicator is specified in individual tables found in the technical annex entitled "Criteria and methodologies for acquiring HSE indicators". The methodology comprises an annex for Water Resource Management and a specific Professional Operating Instruction for the Acquisition methodologies for HSE indicators, where are identified the indicators, metrics, evaluation methods and frequency of water flows accounting. The reporting takes into account what indicated in the "Sustainability reporting guidance for the oil and gas industry" issued by IPIECA/API/IOGP in 2020. Method of measurement: Measure



		(flowmeters), estimation (from pump capacity). Frequency of measurement: Six months.
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	100%	HSE indicators are acquired from the Corporate HSEQ function through the Integrated HSE Database (BDHSE) IT system. The frequency of collecting each indicator is specified in individual tables found in the technical annex entitled "Criteria and methodologies for acquiring HSE indicators". The methodology comprises an annex for Water Resource Management and a specific Professional Operating Instruction for the Acquisition methodologies for HSE indicators, where are identified the indicators, metrics, evaluation methods and frequency of water flows accounting. The reporting takes into account what indicated in the "Sustainability reporting guidance for the oil and gas industry" issued by IPIECA/API/IOGP in 2020. Method of measurement: Measure, computation, estimation. The total volume is calculated as the sum of discharged and reinjected that, in turn are measured or estimated on the basis of the pump capacity. Frequency of measurement: Quarter.
Water withdrawals quality	100%	HSE indicators are acquired from the Corporate HSEQ function through the Integrated HSE Database (BDHSE) IT system. The frequency of collecting each indicator is specified in individual tables found in the technical annex entitled "Criteria and methodologies for acquiring HSE indicators" Method of measurement The quality of water withdrawals is generally measured via physical, chemical and biological analysis. The analysis are carried out according to official analytical methods, national (e.g. defined by the Italian agency IRSA CNR) or international (e.g. ASTM, ISO, US-EPA, IMO), Frequency of measurement: Six months.
Water discharges – total volumes	100%	HSE indicators are acquired from the Corporate HSEQ function through the Integrated HSE Database (BDHSE) IT system. The frequency of collecting each indicator is specified in individual tables found in the



		technical annex entitled "Criteria and methodologies for acquiring HSE indicators". The methodology comprises an annex for Water Resource Management and a specific Professional Operating Instruction for the Acquisition methodologies for HSE indicators, where are identified the indicators, metrics, evaluation methods and frequency of water flows accounting. The reporting takes into account what indicated in the "Sustainability reporting guidance for the oil and gas industry" issued by IPIECA/API/IOGP in 2020. Method of measurement: Computation (as sum of discharges to all different destinations). Frequency of measurement: Six months.
Water discharges – volumes by destination	100%	HSE indicators are acquired from the Corporate HSEQ function through the Integrated HSE Database (BDHSE) IT system. The frequency of collecting each indicator is specified in individual tables found in the technical annex entitled "Criteria and methodologies for acquiring HSE indicators". Method of measurement: It is generally measured (flowmeters). In rare cases: computation (from mass balance) or estimation (from pump capacity). Frequency of measurement: Six months.
Water discharges – volumes by treatment method	100%	All water discharges are treated as to fulfil local or international limits or, in absence of both, to the best available practices internationally (e.g. IPIECA, IMO) recognized. We do not collect at the corporate level the volumes by treatment method, however all discharges are monitored in terms of quality and volumes in order to guarantee the quality of discharges and the efficacy of treatment at local level. At each treatment facility, the water discharged volumes are properly monitored at the level of each single treatment unit and at the level of the whole water treatment plant prior to discharge. If water is discharged to a third party treatment facility, it is monitored to fulfil the parameters dictated by the receiving facility and in respect of local regulations. Method of measurement: it is generally measured (flowmeters). In rare cases:



		computation (from mass balance) or estimation (from pump capacity). Frequency of measurement: Six months
Water discharge quality – by standard effluent parameters	100%	All water discharges are treated as to fulfil local or international limits, such as thresholds stated under permits issued by Competent authorities or, in absence of both, to the best available practices internationally (e.g. IPIECA, IMO) recognized. Quality indicators are acquired from the Corporate HSEQ function through the Integrated HSE Database (BDHSE) IT system. Method of measurement: Measure (chemical analysis or instrumental measurement depending on the parameter). Frequency of measurement: Annual.
Water discharge quality – temperature	100%	All water discharges are treated as to fulfil local or international limits, such as thresholds stated under permits issued by Competent authorities or, in absence of both, to the best available practices internationally (e.g. IPIECA, IMO) recognized. Method and frequency of measurement: temperature is generally monitored in continuous (24h/day) using probes in situ.
Water consumption – total volume	100%	HSE indicators are acquired from the Corporate HSEQ function through the Integrated HSE Database (BDHSE) IT system. The frequency of collecting each indicator is specified in individual tables found in the technical annex entitled "Criteria and methodologies for acquiring HSE indicators". The methodology comprises an annex for Water Resource Management and a specific Professional Operating Instruction for the Acquisition methodologies for HSE indicators, where are identified the indicators, metrics, evaluation methods and frequency of water flows accounting. The reporting takes into account what indicated in the "Sustainability reporting guidance for the oil and gas industry" issued by IPIECA/API/IOGP in 2020. Method of measurement: computed as difference from input and output Frequency of measurement: Six months.



Water recycled/reused	100%	All volumes of water reused or recycled are measured. The water volumes recycled for cooling are not included except for the chemical sector, responsible for over 60 % of Eni's total freshwater withdrawals. In upstream operations, the recycled water is mainly referred to produced water reused for enhanced oil recovery, and is generally estimated by mass balances. Method of measurement: Measure (flowmeter)or estimation (mass balance or project design data). Frequency of measurement: Six months
The provision of fully-functioning, safely managed WASH services to all workers	100%	Core strategy and methodological approach, of Eni initiatives concerning public health, based on Company experience and developed in line with international guidelines on Global Health (Health for All), are described in the Annex "Global Health" of Eni's Health Management System Guideline. The health management system is implemented in all Eni companies, in Italy and abroad. Medical examinations performed for Eni employees is part of medical surveillance plans, carried out by company health facilities and by private and public health systems. Periodical medical examinations of health surveillance refer to annual medical surveillance plans.

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	1,780,978	About the same	Total withdrawals increased by less than 7% in 2020 with respect to the previous year, as an effect of the increase in sea water withdrawals and a decrease in brackish water, freshwater and produced water. The total increase is due to seawater volumes, increased mainly for temporary reasons, due to maintenance and



			testing procedures carried out in specific assets. Both withdrawals and discharge variations have to be considered normal oscillation related to maintenance cycle or temporary variations to the usual configuration, for example for testing reasons. The intends of Eni are to continue to pursue initiatives for the use of low-quality water and seawater in order to replace freshwater withdrawal, while seawater and produced water are expected to slightly increase as a consequence of upstream increase in production in the near future.
Total discharges	1,672,894	About the same	Discharged volumes increased less than 9% in 2020 with respect to the previous year, in line with higher withdrawals. Both withdrawals and discharge variations have to be considered normal oscillation linked to maintenance cycle or temporary variations to the usual configuration, for example for testing reasons. In the future, the objective to increase the hydrocarbon production will contribute to an increase of total produced water. Consequently, the additional produced water injected into the subsoil or discharged will contribute to an increase of total discharges. Seawater discharges are also expected to increase due to an increase of upstream activities.
Total consumption	108,084	Lower	In relative terms we observed less than 17% decrease in total consumption with respect to the previous year. This relatively lower consumption has to be considered a normal oscillation related to maintenance cycle or temporary variations to the usual configuration, for example for testing reasons; for these reasons withdrawals and discharges, as previously seen, have physiological variations that, subsequently determine consumption variations. The water volume consumed remained constantly under 10% of total water withdrawn in the last 6 years, and we do not expect this value to change much in the near future as the industrial assets will not change much. In absolute terms, the difference in total water consumption 2020 vs 2019 is negligible



i.e., about 25,000 ML, less than 1% of total
withdrawals.

W-OG1.2c

(W-OG1.2c) In your oil & gas sector operations, what are the total volumes of water withdrawn, discharged, and consumed – by business division – and what are the trends compared to the previous reporting year?

	Volume (megaliters/year)	Comparison with previous reporting year %	Please explain
Total withdrawals - upstream	219,317	About the same	Total water withdrawals remained about the same (-4% 2020 vs 2019) with a slight decrease associated to political in stability in Libya and consequent slowdown of activities in that Country. A higher seawater withdrawal is expected due to an increase of off-shore activities and to the intends to reduce freshwater sources. Total withdrawals are expected to slightly increase as a consequence of seawater and produced water volumes increase associated to the increase of activities. To be noted that in the last five years we observed a constant increase in the proportion of seawater volumes in the total of water withdrawals, as a consequence of Eni efforts to use less precious sources (seawater) for its industrial activities.
Total discharges – upstream	152,897	About the same	About the same volume of total water was discharged in 2020 with respect to 2019 as a consequence of a nearly constant level of activity across the business last year. We expect an increase associated to an increment of the activities in the future.
Total consumption – upstream	66,421	Much Lower	The observed decrement in consumption (by over 23% in 2020 vs 2019) is to be explained as a consequence of slightly higher water



			discharge and it has to be considered a normal variability rather a specific reason. No substantial changes are expected in the near future as a consequence of an increase of both withdrawals and discharges.
Total withdrawals - midstream/downstream	155,084	About the same	After the decrease observed last year, due to modification at the Gela green refinery that started its production in 2019, the withdrawals volumes stabilized and we observed less than 5% decrease in 2020. Little variations in the refinery assets and, consequently in the water fluxes are expected in the near future.
Total discharges – midstream/downstream	152,855	About the same	The observed volume discharged are about the same with respect to 2019 (-5,3%), in line with the similar observation regarding the volumes withdrawn. Little variations in the refinery assets and, consequently in the water fluxes are expected in the near future.
Total consumption – midstream/downstream	2,229	Much higher	The variation is big in relative terms (more than doubled), but little in absolute terms (little more than 2000 megaliters), if compared to the total water used in the downstream. In the last 5 years the water consumed remained constantly under 3% of total withdrawals. Little variations in the refinery assets and, consequently in the water fluxes are expected in the near future.
Total withdrawals – chemicals	1,039,514	Higher	The observed increase in total withdrawals (13%, mainly as seawater) is attributable to the maintenance and testing activities carried out in the Priolo facility. This variation is to be considered as temporary and future variations in the reported volumes have to be expected as a consequence of the planned maintenance cycle of the assets.



Total discharges – chemicals	1,034,779	Higher	The observed increase in total discharges (13%, mainly as seawater) is attributable to the maintenance and testing activities carried out in the Priolo facility. This variation is to be considered as temporary and future variations in the reported volumes have to be expected as a consequence of the planned maintenance cycle of the assets.
Total consumption – chemicals	4,735	Lower	The observed decrease in total consumption (-15%) is a consequence of oscillations observed in total volumes withdrawn and discharged and its value in absolute terms is negligible if compared to the total withdrawals, i.e. less than 1%. Future variations in the reported volumes have to be expected as a consequence of the planned maintenance cycle of the assets, however we expect that the total volume continue to be negligible with respect to withdrawals in the near future.

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress and provide the proportion.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year		Please explain
Row 1	Yes	1-10	About the same	WRI Aqueduct	Only a little proportion of total Eni's withdrawals regards freshwater (less than 7%) and, of these, about one quarter is located in water stressed areas (i.e. characterized by a baseline water stress greater than 40%). Eni intends to decrease freshwater withdrawals,



however the volumes withdrawn in stressed areas are already very small if compared to total withdrawals (less than 2%), so that those reductions cannot be appreciated in the total proportion. Consequently, the comparison with the previous reporting year is about the same and it is expected to be about the same also next year. Water sources whose coordinates match a water stress area according to Aqueduct, are classified as water stress sources and water withdrawals are classified accordingly. In case of freshwater used by offshore facilities, the point of freshwater source is evaluated to assess its stress condition. Seawater is not sourced from water basins mapped by aqueduct. Onshore produced water in water-stressed areas was 20.7 Mm3 in 2020, however, it is not sourced from the water basins mapped in Aqueduct, as it is associated to oil and gas reservoirs, placed well below the aquifers. Brackish water sourced in stressed areas is about 9 Mm3; considering the sum of freshwater and brackish water from water stressed areas, the total proportion of withdrawals from stressed areas is about 2%. Aqueduct is used as a first screening tool to identify and, consequently, calculate the quantity of freshwater withdrawn in stressed areas; however, some sites indicated as stressed by Aqueduct, resulted not at risk



		by a local analysis, that sould
		by a local analysis, that could
		better investigate the actual
		freshwater availability on a local
		basis. In some sites, the
		analysis has been conducted
		using the GEMI Local Water
		Tool for Oil and Gas. Therefore,
		the actual figure should be
		regarded as even lower than
		2%. In June 2021 Eni published
		its "Position on Water". The
		company is therefore committed
		to setting targets to minimize its
		, , , , , , , , , , , , , , , , , , ,
		freshwater withdrawals in water-
		stressed areas, seeking
		improved solutions, for example
		by using low-quality water to
		carry out its operations, such as
		wastewater, reclaimed water,
		rainwater or produced water,
		reducing consumption through
		efficiency activities and
		leveraging innovative
		technologies to safeguard water
		resources. The definition of the
		targets will be based on the
		assessment of the stress
		conditions of the catchment
		areas, the sites with the greatest
		potential impact (top consumer
		sites) and the opportunities to
		contribute to local management
		activities, in synergy with local
		authorities and stakeholders.
		Therefore, in the future we
		expect the volumes of water
		sourced from stressed areas to
		decrease.

W1.2h

(W1.2h) Provide total water withdrawal data by source.

Relevance	Volume	Comparison	Please explain
	(megaliters/year)	with	
		previous	



			reporting	
			year	
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant	70,724	Much lower	Freshwater is essential for demineralized water production and steam production, both fundamental in any industrial O&G process. It is also used for cooling purposes and as firefighting water. In 2020 a decrement (-22%) of withdrawals vs 2019 was observed, as anticipated last year. In fact the 2019 data was determined by the setup the Mantua petrochemical plant had to keep during the outage for the maintenance of the cooling towers and the tests on the fire-fighting systems of the Sannazzaro refinery. Through the four-year Eni intends to increase the reuse of contaminated groundwater after treatment (TAF water) for civil or industrial purposes and, likewise, to launch initiatives for the use of low-quality water to replace freshwater, as stated in its positioning on water, published in June 2021.
Brackish surface water/Seawater	Relevant	1,599,135	Higher	Seawater is relevant for its use as cooling water and, in upstream, for injection. It is also used as firefighting and for desalinated water production. In 2020, seawater withdrawals increased (10%) mainly due to the increase recorded at the Priolo petrochemical plant, where activity resumed after the maintenance shutdown in



				2019 and where starting
				2019 and where, starting from the second half of 2020, functionality tests on the sea water network were carried out. The upstream activities in Angola also affected the increase in seawater withdrawals with the start-up of a new production block at the end of 2019. On the other hand, the lower withdrawals of sea water by the Taranto refinery due to lower operations compared to the previous year contributed to mitigate the effect of these increases. Wherever possible, saline water sources are preferred to freshwater but, in the same way, produced water is a preferred source with respect to seawater, therefore we do not expect significant changes in the near future.
Groundwater – renewable	Relevant	25,510	Higher	Freshwater is essential for demineralized water production and steam production, both fundamental in any industrial O&G process. It is also used as firefighting water. The value of 2020 was 13% higher than in 2019 mainly due to higher use of water from contaminated site treatment (TAF). Wherever possible, saline water sources are preferred to freshwater, therefore a trend to decrease this source is foreseeable and pursued by Eni. As the distinction between renewable and non renewable water is not



				always a simple task, a plan to better investigate the water balances at site level has been recently started and is ongoing. Whenever possible, groundwater from contaminated sites is used in order to preserve higher quality sources.
Groundwater – non-renewable	Relevant	11,197	Much lower	Non renewable groundwater in Eni is currently assumed to be only brackish deep groundwater. It is under investigation the renewal rate of aquifers exploited by Eni. In specific cases, the withdrawal of this source could be an alternative to freshwater withdrawal. It is a relevant source where no alternatives are available such as in north Africa. A decrease (over 30%) has been observed as a consequence of reduced activities in Libya due to political instability in 2020. An increment of its use in North Africa is predictable as a consequence of an increase of activities, of reservoir depletion and the subsequent need to maintain the reservoir pressure. However, the brackish water increase will be anyway restrained through dedicated produced water reuse projects, (some already started).
Produced/Entrained water	Relevant	57,407	Lower	Produced water decreased by nearly 15% over the last reporting year, as a consequence of both onshore and offshore activity decrease. The minor



				volumes are mainly due to the exit of Ecuador in 2019 and minor activities in Libya due to political instability and in Congo, partially balanced by an increase of activities in Egypt. An increment is foreseeable as a direct consequence of oil and gas production activity and as a consequence of the natural increase of the water cut rate in the produced hydrocarbon. Produced water is considered an essential resource to maintain the reservoir pressure and Eni has the objective to increase its reinjection over time for this purpose (IOR).
Third party sources	Relevant	16,980	Higher	An increase has been observed in 2020 vs 2019 (nearly 18%). It remained almost constant in the past years and it is foreseeable to remain almost constant, with observed changes due to temporary variations in the productive assets, such as for maintenance. It is relevant as it is used for civil purposes (drinkable water) or can be necessary for industrial purposes (demineralized water, industrial water or purchased vapour). It is mainly used in the downstream, and no relevant changes in the productive asset are predicted in the near future, so its use is predicted to remain about the same.



W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water	Relevant	66,682	Lower	Most of freshwater discharge relates to the multiple-through cooling system in the petrochemical plant of Mantua. It is relevant as Eni needs to discharge these volumes both of water for cooling purposes and of industrial wastewater after treatment. Freshwater is mainly used in the downstream, and a decrease has been observed in the last reporting year (-15%) as the maintenance activities of the Mantua petrochemical plant come to an end in 2019 and the plant returned to its normal asset. Besides common maintenance cycle we expect that productive assets will remain almost unchanged in the future, so also discharges are expected to remain almost unchanged in the near future.
Brackish surface water/seawater	Relevant	1,522,368	Higher	It is mainly constituted by seawater discharges, necessary for cooling purposes and of produced water treated and discharged. It is the largest discharge by volume and as such it is relevant to Eni. This value increased by 12% mainly as a consequence of the increase of seawater withdrawals, as previously described. No major change are foreseeable in the near future.
Groundwater	Relevant	62,299	Much lower	Discharge to deep formations is relevant as it represents water



				injected for improved oil recovery. It is a lower value (nearly -21%) with respect to the previous year as an effect of the exit of the Villano field (Ecuador) from Eni operated sites and slowdown of the activities in Libya due to political instability in the Country. According to Eni's intention to increase produced water reinjection, this value is expected to increase
Third-party destinations	Relevant	17,659	About the same	Third party destinations are a relevant destination as these include the discharge, via sewer, to a treatment facility and the delivery of demineralized and industrial water as well as vapour to third parties. These streams have remained about the same (-8%) as no relevant changes of industrial assets have occurred. This destination is mainly used in the downstream, and no relevant changes in the productive asset are predicted in the near future, so its use is predicted to remain about the same in the near future

W1.2j

(W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

	Relevance of treatment level to discharge	Please explain
Tertiary treatment	Relevant but volume unknown	Tertiary treatment is relevant in all industrial plants or civil facilities where the organic and/or inorganic pollutants that are present need a tertiary treatment in order to fulfil the regulatory limits or, if these are absent, to guarantee no harm to the receiving body or to the wider environment, according to international best practices. Water volumes are measured at the discharge point of each wastewater plant, however the data are recorded at corporate level as an aggregate of total volume discharge, not distinguished per treatment type



		Tertiary treatment is not as common as secondary treatment at Eni's sites.
Secondary treatment	Relevant but volume unknown	Secondary treatment is relevant in all industrial plants or civil facilities where the organic and/or inorganic pollutants that are present need a secondary treatment in order to fulfil the regulatory limits or, if these are absent, to guarantee no harm to the receiving body or to the wider environment, according to international best practices. Water volumes are measured at the discharge point of each wastewater plant, however the data are recorded at corporate level as an aggregate of total volume discharge, not distinguished per treatment type. Secondary treatment is, for example, in place at the wastewater treatment plant of the Versalis petrochemical plant of Brindisi or at the Sannazzaro Refinery
Primary treatment only	Relevant but volume unknown	Primary treatment is relevant in all industrial plants or civil facilities where the organic and/or inorganic pollutants that are present need a tertiary treatment in order to fulfil the regulatory limits or, in these are absent, to guarantee no harm to the receiving body or to the wider environment, according to international best practices. Water volumes are measured at the discharge point of each wastewater plant, however the data are recorded at corporate level as an aggregate of total volume discharge, not distinguished per treatment type. Primary treatment is for example in place at the wastewater treatment plant of offshore oil extraction and production facilities
Discharge to the natural environment without treatment	Relevant but volume unknown	Discharge without treatment is relevant as it regards mainly sea water discharge to ocean when seawater is used in once through cooling systems. Anothe relevant case is rainwater discharge, if not contaminated
Discharge to a third party without treatment	Relevant but volume unknown	Discharge to third party without treatment is relevant as it regards mainly civil wastewater, such as offices, connected to the municipal net.
Other	Not relevant	Other discharge water treatment such as, for example, rhizofiltration are not relevant for the Company

W-EU1.3

(W-EU1.3) Do you calculate water intensity for your electricity generation activities? $_{\rm Yes}$

W-EU1.3a

(W-EU1.3a) Provide the following intensity information associated with your electricity generation activities.



Water intensit y value (m3)	Numerator : water aspect	Denominato r	Compariso n with previous reporting year	Please explain
0.78	Freshwater withdrawals	Other, please specify MWheq	About the same	The intensity remained constant in the last four years. As a consequence of interventions for freshwater savings at the Ferrera Erbognone and Brindisi power-plants, a slight decrease was accomplished in 2019. The Eni intends to reduce freshwater withdrawals were and will be reflected in future water intensity. The data do not take into account the renewable production (presently accounting for less than 1% of total electricity production). Water intensity, calculated as freshwater withdrawn per product unit is a relevant indicator of water efficiency and its value is an essential part of the annual Water Risk Report issued for internal use in Eni. Decreasing freshwater intensity entails decreasing the impact of the industrial activities on freshwater per unit of production. As indicated in Eni internal operating instruction, the efforts made to reduce the impact on freshwater sources can be highlighted in 3 different ways: decrease of withdrawals (and the relative water intensity index) percentage of low-quality water out of total freshwater withdrawals consumption decrease. Such decrease could result from: a. greater process efficiency b. the use of larger amounts of recycled water c. the use of desalinated water Eni is seeking to reduce its freshwater withdrawals and recently committed to minimize its freshwater withdrawals in water stressed areas (see the Eni position on water, https://www.eni.com/assets/documents/eng/just-transition/2021/eni-e-acqua-eng.pdf), so we expect a reduction in water intensity in the future. To be noted that the calculation of water
				intensity is based on total freshwater



withdrawals, included those for cooling
purposes, even if in once-through systems.

W-OG1.3

(W-OG1.3) Do you calculate water intensity for your activities associated with the oil & gas sector?

Yes

W-OG1.3a

(W-OG1.3a) Provide water intensity information associated with your activities in the oil & gas sector.

Business division

Upstream

Water intensity value (m3)

0.01

Numerator: water aspect

Freshwater withdrawals

Denominator

Barrel of oil equivalent

Comparison with previous reporting year

About the same

Please explain

In 2019 it reached a low 0.007 m3/boe as a consequence of our efforts to reduce or replace freshwater withdrawals, e.g. with produced or sea water; this same value has been confirmed in 2020. The Eni intends to reduce freshwater withdrawals are expected to decrease future water intensity.

Water intensity, calculated as freshwater withdrawn per product unit is a relevant indicator of water efficiency and its value is an essential part of the annual Water Risk Report issued for internal use in Eni. Decreasing freshwater intensity entails decreasing the impact of the industrial activities on freshwater per unit of production.

As indicated in Eni internal operating instruction, the efforts made to reduce the impact on freshwater sources can be highlighted in 3 different ways:

- 1 decrease of withdrawals (and the relative water intensity index)
- 2 increase the percentage of low-quality water out of total freshwater withdrawals
- 3 consumption decrease.

Such decrease could result from:

- a. greater process efficiency
- b. the use of larger amounts of recycled water
- c. the use of desalinated water



Eni is seeking to reduce its freshwater withdrawals and recently committed to minimize its freshwater withdrawals in water stressed areas (see the Eni position on water, https://www.eni.com/assets/documents/eng/just-transition/2021/eni-e-acqua-eng.pdf), so we expect a reduction in water intensity in the future.

To be noted that the calculation of water intensity is based on total freshwater withdrawals, included those for cooling purposes, even if in once-through systems.

Business division

Midstream/Downstream

Water intensity value (m3)

1.21

Numerator: water aspect

Freshwater withdrawals

Denominator

Other, please specify ton of refinery throughputs

Comparison with previous reporting year

Much higher

Please explain

The figure remained almost constant over the period 2016-2019 (0,7-0.8 m3/ton) while in 2020 a significant increase was observed (1,2 m3/ton) as a consequence of reduced production activities related to the pandemic, and maintenance activities. This increment has therefore to be considered as temporary. The Eni intends to reduce freshwater withdrawals are expected to decrease future water intensity.

Water intensity, calculated as freshwater withdrawn per product unit is a relevant indicator of water efficiency and its analysis is an essential part of the annual Water Risk Report issued for internal use in Eni. Decreasing freshwater intensity entails decreasing the impact of the industrial activities on freshwater per unit of production.

As indicated in Eni internal operating instruction, the efforts made to reduce the impact on freshwater sources can be highlighted in 3 different ways:

- □ decrease of withdrawals (and the relative water intensity index)
- □ percentage of low-quality water out of total freshwater withdrawals
- □ consumption decrease. Such decrease could result from:
- a. greater process efficiency
- b. the use of larger amounts of recycled water
- c. the use of desalinated water

Eni is seeking to reduce its freshwater withdrawals and recently committed to minimize its freshwater withdrawals in water stressed areas (see the Eni position on water, https://www.eni.com/assets/documents/eng/just-transition/2021/eni-e-acqua-eng.pdf), so we expect a reduction in water intensity in the future.

To be noted that the calculation of water intensity is based on total freshwater withdrawals, included those for cooling purposes, even if in once-through systems.



Business division

Chemicals

Water intensity value (m3)

R

Numerator: water aspect

Freshwater withdrawals

Denominator

Other, please specify freshwater use

Comparison with previous reporting year

About the same

Please explain

Chemical production is characterized by very different processes, so that a cumulative index of water withdrawn vs. ton of product is not very useful to understand the efficiency in water use and management over time. In Eni we introduced an index aimed at highlighting the efficiency of water use, dependent on the volume of recycled water, that is freshwater withdrawals / freshwater use, where freshwater use is given by: freshwater withdrawal + freshwater recycle. In this way, the water intensity can be lowered by a decrease of withdrawals as well as by an increase of recycled water. In 2019 a slight increase was observed as a consequence of freshwater withdrawals increase because of the set-up the Mantua petrochemical plant had to keep during the outage for the maintenance of the cooling towers. In 2020 the offset recorded in 2019 has been normalized and the value of water intensity has decreased. No substantial changes are expected in the near future.

Water intensity is a relevant indicator of water efficiency and its analysis is an essential part of the annual Water Risk Report issued for internal use in Eni. Decreasing freshwater intensity entails decreasing the impact of the industrial activities on freshwater per unit of production.

As indicated in Eni internal operating instruction, the efforts made to reduce the impact on freshwater sources can be highlighted in 3 different ways:

- □ decrease of withdrawals (and the relative water intensity index)
 □ percentage of low-quality water out of total freshwater withdrawals
- ☐ consumption decrease. Such decrease could result from:
- a. greater process efficiency
- b. the use of larger amounts of recycled water
- c. the use of desalinated water

Eni is seeking to reduce its freshwater withdrawals and recently committed to minimize its freshwater withdrawals in water stressed areas (see the Eni position on water, https://www.eni.com/assets/documents/eng/just-transition/2021/eni-e-acqua-eng.pdf), so we expect a reduction in water intensity in the future.

To be noted that the calculation of water intensity is based on total freshwater withdrawals, included those for cooling purposes, even if in once-through systems.



W1.4

(W1.4) Do you engage with your value chain on water-related issues?

Yes, our suppliers

W1.4a

(W1.4a) What proportion of suppliers do you request to report on their water use, risks and/or management information and what proportion of your procurement spend does this represent?

Row 1

% of suppliers by number

76-100

% of total procurement spend

76-100

Rationale for this coverage

In 2020, Eni launched JUST(1), the Sustainable Supply Chain Program of Eni, dedicated to its suppliers' base.

The JUST Program is aimed at promoting the achievement of UN SDGs by Eni's suppliers using the ESG parameters to evaluate suppliers during the procurement process both in the qualification or in the tender phase.

JUST is addressed to all suppliers and leverage on the following dimensions: environmental protection (planet), social growth (people), economic development (prosperity) and ESG governance.

In the environmental dimension water management aspects play a key role and suppliers' attitude on these elements are evaluated and managed thought different tools in the different phases of the suppliers' engagement process.

At first, suppliers are clearly aware on Eni's requirements on environmental, and water management topics. The procurement portal (eniSpace) has been completely renewed to become a digital communication and collaboration tool to engage suppliers on these goals and specific events (JUST workshops) have been held to discuss with suppliers on their plans to match Eni's expectations.

Moreover, in order to engage the entire supply chain (not only the 1st tier of suppliers) in a common development path on sustainable development goals, in March 2021 Eni in partnership with BCG and Google Cloud launched Open-es (2), a digital platform open to all the companies and industrial sectors to measure and improve ESG performance. Open-es through a digital platform gives the opportunity to all the companies to measure their ESG position, obtain a dedicated development plan and access to useful services linked to sustainability goals, with a specific focus to Small and Medium Enterprises (SMEs). Based on the Stakeholder Capitalism Metrics, a set of metrics defined by the World Economic Forum in partnership with the big four Accounting Firms and strictly linked to the main existing standards, the model is articulated on four pillars: People, Planet, Prosperity and Principle of Governance. Each of these pillars addresses different milestones with the aim of covering all the topics related to sustainability.



One of the milestones of the Environmental pillar is entirely dedicated to water consumption and covers the main indicators (referenced to GRI, UN Guiding Principles and WDI metrics) to understand the level awareness and attention of companies with regard to this topic. Through this platform suppliers are educated about this specific topic.

Impact of the engagement and measures of success

Suppliers are required to report information on their water consumption through Openes

One of the milestones of the Environmental pillar is entirely dedicated to water management and covers the main indicators (GRI, UN Guiding Principles, WDI) to understand the companies' awareness and attention level with regard to this topic. Eni requires to every supplier:

- a policy containing a commitment to manage water resources
- the presence of a company function in charge of managing water resources
- reporting of water resources to the highest levels of the company
- which tools and methodologies they use to monitor and measure water resources
- reporting of water withdrawn and consumed and the percentage referred to high or extremely high water stress areas (refer to the WRI Aqueduct)
- the presence of objectives and monitoring processes, reporting the estimated value of water withdrawn and consumed

To date there are approximately 2300 companies registered on Open es - 2000 are qualified Eni companies representing 90% of contract value in Italy assigned to qualified suppliers.

The measure of the initiative's success is correlated to the number of adhesions of our suppliers in such a short period of time (4 months), in addition to the participation of companies that are not Eni supplier (over 300). Of the 2,300 companies onboard, around 400 have made their responses transparent, including those on water. Our target for 2022 is onboarding all qualified suppliers interested in working with Eni, finalizing the knowledge of their water use and defining the right targets for each sector in relation to its maturity.

Another element that measure the success of the initiative is related to Open-es collaboration area; 234 suppliers shared their success stories, projects, experiences (63 on Planet area). The purpose of these stories and the expected impact is to spur the entire market in terms of best practices and technologies on emission reduction. Water related issues and risks are assessed during supplier qualification process, driven by level of commodity code's HSE criticality. Eni regularly carries out assessments of its suppliers, both new and expiring ones, but also performs a continuous monitoring on supplier's performances. The information and feedback are used to detect situations that may require a deeper evaluation, e.g. an audit, and to launch improvement plans and define actions on the supplier qualification status, re-assessing the supplier.

Comment

- (1) JUST (Join Us in a Sustainable Transition), https://www.eni.com/en-IT/just-transition/just-sustainable-path.html
- (2) Open-es2, https://www.openes.io/



W1.4b

(W1.4b) Provide details of any other water-related supplier engagement activity.

Type of engagement

Onboarding & compliance

Details of engagement

Requirement to adhere to our code of conduct regarding water stewardship and management

% of suppliers by number

76-100

% of total procurement spend

76-100

Rationale for the coverage of your engagement

The JUST Program is aimed at promoting the achievement of UN Sustainable Development Goals by Eni's suppliers using the ESG parameters to evaluate suppliers during the procurement process both in the qualification or in the tender phase.

- Qualification Process

During the qualification stage, all suppliers are evaluated on sustainability dimensions, considering also the water consumption, and, as described in the previous section, the Open-es platform, represents a concrete tool for supplier evaluation on ESG performances.

Moreover, every supplier (100%) is required to adhere to Eni's Code of Conduct (3), guaranteeing their express commitment on sustainability. In particular Suppliers are required to: (i) minimize environmental impacts and optimize the use of energy and natural resources such as water; (ii) conduct their activities through the responsible use of resources; (iii) actively participate in the process of risk assessment and environmental protection; (iv) contribute in the achievement of company targets regarding the efficiency of plants, reduction of direct emissions, promotion of a low-carbon impact energy mix and a steady effort in research and development; (v) manage and monitor the environmental aspects relevant to their activities, drawing inspiration from broadly internationally recognized environmental management standards and models; (vi) integrate the sustainable environmental principles into their supply chain management.

- Tender Process

In the tender phases, Eni takes into consideration sustainability performances in scoring model, introducing rewarding mechanism for suppliers with positive performances also on water consumption.

In 2020, 30 processes (involving 85 suppliers) with rewarding sustainability mechanism



in the scoring models were managed, for more than EUR 500 million in tender value. To date, 160 tenders had been carried out for over EUR 2.5 billion and more than 500 suppliers invited to participate.

Impact of the engagement and measures of success

The aim of Eni's Supplier Code of Conduct is to develop a relationship with suppliers of proven professionalism. In order to guarantee the correct application of the Code, Eni constantly monitors compliance with the principles set out in the Code and can verify the truthfulness of the supplier's commitment in order to assess its real commitment.

In tender phases, social, environmental and economic development elements are introduced with increasing weights in relation to market maturity, and, in some cases, minimum requirements for participation (such as HSE certification) are required. Land management, GHG emissions reduction, sustainable development of its suppliers, local content, short supply chain, projects and investments dedicated to innovative solutions and circular economy are the main topics Eni is focusing the requirements are increasing.

Comment

(3) The Supplier Code of Conduct is the written commitment of suppliers to pursuit universal and sustainable values, with explicit reference also to water management. Published in 2020 and based on the Eni' Code of Ethics, the document states the commitment and expectations from suppliers regarding the human rights standards. It entails obligations for suppliers to act, among others, against modern slavery, child labor, discrimination at work and for the protection of workers' rights in general

Type of engagement

Incentivizing for improved water management and stewardship

Details of engagement

Demonstrable progress against water-related targets is incentivized in your supplier relationship management

Water management and stewardship action is integrated into your supplier evaluation

% of suppliers by number

51-75

% of total procurement spend

76-100

Rationale for the coverage of your engagement

In March 2021 Eni launched Open-es, the new digital platform dedicated to sustainability in industrial supply chains and open to all companies involved in the energy transition process. The platform has a collaborative and flexible approach, suitable for all kind of companies (from SMEs to big players), that have the possibility to: - assess their own sustainability performance and compare themselves with industry benchmarks through a guided path.



- gain an awareness of their strengths and areas for improvement and receive a development plan, through suggestions and solutions that will help them close gaps - access to useful services aimed to the improvement of ESG performances thank to a marketplace where third parties can participate to the community helping the other companies to concretely activate the development plan with the services they offer (training, initiatives for employees involvement, energy efficiency, consultancies, materiality analysis, finance, circular models, ...) and a collaboration area where companies can share experiences, give visibility to their best practices in terms of environmental, social and economic sustainability and ask for and offer support.

All of Eni's suppliers with a contract in place or invited to a bid are requested to register to Open-es.

To date, 1.400 Eni qualified contract holder suppliers are already registered on Open-es - 54% of the 2600 Eni qualified contract holder suppliers. They represent the 90% of the contract's value in place assigned to qualified suppliers, in Italy.

Impact of the engagement and measures of success

The Open-es platform allows a constant and up-to-date snapshot of the company sustainability performance. All companies registered fill a questionnaire, which is organized into questions based on the ESG metrics model defined by the WEF in collaboration with the big four Accounting Firms. The model is divided into four Pillars: Planet, People, Principles of governance and Prosperity, which in turn are divided into "thematic Milestones", with a specific section dedicated to Water Consumption (see Comment section for MORE details).

Through a guided path and with a flexible and incrementally complex approach, each company (from SMEs to Big Players) is able to measure and define its positioning regardless of its level of maturity on each of these issues.

To date there are approximately 2300 companies registered on Open es - 2000 are qualified Eni companies representing 90% of contract value in place in Italy assigned to qualified suppliers.

The measure of the initiative's success is correlated to the number of adhesions of our suppliers in such a short period of time (4 months), in addition to the participation of companies that are not Eni supplier (over 300).

Of the 2,300 companies onboard, around 400 have made their responses transparent, including those on water consumption. Our target for 2022 is onboarding all qualified suppliers interested in working with Eni, finalizing the knowledge of their emissions and defining the right targets for each sector in relation to its maturity.

Another interesting element that measure the success of the initiative is related to Openes collaboration area - 234 suppliers shared their success stories, projects, experiences (63 on Planet area). The purpose of these stories, and therefore the expected impact, is to create a flywheel for the entire market in terms of best practices and technologies on emission reduction.

Comment



Type of engagement

Innovation & collaboration

Details of engagement

Encourage/incentivize innovation to reduce water impacts in products and services

% of suppliers by number

76-100

% of total procurement spend

76-100

Rationale for the coverage of your engagement

JUST is addressed to all suppliers and leverage on the following dimensions: environmental protection (planet), social growth (people), economic development (prosperity) and ESG governance.

In the environmental dimension water management aspects play a key role and suppliers are evaluated and managed thought different tools in the different phases of the engagement process. The procurement portal (eniSpace) has been completely renewed to become a digital communication and collaboration tool to engage suppliers on these goals and specific events (JUST workshops) have been held to discuss with suppliers their plans to match Eni's expectations.

eniSpace (1) is the new suppliers' portal developed as a common space to involve Eni's suppliers base in the energy transition process and sustainable development initiatives. The portal has a specific section dedicated to JUST program, to set a clear

communication of Eni's sustainability target and an area dedicated to suppliers' sustainability success stories (Agora) to diffuse good practices within the suppliers' community

In eniSpace there are two main channels:

- Innovation Match (2)
- Agorà (3)

The JUST Workshops are initiatives organized by Eni's procurement department with qualified suppliers (organized by business sector) to communicate sustainability targets, to discuss action plans to be realised by suppliers to match Eni's expectations. The event is a unique opportunity to engage the market with an open discussion on the opportunities and constraints (i.e. regulatory, technological) to be taken into account for achieving a just energy transition. This working groups allow a frank exchange of views where suppliers can have an open discussion with procurement and technical functions, sharing the limits and the challenges for their sector, in order to define a concrete action plan and KPIs to be monitored over time.

All Eni qualified suppliers are committed to the Just programme and they have been involved through ad-hoc communications (addressing 100% of Eni suppliers base); through these communication suppliers are asked to engage their supply chain in the sustainable path too.

Impact of the engagement and measures of success



The success of these initiatives is represented by the following elements too.

eniSpace - In 2020

- Eni launched 14 call for

innovation(https://esupplier.eni.com/PFU_en_US/restyling/innovation.page), and 50% of these calls aimed at receiving from the market innovative proposals for reducing emissions

- Suppliers shared more than 50 virtuous sustainability stories (https://esupplier.eni.com/PFU_en_US/restyling/agora.page), and 30% of these stories are focused on ideas/actions/solutions for reducing impact of emissions.

JUST Workshops

- Since December 2020, Eni managed several Workshops focused on sectors where water consumption is key factor (from Waste Treatment to Reclamation) involving more than 300 suppliers.

In 2021 further workshops will be managed, approaching new sectors with emissive impact (e.g. Chemical Fuel or Transportation).

During these workshops, Eni defined KPIs target to be monitored over time, for example CO2 reduction for waste transport and in the area of reclamation and decommissioning.

Comment

- (1) Supplier Portal and Collaboration Environment
- (2) Innovation Match: channel dedicated to innovation, is the meeting point between the new challenges launched by Eni on the water consumption and the innovative solutions offered by the market,
- (3) Agorà: channel to promote dialogue, sharing of virtuous examples on important issues in the collaboration between Eni and its current and future suppliers, to pursue objectives and seize opportunities for common development on sustainability.

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

No



W3. Procedures

W-EU3.1

(W-EU3.1) How does your organization identify and classify potential water pollutants associated with your business activities in the electric utilities sector that could have a detrimental impact on water ecosystems or human health?

Eni's New Regulatory System was designed with the objective to rationalize and simplify our Regulatory System. The fundamental guidelines of the New System consist of **four main principles**:

- from an organization based approach to a business process based approach with a key role for the Process Owner as responsible of the whole process throughout Eni;
- more emphasis on the role of direction, coordination and control performed by eni over its subsidiaries, while safeguarding their corporate and business independence;
- the integration of the Compliance Principles into the business processes;
- a simple architecture with plain language and a user-friendly search menu.

The architecture of the new system is divided into four levels:

- 1st level POLICY
- 2nd level MANAGEMENT SYSTEM GUIDELINE
- 3rd level PROCEDURE
- 4th level OPERATING INSTRUCTION

The Management System Guideline of HSE, Annex F "Risk Management", provides general criteria for HSE risk management, i.e. the process which identifies and assesses HSE risk and develops strategies to regulate it, to preserve the safety and health of people (employees, third parties, the local community) as well as the integrity of assets and to safeguard the environment in a life-cycle perspective. It considers the processes for: risk analysis, assessment and governance. The HSE risk management process includes monitoring the implementation and effectiveness of measures identified to reduce risk.

The Operating Professional Instruction "Analysis and assessment of environmental risks with potential effects for administrative liability in accordance with the Italian Legislative Decree 231/01" is designed to describe the methods used to identify and assess environmental risks with potential effects for administrative liability. The Management System Guideline of HSE (Annex E-D Water Resource Management) reports that not only must be compliant to legal limits, but preventive programs should be enforced and operational management procedures and innovative technologies must be implemented, in order to minimize polluting discharges, through monitoring quality and quantity in compliance with sustainable environmental responsibilities, in line with, where technically and economically possible, best available technologies (BAT - Best Available Technologies).

The Annex E-D requires that each plant must have a sampling plan so that, for each discharge point, the characteristic parameters and typical pollutants are analyzed. In the specific case of electric generation, Eni plants are located only in Italy, where the law identifies the parameters



and the related limits according to the type of discharge and of the receptor body (reference D.lgs. 152/2006 part III, Annex 5). If a value above permitted limits is observed, each plant must activate an investigation on the causes of the exceeding values found and define a corrective action.

When it is necessary to provide for the disposal of an aqueous waste, deriving from, for example, remediation operations, compliance with the specific applicable legislation is guaranteed (reference Legislative Decree 152/2006 part IV), committing authorized personnel for the transportation and treatment of said waste.

The Annex E-D requires that annually the pertinent Eni corporate functions gather information from all the business units regarding the presence of sensitive watersheds and connected habitats potentially influenced by the industrial operations. These aspects are not evaluated in the value chain, besides what regards the qualification process described in W1.4, as they are considered not to have substantial impacts

W-EU3.1a

(W-EU3.1a) Describe how your organization minimizes the adverse impacts of potential water pollutants associated with your activities in the electric utilities sector on water ecosystems or human health.

Potential water pollutant	Description of water pollutant and potential impacts	Management procedures	Please explain
Thermal pollution	Thermal pollution is the main potential impact of Enipower activities, as all power plants are "combined cycle" facilities fired by natural gas. Due to the nature of the "pollutant", its potential impact is considered low, as it is easily and naturally recoverable	Compliance with effluent quality standards Measures to prevent spillage, leaching, and leakages Emergency preparedness	The potential mitigating actions are listed in Annex E-D, Water Resource Management: installation devices that measure volume, pressure and pollutants; leak control and maintenance; employee training and education; procedure for anomalous or emergency situations; data collection and monitoring; specific audits; certification and transparency of reporting. As all plants are located in Italy, applies Italian law regarding the water discharges (reference D.lgs. 152/2006 part III Annex 5). The success of the application of internal procedures is clearly demonstrated by the fact that Enipower is EMAS registered since 2006. Enipower monitors any impacts, identified as any modification of the environment, negative or beneficial, caused totally or partially by the organization. (UNI EN ISO 14001). For the purposes of internal procedures,



reference is made to the volume of water discharged and used by an organization from a source, which influences availability or quality for other uses or which causes damage to health or ecosystems. Eni establishes a system for monitoring the quantity and quality of the discharges, in order to reduce the impacts and guarantee the correct functioning of the production cycle, adopting the best practices in the sector and taking into account the sensitivity and vulnerability of the local context and of the receiving water bodies. Specific points indicated in the procedure: • conducting periodic visual inspections in the plant and monitoring the state of preservation of pipes, sewerage system, containment basins and paving • identification and periodic updating of sampling points for control activity the definition of the sampling program, the identification of the methods of analysis of wastewater discharges, the control of the relative analytical certificates of the analysis verification of compliance with legal limits and / or those provided for in the discharge authorization and / or provided for by the sewer regulation • reporting of the indicators relating to withdrawals and discharges, as provided for internal planning, monitoring and reporting procedures • internal investigation of any exceedances of the authorized limits detected by the analyses carried out, according to the corporate procedure for managing non-conformity, of corrective and preventive actions; • timely information to the competent

control authority, to the HSEQ



	Enipower office and to the competent
	functions of the head office

W-OG3.1

(W-OG3.1) How does your organization identify and classify potential water pollutants associated with its activities in the oil & gas sector that may have a detrimental impact on water ecosystems or human health?

Eni's New Regulatory System was designed with the objective to rationalize and simplify our Regulatory System. It consists of **four main principles**:

- from an organization based approach to a business process based approach with a key role for the Process Owner as responsible of the whole process throughout Eni
- more emphasis on the role of direction, coordination and control performed by eni over its subsidiaries, while safeguarding their corporate and business independence
- the integration of the Compliance Principles into the business processes
- a simple architecture with plain language and a user-friendly search menu

The architecture of the new system is divided into four levels:

- 1st level POLICY
- 2nd level MANAGEMENT SYSTEM GUIDELINE
- 3rd level **PROCEDURE**
- 4th level OPERATING INSTRUCTION

The Management System Guideline (MSG) of HSE, Annex F "Risk Management", provides general criteria for HSE risk management, i.e. the process which identifies and assesses HSE risk and develops strategies to regulate it, to preserve the safety and health of people (employees, third parties, the local community) as well as the integrity of assets and to safeguard the environment in a life-cycle perspective. It considers the processes for: risk analysis, assessment and governance. The HSE risk management process includes monitoring the implementation and effectiveness of measures identified to reduce risk.

The MSG and its Annexes apply to Eni SpA and directly and indirectly controlled subsidiaries. The Operating Professional Instruction "Analysis and assessment of environmental risks with potential effects for administrative liability in accordance with the Italian Legislative Decree 231/01" is designed to describe the methods used to identify and assess environmental risks with potential effects for administrative liability. A new release in 2021 will consider all risks, irrespective of their liability potential.

The MSG of HSE Annex E-D Water Resource Management reports that not only must be compliant to legal limits, but preventive programs should be enforced and operational management procedures and innovative technologies must be implemented, in order to minimize polluting discharges, through monitoring quality and quantity in compliance with sustainable environmental responsibilities, in line with, where technically and economically possible, best available technologies.

The Annex E-D requires that each plant must have a sampling plan so that, for each discharge point, the characteristic parameters and typical pollutants are analyzed. If a value above permitted limits is observed, each plant must activate an investigation on the causes of the exceeding values found and define a corrective action.



When it is necessary to provide for the disposal of aqueous waste, deriving from, for example, remediation operations, compliance with the specific applicable legislation is guaranteed (in Italy Legislative Decree 152/2006 part IV), using authorized persons for the transportation and treatment of such waste.

The Annex E-D requires that annually the pertinent Eni corporate functions gather information from all the business units regarding the presence of sensitive watersheds and connected habitats potentially influenced by the industrial operations.

Annex E-F, Biodiversity and Ecosystems (BES), requires that Eni identifies and evaluates all potential impacts on BES deriving from its operations and implements appropriate mitigation actions to minimize any adverse effects, by applying principles consistent with the Convention of Biological Diversity, the guidelines of the Energy and Biodiversity Initiative and the implementation tools developed by the IPIECA-OGP Biodiversity Working Group. In order to deliver on the ground an effective management of BES issues, Eni Business Units need to include in their operating practices BES considerations and, possibly, the implementation of the BES action plan, containing the site-specific indicators used to monitor the effectiveness of the mitigation activities; the BES assessment should be repeated periodically, throughout the whole project/operating site/facility life-cycle and, if necessary, updated.

Eni has in place specific operating and methodological reference for the definition of activities and operating procedures for the management of Product Safety, with particular reference to Safety Data Sheet (SDS). The Specific instructions are reported in the Professional Operating Instruction opi hse 006 eni spa SF r03 en "Product Safety", where specific instructions for Classification, labelling and drawing up SDS are reported. The SDS includes information such as the properties of each chemical; the physical, health, and environmental hazards; protective measures; and safety precautions for handling, storing, and transporting the chemical. Whenever necessary, e.g. for new products, the Employer's Lines evaluates the need to carry out the issue of a new SDS or the revision of an existing SDS.

W-OG3.1a

(W-OG3.1a) For each business division of your organization, describe how your organization minimizes the adverse impacts on water ecosystems or human health of potential water pollutants associated with your oil & gas sector activities.

Potential water pollutant	Business division	Description of water pollutant and potential impacts	Management procedures	Please explain
Hydrocarbons	Upstream Midstream/Downstream	The main potential pollutants of upstream and downstream operations are crude oil and its refined products. The main potential	Compliance with effluent quality standards Measures to prevent spillage, leaching and leakages Community/stakeholder engagement	Potential mitigating actions are listed in Annex E-D, Water Resource Management: installation devices that measure volume,



impact are linked to potential spills due to accident or sabotage. Both events, in terms of number and spilled volumes, are recorded in Eni HSE database. The magnitude of a spill impact can be low, medium or high, depending on the volume and quality of the hydrocarbons spilled and on the volumeability of the area where it occurs where it occurs impact and monitoring: BES action plan, spilled and on the vulnerability of the area where it occurs increase of controls and interventions on assets. Over 28 million € were invested in 2020 in oil spill prevention. Eni has adopted the best available technologies, in accordance with national laws and interventional standards. In particular, innovative techniques were			F	
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introduced to improve the early identification of losses along the pipelines: use of optical fibers; e-VPMS, Eni Vibroacustic Pipeline Monitoring System, a proprietary patent with proved effectiveness and with further developments (eVPMS-TIP, to detect vibrations from excavation in the ground and anticipate intervention); ground-trotting (also involving community); use of "Chopper Overflies" and short-range drones for asset surveillance and to discourage the activity of oil theft. Regarding drilling, Eni's approach involves: the use of the best drilling technologies, reducing the diameter of wells, managing pressure, blow-



out preventer and robotic systems to prevent and contain any oil spills. To enhance internal skills, Eni is committed to spreading knowledge across all the functions. Eni developed an innovative system of well barriers to decrease by one order of magnitude the probability of a blow-out event (10^-6). The success is measured in terms of number and volume of spills and is disclosed in our annual DNF. It is noteworthy to mention that: • all Eni refineries, both traditional and green, are **EMAS** registered; • in upstream, 33 subsidiaries (46% of total) and 3 joint ventures (38% of total) acquired the environmental



				management system certification according to the ISO 14001 standard, and 35 subsidiaries (49% of total) and 2 joint ventures (25% of total) that of the health and safety management system according to the ISO 45001 standard.
Chemicals	Chemicals	The main potential impact are linked to potential spills due to accident. All events, in terms of number and spilled volumes, are recorded in Eni HSE database. The magnitude of a spill impact can be low, medium or high, depending on the volume and quality of the chemicals spilled and on the vulnerability of the area where it occurs.	Compliance with effluent quality standards Measures to prevent spillage, leaching and leakages Emergency preparedness	List of potential mitigating actions listed in Annex E-D, Water Resource Management: installation devices that measure volume, pressure and pollutants; leak control and maintenance; employee training and education; procedure for anomalous or emergency situations due to pollution event; data collection and monitoring; specific audits; certification and transparency of



reporting. To enhance internal skills, Eni is committed to spreading knowledge across all the functions. The success is measured in terms of number and volume of spills and is disclosed in our annual DNF. It should be noted that all Versalis operating units have acquired the environmental management system certification according to the ISO 14001 standard, that of the health and safety management system according to the **OHSAS 18001** standard and the Responsible Care Certification. To these, the quality certification according to the ISO 9001 standard is added.



W3.3

(W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Direct operations

Coverage

Full

Risk assessment procedure

Water risks are assessed as part of other company-wide risk assessment system

Frequency of assessment

Annually

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Tools on the market Enterprise Risk Management International methodologies

Tools and methods used

GEMI Local Water Tool WRI Aqueduct COSO Enterprise Risk Management Framework

Comment

The procedures for identifying and assessing water-related risks have different level of approach. Starting from the general HSE Management System Guideline to the more detailed annexes "Risk Management" and "Water Resource Management". Annually, a report dedicated to evaluate the water risk is carried out for each business unit (refining, power, upstream and chemicals), applying international tools and databases, such as WRI Aqueduct and FAO/Aquastat. The analysis identifies at high level (e.g. screening level) the top consumers in stress areas, current and as projected to 2030 and 2040, and analyses the trend of relevant water volumes (withdrawn, discharged, etc.) and of the water intensities of the productions. The report identifies priorities and improvement actions that are subsequently considered as an input in the 4y plan. Where deemed necessary, local assessment using GEMI Local Water Tool or internal methodologies, or deep investigation at Country level are carried out. It is noteworthy to add that results of herein technical assessments are integrated into Integrated Risk Management (IRM)



process (as better explained under W3.3d and W.4.1.a). IRM process makes reference to COSO ERM framework.

Supply chain

Coverage

Full

Risk assessment procedure

Water risks are assessed as part of other company-wide risk assessment system

Frequency of assessment

More than once a year

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Other

Tools and methods used

Internal company methods

Comment

Water related issues and risks are assessed during supplier qualification process, driven by level of commodity code's HSE criticality. Eni regularly carries out assessments of its suppliers, both new and expiring ones, but also performs a continuous monitoring on supplier's performances. The information and the feedback collected are used to detect situations that may require a deeper evaluation, such as an audit, and can be used to launch improvement plans and define actions on the supplier qualification status, by assessing again the supplier.

Other stages of the value chain

Coverage

None

Comment

W3.3b

(W3.3b) Which of the following contextual issues are considered in your organization's water-related risk assessments?

		Relevance & inclusion	Please explain
Water availabil	ity at a	Relevant,	Water is essential for our operations and its availability is thus
basin/catchme	nt level	always	constantly monitored, also to drive decisions regarding the
		included	most reliable water sources. In this regard is an example the
			EniPower power plant of Brindisi, where a program to use



		more reliable water sources has been put in place (see CDP
		2020, question W4.3a and https://www.eni.com/en-IT/operations/italy-brindisi-new-plant-membrane-technology-produce-demineralised-water.html) and the new projects recently carried out c/o Zohr (https://www.eni.com/en-IT/operations/egypt-zohr.html) and the Livorno Refinery, among others, see 4.3a, are all examples of Eni's response to water related risks. The Climate Change and Strategy (CCS) function, in collaboration with the business units, carries out annually an analysis of water risk exposure taking into account the absolute quantity and the trend of water needs for the industrial operations and the availability at basin/catchment level. For this purpose we use our internal data and international tools, such as Aqueduct and FAO/Aquastat. Where deemed necessary, local assessment using GEMI Local Water Tool or internal methodologies are carried out. It is noteworthy to add that results of herein technical assessments are integrated into Integrated Risk Management (IRM) process (as better explained under W3.3d and W.4.1.a). IRM process makes reference to COSO ERM framework.
Water quality at a basin/catchment level	Relevant, always included	The availability of good quality water is relevant as a source to produce demineralized water and steam. It is constantly monitored as part of water management at every site and the trend of quality over time is an element taken into account to elaborate, when needed, projects to replace unreliable sources. Eni, in order to preserve high quality water sources, intends to increase, over its four-year plan, the treated groundwater (TAF water) for reuse for civil or industrial purposes and, likewise, to launch initiatives for the use of low-quality water to replace freshwater. The CCS function, in collaboration with the business units, carries out annually an analysis of water risk exposure taking into account the absolute quantity and the trend of water needs for the industrial operations and the availability at basin/catchment level. For this purpose, we use our internal data and international tools, such as Aqueduct and FAO/Aquastat. Where deemed necessary, local assessment using GEMI Local Water Tool or internal methodologies are carried out. As under previous reply, it is noteworthy to add that results of herein technical assessments are integrated into IRM process (as better explained under W3.3d and W4.1a). IRM process makes reference to COSO ERM framework.
Stakeholder conflicts concerning water	Relevant, always included	Stakeholder expectations are always considered by Eni and they are always considered in the HSE risk management process, also to preserve the safety and health of people



resources at a		(employees, third parties, the local community) and to
basin/catchment level		safeguard the environment. During local assessment of water risk, carried out according to GEMI Local Water Tool or using internally developed questionnaires, competition for the water resources is always included. Moreover, as stated in Eni's Statement on respect for Human rights, "Eni respects the rights of individuals and the local communities in which it operates, with particular reference to [] the right to water []. Eni operates according to advanced criteria for environmental and public safety protection and takes human rights issues into account from the very first feasibility evaluation phases of new projects and relevant operational changes []. Eni informs and engages local communities by promoting free, prior and informed consultations, with the purpose of considering their legitimate expectations in conceiving and conducting business activities, including community investments. Eni designs and implements community grievance mechanisms as part of its efforts to foster dialogue with local communities over project developments and potential impacts." For these reasons, Eni has set up a platform, the Stakeholder Management System, to support the analysis and management of the complex network of relationships in the territories, monitoring the expectations/requests/grievances of the populations and the results of development projects. Concerning the water resources this tool allows to survey the following aspects associated with Management of environmental impacts as: Protection of water resources, Risk assessment of water stress, Reduction of water withdrawals, Water reuse, Treatment of production water and wastewater.
Implications of water on your key commodities/raw materials	Not relevant, explanation provided	Oil and gas commodities/raw materials are not water intensive. However, in view of an increase of the green activities (green chemistry and bio-refinery), this aspect is expected to become relevant, according to Eni long term plan to 2050, and will be included.
Water-related regulatory frameworks	Relevant, always included	Regulatory frameworks are critical and always included in the risk analysis as licenses and permits for water withdrawals and discharge are an essential aspect of operative permitting. Licenses to withdraw water and any changes in the regulatory quality limits for water discharge can ask for more expensive treatment or the need to use low quality water, which also can increase the costs of treatment to guarantee a sufficient quality for use. The tools used (for example, procedures, instructions and records) are defined, updated and archived with a diversified frequency depending on the activities to ensure their constant adequacy and effectiveness, to ensure



		constant monitoring of the activities and their potential impacts on the environment, also taking into account possible
		variations in the conduct of activities, products or existing services, regulatory developments (legal and/or voluntary) of environmental conditions and the needs and expectations of stakeholders. Also, regulatory frameworks, related developments and possible constraints in HSE matters are strictly monitored by HSE functions as well as IRM function. "HSE regulation" represents a risk in IRM model (IRM scoring model is described under W4.1a). Impacts connected to water-related regulatory framework is evaluated under "Strategic Environmental Risks", as described under W4.1a
Status of ecosystems	Relevant,	Protection of the environment, based on the principles of
and habitats	always	prevention, protection, information and participation, is an
	included	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 through
		process traceability and control of the entire supply chain; and to managing the interaction with biodiversity and ecosystem
		services. The Annex E-D "Water resources management" of
		the HSE Management System Guidelines requires that
		annually the pertinent Eni corporate functions gather
		information from all the business units regarding the presence
		of sensitive watersheds and connected habitats potentially
		influenced by the industrial operations.
		Through the Annex E-F "Biodiversity and Ecosystems" and BES Policy, Eni adopts a Biodiversity and Ecosystem
		Services (BES) management model which incorporates the
		principles of the Convention of Biological Diversity, the
		guidelines of the main international initiatives and the
		implementation tools developed by the IPIECA-IOGP
		Biodiversity Working Group. Eni BES management model
		requires that biodiversity risk exposure is routinely monitored
		by screening new and existing sites for proximity to protected areas, key biodiversity areas and for the presence of
		threatened species (according to the IUCN Red List). Eni uses
		the results of the screening to identify the priority sites where
		to intervene with higher resolution investigations, by
		characterizing the operational and environmental context and
		assessing any BES dependencies along with direct, indirect
		and cumulative impacts potentially associated with company's
		activities. Based on the outcomes of the above assessments, BES Action Plans are implemented on site to ensure the
		effective management of biodiversity risk and to drive
		continuous improvement of BES management performance



		towards "no net loss" or "net gain" of biodiversity, depending on project-specific risks and context.
Access to fully-functioning, safely managed WASH services for all employees	Relevant, always included	Core strategy and methodological approach of Eni initiatives on public health based on Company experience and developed in line with international guidelines (Health for All) are described in the Annex Global Health of Eni's Health Management System Guidelines. Eni has ensured the provision of Clean drinking water, Sanitary facilities and Washing facilities to its employees in the areas of influence. As per the technical guidelines for "Industrial hygiene" and "Food & Water Hygiene" are outlined: • the HACCP principles which define the design, quality control measures, good manufacturing and storage practices and periodical training of staff • the principles and safe (chemical, biological, physical) parameters/measures ensuring that potable water is regularly sampled and tested in compliance with WHO standards. An appropriate number of sanitary/restroom facilities have been provided, regularly cleaned, illuminated, ventilated and allocated as per the OSHA standards in designated areas with running hot/cold water, soap, including hand drying amenities. Eni carries out health promotion activities to increase the Company's social responsibility, improving its image, building up employee loyalty and reducing the loss of work and production through injury or illness. Eni is aware of the relevance of this topic in general and even more in water stressed areas of the world, where access to water, sanitation and hygiene has profound wider socio-economic impacts, particularly for women and girls. The Eni health function is responsible for developing a monitoring system that makes possible an accurate measurement of the progress made towards the objectives. The key performance indicators for monitoring the initiatives must be identified per efficiency criteria, adopting where possible the indicators used in other processes such as Sustainability for example: The Eni health function, responsible for checking the progress of the initiatives in the individual subsidiaries: • supports each subsidiary in developing an



		The Eni health functions updates the priorities annually to adapt to the evolving necessities of the local contexts.
Other contextual issues, please specify	Not considered	

W3.3c

(W3.3c) Which of the following stakeholders are considered in your organization's water-related risk assessments?

	&	Please explain
	inclusion	
Customers	Relevant, always included	A continuous relations with consumer associations is relevant in order to build a relationship based on transparency and trust through dialogue, cooperation and problem solving. Our stakeholders are first and foremost people who live in the areas where Eni works: their knowledge and sharing of their concerns and expectations are the basis of our commitment to build lasting relationships in order to contribute, together, to a sustainable development. The direct involvement of stakeholders in each phase of the activities, the promotion and sharing of common principles and dialogue are at the basis of the creation of long-term value. In carrying out the activities, the daily and proactive dialogue, in place with different stakeholders, is essential in order to establish a solid and transparent relationship of trust, which can be a promoter for shared development processes. For instance, in Eni petrochemical sector, Versalis adopts Responsible Voluntary Programs such as the Responsible Care, that is the global chemical industry's unique initiative to improve health, environmental performance, enhance security, and to communicate with stakeholders about products and processes. Main customers engagement activities during the year: Meetings and workshops with Presidents and managers of the energy sector of national and local CA (Consumer associations) on topics such as sustainability, circular economy, reclamation and environmental remediation; Sponsoring CA initiatives on the issues of sustainability and the circular economy to which Eni's senior officials have taken part, bearing witness to our initiatives in this regard; Territorial meetings organized with the Customers' Associations of the CNCU (Italian National Council of Consumers and Users).
Employees	Relevant, always included	As recognised in Eni's mission, "Our work is based on passion and innovation, on our unique strengths and skills, on the quality of our people and in recognising that diversity across all aspects of our operations and organisation is something to be cherished." As a



consequence, Eni's employees are regularly engaged and consulted (see also Eni's internal communication section on Eni's website (https://www.eni.com/enipedia/en_IT/business-model/people/enis-internal-communication.page). To further integrate sustainability in the Board's agenda and to reinforce awareness of the importance of sustainability for both the strategy and day-to-day business of the company, Eni signed up to the pilot phase of the UN Global Compact LEAD Board Programme, aimed at training directors on sustainability issues.

A specific process safety standard is going to be implemented in order to give instructions related to natural risk (weather, hydraulic, hydrogeologic, sismic, vulcanic and tsunami) and how to evaluate and include it in operative safety reports.

The march 2020 number of the Eni's magazine "WE" was dedicated to water, to the benefit of its employees and the general public, https://www.eni.com/static/en-IT/world-energy-magazine/water-stories.html#.

Moreover, to engage those operating units that have achieved major improvements and the people and teams that have developed the best ideas and projects in the areas of Safety and the Environment, Eni has also put in place a special Safety and Environment Day hold yearly at the presence of the CEO, the Chairman and the HSE&Q Director. The 2020 edition was not held as a consequence of the pandemic, and the next event is scheduled for next fall.

Investors

Relevant, always included

The direct involvement of stakeholders in each phase of the activities, the promotion and sharing of common principles and dialogue are at the basis of the creation of long-term value for Eni. Also in 2020, Eni maintained an open and on-going dialogue with institutional investors, retail shareholders and the market, so as to ensure the dissemination of complete, accurate and timely information on its activities. In light of the above, Eni's CEO has conceived a message to shareholders in view of the AGM 2021 specifically focused on the path of energy transition and constructive dialogue with investors asking explicitly for investors' feedback in the context of the interventions in the 2021 shareholders' general meeting. See: https://www.eni.com/assets/documents/eng/governance/shareholders-

https://www.eni.com/assets/documents/eng/governance/shareholders-meetings/2021/message-from-the-ceo-on-the-path-of-energy-transition.pdf

ESG (Environmental, Social, Governance) issues, including water risk and performance are part of the ongoing dialogue with shareholders also in Shareholders' Annual meetings. The investor relations department specifically manages the relationship with socially-responsible investors outlining the company's social and environmental performance, corporate governance and risks, the characteristics of integrated management systems and the model of co-operation with the countries in which Eni is active.



Facilitating long-term growth and societal development has historically been Eni's way of doing business.

Thanks to a growing commitment to transparency and to the business model built by Eni over the last seven years to create long-term sustainable value, in 2020 Eni obtained or confirmed the excellence assessments in the main ESG ratings used by the financial markets. Including all material ESG aspects into our corporate strategy and establishing formal responsibility/oversight for ESG risks and opportunities at Management as well as Board Level are key. Eni's BoD is collegially responsible for Climate and ESG issues assisted by the Sustainability and Scenarios Committee and the Risk and Control Committee. The Sustainability and Scenario Committee, set up in 2014, has an integrated approach on scenario, strategy and sustainability, with a focus on the climate change debate and changes to the business model. The Sustainability and Scenarios Committee consists of five non-executive directors, mostly independent and it is chaired by a director appointed from the minority list.

Local communities

Relevant, always included

As stated in Eni for 2020, to Eni, the relationship with its stakeholders, listening and sharing decisions with people in the Countries where it operates are fundamental elements: knowledge of their point of view and their expectations is the foundation of its commitment to building transparent and lasting relationships based on mutual trust. Eni includes risks affecting local communities (including water-related risks) within its Integrated Risk Assessment Process, as it is aware of the potential and actual impacts (either positive and negative) that we can exert on them.

Therefore, responsible business management must respond to the needs expressed by local communities, contributing to their well-being in the medium and long term. Eni considers the relationship with the communities an important element of listening. For this reason, Eni tracks all the requests made by the stakeholders and analyzes them in an integrated form for each territory so as to identify the best actions to be put in place to achieve sustainable development in synergy with the local communities. In this perspective, the management of grievances is also a fundamental element of attention. Eni has defined its own Grievance Mechanism to receive, recognize, classify, investigate, respond and resolve complaints in a timely, planned and respectful way. The grievances are monitored through a dedicated system called the "Stakeholder Management System (SMS)".

As stated in Eni for 2020, the stakeholder engagement activities include:

• 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



		 Consultation of local authorities and communities for the new exploration activities and/or the development of new projects as well as for the planning, management and improvement of social projects Mapping of community relations, requests and grievances and definition of local engagement content
NGOs	Relevant, always included	Eni promotes a proactive dialogue with NGOs and international associations on issues of corporate responsibility and sustainability. This commitment is part of the broader relationship that we establish with all our stakeholders, aimed at creating value and sharing strategies. In this context, Eni promotes meetings and, where possible, responds to stakeholders' requests by presenting its own approach to sustainability as well as specific projects of particular relevance. NGOs are considered when valuating water related reputational risk. For example, Flora & Fauna International and Eni, through its Exploration and Production division (E&P), have been working together since 2003 to develop a distinctive approach for timely and effective management of biodiversity and ecosystem services within E&P's onshore and offshore operations worldwide (https://cms.faunaflora.org/wp-content/uploads/2017/12/FFI_Working-with-business-forconservation.pdf).
Other water users at a basin/catchment level	Relevant, always included	Eni is aware of the opportunity represented by circular economy and, accordingly, water resources are deemed as a fundamental element toward this path. In the downstream section, consistent volumes of water are made available for industrial use (from the current 6.1 Mm³ to 9,4 Mm³ by 2024), thanks to the groundwater treatment plants (TAF). Other water users at the basin/catchment level are fundamental to understand present and future water related risk due to competition for the water resources. Other water users are also evaluated in order to identify possible collective actions, that are relevant for best management initiatives such as the exchange of industrial water volumes among different users. Engagement method vary on a local basis; however, it generally includes a dialogue with the other local water services providers users An example of engagement is the Ravenna Servizi Indusriali (RSI). RSI, provides the companies of the Ravenna Petrochemical Site and neighboring factories with general services, manages the production of industrial water, distributes the fluids necessary for the production cycles, safeguarding People and the Environment with Emergency Response in emergency situations. RSI is a joint stock consortium company that is a company that carries out its business by pursuing consortium purposes. The Shareholders' Meeting is the body through which the shareholders can actively participate in corporate life by expressing



		by the articles of association. RSI is a company subject to the management and coordination of Eni s.p.a.
Regulators	Relevant, always included	The regulators are Eni's stakeholders in water related risk assessment issues, under multiple points of view. Regulators are, in particular, relevant and always included in water risk evaluation as they are fundamental in the steps of permitting. In ordinary business operations, for both new projects and existing facilities, during any step of water related risk assessment and permitting, regulators, as stakeholders, are: • informed through objective information to demonstrate water risk assessment is mitigated and controlled through BAT or emerging techniques' application; • consulted to obtain feedback on very singular circumstances of ongoing projects' phases: Eni collaborate with regulators to decide and share the proposed solutions and alternatives. Moreover, Eni participates in public consultations over regulatory changes, directly or through international associative bodies (Concawe, IOGP, Fuels Europe,) or national associations.
River basin management authorities	Relevant, always included	River basin management authorities are relevant and always included in water risk evaluation as they are fundamental in the steps of permitting. They are Eni's stakeholders in water related risk assessment issues, in ordinary business operations, for both new projects and existing facilities, during any step of water related risk assessment and permitting. Timely renewal of appropriate water permits is essential for our operations, thus regular engagement with river basin authorities, as regulated by local laws, is key to mitigate the risk in all our operating locations. An example is the Water Ato (river basin authority) and Siciliacque-Eni agreement to deal with water emergencies in Gela, Sicily, signed on February, 18 2020. The aim of the agreement is to avoid water emergencies for the city of Gela (http://www.comune.gela.cl.it/2733-accordo-ato-idrico-eni-persopperire-alle-emergenze-idriche).
Statutory special interest groups at a local level	Relevant, always included	Statutory special interest groups at a local level are relevant and always included in water risk evaluation as they are fundamental in the steps of permitting. Timely renewal of appropriate water permits is essential for our operations, therefore engagement with statutory special interest groups at a local level is evaluated in order to anticipate the needs and to mitigate local risks in all our operating areas. Engagement method vary on a local basis; however it is generally mediated by local authorities . An example is the Water Ato and Siciliacque -Eni agreement to deal with water emergencies in Gela, Sicily, signed on February, 18 2020. Siciliacque S.p.A. is the company 75% owned by Idrosicilia S.p.A. and 25% from the Sicilian Region which manages the wholesale water supply service based on the contract for the management of the service signed on 20.04.2004.



		The aim of the agreement is to avoid water emergencies for the city of Gela (http://www.comune.gela.cl.it/2733-accordo-ato-idrico-eni-per-		
		sopperire-alle-emergenze-idriche).		
Suppliers	Relevant, always included	During 2020, Eni launched the JUST (Join Us in a Sustainable Transition) initiative, aimed at involving suppliers in the energy transition path, enhancing the aspects of environmental protection, economic development and social growth. In particular, Eni has: (i) introduced in qualification processes an evaluation over sustainability performance; (ii) introduced sustainability criteria and rewarding mechanisms in tenders to encourage suppliers' best practices; (iii) launched an experimental workshop with qualified companies to encourage the adoption of circular economy models and/or sustainability initiatives; (iv) supported the JUST initiative through external and internal communication activities, conveying the main objectives through eniSpace, the platform for collaboration and communication between Eni and the supply market, with the aim of reaffirming Eni's commitment to the sustainability of its supply chain. In addition, Eni has started the development, in collaboration with Boston Consulting Group (BCG) and Google Cloud, of Open-es, an open digital platform dedicated to all companies with the aim of sharing and enhancing information, best practices and sustainability models along the supply chain and encouraging the entire supply chain towards the sector's energy transition.		
Water utilities at	Relevant,	Water utilities at a local level are relevant and always included in		
a local level	always included	water risk evaluation as they can provide municipal water, essential for civil uses at the industrial sites and also, where needed and if available, for the use of wastewater treatment plants. Only a small amount of water needs in Eni are fulfilled by freshwater (less than 7%) and, of these, about 5% by municipal water. With regard to the risk associated to availability and capacity of water treatment plants, this is considered according to annex E-D to HSE Management System Guidelines, "Water resource management". Even if water utilities at local level represent a small volume for Eni, they are nevertheless important and factored in water risk assessment. Engagement method vary on a local basis; however, water utilities are generally engaged directly by Eni representatives. For example, in December 2019, Eni Rewind (formerly Syndial) signed an agreement with Veritas, the multi-utility of the Metropolitan City of Venice. Within the project Waste to Fuel, it will be recovered and treated the water content of the waste, which makes up 70% of the total, and will be treated in the Veritas plants connected to the area where the new "Waste to fuel" plant is to be installed (https://www.eni.com/en-IT/media/press-release/2019/03/eni-agreement-between-syndial-and-veritas-to-build-a-plant-in-porto-marghera-that-will-transform-the-organic-fraction-of-solid-urban-waste-into-next-generation-fuels.html)		



Other	Not	
stakeholder,	considered	
please specify		

W3.3d

(W3.3d) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

The procedures for identifying and assessing water-related risks have different level of approach. Starting from the general HSE Management System Guideline to the more detailed annexes "Risk Management" and "Water Resource Management". Annually, a report dedicated to evaluate the water risk is carried out for each business unit (refining, power, upstream and chemicals), applying international tools and databases. Local assessment are carried out at sites characterized by high freshwater withdrawals, that are located in water-stressed as well as water-scarce areas.

Eni carries out annually an analysis of water risk exposure of its facilities taking into account the absolute quantity and the trend of water needs for the industrial operations and the availability at basin/catchment level. For this purpose Eni uses its internal data and international tools, such as WRI Aqueduct. The analysis is furthermore integrated with data from Aqueduct and from FAO/Aquastat. The timeframe projections provided by these tools and databases go as far as 2040, allowing for a long term perspective analysis. The analysis is used to provide suggestions for improvements and for defining targets, that are monitored year by year. The study is applied to operated sites and, in new projects, can be a support to ESHIA (Environmental Social Health Impact Assessment. The outcome of the above activities represents an input for Eni Integrated Risk Management (IRM) process which maps and monitors Eni global risk profile as well as contributes to regularly updating the mitigation actions adopted at different levels of the organization. Specifically, within the IRM process, water related risks fall within the "strategic environmental risks" which are analyzed at a global, i.e. aggregated, level, at business lines level as well as at country (of Eni presence) level. Results thereof, comprehensive of the input coming from the above technical risk management carried out by HSE, are quarterly shared with/ presented to all Eni business levels, including Eni Board of Directors.

The study is applied to operated sites and, in new projects, can be a support to ESHIA (Environmental Social Health Impact Assessment).

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

No



W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

To assess severity of risks identified according to the 4y strategic plan objectives and coherently with risk management practices applied at different business areas, Integrated Risk Management (IRM) framework, largely based on COSO ERM Framework, a risk scoring model has been adopted and is applied to direct operations, including impacts on Eni deriving from the supply chain

Risk impact is assessed based on a 5-level rating scale: negligible (1), significant (2), relevant (3), very relevant (4), extreme (5).

Such impact is measured based on the **following** quantitative and qualitative **metrics**, which are subject to yearly review and harmonized with the 4y strategic plan:

Economic-financial: the impact is measured based on reduction of net profit or cash flow. For such a metric, severity thresholds, from negligible to extreme, are set up based on the assumptions underlying the 4y plan

Descriptive-qualitative: the impact is measured based on the effort of the top management to manage the risk; it may involve a potential review of strategy when appropriate

Operational: the impact is measured based on reduction in daily production or delayed production

Image&reputation: the impact is measured based on the duration of the negative impact upon selected stakeholders

Environmental: the impact is measured based on the relevant fallouts on the environment, ecosystem and people. Indicators may include: size of the involved area, impact on the ecosystem, inconvenience from pollution to personnel or population, etc

Health&safety: the impact is measured based on the effects on health of both Eni and third parties' personnel, or any other individual concerned (accidents, illnesses, etc.)

Social: the impact is measured based on any social damage to local communities and population adjacent to industrial plants. Indicators may include: employment and workers' rights, access to basic resources, etc

Security: measures the impacts of criminal events on individuals/assets In order to assess the overall magnitude of risk, however, impact is combined with probability/frequency that is apportioned over a 5-level rating scale - in line with impact evaluation: (1) rare, (2) unlikely, (3) moderate (4), possible, (5) likely.

The resulting risk score (probability x impact) is plotted in a probability/impact matrix. In the same matrix, each risk is displayed at both inherent and residual level and the length of the line drawn between the two scores shows how effective the mitigations in place are. According to IRM methodology, all risks that have a risk score of 8 or higher, at residual level, are considered as "substantive" (i.e. top risk according to IRM methodology and definitions and, as such, treated differently and monitored/assessed on a quarterly basis. Top risks fall within the so called "tier 1" and "tier 2" area of the matrix).

Based on what above, a <u>substantive financial impact</u> occurs when a risk scores 8 or above with the higher impact registered on the economic-financial metric (that means, plotted the risk in the matrix, at least a "significant" economic-financial impact with reference to a risk event classified as "possible").



A <u>strategic impact</u> occurs whenever an impact is registered such that the approved strategy is consequently modified.

Lastly, a <u>substantive change</u> occurs when the residual, i.e. net of mitigations, score of a selected risk escalates up to 8 or higher in Eni probability/impact matrix, compared to the previous assessment or when a "top" risk escalates – always based on resulting scoring at residual level – from the so called "tier 2" area to "tier 1" area of the matrix, the latter being associated to the most severe risks.

<u>Water-related risks</u>, included in Eni "strategic environmental risks", have scored 16 at inherent level in latest annual risk assessment, based on probability "possible" and impact "very relevant" registered on 5 out of the 8 metrics described above.

By adopting the mitigation actions and practices elsewhere described in this report, residual score of Eni "strategic environmental risks" is lower than 8 and therefore the risk in question is not included in Eni's top risks, i.e. it is included in "tier 3" risks. However, great attention is given to water themes and water aspects are connected to Eni strategy. In such regard, please note that our recently adopted mission is largely based on SDG's targets, including those connected to water.

A <u>substantive financial impact</u> in the context of water-related risks is connected, amongst others, to potential floods at site level and relevant damages/disputes, increase in the cost of water supply partly due to stricter regulation, etc. The <u>strategic impact</u> includes potential significant review of the adopted strategy and/or business model. Impacts and treatment actions are detailed in relevant risk register. The extent of the analysis performed by IRM, with reference to water-related risks, is Eni's direct operations.

W4.2b

(W4.2b) Why does your organization not consider itself exposed to water risks in its direct operations with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	In the past years we indicated as at risk two refineries located in water stressed areas. However, also in a conservative hypothesis where shortages of water in the driest months of the year could determine an interruption of activities for several weeks or months, the consequent impact could be significant for the site and, in case of interruptions of several months, at the business level. At the corporate level, however, an interruption of activity of a single refinery as long as several weeks or months has a negligible impact (less than 1% of total company revenues). For example, in 2017 the Livorno Refinery had to shut down as a consequence of flooding, with a revenue loss estimated in less than 1% of total company revenues, see Eni CDP Water 2018. During 2020, the use of the new release of Aqueduct (2019) allowed us to perform a more detailed analysis of water stress at the river basins level, so that we could carry out a deeper investigation of all the basins of interest for Eni. According to this analysis, some facilities resulted exposed to water risk; however, water risk has never materialized so far and, even in the remote hypothesis of a future interruption of activities, related to water stress, of



several weeks during the driest period of the year, this remote event would not result in a substantial impact at corporate level according to Eni internal procedures and metrics.

W4.2c

(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	Eni operates along its supply chain and knows that water risks exist along its supply chain (e.g. water scarcity or water contamination). Eni is aware of water related issues and risks through an environmental risk monitoring along the supplier qualification process, driven by level of commodity code's HSE criticality. The importance of water in the supply chain is foreseen to increase and specific interventions will be implemented to address water intensive suppliers or materials. Suppliers are required to report information on their water management by means of a qualification questionnaire as part of a wider investigation of the vendor's HSE aspects. If critical issues or improvement areas emerge, Eni requires the implementation of an improvement plan to overcome the shortcomings identified. Beyond the qualification assessment, Eni performs a continuous monitoring on overall supplier's performances, including HSE. The information and the feedback collected are used to detect if a deeper evaluation, such as an audit, is required and can be used to launch improvement plans. Should critical issues emerge from this evaluation it would lead to the termination of the relations with Eni on an ongoing basis. This approach of constant monitoring ensures the success of engagement with 100% of our suppliers which are certainly responding to our requirements. In the qualification process Eni assesses suppliers' Water Management within the HSE evaluation.

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.



Primary water-related opportunity

Improved community relations

Company-specific description & strategy to realize opportunity

Access to water and basic sanitation is considered a priority for development and therefore promoting safe and reliable access to water is a priority for Eni, as part of its local intervention strategy. Initiatives promoting access to water resources and improve hygiene and sanitation conditions include the building of wells, water purifying plants, water distribution networks and sewers, as well as training activities. This effort represents an opportunity to pursue Eni's commitment to contributing to achieving the 2030 UN SDG targets, by improving community water efficiency, protect watersheds and increase access to water services as a way of promoting sustainable water management and reducing risks (as expected by the 5th core element of CEO Water Mandate). An example of the strategy in action is the three-year Collaboration Agreement signed in February 2018 between Eni and FAO (Food and Agriculture Organization of the United Nations), for the implementation of sustainability activities in favour of communities affected by the humanitarian crisis triggered by the Boko Haram movement in the North East of Nigeria and the crisis caused by the shrinking of Lake Chad. The Access to Water project is the first initiative identified by the agreement, to ensure access to clean and safe water thanks to the construction of wells powered by photovoltaic systems, for domestic use and for irrigation. The partnership identifies, in collaboration with local authorities, the areas of intervention to support the IDPs (internally displaced persons) and host communities affected by the North East – Lake Chad crisis, through technical support and sharing of know-how by the United Nations agency and the construction of water wells by Eni.

RESULTS AND BENEFICIARIES

, 22 wells completed, 5 in the Federal Capital Territory (FCT), 17 in the North East (5 in Borno State, 5 in Adamawa State, 1 in Yobe State). The wells are equipped with water purification systems, 24 faucets for water supply and a storage capacity of 25,000-50,000 litres.

Over 67,000 people reached

Estimated timeframe for realization

1 to 3 years

Magnitude of potential financial impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

7,050,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)



Explanation of financial impact

The improvement of community relations doesn't have a defined direct financial impact in terms of revenues (therefore financial impact it's not the scope of these activities). The figure provided (€7 million, Eni share) is related with the investments expected in the period 2021-2024 to improve access to water in the countries where we operate. As much as 98,8% of these investments will go towards the creation of water provision systems for local communities, while 1,2% will be used to create sanitation facilities and systems for local communities.

Type of opportunity

Resilience

Primary water-related opportunity

Increased resilience to impacts of climate change

Company-specific description & strategy to realize opportunity

Zohr represents one of the most important O&G development in the last years; as the site is located in a water stress area, it is important both to secure a reliable water source for industrial activities and to relief the pressure to a scarce and precious resource for local needs.

The desalination plant in the Zohr offshore gas field (Egypt), operational from the half 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 brackish water taken from coastal supply wells through a unit consisting of three filtration and reverse osmosis trains, meeting the Zohr plant'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), previously entirely transported by truck to external sites for disposal.

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential financial impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

18,000,000

Potential financial impact figure - minimum (currency)



Potential financial impact figure – maximum (currency)

Explanation of financial impact

The figure, expressed in US\$, refers to the total investment planned for the implementation of the opportunity as previously described. 89% of this investment costs are for the water desalination facilities while 11% for disposal and producer wells. Furthermore, thanks to the reduction up to 1,200 m3/d of freshwater withdrawals and thanks to the elimination of water transportation by truck, we expect currently unquantifiable benefits in terms of improved water source resiliency, more freshwater available for local communities, Furthermore, we expect a reduction of transportation CO2 emissions from an estimated value of 120 tons/y to zero and improved reputation for the Company.

Type of opportunity

Resilience

Primary water-related opportunity

Increased resilience to impacts of climate change

Company-specific description & strategy to realize opportunity

The Italian Refinery of Livorno is located in a water stress area and is also exposed to extreme events, such as the flood occurred in 2017 and documented by Eni in the questionnaire CDP water 2018. The new sections for water treatment (demineralization unit) and water reuse allow for a lower dependence from surface water withdrawals and increase the wastewater treatment capacity, thus enhancing also the refinery resilience in case of extreme events. The projected interventions respond also to anticipated changes in the regulatory limits for water discharge. The opportunity is in line with Eni endorsement of the CEO Water Mandate and to the commitment with respect to the core element #1 related to water use efficiency in the direct operations. It is also a way to decrease Eni's dependency from freshwater in stressed areas.

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential financial impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

2,700,000

Potential financial impact figure – minimum (currency)



Potential financial impact figure – maximum (currency)

Explanation of financial impact

The economic impact indicated relates to the supply of the unit under a rental and service framework agreement with the supplier.

The breakdown of cost items over the 36 contractual months is defined as follows, expressed in €:

- Supply of equipment = approx. 1,000,000
- Operation site preparation, approx. 80,000
- Operation & Maintenance service = approx. 300,000
- Variable quota proportional to the treated water volumes approx. 680,000 (estimated as maximum treatment capacity for 36 months)
- Final redemption approx. 500,000 for the acquisition of the unit by the refinery upon expiry of the lease

Furthermore, we expect benefits that are currently not quantifiable in terms of improved resilience of water sources and better reputation for the Company.

Type of opportunity

Other

Primary water-related opportunity

Other, please specify
Water - energy - food nexus

Company-specific description & strategy to realize opportunity

In March 2019, Eni signed a Joint Research Agreement with the Italian National Research Council (CNR) to conduct joint research in four areas of high scientific and strategic interest: nuclear fusion, water, agriculture and the Arctic ecosystem. Eni and the CNR are combining their strong technological research and development capabilities by establishing 4 joint research centres, with a total economic commitment of over 20 million euros for a duration of 5 years. One of the research centres, located in Metaponto, in Southern Italy, is dedicated to the important role of water, both as a vital resource and as an essential element for a balanced ecosystem. The President of CNR said: "The National Research Council, together with Eni, aims at accelerating the development of new technologies that can tackle global challenges, such as the relationship between energy, water, food and the environment, with solutions that are efficient, clean and with a low water footprint. The agreement, with regard to water and agriculture, aims to achieve purification and reuse of the water resources and the sustainable food production, particularly in those areas of the world where population is growing at a fast pace such as Africa".

The main research areas under development in the Metaponto centre are:

- Advanced technologies for the optimization of water used in agriculture, in particular analysis of plant responses to water stress and beneficial effects of natural endophytic bacterial inoculation
- Innovative urban wastewater treatment through a pilot installation of innovative



treatment chains within a wastewater treatment plant nearby the research centre, and experimental reuse of treated water in agriculture

- Hydrogeological and geomechanical model setup applied to an area subjected to saline intrusion and subsidence to develop a tool for a sustainable groundwater use The opportunity is in line with:
- Eni positioning on water that states "identifying and developing innovative technologies will be a key lever to support its objectives of safeguarding water resources"
- the endorsement of the CEO Water Mandate commitment with respect to the core element #1 related to the use of new technologies

Estimated timeframe for realization

4 to 6 years

Magnitude of potential financial impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

20,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact

Eni and the CNR established 4 joint research centres, with a total economic commitment of over 20 million euros for a duration of 5 years. The financial figure indicated is for the whole agreement, of which Eni's share part is 12 million euros. The Metaponto research centre has a whole budget of 7 million euros, of which Eni's share part is around 4 million euros.

With these activities Eni will benefit both from know-how acquisition and strengthening the existing relation with CNR, moreover the obtained results could lead to technological applications in countries where Eni is present, as well as to reputational impact.

Type of opportunity

Efficiency

Primary water-related opportunity

Cost savings

Company-specific description & strategy to realize opportunity

The Blue Water project, carried out by Eni Rewind and Eni upstream, aims at the treatment of produced water of the "Centro Olio Val D'Agri - COVA" in order to recycle it and to fulfil the site industrial needs. The treated water will be connected to the industrial



site by two feed lines, one for industrial water uses and the other one for demineralized water uses. The application for international patent for this specific water treatment was submitted in May 2017. The European Patent Office submitted Communication to EniRewind about intention to grant a European patent on march 31th 2021 (application nr. 17727563.3). The industrial plant, is currently in the permitting step (first authorization conference on July 2019) and, if the necessary authorizations will be achieved, the construction of a 72 m3/h plant, is planned to start by 2022, while the start-up of the plant, operating 24/7, is foreseen by 2023. The initiative is strategically based on increasing sustainability for the management of Eni Upstream produced water: the plant will meet the water needs of COVA reducing its water footprint and will at the same time reduce the impacts (economical and environmental) for the water treatment of water that cannot be re-injected and that are currently sent to external suitable authorized plant with tankers as liquid wastes.

Estimated timeframe for realization

1 to 3 years

Magnitude of potential financial impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

44,800,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact

The cost indicated is the full life Capex. Less than 2 years payout time is expected. The economic evaluation are based on currently disposal cost (of un-reinjected produced water) and capex and opex estimated for Blue Water plant at FEED accuracy. CAPEX 44,8 M€

IRR 52,7% considering @ 1700 m3/d

Type of opportunity

Efficiency

Primary water-related opportunity

Water recovery from sewage management

Company-specific description & strategy to realize opportunity

Brindisi is a site located in a water stress area. At the site several interventions in the past years have been carried out, as described in previous CDP questionnaire, so that



most of its water needs are satisfied by desalinated water and water from site remediation activities. In order to continue along a water stewardship path, a study for wastewater reuse will be completed by 2021, the project is expected to be completed by 2024. To the purpose of wastewater reuse, otherwise discharged to the sea, it will be installed a tertiary treatment in order to reuse about 500 Ml/year of water for industrial purposes.

Estimated timeframe for realization

1 to 3 years

Magnitude of potential financial impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure - minimum (currency)

600,000

Potential financial impact figure – maximum (currency)

1,400,000

Explanation of financial impact

The figures refer to the total investment planned for the implementation of the tertiary unit, presently estimated with a $\pm 40\%$ accuracy. Furthermore, we expect unquantifiable benefits in terms of improved water source resiliency and improved reputation for the Company

Type of opportunity

Resilience

Primary water-related opportunity

Increased resilience to impacts of climate change

Company-specific description & strategy to realize opportunity

The area of the Sinai peninsula is a desert, so that freshwater as well as slightly brackish water (2-5 g/L of total dissolved solids) are highly valuable resources. In order to increase the water source reliability for its activity and to decrease the overall pressure to these precious resources, Eni decided to upgrade its seawater desalination units at two of its plants. With the upgrade of its plants, Eni is aiming to decrease its fresh and slightly brackish water withdrawals by about 650 ML/y

Estimated timeframe for realization

1 to 3 years

Magnitude of potential financial impact



Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

1,800,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact

The figure, expressed in US\$, refers to the total investment planned for the implementation of the opportunity as previously described, furthermore we expect currently unquantifiable benefits in terms of improved water source resiliency and improved reputation for the Company.

Type of opportunity

Resilience

Primary water-related opportunity

Increased resilience to impacts of climate change

Company-specific description & strategy to realize opportunity

The Brindisi power plant is located in a water stressed area, where Eni already carried-out important investments for water preservation, as described in the past years (see also https://www.eni.com/en-IT/operations/italy-brindisi-new-plant-membrane-technology-produce-demineralised-water.html). The new intervention provides for the expansion of the rainwater management system of the power plant which will allow the collection, treatment and recovery of rainwater. The rainwater collected and treated will be reused to feed the demineralized water production plant, displacing a similar quantity of fresh water.

Estimated timeframe for realization

1 to 3 years

Magnitude of potential financial impact

Low-medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

1,000,000

Potential financial impact figure - minimum (currency)



Potential financial impact figure – maximum (currency)

Explanation of financial impact

The costs of the project are mainly related to: 1) the development of the study and executive engineering of the works, approx. 20%; 2) the civil works necessary for the construction of the works and connection to existing systems, the supply of the required equipment and the electrical / instrumental connection activities, approx. 60%. Furthermore we expect currently unquantifiable benefits in terms of improved water source resiliency and improved reputation for the Company.

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?

Yes, we have a documented water policy that is publicly available

W6.1a

(W6.1a) Select the options that best describe the scope and content of your water policy.

	Scope	Content	Please explain
Row 1	Company-wide	Description of business dependency on water Description of business impact on water Description of water-related performance standards for direct operations Description of water-related standards for procurement Reference to international standards and widely-recognized water initiatives Company water targets and goals Commitment to align with public policy	Eni's biodiversity and ecosystem services (BES) policy covers the company's relationships with stakeholders and local communities, its contribution to local development, the protection of human rights, climate strategy and ways to safeguard biodiversity and ecosystems. Eni's BES management model aligns with the strategic goals and targets of the Convention on Biological Diversity, such as drinking water supply and water related disasters risk reduction. In Eni's Sustainability Policy there is a clear link between water and climate change (Eni promotes the sustainable management of water resources in actions that are oriented towards the adjustment of the consequences of climate change); a wide description of business impact on water; a commitment to water stewardship (Eni evaluates the interaction of its activities with ecosystem services, and promotes, in particular, efficient water management, especially in areas under water stress, and the reduction of emissions in air, water and soil). In Eni's Statement on Respect for Human Rights there



initiatives, such as the SDGs
Commitments beyond regulatory compliance
Commitment to water-related innovation

Commitment to stakeholder awareness and education

Commitment to water stewardship and/or collective action

Acknowledgement of the human right to water and sanitation
Recognition of environmental linkages,

for example, due to

climate change

is an acknowledgement of the human right to water: Eni respects the rights of individuals and the local communities in which it operates, with particular reference to biodiversity, the rights to ownership and use of land and natural resources, the right to water Eni commits to operating beyond compliance throughout the projects lifecycle.

Eni promotes investment projects and initiatives that combine the conservation BES with the sustainable development of local communities, and raises awareness on these topics through dedicated initiatives. Eni promotes a transparent and continuous dialogue with relevant stakeholders and partnership with conservation NGOs, and with national and international scientific institutions. In 2019 we endorsed the CEO Water Mandate and committed to adopting and implementing a comprehensive approach to water management that incorporates, over time, all six elements of the CEO water Mandate.

In June 2021 Eni published its position on water, identified it as a strategic resource for the protection of biodiversity and human health, for social and economic development, The company therefore undertakes to define objectives to minimize its freshwater withdrawals in water-stressed areas, seeking improvement solutions and leveraging innovative technologies.

(1) 1, 2, 3, 4, 5, 6, 7, 8, 9

11_Annual-Report-2020.pdf

¹ ²9_Eni's position on water.pdf

³⁸_rules-of-the-sustainability-and-scenarios-committee.pdf

⁰ 53_Eni-Biodiversity-and-Ecosystem-Services-Policy.pdf

65_Corporate-Governance-Report-2020.pdf

[⊎] ⁷7_eni-report-human-rights 2020.pdf

0 86_Eni-for-2020-eng.pdf

^⁰ ⁹2_Eni-Statement-on-respect-for-Human-Rights.pdf

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?
Yes



W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual	Please explain
Board-level committee	The Sustainability and Scenarios Committee (SSC) is established by the Board of Directors and is charged with the task of supporting the Board of Directors with consultative and advisory functions. The Chairman of the Board of Directors and the CEO may participate in Committee meetings. The Committee focuses mainly on scenarios and sustainability, in particular on processes, initiatives and activities to preserve the Company commitment to sustainable development along the value chain. Particular attention is paid to the respect and protection of human rights, to the environment and to the efficient use of resources. As stated in the Article 3 (duties) of the Rules of the SSC, the Committee provides recommendations and advice to the Board of Directors on scenarios and sustainability issues, e.g.: • health, well-being and safety of people and communities • respect and protection of rights, particularly of the human rights • local development • access to energy, energy sustainability and climate change • environment and efficient use of resources • integrity and transparency; innovation These responsibilities are directly linked to water security as: - human rights are linked to water security (as stated in Eni's Statement on Human rights, "Eni respects the rights of individuals and the local communities in which it operates, with particular reference to [] the right to water []. Eni operates according to advanced criteria for environmental and public safety protection and takes human rights issues into account from the very first feasibility evaluation phases of new projects and relevant operational changes." - local development is linked to water security, Access to Water is one of the 6 areas of intervention of Eni's Local Development Projects - efficient use of resources is linked to water security from the production point of view In 2020, the SSC decided to evaluate how to enhance the information flow or the responsibilities on water issues to the Board

W6.2b

(W6.2b) Provide further details on the board's oversight of water-related issues.

•			
Frequency that	Governance	Please explain	
water-related	mechanisms into		
issues are a	which water-related		
scheduled	issues are		
agenda item	integrated		



Row	Scheduled -	Monitoring	The SSC feedings mainly on according and
1 1 m	some meetings	implementation and performance Reviewing and guiding business plans Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Reviewing and guiding strategy Reviewing and guiding corporate responsibility strategy	The SSC focuses mainly on scenarios and sustainability, with particular focus on processes, initiatives and activities implemented to preserve the Company's commitment to sustainable development along the value chain. In particular is monitored the respect and protection of rights, in particular human rights, which is the foundation for the inclusive development of companies, territories and, consequently, of companies operating there. Among other issues monitored, reviewed and guided by the SSC with regard to sustainability: health, wellbeing and safety of people and communities; respect and protection of rights, particularly of the human rights, such as access to water; local development; access to energy, energy sustainability and climate change; environment and efficient use of resources, such as water; integrity and transparency; and innovation. The SSC analyzes the context in which Eni operates, highlighting the emerging issues of sustainability, the relevant issues and the progress compared to the targets set. This scenario analysis is approved by Eni's Board of Directors. In each of the meetings held in 2019/2020, the SSC discussed issues related to climate change, such as water risk, and assessed the consistency of the results achieved with the climate objectives. Specifically, Eni water risk was reviewed in some of the meetings. Based on above cited monitoring and examination activities, the Committee provides recommendations and advice to the Board of Directors.

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)

Safety, Health, Environment and Quality committee

Responsibility

Both assessing and managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Quarterly



Please explain

The Executive Vice President (EVP) of the Health, Safety, Environment & Quality (HSEQ) Department guarantees the coordination of the Committee and holds the responsibility to supervise policy making, coordination, control and definition of standards for environment. He supervises the analysis of environmental performance, included water. The HSEQ EVP ensures the flow of information to the Board of Directors and ensures representation to control bodies for relevant HSE issues, included water issues at least quarterly. In particular, the annual review contributes to defining the four-year planning cycle and the HSEQ EVP ensures the results of the review are shared with the Human Capital&Procurement Coordination Director, are submitted to the senior managers and made available to internal departments and concerned functions. At the annual review, the HSEQ EVP ensures that its results are communicated, shared and discussed in the Management Committee and in Eni's Board of Directors.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	Yes	Eni remuneration Report is publicly available at https://www.eni.com/en-IT/about-us/governance/remuneration-report.html The Report on remuneration policy and remuneration paid is prepared by the Remuneration Committee and is approved by the Board of Directors.

W6.4a

(W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive	Performance indicator	Please explain
Monetary reward	Operating Officer (COO)	Reduction of water withdrawals	The CEO/Eni Rewind has a specific objective linked to the increase in the amount of re-use and re-injection of water from TAF (groundwater treatment plant) compared to the total water treated by TAF (threshold: 5.7 million m3 for 2020; in the final balance 6.1 million m3). The treatment of water using integrated systems for intercepting the aquifer and directing the water to treatment plants for purification and reuse is fundamental to protect and preserve freshwater resources and TAF
			water can represent a reliable source for industrial use



		and an alternative to withdrawals from other water sources, thus reducing withdrawals from primary sources (e.g. surface or subsurface water). Rewind is Eni's environmental company. Threshold for success 2021 for Rewind management: over 8.0 million m3 of re-used and re-injected TAF water.
Non- monetary reward		

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

Yes, direct engagement with policy makers

Yes, trade associations

Yes, funding research organizations

W6.5a

(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

Eni's Public Affairs structure and relevant guidelines ensure coherence of the institutional relations and stakeholders' engagement with the Company's strategies and commitments. A detailed process guideline (i.e. "Management System Guideline" for Government Affairs) regulates all of Eni's Public Affairs functions, including a monitoring and reporting phase, aimed at ensuring consistency and efficacy of the actions and initiatives implemented. Eni's Internal Audit structure, according to the approved audit plan, also provides assurance of the operating effectiveness and adequacy of the controls put in place by the Public Affairs function. The management of institutional relations is conducted at a national, European, international and local level and may also involve associative bodies, industry organizations and research centers to consolidate the Company's reputation as well as to spread knowledge over topics of common interest which are part of the global sustainability efforts Eni has taken up. For example, in due institutional and associative contexts, Eni proposes the adoption of a coordinated regulatory framework based on "suitability for use" and capable of increasing and enhancing the possible uses of treated water (purification or recovery), according with Eni's circular economy and resources optimization principles. Eni is also a partner in several internationally recognized organizations focused on (water) sustainability (WBCSD, UN Global Compact, WEF, IPIECA).

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

Yes (you may attach the report - this is optional)





W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

Are water- related issues integrated? Long- term time horizon (years)		Please explain	
Long-term business objectives	Yes, water-related issues are integrated	21-30	The analysis and evaluations of sustainability scenario are the basis to define Eni's strategic sustainability Guidelines, issued by the Chief Executive Officer for all business segments. These Guidelines are deployed in the yearly, four-year and up to 2050 strategic plan and the managerial targets are defined. These also identify key and material sustainability issues, which enable the company to create value in the short, medium and long-term (2050), according to the three directives of Eni's business model: carbon neutrality in the long term; operational excellence; alliances for development. The protection of water sources are integral part of the operating model, as underlined by the commitment to the SDGs and to the CEO Water Mandate. The objective of Carbon Neutrality in the long term is based on several principles, included the promotion of sustainable water resource management. With the "dual flag" approach, Eni aims to cooperate with host countries to focus on the economic value of the resources of producer countries, and on support for sustainable development, such as access to clean water and sanitation as per SDGs commitment. In 2019, the Evaluation for Medium and Long Term Plans Committee was established, at the management level, chaired by the CEO to support the organic and sustainable development of Eni's business identifying strategic and operational guidelines and addressing the actions to ensure the achievement of the targets.
Strategy for achieving long-term objectives	Yes, water- related issues are integrated	21-30	Eni has adopted an integrated strategy to pursue its operating objectives, combining financial robustness with social and environmental sustainability, based on: a) a path to decarbonization; b) an operating model that reduces business risks as



			well as social and environmental impacts; c) a host country cooperation model based on long-lasting partnerships. Accordingly, environmental protection is among the fundamental values within the Eni business model. In the new central organizational function established in 2020 and named "Scenarios, Strategic Options and Climate Change", a specific unit focuses its activities on water issues and performs an annual mapping and monitoring of water risks and drought in present and future scenarios (2030 and 2040 according to WRI/Aqueduct) in order to define long-term actions, also to prevent and mitigate the effects of climate change. Projects for produced water reinjection and valorisation and the dual flag model are integral part of Eni strategic plan, as well as studies of water resiliency carried out at refining sites, projects for TAF water reuse and for withdrawals reduction. An example of cooperation model is the Eni – FAO agreement, where FAO will provide support in identifying the areas of intervention whereas Eni will drill the freshwater wells ,provide them with photovoltaic power systems, and will provide training for their use and maintenance for long term sustainability.
Financial planning	Yes, water- related issues are integrated	21-30	At business unit level, several studies include the financial planning of projects related to water, aimed at reducing freshwater withdrawals, increase produced water reinjection (upstream), treatment and reuse of contaminated groundwater. Community investment for projects of access to water and sanitary services, according to the commitment to the SDGs, as stressed in the new corporate mission, are integral part of Eni financial planning, as well as expenditures for withdrawals, monitoring and treatment and water injection. Eni integrates organically its industrial plan with the principles of environmental and social sustainability, enlarging its actions along three directives: operational excellence, carbon neutrality in the long term, alliance for development. Eni is in a new phase of evolution of its business model, strongly oriented towards creating value over the long-term that combines economic and financial sustainability with environmental sustainability. The plan's initiatives aiming at maximizing the value of our asset portfolio will allow Eni to further reduce the



	cash neutrality and to strengthen the Company's
	environmental sustainability in line with the UN SDGs.

W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)

-40

Anticipated forward trend for CAPEX (+/- % change)

-39

Water-related OPEX (+/- % change)

20

Anticipated forward trend for OPEX (+/- % change)

-3

Please explain

The investments in 2020 vs 2019 decreased as a consequence of the delay of the attainment of the permits for the Blue Water project and to the general slowdown of the activities due to the pandemic. This situation is anticipated to continue in 2021, with a further decrease in investments. Investments are planned to increase again in the period 2022-2024. OPEX expenditure recorded an increase in 2020 vs 2019 as a consequence of the start-up of the Gela bio-refinery in the second half of 2019, that determined an increase of monitoring and wastewater treatment expenditures. The Opex expenditure are not anticipated to change significantly in 2021 as no major change in the operative assets are foreseeable in the near future.

The water-related expenditures include:

- water supply, desalination and cooling systems
- · wastewater monitoring and treatment
- water injection and re-injection plants.

W7.3

(W7.3) Does your organization use climate-related scenario analysis to inform its business strategy?

Use of	Comment
climate-	
related	
scenario	
analysis	



Row	Yes	In the 2020 Annual Report, we disclosed the sensitivity analysis relating the		
1		fair values of the E&P assets vs the available lowest carbon scenario at the		
		time of the analysis: the IEA SDS WEO 2020.		
		The 2020 sensitivity test covered all the O&G cash generating unit (CGUs)		
		that are regularly tested for impairment according to IAS 36 and indicated the		
		resiliency of Eni's asset portfolio in terms of carrying amounts and fair value,		
		determining a reduction of 11% in the total fair value of all of Eni's O&G		
		CGUs compared to the result of the impairment review performed by the		
		Company in the preparation of its 2019 financial statements. That reduction		
		falls to a 5% decline assuming the recoverability of CO2 costs in the cost oil		
		or the deductibility from the taxable income.		
		We are carefully considering the more demanding decarbonization path		
		envisaged by the IEA in its recent net-zero emissions by 2050 scenario		
		"NZE2050" (1.5°C).		

W7.3a

(W7.3a) Has your organization identified any water-related outcomes from your climate-related scenario analysis?

Yes

W7.3b

(W7.3b) What water-related outcomes were identified from the use of climate-related scenario analysis, and what was your organization's response?

rel sco an	imate- lated enarios id models iplied	Description of possible water-related outcomes	Company response to possible water-related outcomes
1 spe	her, please ecify IPIECA Water Visioning / Aqueduct	As an active member of the IPIECA water working group, Eni participated to the development of a members only report: "Water Visioning: from now to 2030", a work aimed at visualising the future constraints, opportunities and possible responses in water management, as it applies to the oil and gas industry. The key threat to water security is posed by increasing water demands and changing supply availability. Water demands will increase through population and economic growth and declining supply in some areas due to over-exploitation of aquifers, pollution and the impacts of	The benefits provided by ecosystems, such as food, fresh water, climate regulation and nutrient recycling, are vital for the livelihood communities and for the equilibrium of the whole planet. Eni evaluates the interaction of its activities with ecosystem services, and promotes, in particular, efficient water management, especially in areas under water stress, and the reduction of emissions in water. In September 2020 in Eni was established a new central organizational function named "Scenarios, Strategic Options and



climate change. In the definition of the 2030 scenarios, the impacts from climate change are acknowledged to be influential.

The water risk analysis carried out by Eni uses also decadal climate projections to 2030 and 2040 of water stress, as provided by Aqueduct. The annual water risk analysis carried out using Aqueduct as well as specific local investigations, allow for site level recommendations if any water relate risks emerge, such as trends toward more restrictive regulations, or decreased reliability of water sources both in terms of volumes and quality. In view of acknowledged water risks, in June 2021, Eni published its position on water. The company therefore undertakes to define objectives to minimize its freshwater withdrawals in water-stressed areas, seeking improvement solutions and leveraging innovative technologies.

Climate Change", where is active a specific unit dedicated to Climate Change Strategy having, among its responsibilities, a specific commitment on water issues and, specifically, to elaborate a long term plan for water. Informed by the results of the water risk analysis, it will evaluate a path to set, over time, targets of medium term (4y plan) as well as of long term (2030 and beyond), addressing not only operational aspects (e.g. efficiency, reduction of freshwater withdrawal, etc.) but also an integrated approach at the watershed level. A project to define a methodology aiming at identifying risks and opportunities of adaptation measures in the medium-long term is ongoing. In particular the methodology will be tested during 2020/2021 in Countries of Eni interest identified as vulnerable to climate change.

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

No, but we are currently exploring water valuation practices

Please explain

Presently water cost is identified with its price, or with the cost of licenses. A broader and comprehensive method to value water is recognized as important but not yet considered. Eni participated to the development of a study on water management with Politecnico di Milano, where a first attempt to evaluate the economic benefits associated to water efficiency is reported; in its second report, issued in 2019, it was better investigated the potential water market in Italy, that gives a better understanding of water value in Italy, where most of Eni's freshwater withdrawals occur. A further study aimed at identifying economic strategies to promote water stewardship was initially scheduled in September 2020, but was postponed to the second half of 2021.



W8. Targets

W8.1

(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Company- wide targets and goals Business level specific targets and/or goals	Targets are monitored at the corporate level Goals are monitored at the corporate level	The process to set targets and goals starts every year in October with the issue of the Chief Executive Officer (CEO) guidelines. The objectives (either qualitative or quantitative) are included in the long term plan of each business unit, defined and quantified in their 4 year strategy. The qualitative and quantitative objectives are collected at the corporate level. The business unit 4 years plans are used to define the MBO for the management. The numerical results are monitored quarterly, through the HSE data reporting, and biannually through a more descriptive and comprehensive review process, at the corporate level. Eni strategic plan is publicly communicated in March, every year. Water issues are included, in the described process, as a part of HSE performance flow that, in turn, is included in the sustainability CEO guidelines. The General principles and process flows for HSE planning, monitoring and reporting are described in the Annex J "Planning, monitoring and reporting of HSE indicators" of the HSE Management System Guidelines. This annex includes all the HSE indicators and indexes considered to be indispensable for correct measuring and evaluation of HSE performance. The HSE indicators: are defined in terms of absolute values; provide information on performance and achieving planned objectives; can be expressed in currency or physical units. The indexes allow for a comparison of the performances and risks trends over time. In June 2021 Eni publicly committed to set targets to minimize its freshwater withdrawals in stressed basins. Defining targets in the short, medium and long term, and the related priorities to achieve them, will be based on assessing the stress conditions of the catchment areas, those sites with the greatest potential impact (top consumer sites) and the opportunities to contribute to local management activities, in synergy with the authorities and working together with local stakeholders.



W8.1a

(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.

Target reference number

Target 1

Category of target

Water recycling/reuse

Level

Business activity

Primary motivation

Increase freshwater availability for users/natural environment within the basin

Description of target

Eni Rewind, 100% controlled by Eni, has a target to make available for industrial use consistent volumes of water (from 6.1 to 9.4 Mm3/year in the 2021-2024 plan) derived from its groundwater treatment plants (TAF). Low quality water can represent a reliable alternative for industrial purposes as it is not in competition with local needs (e.g. civil or agricultural) and decrease Eni's impact on the quantity/availability of primary sources such as freshwater from superficial or underground sources. Eni Rewind is the environmental company of Eni and the treatment of contaminated aquifers is one of its core activities

Quantitative metric

% increase in water use met through recycling/reuse

Baseline year

2019

Start year

2019

Target year

2020

% of target achieved

100

Please explain

During the past plan, the objective to reach the target reuse percent of treated groundwater was completely fulfilled. In the Priolo, Porto Torres, Assemini and Brindisi plants special demineralized water production sections have been created, to be distributed to companies for industrial use. During 2020, approximately 6 Mm3 of treated water was recovered.



Target reference number

Target 2

Category of target

Water recycling/reuse

Level

Business

Primary motivation

Reduced environmental impact

Description of target

Increase of the re-injection of produced water is a relevant target for the upstream business. Produced water typically contains high quantity of salt, in addition to other minerals, metals and organic compounds (in both aqueous and non-aqueous phases). According to best international practices (IOGP, IPIECA), produced water are reinjected to improve the oil recovery or to dispose them of. The reuse of produced water allows to reduce the use of other kind of water, e.g. sea water, brackish water, thus decreasing the Eni's impact on the quantity/availability of higher quality sources. Eni's objective to achieve 64% re-injection of produced water by 2024 is forecast in the 4y plan, a lower value than previously planned, as a consequence of variation of Eni's operated sites (i.e. Ecuador, Pakistan, Congo).

Quantitative metric

Other, please specify
% produced water re-injection/total produced water

Baseline year

2020

Start year

2020

Target year

2024

% of target achieved

83

Please explain

In 2020 the produced water re-injected was 53% of total produced, a little less than in 2019 due to the exit of Ecuador in July 2019 and the stop of activities in Libya from February to October 2020 due to political instability. This value represents 83% of the reinjection value foreseen to 2024 in the upstream 4 y plan (53% produced water reinjected @2020 vs 64% foreseen @2024).



W8.1b

(W8.1b) Provide details of your water goal(s) that are monitored at the corporate level and the progress made.

Goal

Providing access to safely managed Water, Sanitation and Hygiene (WASH) in local communities

Level

Country level

Motivation

Increase freshwater availability for users/natural environment within the basin

Description of goal

This goal is an essential part of Company's sustainability policy and represents an essential part of Eni's commitment to participate in collective efforts with civil society, intergovernmental organizations, affected communities and other business to advance water sustainability and to reduce its water related reputational risk. This is also a commitment expected by the 3th core element of CEO Water Mandate, endorsed by Eni in 2019. In North East Nigeria a humanitarian emergency is ongoing, caused by the violent Boko Haram movement and the shrinking of the Chad Lake basin, the main source of water for local communities. The crisis has triggered important migration flows in the Country and the development of informal settlements both in Abuja and in the North East. In this context, the Federal Government of Nigeria has requested support from energy companies and in 2018 Eni has signed a three-year Collaboration Agreement with the Food and Agriculture Organization (FAO) to foster access to safe and clean water by drilling boreholes powered with photovoltaic systems, both for domestic use and irrigation purposes. The project aims to contribute to the humanitarian interventions for internally displaced persons and host communities which have known unprecedented levels of population displacements and prolonged disruption of agricultural, livestock and fishing activities.

Baseline year

2018

Start year

2018

End year

2021

Progress

The indicators used to monitor progress towards the achievement of the goal are the number of wells drilled (threshold for success: 22 wells built over 3 years) and the number of people with access to safe drinking water (no threshold for success). As of



2020, all the 22 wells planned have been built. As many as 67,000 people (source: FAO data) have gained access to safe drinking water provided by the 22 wells. These achievements have been possible thanks to the joint efforts of FAO, that has provided support in identifying the areas of intervention and the technical expertise and know-how in the targeted areas, and Eni, that has drilled the boreholes and provided them with photovoltaic power systems, as well as with training for their use and maintenance for long term sustainability.

Goal

Providing access to safely managed Water, Sanitation and Hygiene (WASH) in local communities

Level

Country level

Motivation

Increase freshwater availability for users/natural environment within the basin

Description of goal

Since 2012 the Integrated Hinda Project has strived to improve the living conditions of the communities who live in proximity to Eni Congo's onshore installations. Local communities have limited access to basic services, incuding safe drinking water. The Hinda project has a strong component on natural resources management. The general objective of the component is to promote access and sustainable management of natural resources, with one of its specific objectives being the promotion of equitable and sustainable access to drinking water and good hygiene practices and sanitation. The project is particularly important for Eni as it allows it to contribute to a number of SDGs (6, 7, 12, 15), in line with Eni's new mission. Since 2012, 30 wells and 45 fountains powered by solar panels were built, and 22 public buildings were connected to the boreholes. To date, Eni continues to support the good maintenance of these facilities.

Baseline year

2012

Start year

2012

End year

2021

Progress

The indicators used to monitor progress towards the achievement of the specific goal are: Percentage of population using safely managed drinking water services in project area, with a cumulative progress as of 2020 of 78,3%; Percentage of Local Administrations having implemented operational policies and procedures encouraging the participation of the local population in water and sanitation management, with a cumulative progress as of 2020 of 100%; Percentage of population using safely



managed drinking water services, notably equipment of handwashing with water and soap, with cumulative progress as of 2020 of 14% of total population, and 100% of school population where handwashing units were installed; Quantity of water per person, per liters and per day, with an achievement of 14 liters of water as of 2020. No thresholds for success were established.

Goal

Providing access to safely managed Water, Sanitation and Hygiene (WASH) in local communities

Level

Country level

Motivation

Increase freshwater availability for users/natural environment within the basin

Description of goal

In Southern Angola, water is scarce and drought is a serious problem for communities. An Integrated Social Project was launched in 2017 in collaboration with the Ministry of Energy and Water and the Ministry of Health of Angola, to promote the strengthening of services in four communities in the municipality of Gambos, province of Huíla, and in five communities in the municipality of Bibala, province of Namibe.

The overall purpose of the project is to improve the quality of life for the target communities, and specifically, for the water and energy component of the project, to improve access to water and solar energy in schools and health clinics through the installation of solar powered boreholes in schools and clinics.

Baseline year

2017

Start year

2017

End year

2022

Progress

The indicator used to monitor progress towards the achievement of the goal is the number of boreholes drilled and energy systems installed (no threshold for success). As of end of 2019, the end of phase 1 of the project, the project had installed 100% of the integrated solar and water systems planned, i.e. 8 water points and 8 solar energy systems. The water systems, that comprise boreholes with solar pumps, distribution pipes and taps to facilitate the distribution of water, with a cumulative capacity of 233,200 litres of water produced per day, have benefited an estimated 14.650 people living close to the 8 systems (nurses, teachers, pupils and 50% of the community members), with water for drinking, for the animals, the health posts and the schools of Gambos and Bibala. In relation to the energy systems, that have a cumulative energy production capacity of 209 kW/day, 10.300 people, (nurses, teachers, pupils and 50% of



the community members) are benefiting from the interventions.

In 2020, which was a transitional year towards the second phase of the project, due to start in 2021 and end in 2022, and severely impacted by Covid 19, 4 additional water systems were commissioned and built.

Goal

Other, please specify
Zero Oil Spill target in Nigeria

Level

Country level

Motivation

Reduced environmental impact

Description of goal

Environmental protection, based on prevention, protection, information and participation criteria, is an essential

component of Eni's modus operandi, thus the zero oil spill target is a relevant objective for pursuing Eni operating excellence model.

In recent years, Eni facilities in Nigeria (wells, flow lines and pipelines covering approximately 3,000 km) were the targets of illegal activities leading to significant losses. In response, Eni developed an integrated strategy to prevent, reduce, contain these events and clean up the impacts and in Nigeria it has set the "zero oil spill" objective for itself. To be noted that the target is for all spills, not only to water, but is especially relevant for the protection of water systems (e.g. delta of Niger, swamp areas)

Baseline year

2015

Start year

2015

End year

Progress

The zero oil spill has to be achieved through a series of actions:

- prevention through asset integrity, maintenance and application of techniques for the early detection of losses, damages or break-in activities near pipelines, reducing reaction times and spills (e-vpms® and SSPS Safety Security Pipeline System tools);
- increased surveillance activities, from the air and with the support of local communities;
- containment and recovery of spills with tracing systems with geo-referenced localisation of sabotage points, and customised technology for the prompt repair of the pipeline;
- promotion of projects for local development, with the involvement of the affected



parties;

• awareness campaign directed at local communities and institutions, to increase awareness of the dangers deriving from sabotage on oil infrastructures.

Compared to previous years, in 2020 we have observed a significant decrease in the number of spills due to sabotage, presumably due to the declining social tensions after the 2019 election period and an increased surveillance (around -22%). The total number of cases in 2016 Vs 2020 has decreased by around 21%. In order to achieve ZERO operational spills, NAOC JV has a robust asset integrity plans for the next years in order to progressively replace the most damages sections of pipelines. In case of a spill event, NAOC JV performs a series of activities to respond, manage, contain, measure, recover and remediate in agreement to Regulatory Agencies.

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?

Yes

W9.1a

(W9.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

Disclosure module	Data verified	Verification standard	Please explain
W1 Current state	Water withdrawals by source, produced water reinjected and groundwater treated or used in production or reinjected (TAF water), as well as water withdrawals from water stress areas are reported in the Annual Report 2020	ISAE 3000	Eni sustainability data have been certified by the auditing firm PWC. A limited audit was conducted in line 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 assurance engagements. Quoting the auditor's report: "We are responsible for expressing a conclusion, on the basis of the work performed, regarding the compliance of the NFS with the Decree and the GRI Standards. We conducted our work in accordance with International Standard on Assurance Engagements 3000 (Revised) – Assurance



			Engagements Other than Audits or
			Reviews of Historical Financial
			Information ("ISAE 3000 Revised"),
			issued by the International Auditing and Assurance Standards Board (IAASB) for
			limited assurance engagements. The
			standard requires that we plan and apply
			procedures in order to obtain limited
			assurance that the NFS is free of
			material misstatement. The procedures
			performed in a limited assurance
			engagement are less in scope than those
			performed in a reasonable assurance
			engagement in accordance with ISAE 3000 Revised, and, therefore, do not
			provide us with a sufficient level of
			assurance that we have become aware
			of all significant facts and circumstances
			that might be identified in a reasonable
			assurance engagement. [] Based on
			the work performed, nothing has come to
			our attention that causes us to believe
			that the NFS (non-financial statement) of Eni Group for the year ended 31
			December 2020 is not prepared, in all
			material respects, in accordance with
			articles 3 and 4 of the Decree and with
			the GRI Standards"
	keholder relation as	ISAE 3000	Eni sustainability data have been certified
Procedures des	scribed in Enifor 2020		by the auditing firm PWC. A limited audit
			was conducted in line 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 assurance engagements. The
			level of assurance required by Eni is
			limited, which is the most common for sustainability reporting at the
			international level.
			Quoting the Independent auditor's report
			Quoting the Independent auditor's report on the limited assurance engagement of



			<< 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."
W6 Governance	As described in EniFor 2020	ISAE 3000	Eni sustainability data have been certified by the auditing firm PWC. A limited audit was conducted in line 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 assurance engagements. The level of assurance required by Eni is limited, which is the most common for sustainability reporting at the international level. Quoting the Independent auditor's report on the limited assurance engagement of the Sustainability Report – Eni For 2020: << 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."
W7 Strategy	Scenario and Strategy as described in the EniFor 2020	ISAE 3000	Eni sustainability data have been certified by the auditing firm PWC. A limited audit was conducted in line 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 assurance engagements. The level of assurance required by Eni is limited, which is the most common for sustainability reporting at the international level. Quoting the Independent auditor's report on the limited assurance engagement of the Sustainability Report – Eni For 2020: << 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."
W8 Targets	Goals and targets as described in EniFor2020	ISAE 3000	Eni sustainability data have been certified by the auditing firm PWC. A limited audit was conducted in line 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 assurance engagements. The level of assurance required by Eni is limited, which is the most common for sustainability reporting at the international level. Quoting the Independent auditor's report on the limited assurance engagement of the Sustainability Report – Eni For 2020: << 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."



W10. Sign off

W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

W10.1

(W10.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	Eni CEO	Chief Executive Officer (CEO)

W10.2

(W10.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate's Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].

SW. Supply chain module

SW0.1

(SW0.1) What is your organization's annual revenue for the reporting period?

	Annual revenue
Row 1	44,947,000,000

SW0.2

(SW0.2) Do you have an ISIN for your organization that you are willing to share with CDP?

Yes

SW0.2a

(SW0.2a) Please share your ISIN in the table below.

	ISIN country code	ISIN numeric identifier (including single check digit)
Row 1	IT	0003132476



SW1.1

(SW1.1) Could any of your facilities reported in W5.1 have an impact on a requesting CDP supply chain member?

SW1.2

(SW1.2) Are you able to provide geolocation data for your facilities?

	Are you able to provide geolocation data for your facilities?	Comment
Row 1		

SW2.1

(SW2.1) Please propose any mutually beneficial water-related projects you could collaborate on with specific CDP supply chain members.

SW2.2

(SW2.2) Have any water projects been implemented due to CDP supply chain member engagement?

SW3.1

(SW3.1) Provide any available water intensity values for your organization's products or services.

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to		Are you ready to submit the additional Supply Chain questions?
I am submitting my response	Investors Customers	Public	Yes, I will submit the Supply Chain questions now



Please confirm below

I have read and accept the applicable Terms