

Eni

Annual Report
2021



Consolidated Disclosure of Non-Financial Information

pursuant to Legislative Decree 254/2016

Eni's 2021 Consolidated Disclosure of Non-Financial Information (NFI) has been drafted in accordance with Legislative Decree 254/2016 and the "Sustainability Reporting Standards" published by the Global Reporting Initiative (GRI).

Eni's 2021 Consolidated Disclosure of Non-Financial Information (NFI) has been drafted in accordance with Legislative Decree 254/2016 and the "Sustainability Reporting Standards" published by the Global Reporting Initiative (GRI) as indicated in the chapter "Reporting Principles and Criteria". In 2021, the reporting obligations provided for in Article 8 of EU Regulation 852/2020 entered into force as defined and coded in the relevant Commission Disclosures Delegated Act, relating to economic activities and assets eligible for the purposes of achieving the objectives of the Climate Change Mitigation and Adaptation Regulation. These disclosure requirements apply to companies listed on regulated EU markets that are required to draw up an NFS. In continuity with previous editions, the document is structured according to the three levers of the integrated business model, Carbon Neutrality by 2050, Operational Excellence and Alliances for Development, which aim to create long-term value for all stakeholders. The contents of the "Carbon neutrality by 2050" chapter have been organized according to the voluntary recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) of the Financial Stability Board, of which Eni has been a member since its foundation, in order to provide even clearer and more in-depth disclosure on these issues. In addition, the main United Nations Sustainable Development Goals (SDGs), that constitute an important reference for Eni in the conduct of its activities, have been mentioned in the various chapters.

The NFI is included in the Management Report in the Annual Report, to meet the information needs of Eni stakeholders in a clear and concise manner, further favouring the integrated disclosure of financial and non-financial information. In order to avoid duplication of information and ensure that disclosures are as concise as possible, the NFI provides integrated disclosures, which may include references to other sections of the Management Report, the Corporate Governance and Shareholding Structure Report and the Report on remuneration policy and remuneration paid, when the issues required by Legislative Decree 254/2016 are already contained therein or for further details. Specifically, the Management Report describes the Eni business model and governance, the main results and targets, the integrated risk management system and the risk and uncertainty factors in which the main risks, possible impacts and treatment actions are detailed, in line with the disclosure requirements of Italian regulations. The NFI contains detailed information on corporate policies, management and organizational models, an in-depth analysis of ESG (Environmental, Social and Governance) risks, the strategy on the topics covered, the most important initiatives of the year, the main performances with related comments and the 2021 materiality analysis. In the 2021 NFI, the "core" metrics defined by the World Economic Forum² (WEF) were also included in the 2020 White Paper "Measuring Stakeholder Capitalism - Towards Common Metrics and Consistent Reporting of Sustainable Value Creation".

As in previous years, on the occasion of the Shareholders' Meeting, Eni will also publish Eni for, the voluntary sustainability report that aims to further enhance non-financial information. The 2021 edition of Eni for will also include the annex "Carbon neutrality by 2050" and a report dedicated to human rights (Eni for – Human Rights³). Below is a reconciliation table showing the information content required by the Decree, the areas and relative positioning in the NFI, the Management Report, the Corporate Governance and Shareholding Structure Report and the Report on remuneration policy and remuneration paid.

(1) For further details, reference is made to the paragraph: "Reporting Principles and Criteria".

(2) The reconciliation with the WEF core metrics is directly shown in the Content Index in a dedicated column.

(3) The update of the Eni for Human Rights report will be published subsequent to Eni for.

	SCOPE OF LEGISLATIVE DECREE 254/2016	CORPORATE MANAGEMENT MODEL AND GOVERNANCE	POLICIES APPLIED	RISK MANAGEMENT MODEL	PERFORMANCE INDICATORS
	CROSS-REFERENCES TO ALL SCOPES OF THE DECREE	<ul style="list-style-type: none"> ○ NFI - Management and organization models, pp. 154-155; Sustainability material topics, p. 191 ○ AR - Business model, pp. 4-5; Responsible and Sustainable Approach, pp. 6-7; Stakeholder engagement activities, pp. 20-21; Strategy, pp. 22-27; Governance, pp. 34-43. ➤ CGR - Responsible and Sustainable Approach; Corporate Governance Model; Board of Directors; Board Committees; Board of Statutory Auditors; Model 231. 	<ul style="list-style-type: none"> ➤ CGR - Principles and values. The Code of Ethics; Eni Regulatory System. 	<ul style="list-style-type: none"> ○ AR - Integrated Risk Management, pp. 28-33; Risk factors and uncertainties, pp. 122-146 	<ul style="list-style-type: none"> ○ AR - Responsible and sustainable approach (2021 results and targets), pp. 6-7; Eni at a glance, pp. 16-19
CARBON NEUTRALITY BY 2050	CLIMATE CHANGE Art. 3.2, paragraphs a) and b)	<ul style="list-style-type: none"> ○ NFI - Carbon neutrality by 2050, pp. 158-164 ○ AR - Strategy, pp. 22-27 ➤ CGR - Responsible and Sustainable Approach 	<ul style="list-style-type: none"> ○ NFI - Main regulatory tools, guidelines and management models related to the scopes of Legislative Decree 254/2016, pp. 152-153 	<ul style="list-style-type: none"> ○ NFI - Main ESG risks and the related mitigation actions pp. 156-157 	<ul style="list-style-type: none"> ○ AR - Responsible and Sustainable Approach, pp. 6-7 ○ NFI - Carbon neutrality by 2050, pp. 158-164
OPERATIONAL EXCELLENCE	PEOPLE Art. 3.2, paragraphs c) and d)	<ul style="list-style-type: none"> ○ AR - Governance, pp. 34-43 ○ NFI - People (employment, diversity and inclusion, training, industrial relations, welfare and work-life balance, health), pp. 165-170; Safety, pp. 171-172 	<ul style="list-style-type: none"> ○ NFI - Main regulatory tools, guidelines and management models related to the scopes of Legislative Decree 254/2016, p. 152-153 	<ul style="list-style-type: none"> ○ NFI - Main ESG risks and the related mitigation actions pp. 156-157 	<ul style="list-style-type: none"> ○ AR - Responsible and Sustainable Approach, pp. 6-7 ○ NFI - People, pp. 165-170; Safety, pp. 171-172 ➤ RR - Executive Summary
	RESPECT FOR THE ENVIRONMENT Art. 3.2, paragraphs a), b) and c)	<ul style="list-style-type: none"> ○ NFI - Respect for the environment (circular economy, air, waste, water, oil spills, biodiversity), pp. 172-178 	<ul style="list-style-type: none"> ○ NFI - Main regulatory tools, guidelines and management models related to the scopes of Legislative Decree 254/2016, pp. 152-153 	<ul style="list-style-type: none"> ○ NFI - Main ESG risks and the related mitigation actions pp. 156-157 	<ul style="list-style-type: none"> ○ AR - Responsible and Sustainable Approach, pp. 6-7 ○ NFI - Respect for the environment, pp. 172-178
	HUMAN RIGHTS Art. 3.2 paragraph e)	<ul style="list-style-type: none"> ○ NFI - Human Rights (security, training, whistleblowing), pp. 178-181 ➤ CGR - Responsible and Sustainable Approach 	<ul style="list-style-type: none"> ○ NFI - Main regulatory tools, guidelines and management models related to the scopes of Legislative Decree 254/2016, pp. 152-153 	<ul style="list-style-type: none"> ○ NFI - Main ESG risks and the related mitigation actions pp. 156-157 	<ul style="list-style-type: none"> ○ AR - Responsible and Sustainable Approach, pp. 6-7 ○ NFI - Human Rights, pp. 178-181
	SUPPLIERS Art. 3.1 paragraph c)	<ul style="list-style-type: none"> ○ NFI - Human Rights, pp. 178-181; Suppliers, pp. 182-183 	<ul style="list-style-type: none"> ○ NFI - Main regulatory tools, guidelines and management models related to the scopes of Legislative Decree 254/2016, pp. 152-153 	<ul style="list-style-type: none"> ○ NFI - Main ESG risks and the related mitigation actions pp. 156-157 	<ul style="list-style-type: none"> ○ AR - Responsible and Sustainable Approach, pp. 6-7 ○ NFI - Human Rights, pp. 178-181; Suppliers, pp. 182-183
	TRANSPARENCY, ANTI-CORRUPTION AND TAX STRATEGY Art. 3.2 paragraph f)	<ul style="list-style-type: none"> ○ NFI - Transparency, anti-corruption and tax strategy, pp. 183-185 	<ul style="list-style-type: none"> ○ NFI - Main regulatory tools, guidelines and management models related to the scopes of Legislative Decree 254/2016, pp. 152-153 ➤ CGR - Principles and values. The Code of Ethics; Anti-Corruption Compliance Program 	<ul style="list-style-type: none"> ○ NFI - Main ESG risks and the related mitigation actions pp. 156-157 	<ul style="list-style-type: none"> ○ AR - Responsible and Sustainable Approach, pp. 6-7 ○ NFI - Transparency, anti-corruption and tax strategy, pp. 183-185
ALLIANCES FOR DEVELOPMENT	LOCAL COMMUNITIES Art. 3.2 paragraph d)	<ul style="list-style-type: none"> ○ NFI - Alliances for development, pp. 186-187 	<ul style="list-style-type: none"> ○ NFI - Main regulatory tools, guidelines and management models related to the scopes of Legislative Decree 254/2016, pp. 152-153 	<ul style="list-style-type: none"> ○ NFI - Main ESG risks and the related mitigation actions pp. 156-157 	<ul style="list-style-type: none"> ○ AR - Responsible and Sustainable Approach, pp. 6-7 ○ NFI - Alliances for development, pp. 186-187

AR Annual Report 2021
CGR Corporate Governance and Shareholding Structure Report 2021
RR Report on remuneration policy and remuneration paid 2022

○ Sections/paragraphs providing the disclosures required by the Decree
➤ Sections/paragraphs to which reference should be made for further details

The company mission and commitment to a Just Transition

The mission organically integrates the 17 SDGs to which Eni intends to contribute, aware that business development can no longer be separated from these. This cultural change constitutes a continuous drive towards continuous innovation, respect and promotion of human rights, considering diversity as a resource, integrity in business management and environmental protection. The mission confirms Eni's commitment to a Just Transition to guarantee access to efficient and sustainable energy by achieving the goal of net-zero emissions by 2050, with a view to sharing social and economic benefits with workers, the value chain, communities and customers in an inclusive, transparent and socially equitable manner, taking into consideration the different level of development of the countries in which it operates, minimising existing inequalities. In addition, to contribute to the achievement of the SDGs and to the growth of the countries in which it operates, Eni is committed to building alliances with national and international development cooperation actors, as underlined by the Third International Conference on Investment Financing for Development, organized by the United Nations

in Addis Ababa in July 2015. The approach highlighted by the mission is also confirmed by the application from January 1st, 2021 of the 2020 Corporate Governance Code, which identifies "sustainable success" as the objective that must guide the action of the board of directors and consists of creating long-term value for the benefit of shareholders, taking into account the interests of other relevant stakeholders (see pp. 34-43). Eni, however, has been considering the interest of stakeholders other than shareholders as one of the necessary elements directors must evaluate in making informed decisions since 2006. In compliance with the Code, on March 8th, 2022 the Board of Directors also approved, at the proposal of the Chairman, in agreement with the CEO, a policy for dialogue with shareholders that identifies the parties responsible for its management and the manner in which it is carried out at the initiative of shareholders or the Company; the policy also governs reporting to the Board on the development and significant content of the dialogue that has taken place and the manner in which it is disclosed and updated.

The effects and management of the COVID-19 pandemic

COVID-19 and its impacts on people and communities have confirmed the importance of health and related issues as one of the priorities on global policy agendas. In this crisis scenario, the company has renewed its commitment to achieving the 2030 Agenda and has intervened on several fronts to manage the consequences of COVID-19, exploiting its expertise in order to protect the health of its employees and contractors. Eni has also worked in synergy with governments, institutions and local and international NGOs with the aim of preventing and countering the spread of the pandemic and minimizing its impact on local communities, both in Italy and abroad, and improving the resilience of the most vulnerable communities. Despite the scope and speed with which the pandemic spread, Eni intervened promptly, also by virtue of the experience gained managing past epidemics such as Sars-Cov-1 and Ebola, and thanks to the regulatory, organizational and operational tools it had already adopted in 2011 for the management of epidemic and pandemic events, implementing its own risk management model for Health, Safety, Environment, Security and Public Health and Safety. In continuity with last year, and based on the indications of the Crisis Unit, each employer has put in place the appropriate measures and operational actions with respect to its production unit taking into account the specificities of the work environments, to counter and contain the spread of the virus.

The main areas of activity were: (i) communication, information and training; (ii) hygiene and prevention; (iii) management and use of PPE (Personal Protective Equipment); (iv) sanitization of work environments; (v) reorganization of work arrangements

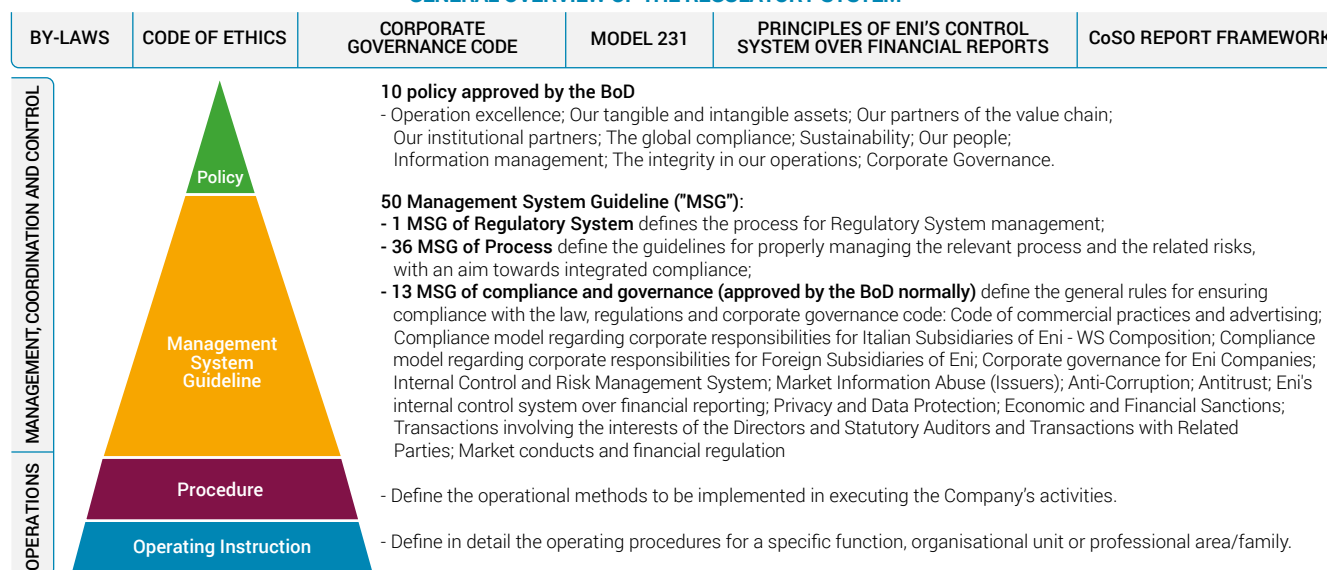
and agile work; (vi) access to workplaces and aggregation areas; (vii) management of suspected and confirmed cases; (viii) health surveillance and protection of fragile workers; (ix) maintenance of essential services and business continuity plan. In 2021 all the activities continued with significant recourse to Smart Working (remote working), in fact office working was modulated according to the trend of the epidemiological curve (with a range of between 20% and 40% of attendances). During the year, Eni maintained a constant dialogue with the trade unions through the Covid-Committee organization, at various levels of the company organisation, for the implementation of measures suitable for protecting the health and safety of workers and ensuring the operational continuity of the assets. Also at international level, the industrial relations model continued with the constant updating and the appropriate studies – carried out by specific Covid Committees and within the EWC (European Works Council) Restricted Committee – of the pandemic situation in the various countries of presence and the main business developments. Additional and complementary actions have been activated in support of health institutions and important initiatives have been put in place in favour of Eni's people (see sections on People and Health, pp. 165-170) and in support of Community Health (see section on Alliances for Development, pp. 186-187). Finally, for more information on the impact of the pandemic on Eni operating performance, see pp. 97-98 and for impacts on non-financial indicators, see the Metrics and Performance Comments sections of the various topics covered in Non financial Declaration.

Main regulatory tools, guidelines and management models related to the scopes of Legislative Decree 254/2016

In order to implement the mission in actual practice and to ensure integrity, transparency, correctness and effectiveness in its processes, Eni adopts rules for the performance of corporate activities and the exercise of powers, ensuring compliance with the general principles of traceability and segregation.

All of Eni's operational activities can be grouped into a map of processes functional to the Company's activities and integrated with control requirements and principles set out in the compliance and governance models and based on the By-laws, the Code of Ethics and the Corporate Governance Code 2020⁴, the Model 231⁵, the SOA principles⁶ and the CoSO Report⁷.

GENERAL OVERVIEW OF THE REGULATORY SYSTEM



With regard to the types of instruments that make up the Regulatory System:

- ▶ the Policies, approved by the BoD, are mandatory documents that set out the principles and general rules of conduct on which all the activities carried out by Eni must be based, in order to guarantee the achievement of corporate objectives, taking into account risks and opportunities. The Policies cut across all processes and are focused on a key element of business management; they apply to Eni SpA and, following the implementation process, to all subsidiaries;
- ▶ the Management System Guidelines ("MSGs") are the guidelines common to all Eni's companies and may be process or compliance/governance guidelines (the latter normally approved by the Board of Directors) and include sustainability aspects. The individual MSGs issued by Eni SpA apply to subsidiaries, which ensure their implementation, unless a derogation is needed;
- ▶ the Procedures set out the operating procedures by which the companies' activities are to be carried out. They describe the tasks and responsibilities of the organizational contacts involved, management and control methods and communication flows. They also regulate operations in order to pursue the objectives

of compliance with local regulations. The content is defined in compliance with the Policies and MSGs as implemented by the companies;

- ▶ the Operating Instructions define the details of the operating procedures referring to a specific function/organizational unit/professional area or professional area, or to Eni's people and functions involved in the fulfilments regulated therein.

The regulatory instruments are published on the Company's Intranet site and, in some cases, on the Company's website. In addition, in 2020 Eni updated its Code of Ethics in which it renewed the corporate values that characterize the commitment of Eni people and all third parties who work with the Company: integrity, respect and protection of human rights, transparency, promotion of development, operational excellence, innovation, teamwork and collaboration. In the first of the two following tables (p. 152-153), in addition to the Policies and the Code of Ethics, other Eni regulatory instruments approved by the CEO and/or the Board of Directors are also considered. On the other hand, the second table (p. 154-155) shows the management and organization models, including management systems, multi-year plans, processes and cross-functional working groups.

(4) On December 23, 2020, the Eni Board of Directors resolved to adhere to the new Code, the recommendations of which are applicable as of January 1st, 2021. Therefore, as from that date, roles, responsibilities and regulatory instruments must take into account the new recommendations on the subject provided for by the new Code, as well as the decisions taken by the Board of Directors on how to apply these recommendations.

(5) On November 18, the BoD approved a new version of the Model 231 that – adapting the document to the changes in the organizational structure of Eni – rationalises and enhances the internal control system and the various related compliance programmes in line with recent best practices in this field. In particular, also through an express reference to the NFI, the systems that are further strengthened relate to the areas of the fight against corruption, environmental protection and safety (topics in Italian Legislative Decree 254/2016).

(6) US Sarbanes-Oxley Act of 2002.

(7) Framework issued by the "Committee of Sponsoring Organizations of the Treadway Commission (CoSO)" in May 2013.

Eni's policy and public positions on the issues of Legislative Decree 254/2016



CLIMATE CHANGE

CARBON NEUTRALITY BY 2050

GOAL ▶ Combat climate change

PUBLIC DOCUMENTS

Eni's responsible engagement on climate change within business association; Policy "Sustainability"; Eni's position on biomass; Strategic plan 2022-2025; Eni Code of Ethics.

PRINCIPLES

- ▶ Total decarbonization of all products and processes by 2050 in line with the objectives of the Paris Agreement;
- ▶ Ensure consistency and transparency in the activities of associations with Eni's strategy on climate change and energy transition, in line with stakeholders' expectations;
- ▶ Develop and implement new technologies for the reduction of climate-altering emissions and more efficient energy production;
- ▶ Ensure sustainable biomass management along the entire supply chain;
- ▶ Promote the role of Natural Climate Solutions as a lever for offsetting residual hard-to-abate GHG emissions;
- ▶ Ensure transparency in reporting on climate change issues.



PEOPLE

OPERATIONAL EXCELLENCE

GOAL ▶ Value Eni's people

PUBLIC DOCUMENTS

"Our People" and "The Integrity in Our Operations" policies; Eni's statement on Respect for Human Rights; Eni Policy Against Violence and Harassment at Work; Eni Code of Ethics.

PRINCIPLES

- ▶ Respect the dignity of each individual, valuing cultural, ethnic, gender, age, sexual orientation and different abilities;
- ▶ Support organizational models that enhance cooperation between people from different cultures, perspectives and experiences;
- ▶ Provide managers with tools and support for the management and development of people working for them;
- ▶ Identify knowledge instrumental to the Company's growth and promote its enhancement, development and sharing;
- ▶ Adopt fair remuneration systems that allow to motivate and retain people with skills that best suit the needs of the business;
- ▶ Prohibit all forms of violence and harassment at work within the company, without exception.



HEALTH AND SAFETY

OPERATIONAL EXCELLENCE

GOAL ▶ To protect the health and safety of Eni's people and contractors

PUBLIC DOCUMENTS

"Integrity in our Operations" Policy; Eni statement on Respect for Human Rights; Eni Code of Ethics.

PRINCIPLES

- ▶ The health and safety of Eni's people, the community and its partners are a priority objective;
- ▶ Adopt safety measures to protect people and assets with respect for the human rights of local communities;
- ▶ Clearly and transparently inform our people, the community and our partners about the necessary preventive and protective measures to be implemented, to eliminate the risks and criticalities of the processes and activities;
- ▶ Consider protection of health as a fundamental requirement and promote the mental and physical well-being of its people;
- ▶ Respect the rights of people and local communities in the countries in which it operates, with particular reference to the highest achievable level of physical and mental health.



RESPECT FOR THE ENVIRONMENT

OPERATIONAL EXCELLENCE

GOAL ▶ Use resources efficiently and protect biodiversity and ecosystem services (BES)

PUBLIC DOCUMENTS

"Sustainability"; "Integrity in our Operations"; "Eni Biodiversity and Ecosystem Services" policies; "Eni's commitment not to conduct exploration and development activities within the boundaries of Natural Sites included in the UNESCO World Heritage List"; "Eni's Position on Water"; Eni Code of Ethics.

PRINCIPLES

- ▶ Consider, in project assessments and operations, the presence of UNESCO World Heritage Sites and other protected areas relevant to biodiversity, identifying potential impacts and mitigation actions (risk-based approach);
- ▶ Establish links between environmental and social aspects including the sustainable development of local communities;
- ▶ Promote sustainable water resource management;
- ▶ Optimise the control and reduction of emissions into the air, water and soil;
- ▶ Act in a sustainable way, minimising environmental impacts and optimising the use of energy and natural resources;
- ▶ Promote scientific and technological development aimed at protecting the environment.



HUMAN RIGHTS

OPERATIONAL EXCELLENCE

GOAL ▶ Protect human rights

PUBLIC DOCUMENTS

"Sustainability"; "Our People"; "Whistleblowing reports received, including anonymously, by Eni SpA and its subsidiaries in Italy and abroad" policies; Eni statement on Respect for Human Rights; Supplier Code of Conduct; "Alaska Indigenous Peoples" policy; "Eni against Violence and Harassment at Work" policy; Eni Code of Ethics.

PRINCIPLES

- ▶ Respect human rights in the context of company activities and promote their respect among employees, partners and stakeholders, also through training and awareness-raising activities;
- ▶ Ensure a safe and healthy working environment and working conditions in line with international standards and ILO Convention no. 190 on eliminating violence and harassment in the world of work;
- ▶ Take into account Human Rights issues, from the very first feasibility evaluation phases of projects and respect the distinctive rights of indigenous populations and vulnerable groups;
- ▶ Minimize the necessity for intervention by state and/or private security forces to protect people and assets;
- ▶ Select commercial partners that comply with the Eni Supplier Code of Conduct and that are committed to preventing or mitigating impacts on human rights, refuse all forms of forced and/or child labour.



SUPPLIERS

OPERATIONAL EXCELLENCE

GOAL ▶ Develop the sustainable supply chain

PUBLIC DOCUMENTS

Supplier Code of Conduct, Eni's position on Conflict Minerals; "Our Partners of the Value Chain" policy; Eni Code of Ethics; Eni statement on Respect for Human Rights; Eni's Slavery and Human Trafficking Statement.

PRINCIPLES

- ▶ Adopt accurate processes for the qualification, selection and monitoring of suppliers and partners, based on the principles of transparency and integrity and, refusing to tolerate collusive practices, in full compliance with the law;
- ▶ Define and disseminate policies, standards and rules that guide the action of suppliers and partners to respect Human Rights and the sustainability principles of Eni;
- ▶ Promote long-term strategic partnerships based on an integrated, coordinated and transparent approach, encouraging the fair sharing of risks and opportunities;
- ▶ Support the creation of a responsible workplace, recognising diversity;
- ▶ Combat climate change and its effects;
- ▶ Support the low carbon energy transition by safeguarding the environment and optimising the use of resources.



TRANSPARENCY, ANTI-CORRUPTION AND TAX STRATEGY

OPERATIONAL EXCELLENCE

GOAL ▶ Fight any form of corruption, with no exception

PUBLIC DOCUMENTS

"Anti-Corruption" Management System Guideline; "Whistleblowing reports received, including anonymously, by Eni SpA and its subsidiaries in Italy and abroad"; "Our Partners in the Value Chain" policy; Tax Strategy Guideline; Eni's position on Contracts Transparency; Eni Code of Ethics.

PRINCIPLES

- ▶ Carry out business activities with fairness, correctness, transparency, honesty and integrity and in compliance with the law;
- ▶ Prohibit bribery without exception;
- ▶ Prohibit offering, promising, giving, paying, directly or indirectly, benefits of any nature to a public official or private person (active corruption);
- ▶ Prohibit accepting, directly or indirectly, benefits of any kind from a Public Official or a private person (passive corruption);
- ▶ Ensure that all Eni employees and partners comply with anti-corruption regulations.



LOCAL COMMUNITIES

ALLIANCES FOR DEVELOPMENT

GOAL ▶ Promote relations with local communities and contribute to their development also through public-private partnerships

PUBLIC DOCUMENTS

"Sustainability" policy; Eni statement on Respect for Human Rights; Eni Code of Ethics; "Alaska Indigenous Peoples" policy.

PRINCIPLES

- ▶ Create growth opportunities and enhance the skills of people and local companies in the territories where Eni operates;
- ▶ Involve local communities in order to consider their concerns on new projects, impact assessments and development initiatives, also with reference to human rights;
- ▶ Identify and assess the environmental, social, economic and cultural impacts generated by Eni activities, including those on indigenous populations;
- ▶ Promote free, prior and informed consultation with local communities;
- ▶ Cooperate in initiatives to guarantee independent, long-lasting and sustainable local development.

MANAGEMENT AND ORGANISATION MODELS

CLIMATE
CHANGE

- ▶ **Organization functional** to the energy transition process with two Business Groups:
 - Natural Resources, for the sustainable valorization of the Upstream Oil & Gas portfolio, for energy efficiency and CO₂ capture;
 - Energy Evolution, for the development of the production, transformation and marketing activities from fossil fuel based to bio, blue and green products.
- ▶ Dedicated **central function** that oversees the Company's strategy and positioning on climate change;

PEOPLE

- ▶ **Employment management and planning process** to align skills to the technical and professional needs;
- ▶ **Management and development tools**, aimed at professional involvement, growth and updating, inter-generational and inter-cultural exchange of experiences, building of cross-cutting and professional managerial development pathways in core technical areas valuing and including diversity;
- ▶ Development of Innovative HR Management Tools;
- ▶ Support and **development of the distinctive skills** necessary and consistent with corporate strategies, focusing on energy transition and digital transformation issues, also through the use of Faculties/Academies;

HEALTH

- ▶ **Health system** based on an operational platform of qualified health providers and collaborations with national and international university and government institutions and research centres;
- ▶ **Occupational medicine** for the protection of the health and safety of workers, in relation to the workplace, to occupational risk factors and to the way in which work is carried out;
- ▶ **System of health assistance** for the provision of health services consistent with the results of the analysis of needs and epidemiological, operational and legislative contexts;

SAFETY

- ▶ **Integrated environment, health and safety management system** for workers certified in accordance with the OHSAS 18001/ISO 45001 standard with the aim of eliminating or mitigating the risks to which workers are exposed during their work activities;
- ▶ **Process safety management system** aimed at preventing major accidents by applying high technical and management standards (application of best practices for asset design, operating management, maintenance and decommissioning);

RESPECT
FOR THE
ENVIRONMENT

- ▶ **Integrated environment, health and safety management system**: adopted in all plants and production units and certified in accordance with the ISO 14001:2015 environmental management standard;
- ▶ **Application of the ESHIA (Environmental Social & Health Impact Assessment) process** to all projects;
- ▶ **Technical meetings for analysing and sharing experiences on specific environmental and energy issues**;
- ▶ **Sustainable Procurement Programme (JUST)**: a set of initiatives aimed at involving the entire supply chain in the measurement and management of the ESG performance of the Eni Supply Chain;
- ▶ **Site-specific circularity analysis**: mapping of elements already present, measurement and identification of possible interventions for improvement;

HUMAN
RIGHTS

- ▶ **Human Rights management process** regulated by an internal regulatory instrument aligned with the United Nations Guiding Principles (UNGPs);
- ▶ Inter-functional activities on Business and Human Rights to further align processes with key international standards and best practices;
- ▶ **Human Rights Impact Assessment and Human Rights Risk Analysis** with a risk-based prioritization model for industrial projects;

SUPPLIERS

- ▶ **Sustainable Procurement process** designed to check suppliers' compliance with Eni requirements for reliability, ethical conduct and integrity, economic, technical-operational, health, safety, environmental and human rights protection and Technological-Digital excellence;

TRANSPARENCY,
ANTICORRUPTION
AND TAX
STRATEGY

- ▶ **Model 231**: sets out responsibilities, sensitive activities and control protocols for crimes of corruption under Italian Legislative Decree 231/01 (including environmental crimes and crimes related to workers' health and safety);
- ▶ **Anti-Corruption Compliance Programme**: system of rules and controls to prevent corruption crimes;
- ▶ **Recognition for the Eni SpA Anti-Corruption Compliance Programme**: certified pursuant to the ISO 37001:2016 standard;
- ▶ **Anti-corruption and anti-money laundering unit placed in the "Integrated Compliance" function** reporting directly to the CEO;

LOCAL
COMMUNITIES

- ▶ **Sustainability liaison at local level**, who interfaces with the Company headquarters to define **Local Development Programmes** in line with national development plans integrating business processes;
- ▶ **Application of the ESHIA (Environmental Social & Health Impact Assessment) process** to all business projects;

INNOVATION AND
DIGITALIZATION

- ▶ **Centralized Research & Development Function** structured to ensure rapid and effective deployment of the technologies developed;
- ▶ **Management of Technological Innovation projects** in line with best practices (step-by-step planning and control according to the development of the technology);

- ▶ **Energy management systems coordinated with the ISO 50001 standard**, included in the HSE regulatory system, for the improvement of energy performance and already implemented at all major Mid-Downstream sites and being extended to all of Eni;
- ▶ **Organization of research and technological development** aimed at the creation and application of low carbon footprint technologies, in full integration with renewable sources, the use of biomass and the enhancement of waste materials in reference to their possible application in the process of redefining the energy mix, as well as the development of technologies for the use of new forms of energy or energy carriers with reduced or zero carbon footprint.

- ▶ **Training quality management system** updated and compliant with ISO 9001:2015;
- ▶ **Knowledge management system** for the integration and sharing of know-how and professional experiences;
- ▶ **National and international industrial relations management system**: participative model and platform of operating tools to engage employees in compliance with ILO (International Labour Organization) conventions and the guidelines of the Institute for Human Rights and Business;
- ▶ **Welfare system** for the achievement of work-life balance and the enhancement of services for employees and their families.

- ▶ **Health emergency preparedness and response**, including epidemic and pandemic response plans;
- ▶ **Health for communities and health impact assessment**: initiatives aimed at maintaining, protecting and/or improving the health status of communities;
- ▶ **Health promotion and communication** for the provision of health services consistent with the results of the analysis of needs and epidemiological, operational and legislative contexts.

- ▶ **Emergency preparedness and response** with plans that put the protection of people and the environment first;
- ▶ **Product safety management system** for the assessment of risks related to the production, import, sale, purchase and use of substances/mixtures to ensure human health and environmental protection throughout their life cycle;
- ▶ **Methodology for the analysis and management of the Human Factor in accident prevention**.

- ▶ **International Environmental Legislative Analysis**: in-depth analysis of current national and international legislation by environmental matrix and definition of a Ranking of regulatory development for each Country analysed;
- ▶ **Working groups** for defining the strategic positioning and objectives of Eni for the protection of water resources and biodiversity;
- ▶ Development of a single integrated methodology for environmental analysis, impact/risk assessment for the environment and organization, including type 231, applicable in Italy and abroad;
- ▶ **Environmental Golden Rules**: 4 principles and 6 golden rules to promote more conscious and responsible virtuous behaviours towards the environment by Eni employees and suppliers.

- ▶ **Security management system** aimed at ensuring respect of human rights in all countries, particularly in high-risk countries;
- ▶ **Whistleblowing process** aimed also at the identification of whistleblowing reports concerning facts or behaviours contrary to (or in conflict with) the responsibilities taken on by Eni to respect the human rights of Whistleblowing each individual or community and the adoption of actions aimed at mitigating their impacts;
- ▶ **Three-year e-learning training plan on the main areas of interest on human rights**.

- ▶ **Sustainable Procurement Programme (JUST)**: a set of initiatives aimed at involving the entire supply chain in the measurement and management of the ESG performance of the Eni Supply Chain;
- ▶ **Vendor Development**: unit dedicated to the development of suppliers through the definition of growth and transformation paths in the fields of "Energy Transition and Sustainability", "Financial Economic Soundness" and "Digital Technological Excellence".

- ▶ Eni participation in local **Extractive Industries Transparency Initiative (EITI) activities at international level and multi stakeholder group activities to promote responsible use of resources, fostering transparency**;
- ▶ **Integrated compliance model**: for the various areas of compliance, defines the activities at risk by evaluating, with a preventive approach, the level of risk, modulating the controls from a risk-based perspective and monitoring their exposure over time.

- ▶ **Stakeholder Management System platform** aimed at managing and monitoring relationships with local stakeholders and grievances;
- ▶ **Sustainability management process in the business cycle** and design specifications according to international methods (e.g. Logical Framework).


- ▶ **Continuous updating of procedures** relating to the protection of intellectual property and the identification of service/professional service providers.

Main ESG risks and the related mitigation actions

For the analysis and assessment of risks, Eni has adopted an Integrated Risk Management Model with the aim of allowing management to make informed decisions with a comprehensive and forward-looking vision⁸. Risks are assessed with quantitative and qualitative tools, taking into account environmental, health and safety, social and reputational impacts. The results of the risk assessment, including the main ESG (Environmental, Social and Governance) risks, are submitted to the Board of Directors and the Control and Risk Committee on a half yearly basis. In the current context, which sees further increased global attention to climate change and the emergence of jurisprudential trends on corporate liability for climate change, the climate change risk, already a top risk, remains relevant also in light of the management's commitment to achieve carbon neutrality goals and keep global warming within the threshold of 1,5°C. Although the progress of vaccination campaigns contributes to mitigating clinical risk, the non-uniform coverage rates and spread of new variants have kept biological risk among the Top Risks, assessed both as a risk

to people's health and as a systemic risk able to influence the Eni risk portfolio as a whole and, in particular, market, country and operational risks. The table below provides a summary view of Eni ESG risks classified according to the areas of Legislative Decree 254/2016. For each risk event, the type of risk – top risk and non-top risk – and the page references, where the main treatment actions are set out, are indicated. For the potential effects of the Russia-Ukraine crisis, reference should be made to the paragraph entitled Possible consequences of the conflict between Russia and Ukraine in the Management report. In the new international scenario, Eni's strategy is aimed at ensuring the security and sustainability of the energy system while maintaining a clear focus on a fair energy transition and the creation of value for stakeholders. In this regard, during the Capital Markets Day on March 18, 2022, Eni in fact announced that it intends to accelerate the path to zero absolute net Scope 1+2+3 emissions with new reduction targets of -35% by 2030 and -80% by 2040 compared to 2018. For more information see the section Carbon Neutrality to 2050.



RISK MANAGEMENT MODEL

SCOPE OF LEGISLATIVE DECREE 254/2016	RISK EVENT	TOP RISK	MAIN TREATMENT ACTIONS
CROSS RISKS			
	▶ Risks associated with research and development activities		NFI - Carbon neutrality, pp. 158-164; Safety, pp. 171-172; Respect for the environment, pp. 172-178.
	▶ Cyber Security	■	AR - Integrated Risk Management, pp. 28-33; Internal control risks, pp. 143-144
	▶ Relations with local stakeholders	■	AR - Integrated Risk Management, pp. 28-33; Risks related to political considerations, pp. 134-136; Risks associated with the exploration and production of oil and natural gas, p. 130
	▶ Political and social instability and Global security risk	■	NFI - Alliances for development, pp. 186-187 AR - Integrated Risk Management, pp. 28-33; Risks related to political considerations, pp. 134-136
 CARBON NEUTRALITY BY 2050	CLIMATE CHANGE		
	Art. 3.2, paragraphs a) and b) ▶ Climate change risk <ul style="list-style-type: none"> • energy transition risks • physical risks 	■	AR - Integrated Risk Management, p. 28-33; Safety, security, environmental and other operational risks, pp. 128-130; Climate change-related risks, pp. 138-143 NFI - Carbon neutrality by 2050 (risk management), pp. 158-164

■ Top risk

(8) For further details, refer to the Integrated Risk Management chapter on pp. 28-33.

RISK MANAGEMENT MODEL

SCOPE OF LEGISLATIVE DECREE 254/2016		RISK EVENT	TOP RISK	MAIN TREATMENT ACTIONS
 OPERATIONAL EXCELLENCE	PEOPLE Art. 3.2, paragraphs c) and d)	<ul style="list-style-type: none"> ▶ Biological Risk i.e. the spread of pandemics and epidemics with potential impacts on people and health systems and business 	■	AR - Integrated Risk Management, pp. 28-33; Risks associated with the exploration and production of oil and natural gas, p. 130; Operational risks and related HSE risks, pp. 128-130; COVID-19 emergency management, pp. 97-98
		<ul style="list-style-type: none"> ▶ Risks regarding human health and safety: <ul style="list-style-type: none"> • Accidents involving workers and contractors • Process safety and asset integrity incidents 	■	NFI - People, pp. 165-170, Safety, pp. 171-172
		<ul style="list-style-type: none"> ▶ Risks related to the competency portfolio 		
	RESPECT FOR THE ENVIRONMENT Art. 3.2, paragraphs a), b) and c)	<ul style="list-style-type: none"> ▶ Blow out 	■	AR - Integrated Risk Management, pp. 28-33; Risks associated with the exploration and production of oil and natural gas, p. 130; Safety, security, environmental and other operational risks, pp. 128-130; Risks related to Environmental, Health and Safety regulations and legal risks, pp. 137-138
		<ul style="list-style-type: none"> ▶ Process safety and asset integrity incidents 	■	
		<ul style="list-style-type: none"> ▶ Regulatory risk energy sector 	■	
		<ul style="list-style-type: none"> ▶ Permitting 	■	
		<ul style="list-style-type: none"> ▶ Environmental risks (e.g. water scarcity, oil spills, waste, biodiversity) 		NFI - Respect for the environment, pp. 172-178
	HUMAN RIGHTS Art. 3.2 paragraph e)	<ul style="list-style-type: none"> ▶ Risks associated with the violation of human rights (human rights in the supply chain, human rights in security, human rights in the workplace, human rights in local communities) 		NFI - Human Rights (risk management), pp. 178-181
	SUPPLIERS Art. 3.1 paragraph c)	<ul style="list-style-type: none"> ▶ Risks associated with procurement activities 		NFI - Suppliers (risk management), pp. 182-183
 ALLIANCES FOR DEVELOPMENT	TRANSPARENCY, ANTI-CORRUPTION AND TAX STRATEGY Art. 3.2 paragraph f)	<ul style="list-style-type: none"> ▶ Investigations and litigation regarding: <ul style="list-style-type: none"> • Environment, health and safety • Corruption ▶ Risks connected with Corporate Governance 	■	AR - Integrated Risk Management, pp. 28-33; Risks related to legal proceedings and compliance with anti-corruption legislation p. 143 CGR - Internal control and risk management system NFI - Transparency, anti-corruption and tax strategy, pp. 183-185
	COMMUNITIES Art. 3.2 paragraph d)	<ul style="list-style-type: none"> ▶ Risks connected with local content 		AR - Integrated Risk Management, pp. 28-33; Risks related to political considerations, pp. 134-136; Risks associated with the exploration and production of oil and natural gas, p. 130 NFI - Alliances for development, pp. 186-187

 Top risk



CARBON NEUTRALITY BY 2050



Eni, aware of the ongoing climate emergency, wants to be an active part of a virtuous path of the energy sector to contribute to carbon neutrality by 2050, in order to keep average global warming within the threshold of 1.5°C at the end of the century. Eni has long been committed to promoting comprehensive and effective disclosure on climate change and in this respect confirms its commitment to implementing the recommendations of the Task Force on Climate Related Financial Disclosure (TCFD) of the Financial Stability Board, which Eni has adopted since 2017, the first year applicable for reporting.

Leadership in disclosure – Transparency in climate related disclosure and the strategy implemented by the Company have enabled Eni to be confirmed, once again in 2021, as a leading Company in the Climate Change disclosure programme of the CDP. The A- rating achieved by Eni is higher than the overall average rating of B⁹. In addition, in 2021, TPI¹⁰ assessment awarded Eni the highest rating for management quality in the strategic assessment of climate risks and opportunities, and recognised, for the first time in the assessment relating to carbon performance, the alignment of long-term emission targets with the more ambitious objective of the Paris Agreement to limit the increase in global average temperature to 1.5°C by the end of the century. In the same year, Carbon Tracker's¹¹ research on Integrated Energy Companies (IEC) placed Eni first among the peers for the completeness of the GHG emissions accounting methodology, the medium/long-term intermediate targets and the emission accounting boundary extended to the entire company.

Commitment to partnerships – Partnerships are one of the key elements of the decarbonization process, as Eni always collaborated with academia, civil society, institutions and companies to facilitate the energy transition. Eni's CEO sits on the

Steering Committee of the "Oil and Gas Climate Initiative" (OGCI). Established in 2014 by 5 Oil & Gas companies, including Eni, OGCI now counts twelve companies, representing about one-third of global hydrocarbon production. To reinforce its commitment to reduce GHG emissions, OGCI announced in 2021 the new collective target of Net Zero Operations¹², which adds to the GHG emission intensity and methane intensity reduction targets of the Upstream assets, announced respectively in 2020 and 2018. In addition, Eni's commitment continued to the joint investment in a fund of over 1 billion dollars for the development of technologies to reduce GHG emissions throughout the energy value chain at a global scale and to promote, following the CCUS KickStarter initiative launched in 2019, wide-scale marketing of CO₂ capture, use and storage technology (CCUS). Eni also promotes the need for alignment among the methodologies for GHG reporting in order to make the Oil & Gas sector performances and decarbonization targets comparable. In this sense, Eni collaborates in the Science Based Target Initiative (SBTi), which is working on the definition of guidelines and standards applicable to the sector to define decarbonization targets in line with the objectives of the Paris Agreement.

Disclosure on Carbon neutrality by 2050 is organized according to the four TCFD thematic areas: governance, risk management, strategy and metrics and targets. In 2021, Eni was recognised by TCFD¹³ as a best practice for disclosure regarding the potential impacts of climate change risks on its portfolio. The key elements of each area are presented below; please see Eni for 2021 - Carbon Neutrality by 2050¹⁴; report for a complete analysis; further details will be available through Eni's disclosure to CDP Climate Change questionnaire 2022.

(9) On an assessment scale from D (minimum) to A (maximum).

(10) Transition Pathway Initiative, an investor-led global initiative that assesses companies' progress in the low carbon transition. The report published in November 2021 is an update of the TPI assessment published in 2020.

(11) Independent financial think tank that has been conducting analyses for years to assess the impact of the energy transition on carbon intensive companies and financial markets.

(12) Referred to Scope 1+2 emissions of the operated assets within the terms established by the Paris Agreement.

(13) Guidance on Metrics, Targets, and Transition Plans, p. 54, TCFD 2021.

(14) This report will be published in the occasion of the Shareholders Meeting.

TCFD RECOMMENDATIONS		AR 2021	2021 SUSTAINABILITY REPORT ^(*)
		Consolidated Disclosure of Non-Financial Information	Addendum Eni For - Carbon neutrality by 2050
GOVERNANCE			
Disclose the organization's governance around climate-related risks and opportunities.	a) Oversight by the BoD		✓
	b) Role of the management	✓ Key elements	✓
STRATEGY			
Disclose the current and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	a) Climate-related risks and opportunities		✓
	b) Incidence of risks and opportunities linked to climate	✓ Key elements	✓
	c) Resilience of the strategy		✓
RISK MANAGEMENT			
Disclose how the organization identifies, assesses, and manages risks related to climate change.	a) Identification and assessment processes		✓
	b) Management processes	✓ Key elements	✓
	c) Integration into overall risk management		✓
METRICS & TARGETS			
Disclose the metrics and targets used to assess and manage risks and opportunities related to climate change where such information is material.	a) Metrics used		✓
	b) GHG emissions	✓ Key elements	✓
	c) Targets		✓

(*) The report will be released at the 2022 Shareholders' Meeting.

GOVERNANCE

Role of the BoD. Eni's decarbonization strategy is part of a structured system of Corporate Governance, in which the BoD and the CEO play a central role in managing the main aspects linked to climate change. Based on the CEO's proposal, the BoD examines and approves the Strategic Plan, which sets out strategies and targets, including those related to climate change and energy transition. Since 2014, the BoD has been supported in performing its duties by the Sustainability and Scenarios Committee (SSC), with whom it examines, on a periodic basis, integration between strategy, future scenarios and the medium/long-term sustainability of the business. During 2021, the SSC explored topics related to climate change in all meetings, including updates on the activities of the CFO Taskforce for SDGs, the hydrogen supply chain and technologies, the Open-es¹⁵ platform, forestry activities, carbon pricing, Eni's commitment to safeguarding water resources, Eni's results in the ESG indexes and ratings (or sustainability ratings), the resolutions on climate and the assembly disclosures of the reference peers with a focus on "Say on climate"¹⁶, the insights on the activities of Carbon Capture and Storage (CCUS) and human rights¹⁷.

As from 2019, the BoD examines and approves Eni's short-medium, long-term plan, aiming to guarantee the sustainability of its business portfolio in a time frame up to 2050, in line with what is provided for in the Four-Year Strategic Plan. Furthermore, with reference to the composition of the Board, it is reported that on the basis of the self-assessment conducted, about 80% of the Board Members expressed their positive opinion on the professionalism within the Board – understood in terms of knowledge, experience and skills (with particular regard to advisory, training and publication activities in the energy and environmental field, participation in governmental and non-governmental, national and international bodies that deal with these issues) – and on the personal contribution that the individual Board Members consider to make to the Board of Directors in matters of sustainability, ESG and energy transition. The commitment of the entire Board is unanimously recognised on the issues of energy transition, climate change, sustainability and ESG, as well as the specific support of the Sustainability and Scenarios Committee – due to its specific functions, in terms of the quality and depth of the discussion both on ESG and sustainability issues and on those relating to energy transition

(15) For more information <https://www.openes.io/it>.

(16) Say on climate: the "Say On Climate" campaign, launched at the end of 2020, asks companies to put their Climate Action Plan to the advisory vote of the shareholders' meeting.

(17) For further information, please refer to the "Sustainability and Scenarios Committee" paragraph of the 2021 Corporate Governance Report.

and climate change – seeking to maintain continuity of training and discussion on these issues, which are unanimously seen in prospective growth, along with strategy and business issues. Immediately after the appointment of the Board of Directors and the Board of Statutory Auditors, a board induction programme was implemented for directors and statutory auditors, which covered, among other topics, issues related to the decarbonization process and the environmental and social sustainability of Eni's activities. Eni's economic and financial exposure to the risk deriving from the introduction of new carbon pricing mechanisms is examined by the BoD both during preliminary approval of the investment and in the following half-year monitoring of the entire project portfolio. The BoD is also informed annually on the results of the impairment test carried out on the main Cash Generating Units in the E&P sector and elaborated with the introduction of a carbon tax value aligned with IEA¹⁸ Sustainable Development Scenario (SDS). From 2021, the IEA's Net Zero Emissions (NZE) scenario is included in the scenarios for portfolio evaluations (see pp. 138-143, par. "Climate Change Risk"). Finally, the BoD is informed on a quarterly basis on the results of the risk assessment and monitoring activities related to Eni's top risks, including climate change.

Role of management. All company structures are involved in the definition or implementation of the carbon neutrality strategy that is reflected in Eni's organizational structure with the two business groups: Natural Resources, active in the sustainable valorization of the upstream Oil & Gas portfolio, in marketing of wholesale natural gas, in Natural Climate Solutions initiatives and projects of carbon storage and Energy Evolution, to support the development of the production, transformation and marketing activities from fossil fuel based to bio, blue and green products, also through the merge of the retail and renewable businesses. As of 2019, climate strategy issues are part of long-term planning and managed by the CFO area through dedicated structures with the aim of overseeing the process of defining Eni's climate strategy and the related portfolio of initiatives, in line with international climate agreements. The strategic commitment in carbon footprint reduction is part of the essential goals of the Company and is therefore also reflected in the Variable Incentive Plans for the CEO and Company's management. In particular, the 2020-2022 Long-Term Stock-based Incentive Plan provides for a specific objective on issues of environmental sustainability and energy transition (total weight 35%), based on the targets related to decarbonization, energy transition and circular economy processes consistent with the objectives communicated to the market and with a view to aligning with the interests of all stakeholders.

The Short-Term deferral Incentive Plan (IBT) 2021 is closely linked to the Company's strategy, as it is aimed at measuring the achievement of annual objectives in line with Eni's new

decarbonization targets. In particular, the upstream emission intensity on an equity basis is considered, which includes indirect emissions (so-called Scope 2) and non-operated activities. Starting from 2021, the IBT plan also includes the incremental renewable installed capacity KPI, replacing the one related with the exploration of resources, to support the energy transition strategy. Each of these targets is assigned to the CEO with a weight of 12.5% and to all the Company's managers according to percentages in line with the attributed responsibilities.

RISK MANAGEMENT

The process for identifying and assessing climate-related risks and opportunities is part of Eni's Integrated Risk Management Model developed to ensure that management makes decisions that take into account current and potential risks, including medium- and long-term risks, and with an integrated, comprehensive and prospective view. In light of the link between risk and opportunity management and Eni's strategic objectives, the IRM process starts with a contribution in defining Eni's medium- and long-term plan and four-year plan (objectives and actions with de-risking value), and continues with supporting their implementation through periodic risk assessments and monitoring cycles. The IRM process ensures the detection, consolidation and analysis of all Eni's risks and supports the BoD in checking the compatibility of the risk profile with the strategic targets, also in a long-term perspective. Risks are:

- ▶ assessed with quantitative and qualitative tools considering both the probability of occurrence and the impacts that will be determined in a given time frame should the risk occur;
- ▶ represented, based on the probability of occurrence and on the impact, by matrices that allow comparison and classification according to relevance.

Main risks and opportunities. Risks related to climate change are analysed, assessed and managed by considering the aspects identified in the TCFD recommendations, which refer both to the risks related to energy transition (market scenario, regulatory and technological evolution, reputation issues) and to physical risk (acute and chronic) associated with climate change. The analysis is carried out using an integrated and cross-cutting approach that involves specialist departments and business lines and considers the related risks and opportunities.

Market scenario. The global energy landscape is facing major challenges in the coming years, balancing the growth in energy consumption with the urgency of tackling climate change.

In order to model the evolution of the energy system in such context, the International Energy Agency (IEA) develops a series of reference scenarios, such as the Stated Policies (STEPS) and the Announced Pledges (APS)¹⁹ and decarbonized

(18) International Energy Agency.

(19) STEPS includes all the policies implemented and planned by the Governments, while the APS considers the achievement of all the net zero objectives announced by the Governments within the scheduled timeframe.

scenarios that use a backcasting logic⁽²⁰⁾ to identify the actions required to achieve the main energy and sustainable development goals (including full access to energy and the limiting the global average temperature increase). Among these, in the Sustainable Development Scenario (SDS), considered by Eni as the main reference for assessing the risks and opportunities associated with energy transition, the global energy demand by 2040 is expected to decrease compared to today (-5.3% vs. 2019). The energy mix will move towards low carbon sources, with an increasing share of nuclear and intermittent sources that will increase from about 2% to 17% in 2040 and to 26% in 2050. Fossil sources will maintain a central role in the energy mix (Oil & Gas equal to 40% of the mix in 2040 vs. 53% in 2020). In particular, natural gas will count for about 20% in the energy mix as the fossil fuel with the best future perspectives both for integration with renewable sources and for replacement of other sources with higher environmental impact. In this scenario, although the demand for oil is expected to fall drastically (up to 47 Mb/g at 2050 vs. 97 Mb/d of 2019), significant upstream investments are still needed to compensate the decline in production from existing fields, although uncertainty remains on the influence that regulatory changes and technological breakthroughs could have on the scenario.

In 2021 IEA developed, for the first time, a path aimed at achieving carbon neutrality by 2050, in line with a temperature increase of 1.5°C by the end of the century (NZE2050). This path is based on levers such as electrification, efficiency and a radical change in consumer behaviour, which demand an immediate change in the energy paradigm. According to the NZE2050, in the next ten years, emissions may be reduced by existing technologies already established on the market, but in 2050 solutions that, at this time, are still in the prototype or demonstration phase and not yet available on a large scale will have to be adopted. Global energy demand by 2040 is expected to decrease compared to today (-13% vs. 2019), despite the projected doubling of the global economy and a population growth of 2 billion.

Regulatory developments. Adoption of policies suitable to sustain the energy transition towards low carbon sources could have significant impacts on the evolution of Eni's business portfolio. In particular, at COP26, a package of decisions (Glasgow Climate Act) was defined, representing an important step forward in the climate negotiations. Among the most important elements, the importance of relevance the increase in temperature to 1.5°C by the end of the century compared to the pre-industrial era is recognised, and to this end a goal has been defined of reducing global CO₂ emissions by 45% in 2030 vs. 2010 and achieving net zero "around the middle of the century". At the same time, several countries have announced net zero commitments that to date cover more than 90% of

world emissions. In this context, the EU has also committed to achieving carbon neutrality by 2050 and has increased its GHG emission reduction target from 40% to 55% in 2030, making it binding with the Climate Law approved in June 2021. In the same year, the European Commission published the Fit for 55 package, which revises the main climate directives in line with the new 2030 target, within a broader review of its climate policies (i.e. the EU regulation on taxonomy and hydrogen and decarbonized gas packages).

Legal risk. Some public and private parties have begun proceedings, legal or otherwise, against the major Oil & Gas companies, including companies belonging to Eni's Group, deeming them responsible for the impacts related to climate change and human rights, as well as for so-called "greenwashing"⁽²¹⁾. Eni has long been committed to promoting a constant, open and transparent exchange of views on climate change and human rights issues which are an integral part of its strategy and therefore the subject of communications to all stakeholders. This commitment is part of a wider relationship that Eni has established with its stakeholders on important sustainability issues with initiatives on the subjects of governance, dialogue with investors and targeted communication campaigns, as well as participation in international initiatives and partnerships.

Technological developments. The need to build a final energy consumption model with a low carbon footprint will favour technologies for GHG emissions capture and reduction, production of hydrogen from gas as well as technologies that support methane emissions control along the Oil & Gas production chain. In this way it will be possible to aspire to a rapid and realistic transition from a predominantly fossil scenario to one with a low carbon footprint. Furthermore, technological evolution in the field of energy production and storage from renewable sources and in the field of bio-based activities will be a key lever for the industrial transformation of Eni's business. Scientific and technological research is therefore one of the levers on which Eni's decarbonization strategy is based which levers of action are described in the Strategy and Targets section.

Reputation. Awareness-raising campaigns by NGOs and other environmentalist organizations, shareholder resolutions during meetings, disinvestments by some investors, class actions by groups of stakeholders, are increasingly more oriented towards greater transparency on the tangible commitments of Oil & Gas companies towards energy transition.

In 2020, upholding requests from a number of investors, Eni published its guidelines on responsible engagement on climate change within business associations, in which it commits to periodically check the consistency of its climate and energy advocacy positions and those of the trade associations to which it belongs.

(20) Defined-objective scenario.

(21) For details on the proceedings, see pp. 293-296 the section "Civil and administrative proceedings in the matters of environment, health and safety".

Physical risks. Intensification of extreme/chronic weather phenomena in the medium/long-term could cause damage to plants and infrastructures, resulting in an interruption of industrial activities and increased recovery and maintenance costs. Regarding extreme phenomena, such as hurricanes or typhoons, Eni's current portfolio of assets, designed in accordance with applicable regulations to withstand extreme environmental conditions, has a geographical distribution that does not result in concentrations of high risk. With regard to more gradual phenomena, such as sea level rise or coastal erosion, vulnerability of Eni's assets affected by the phenomenon is assessed through specific analysis, as in the case of Eni's assets in the Nile Delta area, where the impact is however limited and it is therefore possible to plan and implement preventive mitigation interventions to counter the phenomenon. In parallel with its commitment to ensuring the integrity of its operations, Eni is active on Climate Change adaptation, also with regard to the socio-economic and environmental impacts in the Countries where Eni operates. To this end, Eni completed a project in 2021, in collaboration with FEEM (Fondazione Eni Enrico Mattei) and Pisa Institute of Management (IDM), for the assessment of the main risks/opportunities related to Climate Change, leading to the development of guidelines and measures that will provide methodological support for the identification and implementation of adaptation actions in Countries of interest to Eni.

STRATEGY AND OBJECTIVES

Aware of the ongoing climate emergency, Eni wants to be an active part of the energy sector's transition with a long-term strategy towards carbon neutrality in 2050, in line with scenarios compatible with keeping global warming within the 1.5°C threshold at the end of the century. In 2022, Eni has accelerated its transformation strategy, which will leverage the integration of technologies, new business models and close collaboration with stakeholders to develop an increasingly broad offer of decarbonized solutions for its customers. Eni's decarbonization path towards net zero in 2050 is traced through clear targets inclusive of all GHG Scope 1+2+3 emissions, integrated and reinforced by new short and medium term targets that confirm Eni's commitment to further align the reduction trajectory to 1.5°C scenarios:

- ▶ -35% of Net GHG Lifecycle Emissions (Scope 1+2+3) @2030 vs. 2018, -55% @2035 and -80% @2040;
- ▶ -15% of Net Carbon Intensity of energy products sold @2030 vs. 2018 and -50% @2040;
- ▶ Net-zero Carbon Footprint Upstream (Scope 1+2) @2030, with a new target of reducing by 65% @2025 vs. 2018;
- ▶ Net-zero Carbon Footprint Eni (Scope 1+2) anticipated to 2035, with a new target of reducing by 40% @2025 vs. 2018.

The remaining emissions will be compensated through offsets, mainly from Natural Climate Solutions, which will contribute to about 5% of the overall reduction of the value chain emissions in 2050.

Eni's decarbonization objectives are in fact underpinned by an industrial transformation plan designed on concrete and economically feasible solutions, driven by already available technologies:

- ▶ reduction of hydrocarbon production in the medium term, with gradual growth of the gas share, which will reach more than 90% by 2050;
- ▶ conversion of traditional refining using circular economy hubs, with an increase in "bio" refining capacity to 6 mln ton by 2035, palm oil free starting from 2023;
- ▶ progressive increase in Plenitude's green electricity offerings as part of the growth in the customer base to 15 million with over 15 GW of installed renewable capacity by 2030 and reach 60 GW in 2050;
- ▶ business development for sustainable mobility with 30,000 EV charging points by 2025 and around 160,000 in 2050;
- ▶ progressive increase in the production of new energy carriers including hydrogen, which will contribute to about 4MTPA from 2050, and magnetic fusion, with the first operational plant expected in 10 years;
- ▶ development of CO₂ storage hubs for hard-to-abate emissions both from Eni and third-party industrial sites, reaching a storage capacity of over 50 MtCO₂ in 2050.

The evolution towards a portfolio of totally decarbonised products will be supported by a progressive growth of investments dedicated to new energy solutions and services, reaching 30% of total investments in 2025, 60% in 2030 and up to 80% in 2040.

In ten years, these activities will generate positive Free Cash Flow and reach 75% contribution to the group's cash flow from 2040.

For the next four-year period 2022-25, Eni has planned investments in decarbonisation, circular economy and renewables equal to approximately €9.7 billion, including scientific and technological research activities in these areas. Eni is also committed to aligning its plans and investment decisions to its decarbonisation strategy, progressively reducing the share of expenditures dedicated to O&G activities, selecting investment projects according to strict emission thresholds and gradually eliminating investments in "unabated" activities or products as a necessary condition for achieving carbon neutrality by mid-century.

The decarbonization plan is integrated into Eni's financing strategy, which aligns economic and environmental sustainability, with the issuance, in 2021, of the first sustainability-linked bond of the O&G sector whose interest rate is linked to the energy transition objectives announced by the company.

PERFORMANCE METRICS AND COMMENTS

Eni has historically been committed to reducing its direct GHG emissions and was among the first in the industry to define,

starting in 2016, a series of objectives aimed at improving the performances related to GHG emissions from operated assets, with specific indicators that illustrate the progress achieved to date in terms of reducing GHG emissions into the atmosphere.

In addition to these, in 2020 new targets were defined, accounted for on an equity basis. These indicators refer to a distinctive GHG accounting methodology that considers all energy products managed by Eni's various businesses, including purchases from third parties, and all the emissions they generate along the entire supply chain (Scope 1+2+3), according to a well-to-wheel approach. The resulting indicators therefore trace Eni's path towards carbon neutrality both in absolute terms (Net GHG Lifecycle Emissions) and in terms of intensity (Net Carbon Intensity).

The performance of the **indicators relating to the medium/long-term targets** is shown below.

Net Zero GHG Lifecycle Emissions by 2050: the indicator refers to all Scope 1, 2 and Scope 3 emissions associated with Eni activities and products, along their value chain, net of offsets mainly by Natural Climate Solutions. In 2021, it increased mostly in relation to the resumption of activities following the health emergency and greater sales of Oil & Gas retail products.

Net Zero Carbon Intensity by 2050: the indicator is calculated as the ratio between absolute net GHG emissions (Scope 1, 2 and 3) along the value chain of energy products and the amount of energy they contain. In 2021 it decreased by 2% compared to 2020 thanks to the increase of the gas share in the energy mix and the role of offsets.

These metrics are integrated by specific indicators to monitor operational emissions:

Net Zero Carbon Footprint upstream by 2030: the indicator considers Scope 1+2 emissions from all upstream assets, operated by Eni and by third parties, net of offsets mainly from Natural Climate Solutions. In 2021, the indicator is substantially stable as the slight increase in emissions was balanced by increased compensation through forestry credits for 2 MtCO₂eq.

Net Zero Carbon Footprint Eni by 2035: the indicator considers Scope 1+2 emissions from activities carried out by Eni and third parties, net of offsets mainly from Natural Climate Solutions. The indicator is substantially stable as the slight increase in emissions was partially balanced by increased compensation through forestry credits for 2 MtCO₂eq.

With specific reference to **short-term decarbonization targets**, defined on operated assets and accounted for on a

100% basis, the following is a summary of the results obtained in 2021 and the progress towards defined targets.

Reduction of the upstream GHG emission intensity index by 43% in 2025 vs. 2014: the upstream GHG intensity index, expressed as the ratio between direct Scope 1 emissions and operated gross production in 2021 was substantially stable compared to 2020. The trend is related to an increase in emissions mainly linked to emergency shutdowns in Nigeria and Angola and the resumption of onshore activities in Libya, partially offset by the reduction in fugitive emissions and a general optimisation of consumptions. In 2021, the index registered a value of 20.2 tonsCO₂eq./mgl boe, up 1% vs. 2020. The overall reduction vs. to 2014 is 25% and in line with the 2025 target.

Routine zero gas flaring in 2025 in upstream operated assets: in 2021, the volumes of hydrocarbons sent to routine flaring, equal to 1.16 billion Sm³, increased by 12% compared to 2020, mainly due to the resumption of activities at the Abu-Attifel and El Feel plants in Libya, which had been shutdown for most of 2020. The overall reduction from 2014 is 31%, in line with the 2025 target.

Reduction of upstream methane fugitive emissions by 80% in 2025 vs. 2014: in 2021, upstream fugitive methane emissions amounted to 9.2 ktCH₄, a reduction of 18% compared to 2020 thanks to the monitoring and maintenance activities as part of the LDAR (Leak Detection And Repair) campaigns that are carried out on a periodic basis. The overall reduction compared to 2014 is 92%, confirming the achievement starting 2019, of the 80% reduction target set for 2025.

Average improvement of 2% per year in 2021 compared to 2014 in the operational efficiency index: the target extends the GHG reduction commitment (Scope 1 and Scope 2) to all business areas with an overall Eni index which in 2021 was around 32 tonsCO₂eq./mgl kboe, slightly increased compared to 2020 mainly due to the resumption of activities, not yet fully operational. This effect was partially offset by energy efficiency projects started or completed during the year.

In 2021, Eni went ahead with its investment plan both in projects aimed directly at increasing energy efficiency in assets (€10M) and in development and revamping projects with significant effects on the energy performance of operations.

Overall, **direct GHG emissions deriving from the assets operated by Eni** in 2021 amounted to 40.1 million tons of CO₂eq., up 6% compared to 2020, mainly due to the resumption of activities in the upstream and gas transport, power and chemical sectors.

In 2021, the Renewables business grew significantly, reaching an installed capacity from renewable sources of 1,188 MW (more

than triple the result of 2020). This acceleration, obtained mainly as a result of the recent acquisitions in Europe and the United States, has also been carried out with the broader perspective of integration with Plenitude's retail business, in order to exploit all the possible synergies between the two businesses.

Renewable energy production reached 1,166 GWh (about triple the result of 2020), due to the greater installed capacity (in particular thanks to recent plant acquisitions in Europe

and the United States). Compared to 2020, the production of biofuels has declined due to stops at the biorefinery in Venice, in a less favourable scenario.

For 2021, the financial commitment of Eni in scientific research and technological development amounted to €177 million, of which 114 was spent on decarbonization and circular economy. These investments are related to energy transition, bio-refinement, green chemistry, production from renewable sources, reduction of emissions and energy efficiency.

KPIS RELATED TO MEDIUM-LONG TERM TARGETS²²

		2021	2020	2019	Target
Net Carbon Footprint upstream (Scope 1+2)	(million tonnes CO ₂ eq)	11.0	11.4	14.8	UPS Net zero 2030
Net Carbon Footprint Eni (Scope 1+2)		33.6	33.0	37.6	Eni Net zero 2035
Net GHG Lifecycle Emissions (Scope 1+2+3)		456	439	501	Net zero 2050
Net Carbon Intensity (Scope 1+2+3)	(gCO ₂ eq./MJ)	67	68	68	Net zero 2050
Renewable installed capacity ^(a)	MW	1,188	351	190	60 GW 2050
Capacity of biorefineries	(million tonnes/year)	1.10	1.11	1.11	6 million tonnes/year 2035

(a) This KPI represents Eni's share and relates primarily to Plenitude. 2020 and 2019 values have been appropriately restated.

KEY PERFORMANCE INDICATORS

		2021	2020	2019
		Total	of which fully consolidated entities	Total
Direct GHG emissions (Scope 1)	(million tonnes CO ₂ eq.)	40.08	25.24	37.76
of which: CO ₂ equivalent from combustion and process		30.58	21.87	29.70
of which: CO ₂ equivalent from flaring ^(a)		7.14	3.00	6.13
of which: CO ₂ equivalent from venting		2.12	0.24	1.64
of which: CO ₂ equivalent from methane fugitive emissions		0.24	0.12	0.29
Carbon efficiency index (Scope 1 and 2)	(tonnes CO ₂ eq./kboe)	31.95	46.12	31.64
Direct GHG emissions (Scope 1)/100% operated hydrocarbon gross production		20.19	23.12	19.98
Direct GHG emissions (Scope 1)/Equivalent electricity produced (EniPower)	(gCO ₂ eq./kWheq)	379.6	379.4	391.4
Direct GHG emissions (Scope 1)/Refinery throughputs (raw and semi-finished materials)	(tonnes CO ₂ eq./ktonnes)	228	228	248
Methane fugitive emissions (upstream)	(ktonnes CH ₄)	9.2	4.5	11.2
Volumes of hydrocarbon sent to flaring	(billion Sm ³)	2.2	1.1	1.8
of which: routine flaring		1.2	0.4	1.0
Indirect GHG emissions (Scope 2)	(million tonnes CO ₂ eq.)	0.81	0.70	0.73
Indirect GHG emissions (Scope 3) from use of sold products ^(b)		176	N.A.	185
Electricity produced from renewable sources ^(c)	(GWh)	1,166	880	393
Energy consumption from production activities/ 100% operated hydrocarbon gross production (upstream)	(GJ/toe)	1.45	N.A.	1.52
Net consumption of primary resources/ Equivalent electricity produced (EniPower)	(toe/MWheq)	0.16	0.16	0.17
Energy Intensity Index (refineries)	(%)	116.4	116.4	124.8
R&D expenditures	(€ million)	177	177	157
of which: related to decarbonization		114	114	74
First patent filing applications	(number)	30	30	25
of which: filed on renewable sources		11	11	7
Sold production of biofuels	(ktonnes)	585	585	622

Unless otherwise indicated, the emission and consumption KPIs refer to 100% data of the assets operated.

(a) From 2020, the indicator includes all Eni emissions deriving from flaring, also aggregating the contributions of Refining & Marketing and Chemistry, which until 2019 are accounted for in the combustion and process category.

(b) Category 11 of the GHG Protocol – Corporate Value Chain (Scope 3) Standard. Estimates based on upstream (Eni's share) production sold in line with IPIECA methodologies.

(c) In line with the company's strategic objectives, this indicator is reported on an equity basis. This KPI represents Eni's share and relates primarily to Plenitude. 2020 and 2019 values have been appropriately restated.

(22) Indicators accounted for on an equity basis.



OPERATIONAL EXCELLENCE

The operational excellence model is based on the constant commitment to consolidating and developing skills in line with new business needs, enhancing its people in all areas

(professional and non-professional), and ensuring health and safety, environmental protection, respect and promotion of human rights and attention to transparency and anti-corruption.

People



The Eni business model is based on internal competencies, an asset in which Eni continues to invest to ensure their alignment with business needs, in line with its long-term strategy. Planned evolution of business activities, strategic directions and the challenges posed by changes in technology and the labour market in general imply an important commitment to increase the value of human capital over time through upskilling and reskilling initiatives, aimed at enriching or redirecting the set of skills required. Eni's commitment on human rights has also included an instrument for monitoring of human rights in the workplace (see chapter "Human rights").

A CULTURE OF PLURALITY AND PEOPLE DEVELOPMENT

Eni's approach to Diversity & Inclusion (D&I) is based not only on the fundamental principles of non-discrimination and equal opportunities but on the active commitment to creating a working environment where different personal and cultural characteristics or orientations are considered a source of mutual enrichment and an indispensable element of business sustainability. Eni ensures that all its people are treated fairly regardless of any differences in gender, religion, nationality, political opinion, sexual orientation, social status, physical abilities, medical conditions, family circumstances and age and any other irrelevant aspects; furthermore, Eni aims to establish working relationships free from any form of discrimination, requiring that similar values are adopted by all third parties working with Eni. Diversity is in fact a resource to be safeguarded and enhanced both within the Company and in all relations with external stakeholders, including suppliers, commercial and industrial partners, as underlined by its mission and Code of Ethics. To develop the business strategy on D&I and coordinate the portfolio of initiatives, a unit dedicated to D&I issues was established in 2021. To identify the priority objectives in this area, listening initiatives have been activated by the top

management (D&I as a strategic lever for business objectives) and Eni people (surveys, focus groups and the activation of a direct communication channel with the people concerned) to receive warning signals and thoughts on D&I. Activities for the inclusion and enhancement and development of diversity in the company are also ongoing, in particular Eni promotes cross professional exchange through a series of processes, including geographical mobility, as an important experience in the path of personal growth. The consolidation over the years of the processes of induction of new recruits, coaching, training and sharing of skills and best practices with local personnel has ensured continuity in operating activities, characterized by many returns to headquarters and few expatriates in recent years. With regard to gender diversity, Eni pays particular attention to the promotion of initiatives to attract female talents at a national and international level, and to the development of managerial and professional growth paths for the women in the Company. In this context, Eni organizes initiatives for high school students in STEM (Science, Technology, Engineering and Mathematics) subjects, with a focus on gender equality (Think About Tomorrow) and participates in national and international initiatives²³ with the aim of constantly enhancing its processes and operating practices with a view to gender equality. These activities have continued throughout the year through the "dematerialization" of events and meetings that has allowed reaching places, people and realities inaccessible to date, breaking down language and geographical barriers.

Remuneration policies for Eni employees are defined according to an integrated model at global level and promote salary progression linked exclusively to meritocratic criteria referring to the skills expressed in the role held, the performance achieved and the references of the local remuneration market. In order to verify the implementation of these policies, since 2011, Eni has annually monitored the remuneration gap between women and men, noting the substantial alignment of remuneration (total pay ratio Italy women vs. men equal to 101 for the fixed

(23) Inspiring Girls Project - International project against stereotypes about women; "Manifesto for women's employment" by Valore D - Programme document to enhance female talent in businesses promoted by Valore D and sponsored by the Italian Presidency of G7 and the Department for Equal Opportunities of the Italian Prime Minister's Office; Elis - Sistema Scuola Impresa Consortium; Fondazione Mondo Digitale; WEF - World Economic Forum; ERT - European Round Table.

salary and 98 for the total salary). In addition, in relation to ILO (International Labour Organization) standards, Eni performs annual analyses on the remuneration of local personnel in the main Countries in which it operates, which show minimum salary levels of Eni personnel significantly higher than both the minimum legal salaries and the minimum market remuneration levels, identified for each Country by international providers (for further information, see Report on remuneration policy and remuneration paid 2022). Relating to the professional management of its resources, Eni has implemented managerial development and excellence pathways aimed at the core professional areas, which it supports through training activities, mobility initiatives, job rotation and development tools. Eni uses various assessment tools to support these pathways, including the annual review, the performance and feedback process with a focus on senior managers, middle managers and young graduates and soft skills assessment processes. 2021 also saw a reduction in mobility initiatives, especially international ones, however, the internal growth and development continued, held remotely. In 2021, the performance assessment and management review process covered 94% while potential assessment activities were 100% of the total programmed with an overall improving trend (+5 p.p. vs. 2020); finally, senior managers and middle managers were assessed using the Management Appraisal methodology.

TRAINING

Also in 2021, the commitment to training activities continued with a focus on transition and strategic and business development. In fact, to support the process of corporate transformation, the redevelopment process continued through upskilling and reskilling initiatives (in 2021, for example, a training project linked to the expansion contract was presented to the Ministry of labour and social policies, consisting of various training paths) to integrate new professional and behavioural skills necessary for the evolution of businesses, or for the challenges posed by technological evolution and the labour market. In order to support people to best contribute to the profound business transformation, two new training initiatives were developed in 2021: a leadership path aimed at managers and team leaders, the other open to all Eni people with the use of a Web App. HSE training initiatives also remain a priority for Eni through the timely provision of mandatory training and the provision of additional HSE training to support the Business. In addition, in May 2021 the new MyChange digital platform was created, as a support tool for Eni people for the change in progress, in which issues such as the Eni Mission, energy transition, the Sustainable Development Goals, Diversity & Inclusion and others are explored.

INDUSTRIAL RELATIONS

In December 2020, the protocol INSIEME, a model of industrial relations to support the energy transition path was signed with the national trade unions. With this protocol, Eni and the

trade unions considered it increasingly important to accelerate the energy transition process and shared that this process will require a transparent sharing of information, goals and initiatives and for this reason they considered that an even more effective and participatory system of industrial relations is necessary to accompany the transformation processes that combine economic sustainability with the principles of environmental and social sustainability. In April 2021, the expansion contract was signed with the trade unions at the Ministry of Labour and Social Policies, which made it possible to promote generational change, with the introduction of new skills and new trades, significant investment for the training and retraining of Eni people, confirming the great strategic importance that the company attributes to skills. In October 2021, the new agreement for Smart Working in Italy was signed. With this agreement, organizational Smart Working was strengthened (providing for 8 days/month for office locations and 4 days/month for operational sites) with the addition of new types of Smart Working to support corporate welfare (described in the following paragraph). In the agreement, the workers' fundamental right to disconnection is ensured, introducing precise standards and basic measures to be respected for remote work in order to support the correct balance between working life and private life and avoid negative effects that the prolonged use of digital tools can determine on health and well-being, while trade union rights have been guaranteed, also operating remotely, also strengthening the measures to protect the safety of people.

In December 2021, the international industrial relations meetings and the 24th meeting of the EWC of Eni employees, the European Observatory for Health, Safety and the Environment and the annual meeting provided for by the Global Framework Agreement on International Industrial Relations and Social Responsibility of the Company on the issues of sustainability, decarbonization, health and safety of workers and with a focus on the theme of diversity & inclusion, for the enhancement of diversity, as an element of enrichment of experiences in the social and work context. During the meeting, the Agreement for integration into the GFA – Global Framework Agreement on International Industrial Relations and Corporate Social Responsibility – of ILO Convention No.190 and ILO Recommendation No. 206 on eliminating violence and harassment in the world of work was also signed.

CORPORATE WELFARE AND WORKLIFE BALANCE

Despite the difficult context, in 2021, continuity was guaranteed for services to people and a safe and compliant way of organizing initiatives.

In the 2021 agreement on Smart Working, described in the previous paragraph, new types of Smart Working have been introduced that can be requested by Eni people to support parenting, disability and that generally guarantee greater attention to the needs of employees at different

stages of life: Smart Working to support pregnant women, "welcome kid" and new-parent Smart Working for mothers and fathers with children aged up to 3 years, "summer kid" Smart Working to support the management of children in the periods of school closure and Smart Working to protect their own health or that of their children. Finally, again in relation to parenting, in all countries where Eni operates, it continues to recognise: 10 working days 100% paid to both parents, 14 minimum weeks' leave for the primary carer as per the ILO convention and the payment of an allowance equal to at least 2/3 of the salary received in the previous period. The training/information paths dedicated to parents were also proposed again to support them in understanding a constantly redefining context, while the fragility service was confirmed, which through a contact centre provides support and advice to caregivers to tackle problems related to the management of elderly or dependent family members and for the care of children and young people with specific learning disorders. Also in 2021, Eni guaranteed support for working parents by offering a nursery school service by implementing all actions aimed at mitigating the risk of infection and protecting the safety and organization of summer camps with a revised proposal to ensure maximum protection for participants without affecting the quality of the proposals.

HEALTH

Eni considers health protection an essential requirement and promotes the physical, psychological and social well-being of its people, their families and the communities of the Countries in which it operates (see chapter "Alliances for development"). The extreme variability of working contexts requires a constant effort to update health risk matrices and makes it particularly challenging to guarantee health at every stage of the business cycle. To rise to this challenge, Eni has developed an operational platform that ensures services to its people, covering occupational health, industrial hygiene, traveller health, healthcare and medical emergency, as well as the assessment of the impacts of business operations on the health of communities, as well as health promotion initiatives for Eni people and the communities in which it operates. Eni's strategy for health management is oriented, in addition to maintaining and continuously improving health services, to: (i) enhancing access to assistance for all Eni people; interventions in favour of communities and emergency provisions to support situations of fragility created or aggravated by the pandemic; (ii) spreading the culture of health through initiatives in favour of workers, their families and communities identified downstream of risk assessment and impacts in the health field; (iii)

implementing occupational medicine activities also in consideration of the risks inherent to new projects, industrial processes and the results of industrial hygiene activities; (iv) promoting the digitalization of health processes and services. In 2021, all of the Group companies continued the implementation of health management systems with the objective of promoting and maintaining the health and well-being of Eni people and ensuring adequate risk management in the workplace. Among the initiatives launched during the year, we also highlight those aimed at supporting the psychosocial well-being of Eni people, with the aim of creating an environment attentive to the quality of life, inside and outside the company: since February 1st, a psychological listening service has been launched, active 24 hours a day, 7 days a week, dedicated to Eni people both in Italy and abroad; since November 27 in conjunction with the international day against gender violence, a counselling service has been activated for victims of violence or gender harassment. In the critical global health context, Eni has implemented a series of prevention and assistance interventions in order to support those in the front line managing health emergencies and local health structures, also thanks to the numerous experiences in health projects gained in response to epidemic events around the world²⁴. In fact, the Eni centre of competence for the management of health emergencies has supported the business units through: (i) epidemiological updates and new guidelines issued by international bodies, (ii) hygiene measures for the prevention and containment of outbreaks and epidemics/pandemics, (iii) clinical and care flow management best practices, vaccinations and recommendations for travel medicine and (iv) support in defining technical specifications for services related to emergency response.

PERFORMANCE METRICS AND COMMENTS

EMPLOYMENT AND DIVERSITY

Overview - Overall employment amounts to 31,888 people, of whom 20,632 in Italy (64.7% of Eni's employees) and 11,256 abroad (35.3% of Eni's employees). In 2021, employment at global level grew by 1,113 people compared to 2020, equal to +3.6%, with a decrease in Italy (-538 employees) and growth abroad (+1,651 employees). Employment growth is linked to Eni's development plans as part of the initiatives to support the energy transition, also through the acquisition of new companies operating in the renewable energy and circular economy sectors. Despite the discontinuity of the energy market, Eni continued to pursue its diversity objectives: in

(24) For health-related initiatives carried out in favour of the local community in Italy and abroad, see the chapter Alliances for development on pp. 186-187.

2021, the number of female employees grew by 1.6 percent compared to 2020, with simultaneous growth also in positions of responsibility (0.7 percent vs. 2020).

Hires - Overall, in 2021, 1,305 people were hired, 967 of whom with permanent contracts. About 81%²⁵ of permanent contracts involved employees up to the age of 40. Of the total number of hires, approximately 58% in DG Energy Evolution (total 754 of which 612 permanent and 142 fixed-term), 30% in the Natural Resources Department (total 389 of which 233 permanent and 156 fixed-term) and the remaining 12% in Support Function (total 162 of which 122 permanent and 40 fixed-term).

Terminations - 2,517 contracts were terminated (1,694 in Italy and 823 abroad), 2,275 of which were permanent contracts²⁶, and 27% regarded female employees. In 2021, 25%²⁵ of employees with permanent contracts who ended their employment were under 50 years of age. Eni's transformation process, which requires a strong skills turnover, is also reflected in the trend in the turnover rate, which in 2021 was the highest of the last 3 years (2019: 9.8%, 2020: 6.1%; 2021: 10.5%).

Diversity & Inclusion - In 2021, the percentage of female staff grew by 1.6% compared to 2020 and stood at 26.2%, divided as follows: 16.7% of executives, 28.5% of middle management, 30.1% of white collar workers, 14.7% of blue collar workers. The overall percentage of women on the control bodies of subsidiaries increased to 43% (37% in 2020), while the overall percentage of women on the management bodies of subsidiaries decreased slightly compared to the past to 24% in 2021 (26% in 2020). In 2021, the percentage of women in positions of responsibility rose to 27.3% compared to 26.6% in 2020, in all, women accounted for 26.22% of the total workforce. At Eni, 33% of the figures reporting directly to the CEO are women. There were 314 permanent female hires in 2021 out of 967, counting for 32.46%, down slightly on 2020 (approx. -2 p.p.).

The reason for this slight decrease is attributable mainly to the extraordinary plan of the 2021 redundancies carried out in Italy through the expansion contract that facilitated the termination of female staff together with a targeted and extremely selective recruitment of resources from the external market with priority on business sectors and critical activities (e.g. asset integrity, operational activities, etc.). In recent years, approximately 20% of resources holding positions of responsibility are non-Italian, with an increase of 2 p.p. in 2021 compared to 2020; this increase falls within the scope of professional development paths that provide for periods of activity in Eni offices in Italy or in countries other

than the country of origin. Eni's population consists of 108 different nationalities.

Employment in Italy - There were 596 hires in Italy, of which 460 permanent contracts (32.4% women). The reduction in employment of -538 units (-3%), carried out through an extraordinary exit plan, together with a selective and punctual turnover plan, has allowed the population under 30 to increase by 4% in favour of a reduction in the senior age groups: the population over 50 has decreased by 1.5%. Again in Italy, in 2021 there were 1,694 terminations, 1,658 of whom were permanently employed (of which 26% women). Overall, in Italy at the end of 2021 there was a replacement ratio between new hires and terminations of approximately 1:3.6 (1 hire vs. 3.6 terminations).

Employment abroad - Average presence of local employees abroad is constant and around 86% in the last three years on average, that confirms Eni commitment to local content through the engagement of local communities in its business activities in the Countries. Use of expatriate personnel is limited to specific expertise and competences hardly available in the Country. Abroad, in 2021, there were 709 new hires, of which 507 with permanent contracts (32.5% women). The population of employees under the age of 30 has doubled (in part due to the Finproject acquisition).

The balance between hires and terminations abroad at the end of the year was -114 (+709 hires and -823 terminations) and this trend is also attributable to contractual terminations of international resources employed in the E&P business. There were 823 terminations, 617 of whom permanently employed. Of these, 40%²⁵ regarded employees under the age of 40, and 29%²⁵ were women. Abroad, there was an increase of 1,651 resources compared to the previous year (+17.2%), mainly referring to +1,624 local resources (+19.5%), Italian expatriates +24 (+2.5%) while the number of international expatriates remained substantially stable +3 (+1%). The growth in local personnel is mainly due to extraordinary M&A operations. A total of 1,305 expatriates work abroad (992 Italians and 313 international expatriates).

Employment by business line - About 35% of permanent hires were in the chemical sector, which has strengthened both in countries with traditional activities (e.g. France, UK, Hungary) and in countries with new activities (e.g. Mexico, India, Romania, Vietnam). Growth also concerned the Retail G&P (France and Greece) and GT/R&M (UK, Germany and Ecuador) business areas, which further consolidated their competitive structure. Terminations mainly concerned the Upstream (30%), Chemical (24%) and GT/R&M (18%) businesses.

(25) Figures not including Finproject group acquired during Q4 2021.

(26) Of these, about 68% were for retirement and 26% for resignation.

Average age - The average age of Eni's people in the world is 45.1 years (46.4 in Italy and 42.8 abroad): 49.3 years (50.1 in Italy and 47.2 abroad) for senior and middle managers, 44.4 years (45.5 in Italy and 42.3 abroad) for white collars workers and 41.9 years (40.7 in Italy and 43.9 abroad) for blue collars workers.

INDUSTRIAL RELATIONS

In Italy, 100% of employees are covered by collective bargaining by virtue of current regulations. Abroad, in relation to the specific regulations operating in the individual countries, this percentage stands at 41.6%. In countries where employees are not covered by collective bargaining, Eni ensures in any case full compliance with international and local legislation applicable to the employment relationship as well as some higher standards of protection guaranteed by Eni throughout the group through the application of its company policies worldwide.

TRAINING

In continuity with 2020, 2021 was still marked by a predominance of distance learning compared to that in the classroom, continuing to manage the pandemic emergency (67% as in 2020). The total hours of training remained stable

compared to 2020 (-0.3%) with an increase in average expenditure due to an increase in the training courses designed for Businesses to also respond to the needs of the expansion contract.

HEALTH

In 2021, the number of health services sustained by Eni was 379,481, of which 261,618 for employees, 43,835 for family members, 70,970 for contractors and 3,058 for others (e.g. visitors and external patients). The number of participants in health promotion initiatives in 2021 was 158,784, of whom 85,776 were employees, 58,031 contractors and 14,977 family members. As concerns occupational illnesses, in 2021 there were 30 claims, of which 7 related to current employees and 23 related to former employees. Of the 30 occupational disease claims submitted in 2021, 4 were submitted by heirs (all relating to former employees).

Finally, in 2021, with the aim of assessing the potential impacts of the projects on the health of the communities involved, Eni completed 10 HIAs (Health Impact Assessment), of which 7 were integrated ESHIA preliminary studies (Environmental, Social and Health Impact Assessment) and 3 as integrated ESHIA.

KEY PERFORMANCE INDICATORS

		2021	2020	2019
Employees ^(a)	(number)	31,888	30,775	31,321
Women		8,360	7,559	7,590
Italy		20,632	21,170	21,078
Abroad		11,256	9,605	10,243
Africa		3,189	3,143	3,371
Americas		1,731	925	1,005
Asia		2,786	2,432	2,662
Australia and Oceania		88	87	88
Rest of Europe		3,462	3,018	3,117
Under 30 ^(b)		2,587	2,037	2,315
30-50 ^(b)		17,302	17,225	16,646
Over 50 ^(b)		11,999	11,513	12,360
Local employees abroad	(%)	88	87	81
Employees by professional category:				
Senior managers	(number)	966	965	1,021
Middle managers		9,113	9,172	9,387
White collars		15,554	15,941	16,050
Blue collars		6,255	4,697	4,863
Employees by educational qualification:				
Degree		15,583	15,345	15,375
Secondary school diploma		13,564	12,826	13,184
Less than secondary school diploma		2,741	2,604	2,762
Employees with permanent contracts ^(c)		31,111	30,165	30,571
Employees with fixed term contracts ^(c)		777	610	750
Employees with full-time contracts		31,423	30,290	30,785
Employees with part-time contracts ^(d)		465	485	536
New hires with permanent contracts		967	607	1,855
Terminations of permanent contracts		2,275	1,323	1,198
Turnover rate ^(e)	(%)	10.5	6.1	9.8
Local senior managers & middle managers abroad		18.03	19.13	16.65
Non-italian employees in positions of responsibility		20.6	18.6	17.3
Seniority				
Senior managers	(years)	22.77	23.21	22.78
Middle managers		19.59	20.40	20.00
White collars		16.56	17.03	16.73
Blue collars		13.23	14.15	13.55
Presence of women on the management bodies of Eni subsidiaries	(%)	24	26	29
Presence of women on the Boards of Statutory Auditors control bodies of Eni subsidiaries ^(f)		43	37	37
Training hours	(number)	1,037,325	1,040,119	1,362,182
Average training hours per employee by employee category ^(a)		33.8	33.3	43.6
Senior managers		34.7	28.3	51.0
Middle managers		35.7	31.8	42.0
White collars		32.8	35.9	43.9
Blue collars		33.9	28.4	44.3
Average training and development expenditure per full time employee ^(a)	(€)	895.8	716.1	1,070.8
Employees covered by collective bargaining	(%)	81.6	83.40	83.03
Italy		100	100	100
Abroad		41.6	41.78	40.91
Occupational illnesses allegations received	(number)	30	28	73
Employees		7	7	9
Previously employed		23	21	64

(a) The data differ from those published in the Financial Report (see p. 18), because they include only fully consolidated companies.

(b) The 2020 and 2019 values have been appropriately restated to comply with the GRI 405-1 requirement related to changing age groups.

(c) Net of extraordinary M&A operations, the breakdown of fixed-term/permanent contracts does not vary significantly either by gender or by geographical area with some exceptions including China and Mozambique where it is common practice to hire local fixed-term resources and then stabilise them over a period of 1-3 years.

(d) There is a higher percentage of women (5% of the total number of women) with part-time contracts, compared to men, about 0.2% of the total number of men.

(e) Ratio of the number of Hires + Terminations of permanent contracts and the permanent employment contracts of the previous year.

(f) For abroad, only the companies in which a supervisory body similar to the Board of Statutory Auditors under Italian law operates were considered.

(g) The 2020 data has been updated due to an error in the formula used for the calculation.

Safety



Eni is constantly engaged in research and development for all the necessary actions to be taken to ensure safety at work, in particular in the development of organizational models for risk assessment and management and in the promotion of a culture of safety, in order to pursue its commitment eliminating accidents. In 2021, several projects and initiatives were promoted mainly focused on the following issues: (i) behavioural safety and Human Factor, with the application at the operating sites of an Eni methodology (THEME), developed in collaboration with the University of Bologna, to identify and analyze incorrect behaviours and habits, including the cultural and organizational components, that characterize and influence the action of workers, and strengthen the role of the person as an active agent and first barrier in preventing any incidental event; (ii) Digital Safety, through the creation of digital tools to promote the HSE culture, facilitate the activities in the field and support the analysis and reporting of HSE risks; (iii) Process Safety Fundamentals, widespread dissemination, through in-depth sessions dedicated to employees and contractors, of the 10 Eni rules on the safety of processes and assets. In addition to these innovative activities, Eni continued to pay particular attention to reinforcing safety during activities at operating sites, further standardizing in special regulatory instruments, valid for all Eni entities, the minimum basic principles to be applied in the most critical activities and developing training courses to increase operators' knowledge and awareness of the minimum safety requirements. Regarding the **management of contractors**, the 147 people of the Safety Competence Centre (SCC)²⁷ continued to proactively monitor and support the process of improvement of companies towards management models characterised by a safety culture that is more preventive than reactive, monitoring over 2,500 suppliers, equal to 70% of those with potential HSE criticalities in Italy, and managing the anomalies detected with immediate corrective actions and sharing innovative good practices. In addition, agreements (so-called "Safety Pacts") were developed with various contractors operating in Nigeria, Tunisia, Congo and Mexico. Furthermore, Eni applies the **Asset Integrity** process to its assets and ensures they are well-designed, well-built and with the most appropriate materials, well run, and decommissioned properly, by managing residual risk with the aim of guaranteeing maximum reliability and, above all, safety of people and the environment. The Asset Integrity Management System develops from the initial design stage (Design Integrity), to procurement, construction, installation

and testing (Technical Integrity) through to operational and decommissioning (Operating Integrity). During 2021, Eni continued the organization of initiatives to further promote the Asset Integrity culture with a cross and widespread approach, also including the new energy transition supply chains. With regard to **industrial hygiene**, great attention was paid to the identification and management of personal protective devices (PPE) and various specific training initiatives were promoted for workers. Within the emergency field, particular attention was paid to the prevention and management of emergencies induced by natural risks and in November 2021 a Memorandum of Understanding was signed with the Department of Civil Protection, to further strengthen cooperation relationships and define specific emergency plans for each type of risk with an impact on the continuity of energy supply on the national territory. The main company objectives in 2021 in terms of industrial safety and hygiene were: (i) the improvement of the SIR (Severity Incident Rate), an internal Eni index weighted against the level of severity of accidents and used in the short-term incentive plan of the CEO and managers with strategic responsibilities, in order to focus Eni's commitment on reducing the most severe accidents; (ii) the consolidation of the Safety Culture Programme, an indicator that monitors the level of pro-activity through aspects of preventive safety management; (iii) the application of the methodology for analysing the human factor THEME in operational sites; (iv) the dissemination and application of Eni risk management tools on operational sites; (v) the continuation of the dissemination of the 10 Process Safety Fundamentals; (vi) the extension on all Eni sites of projects that apply new technologies and new digital devices to support safety; (vii) the strengthening of oversight in specific areas of industrial hygiene.

PERFORMANCE METRICS AND COMMENTS

In 2021, the total recordable injury frequency ratio (TRIR) of the workforce improved compared to 2020 (-4%), thanks to the performance recorded by contractors (-10%), while the employee ratio deteriorated due to the increase in the number of accidents (33 compared to 30 in 2020).

The ratio for injuries at work with serious consequences is null, since there were no events falling into this category (i.e. no injuries with more than 180 days of absence or with consequences such as total or partial permanent disability). In addition, no fatal accidents were recorded.

(27) Eni Centre of Excellence on Safety, which supports Eni industrial sites in Italy and abroad in the coordination and supervision of contract work.

In Italy, the number of total recordable injuries increased (35 events compared to 27 in 2020, of which 21 employees and 14 contractors) and the total recordable injury frequency ratio (TRIR) deteriorated (+26%); abroad, the number of

injuries decreased (53 events compared to 64 in 2020, of which 12 employees and 41 contractors) and the total recordable injury frequency ratio improved by 17%.

KEY PERFORMANCE INDICATORS

		2021		2020	2019
		Total	of which fully consolidated entities	Total	Total
TRIR (Total Recordable Injury Rate)	(total recordable injuries/hours worked) x 1,000,000	0.34	0.46	0.36	0.34
Employees		0.40	0.53	0.37	0.21
Contractors		0.32	0.42	0.35	0.39
Number of fatalities as a result of work-related injury	(number)	0	0	1	3
Employees		0	0	0	1
Contractors		0	0	1	2
High-consequence work-related injuries rate (excluding fatalities)	(high-consequence work-related injuries/hours worked) x 1,000,000	0	0	0	0.01
Employees		0	0	0	0
Contractors		0	0	0	0.01
Near miss	(number)	780	565	841	1,159
Worked hours	(million of hours)	256.5	155.2	255.1	334.2
Employees		82.9	54.3	81.8	92.1
Contractors		173.6	100.9	173.3	242.1

Respect for the environment

Eni operates in very different geographical contexts, which require specific assessments of the environmental aspects, and is committed to strengthening control and monitoring of its activities by adopting international technical and management good practices and **Best Available Technology**. Particular attention is paid to the efficient use of natural resources, like water, to reducing oil spills, to managing waste, to managing the interaction with biodiversity and ecosystem services. For Eni, **environmental culture** is an important lever for the correct management of environmental issues and for this reason in 2021 it continued with the awareness-raising activities that involved the operating sites (with surveys on environmental culture for employees, information sessions and site-specific interventions on Environmental Cultural Engagement) and environmental communication launched in 2020, to raise awareness among all employees and strengthen commitment. During the year, about 2,000 people participated in the

"Together for the environment" training course and about 300 people were updated on environmental risks; the new Eni methodology for integrated risk assessment common to the entire company was also presented via webinars in Italy and abroad. In addition, the **Environmental Golden Rules** were also developed and issued in 2021, to promote virtuous behaviours of employees and suppliers, and the campaign for their promotion among all Eni people, as well as suppliers, whose activities must reflect Eni values, commitment and standards. During the year, the dissemination of environmental culture led to the signature of 15 **Environment and Safety Pacts** involving several suppliers who have committed to implement tangible improvement actions that can be measured through the Safety and Environment Performance Index. In continuity with last year, the company has continued the activities dedicated to **environmental digitisation** for process optimisation through the creation of IT tools for the management of environmental



compliance, including international compliance, and site-specific technical-management assessment models. For example, the Easy Permit platform has been developed in the main operating sites to support the management of regulatory obligations, requirements and deadlines deriving from environmental authorization processes.

The transition path towards a **circular economy** represents for Eni one of the main responses to current environmental challenges, through the promotion of a regenerative model. This approach is based on the revision of the Company's production processes and the management of its assets, reducing the withdrawal of natural resources in favour of materials from renewable sources in favour of sustainable inputs, reducing and enhancing waste through recycling or recovery actions and extending the useful life of products and assets through reuse or reconversion actions; in the case of CO₂, also removing and offsetting the residual part present in the atmosphere. For example, the conversion of refineries to biorefineries plays a central role for the total decarbonization of products and processes by 2050; it is also expected that by 2023 palm oil will no longer be used in production cycles, replaced by alternative (e.g. used and frying food oils, animal fats and waste from the processing of vegetable oils) and advanced products (e.g. lignocellulosic material, and bio-oils). The production of biomethane also falls within the context of the circular economy, allowing the enhancement of agricultural and livestock waste and waste water. Eni has also developed the Waste to Fuel technology for the transformation of organic biomass into bio-oil and biomethane with recovery of the water naturally contained in the wet waste. The bio-oil produced can be mixed in the low-sulphur fuel for maritime transport or refined to obtain biofuels, while the recovered water can be used for industrial purposes. Eni has also developed a Circularity analysis model, applied to different business contexts, validated by a third-party certification body, which is an essential tool for the control, management, transparency and credibility of the goals and commitments undertaken on the path towards a circular economy model.

Eni's **waste management** pays particular attention to the traceability of the entire process and to the verification of the parties involved in the disposal/recovery chain, in order to ensure compliance with regulations and the environment. Eni also envisages that all feasible solutions aimed at waste prevention should be sought. Almost all Eni waste in Italy is managed by Eni Rewind²⁸ which in 2021 continued the digitalization project launched in 2020 for the efficiency and monitoring of its waste management process.

In order to limit the negative impacts related to waste (e.g. loss of resources, possible contamination of environmental matrices due to possible unapproved management, impacts related to transport and treatment at the destination plants), exclusive use is made of authorised parties, favouring recovery over disposal, in line with the priority criteria indicated by European and national regulations. Eni Rewind, on the basis of the characteristics of the individual waste, selects technically viable recovery/disposal solutions, prioritising recovery, treatment operations that reduce the quantities to be sent for final disposal and suitable plants at a shorter distance from the waste production site; furthermore, audits are carried out on environmental suppliers, to assess their operational waste management.

With reference to **water resources**, Eni operates efficient management by evaluating the use of water and the impacts of its activities on water resources for the benefit of the ecosystem, other users and the Company itself. Eni, especially in stressed areas, carries out the mapping and monitoring of water risks and drought scenarios to define short, medium and long-term actions aimed at preventing and mitigating the effects of climate change, also involving suppliers throughout the procurement process, from selection and qualification to the award of the contract. In 2021 Eni published its own position on water resources²⁹, in which it undertakes to pursue the CEO Water Mandate and, in particular, to minimise its fresh water withdrawals in areas under water stress. The commitments undertaken lead Eni to seek a stewardship for optimal water management also beyond the industrial boundary, integrated into the territory and able to minimise the exposure of its activities to water risk, through an integrated approach at river basin level. In terms of transparency, also in 2021 Eni gave a public response to the CDP Water Security questionnaire, confirming the A- score obtained last year.

With regard to the management of risks associated with **oil spills**, Eni is constantly engaged in every area of intervention: prevention, preparedness, followed by mitigation, response and recovery. In the area of prevention, in Italy the e-vpms³⁰ system was installed on the pipeline that connects the Val d'Agri Oil Centre to the Taranto Refinery and the maintenance and technological update of this system on the pipeline network in Val d'Agri, and on other installations, were completed. In Val d'Agri the advance weather warning monitoring, Cassandra Meteo Forecast³¹, was also implemented, applied not only to the continuous control of pipeline losses, but also to hydrogeological risks, the management of water discharges and the monitoring

(28) Eni Rewind is Eni's environmental company that operates in line with the principles of the circular economy to enhance industrial land, water and waste, or those derived from remediation activities, through sustainable remediation and recovery projects, both in Italy and abroad.

(29) <https://www.eni.com/assets/documents/eng/just-transition/2021/eni-e-acqua-eng.pdf>

(30) e-VPMS® is a technology for detecting vibro-acoustic variations in the structure of pipelines and in the fluid transported by the same, aimed at identifying potential spills in progress and interference from third parties. The technological update covered aspects of digitalization and remote diagnostics.

(31) Advance warning system able to support the management of oil and gas pipeline integrity and forecast possible hydrogeological risks related to natural events (flooding and landslides).

of agricultural crops. In Nigeria, where the e-vpms® system is already operational on the Kwale-Akri and Ogboinbiri-Tebidaba pipelines, the technological update programme for the e-vpms® system began, while on the trunkline from Clough Creek to Tebidaba (52 km), installation work will continue in 2022. In the meantime, a plan was launched to extend monitoring to the production network. As part of the sustainable recovery of places that have been sabotaged, remediation work is also being carried out using a technology that makes use of plant species (phyto-remediation) and the use of these plants is also being assessed for the production of hydrogen from biomass and for the treatment of both industrial waste water and contaminated groundwater. Finally, on the R&D front, experiments continued with various technologies, including those for monitoring the integrity of pipelines and fluid storage tanks and tank interconnection piping. In addition, the development of a methodology for assessing the risks deriving from natural events, such as landslides, floods and seismic events, which may involve pipelines, has been launched. Collaborations continued with IPIECA and IOGP³² in order to strengthen the capacity to respond to marine pollution, both through the updating and dissemination of Good Practices on Oil Spill Preparedness & Response and in the context of the regional initiative Global Initiative for West, Central and Southern Africa³³, in 2021 some information events were held to increase and raise awareness among stakeholders on the preparedness and response to emergencies, also with the participation of staff from the foreign branches. Finally, asset monitoring continued within the framework of the OSPRI - Oil Spill Preparedness Regional Initiative³⁴, in the Caspian Sea, Black Sea and Central Eurasia regions.

Eni's commitment to Biodiversity and Ecosystem Services (BES) is an integral part of the Integrated HSE Management System, confirming its awareness of the risks for the natural environment resulting from its sites and activities. Operating on a global scale in environmental contexts with different ecological sensitivities and regulatory systems, Eni has adopted a specific BES management model that has evolved over time thanks also to long-term collaborations with recognized international organizations that are leaders in biodiversity conservation. The BES management model is aligned with the strategic objectives of the Convention on Biological Diversity (CBD) and ensures that the interactions between environmental aspects (such as BES, climate change, water management) and social aspects (such as the sustainable development of local communities) are

identified and managed correctly from the early planning stages. Through the application of the Mitigation Hierarchy, Eni gives priority to preventive measures over corrective ones with the primary objective of no net loss of biodiversity. The active involvement of stakeholders is fundamental for the implementation and continuous improvement in the management of the BES issue and ensures the effective application of the Mitigation Hierarchy. Consultation and collaboration with local communities, indigenous peoples and other local stakeholders helps to understand their expectations and concerns, determine how ecosystem services and biodiversity are being used, and identify management options that include their needs. The involvement of key stakeholders is an inclusive and transparent process that takes place from the early stages of a project and continues throughout its life cycle. Eni biodiversity risk exposure is periodically assessed by mapping the geographical proximity to protected areas and areas important for biodiversity conservation. This mapping allows identifying priority sites where to take action with higher resolution inquiries to characterize the operational and environmental context and assess potential impacts to be mitigated through Action Plans, thus ensuring effective management of risk exposure. Moreover, since 2019, Eni has committed not to conduct oil and gas exploration and development activities within the boundaries of Natural Sites included in the UNESCO World Heritage List. This commitment confirms the Biodiversity and Ecosystem Services Policy that Eni has been following for a long time in its operations, in line with the corporate mission, and reaffirms both its approach to nature conservation in every area with a high biodiversity value and the spread of good management practices in joint ventures where Eni is not operator. In 2020, Eni adhered to the "Together with Nature" principles, committing, in addition to recognizing the close link between climate change and biodiversity loss, to minimizing risks and maximizing efforts to protect and conserve existing ecosystems through the application of Nature-based Solutions, based on rigorous ecological principles.

PERFORMANCE METRICS AND COMMENTS

In 2021, seawater withdrawals were overall down 4%, due to the significant decrease recorded at the R&MeC sector (-188 Mm³) for the maintenance shutdown at the Brindisi petrochemical plant and due to the end of the functionality tests on the seawater network that in 2020 had led to an

(32) IPIECA - Association of sustainability on environmental and social issues in the Oil & Gas sector; IOGP - Association of upstream Oil & Gas producers for sharing best practices on sustainability issues.

(33) Collaboration between the International Maritime Organization (IMO) and IPIECA to improve the capacity of partner Countries to prepare for and respond to marine oil spills.

(34) Founded by a group of oil and gas companies, including Eni, it aims to encourage and support industry and governments in adopting proven, credible, integrated and sustainable oil spill response capabilities at national, regional and international levels.

increase in the related withdrawals. Freshwater withdrawals, accounting for about 7% of total water withdrawals and over 73% attributable to the R&MeC sector, increased by 10%. The trend is mainly attributable to the petrochemical plant in Mantua (+7 Mm³) where the withdrawals returned to normal after the minimum of 2020 linked to the stress tests carried out on site to verify which could be, in favourable conditions, the minimum consumption of the plant. Eni's freshwater reuse rate in 2021 remained stable at 91%. The E&P sector's produced water re-injection rate increased to 58% (53% in 2020), thanks to the complete resumption of re-injection activities in Congo (Loango and Zatchi) and Libya (Abu-Attifel and El Feel). Analysis of the stress level of hydrographic basins⁽³⁵⁾ and further studies carried out locally shows that freshwater withdrawals from areas under stress account for 1.5% of Eni total water withdrawals in 2021 (data unchanged compared to 2020). In 2021, in particular, Eni withdrew 125 Mm³ of freshwater, of which 25.9 Mm³ from water-stressed areas (11.9 Mm³ from superficial water bodies, 6.1 Mm³ from groundwater, 2.6 Mm³ from third parties, 3.5 Mm³ from urban net and 1.8 Mm³ from TAF). Onshore produced water in water-stressed areas was 22.7 Mm³. In 2021, Eni discharged 94 Mm³ of freshwater, of which 19 Mm³ in water-stressed areas, equal to 20% as in 2020. In 2021 Eni's freshwater consumption was 40 Mm³ (of which 12 Mm³ in water-stressed areas).

Spilled barrels following operational **oil spills** increased by 41% compared to 2020 due to a spill of almost 900 barrels at the Gela Refinery, due to an error during oil transfer operations from tanks to ships (more than half of the barrels have already been recovered). 73% of the barrels spilled are attributable to activities in Italy, 15% to Nigeria. Overall, 51% of the operational oil spill volumes were recovered. With regard to sabotage events, in 2021 there was an increase in events (+13% compared to 2020), but almost half of the barrels spilled (-48% compared to the previous year). All the sabotage events took place in Nigeria, where the quantities spilled decreased by 31% compared to the previous year and 83% of the volumes were recovered.

Volumes spilled as a result of chemical spills (68 total barrels) are mainly attributable to Versalis' activities, in particular for an event that occurred at the Grangemouth plant with a loss of 55 barrels. In 2021, volumes spilled from operating spills impacted 97% soil and 3% water bodies, while those from sabotage impacted 99.8% soil and 0.2% water bodies.

Waste generated by Eni from production activities in 2021

increased by 19% compared to 2020, due to the growing contribution of both non-hazardous waste (equal to 78% of the total) and hazardous waste. The increase is mainly linked to the E&P sector (which accounts for over 88% of Eni waste), where a total of over 334,000 tonnes more were generated compared to 2020, in line with the progressive resumption of activities after the COVID-19 emergency. In the E&P sector, drilling activities in Egypt, the USA, Vietnam, Mexico and Norway also had an impact. Plenitude & Power and R&MeC also contributed to the growing trend of non-hazardous waste, in particular the EniPower plant in Ravenna (construction of new temporary waste storage and start of piling-foundations of the new boiler) and the Taranto refinery (progress of the Tempa Rossa project). In 2021, recovered and recycled waste increased by 15% compared to 2020, representing 11% of the total waste disposed⁽³⁶⁾, for the growing contributions of both hazardous and non-hazardous waste in the E&P and R&MeC sectors. In 2021, a total of 4.2 million tons of waste were generated by remediation activities (of which 3.9 million from Eni Rewind), consisting of over 89% of groundwater treated by TAF plants, partly reused and partly returned to the environment; the remaining volumes are handled and transferred to third-party plants. Expenditure on remediation activities amounted to €452 million.

Emissions of pollutants into the atmosphere increased, with the exception of emissions of nitrogen oxides (NOx), which decreased by 6% compared to the previous year, thanks to the decrease in consumption of internal combustion engines recorded in some operating entities of the E&P sector. The increase in emissions of sulphur oxides (SOx) and volatile organic compounds (NMVOC) are also mainly attributable to the E&P sector: in particular, the increase in SOx is due to the increase in the H₂S content in the gas sent for flaring in KPO, while the increase in NMVOC is linked to the increase in non-routine flaring recorded in NAOC due to problems with the compressors.

In 2021, Eni updated the assessment of exposure to **biodiversity** risk to the concessions under development or exploitation in the upstream sector and the operational sites of the other Business Lines, in order to identify where Eni activities fall, even only partially, within protected areas⁽³⁷⁾ or key biodiversity sites (KBA⁽³⁸⁾). Compared to last year, the analysis was also extended to wind and solar plants in Italy and abroad, and to the recent acquisitions of biomethane production plants in Italy. The analysis of the mapping of operational sites

(35) Water-stressed areas: areas with a Baseline Water Stress value over 40%. The indicator, defined by the World Resources Institute (WRI www.wri.org), measures the exploitation of freshwater sources and indicates a stressful situation if withdrawals from a given river basin are greater than 40% of its renewable supply.

(36) Specifically, in 2021, 9% of the hazardous waste disposed of by Eni was recovered/recycled, 2% was subjected to chemical/physical/biological treatment, 38% was incinerated, 1% was disposed of in landfill, while the remaining 50% was sent to other types of disposal (including transfer to temporary storage plants prior to final disposal). With regard to non-hazardous waste, 12% was recovered/recycled, 4% was disposed of in landfill, while the remaining 84% was sent to other types of disposal (including transfer to temporary storage plants prior to final disposal and incineration of a small quantity).

(37) World Database of Protected Areas.

(38) World Database of Key Biodiversity Areas. KBAs (Key Biodiversity Areas) are sites that contribute significantly to the global persistence of biodiversity, on land, in freshwater or in the seas. These are identified through national processes by local stakeholders using a set of globally agreed scientific criteria. The KBAs analysed consist of two subsets: 1) Important Bird and Biodiversity Areas; 2) Alliance for Zero Extinction Sites.

showed that there is overlap, even partial, with protected areas or KBAs at 22 sites, all located in Italy with the exception of two sites in Spain and one in France; another 45 sites in 10 countries (Italy, Australia, Austria, France, Germany, United Kingdom, Spain, Switzerland, Tunisia, Hungary) border with protected areas or KBAs, i.e. located at a distance of less than 1 km. As regards the Upstream sector, 73 concessions overlap partially with protected areas or KBAs, 30 of which located in 6 countries (Italy, Nigeria, Pakistan, United States/Alaska, Egypt and United Kingdom), have operations in the overlapping area. In general, for all the Business Lines, the greatest exposure in Italy and Europe is to the protected areas of the Natura 2000³⁹

Network, which is widespread across Europe; this exposure is more accentuated than last year as a result of the new acquisitions of the Eni New Energy company in the renewable and biomethane production plants sector. On the other hand, in the upstream sector there was a decrease in exposure to protected areas and KBAs mainly due to modifications (reduction in boundaries) of the concessions in Italy. In no case, in Italy or abroad, there is an overlapping of operational activities with natural sites belonging to the UNESCO World Heritage (WHS⁴⁰); only one upstream⁴¹ site is located near a WHS natural site (Mount Etna) but there are no operational activities within the protected area.

(39) Natura 2000 is the main tool of European Union policy for biodiversity conservation. It is a network of environmental habitats throughout the territory of the European Union, set up pursuant to Directive 79/409/EEC of April 2nd, 1979 on conservation of wild birds and Directive 92/43/EEC "Habitat".

(40) WHS, World Heritage Site.

(41) Moreover, although it is not included among the consolidated entities, the Zubair field (Iraq) is located near the Ahwar site classified as a mixed WHS site (natural and cultural). In this case too, no operational infrastructure or activity falls within this protected area.

KEY PERFORMANCE INDICATORS

		2021		2020	2019
		Total	of which fully consolidated entities	Total	Total
Total water withdrawals ^(a)	(million m ³)	1,673	1,627	1,723	1,597
of which: sea water		1,533	1,515	1,599	1,451
of which: freshwater		125	110	113	128
of which: from superficial water bodies		82	72	71	90
of which: from subsoil		23	20	21	20
of which: from urban net or tanker		7	6	7	8
of which: polluted groundwater treated at TAF ^(b) plants and used in the production cycle		6	5	4	3
of which: third-party water ^(c)		7	7	10	6
of which: withdrawal from other streams ^(d)		0	0	0	1
of which brackish water from subsoil or superficial water bodies		15	2	11	18
Total water withdrawals from area with water stress		25.9	21.5	26.5	-
Fresh water reused	(%)	91	92	91	89
Re-injected production water		58	37	53	58
Total water discharge ^(e)	(million m ³)	1,436	1,434	1,583	1,432
of which: into the sea		1,354	1,354	1,501	1,334
of which: in superficial water bodies		69	69	67	79
of which: in sewerage		11	9	11	14
of which: given to third-party ^(f)		3	3	4	5
Fresh water discharge in area with water stress		19	18.7	18.3	-
Operational oil spills ^(g)					
Total number of oil spills (> 1 barrel)	(number)	36	31	46	67
Volumes of oil spills (> 1 barrel)	(barrels)	1,355	1,308	958	1,033
Oil spills due to sabotage (including thefts) ^(g)					
Total number of oil spills (> 1 barrel)	(number)	124	124	110	140
Volumes of oil spills (> 1 barrel)	(barrels)	3,051	3,051	5,866	6,232
Chemical spills					
Total number of chemical spills	(number)	20	20	24	21
Volumes of chemical spills	(barrels)	68	68	3	4
Total waste from production activities	(million of tonnes)	2.1	1.8	1.8	2.2
of which: hazardous waste		0.5	0.4	0.4	0.5
of which: non-hazardous waste		1.6	1.4	1.4	1.7
NOx (nitrogen oxides) emissions	(ktonnes NO ₂ eq.)	48.8	30.1	51.7	52.0
SOx (sulphur oxides) emissions	(ktonnes SO ₂ eq.)	18.5	5.3	15.3	15.2
NM VOC (Non Methan Volatile Organic Compounds) emissions	(ktonnes)	24	12.7	21.4	24.1
TSP (Total Suspended Particulate) emissions		1.4	0.7	1.3	1.4

(a) In addition, it is reported that production water in 2021 was 58.2 Mm³.

(b) TAF: groundwater treatment facilities.

(c) Water withdrawal from third-party are exclusively related to fresh water.

(d) With the aim to further increase the accordance with "GRI 303: Water and effluents 2018" standard used by Eni starting from this year, data related to third party water is reported separately, while in previous editions it was included in "of which freshwater withdrawal from other streams".

(e) It is reported that in 2021 re-injected and injected production water for disposal was equal to 33.5 Mm³. In addition, production water discharged into superficial water bodies and seawater or sent to evaporation basins was 21.7 Mm³. 7% of the total water discharges is fresh water.

(f) It is water given for industrial use.

(g) The data in the 2020 Non-Financial Disclosure have been updated following the closure of some investigations after publication. This circumstance could also occur for the figure 2021.

NUMBER OF PROTECTED AREAS AND KBAS OVERLAPPING WITH R&M, VERSALIS, ENIPOWER OPERATIONAL SITES AND UPSTREAM CONCESSIONS^(a)

		OPERATIONAL SITES (non Upstream)						Upstream concessions		
		Overlapping with operational sites			Adjacent to operational sites (<1km) ^(b)			With operating activities in the overlapping area		
		2021	2020	2019	2021	2020	2019	2021	2020	2019
Eni Operational sites/Concessions ^(c)	(number)	22	11	11	45	18	15	30	30	31
UNESCO World Heritage Natural Sites (WHS)	(number)	0	0	0	0	0	0	0	0	0
Natura 2000		14	5	5	42	19	21	15	16	15
IUCN ^(d)		4	4	4	21	13	11	2	2	3
Ramsar ^(e)		0	0	0	3	3	3	2	3	2
Other Protected Areas		5	2	2	8	8	3	10	11	12
KBAs		9	5	6	15	8	11	9	12	13

(a) The reporting boundary, in addition to fully consolidated entities, includes also 4 upstream concessions belonging to operated companies in Egypt and 1 coastal deposit of R&M belonging to an operated Company as well. For this analysis, the upstream concessions as of June 30 of the reporting year are considered.

(b) The relevant areas for biodiversity and the operational sites do not overlap but are at distance of less than 1 km.

(c) Eni's operational site/concession may result in overlapping/adjacent to more protected areas or KBAs.

(d) Protected areas with an assigned IUCN (International Union for Conservation of Nature) management category.

(e) List of wetlands of international importance identified by the Countries that signed the Ramsar Convention in Iran in 1971 and which aims to ensure the sustainable development and conservation of biodiversity in these areas.

Human rights



Eni is committed to conducting its activities with respect for human rights and expects its Business Partners to do the same in carrying out the assigned activities or those done in collaboration with and/or on behalf of Eni. This commitment, based on the dignity of each human being and on the responsibility of the Company to contribute to the well-being of individuals and communities in the Countries in which it operates, is set out in the Eni's Statement on Respect for Human Rights approved in December 2018 by Eni's Board of Directors (BoD). The document highlights the priority areas on which this commitment is focused and on which Eni exercises in-depth due diligence, according to an approach developed in line with the United Nations Guiding Principles on Business and Human Rights (UNGPs)⁽⁴²⁾ and pursuing continuous improvement. These aspects are described within a dedicated report, Eni for Human Rights⁽⁴³⁾, published annually since 2019, which provides a full representation of the management model adopted by Eni on the issue and the activities carried out in recent years, using the UNGP Reporting Framework to report commitments and results. Human rights are one of the areas in which Eni's Sustainability and Scenarios Committee (SSC) performs consultative and advisory functions for the BoD. Also in 2021, the SSC investigated the activities carried out during the year, including the risk-based management model adopted by Eni and the Slavery and Human Trafficking Statement approved by the BoD in April 2021.

In 2021, Eni further strengthened the process of awarding management incentives linked to human rights performance, assigning specific objectives to all managers reporting directly to the CEO and other management levels. With regard to training, following on with the internal human rights awareness process launched in 2016 with an engagement workshop held by the CEO, also in 2021 specific e-learning courses were provided to the functions most involved, in order to create a common and shared language and culture throughout the Company and to improve the understanding of the possible impacts of the business on human rights. In particular, a general training module was developed for all staff and in-depth courses were built on topics of interest to individual activities/professional families.

Eni's commitment, the management model and the activities carried out on human rights focus on the issues considered most significant for the company – as also requested by the UNGP – in light of the business activities conducted and the contexts in which the company operates. 13 "salient human rights issues" are identified by Eni, grouped into 4 categories: human rights (i) in the workplace; (ii) in the communities hosting Eni activities; (iii) in business relations (with suppliers, contractors and other business partners) and (iv) in security services.

In 2020, an evaluation model was established for monitoring **human rights in the workplace**.

This is a "risk-based" model, which segments Eni

(42) UN Guiding Principles on Business and Human Rights (UNGPs).

(43) See: <https://www.eni.com/assets/documents/eni-report-human-rights.pdf>

subsidiaries according to specific quantitative and qualitative parameters aimed at outlining the issues and risks to the country/operating context that are linked to the human resources management process, including contrasting all forms of discrimination, gender equality, working conditions, freedom of association and collective bargaining. This approach identifies possible risk areas or improvements, requiring specific actions to be defined and monitored over time. During 2021, the model was extended to all subsidiaries of the upstream business, expanding the assessment of human rights monitoring in the workplace.

Eni is committed to preventing possible negative impacts on the **human rights of individuals and host communities resulting from the implementation of industrial projects**.

To this end, in 2018, Eni adopted a risk-based model that uses elements related to the operating context, such as risk indices of the data provider Verisk Maplecroft, and project characteristics, in order to classify upstream business projects according to potential human rights risks and to identify appropriate management measures. Higher-risk projects are specifically investigated through a "Human Rights Impact Assessment" (HRIA) or a "Human Rights Risk Analysis" (HRRRA) – the latter carried out according to a desk-based analysis methodology developed in 2021 – to identify measures to prevent potential impacts on human rights and manage the existing ones. In 2021, these analysis were conducted for the seismic acquisition projects planned in Cabinda Centro in Angola; on Block 47 in Oman; on the Dumre block in Albania; on Area C of the Sharjah Emirate (UAE). A number of recommendations have been identified for each project to mitigate the potential negative impacts, set out in Action Plans to be implemented in 2022. Again with regard to industrial projects, in 2021 an in-depth study was conducted on decommissioning activities, to develop a methodology for analysing the potential impacts on human rights in this phase and which will be consolidated over the next two years. In some Countries, such as Norway, Australia and Alaska, Eni operates in areas where indigenous peoples are present, towards which it has adopted specific policies to protect their rights, culture and traditions and to promote their free, prior and informed consultation. The most recent of these Policies, referring to the indigenous populations in Alaska⁴⁴ affected by the business activities carried out by the Eni US Operating company in the area, was adopted in 2020 and renewed in 2021.

Respect for human rights in the **supply chain** is an essential requirement for Eni and is ensured through the adoption of transparent, impartial, consistent and non-discriminatory

conduct in the selection of suppliers, the evaluation of offers and the verification of contractual activities (see chapter "Suppliers"). Companies that collaborate with Eni must share, by signing the Code of Conduct, principles of social responsibility which, inter alia, include the following protection of human rights. Suppliers, candidates for the qualification and/or procurement procedures, are responsible for fulfilling specific requirements, consistent with the SA8000 international standards. In the procurement process, the assessment model and oversight of the respect for human rights⁴⁵, based on a risk-based assessment, segments qualified suppliers according to a potential risk of human rights violations in consideration of Country and product risk level⁴⁶. High-risk activities are both industrial activities, such as maintenance, construction, assembly, logistics, and general goods and services, such as cleaning services, catering, security services and property management. The countries with the highest number of suppliers at risk are Nigeria, Congo and Mozambique, for a total of 1,266 high-risk suppliers and 1,214 medium/high-risk suppliers. Based on the model, all suppliers are periodically subject to due diligence, tender evaluation, performance feedback and periodic updates with dedicated questionnaires, towards direct suppliers and sub-suppliers. In line with the risk-based approach, in addition to the social responsibility checks carried out on all suppliers (over 6,000) subjected to the qualification process, including updates, as well as the evaluations carried out during the tender, contractual feedback, in 2021 in-depth studies were carried out on 24 relevant suppliers in terms of contractual value, also through surveys during the contract execution phase, plus a further 11 audits inspired by the SA8000 principles on direct contractors and subcontractors, planned following red flags relating to the timely payment of wages and recognition of overtime, without recording any critical issues. To promote knowledge of human rights safeguards, training programmes were organized via webinars, which involved all the resources of the professional procurement family, in Italy and abroad. Human rights clauses in contractual standards have also been strengthened. Further actions to counteract forms of modern slavery and human trafficking and to prevent the exploitation of minerals associated with human rights violations in the supply chain are discussed respectively in the "Slavery and Human Trafficking Statement"⁴⁷ and the "Position on Conflict Minerals"⁴⁸. The Position on Conflict Minerals describes the policies and systems for the procurement of "conflict minerals" (tantalum, tin, tungsten and gold) by Eni, with the aim of minimising the

(44) See: https://www.eni.com/assets/documents/Indigenous%20Peoples%20Policy%201DEC2020_final.pdf

(45) In 2021, an Operating Instruction was issued for the Procurement professional area in order to strengthen the oversight on the subject.

(46) Based on vulnerabilities and probabilities related to specific conditions such as the level of training and skills needed, the level of work intensity, the use of manpower agencies, HSE risks.

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

(48) Compliance with the US SEC regulations.

risk that the procurement of these minerals may contribute to financing, directly or indirectly, human rights violations in the countries concerned. Eni manages its **security operations** in accordance with international principles, including the Voluntary Principles on Security & Human Rights, adhered to by Eni in 2020 as an "Engaged Corporate Participant". The VPI is a multi-stakeholder initiative dedicated to respect of human rights in the management of Security operations that involves governments, companies and NGOs. In February 2021, Eni prepared its first Annual Report and in May it gave a Verification Presentation to the Secretariat of the Voluntary Principles in which companies, NGOs and Governments took part. On this occasion, Eni was able to illustrate the activities carried out in terms of Voluntary Principles on Security & Human Rights in the first year after joining the VPI. As a result, Eni launched the Implementation Plan, drawn up by the Steering Committee and received by the VPI Secretariat, containing a series of requested actions aimed at implementing Eni's activities in the protection of Human Rights. In addition, in 2021 Eni updated the "Human Rights due diligence" model, launched in 2020 and aimed at identifying the risk of negative impact on human rights of security activities and evaluating the use of possible preventive and/or mitigation measures. In this regard, a new indicator was introduced, relating to the risk of involving the Business in the violation of Human Rights by public and/or private Security Forces. Based on the results of the application of the model, the "Security & Human Rights" Action Plan was drawn up which, with reference to the first 10 countries resulting from the risk-based model, provided for: (i) sampling of existing surveillance contracts, in order to verify the presence or absence of human rights clauses in them; (ii) verification of the allocation/use of security-related goods and services made available to public and private security forces. Eni's commitment to the dissemination of the principles of human rights protection includes the creation of the training and information workshop on "Security & Human Rights" held in Mexico in November 2021.

Moreover, since 2006, Eni has adopted an internal procedure, updated over time and most recently in 2020, also included in the Anti-Corruption Regulatory Instruments, which regulates the process for receiving, analyzing and processing whistleblowing reports, also related to human rights, that are sent by or transmitted from anyone, stakeholders, Eni's People or other third parties, even if sent anonymously or in confidence.

In April 2021, also on the input of Eni SpA's Watch Structure, a multidisciplinary Working Group was established, to promptly respond to the provisions of Convention no. 190 of the International Labour Organization on the elimination of violence and harassment in the workplace (ratified by Italy on January 4, 2021). Eni wanted to move forward on

an issue of central importance, using Convention no. 190 as a starting point, which provides for a series of obligations for companies to prevent violence and harassment at work. To this end, on December 21, 2021, Annex E "Eni against violence and harassment at work" was issued to the "Internal Control and Risk Management System" MSG. Finally, in line with the principles of "responsible contracting" suggested by the best practices and international guidelines on Business & Human Rights, Eni has prepared a series of standard clauses on human rights compliance to be included on the basis of a risk-based approach in the main Eni contractual cases, and provides support to the business for their definition and negotiation.

PERFORMANCE METRICS AND COMMENTS

Mandatory training for senior managers and middle managers (Italy and abroad) of the 4 specific modules continued in 2021: "Security and Human Rights", "Human Rights and relations with Communities", "Human Rights in the Workplace" and "Human rights in the Supply Chain". In addition, the provision of sustainability and human rights courses to the entire Eni population continued: the reduction in hours of training on human rights is linked to the scheduling of training activities over several years. However, the overall percentage of users of the course increased to 94.2% (vs. 92% in 2020).

As regards the Security professional area, in 2021 the percentage of personnel trained in human rights stood at 90%. The percentage of Security Personnel who have received training on human rights reflects the qualitative/quantitative turnover of incoming and outgoing resources from the Professional Area year on year.

In addition, since 2009 Eni has been conducting a training programme for public and private security forces at its subsidiaries, which was recognized as a best practice in the 2013 joint publication by the Global Compact and the Principles for Responsible Investment (PRI) of the United Nations. In 2021, the training session was held in Mexico and was attended in class by 88 representatives of the security forces. The event was attended, in class or remotely, by 116 other people, including Eni's management and employees, belonging to other oil companies and NGOs.

In 2021, two "Human Rights Impact Assessments" (HRIAs) were conducted in Angola and Albania and two "Human Rights Risk Analyses" (HRRAs) in Oman and the Emirate of Sharjah (UAE). Furthermore, the implementation of the actions provided for in the Action Plans relating to human rights impact analyses, carried out during 2019 and 2018 on the development of Area 1 in Mexico and on the development of Area 4 in Mozambique, continued. All HRIA reports conducted up to 2020 and the related Action Plans adopted, including

periodic reports on the progress of the Plans, are publicly available on the Eni website⁽⁴⁹⁾.

With regard to whistleblowing reports, in 2021 investigations were completed on 74 files⁽⁵⁰⁾, of which 30⁽⁵¹⁾ included human rights aspects, mainly concerning potential impacts on workers' rights and occupational health and safety. Among these, 40 assertions⁽⁵¹⁾ were verified; for 5 of these, the reported facts were confirmed, even partially, and corrective actions were taken to mitigate and/or minimise their impacts. In

particular, the following were undertaken: (i) actions on the Internal Control and Risk Management System, relating to the implementation and strengthening of controls in place; (ii) actions against suppliers and (iii) actions against employees, including disciplinary measures, in accordance with the collective labour agreement and other applicable national laws. At the end of the year, 15 files were still open, 5 of which referred to human rights aspects, mainly concerning potential impacts on workers' rights.

KEY PERFORMANCE INDICATORS

		2021	2020	2019
Human rights training hours	(number)	23,893	33,112	25,845
In class		0	260	108
Distance		23,893	32,852	25,737
Employees trained on human rights ^(a)	(%)	94	92	97
Security personnel trained on human rights ^(b)	(number)	88	32	696
Security personnel (professional area) trained on human rights ^(c)	(%)	90	91	92
Security contracts containing clauses on human rights		98	97	97
Whistleblowing files (assertions) ^(d) on human rights violations closed during the year	(number)	30 (40)	25 (28)	20 (26)
Founded assertions		2	11	7
Partially founded assertions		3		
Unfounded assertions, with the adoption of corrective/improvement measures		7	9	8
Unfounded ^(e) /Not ascertainable ^(f) /Not applicable ^(g) assertions		28	8	11

(a) This percentage is calculated as the ratio between the number of registered employees who have completed a course and the total number of registered employees.

(b) The variations of the KPI Security personnel trained on human rights, in some cases even significant from one year and the next, are related to the different characteristics of the training projects and to the operating contingencies.

(c) This data is a cumulative percentage value. From 2020, the data is calculated considering only Eni's employees, unlike the 2019 figure which also includes contractors. The Security Forces include both private security personnel who work contractually for Eni, and personnel of the Public Security Forces, whether military or civilian, who carry out, also indirectly, security activities and/or operations to protect Eni's people and assets.

(d) As of October 1st, 2021, a different classification of the results of the Files has been defined, ranging from 4 ("Founded", "Unfounded with Actions", "Unfounded" and "Not Applicable") to 5 categories ("Founded", "Partially Founded", "Unfounded", "Not Ascertainable" and "Not Applicable").

(e) Of which 1 relating to subsidiaries not consolidated with the integral method.

(f) Assertions that do not contain detailed, precise and/or sufficiently detailed elements and/or, for which on the basis of the investigative tools available, it is not possible to confirm or exclude the validity of the facts reported therein.

(g) Of which 1 relating to subsidiaries not consolidated with the integral method. Classified as such are the assertions in which the reported facts coincide with the subject of pre-litigation, disputes and investigation in progress by public authorities (for example, judicial, ordinary and special authorities, administrative bodies and independent authorities assigned to monitoring and control). The assessment is carried out after obtaining the opinion of the Legal Affairs function or other relevant functions.

(49) <https://www.eni.com/en-IT/just-transition/respect-for-human-rights.html>.

(50) Whistleblowing report: is a document summarizing the investigations carried out regarding the Whistleblowing Report(s) (which may contain one or more detailed and verifiable assertions) and that contains a summary of the investigation carried out regarding the facts of the Whistleblowing Report, the result of the investigations carried out and any action plans that were identified.

(51) Of which 2 relating to subsidiaries not fully consolidated.

Suppliers



Eni has developed a procurement model, from the selection and qualification of suppliers to tender procedures, which combines economic-financial sustainability with social and environmental sustainability, with the aim of promoting the generation of shared and lasting value at the supply chain, thanks to an active participation in the energy transition. Eni meets this commitment by promoting its own values with its suppliers, involving them in development initiatives and including them in risk prevention activities. To this end, as part of the sustainable procurement process, Eni: (i) periodically subjects all suppliers to qualification and due diligence processes to verify their ethical, economic, technical-operational reliability and supervision in the areas of health, safety, the environment, cyber security and human rights, to minimise the risks along the supply chain; (ii) requires all suppliers to sign the Supplier Code of Conduct as a mutual commitment to recognise and protect the value of all their people, to commit to tackling climate change and its effects, to operate with integrity, protect company resources, promoting the adoption of these principles by their people and their supply chain; (iii) monitors compliance with these commitments with periodic checks to ensure that suppliers maintain their qualification and tender requirements over time. To this end, both environmental⁵² and social⁵³ issues are assessed throughout the procurement process, consistent with a fair and sustainable approach to energy transition and in line with the time and investment required to design and implement new technologies and solutions; (iv) if critical issues emerge, requires the implementation of improvement actions or, if they do not meet the minimum standards of acceptability where applicable, limits or inhibits supplier invitations to tender.

To promote the sustainable supply chain development, in 2021 Eni further strengthened the initiatives aimed at involving suppliers in the fair and sustainable energy transition path, enhancing the aspects of environmental protection, economic development and social growth thanks to tools and initiatives for the development of a sustainable supply chain. The Programme (JUST – join us in sustainable transition) has made it possible to: (i) define a systemic path through the launch of the Open-es platform that already has more than 3,000 companies, of which almost 2,500 belong to the Eni supply chain. This platform provides industrial supply chains with concrete tools to improve their ESG performance, based on the Stakeholder Capitalism Metrics, the metrics defined by the World Economic Forum (WEF). Participation in the initiative is an essential requirement for evaluating and enhancing the commitment made by each of Eni's suppliers in pursuing an equitable path of sustainable development, with the aim of involving the entire supply chain;

(ii) deepen knowledge through workshops on ESG issues, involving 350 qualified suppliers from a dozen different product sectors, to share sustainability objectives.

Once the challenges that characterize the specific sector have been identified, targets and action plans are defined to be monitored over time. Moments of training and engagement on digital issues were also organized, with particular focus on cyber security, targeting about 1,000 suppliers and on CO₂ measurement methods and drafting of the sustainability report; (iii) strengthen the procedural framework through the inclusion of cyber security safeguards, in qualification and tender procedures, and sustainability in the standard tender and contractual documentation; (iv) support the supply chain from a financial point of view to reward the commitment in the energy transition and promote the creation of sustainable business models with the launch of the "Basket Bond - Sustainable Energy" Programme, an innovative financing tool dedicated to Eni's direct and indirect suppliers and the entire energy chain. In addition, specific clauses have been included providing for the possibility of using factoring services at advantageous conditions in the Request for Offer standards; (v) enhance the commitment and encourage the adoption of best practices by suppliers through the adoption of sustainability criteria and rewarding mechanisms in the evaluation of offers of over 280 procedures for approximately €2.5 billion in value. In addition, specific contractual clauses were introduced to monitor progress over time with respect to the improvement plans that emerged during the qualification phase or participation in the tender.

PERFORMANCE METRICS AND COMMENTS

During 2021, 6,318⁵⁴ suppliers were subject to checks and assessments with reference to environmental and social sustainability aspects (including health, safety, environment, human rights, anti-corruption and compliance). Potential critical issues and/or areas for improvement were identified for 8% (487) of the suppliers audited. The critical issues mainly refer to shortcomings in compliance with health and safety regulations and the principles established by the Code of Conduct and the Code of Ethics. The total number of suppliers involved decreased compared to 2020, the year in which the critical issues recorded concerned the numerous foreign branches of international suppliers. For the same reason, there was a reduction in the number of suppliers with whom relations were interrupted (34), due to a negative evaluation during the qualification phase or due to suspension or revocation of the qualification.

(52) Tender procedures have introduced rewarding requirements such as energy efficiency, use of energy produced from renewable sources, sustainability certifications, vehicle fleet, use of recycled material, waste disposal methods, etc.

(53) In order to incentivize the vendor, for example, to ensure gender parity in the teams, maintenance of employment levels, etc.

(54) It also includes all new suppliers.

KEY PERFORMANCE INDICATORS

		2021	2020	2019
Suppliers subject to assessment on social responsibility aspects	(number)	6,318	5,655	5,906
of which: suppliers with criticalities/areas for improvement		487	828	898
of which: suppliers with whom Eni has terminated the relations		34	124	96
New suppliers assessed using social criteria	(%)	100	100	100

Transparency, anti-corruption and tax strategy



Demonstrating its commitment to the 10 United Nations Principles for Responsible Business, in 2020, Eni was confirmed in the Global Compact LEAD. These principles, including the repudiation of corruption, are reflected in Eni's Code of Ethics, which is distributed to all employees at the time of hiring, and in Model 231 of Eni SpA. Moreover, since 2009, Eni has designed and developed the **Anti-Corruption Compliance Program**, in compliance with the applicable provisions in force and international conventions and taking into account guidance and best practices, as well as the policies adopted by leading international organizations. It is an organic system of rules and controls to prevent corrupt practices, and is also instrumental to the prevention of the phenomenon of money laundering in the context of the non-financial activities of Eni SpA and its Subsidiaries. At regulatory level, the Anti-Corruption Compliance Program is represented by the MSG Anti-Corruption⁵⁵ and by regulatory instruments that constitute the reference framework in the identification of the activities at risk and the control tools that Eni makes available to its people to prevent and counter the risk of corruption and money laundering. All Eni's subsidiaries, in Italy and abroad, must adopt, by resolution of their BoD⁵⁶, all the anti-corruption regulatory instruments issued by Eni SpA. In addition, companies and entities in which it holds a non-controlling interest are encouraged to comply with the standards set forth in internal anti-corruption regulations by adopting and maintaining an adequate internal control system consistent with the requirements of the relevant laws. Eni's Anti-Corruption Compliance Program has evolved over the years with the aim of continuous improvement; in January 2017, Eni SpA was the first Italian Company to achieve the ISO 37001:2016 "Anti-bribery Management Systems" certification. In order to maintain this certification, Eni cyclically undergoes surveillance and recertification audits, which have always ended with a positive outcome. In addition, in order to guarantee the effectiveness of the Anti-Corruption Compliance Program, Eni, through its anti-corruption unit, supports its subsidiaries in Italy and abroad,

providing specialized assistance in the activity of assessing the reliability of potential counterparties at risk ("due diligence"), the management of any critical issues/red flags that emerge and the development of the related contractual safeguards. In particular, specific anti-corruption clauses are included in contracts with counterparties, which also provide for a commitment to view and abide by the principles contained in Eni's Anti-Corruption regulations. The relevant activities in the Anti-Corruption Compliance Program and the planning of such activities for the subsequent periods are the subject of an annual report that is an integral part of the Integrated Compliance Report and follows the relative information flows addressed to the Eni supervisory bodies. Every six months, unless extraordinary events demand a different frequency, an update of the report is also prepared on the activities carried out in the reference six-month period and any significant events that occurred during the period. Eni has also defined and implemented a structured process of Compliance risk assessment and monitoring aimed respectively at: (i) identifying, assessing and tracking the risks of corruption in the context of its business activities and for the definition and updating of the control measures provided for in the Anti-Corruption Regulatory instruments; (ii) periodically analysing the trend of the corruption risks identified, through specific controls and the analysis of risk indicators aimed at ensuring compliance with the regulatory requirements and the effectiveness of the models placed under their control. The activities at risk identified by Eni through the Compliance risk assessment, due to its operational and organizational context, include, for example: (i) contracts with Third Parties at Risk of corruption and money laundering (such as, for example, business associates, joint venture partners, brokers, counterparties in real estate management operations, commercial network operators, suppliers, credit buyers/assignees, etc.); (ii) transactions for the sale of corporate shares, companies and business units, mining rights and securities, etc. and joint venture contracts; (iii) non-profit initiatives, social

(55) The latest version of the Anti-Corruption MSG (which updates and replaces the previous version of 2014) was i) illustrated and submitted to the Eni SpA Control and Risk Committee for prior opinion and for information to the Board of Statutory Auditors and the Eni SpA Watch Structure; ii) approved by the Eni SpA Board of Directors on June 24, 2021. The Anti-Corruption MSG was published on July 19, 2021 and is available on the website <https://www.eni.com/en-IT/home.html>

(56) Or alternatively the equivalent body depending on the governance of the subsidiary.

projects and sponsorships; (iv) sale of goods and services (such as, for example, contracts with commercial customers), trading and/or shipping operations; (v) selection, hiring and management of human resources; (vi) gifts and hospitality; (vii) relations with Relevant Parties. Compliance risk assessment activities and anti-corruption Compliance Monitoring interventions are planned annually according to a risk-based approach. During 2021, the anti-corruption Compliance Risk Assessments carried out concerned the entire Anti-Corruption scope and the activity at risk "Transactions for the purchase and sale of company shares, companies and company branches, mining rights and securities, etc. and joint venture contracts". In the light of the results of these interventions, the level of risk of the scope of corruption and the adequacy of the mitigation measures put in place, identified in the previous activities carried out, were confirmed and specific requirements regarding the assessed activity at risk were also defined. In 2021, the Compliance Monitoring interventions carried out in the Anti-Corruption field concerned the activities at risk: "Joint Ventures" and "Business Associates" ("Sales channels", "Consultants" and "Other Business Associates"). The results of the audits showed a trend in the level of risk of the activities in line with that recorded during the Compliance Risk Assessment and confirmed the effectiveness of the compliance model adopted. Eni also implements an anti-corruption training programme, both through e-learning and with classroom events, general workshops and job specific training. The workshops offer an overview of the anti-corruption laws applicable to Eni, the risks that could result from their infringement for natural and legal persons and the Anti-Corruption Compliance Program adopted to address these risks. Generally, the workshops are accompanied by job specific training, or training for professional areas particularly at risk in terms of corruption. In order to optimize the identification of the recipients of the various training initiatives, a methodology has been defined for the systematic segmentation of Eni's people based on specific corruption risk drivers such as Country, qualification, and professional area. In addition, periodic information and updating activities continued through the preparation of short information briefs on compliance, including any anti-corruption issues. In addition, it should be noted that in 2020, on the occasion of their inauguration, the members of the Board of Directors of Eni SpA were shown the key elements of the Anti-Corruption Compliance Program for training purposes, also in terms of its consistency with international best practices. During 2021, the following were brought to the attention of the Board: (i) some revisions to the anti-corruption legislation, aimed at incorporating some changes to the organizational and process structure, as well as improvements gradually made to the Anti-Corruption Regulatory Tools; (ii) some

proposals for updating the Model 231 and the related sensitive activities and control standards, for the purposes of regulatory alignment and rationalisation and enhancement in the document, with a view to integrated compliance of the Eni internal control system and the various related compliance programs. As part of the anti-corruption training for third parties, Eni has launched an online training program for employees of Green-Stream BV (a company 50% owned by Eni North Africa BV and 50% by the Libyan National Oil Corporation) and for the associated businesses of Eni G&P France SA. Eni's experience in the field of anti-corruption also matures through continuous participation in international conferences, events and working groups, which represent a tool for Eni to grow and promote and disseminate its values. In this regard, in 2021, Eni actively participated in the Partnering Against Corruption Initiative (PACI) of the World Economic Forum, the O&G ABC Compliance Attorney Group (discussion group on anti-corruption issues in the Oil & Gas sector) and the B20 Italy Integrity & Compliance Task Force. As part of the integrated audit plan approved annually by the BoD, Eni carries out specific checks in order to verify the fulfilment of the Compliance Program's provisions through dedicated audits and analyses of processes and companies, identified according to the relevant Country's Risk level and the related size of business, as well as through checks on high-risk third parties, where contractually foreseen. Moreover, since 2006 Eni has issued an internal procedure, updated over time and most recently in 2020, aligned with national and international best practices as well as with the Italian law (L. 179/2017), in order to manage the process of receiving, analysing and processing whistleblowing reports received, even in confidential or anonymous form, by Eni SpA and its subsidiaries in Italy and abroad. This regulation allows employees and third parties to report facts pertaining to the Internal Control and Risk Management System that concern behaviours in violation of the Code of Ethics, any laws, regulations, provisions of authorities, internal regulations, 231 Model or compliance models for foreign subsidiaries that may cause damage or prejudice to Eni, even if only to its public image. In this regard, dedicated and easily accessible information channels have been set up and are available on eni.com.

Eni's **tax strategy**, which has been approved by the Board of Directors and is available on the Company's website⁵⁷, is based on the principles of transparency, honesty, fairness and good faith set forth in its Code of Ethics and in the "OECD Guidelines for Multinational Enterprises"⁵⁸ and has as its primary objective the payment of taxes in the various Countries in which it operates, in the knowledge that it can contribute significantly to tax revenues in those Countries, supporting local economic and social development.

(57) Please see: https://www.eni.com/assets/documents/Tax-strategy_ENG.pdf

(58) Please see: <https://www.oecd.org/daf/inv/mne/48004323.pdf>

Eni has designed and implemented a Tax Control Framework for which Eni's CFO is responsible, structured in a three-step business process: (i) assessment of tax risk (Risk Assessment); (ii) identification and establishment of controls to monitor risks; (iii) verification of the effectiveness of controls and related information flows (Reporting). As part of its tax and litigation activities risk management, Eni adopts prior communication with the tax authorities and maintains relations based on transparency, dialogue and cooperation, participating, where appropriate, in projects of enhanced cooperation (Co-operative Compliance). True to the commitment to better governance and greater transparency in the extraction sector, which is crucial to foster responsible use of resources and prevent corruption, Eni takes part in the Extractive Industries Transparency Initiative (EITI) since 2005. In this context, Eni actively participates both at local level, through the Multi-Stakeholder Groups in the member Countries, and in the Board's initiatives at international level. In accordance with Italian Law no. 208/2015, Eni prepares the "Country-by-Country Report" required by Action 13 of the "Base erosion and profit shifting - BEPS" project, promoted by the OECD with the sponsorship of the G-20, whose objective is to have the profits of multinational companies declared in the jurisdictions where the economic activities that generate them are carried out, in proportion to the value generated. With a view to fostering fiscal transparency for the benefit of all interested stakeholders, this report is published voluntarily by Eni, although there are no regulatory obligations in this regard⁵⁹. The publication of this report has been recognized as best practice by the EITI⁶⁰. Also in line with its support for the EITI, Eni has published a public position on contract transparency in which governments are encouraged to comply with the new requirement on contracts publication and it is expressed the support to the mechanisms and initiatives that will be launched by Countries to promote transparency in this area.

Finally, anticipating by two years the reporting requirements on transparency of payments to States in the exercise of extraction activities introduced by the EU Directive 2013/34 EU (Accounting Directive), Eni had begun in 2015 to provide disclosure on a voluntary basis of a series of summary data on cash flows paid to States in which it conducts hydrocarbon exploration and production activities.

PERFORMANCE METRICS AND COMMENTS

In 2021 the anti-corruption checks, based on the Anti-Corruption Compliance Program's provisions, have been performed in 20 audits, carried out in 9 countries, moreover 22 supervisory activities were carried out on the 231/ Compliance Models of the Italian/foreign subsidiaries. As in 2020, the ascertained cases of corruption⁶¹ relating to Eni Spa amounted to 0. For the proceedings in progress, ongoing proceedings see the section "Legal Proceedings" on page 288. In 2021, due to the emergency related to COVID-19, planned classroom training events were conducted in distance mode. In addition, in 2021, the online training continued on anti-corruption issues according to the risk-based methodology started in 2019, aimed at the entire corporate population. Regarding the commitment with EITI, Eni follows the activities conducted at international level and contributes annually to preparation of the Reports in member Countries; additionally, as a member, Eni takes part in the activities of the Multi Stakeholder Groups in Congo, Ghana, Timor Est, and the United Kingdom. In Kazakhstan, Indonesia, Mozambique, Nigeria and Mexico, Eni's subsidiaries interface with the local EITI Multi Stakeholder Groups through the industry associations present in the Countries.

KEY PERFORMANCE INDICATORS

		2021		2020	2019
		Total	of which fully consolidated entities	Total	Total
Audits covering the anti-corruption checks	(number)	20	17	31	27
E-learning for resources in medium/high corruption risk context	(number of participants)	7,800	7,672	3,388	13,886
E-learning for resources in low corruption risk context		3,088	3,079	3,769	9,461
General Workshops		1,284	1,265	904	1,237
Job specific training		702	686	568	1,108
Countries where Eni supports EITI's local Multi Stakeholder Groups	(number)	9	9	9	9

(59) For more details please see the most recent edition of Country-by-Country Report published in 2021 for the year 2020: https://www.eni.com/assets/documents/eng/reports/2020/Country-by-Country-2020_ENG.pdf

(60) EITI pointed out Eni and Shell as companies pioneering Country-by-Country reporting among Oil and Gas majors, see: <https://eiti.org/news/extractives-companies-champion-tax-transparency>

(61) Past convictions relating to criminal proceedings for domestic and/or international corruption.



ALLIANCES FOR DEVELOPMENT



One lever of Eni's business model is the promotion of local development through continuous interactions with institutions and local stakeholders to supply gas to the local market, promote access to energy, along with a wide range of interventions necessary to respond to the needs of communities. The resulting development strategies are reinforced by the launch of public-private partnerships and alliances with actors engaged in the territory, from International Organizations to development banks, from national institutions to the private sector, from universities to research centres, from cooperation bodies to civil society organizations. The added value of these collaborations allows the sharing of resources not only economically but also in terms of know-how and experience, contributes to the improvement of people's quality of life and the achievement of the Sustainable Development Goals (SDGs). Starting from the analysis of the local socio-economic context, which accompanies the various business project phases in order to ensure greater efficiency and systematicity in the decision-making approach, from the time of license acquisition to decommissioning, Eni adopts tools and methodologies consistent with the main international standards to meet the needs of local populations. These activities, defined in specific Local Development Programmes (LDPs) in line with the United Nations 2030 Agenda, the National Development Plans, the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the commitments under the Paris Agreement (Nationally Determined Contributions - NDCs), include five lines of action: (i) contribution to the socio-economic development of local communities, in accordance with national legislation and development plans, also based on the knowledge acquired. These initiatives are aimed at improving access to off-grid energy and clean cooking, economic diversification (e.g. agricultural projects, micro-credit, infrastructure interventions) and forest protection and conservation, education and vocational training, access to water and sanitation and support of health services/systems, as well as improving the health status of vulnerable groups; (ii) Local Content: generation of added value through the transfer of skills and know-how, activation of labour along the local supply chain and the implementation of development projects; (iii) Land management: optimal land management starting from the assessment of the impacts deriving from the acquisition of land on which Eni's activities are carried out in order to find possible alternatives and mitigation measures; Eni undertakes to evaluate possible project alternatives with the aim of pursuing the well-being of local communities; (iv) Stakeholder engagement: the Company's ability to relate to stakeholders and strengthen mutual understanding and trust is a fundamental element for the definition and conduct of stakeholder dialogue

and involvement activities, as well as the best actions to be implemented to achieve sustainable development in synergy with local communities; (v) Human Rights: assessment of potential or actual impacts attributable – directly or indirectly – to Eni's activities through HRIA or HRRRA (see section "Human Rights" above), definition of the related prevention or mitigation measures, in line with the United Nations Guiding Principles (UNGPs) and promotion of human rights through the Local Development Projects mentioned above.

The definition of Local Development Programme implies the commitment of Eni in the front line on site and alongside other development players to contribute to the sustainable development of Countries. Many of the partnerships developed by Eni with International Organizations and – more generally – of development cooperation move in this direction, such as the agreements signed in 2021: in Angola with VIS for the integrated project in Cabinda, with CUAMM (College of Aspiring Missionary Doctors) for a project aimed at improving health for communities in Cunene; the agreement was also renewed with IIA (Instituto de Investigação Agronómica) and with ADPP an agreement was signed for the installation of solar panels in 4 health centres; in Mozambique with AVSI and CUAMM in response to the humanitarian emergency and with UNILURIO for the implementation of a climate change resilience project for communities in the district of Mecufi; in Kenya a cooperation agreement for the pilot installation of organic photovoltaic panels (OPV) in a school in Kwale County; in Egypt a cooperation agreement was signed for the start of the Zohr School of Applied Technology in Port Said with Elsewedi Foundation, the Ministry of Education and Technical Training, the Ministry of Oil and Mineral Resources, the government of Port Said and the Egyptian Natural Gas Holding Company; with AICS (Italian Agency for Cooperation and Development) in Mozambique to collaborate in the fields of education and technical training, food security and nutrition, health, access to energy and economic diversification, with particular reference to agriculture and in Kenya in key sectors for the development of the country such as agriculture and value chains in environment, health, training and vocational education, as well as access to energy/green energy and innovation; in Kazakhstan, a cooperation agreement with UNDP (United Nations Development Programme) for the implementation of an energy efficiency project and the installation of a solar thermal plant in a school in the Turkistan region. In the various business design phases, in line with internationally recognized standard principles/methodologies, Eni has developed: (i) analysis tools to better understand the reference context and appropriately address local development projects, such as Social Context

analysis – also based on the global Multidimensional Poverty Index (MPI) developed by UNDP (United Nations Development Programme) and Oxford University – and the Human Rights Impact Assessment (HRIA); (ii) management tools to map the relationship with stakeholders and monitor the progress of projects and the results achieved (including Stakeholder Management System - SMS, Logical Framework Approach - LFA and Monitoring, Evaluation and Learning - MEL); (iii) impact assessment tools, useful for evaluating the direct, indirect and induced benefits generated by Eni in the context of business operations and through the cooperation model, such as Eni's Local Content Evaluation - ELCE and Eni's Impact Tool⁶²; (iv) analyses to measure the percentage spent on local suppliers at some relevant foreign upstream subsidiaries, which in 2021 amounted to about 35% of the total amount spent.

PERFORMANCE METRICS AND COMMENTS

In 2021, investments for local development amounted to around €105.36⁶³ million (Eni's share), about 95% of which in the area of upstream activities. In Africa, a total of €37.1 million was spent, of which €28.8 million in the Sub-Saharan area, mainly in the area of development and maintenance of infrastructure, particularly school buildings. In Asia, around €28 million was spent, mainly on economic diversification, in particular for the development and maintenance of infrastructures. In Italy, €32.6 million was spent. Overall, approximately €39.8 million was invested in infrastructure development activities, of which €20.5 million in Asia, €14.3 million in Africa, and €5.0 million in Central and South America. Key projects implemented in 2021 include initiatives to promote: (i) access to water through the construction of a water treatment plant in Iraq; maintenance of 10 wells fed by photovoltaic systems in North-East Nigeria, the installation of seven water points in Ghana, maintenance of existing water points and awareness activities about the use of clean and drinking water in Angola; (ii) access to electricity in Libya through support to Libyan General Electricity Company (GECOL) in terms of spare parts and training; in Angola through maintenance of solar energy systems installed in schools and medical centres; activities have also been carried out to facilitate access to clean cooking in Mozambique, Ghana

and Angola through awareness campaigns and distribution of improved cooking systems; (iii) economic diversification both in the agricultural sector in Angola, Congo and Nigeria and to support local and youth entrepreneurship in Ghana and Egypt; (iv) access to education with activities for both students and trainers in Angola, Egypt, Mozambique, Ghana, Iraq and Mexico. As part of the interventions implemented in response to health needs in 2021, Eni supported 11 initiatives against the COVID-19 pandemic, in 8 foreign countries, aimed in particular at local vulnerable groups, hospitals, health institutions and ministries of health, providing: ventilators and respirators; intensive care equipment and other medical equipment; personal protective equipment. In addition, the emergency response plan included: (i) implementation of community awareness campaigns and "community engagement" actions aimed at preventing the spread of the virus; (ii) distribution of hygiene and health information and hand washing equipment; (iii) social protection and food assistance measures such as the distribution of meals for families and vulnerable groups. In addition to support to combat the pandemic, Eni has carried out 37 initiatives in 14 countries to improve the health status of the populations of partner Countries as an essential prerequisite for socio-economic development, through the strengthening of the skills of health personnel, the construction and rehabilitation of health facilities and their equipment, access to drinking water, information, education and awareness-raising on health issues among the populations involved. The total expenditure for community health initiatives in 2021 was €11.6 million, of which €3.1 million for support to local communities in the context of the COVID-19 emergency.

During 2021, 245 grievances⁶⁴ were received, 53% of which were resolved and closed. The complaints mainly concerned: management of relations with the communities, management of environmental aspects, land management, employment development.

Finally, in 2021, with the aim of assessing the potential impacts of the projects on the health of the communities involved, Eni completed 10 HIAs (Health Impact Assessment), of which 7 were integrated ESHIA preliminary studies (Environmental, Social and Health Impact Assessment) and 3 as integrated ESHIA.

KEY PERFORMANCE INDICATORS

		2021		2020	2019
		Total	of which fully consolidated entities	Total	Total
Local development investment	(€ million)	105.3	95.6	96.1	95.3
of which: infrastructure		39.8	36.6	41.8	43.4

(62) The ELCE (Eni Local Content Evaluation) Model was developed by Eni and validated by the Polytechnic of Milan to assess the direct, indirect and induced effects generated by Eni's activities at a local level in the areas in which it operates. Eni's Impact Tool is a methodology developed by Eni and validated by Polytechnic of Milan that allows assessing the social, economic and environmental impacts of its activities at local level, quantifying the generated benefits and directing investment choices for future initiatives.

(63) The data includes expenses for resettlement activities which in 2021 amounted to €5.9 million, of which: €5.8 million in Mozambique, €0.02 million in Ghana and €0.04 million in Kazakhstan.

(64) Complaints made by an individual or a group of individuals relating to actual or perceived accidents or damage or other environmental or social impacts, whether occurring, ongoing or potential, and determined by the activities of the company or by a contractor or supplier. A grievance is defined as "resolved" when the parties have agreed on a proposed resolution.

TAXONOMY

Regulation EU 852/2020 of the European Parliament and of the Council enacted in June 2020 has established the criteria for determining whether an economic activity qualifies as environmentally sustainable for the purposes of establishing the degree to which an investment is environmentally sustainable.

Based on the Regulation, an economic activity qualifies as environmentally sustainable where that economic activity:

- (a) contributes substantially to one or more of the environmental objectives of the EU (set out in article 9 of the Regulation);
- (b) does not significantly harm any of the environmental objectives;
- (c) is carried out in compliance with the minimum safeguards foreseen by the Regulation, which are procedures implemented by an undertaking that is carrying out an economic activity to ensure the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights;
- (d) complies with technical screening criteria that have been established by the Commission, which define the performance thresholds whereby an economic activity offers a substantial contribution to an environmental objective and at the same time does not hurt any of the other objectives.

The Taxonomy Regulation has established six environmental objectives:

1. Climate change mitigation;
2. Climate change adaptation;
3. The sustainable use and protection of water and marine resources;
4. The transition to a circular economy;
5. Pollution prevention and control;
6. The protection and restoration of biodiversity and ecosystems.

The technical screening criteria for each of the above-mentioned environmental objectives are established by the Commission, who adopts delegated acts based on the power conferred by the Taxonomy Regulation and subject to the conditions laid down in the Regulation itself.

A delegated act identifies the economic activities that are eligible for an environmental objective and the performance criteria to be verified so that each economic activity makes a substantial contribution and does not significantly harm any of other environmental objectives. Currently the Commission has adopted the delegated acts relating to the objectives of climate change mitigation and climate change adaptation.

This regulation applies to undertakings which are subject to the obligation to publish a non-financial statement or a consolidated non-financial statement pursuant to article 19a or article 29a of Directive 2013/34/EU of the European Parliament and of the Council, respectively.

Based on article 8 of the Regulation, non-financial undertakings which are subject to the obligation to publish a non-financial statement or a consolidated non-financial statement pursuant to article 19a or article 29a of Directive 2013/34/EU of the European Parliament and of the Council are required to comply with a transparency regime by disclosing in their non-financial statements three key performance indicators (KPI) relating to the proportion of their turnover derived from products or services associated with economic activities that qualify as environmentally sustainable and the proportion of their capital expenditure and the proportion of their operating expenditure related to assets or processes associated with economic activities that qualify as environmentally sustainable as per the Regulation.

The Commission has adopted a delegated regulation (2178/2021) specifying the content and presentation of information to be disclosed by non-financial undertakings subject to articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation.

The new reporting obligation is in force from the non-financial disclosure for the financial year 2021.

For the first year, non-financial undertakings shall only disclose the proportion of Taxonomy-eligible and Taxonomy non-eligible economic activities in their total turnover, capital and operational expenditure and certain qualitative information. From 2022, the TSC shall be applied to determine the percentage each eligible economic activity's revenues, capex and opex is fully aligned to the Taxonomy.

To report against the Taxonomy, Eni has performed an assessment of the whole of the economic activities in which the Group engages.

ENI'S MAIN ELIGIBLE ECONOMIC ACTIVITIES FOR THE CLIMATE CHANGE MITIGATION OBJECTIVE.

- 3.10 Manufacture of hydrogen
- 3.14 Manufacture of organic basic chemicals
- 3.17 Manufacture of plastics in primary form
- 4.1 Electricity generation using solar photovoltaic technology
- 4.3 Electricity generation from wind power
- 4.4 Electricity generation from ocean energy technologies
- 4.8 Electricity generation from bioenergy
- 4.13 Manufacture of biogas and biofuels for use in transport and of bioliquids
- 4.20 Cogeneration of heat/cool and power from bioenergy
- 5.1-5.4 Construction, extension and operation of water collection, treatment and supply systems and Renewal of waste, water collection and treatment
- 5.7 Anaerobic digestion of bio-waste
- 5.12 Underground permanent geological storage of CO₂

- 6.10 Sea and coastal freight water transport, vessels for port operations and auxiliary activities
- 6.15 Infrastructure enabling road transport and public transport
- 7.6 Installation, maintenance and repair of renewable energy technologies

Those activities are eligible also for the climate change adaptation objective.

Economic and financial data relating to Eni's eligible economic activities for calculating the proportion of eligible turnover, capex and opex, have been extracted from the Group accounting systems, the general ledger and the management accounting systems, which are used to prepare the separate financial statements of each consolidated subsidiary undertakings, mostly of which are in accordance with IFRS. Data extracted from separate financial statements are adjusted to align with the IFRS utilized in the preparation of the Group consolidated financial statements and for the consolidation transactions (intercompany sales and purchases, elimination of unrealized profit, etc.) to calculate Eni's eligible turnover, capex and opex proportion.

In case of mono-business consolidated subsidiary undertakings performing a given eligible activity, relevant economic and financial data per the calculation of the Group eligible proportions have been extracted from the general ledger and the financial accounting to retrieve amounts of revenues, operating expenditures, additions to property, plant and equipment (PP&E) and intangible assets, additions to the right-of-use and additions to PP&E and intangibles resulting from business combinations.

In case of multi-business subsidiary undertakings, relevant data for calculating the Group eligible proportions have been derived also from the systems of managerial that split the accounts of the financial system and allocates revenues and cost amounts to different reporting objects (products lines, plants, projects, cost centers, etc.) to support management's understanding of the drivers of the financial performance and cost control.

Allocating the relevant items of revenues, capex and opex to Eni's eligible economic activities the following proportions to Group consolidated revenues, capex and opex are obtained:

EU TAXONOMY ELIGIBILITY 2021		Turnover	Capex	Opex
Eligible	(€ mln)	5,530	1,653	535
Non - Eligible	(€ mln)	71,045	6,128	3,157
Total	(€ mln)	76,575	7,781	3,692
% Eligible		7%	21%	14%
% Non - Eligible		93%	79%	86%

The turnover of Eni's eligible economic activities mainly derived from:

- ▶ sales electricity generated mainly by using photovoltaic and onshore wind technologies in the Plenitude & Power business segment through the subsidiary Eni New Energy SpA and the operating subsidiaries in Italy, France, Spain and the USA;
- ▶ sales of unblended biofuels, specifically Hydrogenated Vegetable Oil produced by the Eni's biorefineries and sold on the FOB market;
- ▶ sales of electricity produced from bioenergy (fermentation of agricultural biomass) by the companies

of the Fri-El group (now EniBioCh4in) acquired during the year;

- ▶ sales of electricity and cogenerative heat produced from forest biomass by the Versalis plant in Crescentino;
- ▶ sales of the production of organic basic chemicals and primary form plastic products from Versalis, which are transition activities.

In the event of applying the TSCs, with particular reference to the transition activities of organic basic chemicals/ manufacturing of plastic products, the turnover proportion would reduce significantly.

EU TAXONOMY OPEX	(€ mln)	2021
Operating expenses		3,515
Costs of R&D expensed through profit and loss		177
Total EU Taxonomy opex/denominator		3,692

Operating costs of Eni Group companies to define the proportion of the opex of eligible activities to the Group total were determined on the basis of the management's accounting system and Eni's control model of fixed costs which, starting from accounting data relating to purchases, services, labour costs and other charges,

excludes costs relating to purchasing of raw materials, variable costs and products for resale. This model aggregates the cost items based on the target criterion in relation to the different measurement and control stages in the manufacturing/sale process:

- ▶ fixed industrial costs which include the labour costs for personnel involved in the maintenance, operation and servicing of industrial plants, external services (mainly maintenance contracted to third parties), general plant costs, consumables (spare parts and assets to modernise plants) and include energy efficiency actions on buildings and other properties, as well as the purchase of outputs from eligible activities to achieve CO₂ emission reductions;
- ▶ non-capitalised research & development costs;
- ▶ commercial fixed costs;
- ▶ general and administrative costs.

For the purposes of reporting obligations, management has identified industrial fixed costs and non-capitalised R&D costs as the aggregate "opex" operating expenses corresponding to the definition of the denominator adopted by the Delegated Regulation on reporting.

In line with the provisions, the opex incurred to purchase enabling

products or in relation to enabling manufacturing processes have been claimed by the economic activities carried out by Eni in compliance with art. 16 of the Taxonomy Regulation so that do not lead to a lock-in of assets that undermine long-term environmental goals, considering their economic life.

In this context, the opex incurred by the E&P sector to increase energy efficiency/reduce CO₂ emissions from Oil & Gas plants were excluded. This principle has also been applied to capex.

In 2021, Eni incurred operating costs of €14 million to purchase carbon credits as part of its financial involvement in FAO REDD+ certified forest conservation projects; these projects are part of the drivers identified by management to execute the net zero emission strategy for Eni products/processes by 2050.

For the reporting requirements set by the Taxonomy Regulation, these charges are not considered eligible because these credits are used to offset E&P emissions.

EU TAXONOMY CAPEX

	(€ mln)	2021
Additions to property, plant and equipment		4,950
Additions to intangibles assets		284
Additions to rights to use leased assets		1,104
Add: purchase cost of subsidiary undertakings & goodwill		3,017
Less: goodwill		(1,574)
Total EU Taxonomy capex / denominator		7,781

Regarding the 21% proportion of capex, the Eni eligible activities that in 2021 recorded increases in the property, plant and equipment and intangibles items due to expenditures or the allocation of the purchase cost of acquired companies and businesses or incepted leased assets, mainly referred to:

- ▶ Electricity generation from renewable sources (activities 4.1 and 4.3);
- ▶ Chemicals transition activities;
- ▶ Electricity generation from bioenergy;
- ▶ Infrastructure for low carbon transport;
- ▶ The geological storage and confinement of CO₂;
- ▶ The manufacture of biofuels.

The denominator for the capex proportion is to the sum of the "increases in investments" and "changes in the scope of consolidation" items relating to the property, plant and equipment disclosed in Note 12 to the 2021 consolidated financial statements and similar rights to use leased assets referred to in note 13, and intangible assets items referred to in Note 14.

In particular, the increases recorded in activity 4.1 and

4.3 in the generation of electricity from renewables, partly related to the progress/completion of sanctioned projects to increase generation capacity and, to a greater extent, to the PP&E allocation of the cost of acquisitions made during the year (referred to in the notes to the consolidated financial statements).



















Applying the TSCs to the 2021 capex proportion, the impact on the ratio would come down slightly mainly due to leased assets. The R&D effort, mainly recognised through profit and loss, referred primarily to:

- ▶ technologies to manufacture hydrogen and storage;
- ▶ technologies to generate electricity from solar panels and storage;
- ▶ testing of technology to generate electricity using the wave motion of the sea;
- ▶ the implementation of technologies for low carbon industrial production;
- ▶ technology to store and geologically confine CO₂.

SUSTAINABILITY MATERIAL TOPICS

Each year, to identify the relevant issues for the Strategic Plan and sustainability report, the materiality analysis is updated. This analysis covers the following phases:

- 1. Identification of relevant aspects:** through an analysis that, in line with the concept of double materiality, considered a double perspective: **INSIDE-OUT:** topics that reflect the real or potential significant impacts, negative or positive, connected to Eni's activities as well as its value chain, such as: (i) main themes emerged both from the Stakeholder Management System platform, (see pp. 20-21), and through interviews with the internal functions that manage the relationships with specific categories of stakeholders, (ii) relevant topics following benchmark analysis of the main peers, etc., **OUTSIDE-IN:** risks and sustainability opportunities that can influence the development, performance and position of the organization, such as: (i) results of ESG risk assessments emerged from the Integrated Risk Management process, also considering the evidence provided by external providers and (ii) historical and current macro-trends relevant to the Eni sector.
- 2. Involvement of Top Management and the main stakeholders:** once the relevant aspects were identified, they were prioritised through the direct involvement of Top Management and a representative sample of Eni's main stakeholders, to whom an online questionnaire was submitted.
- 3. Prioritisation of the relevant topics:** the results of the questionnaires, together with the results of the 2021 ESG risk assessment activity (see Main ESG Risks pp. 156-157) made it possible to assign an order of priority to the material issues for the 2021 sustainability reporting, allowing them to be represented in 3 TIERS of relevance.
- 4. Sharing and validation with the Governing Body:** the management involved in the non-financial reporting process validated the material aspects, which, in turn, were presented to the Sustainability and Scenarios Committee and the Board of Directors. The Non-Financial Statement is presented to the Sustainability and Scenarios Committee, the Control and Risk Committee, the Board of Statutory Auditors and approved by the Board of Directors.

PRIORITY MATERIAL TOPICS		TIER 1	TIER 2	TIER 3
CARBON NEUTRALITY BY 2050	Combat climate change/Reduce GHG emissions			
	Low carbon technologies			
OPERATIONAL EXCELLENCE	Relations with clients			
	Development of human capital			
	Diversity, inclusion and work-life balance			
	Health and safety of workers			
	Asset integrity			
	Biodiversity			
	Reduction of environmental impacts			
	Circular economy			
	Protection of human rights			
	Responsible supply chain management			
	Transparency, anti-corruption and tax strategy			
ALLIANCES FOR DEVELOPMENT	Energy access			
	Local content			
	Local development			
TRANSVERSAL THEMES	Digitalization and Cyber Security			
	Innovation			

REPORTING PRINCIPLES AND CRITERIA

Standards, guidelines and recommendations. The Consolidated Non-Financial Information was prepared in accordance with the Legislative Decree 254/2016 transposing the European Directive on Non-Financial Information, and the "Sustainability Reporting Standards", published by the Global Reporting Initiative (GRI Standards), with a level of adherence "in accordance Core" and has been subject to a limited review by the independent Company, which is also the auditor of Eni's Annual Report as of December 31, 2021. All GRI indicators in the Content Index refer to the version of the GRI Standards published in 2016, with the exception of those of: (i) "Standard 403: Occupational Health and Safety", (ii) "Standard 303: Water and Effluents" – which refer to the 2018 edition –, (iii) "Standard 207: Tax" of 2019 and (iv) "Standard 306: Waste" of 2020. In addition, the recommendations reported by ESMA (European Securities and Markets Authority) on non-financial statements were incorporated both within the NFI and in the Management Report, as well as the set of core metrics defined by the WEF in the September 2020 White Paper "Measuring Stakeholder Capitalism - Towards Common Metrics and Consistent Reporting of Sustainable Value Creation The Declaration includes the information required by article 8 of Regulation (EU) 2020/852 of June 18, 2020 (the "Taxonomy Regulation") and the related Delegated Regulations (EU) 2021/2178 and (EU) 2021/2139. The limited examination carried out by the auditing firm (PwC SpA) on the NFI does not extend to the information, provided pursuant to the Taxonomy Regulation, contained in the dedicated paragraph (pp. 188-190).

Performance indicators. KPIs are selected based on the topics identified as most significant, are collected on an annual basis according to the consolidation scope of the reference year and refer to the period 2019-2021 period. In general, trends in data and performance indicators are also calculated using decimal places not shown in the document. The data for the year 2021 are the best possible estimate with the data available at the time of preparation of this report. In addition, some data published in previous years may be subject to restatement in this edition for one of the following reasons: refinement/change in estimation or calculation

methods, significant changes in the consolidation scope, or if significant updated information becomes available

If a restatement is made, the reasons for it are appropriately disclosed in the text. Most of the KPIs presented are collected and aggregated automatically through the use of specific Company software.

Boundary. The scope of the performance indicators is aligned with the objectives set by the company and represents the potential impacts of the activities Eni manages. In particular:

- (i) for KPIs relating to safety, the environment and climate, the perimeter consists not only of Eni SpA's subsidiaries, but also of the companies in joint operation, jointly controlled or associated companies reported in note⁶⁵;
- (ii) the perimeter relating to KPIs relating to health is also extended to companies in joint operation, jointly controlled or associated companies in which Eni has control of operations (with the sole exception of data relating to reports of occupational illness, which refer only to companies consolidated on a line-by-line basis);
- (iii) with regard to data referring to anti-corruption training, the perimeter includes Eni SpA and its subsidiaries;
- (iv) with regard to data referring to investments for local development, the perimeter includes Eni SpA, subsidiaries and joint ventures;
- (v) the perimeter referring to data relating to reporting files includes Eni SpA and its subsidiaries;
- (vi) finally, the perimeter of the data related to the audits covering the anti-corruption checks includes controlled subsidiaries, associated companies based on specific agreements and third parties deemed to have a higher risk, as provided for under the contracts entered with Eni.

The comments on performance refer to these perimeters. In addition, these performance indicators are accompanied by an additional view only relating to 2021 in which the data of fully consolidated companies are presented.

With regard to all other KPIs/data, the perimeter, consistently with the reference legislation, coincides with the companies consolidated on a line-by-line basis for the purpose of preparing the consolidated financial statements by the Eni Group.

(65) In addition to fully consolidated companies, the boundary includes the following companies: AGIBA PETROLEUM CO, CARDÓN IV, SA, Costiero Gas Livorno SpA, Eni Gas Transport Services Srl, Eni, Iran B.V., Eni Ukraine LLC - IN LIQUIDATION, EniProgetti Egypt Ltd, ESACONTROL SA, Groupment Sonatrach-Eni, INDUSTRIA SICILIANA ACIDO Fosforico - ISAF - SpA - in liquidation, Karachaganak, Petroleum Operating BV, LLC "Eni Energhia", LLC "Eni-Nefto", Mellitah Oil & Gas BV, Mozambique Rovuma Venture SpA, Oleodotto DEL RENO SA, Oléoduc du Rhone SA, Petrobel Belayim Petroleum Co, SeaPad SpA, SEGAS Services SAE, Servizi Fondo Bombole Metano SpA, Société Energies Renouvelables Eni - ETAP SA, Società EniPower Ferrara Srl, TECNOESA SA, Vår Energi AS, VERSALIS PACIFIC (INDIA) PRIVATE LIMITED.

KPIs	METHODOLOGY
CLIMATE CHANGE	
GHG EMISSIONS	<p>Scope 1: direct GHG emissions are those deriving from sources associated to the company's assets (e.g. combustion, flaring, fugitive and venting), and include CO₂, CH₄ and N₂O; the Global Warming Potential used for conversion to CO₂ equivalent is 25 for CH₄ and 298 for N₂O. I. Contributions of biogenic CO₂ emissions are not included.</p> <p>Scope 2: are the indirect GHG emissions related to the generation of electricity, steam and heat purchased by third parties and intended for internal consumption.</p> <p>Scope 3: indirect GHG emissions associated with the value chain of Eni's products, which involve an analysis by category of activity. In the Oil & Gas sector, the most significant category is that related to the use of energy products (end-use), which Eni calculates according to internationally consolidated methodologies (GHG Protocol and IPIECA), based on upstream production.</p>
EMISSION INTENSITY	<p>Indicators consider the direct GHG emissions (Scope 1) related to assets operated by Eni, which include CO₂, CH₄ and N₂O, accounted for on a 100% basis.</p> <ul style="list-style-type: none"> Upstream: indicator focused on emissions associated to development and production of hydrocarbons. Denominator refers to gross operated production. R&M: indicator focused on emissions related to traditional and biorefineries. Denominator refers to refinery throughputs (raw and semi-finished materials). EniPower: indicator focused on emissions related to electricity and steam production of thermoelectric plants. Denominator refers to equivalent electricity produced (excluding the Bolgiano cogeneration plant).
OPERATIONAL EFFICIENCY	<p>Operational efficiency expresses the intensity of GHG emissions (Scope 1 and Scope 2 in tonCO₂eq.) of the main industrial activities operated by Eni divided by the productions (converted by homogeneity into barrels of oil equivalent using Eni's average conversion factors) of the single businesses of reference, thus measuring their degree of operating efficiency in a decarbonization scenario. In particular, the following specifications apply:</p> <ul style="list-style-type: none"> Upstream: includes the hydrocarbon production and electricity plants; R&M: includes only refineries; Chemicals: includes all plants; EniPower: includes thermoelectric plants except for the Bolgiano cogeneration plant. <p>Differently from the other emission intensity indicators, which refer to single businesses and consider only GHG Scope 1 emissions, the operating efficiency index effectively measures Eni's commitment for reducing its GHG emission intensity by including also Scope 2 emissions.</p>
ENERGY INTENSITY	<p>The refining energy intensity index represents the total amount of energy actually used in the reference year among the various refinery processing plants, divided by the corresponding value of preset standard consumption values for each processing plant. To allow comparison over the years, 2009 data is taken as a reference (100%). For other sectors, the index represents the ratio between significant energy consumption associated to operated plants and the related production.</p>
NET CARBON FOOTPRINT	<p>Eni net carbon footprint: the indicator considers GHG Scope 1+2 emissions associated to hydrocarbons development and production activities, operated by Eni and by third parties, accounted for on an equity basis (Revenue Interest), net of offsets mainly deriving from Natural Climate Solutions occurred in the reference reporting year.</p> <p>Net carbon footprint upstream: the indicator considers the GHG Scope 1+2 emissions associated to hydrocarbon development and production activities operated or not by Eni, accounted for on an equity basis (revenue interest) and net of the offsets mainly deriving from Natural Climate Solutions occurred in the reference year.</p>
NET GHG LIFECYCLE EMISSIONS	<p>The indicator refers to GHG Scope 1+2+3 emissions associated with the value chain of the energy products sold by Eni, including both those deriving from own productions and those purchased from third parties, accounted for on an equity basis, net of offsets mainly deriving from Natural Climate Solutions. Differently from Scope 3 end-use emissions, which Eni reports based on upstream production, the Net GHG Lifecycle Emissions indicator considers a much wider perimeter, including Scope 1, 2 and Scope 3 emissions referred to the whole value chain of energy products sold by Eni, thus including Scope 3 end-use emissions associated to gas purchased by third parties and petroleum products sold by Eni.</p>
NET CARBON INTENSITY	<p>The indicator, accounted for on an equity basis, is defined as the ratio between Net GHG Lifecycle Emissions (see Net GHG Lifecycle Emissions definition) and the energy content of the products sold by Eni.</p>
RENEWABLE INSTALLED CAPACITY	<p>The indicator is measured as the maximum generating capacity of Eni's share power plants that use renewable energy sources (wind, solar and wave, and any other non-fossil fuel source of generation deriving from natural resources, excluding nuclear energy) to produce electricity. The capacity is considered "installed" once the power plants are in operation or the mechanical completion phase has been reached. The mechanical completion represents the final construction stage excluding the grid connection.</p>
PEOPLE, HEALTH AND SAFETY	
INDUSTRIAL RELATIONS	<p>Regarding industrial relations, the minimum notice period for operational changes is in line with the provisions of the laws in force and the trade union agreements signed in the Countries in which Eni operates.</p> <p>Employees covered by collective bargaining: are those employees whose employment relationship is governed by collective agreements or contracts, whether national, industry, Company or site. This is the only KPI dedicated to people that considers role-based employees (Company with which the employee enters into the employment contract). All others, including indicators on training, are calculated according to the utilisation method (Company where the work is actually done). It should be noted that, using this second method, the two aspects (role companies and service) could coincide.</p>
GENDER PAY GAP RAW	<p>The raw pay ratio is calculated as the ratio of the average pay of the female population to the average pay of the male population for the individual job title and for the overall population.</p>
SENIORITY	<p>Average number of years worked by employees at Eni and its subsidiaries.</p>
TRAINING HOURS	<p>Hours provided to Eni SpA and subsidiaries employees through training courses managed and carried out by Eni Corporate University (classroom and remote) and through activities carried out by the organizational units of Eni's Business areas/ Companies independently, also through on-the-job training. Average training hours are calculated as total training hours divided by the average number of employees in the year.</p>

KPIs	METHODOLOGY
LOCAL SENIOR AND MIDDLE MANAGERS ABROAD	Number of local senior managers + middle managers (employees born in the Country in which their main working activity is based) divided by total employment abroad.
TURNOVER RATE	Ratio of the number of Hires + Terminations of permanent contracts and the permanent employment contracts of the previous year.
SAFETY	<p>Eni uses a large number of contractors to carry out the activities within its own sites.</p> <p>TRIR: total recordable injury rate (injuries leading to days of absence, medical treatments and cases of work limitations). Numerator: number of total recordable injuries; denominator: hours worked in the same period. Result of the ratio multiplied by 1,000,000.</p> <p>High-consequence work-related injuries rate: injuries at work with days of absence exceeding 180 days or resulting in total or permanent disability. Numerator: number of injuries at work with serious consequences; denominator: hours worked in the same period. Result of the ratio multiplied by 1,000,000.</p> <p>Near miss: an incidental event, the origin, execution and potential effect of which is accidental in nature, but which is however different from an accident only in that the result has not proved damaging, due to luck or favourable circumstances, or to the mitigating intervention of technical and/or organizational protection systems.</p> <p>Accidental events that do not turn into accidents or injuries are therefore considered to be near misses. The main hazards detected in 2021 in Eni concern:</p> <ul style="list-style-type: none"> ▶ falling (ground level); ▶ shock, impact, crushing during the use of equipment; ▶ load lifting. <p>For the assessment of accident KPIs, in addition to the GRI standard, Eni adopts and integrates, through its own internal procedures, the IOGP guidelines on work-relatedness events, also taking into account country risk.</p>
HEALTH	<p>Number of occupational disease claims filed by heirs: indicator used as a proxy for the number of deaths due to occupational diseases.</p> <p>Recordable cases of occupational diseases: number of occupational disease reports.</p> <p>Main types of diseases: reports of suspected occupational disease made known to the employer concern pathologies that may have a causal connection with the risk at work, as they may have been contracted in the course of work and due to prolonged exposure to risk agents present in the workplace. The risk may be caused by the processing carried out, or by the environment in which the processing takes place. The main risk agents whose prolonged exposure may lead to an occupational disease are: (i) chemical agents (example of disease: neoplasms, respiratory system diseases, blood diseases); (ii) biological agents (example of disease: malaria); (iii) physical agents (example of disease: hearing loss).</p>
ENVIRONMENT	
WATER RESOURCES	<p>Water withdrawals: sum of sea water, freshwater, and brackish water from subsoil or surface withdrawn. TAF (groundwater treatment plant) water represents the amount of polluted groundwater treated and reused in the production cycle. The limit for freshwater, which is more conservative than that indicated by the GRI reference standard (equal to 1,000 ppm), is 2,000 ppm TDS, as provided in the IPIECA/API/IOGP 2020 guidance.</p> <p>Water discharges: The internal procedures relating to the operational management of water discharges regulate the control of the minimum quality standards and the authorization limits prescribed for each operational site, ensuring that they are respected and promptly resolved if they are exceeded.</p>
BIODIVERSITY	<p>Number of sites overlapping with protected areas and Key Biodiversity Areas (KBAs): R&M, Versalis and EniPower operational sites and pipelines in Italy and abroad, which are located within (or partially within) the boundaries of one or more protected areas or KBAs (December of each reference year).</p> <p>Number of sites adjacent to protected areas or Key Biodiversity Areas (KBAs): R&M, Versalis and EniPower operational sites in Italy and abroad which, although outside the boundaries of protected areas or KBA, are less than 1 km away (December of each reference year).</p> <p>Number of upstream concessions overlapping protected areas and Key Biodiversity Areas (KBAs), with activities in the overlapping area: active national and international concessions, operated, under development or in production, present in the Company's databases in June of each reference year that overlap one or more protected areas or KBAs, where development/production operations (wells, sealines, pipelines and onshore and offshore installations as documented in the Company's GIS geodatabase) are located within the intersection area.</p> <p>Number of upstream concessions overlapping protected areas or Key Biodiversity Areas (KBAs), without activities in the overlapping area: active national and international concessions, operated, under development or in production, present in the Company's databases in June of each reference year that overlap one or more protected areas or KBAs, where development/production operations (wells, sealines, pipelines and onshore and offshore installations as documented in the Company's GIS geodatabase) are located outside the intersection area.</p> <p>The sources used for the census of protected areas and KBAs are the "World Database on Protected Areas" and the "World Database of Key Biodiversity Areas" respectively; the data was made available to Eni in the framework of its membership in the UNEP-WCMC Proteus Partnership (UN Environment Programme – World Conservation Monitoring Center). There are some limitations to consider when interpreting the results of this analysis:</p> <ul style="list-style-type: none"> ▶ it is globally recognized that there is an overlap between the different databases of protected areas and KBAs, which may have led to a certain degree of duplication in the analysis (some protected areas/KBAs could be counted several times); ▶ the databases of protected or key biodiversity areas used for the analysis, while representing the most up-to-date information available at global level, may not be complete for each Country.
SPILL	Spills from primary or secondary containment into the environment of oil or petroleum derivative from refining or oil waste occurring during operation or as a result of sabotage, theft or vandalism.

KPIs	METHODOLOGY
WASTE	<p>Waste from production: waste from production activities, including waste from drilling activities and construction sites.</p> <p>Waste from remediation activities: this includes waste from soil securing and remediation activities, demolition and groundwater classified as waste.</p> <p>The waste disposal method is communicated to Eni by the third party authorised for disposal.</p>
AIR PROTECTION	<p>NOx: total direct emissions of nitrogen oxide due to combustion processes with air. It includes emissions of NOx from flaring activities, sulphur recovery processes, FCC regeneration, etc. It includes emissions of NO and NO₂, excluding N₂O.</p> <p>SOx: total direct emissions of sulphur oxides, including emissions of SO₂ and SO₃.</p> <p>NM VOC: total direct emissions of hydrocarbons, hydrocarbon substitutes and oxygenated hydrocarbons that evaporate at normal temperature. They include LPG and exclude methane.</p> <p>PST: direct emissions of Total Suspended Particulates, finely divided solid or liquid material suspended in gaseous flows. Standard emission factors.</p>
HUMAN RIGHTS	
SECURITY CONTRACTS WITH HUMAN RIGHTS CLAUSES	The indicator "percentage of security contracts with human rights clauses" is obtained by calculating the ratio between the "Number of security and security porter contracts with human rights clauses" and the "Total number of security and security porter contracts".
WHISTLEBLOWING REPORTS	The indicator refers to the whistleblowing files relating to Eni SpA and its subsidiaries, closed during the year and relating to Human Rights; of the files thus identified, the number of separate assertion is reported as a result of the investigation conducted on the facts reported (founded, partially founded, unfounded, not ascertainable and not applicable).
SUPPLIERS	
SUPPLIERS SUBJECTED TO ASSESSMENT	The indicator represents all suppliers subject to a Due Diligence or subject to a qualification process or subject to a performance evaluation feedback on HSE or Compliance areas or subject to a feedback process or subject to an assessment on human rights issues (inspired by the SA 8000 standard or similar certification), for which the Vendor Management activities are centralized in Eni SpA (e.g. all Italian, mega and international suppliers) or are carried out locally by foreign subsidiaries with a vendor management function and operating on VMS at least on the qualification module for more than one year (Eni Ghana, Eni Pakistan, Eni US and Eni Angola, Eni México S. de RL de CV, IEOC, Eni Australia and Eni Nigeria (NAOC)). The perimeter is progressively extended each year as the VMS system is deployed.
NEW SUPPLIERS ASSESSED ACCORDING TO SOCIAL CRITERIA	This indicator is included in the "Suppliers subject to assessment" indicator and represents all new suppliers subjected to a new qualification process.
TRANSPARENCY, ANTI-CORRUPTION AND TAX STRATEGY	
COUNTRY-BY-COUNTRY REPORT	The disclosure relating to the Country-by-Country report is covered by means of a reference to the last published document (generally the financial year preceding the NFI reporting year) reporting the main information required by GRI standard (207-4).
ANTI-CORRUPTION TRAINING	<p>E-learning for resources in a context at medium/high risk of corruption.</p> <p>E-learning for resources in a context of low risk of corruption.</p> <p>General workshop: classroom training events for staff in a context of high risk of corruption.</p> <p>Job specific training: classroom training events for specific professional areas operating in contexts with a high risk of corruption.</p>
LOCAL DEVELOPMENT	
LOCAL DEVELOPMENT INVESTMENTS	The indicator refers to the Eni share of spending in local development initiatives carried out by Eni in favour of local communities to promote the improvement of the quality of life and sustainable socio-economic development of communities in operational contexts.
SPENDING TO LOCAL SUPPLIERS	The indicator refers to the 2021 share of expenditure to local suppliers. "Spending to local suppliers" has been defined according to the following alternative methods on the basis of the specific characteristics of the Countries analysed: 1) "Equity method" (Ghana): the share of expenditure towards local suppliers is determined on the basis of the percentage of ownership of the corporate structure (e.g. for a Joint Venture with 60% local components, 60% of total expenditure towards the Joint Venture is considered as expenditure towards local suppliers); 2) "Local currency method" (Angola, Vietnam and the UK): the share paid in local currency is identified as expenditure towards local suppliers; 3) "Country registration method" (Iraq, Indonesia, United Arab Emirates, Nigeria, Mozambique and the USA): the expenditure towards suppliers registered in the Country and not belonging to international groups/mega suppliers (e.g. suppliers of drilling services/auxiliary drilling services) is identified as local; 4) "Method of registration in the Country + local currency" (Congo and Mexico): expenditure towards suppliers registered in the Country and not belonging to international groups/mega suppliers (e.g. suppliers of drilling services) is identified as local. For the latter, spending in local currency is considered to be local. The selected countries are Ghana, Angola, UK, Iraq, Nigeria, Congo, Mexico, Mozambique, USA, Indonesia, UAE and Vietnam. The Countries selected are those most representative for Eni business from a strategic point of view and in which a relevant procurement plan for the four-year period 21-24 has been recorded compared to the total spent by the Eni Group.

GRI CONTENT INDEX

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102-3	Location of headquarters	Annual Report 2021, retro cover		
102-4	Location of operations	Annual Report 2021, p. 2		
102-5	Owncship and legal form	Annual Report 2021, retro cover https://www.eni.com/en-IT/about-us/governance.html		
102-6	Market served	Annual Report 2021, p. 3		
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COUNTER CLIMATE CHANGE AND LOW CARBON TECHNOLOGIESReduction of GHG Emissions; Renewables; Biofuels and Green Chemistry; Hydrogen; Solutions for the storage of CO₂; Customer relations

Economic performance - Management approach (103-1; 103-2; 103-3)		Boundary: internal and external (Suppliers - RNES¹; customers - RNEC²) NFI 2021, pp. 152-153; 154-155; 191; 197	
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PEOPLE

Employment; Diversity; inclusion and work-life balance; Training; Occupational health and local community's health

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Material Aspect/ Disclosure GRI	KPI Description/Disclosure GRI	Section and/or page number	Omission	WEF - Core Topics and Metrics
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Material Aspect/ Disclosure GRI	KPI Description/Disclosure GRI	Section and/or page number	Omission	WEF - Core Topics and Metrics
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Economic performance - Management approach (103-1; 103-2; 103-3)		Boundary: internal NFI 2021, pp. 152-153; 191; 199 Employment and wealth generation - Financial investment contribution In 2021, investments net of depreciation amounted to €5,067 million and share buybacks plus dividend payments amounted to €2,763 million. Community and social vitality - Total tax paid Eni paid €3,726 million in taxes in 2021.		
201-1	Direct economic value generated and distributed	NFI 2021, p. 199 Employment and wealth generation - Economic contribution 1) In 2021, Eni generated an economic value of €78 billion of which €66 billion were distributed, in particular: 84% are operating costs, 4% wages and salaries for employees, 6% payments to capital suppliers, 6% payments to the Public Administration. 2) In 2021, Eni received approximately €84 million in financial assistance from the Public Administration, mainly abroad.		
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(1) RNES = Reporting not extended to suppliers.

(2) RNEC= Reporting not extended to customers.

(3) RPES = Reporting partially extended to suppliers.

