

# Eni SpA Ordinary and Extraordinary Shareholder's Meeting

**13 May 2020**

Answers to the questions received prior to the Shareholders' Meeting,  
pursuant to art. 127-ter of Italian Legislative Decree No. 58/1998





Ordinary and Extraordinary Shareholders' Meeting of Eni SpA  
held on May 13, 2020  
Questions and answers prior to the Shareholders' Meeting  
pursuant to Article 127-ter Legislative decree 58/1998<sup>1</sup>

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<sup>1</sup> The English text is a translation of the Italian. For any conflict or discrepancy between the two texts the Italian text shall prevail.



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## Shareholder HERMES FUND

**We make this statement as shareholders and shareholder representatives of ENI and as supporters of the Climate Action 100+, an investor initiative that aims to work with companies to enhance corporate governance of climate change, curb emissions and strengthen climate-related financial disclosures at companies with great opportunities to tackle climate change. To date, over 450 institutional investors with over \$40 trillion in assets under management have signed up to support the initiative.**

**We understand the company faces substantial challenges at present with health and economic crises. We do though have interest in the long-term and believe climate change remains one of the largest systemic risks we must manage and that the post covid-19 recovery could be resilient only in a decarbonised economy.**

**EOS at Federated Hermes, UBS Asset Management and other signatories to Climate Action 100+ have encouraged Eni to set a long-term decarbonisation pathway in line with the goals of the Paris Agreement. We therefore welcome the company's new climate strategy announced earlier this year, which shows significant ambition across all sources of emissions the company can influence. It is an industry leading target in its inclusion of third-party products, end use and interim net zero targets for 2030 and 2040, and a decisive step in the energy transition to a low carbon future. Equally, we welcome the alignment of the executive long-term incentive plan with the decarbonisation strategy and the publication of an assessment of industry associations' climate policy positions.**

**We would like to thank the company for the continued open and constructive dialogue with senior management over the last year. We look forward to continuing to work with Eni, together with other Climate Action 100+ signatories, to review progress in aligning the company strategy and performance with the objectives of the Paris Agreement.**

**Going forward, we are inviting the company to set out in greater detail:**

- 1. The pathway to achieving the targets, its consistency with the Paris Agreement and the use of technological and biological offsets.**

### **Answer**

[Please see the answer to the next question.](#)



**2. How the company's governance, risk management, operating plans and budgets are being guided by the targets and low carbon scenarios.**

**Answer**

Answer to questions 1 and 2

On February 28, 2020, Eni presented its Long Term Business Plan, which combines the objectives of continuous development in a rapidly evolving energy market with a significant reduction in the Group's carbon footprint, leveraging on know-how, proprietary technologies, innovation as well as on the flexibility and resilience of assets.

The Plan defines operational strategies and objectives for 2035 and 2050, which outline the integrated path of the individual businesses and will allow to achieve an 80% reduction in the net emissions relating to the entire life cycle of the energy products sold, which include scope 1, 2 and 3 emissions, (above the 70% threshold indicated by the IEA in the SDS scenario compatible with the objectives of the Paris Agreement) and a 55% reduction in the emission intensity compared to 2018, by 2050.

The pace of evolution and the contribution of individual businesses will depend on the market trend, the technological scenario and applicable legislation.

The actions that will contribute to achieving these results are:

1. a progressive reduction of hydrocarbon production after 2025 with a growing incidence of gas production;
2. a focus on marketing of equity products and the progressive reduction in the marketing of non-equity gas;
3. conversion of European refineries into plants fuelled by bio or alternative materials, for the production of hydrogen, methanol, bio-ethane and products from recycling of waste materials;
4. implementation of primary and secondary forest conservation projects to offset CO<sub>2</sub> emissions equivalent to over 30 million tons per year by 2050;
5. development of CO<sub>2</sub> capture and storage projects worth over 10 million tonnes per year by 2050;
6. achieving a capacity for energy production from renewable sources in excess of 55 GW by 2050;
7. expansion of retail activities with the goal of achieving over 20 million supply and distribution contracts for "bio" and renewable products by 2050.

At the Shareholders' Meeting, an issue of "Eni For" dedicated to Eni's Decarbonisation process, built on the basis of the Recommendations of the Task Force on Climate-related Financial Disclosures, will be published for the third year in a row. The report will examine in depth the aspects relating to governance, risk management, strategy, metrics and targets used by Eni to



cope with the Carbon Neutrality path in the Long Term. The key elements of all these aspects are also reported in the Annual report, in particular in the consolidated non-financial statement.

- 3. Could the Board address at the annual meeting how the long-term strategic plan, action plan to 2023 and decarbonisation targets may be affected by the current challenges facing the energy sector?**

**Answer**

The energy sector, while facing challenges connected to the COVID-19 pandemic, will have to ensure the achievement of the commitments made to move forward the decarbonisation process, seizing opportunities emerging from the energy transition and ensuring the continuity of a highly strategic business, in compliance with the highest safety standards.

The energy transition requires a common answer and a long-term vision. Eni wants to play a decisive role in this process, along a path that will lead us to be a carbon neutral company in the long term. Today more than ever, we intend to confirm our commitment in this direction, despite the important new challenges that the COVID-19 pandemic and its profound impacts on the markets have for us.



## Shareholder FONDAZIONE FINANZA ETICA

*Sent by Fondazione Finanza Etica (as a founding member of the European network of active shareholders SfC - Shareholders for Change) on behalf of Greenpeace Italy, Re:Common and Legambiente.*

### 1. Long-Term Strategic Plan to 2050

**1.1 The thirty-year energy transition plan towards a "new ENI" starts with a significant increase in the production of hydrocarbons until 2025. Thus, in the face of very serious climatic emergency, the ENI Group decides to put off the adoption of drastic cuts in greenhouse gas emissions for six years, a period equal to almost two entire terms of the company's Board of Directors (currently expiring).**

**Which reduction targets for "Net-Absolute GHG Lifecycle Emissions" does Eni set for 2025?**

**Answer**

Please see Answer 1.4

**1.2 How will these targets be achieved in the presence of an increase in hydrocarbon production of approximately 3.5% per year for six years?**

**Answer**

Please see Answer 1.4

**1.3 Which reduction targets for "Net-Carbon-Intensity" does Eni set for 2025?**

**Answer**

Please see Answer 1.4

**1.4 How will these targets be achieved in the presence of an increase in hydrocarbon production of approximately 3.5% per year for six years?**



## **Answer**

Answer to questions 1.1 to 1.4

Eni is aware that, today more than ever, the commitment to the energy transition necessary to achieve temperature containment objectives must be a priority on the global agenda of governments, civil society, investors and companies, with a view to acting urgently for limiting global warming in line with the objectives of the Paris Agreement.

With these convictions we have developed a long-term industrial plan which sees us actively involved in the energy transition process. This Plan is characterized by a deep transformation of the business portfolio, which combines economic and financial sustainability with environmental sustainability, pursuing the objectives of continuous development in a rapidly evolving energy market while significantly reducing the carbon footprint associated with operating activities and energy products sold, in line with the reductions required by future scenarios consistent with the objectives of the Paris Agreement (e.g. IEA-SDS).

Eni has embarked on this path of change since 2014 and was among the first to have outlined strategies and operational objectives to 2035 and 2050 tracing an evolutionary integrated path of its businesses. The speed of evolution and the relative contribution of the businesses will depend on the market trend, the technological scenario and the applicable regulations, while ensuring the achievement of the overall carbon footprint reduction targets.

In line with this transformation, the focus of the decarbonisation strategy in terms of operating efficiency and minimization of emissions linked to the production of hydrocarbons is strengthened in the short term. Already since 2016, among the first in the industry, we have outlined a series of challenging objectives to improve the efficiency of the operated assets, with specific objectives for reducing the emission intensity per produced barrel, minimizing methane emissions and eliminating process flaring:

- -43% upstream emission intensity (on an operated basis) by 2025 (-38% by 2023) vs 2014
- -80% of upstream fugitive methane emissions by 2025 vs 2014 (target already achieved in 2019)
- Elimination of process flaring by 2025, 5 years earlier than defined in the context of the Zero Flaring Initiative



- Improvement of the Carbon efficiency index of Eni's operated assets by 2% per year to 2021 vs 2014.

Since last year we improved our targets, setting a net zero carbon footprint (Scope 1) by 2030 from all upstream assets, operated and not operated by Eni, maximizing the levers of operational efficiency and using the lever of offsetting emissions through forest conservation projects. This year we also extended this objective to the scope-2 component, including in fact all Eni's share of operational emissions linked to the production of hydrocarbons on a global level.

Although the production of hydrocarbons is expected to grow in the short term, this will not affect the progressive reduction in the medium-long term of the emission impact along the supply chain of energy products, which will maintain a decreasing trend thanks to the contribution of operating efficiency and other strategic levers, such as renewables growth, the reduction in purchases of hydrocarbons from third parties, a growing focus on equity products and the offsetting of emissions.

**1.5 In the development of the "upstream" sector, much emphasis is placed on the reduction of oil in favour of gas, whose presumed greater contribution to the reduction of Scope 1, 2 and 3 GHG emissions compared to oil (and coal) is questionable, as shown in the Berlin-based Energy Watch Group study "Natural Gas Makes No Contribution to Climate Protection", published in September 2019,<sup>2</sup> mainly due to fugitive methane emissions. Although having a shorter life, methane is 34 times more effective than carbon dioxide in heating the atmosphere (over 100 years) and is responsible for approximately 20% of global warming from greenhouse gases.<sup>32</sup>**

**Have you set any targets for the reduction of fugitive methane emissions in correspondence with the increase in gas production?**

#### **Answer**

Please see Answer 1.6

**1.6 If so, how do you plan to reach those targets? If not, why?**

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<sup>2</sup> Energy Watch Group, *Natural Gas Makes No Contribution to Climate Protection*, September 2019, [Link: http://energywatchgroup.org/wpcontent/uploads/EWG\\_Natural\\_Gas\\_Study\\_September\\_2019.pdf](http://energywatchgroup.org/wpcontent/uploads/EWG_Natural_Gas_Study_September_2019.pdf).

<sup>3</sup> See Myhre, G., D. Shindell, F.-M. Bréon, W. Collins, J. Fuglestedt, J. Huang, D. Koch, J.-F. Lamarque, D. Lee, B. Mendoza, T. Nakajima, A. Robock, G. Stephens, T. Takemura and H. Zhang, 2013: Anthropogenic and Natural Radiative Forcing. In: *Climate Change 2013: The Physical Science Basis. Contribution of Working Group I to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change* [Stocker, T.F., D. Qin, G.-K. Plattner, M. Tignor, S.K. Allen, J. Boschung, A. Nauels, Y. Xia, V. Bex and P.M. Midgley (eds.)]. Cambridge University Press, Cambridge, United Kingdom and New York, NY, USA.



## Answer

Answer to questions 1.5-1.6

Natural gas guarantees an undeniable advantage in terms of reducing the impact on climate change, compared to other fossil fuels, and in particular coal. Studies show that, if we consider the entire life cycle, GHG emissions associated with the production of electricity from gas are about half the emissions associated with electricity generation from coal.

Considering both CO<sub>2</sub> and methane emissions along the whole production chain, 98% of the gas consumed today has a 50% lower emission intensity than coal, when it is used for the production of electricity, and 33% when used for heat generation. (Source: Methane Tracker 2020, IEA).

Obviously methane leaks can partially compromise this advantage, if not strictly monitored and eliminated.

Through our commitment in operations as well as active participation in international initiatives that affect the entire natural gas production chain, we believe that natural gas will keep its environmental advantage over other fossil fuels. As far as our objectives are concerned, Eni has defined a **80% reduction target** of upstream fugitive methane emissions by 2025 over 2014. **This target was achieved in 2019, 6 years in advance**, thanks to the implementation of periodic monitoring and repair campaigns for upstream operated assets. To date, approximately 90% of our assets are covered by LDAR campaigns.

The 80% reduction target by 2025 is confirmed, even in the face of an increase in gas production. We plan to extend the coverage of leak monitoring and repairing activities; we are also investing to equip our subsidiaries with the necessary tools for detection activities, in order to increase their frequency and keep emissions under control. In addition to the technologies currently in use, we also plan to test additional innovative technologies under development (drones, sensors, satellites, etc.), exploiting the potential deriving from the digital transformation process.

Eni is now engaged in various international initiatives to support fact-finding studies on methane emissions along the gas supply chain, define common operating practices, encourage the application of new monitoring technologies and support direct policies and regulations for countries, gas producers and consumers, on methane issues. In detail:

- In 2018 the **Oil & Gas Climate Initiative** (OGCI) defined a collective target for the reduction of the upstream methane emission intensity to the threshold value of 0.25% (with ambition 0.20%) to 2025 vs 2017 (starting baseline 0.32%). Moreover, in addition to investments in innovative technologies, OGCI is promoting scientific studies (Methane Science Studies) to



bridge the knowledge gap on methane emissions along the Oil & Gas supply chain in partnership with UN Environment. Using the knowledge of the Environment Defense Fund and the Imperial College, measures on Oil & Gas assets and LCA (Life Cycle) studies Assessment) on the entire natural gas supply chain are currently underway.

- As part of the **Climate and Clean Air Coalition**, an initiative under the auspices of the United Nations (UNEP), Eni is part in the **Global Methane Alliance**, which aims at promoting the adoption by governments of targets to reduce the methane from the O&G sector, to be included in the respective NDC (Nationally Determined Contribution). Eni is also a member of the **Oil & Gas Methane Partnership**, an initiative focused on reducing methane emissions along the Oil & Gas supply chain through a voluntary commitment to the implementation of monitoring, reduction and reporting projects for the main methane sources. Eni also holds the role of co-chair of the Steering Committee (together with the European Commission).

- Eni is a member of the **Methane Guiding Principles** partnership, an initiative that currently brings together 21 O&G companies with the aim of reducing methane emissions along the Oil & Gas supply chain, through the involvement of the main stakeholders of the supply chain, and engaging in particularly in the adoption of best practices for improving performance as well as the accuracy and transparency of published data and in supporting specific policies and regulations on methane emissions.

Regarding policy aspects, through OGCI, MGP and other initiatives, Eni is working with the European Commission and other companies in the definition of a framework for the regulation of methane emissions that concerns the entire production chain of natural gas, including the downstream component (gas transportation and distribution).

**1.7 Is the deadline for zeroing net GHG emissions for Scope 1 and Scope 2 (upstream) 2030 (as stated during the conference call of 28 February 2020) or 2040 (as indicated in the power point presentation illustrated in the conference call)?**

**Answer**

The deadline for zeroing net GHG Scope 1 + Scope 2 Upstream emissions is 2030. In 2040, the target is extended to all Eni's operational emissions, including mid-downstream emissions. Both the zeroing targets refer to a distinctive accounting methodology for emissions, in addition to the traditional one based on the operator criterion. This method includes both operated and non-operated assets, both accounted for in Eni's share, also including equity accounted non-consolidated companies. For further details see also



<https://www.eni.com/assets/documents/investor/2020/eng/Strategy-20-23-SessioneModello-GHG.pdf>

<https://www.eni.com/assets/documents/investor/2020/eng/GHG-Emissions-along-thevalue-of-Eni-energy-product.pdf>

**1.8 In 2019, the target of reducing methane emissions of Eni's fields by 80% was reportedly achieved. Could you provide details of the reduction of emissions for each field?**

**Answer**

The 80% reduction target relates to upstream methane fugitive emissions, i.e. unintended releases of gas (mainly methane) from industrial components such as flanges, valves, and therefore related to the plant that receives and processes the production of oil and gas, which can come from one or more fields. In the annual public reports of the CCAC-OGMP (UNEP) initiative, which Eni joined in 2015 - Eni provides details of the reductions for each plant where it carries out active monitoring and control campaigns on methane emissions. Eni supports international initiatives aimed at improving transparency regarding methane emissions in the Oil & Gas sector (e.g. Methane Guiding Principles). See Answer to question 1.6.

**1.9 Can you explain how you managed to reduce the emissions?**

**Answer**

Eni's target for reducing fugitive emissions was achieved by implementing periodic monitoring and maintenance campaigns covering 90% of Eni's production. This allowed to detect and repair leaks but also to identify site-specific emission factors which led to refine the reporting of methane emissions, previously based on the use of generic emission factors from the literature. The process aimed at improving the reporting applied by Eni is in line with the most advanced methane reporting standards that are being defined also with the support of independent organizations (e.g. EDF).

**1.10 How do you plan to eliminate gas flaring for the whole of Eni's production by 2025?**



**Answer**

Please see Answer 1.13

**1.11 How far away is the achievement of eliminating gas flaring (both in absolute and relative terms)?**

**Answer**

Please see Answer 1.13

**1.12 How many and which fields are still burning gas in the open air (gas flaring) and for what quantities of gas for each field?**

**Answer**

Please see Answer 1.13

**1.13 How do you intend to overcome, between now and 2025, the problems in reducing gas flaring that are reportedly still found in Libya and Nigeria?**

**Answer**

Answer to questions 1.10 to 1.13

Eni is active in specific programs for the reduction of gas sent to process flaring with valorisation projects such as the production of electricity for local populations, distribution for domestic consumption or export. Where such practices are not possible, Eni has created plants for the re-injection into the associated gas field. Moreover, in line with the GGFR initiative, each new project for the development of fields with associated gas must provide adequate structures for its valorisation or eventual reinjection into the reservoir. By way of example, over the years we have developed projects in the Congo, where gas feeds a power plant and the rest is re-injected into the field, or in Nigeria, where a large part of the gas feeds a power plant or is sent to LNG terminals. The problem of gas flaring is however closely linked to the economic and geopolitical context of the countries where Eni operates, and depends in particular on the availability of local infrastructures for gas management, a domestic market, as well as regulations that encourage the valorisation of the gas. As you know, the most affected areas are still Nigeria and Libya, where however the volumes have already been reduced by more than 40% over 2014 levels and investments will continue on dedicated projects such as Bouri (Libya) or the enhancement of low pressure associated gas in Nigeria. Indeed, most of the 31 million euros that Eni has invested for the



reduction of flaring in 2019 are concentrated in these countries.

**1.14 Net Scope 1 and 2 emissions will be zeroed by 2030 (or 2040, see the question 1.7). How much of this will be attributable to CCS, reduction of gas flaring (and fugitive methane emissions) and forest conservation projects?**

**Answer**

Net upstream scope 1 and 2 emissions will be eliminated by 2030 thanks to a progressive increase in the operational efficiency of our assets, which will meanwhile allow us to achieve the intermediate objectives set for 2025 on the reduction of emission intensity (-43% @ 2025 vs 2014, -38% @ 2023), the elimination of process flaring to 2025 and the minimization of fugitive methane emissions (-80% @ 2025 vs 2014, target already achieved in 2019).

CCS can make a fundamental contribution to the energy transition, which will be closely related to the definition of a regulatory framework and a policy mechanism in support of this technology, in order to ensure greater dissemination and economic sustainability.

Finally, forest conservation projects will serve to compensate for the residual rate of emissions that are difficult to reduce with current technologies.

**1.15 Cooperation and discussions with the governments (and developers) of Zambia, Mozambique, Vietnam, Mexico, Ghana, Angola and the Democratic Republic of the Congo have reportedly started for the REDD+ forest conservation projects. What is the progress of the cooperation for each of these countries?**

**Answer**

In Zambia, Eni signed a long-term agreement in January 2019 with the international developer BioCarbon Partners (BCP), for the purchase of verified Emission Reductions, coming from the Luangwa Community Forest Project (LCFP), which aims at forestry conservation and the development of local communities. The project, which began in 2014, encompasses nearly 1 million hectares and involves 170,000 community members and is the largest REDD + project in Africa to have been validated with the "Triple Gold" VCS-CCB (Verified Carbon Standard and Climate, Community and Biodiversity Standard), for its exceptional benefits for climate, community and biodiversity. Subsequently, in November 2019 Eni integrated the agreement in order to become an active member of the project governance, signing a commitment to invest in the project until 2038. Recently, feasibility studies have been launched with BCP for the development of a second large-



scale REDD + project in the west of Zambia.

In Mozambique, Eni and the Government signed a Memorandum of Understanding (MoU) in October 2019, for cooperation in various activities aimed at supporting the country in its socio-economic development. Within these activities, the achievement of various Sustainable Development Goals (SDGs) is pursued, in line with Eni's new mission, also through REDD + projects.

To date, two major large-scale REDD + projects have been identified in the country.

For one of these, in January 2020, Eni signed a cooperation agreement relating to the feasibility of the project, with the participation of international NGOs specialized in biodiversity conservation and community development.

In Vietnam, a feasibility study was launched in the province of Quang Nam as part of the cooperation agreement Eni signed in October 2019 with the specialized company First Climate. Based on the areas identified by the local government during the definition of the REDD+ Provincial Action Plan (PRAP), we are entering the phase of selecting territories on which to implement activities aimed at stopping degradation and unsustainable logging practices.

In Mexico, with the same cooperation agreement signed with the specialized company First Climate in Vietnam, a feasibility study is underway for the Amigos de Calakmul project in the Yucatan peninsula. The project aims to support and extend forest degradation reduction and biodiversity conservation activities already started by a local NGO with some local communities.

In Ghana, following the Memorandum of Understanding (MoU) signed by Eni and UNDP in New York on September 24, 2018 for cooperation on sustainable development, activities started for the development of REDD + programs.

In particular, discussions started with UNDP representatives on the latter topic, in the REDD+ Forest and Climate and Regional Bureau for Africa areas. From the outset, the discussion saw the active involvement of the Ghanaian government, in particular of the Forestry Commission of Ghana, set up within the Ministry of the Territory and Natural Resources. There is an agreement between the parties for the realization of the feasibility study for a REDD + program including 5 different eco-zones in the country, extending on about a quarter of the national territory. Based on the results of the study, Eni will make the decision whether to invest in the program, with the awareness of the strategic importance of a public-private partnership in the country in the fight against climate change.

In Angola, Eni is identifying areas of great importance for the conservation of biodiversity and the improvement of living conditions of the local population, mainly within the cross-border conservation area. The area is characterized by the Miombo and savanna woodlands which house



one of the most endangered animal species in the world. Eni started preliminary discussions with some local developers to start a feasibility assessment of the projects.

In the Democratic Republic of the Congo, meetings held in Kinshasa with the relevant Congolese authorities (Ministry of the Environment / REDD+ Department) at the beginning of last February showed the opportunity to provide support to the government in evaluating REDD+ opportunities in the various ecosystems, such as primary forests and peat bogs, and in the implementation of best practices for the socio-economic development of communities.

With reference to some of the initiatives listed above, it should be noted that the lockdown linked to Covid-19 is having an impact on the progress of the activities.

**1.16 Eni has become an active member of the governance of the REDD+ Luangwa Community Forests Project (LCFP) forest conservation project. The LCFP, launched in 2014 and managed by BioCarbon Partners in cooperation with the Zambian government and local communities, covers an area of approximately 1 million hectares, involves over 170,000 beneficiaries, and is currently one of the largest projects REDD + in Africa to have obtained the Triple Gold Standard Certification for its exceptional social and environmental impact".<sup>4</sup>**

**When will this project officially start? How many tons of CO<sub>2</sub> per year will it be able to absorb? From when and for how long?**

**Answer**

The project officially started in 2014, with impacts in terms of emissions starting from 2015. The data approved by the third party auditors indicate that, during the entire duration of the project (30 years, between 2015-2045), over 2 Mt CO<sub>2</sub> per year will not be released into the atmosphere.

**1.17 Which areas have already been identified for each of the countries indicated in question 1.15?**

**Answer**

Please see Answer 1.15

**1.18 If specific areas have not yet been identified, did you set objectives for the**

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<sup>4</sup> <https://www.eni.com/en-IT/low-carbon/forest-protection-conservation.html>



**identification of areas for each country and for the start of projects between now and 2025?**

**Answer**

It is expected that projects in the identified areas (1.15) will contribute to the absorption of approximately 10 Mton CO<sub>2</sub>/y as foreseen overall by Eni by 2025.

**1.19 How will the first 10 Mton of CO<sub>2</sub> per year be absorbed from 2020 to 2025 through REDD + projects?**

**Answer**

Eni's strategy is based on the development of REDD+ initiatives. This framework is based on reducing emissions from deforestation and forest degradation and increasing absorption. Once the activities aimed at reducing deforestation have been implemented, we will be able to certify the amount of CO<sub>2</sub> emissions which, thanks to our projects, will not be released or will be removed from the atmosphere. We trust that the projects under development, presented in the previous questions, and those that we will select in the coming years, will lead us to achieve the goals we have set ourselves.

**1.20 How can you foresee an increase of absorption by 10 Mton of CO<sub>2</sub> per year from 2025 to 2030 (in just five years, from 10 Mton to 20 Mton), and then expect that it will take 20 years (from 2030 to 2050) to obtain the same increase (from 20 Mton to over 30 Mton per year)?**

**Answer**

The growth rate of credits generated by the REDD+ activities is not linked to the ability to generate new projects but represents one of the levers of the decarbonisation process and evolves in a complementary way to other decarbonisation levers identified in the strategy.

**1.21 In 2019, the oil company Shell said it will invest €300 million in forest conservation plans until 2022 and that this investment in carbon credits could lead to the absorption**



of 60 Mton of CO<sub>2</sub> in three years, therefore about 20 Mton per year.<sup>5</sup>

**How much does Eni intend to invest in forest conservation plans from 2020 to 2025?**

**Answer**

Please see Answer 1.22

**1.22 Is it possible to provide estimates on how much Eni intends to invest in forest conservation plans by 2030 and 2050?**

**Answer**

Answer to questions 1.21-1.22

In its Strategic Plan, Eni envisages the implementation of REDD+ projects with a spending schedule which will depend, in addition to the CO<sub>2</sub> absorption targets declared in the February 2020 Strategy Presentation, also on various factors such as the type of activity implemented, the types of trees, the affected area and the involvement of local communities.

In the long term, other exogenous factors, such as the evolution of the regulatory framework or market developments still uncertain today, may further impact the level of spending.

To date, the expected expenditure up to 2025 is approximately €200 million.

**1.23 Shell has also stated that it intends to build a business, over time, with carbon credits, because "they will become progressively more expensive as the emissions of carbon will be more constrained. The profitability of the business cannot be known now, because the market is still too immature."<sup>6</sup>**

**Does Eni also intend to trade with carbon credits obtained from REDD + forest conservation projects? If not, for what reasons?**

**Answer**

As explained in the strategy, the goal is to generate carbon credits through actions to reduce emissions from deforestation and degradation and increase the capacity of natural sinks, to compensate for direct or indirect residual emissions.

**1.24 During the 2019 shareholders' meeting, CEO Claudio Descalzi explained that it will not be a matter of "reforestation, but about conservation, we are not going to plant new**

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<sup>5</sup> <https://www.ft.com/content/bae6481a-59da-11e9-939a-341f5ada9d40>

<sup>6</sup> <https://www.ft.com/content/bae6481a-59da-11e9-939a-341f5ada9d40>



**trees, we will make sure that those 13 million per year are not cut down, which is a very different thing, but the areas are there and I will point them out again.”<sup>7</sup>**

**What is it meant by 13 million per year?**

**Answer**

The figure refers to the estimate of the forest area converted into other land uses. The indicated value refers to an estimate by FAO. According to the FAO-FRA (Forest Resources Assessment), the rate of deforestation worldwide between 2005 and 2010 stood at 13 million hectares per year. Eni undertakes to contribute to reducing the rate of deforestation and CO<sub>2</sub> emissions associated with it.

**1.25 If the areas, according to CEO Claudio Descalzi, were already there in 2019, why have they not yet been disclosed to shareholders?**

**Answer**

The definition of project areas has matured recently and, as indicated, feasibility studies are still underway, and their results will provide more details. Each REDD + project is influenced by the different ecosystems where it is applied, the existing deforestation rates and the resulting ability to reduce the deforestation rate itself.

**1.26 In March 2019, the Financial Times wrote that Eni intended to reforest (planting trees) an area of 81,000 square kilometres between South Africa, Mozambique and Zimbabwe and Ghana (equivalent to "four times Wales").<sup>8</sup> During the Shareholders' Meeting held on May 14, 2019, answering a question from the Fondazione Finanza Etica, the CEO Claudio Descalzi denied that Eni "will plant trees", stating instead that they will deal with "conservation of existing forests" projects.<sup>9</sup>**

**So did the Financial Times misinterpret Eni's plan?**

**Answer**

Please, see Answer 1.27

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<sup>7</sup> <https://www.eni.com/assets/documents/Minutes-of-the-Ordinary-Shareholders-Meeting-held-on-May-14-2019.pdf>

<sup>8</sup> <https://www.ft.com/content/7c4d944e-470d-11e9-b168-96a37d002cd3>

<sup>9</sup> <https://valori.it/clamoroso-allassemblea-eni-financial-times-smentisce-descalzi-sul-piano-alberi/>



**1.27 On May 15, 2019, having heard the CEO Descalzi's answer, David Sheppard, one of the two journalists of the Financial Times who had written the article, feeling sure that he had not misinterpreted the words of Eni's CEO, wrote on Twitter that, up to that moment, he had not received "a single phone call or e-mail from Eni's vast PR team," confirming they would "double-check the comments to make sure that the CEO had not made a mistake in speaking."**

**Did Eni subsequently ask the Financial Times to deny what was written in the article in question? If not, why not?**

**Answer**

Answer to questions 1.26-1.27

What reported by the FT in March 2019 was the result of a misunderstanding with the journalist. Subsequently, the press office contacted David Sheppard, explaining the misunderstanding. Given that the topic was entirely new, and knowing that new communication opportunities would arise shortly thereafter, we clarified the matter with a subsequent release, on a newspaper of international standing (Bloomberg, May 3, 2019, which we report below ). Following the operation carried out with Bloomberg, communication always aimed at clarifying the nature of the projects.

***Eni to Focus on Saving African Forests to Offset CO<sub>2</sub> Emissions 2019-05-03 10:38:00.705 GMT***

*By Paul Burkhardt and Chiara Albanese (Bloomberg) -- Eni SpA's plan to offset emissions from its oil and gas operations will focus on working with African communities to prevent deforestation. The project is part of the Italian energy giant's goal of removing the equivalent of 20 million tons a year of carbon dioxide from the atmosphere by 2030. On top of efforts to improve operational efficiency and minimize waste, the forest initiative would result in net zero emissions from its upstream fossil fuels business, Eni says.*

*The company has clarified its plans after the initial announcement in March appeared to involve planting 20 million acres of new forests, an area roughly the size of the U.S. state of South Carolina. While Eni's initiative will involve planting some new trees, the main focus is on preserving mature forests "which play a crucial role to absorb CO<sub>2</sub> from the atmosphere," the company said. "We pursue an approach which aims at the sustainable management of forests, their*



*conservation, and enhancement of forest carbon stocks, also leveraging local population as crucial players,” an Eni spokesperson said.*

#### *Industry Plans*

*The Italian company will spend about 1 billion euros (\$1.1 billion) on “circular economy” initiatives to reduce emissions over the next four years. Other oil majors have also turned to the forests to offset their climate change footprint.*

*Eni’s European rival Royal Dutch Shell Plc plans to plant and conserve trees to offset emissions through a \$300 million investment over three years. The company will provide carbon credits to its diesel and gasoline customers in the Netherlands. Total SA expects to invest about \$100 million in forests starting in 2020. The oil and gas explorer said it will develop forestry projects through REDD+, a program to reduce emissions stemming from deforestation or forest degradation. The company has formed partnerships with Zambia, Mozambique, Zimbabwe, Mexico and Brazil. Talks are underway to develop new initiatives in Congo, Indonesia, Mozambique and Ghana, it said. The strategy includes growth in Eni’s portfolio of low- or zero-carbon energy sources, with an increasing share of gas, biofuels, solar, wind, and “a circular approach to maximize the use of waste as a feedstock and to transform and extend the life of industrial sites,” the company said.*  
*--With assistance from Godfrey Marawanyika.*

**1.28 Only very fragmented information is available on CCS projects, which are expected to be crucial in neutralizing CO<sub>2</sub> emissions from gas extraction. Every concrete development is projected forward in time of at least 5-6 years (2025).**

**How much will Eni invest in CCS in terms of capex starting from 2025?**

**Answer**

Please see Answer 1.30

**1.29 How much could the Ravenna project cost in terms of capex?**

**Answer**

Please see Answer 1.30

**1.30 When and under what conditions would it break-even?**



### **Answer**

Answer to questions 1.28 to 1.30

CCS represents one of the levers that Eni intends to use in the process of decarbonising its activities, enhancing both gas equity production and any exhausted deposits and existing infrastructures, also allowing to create opportunities for the creation of industrial hubs where different companies can benefit from this technology.

Eni is already participating in CCS initiatives in the UK both through OGCI-CI (Clean Gas Project - Net Zero Teesside) and with the project in the Liverpool Bay Area. A great opportunity for CCS deployment has been identified in the Ravenna area. The site has all the features (plant size, proximity to emission sources, reuse of existing facilities) to be implemented at competitive costs and will be a case study for subsequent projects, both in terms of technological solutions to be adopted and in relation to the necessary investments. Eni is currently conducting a feasibility study in this regard, divided into phases of increasing complexity, which will allow for a more accurate economic analysis. It is therefore still too early to provide numbers in terms of CapEx and breakeven of the projects.

### **1.31 Eni also referred to CCS projects in the United Arab Emirates and Great Britain. Are we also dealing with disused deposits?**

#### **Answer**

Please see Answer 1.32

### **1.32 Could you provide further information on projects in the United Arab Emirates and Great Britain?**

#### **Answer**

Answer to questions 1.31 to 1.32

In Great Britain, Eni participates in CCS initiatives both through OGCI-CI (Clean Gas Project - Net Zero Teesside) and with participation in the project in the Liverpool Bay Area which envisages the use of an exhausted offshore field under concession to Eni. Both initiatives are awaiting the government incentive scheme and will represent an important reference for Eni and for subsequent CCS initiatives.

In Northern Europe there is a strong commitment to the development of carbon pricing and the ETS system, for which CCS represents a widely promoted option for achieving the carbon footprint



reduction targets. In Great Britain, in particular, government commitment translates into regulatory support aimed at spreading technology. For these reasons, Eni believes that the area has a high potential for the development of projects on an industrial scale, allowing to attract third parties.

In the United Arab Emirates, we are engaged with ADNOC, which already owns an active plant and is planning a further development of the CO<sub>2</sub> capture capacity, in a strategy to reduce the carbon footprint of our activities in the area also through CCUS projects. In confirmation of this commitment, in January 2020 Eni and ADNOC signed a MoU for the joint development of research initiatives aimed at identifying and implementing advanced technological solutions for the reduction, capture, use or confinement of CO<sub>2</sub> emissions.

**1.33 CCS is still considered an immature technology, in particular as regards large plants.<sup>10</sup>  
Does Eni share this opinion on CCS? If not, why?**

**Answer**

Eni believes that CCS can make an important contribution to the energy transition towards a low carbon future. The use of CCS in the short to medium term can reduce CO<sub>2</sub> emissions in the production of electricity from fossil fuels and promote the spread of a hydrogen economy. It is also considered one of the valid options currently feasible for the decarbonisation of the most energy-intensive industrial sectors (e.g. cement, steel, fertilizers).

CCS is a mature technology in various components of the supply chain (capture-transport-storage) but, owing to its still high costs and the uncertainty of policies and regulatory frameworks (especially in Europe, despite European Directives and specific Laws), it has not yet reached large-scale commercial maturity. To date, 19 large-scale demonstration plants are currently operating globally, mainly concentrated in North America. Success factors for the diffusion of technology, at the scale required to achieve climate targets, are:

- cost reduction, through economies of scale, sharing of infrastructures, new and cheaper capture technologies,
- the introduction and definition of supporting regulatory frameworks, such as incentive mechanisms and emission standards,
- the creation of a legal and regulatory framework for a better definition of monitoring conditions and long-term responsibility,
- independent and transparent information campaigns to create awareness in the population and

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<sup>10</sup> <https://www.qualenergia.it/articoli/20180305-come-sta-fallendo-il-sogno-americano-del-carbonepulito/>



contribute to the conscious acceptance of the projects.

**1.34 Based on which feasibility studies can Eni say that the CCS project in Ravenna will work effectively and efficiently? Is it possible to have more details on these studies?**

**Answer**

The CCS Ravenna Project has all the features (plant size, proximity to emission sources, reuse of existing facilities) to be implemented at competitive costs.

The feasibility study is developed on phases of increasing complexity and the criteria with which it is conducted aim to maximize effectiveness in respect of the environment, communities and the territory, having as a priority focus all the HSE issues related to the deployment of the initiative . With the conclusion of the early stages of the study, further details on the results of the analysis may be provided.

**1.35 Eni's ecological footprint will be reduced by five different strategies: 1) increase in the share of gas in a decreasing upstream production (after 2025); 2) focus on self-produced gas, bio-methane and renewables (with an installed capacity exceeding 55 GW by 2050); 3) conversion of European refineries into bio-refineries; 4) forest conservation; 5) CCS.**

**While we have clear targets for reducing CO<sub>2</sub> emissions through forest conservation projects and CCS, it is not clear in what percentage the other strategies (an increase in the share of gas in the upstream, focus on self-produced gas, renewables or the conversion of refineries) could contribute to the reduction of total CO<sub>2</sub>. Is Eni able to provide alternative scenarios on the possible incidence, as a percentage, of these strategies (increase in the share of gas in the upstream, focus on the self-produced gas, renewables or the conversion of refineries) on the reduction of total net CO<sub>2</sub> (Scope 1, 2 and 3) by 2035 and 2050?**

**Answer**

Please, see Question 1.36

**1.36 While we accept that it is difficult to provide forecasts due to the great flexibility built in the strategic development plan in order to adapt to market changes in the next thirty years and be based on strategy diversification, could Eni commit to providing investors with at least 3 different development scenarios, based on different expected market trends?**



**Answer**

Answer to questions 1.35-1.36

The result of Eni's long-term industrial strategy will lead to an 80% reduction in absolute net emissions by 2050 (well beyond the 70% threshold indicated by the IEA in an SDS scenario compatible with the objectives of the Paris Agreement) and 55% reduction in emission intensity. The individual strategic levers relate to business actions fully under Eni's control. The speed of this evolution and the relative contribution of the individual businesses will depend on market trends, technological scenarios and applicable regulations, giving flexibility to the implementation of the strategy, but guaranteeing in any case the achievement of the footprint reduction targets.

This flexibility, together with resilience, are the characteristic elements of Eni's medium-long term plan, as represented in the Strategy Presentation of February 2020 and in the document Eni for 2019 -Carbon Neutrality in the Long Term, which will be published on May 13.

**1.37 Did Eni set intermediate targets in terms of "Net-Absolute GHG Lifecycle Emissions" and "Net Carbon Intensity" before 2035? If yes, for which years and with what percentage decreases?**

**Answer**

Please, see Answer 1.37

**1.38 How many GHG Mton (in terms of "Net-Absolute GHG Lifecycle Emissions") does Eni plan to issue in 2020 and in the years from 2020 to 2025?**

**Answer**

On the occasion of the Strategy presentation, we explained our methodology and medium-long term targets (2035 and 2050). Starting from the next reporting cycle, the new indicators will be disclosed in the main institutional documents.

**1.39 The reduction in upstream CO<sub>2</sub> emissions intensity (Scope 1 and 2) is one of the objectives that must be achieved in order to grant variable remuneration to the CEO. Do you plan to change this objective in light of the new methodology for measuring GHG emissions adopted by Eni? If yes, when and how? If not, why?**

**Answer**



In continuity with previous years, the Short Term Incentive Plan with deferral includes the target of reducing the operated upstream GHG emissions intensity in line with the target defined in 2025. This target is assigned to the CEO with a 12.5% weight and to all Eni management with responsibilities related with achieving the carbon neutrality strategy targets.

In addition, starting from this year, the new Long Term Equity Incentive Plan 2020-2022 supports the implementation of the Strategic Plan by introducing new parameters related to the targets of decarbonisation, energy transition and circular economy, in line with the targets announced to the market and with a view to aligning with the interests of all stakeholders. The overall weight of these objectives is 35% for both the CEO and all Eni management recipients of the Plan.

## **2. 2020 - 2023 Action Plan and renewables**

### **2.1 How will upstream greenhouse gas emissions (Scope 1 and 2) be reduced by 38% by 2023 (compared to 2014)?**

#### **Answer**

The UPS emission intensity reduction target by 2025 and the intermediate target by 2023 (-38%) refer exclusively to scope 1 emissions of the operated assets. The levers that act for the reduction are mainly the following:

- Implementation of flaring down projects to reduce process flaring and reach zero by 2025;
- Optimization of project start-up activities and maintenance to reduce non-routine flaring;
- Energy efficiency improvements, electrification (replacement of industrial fuel-powered machines by electric motors) and installation of electricity generation from renewables, all to reduce emissions from stationary combustion;
- Maintain systematic survey and maintenance programs on operational assets in order to eliminate fugitive methane emissions, which to date have made it possible to achieve an 81% reduction compared to 2014.

### **2.2 How long will it take to achieve the goal (with 2014 as reference year)?**

#### **Answer**

In 2019, the reduction of GHG scope 1 came to -27% compared to 2014, in line with the 2025 target of -43% GHG scope 1.



**2.3 In what types of green businesses will you invest the €4 billion Capex? We know that €2.6 billion will go to renewable energies but no information on the remaining €1.4 billion is provided. Is it possible to provide a breakdown of investments for the remaining €1.4 billion?**

**Answer**

The €4 billion investments in green business envisaged in the 2020-23 Strategic Plan horizon, include €2.6 billion to the renewable energy business, around €0.6 billion in decarbonisation [e.g.. investments for flaring down, or for energy saving] and other €0.6 billion in circular economy activities [e.g. Bio-refining, "waste to fuel" and "bio" chemical projects]. In addition, we will invest approximately €0.2 billion in the development/acceleration of innovative low-emission technologies and venture capital activities in start-ups with high innovative potential.

**2.4 The focus will continue to be on fossil fuels: €24 billion of investments in four years against €2.6 billion in renewables. Has Eni identified a "tipping point" in its 2050 plan from which investments in renewables will exceed those in fossil fuels? If it is not possible to identify it precisely, can it be indicated whether or not there will be a "tipping point" by 2050?**

**Answer**

It is difficult to give the exact timing of a "tipping point" where investments in renewables will exceed those on fossil sources; the speed of evolution will depend on market trends, the technological scenario and applicable legislation. A tipping point is however foreseeable by 2050.

**2.5 Can Eni provide a definition of frontier exploration projects? Are we referring to projects with potentially higher extraction costs and therefore, potentially, stranded assets?**

**Answer**

The definition of "frontier" exploration is geological, rather than geographical or operational, and normally refers to the limited or even non-existent activity carried out in the past on the geological themes in question, which are therefore less known and associated with greater uncertainties on the outcome of the exploration itself. The term refers to themes ("plays") that, for the most diverse reasons, have been little explored in the past and that have become potentially of interest thanks to the development of new technologies (for example seismic imaging, drilling or extraction) or markets (for example gas), but also new geological models



developed following a progressive increase in knowledge. A frontier exploration can therefore include a wide spectrum of initiatives, from new plays in areas well served by existing facilities up to remote basins or very deep themes. While we cannot exclude cases that, in the event of partial exploratory success, could prove to have high extraction costs, we want to emphasize that typically frontier projects can, in the event of full success, lead to discoveries of high volume and "transformative" implications for society and beyond. A typical example of successful frontier exploration is Zohr, the giant discovery of gas in the Mediterranean. For this reason, a correct balance of an exploration strategy normally also contains a portion of the portfolio dedicated to innovative, "frontier" projects.

**2.6 We would like to know the production data of biofuels and biodiesel in particular of Eni biorefineries in Italy and the origin (import countries and raw materials) of the bioproducts used, divided between Porto Marghera and Gela and if there are other plants that produce or mix biofuels.**

**In particular, as to the origin of biofuels Eni processes or distributes in Italy, we wish to know the quantities used of:**

- 1. palm oil;**
- 2. fatty acids from palm oil treatments (PFAD);**
- 3. Palm oil mill effluents (POME);**
- 4. soybean oil.**

**Answer**

The production process of the biorefineries is up to one million tonnes per year, 30% of which in Porto Marghera and 70% in Gela. The yield in bio products (diesel, naphtha, LPG) is approximately 85%.

In 2019, the processing of palm oil and PFAD stood at 80% mainly coming from South-East Asia. POME was used for 23 kt (8% of the total). The remaining 12% of the 2019 processes was mainly used cooking oil (UCO).

**2.7 What are the predictions for the use of products such as palm oil and derivatives and soybean oil by 2023 (when abandonment was announced) and with which products (or other biofuels) do you expect to replace its contribution, also with other biofuels or renewables?**

**Note that, as from this year, this information should be advertised at petrol stations or on their websites (Renewable Energy Directive, RED II).**



### **Answer**

As part of its decarbonisation strategy, Eni is substantially reviewing the supply chain in order to bring the use of palm oil and PFAD down to zero by 2023, even if regulations place the target at 2030.

As of today, and according to the EU delegated act, soybean oil is not a high ILUC-risk biofuel, therefore it can be processed in biorefineries. As of 2023, Eni plans to process first generation vegetable raw materials equal to approx. 20% of the total.

The palm oil and PFAD replacement strategy provides for an increasing use of second generation (RUCO/Tallow) and advanced (POME, SBEO - Spent Bleaching Earth Oil, residues from the pre-treatment of vegetable oils) biofuels.

### **2.8 In 2023, will the production of biofuels from palm oil alone or also from PFAD (fatty acids from palm oil treatments) and POME (palm oil mill effluent) be eliminated?**

### **Answer**

In 2023, Eni will bring down to zero the production of biofuels from palm oil and PFAD. Instead, the use of POME, classified in RED as waste and therefore advanced biofuel, is confirmed.

### **2.9 Are there studies or assessments (life cycle) on direct CO<sub>2</sub> emissions caused by the production of palm oil and derivatives by Eni? Are there any studies or evaluations on indirect emissions (ILUC)? Direct emissions (LUC) means, in addition to emissions during cultivation and treatments, also the assessment of CO<sub>2</sub> emissions caused by the direct replacement of land use from forests, peat bogs and plantations. By indirect emissions we also mean deforestation and/or new cultivation induced by the need for new land to be used for growing palm oil.**

### **Answer**

The production of Eni biorefineries is in compliance with the European ILUC regulation which provides for the full life cycle sustainability assessment of the emission impact with respect to alternative fossil fuel.

The minimum saving required by law is 50% for Venice productions and 60% for Gela productions. The choice of the raw material of organic origin therefore takes into account this overall compliance constraint.



#### Note 1

Since at least 2015, ENI's strategic choice seems to have been to cover the entire national renewable target in transportation with an adequate production of biodiesel, trying to anticipate and marginalize the marketing, for example, of bioethanol (in petrol) and of biomethane (in gas). The strategy was successful. According to the 2018 Statistical Report published on 30 December 2019 by the Italian Energy Service System Operator (GSE), the entity delegated to the official monitoring of energy sources, the share of biodiesel in total biofuels in Italy is 1,377 Mt out of a total of 1,416 Mt. Palm oil (116 Mt) and derivatives (fatty acids - PFAD - and effluents from palm oil mills - POME) amount to 707 Mt (51% of the biodiesel consumed), all of Indonesian origin and in a small part Malaysian. Soybean oil accounts for 5 thousand tonnes and 0.4% of biodiesel. Exhausted edible oils (UCO) 156 Mt (11%), of which only 50-60 Mt collected in Italy. National production of biodiesel amounted to 447 Mt, 33% of biodiesel consumed, probably largely from the Porto Marghera biorefinery: 280 Mt of these from Indonesian and Malaysian raw materials. So 63% of the national production of biodiesel would come from palm oil.

For 2019, we fear a new surge in national imports of palm oil and derivatives, in consideration of the entry into operation of the Gela biorefinery which, as we have been able to verify, mainly produces palm oil biodiesel. So dependence on palm oil and derivatives is likely to have increased further.

#### Note 2

The increase in the consumption of palm and soybean oil is among the primary causes of deforestation, loss of biodiversity and climate change: the crops arise where there were once peat bogs or humid tropical forests: in Borneo, in the Amazon and in Africa . This was stated by the acts and studies of the European Commission (see [Delegated Regulation 2055/2019 of 13 March 2019 and the Globiom Report](#)).

The direct or indirect replacement of forests and peat bogs is the cause of an increase in CO<sub>2</sub> in the atmosphere and for this reason the combustion of a litre of palm oil triples the CO<sub>2</sub> emissions of normal fossil diesel while a litre of soybean oil doubles it. In the last 15 years, the production of new palm oil has caused a change of use of 45% of land from virgin forests and peat bogs, while soy production caused a change of 9% (source Delegated Regulation European Commission).

**2.10 Eni indicated a target of 0.4 GW installed capacity in renewables by 2020, while the target set in 2016 for 2020 was 463 MW. Does Eni confirm that, at the end of 2020, it will reach an installed capacity of 463 MW (therefore 0.5 GW), as stated in 2016? Or was the target downward adjusted?**

#### Answer

At March 31, 2020, the installed capacity is approximately 250 MW (80% PHOTOVOLTAIC, 20% ONSHORE WIND) essentially referring to the projects illustrated below.

##### ■ ITALY:

- Porto Torres (SS), 31 MWp - PHOTOVOLTAIC

Completed at the end of 2019 and inaugurated at the beginning of 2020. To date it represents the largest plant built in Italy by Eni, on land owned by Eni Rewind.

- Assemini (CA), 23 MWp - PHOTOVOLTAIC

In operation since 2018, it is located within the Sulcis-Iglesiente Site of National Interest (SIN) and in the areas of the Assemini Plant on land owned by Eni Rewind and Luigi Conti Vecchi.



- Volpiano (TO), 18 MWp - PHOTOVOLTAIC

Plant completed at the beginning of 2020, it is located within the R&M industrial area for oil storage.

■ ABROAD:

- Badamsha (Kazakhstan), 48 MW - ONSHORE WIND

Completed at the beginning of 2020 and on line in March 2020. It is the first wind project by Eni.

- Katherine (Australia), 34 MWp plus 6 MW storage system - PHOTOVOLTAIC

Located in the Northern Territory and completed in 2019, it is integrated with an accumulation system. The construction of two further plants (Bathechelor and Manton) in the same region for a total of 25 MW is also at an advanced stage of development.

- Bhit (Pakistan), 10 MWp - PHOTOVOLTAIC

Built in 2019 to support the production facilities of the Bhit gas field, it supplies solar energy by operating in an offgrid configuration and allows a corresponding reduction in gas consumption.

- Tataouine (Tunisia), 10 MW (Eni's interest 50%) - PHOTOVOLTAIC

Plant located near an ETAP industrial site, the first photovoltaic system built in the southern region of Tunisia and awarded to Eni in 2018 through an international auction process.

- Adam (Tunisia), 5 MWp plus 2 MW storage system (Eni's interest 50%) - PHOTOVOLTAIC

Photovoltaic solar system not connected to the electricity grid, which allows to displace part of the energy produced from fossil fuels in Adam's upstream field.

Furthermore, following the provisions of the partnership agreements signed at the end of 2019, in March 2020 Eni acquired a 49% stake in five photovoltaic assets already in operation and currently managed by Falck Renewables in the United States. The plants have a total capacity of 116 MWp (Eni's share 57 MW), including a storage system of approximately 3 MW.

The development initiatives currently underway allow us to foresee a total installed capacity of approximately 0.4 GW at the end of 2020 thanks also to the collaboration with Eni Rewind and the partnerships with Cassa Depositi e Prestiti and Falck for joint ventures in Italy and United States.

However, in consideration of the health emergency currently underway, at the moment we cannot exclude any slowdowns in our activities in the renewable energy sector due to possible delays in obtaining the necessary authorizations, as well as restrictions on the movement of goods and people, with repercussions on both the development and construction phases.

**2.11 Is it possible to have more information on projects Eni intends to develop in the renewable energy sector by 2025, to increase installed capacity to 5GW?**

**Answer**



Our growth will largely be organic, but we do not exclude selective M&A of assets and projects if consistent with our strategies and if they represent an opportunity for accelerated growth in the renewable energy business.

By continuing to leverage on the distinctive model that characterized our entry into the renewable energy business, in the medium and long term we intend to strengthen our presence in the sector by developing new projects in OECD countries (e.g. Italy, Europe, Australia, United States) characterized by structured and mature markets with a contained risk profile.

This geographical diversification will improve the balance of our project portfolio, which includes a consistent presence in non-OECD countries (e.g. Kazakhstan, Pakistan, Tunisia, Algeria) thanks also to the synergies with other Eni businesses.

In particular:

- In Italy - thanks to consistent collaboration with Eni Rewind, we will confirm our commitment to industrial conversion through the construction of mainly (but not exclusively) photovoltaic systems, in owned industrial areas, reclaimed and available for use. Further drive in this direction will also be ensured by the agreement signed with Cassa Depositi e Prestiti for the construction of photovoltaic systems also in State-owned areas.
- Abroad - in addition to strengthening our presence in Africa, Australia and Kazakhstan, we intend to explore the European markets and new emerging Asian markets, as well as develop, thanks to the partnership with Falck Renewables, the US market (where we recently entered with the goal of reach 1 GW of projects in the next 4 years).

## **2.12 Is it possible to provide more details on the projects launched in the United States in collaboration with Falck Renewables?**

### **Answer**

On March 20, 2020, Eni and Falck Renewables completed the strategic agreement for the joint development of renewable energy projects in the United States, signed last December.

The agreement involved the establishment of a company (equally held by Eni New Energy US Inc. (ENE US) and Falck Renewables North America Inc.) for the development, construction and financing of new solar photovoltaic systems, onshore wind energy and energy storage projects. Under the terms of the agreement, ENE US also acquired 49% of interests in the plants currently managed by Falck in the United States (equal to 57 MW, including storage capacity).

The Joint Venture has joint governance and is dedicated to the development of at least 1 GW of new projects by the end of 2023. Development activities started at the beginning of 2020 and the joint venture is now fully operational, both in the evaluation of organic development projects and



the search for M&A operations, through which we aim to acquire capacity pipeline already installed or ready for construction.

**2.13 By 2023, 20% of renewable installed capacity will be from wind plants. Can you provide information on these investments? Is it onshore or offshore wind? In which geographical regions?**

**Answer**

The business model adopted by Eni in the renewable energy sector provides for a "technologically neutral approach" which implies the use of the most appropriate technology, based on plant location, resources availability and cost-effectiveness of the chosen solution.

Taking these factors into account, in the next four years Eni's plan foresees the development of exclusively onshore wind projects equal to approximately 20% of the total installed capacity by 2023.

As of today, we have completed construction of the Badamsha onshore wind farm in Kazakhstan (48 MW), to which we plan to add an additional wind farm (also of 48 MW) following the award in 2019 of a new project to be carried out in the Badamsha area.

We also expect further developments in onshore wind energy in Italy.

Eni also looks with interest at the development of offshore wind projects (with investments beyond the Plan's horizon). In this regard, in 2019 we started a collaboration with Mainstream Renewables aimed at developing joint initiatives with initial focus in the United Kingdom.

**2.14 What capex do you plan for the 2023-2025 period in order to reach a 5 GW renewable installed capacity target? Can you provides some estimates?**

**Answer**

In the 2024-2025 period we plan to increase our installed capacity by around 2 GW compared to the 3 GW expected at the end of 2023.

This increase will be achieved by supporting investments with unit costs consistent with market values and for which we expect a downward trend in the medium term, albeit at a slower pace than in the last ten years.

In general terms, Eni expects that wind capex will decrease less than photovoltaic. However, its generation cost will benefit from a higher capacity factor associated with larger turbine sizes.

**2.15 How do you intend to maintain the current IRR (internal rate of return), averaging 25%,**



**by 2050, given that the focus on renewables and bio-refineries, which currently have a maximum IRR of 15%, will significantly decrease profitability of the group's activities?**

**Answer**

See Answer 2.16

**2.16 If IRR is instead expected to fall from today's levels, precisely due to the increase in investments in renewables, when do you expect it to start falling from current levels as a consequence of the different production mix, more unbalanced towards renewables?**

**Answer**

Answer to questions 2.15-2.16

The rate of return of the upstream projects, in the scenario of the 2020-2023 strategic plan, is on average 25%, by virtue of their risk profile. The renewables and biorefineries businesses are and will be characterized by lower returns, commensurate with their lower risk, when considered on a "stand alone" basis. However, Eni will be able to extract the entire value of the supply chain by integrating its investments in biorefineries and renewable sources with its commercial sales activities up to end-customers, which can significantly increase the returns of the pure industrial component.

The speed of evolution of the composition of the Eni portfolio will depend on the trend of supply and demand on the commodity market, the technological scenario and applicable legislation. Rebalancing will therefore take place gradually and flexibly, maintaining a balanced and sustainable risk-return ratio.

**2.17 How does Eni evaluate the impact of possible CO<sub>2</sub> costs within its 2050 plan? On the one hand, in fact, they would reduce the IRR by just 0.7%, on the other hand, it is said, CO<sub>2</sub> credits "could definitely cost much more", thus making hydrocarbon production (and therefore the IRR of future hydrocarbon production) relatively less profitable.**

**Answer**

See Answer 2.18



**2.18 On which time horizon is the 0.7% reduction in IRR due to the impact of possible CO<sub>2</sub> costs?**

**Answer**

Answer to questions 2.17-2.18

The 0.7 percentage point profitability reduction is calculated on the main upstream development projects currently underway, which have an average time horizon of about 30 years.

It is a portfolio of high-value projects (average profitability > 20%) that stays resilient and competitive even under the impact of a possible Carbon Tax applied to direct GHG emissions (scope 1).

The effects on profitability have been calculated:

- on the entire life span of the projects starting from the start of the construction phase;
- using the IEA SDS scenario which foresees CO<sub>2</sub> costs in 2040 in excess of \$200/tonne;
- assuming that the cost of CO<sub>2</sub> is a charge that cannot be recovered from the applicable oil contract and is not tax deductible.

In the "Risk Factors and Uncertainties" section of the Annual Report, we show that since 2019 tests on the recoverability of the carrying amounts of Eni's Oil & Gas assets incorporate the Group's commitment to develop forestry projects, one of the lines of action of Eni's decarbonisation strategy, starting in 2019 with participation in forest conservation initiatives that provide for the purchase of carbon credits, certified according to international standards. Management expects a progressive ramp-up of these initiatives in the medium-long term, with the aim of establishing by 2030 a portfolio of forestry projects providing an annual amount of carbon credits covering the residual emissions deficit of the Exploration & Production sector, for the purpose of carbon neutrality of equity production from 2030 onwards. The costs for the purchase of carbon credits are included in the operating costs of the Exploration & Production sector and their recoverability has been assessed with reference to the entire Exploration & Production sector considered as a single Cash Generating Unit (CGU). Net of these costs projected until the end of the residual life of the reserves, the overall headroom of the Exploration & Production sector determined on the basis of the assumptions of the impairment test is reduced by 2%. The portfolio's resilience is assessed on the basis of the IEA SDS scenario, which is considered the reference scenario for tracing a path of decarbonisation that aims to achieve the UN Sustainable Development Goals.



The management also carried out sensitivity analysis on all the CGUs of the E&P sector eligible to impairment testing pursuant to IAS 36, to verify the carrying amount tightness under the assumptions set forth in the IEA SDS WEO 2019. This stress test highlights the overall tightness of the book values of Eni assets, with a 7% reduction in fair value assuming the non-deductibility of CO<sub>2</sub> emissions costs, or 2% in the case of their recognition in the cost oil and for the purpose of determining taxable income.

Also in the "Risk Factors and Uncertainties" section of the Annual Report, we represent that about half of the direct GHG emissions of all Eni activities are currently subject to the European Emission Trading Scheme (ETS) regime, which provides for the company to purchase emission certificates in the open market, once it exceeds the limit of free allocation of quotas established on a regulatory basis. In some operating areas, the Group is subject to real carbon tax mechanisms (e.g. Norway). It is conceivable that these compliance costs will increase significantly in the medium term. Going forward, these charges could also be mitigated by the benefits that the Company expects to obtain from the improvement of the operational efficiency of its industrial assets as well as its plans to eliminate flaring process gas and to reduce fugitive methane emissions, in line with the emissions reduction targets announced to the market. Further benefits will derive from the progressive implementation of initiatives included in Eni's medium-long term plan, which has the aim of building a more sustainable business portfolio and significantly reducing emissions.

### **3. Covid-19 health emergency impact**

**3.1 Eni reduced Capex by around €2.3 billion in 2020, equal to 30% of the original budget and plans to reduce further €2.5-3 billion in 2021, equal to 30-35% of the planned reduction for that year. Capex is almost entirely focused on the upstream. Will investments in renewable sources or, in general, in green businesses also be reduced? If yes, how much and for which projects in particular?**

**Answer**

See Answer 3.2

**3.2 If investments in renewables or, in general, in green businesses are reduced, will the**



### **investment plan in green businesses (Capex of €4 billion by 2023) be postponed?**

#### **Answer**

Answer to questions 3.1-3.2

The capex reduction leveraged the high flexibility of investments and focused mainly on upstream activities, in particular those relating to the optimization of production and development of new projects, expected to start shortly.

The 2020 reduction regarded, marginally and in the amount of approximately €80 million, also investments in renewables; in particular we have rescheduled and postponed some investments abroad, considering their non-advanced degree of maturity.

As for upstream investments, investments in renewable energy now postponed can also be quickly restarted once conditions resume.

### **3.3 Eni lowered its forecast for the Brent price to \$45 and \$55/barrel for 2020 and 2021, respectively. The current Brent price (April 30, 2020) is \$26. What probability does Eni assign to Brent price remaining below \$30 until the end of the year?**

#### **Answer**

Eni constantly monitors market environment and fundamental variables. The current market is particularly volatile as it is characterized by an extraordinary degree of uncertainty due to both the COVID-19 pandemic and the effects of decisions to apply a varied number of "lockdown" measures all around the world on demand and supply, as well as to the recent OPEC+ decision to reduce supply levels, the effectiveness of which will have to be tested starting from May.

Eni will update the short and medium/long term scenario in the coming months, if necessary.

## **4. New methodology for calculating greenhouse gas emissions**

### **4.1 In 2018 Eni produced 537 Mt of GHG emissions. By 2050, they are expected to decrease by 80% in absolute terms. How much of these emissions will be reduced by changing the generation mix (renewables, retail services, biorefineries, gas instead of oil, etc.), and how much part will instead be compensated downstream (with carbon sink)? Is it possible to have an estimate of the relationship between the reduction of outgoing emissions and their downstream compensation?**



### **Answer**

The emission reporting methodology used to define Eni's new carbon footprint reduction targets includes the emission impact of all energy products produced and marketed by Eni, along the entire value chain. The 537 Mt amount not only includes Eni's direct emissions, but also those connected with the life cycle of the energy products sold by Eni, including those caused by their use by end customers, which represent the prevailing share. Since each energy product is characterized by a specific supply chain (e.g. LNG, renewables, oil products) and for many of these products Eni is present in an integrated manner along the same segments of the supply chain, from production to transformation up to the final sale of the products to the end customer, it is not advisable to separate the emission impact between upstream and downstream.

The reduction of absolute emissions will therefore be judged organically and will be determined by the progressive evolution of the entire portfolio of energy products managed by the company, the integration of businesses along the supply chain and the continuous commitment to operational efficiency.

Finally, within Eni's long-term carbon neutrality strategy, projects for the capture of CO<sub>2</sub> will be particularly important, both in Italy and abroad, adding over 10 million tonnes per year by 2050. To these we must add the role of forestry projects, compensating part of the residual emissions which are difficult to reduce with current technologies, amounting to over 30 Mt by 2050.

#### **4.2 We currently know that more than 40 Mt of CO<sub>2</sub> per year will be compensated through forest conservation and CCS projects by 2050. 80% of 537 Mt is 429.6 Mt. If we remove the 40 Mt that will be compensated by "carbon sinks", we are left with 389.6 Mt: will they be mainly compensated by the change in the upstream production mix?**

### **Answer**

Excluding the role of forestry projects and CCS, all other emission reductions (not offsets) attributable to the energy products marketed by Eni will derive from a deep transformation of Eni's business portfolio and in particular from:

- a progressive reduction in hydrocarbon production after 2025 with an increasing incidence of gas production;
- a focus on the marketing of equity products and the progressive reduction of the marketing of non-equity gas;
- the conversion of European refineries into plants with bio or alternative fuels for production of



hydrogen, methanol, bio-methane and products from the recycling of waste materials

- the expansion of retail activities with the aim of distributing only "organic" and renewable products by 2050
- a continuous commitment to the operational efficiency of industrial assets.

**4.3 Will the new emissions calculation methodology be already applied to 2020 and 2019 data in the 2020 financial report?**

**Answer**

Starting from the next reporting cycle, the new indicators will be subject to annual disclosure in the main institutional documents, therefore the updated data will be published annually and also in the 2019 annual report.

**4.4 How are the targets of reduction of Scope 1-2-3 net emissions (-80%) and "net carbon intensity" (-55%) in 2050 related? Why don't you expect to decrease "net carbon intensity" by 80%? Do you expect a decrease in the volume of products offered by 2050 (denominator of the "net carbon intensity" ratio)?**

**Answer**

We wish to underline that Eni's energy portfolio in 2050 will be very different from 2018, mainly reflecting the increase in the sale of zero and low carbon energy, a progressive reduction in hydrocarbon production after 2025, with an increasing incidence of the gas component, and lower marketing of non-equity gas. The trend of the two indicators is different in that it depends on the proportion with which the reduction of emissions is related to the transformation of the energy portfolio, respectively numerator and denominator of the emission intensity. Furthermore, the approach adopted by Eni when accounting for renewables, with their increasing weight in the portfolio, follows a rigorous methodology which is based on actual energy production and not on a replacement factor for renewables in fossil equivalent, which therefore determines a lower absolute value for the energy sold.

**5. Eni diesel+**

**Papers recently reported the news of a fine imposed by the Competition and Market Authority (AGCM) for incorrect commercial practice in violation of the Consumer Code in**



reference to the advertising campaigns of the ENI-diesel+ product.<sup>11</sup> In relation to investments made in biorefineries and communication campaigns (2016-2019) and to statements such as "up to -40% of gaseous emissions", we ask:

**5.1 if, when and how many and with which vehicles, there were emissions checks;**

**5.2 which emissions were recorded in the same tests for strategic pollutants for air quality, such as nitrogen oxides and, in the alternative, particulates;**

**5.3 does the different composition of biodiesel (palm oil, PFAD, used vegetable oils, etc.) affect that of the pollutants;**

**5.4 why have the official results of the tests not been made public.**

**We believe that the complete tests and results should have been available to the consumer since 2016. We now ask for them as shareholders.**

#### **Answer**

See Answer to question 14 of Shareholder Marco Bava.

## **6. Decommissioning of offshore platforms**

**6.1 We would like to know how many offshore platforms have been included in the Italian "Programma di attività per la dismissione delle piattaforme offshore" (National decommissioning programme of offshore hydrocarbon platforms). In particular we would like to know about the following 15 platforms (see the table below):**

- **which and how many will be included in the aforementioned program by June 30, 2020, final deadline for reporting to the competent offices the list of structures on which to start the decommissioning procedures;**
- **which ones are instead subject of "alternative" research projects for their reuse for purposes other than hydrocarbon extraction.**

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<sup>11</sup> <https://ilsalvagente.it/2020/04/28/eni-riconosce-il-peccato-paga-la-multa-e-blocca-la-campagnaeni-diesel/>



n.	Nome struttura	Minerale	Anno di realizzazione
1	ADA 3	Gas	1982
2	ARMIDA 1	Gas	1973
3	AZALEA 1	Gas	1984
4	CAMILIA 2	Gas	2001
5	CLARA OVEST	Gas	1987
6	DIANA	Gas	1971
7	ELENA 1	Gas	1989
8	EMILIO 3	Gas	1980
9	FABRIZIA 1	Gas	1998
10	JOLE 1	Gas	1999
11	PORTO CORSINI 73	Gas	1996
12	PORTO CORSINI MWA	Gas	1968
13	REGINA 1	Gas	1997
14	VIVIANA 1	Gas	1998
15	PENNINA	Gas	1988

### Note 1:

According to studies carried out by the Ministry of Economic Development in collaboration with important Universities, Research Bodies, Associations and Assomineraria, the decommissioning programme in Italy should have envisaged the immediate disposal of at least twenty offshore structures.

The programme was drawn up at the end of 2018 after two years of technical negotiations between the Ministry of Economic Development, the Ministry of the Environment and the Protection of the Territory and the Sea, the Ministry of Cultural Heritage and Activities, Assomineraria (the oil industry association) and the environmental associations Greenpeace, Legambiente and WWF. The plan contained in the programme provides for the decommissioning and environmental safety enhancement in the short term (2020-2025) of 22 industrial wrecks, dangerous for the environment and navigation, as well as another 12 in the medium term.

The guidelines for identifying the platforms have been issued and in fact, the decommissioning is currently feasible. In this regard, the guidelines provide that the Ministry of Economic Development publishes on an annual basis by June 30 of each year the list of platforms and connected infrastructures under decommissioning that must be removed, according to a removal procedure governed by the same guidelines.

### Answer

#### REGULATORY FRAMEWORK AND AUTHORISATION PROCEDURES FOR DECOMMISSIONING ACTIVITIES

- The regulatory framework for the decommissioning of platforms includes the "[Linee guida nazionali per la dismissione mineraria delle piattaforme per la coltivazione di idrocarburi in mare e delle infrastrutture connesse](#)" (National guidelines for the decommissioning of offshore hydrocarbon platforms and related infrastructures), issued by Inter-ministerial Decree on February 15, 2019. These guidelines provide that [by March 31 of each year the companies holding mining concessions communicate to the Ministry of Economic Development \(MiSE\) the list of platforms that they intend to dispose of and whose wells have been authorized for closure or](#)



have already been closed for mining.

- By June 30 each year, the MiSE publishes the list of platforms that must be removed, as they are deemed unsuitable for reuse, and those that can potentially be reused.
- As for those subject to removal, within 10 months from the publication of the list of platforms by MiSE, the owners must submit to the same Ministry an application for authorization of the removal and to the Ministry of the Environment and the Protection of the Territory and the Sea (MATTM), an environmental assessment application.
- Once the authorization process and the procurement process, which takes place in the form in accordance with Legislative Decree 50/2016, have been completed, decommissioning activities can be started.

#### **DECOMMISSIONING OF PLATFORMS**

- The Company acted according to this regulatory framework and in **March 2019** we sent three applications to MiSE regarding platforms **Ada 3, Porto Corsini 73, Azalea A**, whose wells have already been plugged:
  - o In September 2019, we received the approval to proceed with the decommissioning by MiSE regarding the Ada 3 platform and we are currently preparing the documentation necessary to proceed with the application for removal and for environmental assessment in accordance with the provisions of the applicable legislation.
  - o With regard to the Porto Corsini 73 and Azalea A platforms, the MiSE considered that the two structures are potentially reusable and, therefore, we are awaiting the Ministry's decisions regarding possible expressions of interest for their reuse by third parties. Eni is in any case preparing the necessary documentation to proceed with the removal request and for environmental assessment.
  - o In parallel, Eni has issued a European tender, expiring in September 2020, for the selection of consortia and suppliers that will participate in the tender for decommissioning activities and is preparing the tender documentation for decommissioning the structures.
- In March 2020, we sent the MiSE **two applications** regarding the **Armida 1 and Regina 1 platforms**, the wells of which were plugged during 2019.
- By **March 2021**, Eni intends to file an application for the decommissioning of **4 further offshore structures**, once the preliminary authorization for closings has been obtained as required by law.
- The **five applications filed so far**, as well as those planned for the next years, are consistent with the list of 15 structures included in the so-called "programma italiano di attività per le



dismissioni piattaforme (national decommissioning programme of offshore platforms)" (Protocol of Intent). The draft of the document, not binding for the parties, prepared at the end of 2018 by MiSE, MATTM, Ministry for cultural heritage and activities and tourism (MiBACT) and Assomineraria was never signed.

- The Protocol of Intent, containing a list of platforms to be decommissioned and a set of general principles, did not and could not in any way represent a higher-order regulation compared to the legislation itself but expressed a testimony of the interested parties to carry out a decommissioning programme in line with current legislation, in full respect of their role and responsibility.
- The Interministerial Decree containing the national guidelines for the decommissioning of offshore platforms, issued in February 2019, is the Italian regulatory framework for the decommissioning of offshore structures and contains indications on the methods and timing in relation to the authorisation procedures that are being followed.

## RE-USE OF OFFSHORE STRUCTURES

- As regards the initiatives to reuse offshore structures for purposes other than mining, the **Viviana platform** was identified within a research and development project called **PLaCE (Platform Conversion for Eco-sustainable multiple uses)**. The project involves the conversion of the platform for the construction of a marine science park for fish farming purposes. The project sees the involvement of several universities and has obtained the support of MIUR.
- For the first time at national level, PLaCE will explore and combine innovative technologies and solutions for the reuse of offshore platforms to support multifunctional activities in the Blue Growth sector. Innovative technologies and solutions include: i) "artificial reef" mineral growth as a strategy for extending marine life; ii) integrated aquaculture; iii) renewable energy generation systems; iv) systems for acquiring and analysing environmental data, and remote communication and control systems.
- Finally, it should be noted that the **no longer productive platforms do not constitute "industrial wrecks, dangerous for the environment and navigation"**. These platforms are subject to scheduled maintenance activities that guarantee their integrity, safety and respect for the environment. As far as navigation safety is concerned, non-productive structures, like production ones, are subject to structural checks of the submerged part regularly carried out and communicated to the competent authorities, and keep all the signalling and navigation aid systems active.



## 7. Saipem and offshore wind

Regarding the subsidiary Saipem, "Soldi on line" of April 23, 2020<sup>12</sup> reports: "Furthermore, the manager (Saipem CEO, Stefano Cao) pointed out that 70% of the order backlog is connected to projects that do not belong to the oil sector. In this regard Stefano Cao has reported that Saipem is monitoring some opportunities in the wind energy sector for an amount of one billion euros".

This is information to which we attach great importance, so we ask:

**7.1 Did Eni or Saipem elaborate estimates, scenarios or industrial proposals for the implementing offshore wind energy also in territorial waters or at the borders of Italian territorial waters?**

### Answer

See Answer 7.2

**7.2 Does Eni believe that offshore wind energy production is a strategic axis on which to build a strategy and create synergies with Saipem?**

### Answer

Answer to questions 7.1-7.2

Saipem has not been under Eni exclusive control since January 2016, when with the sale of a 12.5% stake to CDP and the signing of a syndicate agreement with CDP it qualifies as a jointly controlled company. There are currently no negotiations between Eni and Saipem for the development of joint project initiatives in the offshore wind sector.

Furthermore, Eni has not elaborated any estimates, scenarios or industrial proposals for the affirmation of offshore wind in territorial waters or at the limit of Italian territorial waters. However, Eni looks with interest at the development of this technology. In this sense, a collaboration was started in 2019 with Mainstream Renewables aimed at developing joint initiatives with initial focus in the United Kingdom.

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<sup>12</sup> <https://www.soldionline.it/notizie/azioni-italia/conti-saipem-primo-trimestre-2020>



## 8. Country risk assessment

In the 2019 Annual Report (page 99), published by Eni,<sup>13</sup> we read:

**"As of December 31, 2019, approximately 81% of Eni's proved hydrocarbon reserves were located in non-OECD Countries, mainly in Africa, Central-East Asia and central-southern America, where the socio-political framework, the financial system and the macroeconomic outlook are less stable than in the OECD Countries. In those non-OECD Countries, Eni is exposed to a wide range of political risks and uncertainties, which may impair Eni's ability to continue operating in an economically viable way, either temporarily or permanently, and Eni's ability to access oil and gas reserves."**

**Besides, Eni continues to develop new fields in countries with high socio-economic risks, as is the case with Egypt, where in September 2019<sup>14</sup> production from the Baltim South West gas field was started. Or in Angola, where the Italian Ministry of Foreign Affairs through the Viaggiare Sicuri website recommends that companies operating in the country, even for short periods, "adopt specific security measures and comply with the provisions issued by local authorities regarding the transfer of foreign personnel." Eni has expanded its portfolio in Angola with three new discoveries (Agogo, Ndungu and Agidigbo), which together with those of Kalimba and Afoxè (end of 2018) have added 2 billion barrels of oil to the potential of the area. Or again in Nigeria, where the Italian government "advises therefore to provide adequate escort and protection services for workers, both in the workplace, and in their homes and on their journeys."**

**In the last year in particular, again according to the 2019 Annual Report, Eni has renewed the mineral interest portfolio as a whole through the acquisition of approximately 36,000 square kilometres of exploration acreage with an objective of increasing hydrocarbon production by an average of 3.5% per year for the next 4 years.**

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<sup>13</sup> <https://www.eni.com/assets/documents/eng/reports/2019/Annual-Report-2019.pdf>

<sup>14</sup> <https://www.eni.com/en-IT/media/press-release/2019/09/eni-starts-production-of-baltim-south-west-field-offshore-egypt.html>



**In light of these data, we ask clarifications on:**

**8.1 The strategies for securing Italian reserves, but also the reasons why, despite socio-economic risks, investments are still being made in these countries.**

**Answer**

Eni has developed and adopted an Integrated Risk Management Model aimed at ensuring that management takes informed (risk-informed) decisions, through risk assessment and analysis, including medium and long term, implemented with an integrated, overall vision and perspective. Consequently, Eni constantly monitors the political, social and economic risks of the 66 countries in which it has invested or intends to invest, selecting investment projects that are based on rigorous economic and financial criteria, aimed at preserving the company's capital solidity, of which country risk is an integral part.

It should also be added that in many of the non-OECD countries, Eni has been operating for decades and has been able to build and develop effective and lasting relationships with producer countries over time, guaranteeing access to energy and developing social, territorial and sustainability projects.

**8.2 What are the resources used to make Eni workers safe in these countries, what are the agreements with the host countries in terms of safety and what actions and strategies are put in place?**

**Answer**

Eni considers the health and safety of its people an absolute priority in all its operating areas, in line with the principles expressed in the Code of Ethics and in the internal regulatory system, while respecting the safety of all the stakeholders involved and in harmony with the communities places that host us. The internal regulations also respond to the desire to guarantee a safe and compliant work environment with the "International Principles on Human Rights" and the "Voluntary Principles on Security and Human Rights", internationally known as "Voluntary Principles on Security and Human Rights".

The organizational security structures guarantee constant monitoring of threats on a global and local scale to identify possible vulnerabilities and risks for Eni's people and assets and the necessary risk reduction (or possibly elimination) measures.

For higher risk scenarios, we envisage additional protection measures, which are proportionate to



the specific threats detected in order to guarantee the highest safety standards.

While the protection of the safety of people and assets is a corporate responsibility, the exclusive prerogatives of security and public order of the competent local Authorities remain essential. Relations with institutional representatives are therefore fundamental for Eni, at central and peripheral, national and international levels, in all the contexts in which it operates, also in a logic of public-private "participatory protection". Where envisaged, collaboration agreements have been implemented with partners and local authorities, including for example Libya, Egypt and Mozambique, focused on sharing international industrial best practices, professional training and respect for international human rights principles .

In 2019 Eni has allocated around €240 million to security, of which around €175 million in non-European countries (especially in countries with greater security criticality). There are approx. 130 security figures, between Security Managers and Security Officers, engaged in a closer and dedicated activity of support to employers and dialogue with the competent Security Authorities.

## **9. Oil spills in the Pozzo Ragusa 16 area**

**We would like to have updates on the leaks of crude oil discovered a year ago near the Pozzo Ragusa 16 area, which affected the Moncillè torrent, a tributary of the Irminio River.**

**We would like to know:**

**9.1 If the leak is still ongoing;**

**9.2 if the cause of the loss has been identified;**

**9.3 what measures have been put in place to limit the spread of oil in the environment;**

**9.4 what measures have been implemented in the wells of the area in question;**

**9.5 how many cubic meters or tonnes of crude oil (or water and crude oil) have been recovered to date;**

**9.6 if the remediation of the Moncillè torrent area is planned or necessary;**

**9.7 since the emergency works carried out by ENI seem to have, in fact, changed the stream channel (which runs in an area with a high landscape value), when and how does the Company intend to start landscape recovery works in the 'area?**

**9.8 has a project to this effect already been filed with the competent bodies?**

**9.9 why, after believing for months that the phenomenon had natural causes - as documented several times in various locations - is Eni still operating in the area, supporting the costs?**



### **Note 1**

*The first news of the oil spill, found near and in the waters of the Moncillè torrent, is dated April 30, 2019 when Enimed communicated the safety measures and delimited an area of 5 kilometres. Water tests were carried out to assess the degree of pollution; however, despite the company's intervention with upstream containment barriers and the use of techniques for cleaning the basins (all measures that had been requested to Enimed by the Prefecture), there would seem to continue to be a slight spill which to date, in fact, Eni is unable to stop.*

### **Answer**

#### Answer to questions 9.1 to 9.9

- The plant, pipelines and the wells of the Ragusa power plant undergo periodic checks and inspections and preventive maintenance, as required by the Asset Integrity Plan, and have not shown any anomalies or criticalities in recent years. Following the episode, further checks and controls were carried out, on top of those routinely done on all assets, which confirmed asset integrity and excluded that the oil comes from the field's production plants.
- As further confirmation, the plugging of the Ragusa 16 well, carried out at the end of 2019, also certified the integrity of the well, as confirmed by the Competent Mining Authority and, therefore, excluded any correlation between the spills and the well itself.
- EniMed also commissioned two specialist studies from the Politecnico of Milan and the University of Catania which, in a consistent and coherent way, have attributed the cause of the contamination to:
  - o a natural phenomenon of rising hydrocarbons established more than 25 years ago by deep geological formations;
  - o the interaction of the event with the specific hydrogeological state of the area.
- Although EniMed is unrelated to the event, from the first moment it took action to confine the spill and avoid impacts on the environment, with its capabilities and resources. All this confirms the attention paid to the environment in the area in which it operates and further confirms the sense of responsibility and respect for the context.
- In this framework, in collaboration with relevant bodies, EniMed started Emergency Safety Operations, implementing systems that divert the leaking fluid towards collection basins created for this purpose, for subsequent recovery of the hydrocarbon and management phase, in compliance with current legislation. In addition, as a further guarantee of confinement of the residual fluids, absorbent layer systems have been set up in the area affected by the activities and downstream of the same.



- To date, around 400 tonnes of hydrocarbon mixed with water have been recovered and managed, in compliance with current legislation.
- In relation to the event, an environmental assessment is underway pursuant to Legislative Decree 152/06 (as modified). All interventions, aimed at confining the spills and investigating on their causes, have been communicated to the competent bodies providing them with a periodic update of all the activities, from the start. Activities will be carried out in compliance with the deadlines and provisions of Legislative Decree 152/06 and with the authorizations that may be issued by local Bodies.
- At the end of the Emergency Safety Operations, all temporary installations designed to ensure the efficiency and effectiveness of the containment actions will be removed and the status quo-ex ante of the places will be restored, in full compliance with the decisions of the competent authorities. A project to this effect has not currently been filed, since the priority is now to ensure the maintenance and efficiency of all the activities being monitored and ensuring the safety of the area. On the occasion of a next Technical Table with the competent Bodies, which because of Covid-19 is awaiting convocation, it will be possible to continue outlining future actions, in collaboration with the competent Authorities.
- In any case, EniMed continues to guarantee its proactive collaboration for managing ongoing actions, offering its high technical capacity of intervention in the area to local authorities.



*Sent by Fondazione Finanza Etica (as a founding member of the European network of active shareholders SFC -Shareholders for Change) on behalf of the associations A Sud Ecologia e Cooperazione Onlus and by the CDCA - Centro Documentazione Conflitti Ambientali.*

**1. According to the scheme on page 3 of the 2019 Annual Report, production from renewable sources serves in part to fuel production of oil and gas fields, in part for refining and petrochemical plants and in part for electricity generation.**

**1.1 In what proportions?**

**1.2 To what extent does Eni produce and will produce renewable energy as related to electricity generation?**

**Answer**

Answer to questions 1.1-1.2

The first projects of electricity generation from renewable sources carried out by Eni were meant to answer (completely or partially) the energy needs of the Group's industrial plants, leveraging on existing contractual, logistical and industrial synergies ("brownfield projects").

This approach favoured the initial development of projects for the recovery and environmental rehabilitation of industrial areas in Italy owned, reclaimed and not intended for other uses, as well as for initiatives to replace fossil sources in the context of electricity generation at Eni sites abroad.

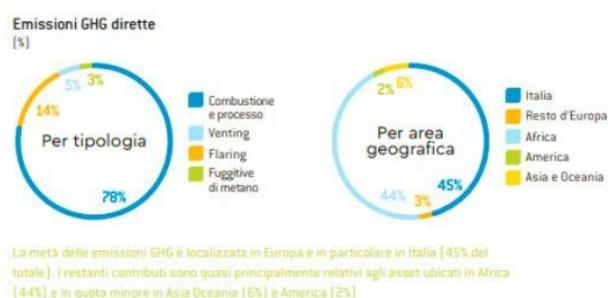
Taking these factors into account, about 70% of electricity generation in 2019 was meant for self-consumption in plants at Eni Rewind, R&M and Versalis sites in Italy (for example Assemini, Porto Torres and Gela) and upstream abroad (BRN in Algeria and Bhit in Pakistan). The remaining 30% was fed into the electricity distribution network in Italy.

In the coming years, the percentage of electricity fed into the grid is set to increase in relation to the growing development of greenfield projects, including those already built in Badamsha in Kazakhstan, Katherine in Australia as well as initiatives in the USA in partnership with Falck Renewables.

In the long term, most of the renewable energy produced by Eni is expected to come from greenfield projects.



2. In the document "Eni for 2018, Path to decarbonization"<sup>15</sup> you specify that 45% of Eni's direct emissions (or scope 1) are concentrated in Italy. The figure is particularly impressive when you think that the total percentage for the whole of Africa is 44% - always according to the document data.



The data is also controversial taking into account what is reported in the excel downloadable from the Eni website,<sup>16</sup> according to which the larger share of direct emissions in the world is attributable to the E&P sector (which in 2018 accounted for more than twice as much as the G&P sector and about three times as much as the R&MC sector). Indeed, hydrocarbon production in Italy is considerably lower than Eni's production in Africa and other countries.

- 2.1 So, how do you explain such a high percentage in Italy?

**Answer**

Please see Answer 2.2

- 2.2 Can you provide an analysis of emissions by sector (E&P, G&P, R&MC) specific for Italy?

**Answer**

Answer to questions 2.1-2.2

<sup>15</sup> <https://www.eni.com/assets/documents/EniFor-2018-Decarbonization.pdf>

<sup>16</sup> <https://www.eni.com/en-IT/low-carbon/ghg-emission-reduction.html>



In line with the GHG Protocol and with international standards, Eni's direct emissions (Scope 1) are reported on the basis of the operator's criterion, which provides for the accounting of the total (100%) of the emissions deriving from assets operated by Eni. This means that non-operated assets are not included, but in the event that Eni is an operator, emissions are accounted for 100%, also including any % relating to other partners.

In Italy, emissions are particularly significant (45% of the total in 2018) due to the contribution of the plants of the Mid-Downstream sectors (refining, petrochemical, Gas and Power sector). In this case, the industrial plants operated by Eni (Enipower thermoelectric plants, refineries and petrochemicals) are in fact mainly located in Italy and, to a small extent, in the rest of Europe.

About 93% of the operated direct emissions in G&P and R & MeC are generated in Italy; on the other hand, the direct emissions deriving from the extraction and production of hydrocarbons (E&P sector) are just over 5% of the sector's total emissions.

All the main plants of the G&P and R&MC sectors in Italy and Europe fall within the scope of the European Emissions Trading scheme; their emissions are therefore subject to a rigorous certification process by a third party and publicly available in the EU ETS registers.

**In order to better understand this data, we also ask:**

**2.3 How are the emissions of plants owned by Eni in collaboration with other companies accounted for? For example, in counting 45% of direct emissions in Italy, does Eni calculate part or all of the emissions produced by the Milazzo refinery?**

**Answer**

Please see Answer 3.1

**2.4 Are the emissions of Eni's subsidiaries/affiliates also included in this calculation?**

**Answer**

Please see Answer 3.1

**3. In calculating the emissions that Eni intends to reduce by 2030, 2040 and 2050 (e.g. 80% reduction of net emissions Scope 1, 2 and 3 by 2050; net zero carbon footprint by 2030 for Scope 1 and 2 emissions of upstream activities; net-zero carbon footprint for Scope 1 and 2 emissions of all group activities by 2040), does Eni count all the Eni**



**group emissions including those of the subsidiaries? Does it also count the emissions of the structures/plants it manages or owns together with other partners? If so, how does this count?**

**Answer**

Please see Answer 3.1

**3.1 For example: how do you account for the emissions relating to the activities of the JV Vår Energi (independent company resulting from the merger between Point Resources AS and Eni Norge AS, subsidiary of Eni S.p.A, leader in the exploration and production of hydrocarbons in Norway)?**

**Answer**

Answer to questions 2.3-2.4-3-3.1

Eni has been reporting its greenhouse gas emissions for about twenty years in line with international standards (i.e. GHG Protocol) and according to the main industry guidelines. In particular, GHG Scope 1 and Scope 2 emissions are historically accounted for by the operator criterion (100% of the share relating to Eni's activities globally), in all the relevant businesses. Emission data are verified by the auditing firm, under a "reasonable assurance" basis (since 2019). Scope 3 emissions are estimated in traditional Eni reporting with proven methods; in particular the end-use category is measured using production sold in equity by Upstream, in accordance with IPIECA guidance.

In addition to the traditional accounting of emissions described above, Eni has introduced indicators that refer to a rigorous and distinctive method of emission accounting along the entire chain of energy products sold. This well-to-wheel life cycle methodology was developed in collaboration with independent experts from the academic world (Imperial College) and the result of its application was verified by RINA, an independent certification company.

The indicators based on this methodology have been used for the following medium-long term targets:

- Zeroing of net scope 1 and 2 by 2030 Upstream and 2040 at Eni level (net carbon footprint)
- 80% reduction of net GHG lifecycle emissions by 2050 vs 2018 (-30% by 2035)
- 55% reduction of net carbon intensity by 2050 vs 2018 (-15% by 2035)

These indicators include all direct and indirect emissions (Scope 1,2, e 3) generated by energy products sold by Eni and refer to both operated and non-operated assets, both accounted for in



Eni's share, and include the non-consolidated equity accounted companies such as Var Energi.

For further details see also

<https://www.eni.com/assets/documents/investor/2020/eng/Strategy-20-23-Sessione-Modello-GHG.pdf>

<https://www.eni.com/assets/documents/investor/2020/eng/GHG-Emissions-along-the-value-chain-of-Eni-energy-product.pdf>

- 4. According to Eni's plans, a net-zero carbon footprint for scope 1 and scope 2 emissions from upstream activities will be achieved by 2030. Taking into account the data extrapolated from the 2019 Financial Report, this figure (upstream scope 1 and 2 emissions) should be around 23 Mton CO<sub>2</sub> eq.4.1**

**4.1 How do you expect to reach that target?**

**Answer**

Please see Answer 4.3

- 4.2 To what extent will Eni compensate emissions through forest conservation projects/REDD + projects and how much does it plan to reduce by reducing production?**

**Answer**

Please see Answer 4.3

**As specified in an answer of the previous year:**

**"In 2019 Eni adopted a new medium-term target: net zero carbon footprint in upstream activities by 2030. The target refers to Scope 1 emissions measured on an equity basis and will be reached through:**

- the minimization of direct upstream GHG emissions through the progressive use of all available decarbonisation levers (energy efficiency, renewable energy ...);**
- the compensation of residual upstream emissions through a direct participation in forestry projects (identified REDD + projects with a potential of more than 20 Mton/year of CO<sub>2</sub> capture by 2030)".**

- 4.3 If you intend to capture around 20 Mton CO<sub>2</sub> through Redd+ projects (if that is confirmed), is it possible to say that Eni will mainly, if not almost exclusively, use**



**compensation to achieve this goal?**

**Answer**

Answer to questions 4.1-4.2-4.3

In 2020 Eni confirmed and extended the new medium-term target: net zero carbon footprint in the upstream by 2030. The target refers to the Scope 1 and Scope 2 emissions measured on an equity basis and will be achieved through:

- the minimization of Scope 1 and Scope 2 emissions of upstream GHG through the progressive use of all available decarbonisation levers (energy efficiency, use of renewable energies to replace fuel gas, digitization projects, CO<sub>2</sub> capture and storage projects ...);
- compensation for residual upstream emissions through direct participation in forestry projects (REDD + projects identified with a potential of around 20 Mton/year of CO<sub>2</sub> capture by 2030).

The role of Forestry, as well as the fundamental role of CO<sub>2</sub> sequestration through capture and storage systems (CCS), is to be understood as an effective lever in compensating for part of the residual emissions that cannot be reduced with current technologies and improving operational and business efficiency. Furthermore, in the context of Natural Climate Solutions (NCS), forestry plays an important role in limiting global warming and in ensuring environmental and social benefits.

**5. What are the data resulting from the LCA of HVO production through the Ecofining process, used both in Gela and Porto Marghera, for each of the feedstocks: palm oil and waste oil?**

**Answer**

The exact data cannot be shared as it is sensitive data linked to the carbon content value of Eni's organic products, which plays a role in price-setting.

In any case, the biorefinery productions comply with the RED regulation and guarantee a minimum GHG saving compared to the fossil counterparts (84 gCO<sub>2</sub>/MJ) equal to 50% in Venice and 60% in Gela.

**6. "Waste to Hydrogen" is a project currently undergoing a technical-economic evaluation involving the production of hydrogen from waste such as non-recyclable plastics (Plasmix) and CSS (Secondary Solid Fuel) from mechanical-biological treatment plants.**



**It is a gasification process requiring high temperatures, which is highly energy-intensive. Furthermore, CO<sub>2</sub> is one of the outputs downstream of the non-recyclable waste gasification plant for H<sub>2</sub> production. But Eni declares that the "overall CO<sub>2</sub> balance of this process is largely favourable".**

**6.1 What is the data supporting this declaration?**

**6.2 How are emissions counted?**

**6.3 Is it possible to know the data resulting from the LCA of the process?**

**Answer**

Answer to questions 6.1-6.2-6.3

The gasification process is based on the chemical reaction of partial oxidation with pure oxygen, which is highly exothermic; therefore it is the very partial oxidation reaction (using the energy contained in the waste) that allows the achievement of high temperatures inside the reactor, minimizing the supply of energy from the outside.

In the gasification reactor the temperature gradient goes from over 1600 °C on the bottom to about 1200 °C at the top and this condition allows to eliminate metal pollutants in the form of non-polluting vitrified residues on the bottom, without emissions of NO<sub>x</sub>, SO<sub>x</sub>, particulate and dioxins. To assess the environmental impact, an LCA analysis was carried out based on the comparison of CO<sub>2</sub> production between:

- the current situation, where CO<sub>2</sub> is produced by treating and sending Plasmix and CSS to waste-to-energy plants with available capacity (currently not in Italy) and by producing hydrogen in steam reforming plant (complying with the best available technological standards);
- the Waste to Hydrogen situation, where CO<sub>2</sub> is produced by the gasification of Plasmix and CSS collected in the area close to the site, to produce hydrogen, and by a combined cycle plant for the production of electricity.

In the on-site gasification system for H<sub>2</sub> production, over 90% of CO<sub>2</sub> emitted by transport is avoided because the treatment would take place on site. The comparison carried out following the LCA method shows a GHG saving of over 60%.

A gasification plant for the production of methanol in Livorno based on the same technology is also being studied, which shows the same positive results in terms of the LCA balance of CO<sub>2</sub>.



**7. Economic analysts have often explained the problems facing the oil sector in recent months. One of the greatest problems for the majors, in a phase of consumption reduction, currently appears to be the storage of extracted crude oil pending a recovery of consumption and production activities and the identification of suitable solutions for its storage.**

**7.1 How is Eni dealing with this problem?**

**Answer**

In the current environment of lowering consumption, Eni has optimized the crude collection program using the flexibility of agreements with producer countries. The collected loads were partly sold on the international market and partly processed at the Eni refining system, eliminating spot purchases from third parties.

**7.2 Where do you store extracted oil?**

**Answer**

At the moment, extracted oil has been managed without resorting to third party storage.

**7.3 For example, how did you solve the problem in the field operated by Eni in Val D'Agri (Italy)?**

**Answer**

The Val d'Agri crude was processed at the Taranto refinery, connected to the field through an oil pipeline.

**7.4 And again, is it true that in the coastal areas from Gela to Milazzo to Ravenna, oil tankers stay offshore waiting to be able to return to storing hydrocarbons?**

**Answer**

In general, the supply operations of the logistic bases are taking place on a regular basis. In the period of maximum reduction in consumption (end of March/April), in limited cases, some ships delayed normal unloading times by a few days, waiting for the space needed to store the product at the base.



**8. Will Eni's contribution to the Frascati DTT nuclear fusion project also be managerial?**

**Answer**

Eni, also through subsidiaries, will contribute to the initiative with its skills in the development of large projects as well as with engineering, project management, technical and managerial staff.

**8.1 If yes, which aspects will be managed directly by Eni?**

**Answer**

In collaboration with its partners, Eni will take care of the design, after identifying the appropriate technological solutions, the construction and subsequent experimental management and implementation of the DTT machine, helping to develop and create synergies between public and industrial research in the Fusion sector. In particular, Eni staff holds positions such as the Project Manager, or the person who manages all phases of the project, and who reports directly to the DTT BoD, where an Eni person is also present. In addition, Eni is present within the Project Board committee which has a scientific steering function. Specialized technical functions are being defined, and we expect Eni will be responsible for auxiliary systems and project management. Other roles are being evaluated.

**9. Regarding Circular School - the Eni educational project aimed at raising awareness among young generations about sustainable behaviours and lifestyles in line with the objectives for sustainable development of the United Nations Agenda 2030 which reportedly involved over 1,200 pupils from schools of Brindisi, Gela, Livorno, Niscemi, Taranto and Viggiano – we ask to know:**

**9.1 Eni investment in the project;**

**Answer**

The realization of the project and all its materials had a total cost of €60 thousand.

**9.2 the current implementation phase;**

**Answer**

When the project was suspended, a first part had been finalized involving the creation of laboratories dedicated to the circular economy and the creation of objects from materials no longer used.



**9.3 when is completion expected, given the ongoing health emergency;**

**Answer**

In agreement with the school directors the project will be resumed in the 2020/21 school year.

**9.4 on the basis of which documentation relating to the corporate mission do you legitimately consider the group's main business (extraction of fossil sources with a high environmental impact) consistent with environmental education and, more generally, with the promotion of a culture environmental protection.**

**Answer**

The corporate mission, which integrates sustainability into all the company's activities and incorporates the SDGS into its action program, is also reflected in the Eniscuola projects that have always dealt with energy and the environment ([www.eniscuola.net](http://www.eniscuola.net)).

**10. Gela**

**Green Stream**

**10.1 How could Haftar's recent takeover in Libya affect Eni's business?**

**We know that in the past months the Libyan general has ordered the closure of certain wells and has threatened to extend his influence to Mellitah. In particular:**

**10.2 is there a risk that the supply of gas through the GreenStream will also be reduced?**

**10.3 The journalist Alberto Negri reported that according to Eni CEO, Claudio Descalzi, the plant is currently working at a third of its capacity.<sup>17</sup> Does Eni confirm this claim?**

**10.4 Is there the possibility, given the current scenarios, of a further reduction?**

**10.5 How does the company expect to solve the problem?**

**Answer**

Answer to questions 10.1 to 10.5

- The April declaration according to which the Libyan National Army (LNA) was "accepting a popular mandate to rule the country" and vowed to press the offensive towards Tripoli has not changed the fundamental situation in the country. Attempts at solving problems alternate with instances of closure and concern. It is an imbalance that has been recurrent in the last year, and that does not benefit either party nor, above all, the population.
- From January, the progressive closure of the 4 ports on the Gulf of Sirte and the Tobruk-Al

<sup>17</sup> <https://www.radioradicale.it/scheda/604279/guerra-mondiale-del-petrolio-tra-geopolitica-efinanziarizzazione> (minute 45)



Hariga port stopped oil production in the Sirte basin, including that of the Abu Attifel field, operated by MOG (50% Eni and 50% NOC). Oil production in the Murzuk desert was also subject to forced closures and the MOG-operated field of El Feel also stopped.

- As a result of the blockages in the east and south, total oil production decreased from the previous 1,220 kbl/d (before the blockade) to the current 90 kbl/d (data at the beginning of May 2020). This has notoriously very serious effects on the availability of resources for the population and for investments in the O&G sector.
- On the other hand, gas production in the west continues on a regular basis and in line with the past, averaging 30 million cubic meters per day (12 billion cubic meters per year).
- This also happened due to the fundamental role of gas in electricity generation, in plants that answer the primary needs of the population and which have so far been kept safe. In addition, by consuming domestic gas, the country reduces the import of alternative sources of combustion such as Heavy Fuel Oil and Liquid Crude Oil, with consequent significant savings.
- MOG distributes gas primarily to the local market, for about three fifths of the total. The remainder, on the other hand, is destined for export to Italy via the Greenstream pipeline. The exported share can rise in moments of lower internal demand, which remains a priority.
- Given uncertainty in the country, the risk of a reduction in the volumes available for export cannot be totally excluded as a consequence of any new blockages of the infrastructures.
- Eni closely monitors the situation and is in contact with the relevant national and international authorities; and, above all, we work side by side with the state company NOC for the management of gas on the domestic market and for exports; as regards, however, the reopening of the oil fields, we will probably have to wait for the definition of some form of agreement between the parties involved.
- A hoped-for stabilization of the internal situation would increase domestic consumption and create new opportunities, first of all for the population but also for the country's energy sector.

### ***GreenRefinery***

**We know that Eni purchased pre-desert land in Tunisia to grow castor and produce castor oil as Green Diesel. In a second phase of the project, large-scale cultivation will be started which, given the geographical proximity, will allow to feed the Gela biorefinery using (we quote Eni documents) "a more sustainable short supply chain".**

**10.6 How much castor oil is expected to be obtained per year?**

**10.7 How many hectares will be cultivated to obtain the necessary oil?**

**10.8 How much will be allocated to the Gela plant per year?**



**10.9 How will it be transported?**

**10.10 If, as we imagine, this will happen through ships and oil tankers, has Eni taken into account the emissions that these means of transport entail?**

**10.11 Can you quantify them?**

**10.12 What are the results of the LCA of HVO production through the Ecofining process with the use of castor oil as feedstock?**

**10.13 Where will these ships land given that Eni asked the Sicilian Region to co-manage the pier of the former refinery because of (also) bad conditions?**

### **Answer**

Answer to questions 10.6 to 10.13

Experimentation is still underway on rented land (not owned) and in collaboration with Tunisian research bodies and the University of Catania.

From the first results, we expect oil yields of 2.5T/ha with plants at full capacity, about 3 years after sowing. The extensive phase of cultivation currently foresees around 10,000 ha but could be extended to larger areas in case of good results, providing a local development lever to available areas in North Africa.

The production is designed for being entirely used in the Gela Refinery with transport currently by ship to the port of Palermo and transfer by container to Gela.

Emissions due to transport have been counted together with those for the cultivation of the plant. A first evaluation of the GHG saving carried out by a third-party study on the cultivation of castor to produce HVO in the Bela refinery would largely exceed a 70% CO<sub>2</sub> equivalent reduction compared to fossil fuels.



## **Waste to fuel**

### **10.14 Who owns the third party biological plants to which water recovered from the wet waste treatment process (equal to 70% of the weight of the wet residue) of the Waste to Fuel plants in Gela and the Porto Marghera?**

#### **Answer**

See Answer to question 10.15.

### **10.15 What are the criteria used for selecting these companies?**

#### **Answer**

Answer to questions 10.14-10.15

For the selection of suppliers, Eni Rewind carries out tenders starting from Eni's vendor lists, which are based on qualification, updating and feedback processes aimed at assessing, verifying and monitoring technical skills, compliance with safety and environmental requirements, organizational and sustainability aspects, ethical and financial reliability. In particular, as regards the disposal plants, the selection process includes verification of the possession of all the specific authorizations.

Waters recovered from the treatment of the organic fraction of municipal solid waste (FORSU) in the experimental W2F plant in Gela are sent for subsequent treatment to the following plants, and in particular:

- ECONET of Lamezia Terme (CZ)
- SEAP Depurations of Aragon (AG)
- INTEC of Augusta (SR)
- Tortora Vittorio di Nocera Inferiore (SA)
- Ecosystem of Lamezia Terme (CZ)

The project for the construction of the W2F plant in Porto Marghera, currently under development, aims to maximize integration with existing local entities both upstream and downstream of the production chain.

In this regard, given the public interest and environmental value of the project, technical negotiations were started with Veritas and SIFA, the regional concessionaire of the Fusina Integrated Project (PIF) managed by Veritas Spa, with a view to delivering the water recovered from organic waste to the neighbouring SG31 and PIF plants.



**10.16 For what uses (agricultural, industrial etc.) are waters reused?**

**Answer**

See Answer to question 10.18

**10.17 Does the Group commits to a sustainable supply chain approach by verifying the final use of these waters by third-party companies?**

**Answer**

Any reuse of water other than internal will undergo specific due diligence.

**10.18 Is the recovered water destined for local companies or is it used internally?**

**Answer**

Answer to questions 10.16 and 10.18

At present, the water recovered from the treatment of the organic waste has mainly an industrial use, i.e. it is re-used in the system, avoiding the supply from natural sources.

### ***Decommissioning Plan***

**According to the words of Ignazio Giudice, as reported by Il Corriere di Gela, following the Covid 19 pandemic, "Enirewind (ex Syndial) stopped all decommissioning".<sup>18</sup>**

**10.19 Is this true?**

**In the December 2019 agreement, signed by Eni and the Ministry of the Environment, the company "undertakes to implement a programme of decarbonisation, environmental mitigation, requalification and enhancement of the areas of the Gela multi-company site, no longer making use of plants for the production and processing of mineral oils".**

**10.20 At what stage is the implementation of the plan?**

**10.21 We are aware that at this moment, health and the adoption of safety measures in the workplace are priority issues, but did the company present a plan to dismantle all disused areas of the industrial site (due to be filed in March) ?**

**10.22 Was the plan for dismantling the plants no longer functional to biofuels**

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<sup>18</sup> <http://www.corrieredigela.com/politica/2097-indotto-sul-precipizio-si-aggrappa-allo-stato.html>



**production modified - and if so in what way?**

**10.23 How will the timing and method of divestment in Gela change due to the Coronavirus?**

**Answer**

Answer to questions 10.19 to 10.23

Following the Covid 19 pandemic, in the light of the emergency legislation, Eni Rewind suspended the decommissioning of Gela sites, together with other 196 sites in Italy out of a total 824, then resumed operations from 4 May.

Eni confirms its commitment to proceed with the plan to dispose of all the plants and structures that will no longer be used in the biofuel production process.

The programmes and timelines of the engineering phase of the project are currently being redefined to take into account organizational constraints due to the Covid 19 pandemic.

**Extraction wells**

**10.24 How many extraction wells are currently active on the Gela plain and inside the former refinery?**

**10.25 How many drilling rigs are there in Gela and how many of them are inactive?**

**10.26 How is Eni tackling the maintenance of active wells?**

**10.27 Are you cleaning up inactive wells?**

**10.28 Is it true that there are still oil spills on the surface, given that, as the former - prosecutor Lucia Lotti said in a hearing before the parliamentary commission of inquiry into the waste cycle "pipes are buried a few meters deep"?<sup>19</sup>**

**10.29 Is it true that a recent accident of this kind in the Armatella district led to the opening of a judicial proceeding?**

**Answer**

Answers to questions 10.24 to 10.29

- There are 90 wells currently active on the Gela plain (on-shore), 6 of which within the perimeter of the Gela Refinery.
- EniMed currently has no drilling rig in operation.
- In compliance with company procedures, EniMed submits all its wells to an integrity check



program on a periodic basis. In particular, the integrity of the entire well system is ensured by the application of technical and/or operational solutions both inside the well (test of the safety valve and reliefs of the annular pressure) and outside (tightness test of the surface valves).

- EniMed is proceeding with the execution of the mining closure interventions envisaged according to a plan, shared with the Competent Body in the mining sector, with a view to carrying out the consequent environmental restoration and restitution of the areas.
- There were no spills in the Gela area in 2019. In compliance with regulatory requirements and company procedures, EniMed has a system for planning and carrying out monitoring and controls aimed at ensuring the integrity of its assets, including underground and above ground lines, and to prevent any kind of accident involving its own installations.
- Parallel to the ongoing administrative proceedings pursuant to Legislative Decree 152/06 relating to the accident, which dates back to 2013 and concerns a potential spillage from an underground pipeline, a proceeding is pending at the Court of Gela in the trial phase. The Company is confident that stakeholder positions will be clarified.

### ***Cipolla landfill***

**In April 2019, a working group on the reclamation of the Gela Site of national interest (SIN) brought up the topic of the former Cipolla landfill in Piana del Signore: a series of open-air landfills a few kilometres away from the thermoelectric power plant, where in the past years special and toxic waste were stocked. For ministry engineers *"the source of contamination is still active"*. Given that the characterization plan for the entire area has not yet been defined, the Municipality of Gela declared it had *"tried to involve Syndial technicians in solving the problem. The company also made itself available for the design of the interventions, for which, however, they need to have the results of the characterization"*.<sup>20</sup>**

**10.30 We would like to know, over a year after that meeting, what Eni's active role will be. To date, has Eni Rewind executed the intervention projects and delivered them to the Municipality? Has the characterization plan been carried out?**

### **Answer**

Given its good relationship with local authorities, although extraneous to the management of the landfill and any contamination, Eni immediately made itself available to provide the Municipality with the necessary support, based on the long-standing environmental know-how of its engineers. This availability is confirmed. Currently, activities envisage a review by local government of the documentation relating to the ownership and the results of past investigations. This reconstruction is very demanding also because of the problems in finding the relevant documentation.

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<sup>20</sup> [https://www.minambiente.it/sites/default/files/bonifiche/Gela/2019/tavoli\\_tecnici/prot.8526.sta.pdf](https://www.minambiente.it/sites/default/files/bonifiche/Gela/2019/tavoli_tecnici/prot.8526.sta.pdf)



## **11. Nuclear fusion research centre**

**In March 2019, Eni signed a €20 million agreement with the National Research Council (CNR) to start centres for the study of new frontiers of nuclear fusion in cities like Gela and Lecce, while in January 2020 the company signed another more substantial agreement (amounting to €600 million euros) with Enea to develop a large scientific centre on nuclear fusion in the Frascati research centre. In this second agreement, no mention is made of the centres of Gela and Lecce.**

### **Answer**

The agreement with the CNR for the 4 Research Centres in Portici (innovative agriculture) Metaponto (water treatment), Lecce (Arctic) and Gela (Fusion) is underway and activities continue although with the limitations imposed by the health emergency. The ENEA DDT agreement is a different project, not in competition with the agreement with CNR. The €600 million do not come from Eni, but from loans from the European Commission, the Lazio Region and a subsidized loan from the European Investment Bank. Eni contribution is mainly in-kind with internal skills.

#### **11.1 Are the two agreements mutually exclusive?**

##### **Answer**

The two agreements are not mutually exclusive, but contacts for synergies are in progress.

#### **11.2 What happened with the Ettore Majorana Centre?**

##### **Answer**

The Ettore Majorana Centre in Gela was inaugurated in 2019 in the presence of Eni and CNR staff. It hosted various student work experience programmes while a series of events (workshops, summer schools etc.) was scheduled, which will be resumed as soon as possible.

## **12. Licata**

**At last year Shareholders' meeting, Eni CEO, Claudio Descalzi, reported the state of the art of the works related to the Ibleo offshore project declaring that the plants would be operational by the end of 2021. On that occasion, the Licata No Triv Committee expressed its doubts given that, as of May 2019, no construction site had been started: neither in relation to marine works nor in relation to earthworks.**

**12.1 Is there a risk now that the industrial plan, after various restructurings since the first project dating back to 2012, may be dropped?**



**No work was carried out on the construction of the Argo Cassiopea gas pipeline in 2020.**

**12.2 Is it true that Eni expects a postponement of the deadline for the delivery of the works?**

**12.3 If so, can the company indicate the new deadline?**

**Also due to the fact that construction works have not started, it is clear that the cultivation concession G.C1.AG is destined to lapse following failure to comply with the conditions set out in Ministerial Decree 149/2014.**

**12.4 Can Eni confirm that the investment relating to the Ibleo offshore project - Argo and Cassiopea gas fields - could be further amended (having already been halved compared to the provisions of the 2014 MoU signed at the Ministry of Economic Development) and that the works can no longer be completed under the terms of the concession?**

#### **Answer**

Answer to questions 12.1 to 12.4

- The Cassiopea project (60% Eni, operator - 40% Edison) for the exploitation of gas fields in the Sicilian channel is included in the MoU for the Gela area of 2014.
- The current configuration and development plan have been specifically designed with a view to minimizing the occupied surfaces, increasing environmental sustainability and enhancing the area.

The main project benefits are:

- achievement of carbon neutrality (Scope 1) thanks to the replacement of gas compressors with electric compressors also powered by the energy from the new photovoltaic plants in the Gela refinery;
  - zeroing discharges of water or other wastewater to the sea;
  - zeroing of the visual impact by eliminating the Prezioso K platform and the plants connected to its construction and operation, by replacing it with an onshore gas treatment system;
  - enhancement of land located within the refinery perimeter and no longer used for production activities;
  - increase in employment in the local supply chain due to the construction and commissioning of the onshore system.
- The expected productive life is consistent with the twenty-year duration of the "G.C1.AG" (Sicilian channel) concession released on January 29, 2015 and expiring on January 28, 2035.
  - The environmental compatibility of project, in its optimized configuration, was officially confirmed on February 7, 2018, through a resolution published by the Ministry of the Environment, Land and



Sea Protection – MATTM; the Change in the work schedule was approved by the Ministry of Economic Development - MiSE with Ministerial Decree of July 18, 2018.

- On March 12, 2019, a request for an extension pursuant to the Ministerial Decree VIA/AIA n.149/2014 was filed (expiring on May 27, 2019).
- The request for issuing the extension decree received a positive answer on December 27, 2019 with a new term on May 26, 2023.
- During the entire procedure for obtaining the aforementioned extension, in accordance with current legislation, no construction activities were carried out on land or at sea.
- Upon obtaining the VIA extension, activities for the redefinition of the project timeline resumed promptly. Time spent waiting for the release of the VIA extension resulted in a postponement of the production start date compared to that previously announced.
- The COVID-19 pandemic further affected the implementation times, which are still being evaluated.
- Eni is operating in full compliance with the Ministerial decree (VIA/AIA) no. 149/2014 and subsequent extension as well as Ministerial Decree on the Change in the work schedule of July 18, 2018.
- With regard to related provisions, the Company believes that it has for the most part fulfilled them.
- For some of these, compliance has already been verified, for others, we await the competent authority to carry out the necessary checks and certify their implementation in accordance with its provisions.
- The remaining provisions have all been taken in charge and integrated into the planning of activities. The Company, in accordance with current legislation, is working towards complete compliance.
- With reference to the provisions, an integral part of the Ministerial Decree (VIA/AIA) no. 149/2014 and subsequent extension and Ministerial Decree on the Change in the work schedule of July 18, 2018, it should be noted that, for a significant portion of the same, verification of compliance has already been issued or awaits feedback from the competent body.

### **13. Milazzo**

**The Milazzo Refinery (RAM), together with other companies operating in two other large Sicilian industrial sites, filed an appeal against the Air Quality Plan, approved by the Sicilian Region in July 2018. In the appeal, they estimate a €150-180 million expenditure for adapting the Augusta-Priolo-Siracusa petrochemical complex to the new standards of the plan, which should be applied by 2027.**

#### **13.1 How much would it cost for the Milazzo refinery to adapt to BAT?**



**Answer**

Please see Answer to question 13.3

**13.2 Does Eni really believe, as claimed by local committees, that it cannot economically support an investment of this amount, spread over 7 years?**

**Answer**

Please see Answer to question 13.3

**13.3 How does Eni, which in official declarations and documents declares to be increasingly attentive to the sustainability of its activities, justify its opposition to a regional plan that essentially asks to apply the best available technologies (BAT) indicated by the European Union?**

**Answer**

Answer to questions 13.1, 13.2 and 13.3

RAM's appeal against the Sicilian Air Quality Plan is based on a series of reasons that mainly stem from the use of outdated environmental quality data and therefore do not take into account the significant improvements that RAM has already made and which have led to an improvement in the emissions and air quality of the area.

In the reasons for the appeal, RAM did not refer to any costs, sustainable or otherwise, for the simple reason that it does not consider it technically feasible to comply with the emission limits set out in the plan, which correspond to the lower limits of the BAT and which, as maintained by the very European document on the BAT of Refining, refer essentially to newly built plants and are not applicable to existing plants.

The European BAT document indicates a "range of limits" precisely to take into account the differences that exist in "best available techniques" also with respect to their applicability to specific cases.

The competent authority, i.e. the Ministry of the Environment, took into account these specific details in releasing the 2018 integrated environmental authorization (AIA) which already provides for very restrictive requirements, significantly reducing emission limits compared to the previous authorization.

Indeed RAM, within the framework of the current AIA authorization and in some cases also proactively anticipating requirements, has developed an investment program for over €150 million which already includes full implementation of all BAT applicable to the site and compliance with the emission limits which are already among the lowest among those prescribed at all refineries on the national territory.



**13.4 Can we assume, more generally, that the company does not intend to promote the application of BAT in the refining sector?**

**Answer**

In compliance with provisions contained in the integrated environmental authorizations in force received by the Ministry of the Environment, Eni, together with RAM, has already implemented all the BAT Conclusions issued in 2014 applicable to all its refining sites on the national territory.

Biorefineries, on the other hand, are also compliant with recently issued EU BAT for chemical plants.

**13.5 Does Eni currently apply EU BAT in the upstream sector?**

**Answer**

Please see the Answer to question 13.6

**13.6 If the answer is no, how much, how and in what time frame do you intend to invest in order to comply?**

**Answer**

Answer to questions 13.5 and 13.6

Yes, Eni applies the BAT in the upstream sector in accordance with the contents of the BREF document "Guidance document on the best available techniques on upstream hydrocarbon exploration and production" developed in the European Community at the beginning of 2019 and to which Eni contributed, through Assomineraria and IOGP, actively and proactively.

**13.7 Why, as argued by Anna Arbita of ARPA Sicilia,<sup>21</sup> the plaintiff (and therefore Eni) chose not to use the SEA procedure - with which they could have ask for a change in the Plan - and instead opted for an appeal and therefore a possible cancellation?**

**Answer**

The plaintiff against the Plan is not Eni, but RAM (an investee), which maintains that it was not in a position to make any remarks to the SEA; this circumstance is one of the reasons for the appeal.

**14. Taranto**

**14.1 Regarding the health emergency under way, we ask to know which measures, in accordance with prevention and containment protocols, are implemented within the Taranto refinery and in the places/means of connection to the civil area.**

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<sup>21</sup> <https://www.snpambiente.it/wp-content/uploads/2019/10/Anna-Abita-La-qualit%C3%A0-dell%E2%80%99aria-nelle-areeindustriali-siciliane-e-le-misure-di-risanamento-del-piano-ditutela-della-qualit%C3%A0-dell%E2%80%99aria.pdf>



## Answer

In order to apply measures to combat the spread of the Covid-19 virus, the Taranto Refinery has implemented - following specific Eni guidelines and in accordance with the provisions of current legislation - a "Preparation Plan and Answer to the COVID-19 epidemic" whose purpose is to implement the appropriate prevention and protection measures in order to identify and contain the spread of COVID-19, as well as to ensure coordination, decision-making and communication between the business units and the actors involved in managing the epidemic. Specific anti-contagion measures have therefore been implemented, including but not limited to: the control of body temperature for all staff entering the plant by means of special detection devices, the temporary and precautionary reorganization of work to counteract the potential diffusion of COVID-19 (e.g. through the use of remote working, weekly alternating work teams, etc.), cleaning/sanitization of all work environments (including roads and plant areas ), the distribution of sanitizing liquid for all company employees, the regulation of worker access to common areas.

**14.2 With regard to the extraction products that from Cova and Tempa Rossa will travel to the Taranto refinery through the same oil pipeline, documentation is requested to certify the programming and safety assessment of the alternation of flow of the two oils.**

## Answer

Before starting the transport of the Tempa Rossa crude in the pipeline that already transported the Val D'Agri crude, specific studies were conducted, building a hydraulic model and applying appropriate calculation codes (stress-analysis) on it. The studies assessed the outflow conditions in various transport states, vacuum conditions in the piping, water hammer, short or prolonged closing periods of each branch of the pipeline. In all operating conditions, it has been verified that the pipeline has an adequate level of safety for the function requested, with maximum reliability, also following the alternation of crude oil flows.

It was also verified that the piping-class (construction metallurgy of the pipes) is adequate for the characteristics of the two crudes.

The maintenance and inspection procedures (smart pig) allow to periodically ascertain the conservation status of the asset.

As for the scheduling of batch transfers, this is defined in specific contracts between the various interested parties, with the coordination of Eni.

**14.3 With regard to the naval traffic associated with Tempa Rossa, equal to about 90 ships/year, it has been declared that it will contribute to the recovery of maritime traffic, which underwent a sharp contraction in recent years; in a more recent**



**declaration, crude oil processing in the Taranto refinery (which was categorically excluded up to two years ago) would constitute an environmental gain in terms of transport of crude oil which is normally purchased with tankers. This shows some confusion, and we would like you to clarify and choose between the economic revitalization of the port of Taranto and its environmental protection. Following the data, which shows that maritime traffic accounts for almost 15% atmospheric emissions, we ask to know what impact it is actually expected.**

#### **Answer**

The Regulatory Plan of the Port of Taranto (PRP) has incorporated the objectives of the Regional Transport Plan (PRT), aimed at expanding regional sea ports, in anticipation of potential international development scenarios. The interventions foreseen by the port planning are therefore consistent with the works referred to in the Tempa Rossa Project, which respond to the need for an infrastructural adaptation, in line with the needs of the Port of Taranto. Based on the foregoing, the increase in maritime traffic that will occur following the completion of the works is well within the objectives set by the PRP which encourages the development of sea transport, as it is linked to the more sustainable mode of transport.

In addition, the processing of part of the Tempa Rossa crude oil in the Taranto refinery (in compliance with the maximum authorized capacity of processed raw materials equal to 6500 ktons) - without prejudice to the above description regarding the overall benefit deriving from the increase in the volume of crude oil handled by ship, also guarantees an improvement - also in terms of environmental effects - deriving from transportation of crude oil purchased by tankers.

Finally, the increase in the transport of crude oil by ship (equal to 90 ships/year) from the Refinery maritime terminal, equal to approximately 16% of the total naval traffic of the Refinery (on average of about 550 ships/year) is to be considered insignificant if compared with the traffic of the port of Taranto (about 3600- 4000 naval units/year), and therefore negligible also in terms of emissions into the atmosphere.

The Tempa Rossa Project foresees a marginal increase in VOC emissions by around 36 tons/year (i.e. about 5% of the estimated VOC emissions from the Refinery). For this slight increase, operational and/or technological interventions have been envisaged that will allow total compensation of the aforementioned VOC increase, thus keeping the emission structure unchanged compared to the pre-operating configuration.

**14.4 With regard to the partnership agreement for the study and implementation of a technology for the conversion of urban solid waste and non-recyclable plastics, through high-temperature gasification with a very low environmental impact, and the production of hydrogen and methanol, signed between Eni and Maire Tecnimont (through its subsidiary for green chemistry NextChem), we request clarifications and documentation regarding the CPO Demo project. This is a pilot project that, according to Eni, will involve the Taranto refinery precisely for the production of methanol.**



**With regard to the updating of the External Emergency Plan, as asked last year, is it confirmed to date that the latest publication of the same is that of October 30, 2012 (with the last exercise, among the only bodies in charge of controlling the operations, dating back to June 2015).**

**Answer**

The CPO project in Taranto envisages the joint construction by Eni and SABIC of a demonstration industrial plant in the area of the Eni Refinery in Taranto, with an innovative technology based on short contact time catalytic partial oxidation (SCT-CPO) of the natural gas converting natural gas into synthesis gas, from which it is possible to produce high value fuels and chemical products.

This technology was initially developed by Eni during an intense research and development activity. Eni know-how is integrated by the competence of SABIC research in the reactor sector, as well as the industrial experience and knowledge deriving from the integration between synthesis gas generation processes and processes for the production of chemical derivative products.

The partnership signed by Eni with NextChem regards the study and implementation of a conversion technology, through high temperature gasification and very low environmental impact, of urban solid waste and non-recyclable plastics (PLASMIX) with the production of synthesis gas as well as hydrogen and methanol. Currently the evaluation of this technology concerns the Eni sites of Venice and Livorno.

With regard to the update of the External Emergency Plan (PEE), the latest is dated 2013 and was published by the local Prefecture.

The last Exercise requested by the Prefecture of Taranto pursuant to the PEE dates back to 2015. However, it should be noted that the Refinery will carry out 4 emergency simulation exercises according to the PEE, 2 of which include staff evacuation, in line with the provisions of Legislative Decree 105/15.

All simulations of the refinery are communicated in advance to the competent Bodies which also receive the information required by the PEE.

**14.5 Why does Eni not request a simulation of the operating procedures involving population (the same request was sent to the Prefecture and the Municipality of Taranto) as soon as the emergency health conditions make it possible?**

**Answer**

In relation to this topic, as soon as the current health emergency conditions make it possible, the Taranto Refinery will share with local Authorities the feasibility of a joint emergency simulation in accordance with the provisions of the External Emergency Plan.

**14.6 Can we see the updated documentation relating to the Internal Emergency Plan?**

**Answer**

The Refinery Internal Emergency Plan was drawn up on the basis of the Site Safety Report and



accurately describes the methods of intervention in the event of emergencies following incidental events (defined as top events). The latest update of the Taranto Refinery's Internal Emergency Plan is dated November 7, 2019. This document is updated periodically (at least every two years and/or following operational/organizational changes or for regulatory updates). The Plan is also sent to the Competent Bodies within the Site Safety Report.

**14.7 With regard to instances of strong odour emissions from 20 to 23 February, due various pollutants exceeding the limits, we ask a copy of the documentation certifying the values attributable to Eni.**

**Answer**

With reference to this topic, on the days in question there were no anomalous and/or emergency events at the plant. In this regard, the values detected by the Site's air quality monitoring systems (perimeter control units and DOAS systems) did not highlight significant deviations from the values typically detected during the year.

It should also be noted that the Taranto Refinery was subject to an AIA Extraordinary Inspection Verification (carried out by ISPRA and ARPA Puglia) on March 2 and 3, 2020, following which no critical issues emerged in relation to potential impacts. In fact, in this regard, the AIA Inspection Group - during the field inspections - found that, in all cases, an almost total attenuation of odour emissions was perceived within a few meters from potential sources.

**15. Val d'Agri**

**15.1 Is it true that the hectares purchased by Eni for the Energy Valley centre are 90 and no longer 70 (as announced last year)?**

**Answer**

We confirm that hectares currently being acquired to be dedicated to the Energy Valley project are 70.

**15.2 How much did you pay for the land?**

**Answer**

The price was appraised by third parties taking into account the intended use of the land and the market value.

**15.3 In addition to the purchase, have other forms of compensation been provided for? If so, which ones?**



## **Answer**

The acquisition of the land around the COVA reflects an interest of the Company and is not intended as a compensation tool.

**In recent months, the Val d'Agri People's Observatory has launched an alarm over a series of flare-ups and gas emissions that have worried the population. In particular, on December 17, 2019 at 3.30 am, according to the observatory, "a very strong smell of gas which made the air acrid and unbreathable due to high SO<sub>2</sub> and gas emissions" was released " .**

**15.4 Is it true, as it would seem from photos and videos, that this is due to the dismantling of the chimney of the fifth production line?**

**15.5 And if not, what would be the causes of these episodes?**

**15.6 Is it true, as indicated by the local press, that Eni would not have given written communication to the Basilicata Region, as required by the AIA (integrated environmental authorization) regulations?**

## **Answer**

Answer to questions 15.4 to 15.6

The fifth production line did not undergo any dismantling activities. Its chimney has undergone a scheduled normal maintenance intervention and has been removed only for the time necessary for carrying out the activity. On December 17, the fifth line was therefore out of service and for this reason it cannot be connected in any way to the visibility event. To date, each of its components are installed and in operation as per the authorized project.

The event of December 17, 2019 occurred during an inspection/maintenance operation of the SCOT unit (area L, sulphur recovery plant) of the COVA envisaged in the schedules relating to the activities subject to legal restrictions.

On the occasion of the torch event of December 17, 2019, Eni had previously complied with communication requirements about the scheduled maintenance activities. The Basilicata Region considered, however, that this communication was not compliant with the forms prescribed by the AIA. On this point, Eni pointed out its considerations regarding the correctness of its work to the Regional offices.

**15.7 Regarding the water from the Pertusillo dam, through the Apulian aqueduct, we ask: which industrial water purification and disposal systems are used?**



**Answer**

Eni manages the waste produced within the COVA as authorized in the current Integrated Environmental Authorization (AIA).

In particular, the waste produced inside the COVA regards the water collected from the surfaces such as: containment basins, paved areas, streets and squares, canopies. These waste undergo treatment with recovery of any fraction of oil present to be subsequently discharged, via the sewer network, to the Consortium plant of ASI (of Potenza), in compliance with the legal limits set out in table III, Annex 5, Part III of Legislative Decree 152/2006 as amended).

COVA does not have any type of direct discharge into soil and surface water bodies.

As far as process water is concerned, it is managed both by direct reinjection into a deep geological unit (reservoir), and transported and disposed of at authorized centres, in compliance with applicable environmental legislation.

**15.8 Can you guarantee a total absence of pollutants and radioactivity?**

**Answer**

The wastewater, as indicated in the previous answer, is discharged to the ASI Consortium plant in compliance with legal provisions.

The effluents in question do not have any type of contact with the process fluids, therefore by their nature they have no radiometric implications.

In compliance with the provisions of applicable regulations, process waters regularly undergo radiometric tests aimed at verifying the levels of natural radionuclides.

These periodic tests show that the concentration values of activity of radionuclides do not exceed the levels set by Legislative Decree 230/95.

**15.9 What is going on with reclamation activities following the huge spills in the subsoil and groundwater caused by COVA and not yet completed as of the date of the last meeting?**

**Answer**

Please see Answer to question 16 by Shareholder Marino.

*Sent by Fondazione Finanza Etica (as a founding member of the European network of active shareholders SFC - Shareholders for Change) on behalf of the whistle-blower Douglas Linares Flinto*

**1. The case Douglas Linares Flinto - Agip Brazil**



**The Board of Eni answered, in a long text my 10 questions, which were included in the questions of "Fondazione Finanza Etica – Gruppo Banca Etica", at the 2017 Shareholders Meeting.**

**Here, I highlight one of the paragraphs of Eni's mentioned answers:**

*"Contrary to his belief, from the investigations performed by Eni, following the notices received in 2002, it emerged that, as reported by the Board of Statutory Auditors of Eni SpA in the Shareholders Meeting Report included in the Eni 2002 Financial Statements, "the former employee was dismissed, along with the perpetrators of misconduct, for reticence, for having breached his confidentiality obligation and for having attempted to exploit the Eni Group's Code of Practice in order to obtain personal advantages from the company".*

**Eni confirms receiving my correspondence in 2002. Indeed, I sent a letter to the Board of the company when my resignation from Agip Brazil, Eni's former subsidiary, completed 1 year, on August 1st, 2002.**

**The company also states that the outcome of the investigations conducted on my case was published in "Eni 2002 Financial Statements". But in the 354 pages of this official document, the company never mentioned me (i. e. Douglas Linares Flinto).**

**In addition, the reason alleged by the company for my dismissal from Agip Brazil doesn't correspond to the reality of the facts, in my opinion.**

- 1.1 When Eni conducted "investigations" on my case – after receiving my letter in 2002 – did the company contact its Agip Brazil executives and request information about me?**
- 1.2 Or was there an executive from the Italian headquarters who came to Brazil to carry out these investigations?**
- 1.3 In what facts and evidence, documents and proofs, was the company founded to state the reasons for my resignation, stated by Eni in 2010 (in the first lawsuit filed against me) and in 2017 (when it answered my questions at Eni's AGM)?**
- 1.4 Why has Eni stated that my case was published in "Eni 2002 Financial Statements" if there is nothing about me in this official company document? Can Eni provide an exact reference to the publication of my case?**

**In March 2016, two renowned Italian journalists (Mr. Andrea Greco and Mr. Giuseppe Oddo), published the book on Eni "Lo Stato Parallelo" (Chiarelettere, 2016). The only Brazilian story published in this book was regarding my case. The authors made more than two dozen presentations about the book throughout Italy.**



The two journalists conducted "researches" and "investigations" into my case with Eni, in order to publish it in the book and reported my version on my resignation from Agip Brazil.

**1.5 Why does Eni still disagreed with this version of my story [ed. in the book "The parallel state" written by Andrea Greco and Giuseppe Oddo] and, instead, presented another version of my resignation which, in my opinion, would not be supported by any evidence or proofs, at Eni's AGM 2017?**

**1.6 At Eni's AGM 2018, Fondazione Finanza Etica (Mauro Meggiolaro) said, as reported in the minutes of the meeting:**

*"We have been contacted again by Douglas Linares Flinto, a former manager of the Eni group in Brazil. Since we know that there are legal problems under way with Eni – a couple of years ago we asked a number of questions at the Shareholders' Meeting on his behalf, with a view to acting as mediators between Douglas Linares Flinto and the Company to try and settle this conflict. I suggest that we organize a meeting with you: we would like to try to solve the issue, if you agree to have a meeting (he wanted to be here but could not come). If we can meet and overcome the emotional side of the affair, which is sometimes a bit strong, and we can instead talk about concrete facts, we would be happy to do so".*

**Would you be available for a meeting (conference call) with me, Douglas Linares Flinto, with the mediation of Fondazione Finanza Etica?**

**1.7 In the first lawsuit Eni filed against me on the grounds of slander and defamation, the judge ruled this lawsuit as "unfounded". In the 2nd instance, the judges of Rome's Court of Appeal kept the sentence of the 1st instance, that is, an "unfounded lawsuit". Even knowing that the 3rd instance would most probably keep the sentence of the 1st and 2nd instances, why has Eni resorted again to a judicial decision?**

**1.8 Eni's second lawsuit against me is for the same reason as the first. The judge of this lawsuit determined a "mediation" from Eni, otherwise the lawsuit will be "archived". Will Eni do this mediation as determined by the Italian Justice? Will Mr. Massimo Mantovani, who co-filed the lawsuit in September 2017, participate in this mediation?**

The Brazilian oil company Petrobras bought all of Agip Brazil's assets in 2004. In 2019, given the Brazilian laws, I had access to Petrobras' "Complaint Investigation Report", of the year 2017. In this document, the General Manager of Internal Audit of Petrobras, that at the time of my resignation was Agip Brazil's General Manager of Internal Audit, attached two important files in this "Complaint Investigation Report": a) a message, sent by Eni to Agip



**Brazil's CEO requesting "explanations" regarding the correspondence I sent to Eni's headquarters in 2002; b) a message containing Agip Brazil's CEO's answer to Eni, with the "justifications" about my resignation, in 2001.**

**1.9 Where are these two documents<sup>22</sup>? Does Eni still have these archived documents?**

**1.10 What do these documents say about my resignation?**

**1.11 What are the reasons why Eni has never conducted an "independent investigation" on my case, based on the facts and evidences I presented, which have been known by the company for many years?**

**1.12 Would Eni be ready to start an independent investigation on my case?**

**1.13 If, after this "independent investigation", Eni finds that there have been misconceptions on the part of Agip Brazil (and also Eni itself), will the company acknowledge its mistakes on my case so that, after 19 years, I can finally be able to rescue and restore my reputation?**

#### **Answer**

Answer to questions 1.1 to 1.13

With reference to the questions relating to the "Flinto case", it should be noted that the issue is the object of various disputes pending between the parties. Therefore, Eni does not consider this to be the place to deal with them and further discuss them, since they are already under the attention of the judiciary.

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<sup>22</sup> [Ed.: this refers to two documents contained in an investigative report on reports from the Brazilian company Petrobras that acquired Agip Brazil in 2004, relating to a correspondence with the then CEO of Agip Brazil about a report sent by Mr. Flinto at the Eni headquarters in Italy in 2002 and a correspondence from the CEO of Agip Brazil in Answer to Eni's questions about Flinto's resignation]



## Shareholder Re:Common

### A. Nigeria, Opl245 and related investigations

*Questions submitted on the basis of information and analyses gathered together with Global Witness, HEDA Resource Centre and The Corner House*

**In response to questions from shareholders in 2019 the company was asked: “Has Mr Descalzi been interviewed by any audit regarding his role in OPL 245 and his relationship with Mr Bisignani?”. The company answered solely that “The statements made by Mr. Descalzi during interrogation in the OPL 245 proceeding before the Milan prosecutor's office (of particular scope and duration, equal to over 13 hours) and discussion with Vincenzo Armanna were examined and found in the forensic audit”.**

- 1. Can the company confirm whether since this statement, Mr Descalzi has been interviewed by Eni’s legal department or its law firm or consultants regarding the allegations made against him in relation to the OPL 245 deal?**

#### **Answer**

Please see Answer to question 2.

- 2. Has Mr Descalzi been interviewed about his relationship with Mr Bisignani?**

#### **Answer**

We reiterate what was stated last year and reported in the first part of the question. Indeed, according to the best international practices, in respect of the activity of the Judiciary and in compliance with legislation, as well as to guarantee the rights of the person under investigation, interviews are never carried out for the purpose of internal verification, especially when the parties involved have already testified or expressed the intention to testify before the Judicial Authority, as was the case with the Chief Executive Officer.



- 3. Has Mr Descalzi been interviewed regarding allegation of corruption in the company's Congo transactions?**

**Answer**

To the best of our knowledge, the Chief Executive Officer is not involved in any investigation concerning alleged international corruption, which has been carried out by the Milan Prosecutor's Office for some years.

- 4. Has Mr Descalzi been interviewed regarding the alleged conflict of interest in his wife's interest in Petro Services or allegations concerning spying, bribery of witnesses and the Siracusa public prosecutor?**

**Answer**

Please see Answer to question 5.

- 5. If Mr Descalzi has not been interviewed by either the company or its external consultants charged with investigating these matters, does the board believe it has carried out all the due diligence it could have to protect the company?**

**Answer**

The CEO told the BoD that he had never been aware of his wife's alleged interests in Petroservice. The Control and Risk Committee and the Board of Statutory Auditors have been carrying out independent verifications, still ongoing, without finding suitable evidence to deny the declaration made by the CEO about his lack of knowledge about his spouse's alleged interests in Petroservice. The overall position of the Board of Statutory Auditors is detailed in the report to the Shareholders' Meeting in the section "Supervisory activities on the internal control and risk management and administrative accounting system". As regards the investigation into the so-called "Misdirection", please note that the CEO is not a party and is not involved in any of these investigations.

**Mr Massimo Mantovani was the company's Chief Gas and LNG Marketing Officer until July 2019; from 2014 to 2016 he was General Counsel and prior to that he served as Chief Legal and Energy Regulatory Affairs of Eni from 2004.**

**There have been a number of allegations made against Mr Mantovani with regards to his time at Eni. Mr Mantovani allegedly took part in a scheme to file false statements and bribe a prosecutor in Sicily in order to interfere with criminal investigations into Eni and its executives. Last year the company told shareholders that an internal audit and external review carried out by KPMG found that no circumstances of criminal relevance have been highlighted or investigative allegations confirmed that could highlight the involvement of Eni employees in the facts under investigation; though they did make**



**findings concerning negligence and management-operational deficiencies of the controls required by the company regulations relating to the legal procurement process. The company added that steps had been taken to address corporate responsibilities, redefining the scope of the legal department, and finally strengthening the operations of the controls of the operating processes of the legal department, also through the creation of a dedicated governance function.**

**6. What negligence did Eni's reviews find?**

**Answer**

As reported in the answer provided last year, the Board received, among other things, the results of the checks carried out by a third and independent party (KPMG Advisory) and by a board of jurists identified by the Board itself who had identified management-operative deficiencies and negligence mainly relating to the traceability of controls in the process of assigning and managing legal assignments.

**7. Was Mr Mantovani dismissed by the company?**

**Answer**

The employment relationship with the lawyer Mantovani was unilaterally resolved by Eni in July 2019.

**8. Was Mr Mantovani offered any type of severance pay or financial settlement?**

**Answer**

On the dismissal, no additional economic amounts were offered to the former executive in addition to those provided for by law in such cases.

**9. Was Mr Mantovani asked to sign any non-disclosure agreement that might have inhibited him from sharing information with regulatory or law enforcement authorities?**

**Answer**

Obviously, the former executive was not asked to sign any similar agreement, since this would be against the provisions of Italian law.

**10. Which former and current Eni managers have been notified as being under investigation by Milan prosecutors concerning the so-called "conspiracy" investigation?**

**Answer**

Please refer to the description of the dispute referred to in the notes to the Financial Statements of



the 2019 Annual Report, under the section Litigation, p. 233.

- 11. What actions has Eni's Board taken to investigate allegations made by Piero Amara, a former legal adviser to Eni, according to which company officials ordered information to be gathered on prosecutors, board members and journalists to undermine them and distract attention away from the investigation into the OPL 245 deal?**

**Answer**

During 2020, the Control and Risk Committee, the Board of Statutory Auditors and the Supervisory Body ask KPMG Advisory (already appointed in 2018) to examine the documentation made available following an appeal against the search warrant, accompanied by a notice of investigation notified on January 23, 2020 to the Chief Services & Stakeholder Relations Officer, the Senior Vice President of Security and a manager of the legal department.

- 12. Can Eni explain how spying prosecutors, its own board members and journalists, as alleged by Milan Court, add to shareholder value?**

**Answer**

Eni has not commissioned any of the activities that Mr. Amara reports that she learned about clearly non-corporate activities.

- 13. What actions has Eni's board taken to investigate allegations made by the Milan Public Prosecutor that Chief Services & Stakeholder Relations Officer Claudio Granata had offered a bribe to former Eni manager Mr Vincenzo Armanna?**

**Answer**

External consultants have been appointed as reported in Answer n.11, while investigations are underway on the facts referred to in the question. Moreover, the Company and its managers, including the Chief Services & Stakeholder Relations Officer, have taken actions to protect the company's assets and their reputation. That all said, Eni considers the assertion concerning the promise to re-hire Mr. Armanna wholly ungrounded.

- 14. Has Granata been interviewed by either Eni's legal department or external consultants?**

**Answer**

The Chief Services & Stakeholder Relations Officer was not interviewed because, as mentioned, in accordance with the best international practices, out of respect for the activities of the prosecutors, as well as to guarantee the rights of people under investigation, it is not possible to interview a person under investigation for internal verification purposes.



**15. Has Granata been suspended?**

**Answer**

No.

**16. Last year in response to questions from shareholders, Eni disputed the findings of a modelling exercise published by Canadian oil consultancy firm Resources for Development that projected that Nigeria would receive a 41% government take over the lifetime of the current OPL 245 deal, a poor return. Eni responded that in fact Nigeria would receive a significantly higher estimate government take. Eni was asked by Italian NGO Re:Common to disclose their full model to show their workings and identify what the points of difference were to the Resources for Development's model, which is published in full online. Eni has not yet posted their model or workings.**

**Will Eni show their workings and publish the same?**

**Answer**

Please refer to the [Answer to question 44 of Shareholder Marino](#)

**The Italian government appointed Mr. Claudio Descalzi as CEO of the company for the next three years and AGM is expected to confirm his appointment. Ms. Karina Litvack has been nominated by institutional investors for her third time too, and AGM is expected to confirm her appointment.**

**17. Do Eni's By-laws include any legal provision according to which a person on trial cannot be appointed as CEO of the company? If so, should the AGM confirm Descalzi? If not, could it be considered as a deficiency in its compliance programme?**

**Answer**

No. In 2014, the shareholder Ministry of the Economy and Finance submitted to Eni a proposal to include in the By-laws causes of ineligibility and forfeiture of Directors connected in particular with indictment, non-definitive sentences and, for the CEO, also with pre-trial measures. The proposal was not approved by the Shareholders' Meeting, with the decisive vote of the minority shareholders.

It should also be remembered that the law provides that the directors of listed companies must comply with specific integrity requirements, the respect of which is periodically verified by the Board of Directors.

**18. Can Eni guarantee that Ms. Litvack won't be harassed or intimidated during her term as a board member, were she to raise concerns about corruption allegations, or other unclear practices by company managers?**



**Answer**

The Company has never adopted or will never engage in aggressive or intimidating behaviour towards any person.

- 19. What provision has the company made to protect itself in the event that shareholders seek damages in case of conviction? What is the company's estimate of the likely damages?**

**Answer**

On the basis of reasoned opinions, of legal and other nature, the company has not made any provisions or appropriations relating to the OPL 245 proceedings currently pending at first instance at the Court of Milan. Consequently, there is no estimate of damages that should be considered.

- 20. Given recent legal developments in Nigeria concerning the same OPL245 corruption case, including the extradition from Dubai to Nigeria of former Attorney General Adoke Bello, is Eni ready to stand in Abuja's court and defend itself from all charges moved by the EFCC?**

**Answer**

Eni spa and its managers previously under accusation are not involved in any pending proceedings in Nigeria. The judgment recently filed by EFCC is against, among others, the NAE Subsidiary, which appeared in court and expects to know in detail the accusations that have been brought against it, as well as any elements collected by EFCC in support of these accusations.

- 21. Given the recent crash of oil markets and the fact that oil price is expected to remain very low for quite some time in the future, does Eni regard as still economically viable the exploration and mining of the OPL245 block? Has Eni updated its economic analysis of the block? What is its current Net Present Value?**

**Answer**

It should be remembered that the start of the investment project has as a pre-condition the conversion from an exploration license (OPL - Oil Prospecting License) to an extraction license (OML - Oil Mining License) by the Authorities.

Taking into account that the calculation of the NPV varies according to the medium/long-term price scenarios, the evolution of costs and technical profiles of the project, and time required for the conversion of the license, to date it is not possible to provide an updated estimate on the value of the asset, in consideration of the conditions of uncertainty on the points above.

**Mr. Dante Guaglione, hired as Eni expert in the OPL245 trial, stated in Milan Court that**



the “field Songu-Etan [part of the OPL245 block] is subeconomic, which means not economic, under the standards of affordability”, thus casting some doubt on the overall investment in the OPL245 block, which would then be limited just to the Zabazaba field.

**22. Does Eni agree with this statement?**

**Answer**

See answer to question 24

**23. If not, why did the Eni legal team decide that it was in the company’s interest to put forward Mr Guaglione as an expert consultant in Milan Court?**

**Answer**

See Answer to question 24

**24. How much did Eni pay this expert?**

**Answer**

Answer to questions 22 to 24

Dante Quaglione is a technical consultant appointed by Shell, not by Eni.

## **B. Republic of Congo**

*Questions submitted on the basis of information and analyses gathered together with Global Witness*

**In 2014, during the licence renewal process for the Djambala, Foukanda, Kitina and Mwafi (ex-Marine VI and VII) oil licences in Republic of Congo, Congo’s national oil company SNPC converted \$298 million of its \$755 million in current liabilities to Eni into long-term financial debt to be repaid in oil in 2018, 2023 and 2028 (the 2018 repayment was reportedly postponed). \$174 million was left in SNPC’s current liabilities to Eni, but it is not clear what happened to the remaining \$283 million.**

- 1. Did Eni write-off \$283 million of SNPC’s debt?**
- 2. If so, did Eni receive anything in return?**
- 3. Was Eni’s Board consulted on any such write-off? How was it decided that this move was nonetheless in the interests of shareholders?**
- 4. If not, please explain how this \$283 million has been accounted for?**
- 5. What is SNPC’s outstanding current liability (short term) to Eni?**



**6. What is SNPC's outstanding long-term financial debt to Eni?**

**Answer**

Answer to questions 1 to 6

Residual oil costs carried in the Djambala, Foukanda, Kitina and Mwafi licenses (ex-Marine VI and VII permits), which are due to expire, amounted to \$596M at the end of 2013. Of these, \$298 M to be repaid in kind by SNPC on the long-term (2018, 2023, 2028), while the remaining part fell within the scope of the negotiation on the renewal of the aforementioned licenses for a further 15 - 20 years, plus a 5-year option. The negotiation ended on January 30, 2014 with the signing of the new production sharing contracts, following the approval by the Ministries of Hydrocarbons and Finance, by the Parliamentary Commissions of the Chamber and Senate, and by the National Assembly and the Constitutional Court. The progress of negotiations and the final results were represented to the Eni Board of Directors during 2013.

The long-term debt position is represented by the in kind repayment of the aforementioned \$298 million, since that payment is still pending in 2018.

The debt position for cash calls on current assets by SNPC amounts to approximately \$180 M at the end of 2019.

**We understand that Republic of Congo has launched an audit into oil companies' cost oil claims, including those of Eni Congo.**

**7. Has this audit been completed?**

**Answer**

Please see Answer 9

**8. If so, what were the findings regarding Eni Congo's cost oil claims?**

**Answer**

Please see Answer 9

**9. If not, when will the audit be completed?**

**Answer**

Answer to questions 7 to 9

The audit of recoverable costs, foreseen in application of the oil contracts, had the following evolution:

- the 2011 financial year is currently closed;
- for the 2012-2015 financial years, activities were completed and discussion with the Republic of the Congo on the results and/or exceptions raised, which are not shared by Eni, are under way;



for the 2016 and 2017 financial years, activities started at the end of 2019 and, given the contingent situation, are temporarily suspended. We assume that the activities will resume at the end of the Covid-19 emergency, but at the moment it is not possible to indicate the completion times.

- 10. Was Eni aware that Denis Gokana, founder and reported beneficiary of AOGC and oil advisor to Congolese President Sassou Nguesso, was head of the committee that awarded AOGC interests in Eni's Djambala, Foukanda, Kitina and Mwafi (ex-Marine VI and VII) oil licences in 2014?**

**Answer**

Please see Answer 12

- 11. If so, why did Eni proceed to go into business with AOGC?**

**Answer**

Please see Answer 12

- 12. How did Eni mitigate the serious corruption risks surrounding these arrangements?**

**Answer**

Answer to questions 10 to 12

The allocation of interests to AOGC in the Mwafi 2, Foukanda 2, Djambala 2 and Kitina 2 fields was decided by the Congolese government in application of the presidential directive of April 2013 on the promotion and development of the Congolese private sector, without any involvement of Eni in the decision-making process. The composition of the consortium being assigned the aforementioned fields has been approved by all the competent Congolese authorities, including Parliament.

The documentation acquired as part of the due diligence conducted on AOGC shows that Denis Gokana's left AOGC in November 2005, both as shareholder and manager. As additional mitigation elements, it should also be noted that: i) Eni, as operator of the consortium, keeps control of the operations on the fields and the management of mutual funds, ii) Eni only paid its signature bonus portion iii) AOGC participates in the costs of oil operations on the basis of its shareholding, iv) in the consortium's operating contract (joint operating agreement) there are specific guarantees and anti-corruption commitments undertaken by all members of the consortium, including AOGC.

- 13. Does Eni's joint venture partner AOGC cover its share of the operating costs proportionate to its participatory interest in each of these four licences, Djambala 2, Foukanda 2, Kitina 2 and Mwafi 2 in money or in kind?**



**Answer**

Please see Answer 15

**14. If so, please explain.**

**Answer**

Please see Answer 15

**15. If not, why not?**

**Answer**

Answer to questions 13 to 15

According to the agreements in force, Eni Congo markets the production quota due to AOGC pursuant to the Production Sharing Agreement (CPP in French). The cash calls issued by Eni Congo to AOGC are offset by the production quota due to AOGC and marketed by Eni Congo.

**16. At Eni's 2019 annual shareholder meeting, the company stated that Mr Ernest Olufemi Akinmade has not had any contractual relations with the company for several years. On which precise date did Mr Akinmade's last contract with Eni terminate?**

**Answer**

Please refer to the Answer provided last year; we also specify that the last contractual relationship for advisory services dates back to over six years ago.

**In Eni's 2019 annual report, the company writes that "there is an absence of evidence to contradict the statements made by the CEO as to his lack of knowledge of his wife's interests in the ownership of Petroserve Group". It seems implausible that Mr Descalzi could be unaware of his wife's interests in a group that was doing business with the company he was running for at least two years.**

**17. Please elaborate on Eni's efforts to obtain evidence on this matter.**

**Answer**

The investigations were carried out by independent external consultants appointed by the control bodies of Eni SpA. In addition, the Eni SpA BoD acquired the CEO's declaration that he had never been aware of the wife's alleged interests in Petroserve. As reported in the description of the dispute referred to in the notes to the Financial Statements of the 2019 Annual Financial Report, Litigation section (page 232), the consultants' verifications, carried out in light of the proceedings documentation made available following the appeal against the measure notified to the CEO in September 2019, did not find any elements for refuting the CEO



declarations regarding his lack of knowledge of his spouse's interests in the Petroserve Group.

**18. Has Eni's Chief legal counsel, in his professional capacity, requested an explanation of these matters from Mr Descalzi?**

**Answer**

The Risk Control Committee oversees the activities of the Legal Affairs Department in the event of investigations concerning the Chief Executive Officer. Therefore, the appropriate checks were carried out by independent external consultants on the joint assignment of the Risk Control Committee and of the other control bodies of Eni S.p.a.

The Company reiterates that the CEO has issued any required statements and explanations to the Board of Directors.

**On March 19, 2020, Eni reported that its CEO, Claudio Descalzi, had bought 29,300 shares of the company for "about €200,000." On April 8, 2020, the Wall Street Journal reported that Saudi Arabia's Public Investment Fund had "in recent weeks" purchased around \$1 billion in stock of four European oil companies, including Eni.**

**19. When precisely did PIF buy shares in Eni, how many and at what price?**

**Answer**

The Company has no evidence of the purchase of this equity investment, either from the shareholders register or from communications made by the Fund pursuant to Art. 120 of the TUF. In this regard, please note that the issuing companies pursuant to Art. 83-undecies of the TUF are obliged to update the shareholders' register only following an event that obliges the intermediary to make a communication to the Company, as in the case of exercising social rights (participation and vote in the meeting, dividend payment or other social right). The buying and selling of shares between private individuals or the market is not included in the mandatory communications.

**20. If this was after March 19, 2020, was Mr Descalzi aware of this forthcoming investment when he purchased his shares in Eni, then at their lowest price since the 1990s?**

**Answer**

The Company has no communications on any purchases by the PIF Fund. The CEO purchased shares for the sole purpose of giving a signal of confidence to the market, without relying on any inside information.

**Banque Eni is an Eni company authorised to provide banking services. It provides financial services for Eni and Eni companies all around the world. Banque Eni is incorporated in Belgium.**



**21. Does Banque Eni implement anti-money laundering procedures? Do these include due diligence on Politically Exposed Persons?**

**Answer**

In accordance with the laws, rules and regulations in force in Belgium, Banque Eni has anti-money laundering procedures in place which include, among other things, identification and due diligence activities relating to politically exposed persons (PEP).

**22. Was Banque Eni involved in any transaction concerning oil licenses and operations in the Republic of Congo?**

**Answer**

For operational needs related to the normal performance of Eni's activities in the Congo, in 2019 Banque Eni processed transactions with third parties for a global value of approx. €500 million.

**23. Would Banque Eni perform a due diligence on Ms. Descalzi as PEP?**

**Answer**

Ms. Descalzi has no business relationship with Banque Eni and does not hold any account with Banque Eni, either personally or as a legal representative of legal entities.

**C. Mozambique**

*Questions submitted on the basis of information and analyses gathered together with Justiça Ambiental!!/ Friends of the Earth Mozambique (hereafter referred to as JA!)*

**Our questions are regarding the liquid natural gas (LNG) industry in the Rovuma Basin off the coast of Cabo Delgado, in northern Mozambique. They refer to offshore operations as well as the onshore Afungi LNG Park (hereafter referred to as 'the Park'). They also refer to concession Area 1 and Area 4, and to the Mozambique LNG, Coral FLNG and Rovuma LNG projects.**

**1. [Relocation process](#)**

**We are aware that we asked questions about forced removals already last year, but given serious developments occurred since then we are submitting new and more in-depth questions on the same matter.**

**In Cabo Delgado province, the gas industry has forced at least 550 families from rural communities out of their homes and away from their farmland and fishing grounds, in order**



**to build the onshore support facilities of the Park on the Afungi Peninsula for use by the Mozambique LNG, Coral LNG and Rovuma LNG projects.**

**While Anadarko (and now Total) is the company that has developed and physically undertaken the resettlement process, the park is crucial for all projects, regardless of concession area, as quoted in Volume 1 of the Environmental Impact assessment [pg. xvii] created for Eni and Anadarko by Impacto/ERM in 2014.**

**Hence, as leader of the Coral FLNG and Rovuma LNG projects, Eni is as responsible for the impacts that the construction of the Park is having on the local communities, environment, animals and climate, as Anadarko and any of the other extraction companies who will be utilising its facilities and buildings, port, coastal wharf, aerodrome and airstrip.**

**We mention this because at the 2019 AGM, Mr Claudio Descalzi responded verbally to questions by Ms Ilham Rawoot that Eni did not play any part in the impacts that Anadarko's actions were having on the ground. We contest this statement.**

**People have lost not only their homes, but also the areas they depend on for their livelihood. Beyond the families from villages already removed, 2000 families will be moved in the near future. Fishing communities who have lived 50m from the sea for generations, have been moved 10km inland, and without fishing, have lost their means of income**

**The method to determine compensatory land for farming families that have been moved was ridiculous. Anadarko measured the size of community members' land by counting the number of palm trees on the plot, leading to people who have 10 hectares of land, receiving one hectare. Furthermore, this new land is far from the new 'relocation village' they have been moved to, meaning that many community members have been unable to move into the houses. People from these affected communities are literally starving.**

**Anadarko's resettlement plan was a disaster – even before they completed the consultation and compensation process with communities, they began building new houses, creating an ill-measured and chaotic housing situation.**

**The land they gave as compensation to the relocated communities encroached on the farmland of an already existing community, Senga. But Total massively underestimated the amount of land would need to annex. They have since encroached on more of Senga's farmland for both compensatory plots and homes for the relocated villages.**

**In the EIA done by Impacto/ERM for Anadarko and Eni of the project, the community of Senga was considered "indirectly affected". In reality it does not seem the case.**

**Naturally, this has caused hostility in an already hostile area, worsened by Senga being a**



**predominantly Christian community and one relocated community being predominantly Muslim. There was no further consultation process about the expansion and encroachment between the community and Total.**

**Either way, any consultation would have been illegitimate as we have seen thus far - community meetings between Total or Total consultants and the communities arrive with a military entourage, which intimidates community members. Furthermore, the meetings take place in the presence of community leaders who, in many cases, have strong political links.**

**This intimidation means that community members do not voice discontent for fear of not receiving compensation or bullying from government. We know this because JA! employees have been present in some of these meetings.**

**On top of this, contractors have taken up pieces of land without consulting or even informing the communities who use it. Communities learn that the land has been allocated to companies because of sign boards that have been put up demarcating the area.**

**The landmarks serve to signal the occupation of extensive areas of land, but it is not clear who all of them 'belong' to, because they are not properly identified.**

Questions:

- 1. Have Eni representatives held or been part of any community consultation meetings with communities who have been or will be relocated (and in particular Quitupo and Milamba), or with the community where they are being relocated to (and particularly Senga)?**

**Answer**

The community relations team from the Sustainability department of Eni subsidiary in Mozambique participated in all the four rounds of public consultations required by law and in the information meetings with the communities of the Afungi peninsula. Over 800 meetings were carried out jointly with the AMA1 community relations team between 2013 and November 2017. The outcomes of the meetings were published and made accessible to the public on the Mozambique LNG project website. The meetings were held in all the communities affected by the relocation process and in particular in the 5 main villages of Quitupo, Senga, Maganja, Palma-Sede and Mondlane as described in detail in the RAP.

As of December 2017, following the entry of Exxon Mobil into the Area 4 Joint Venture, the community engagement and consultation activity envisaged in the relocation plan is carried out by a joint Area 1/Exxon Mobil team (onshore delegated operator of Area 4). The implementation of the plan, and therefore also of these activities, is entrusted to Total (current operator of Area 1).



**2. If so, could you provide us with the dates of those meetings?**

**Answer**

Please find below the dates of the 4 public consultations held pursuant to the law:

- 8-12 July 2014
- 11-14 August 2014
- 18-22 August 2015
- 12-19 December 2015

**3. If Eni used consultants for this work, what is the name of these consultants?**

**Answer**

No consultants were used by Eni, but a community relations team of the company participated in the public consultations that were conducted by Anadarko through the consultancy firm IMPACTO.

**4. How did Eni ensure that everyone at these meetings was actually from the local community?**

**Answer**

There is a register of participants (legal requirement and international standards); audio and video records were also prepared.

**5. Is Eni aware of the problems we have explained above?**

**Answer**

Please see Answer to question 7

**6. If so, what is Eni doing to solve them?**

**Answer**

Please see Answer to question 7

**7. If Eni has not been aware of the problems, what is the reason for this?**

**Answer**

Answer to questions 5 to 7

Eni does not agree with and does not recognize the statement\premise to the questions relating to the relocation of the communities of the Afungi site for the Rovuma LNG project since it does not reflect the current state or the planned actions under the Resettlement Action Plan (RAP). According to the RAP, in fact, there are 556 families to be physically relocated, with a 3-phase process over a period of about 36 months starting from the Moratorium of 6 November 2017.

The RAP provides a "package of compensation measures" which has been presented, discussed and agreed with the communities affected in more than 800 public meetings.



Depending on the amount of income made, each family is compensated, therefore, with a package consisting of a combination of home, land, cash (for the economic loss relating to the crops present before the relocation) and the Livelihood Restoration Plan.

In particular, the objective of the Agriculture and Fishery Livelihood Restoration plans is to restore or improve the productivity of the land and fishing areas with respect to the inefficient and unsustainable practices present before the start of the re location activities (i.e. errant farming which consumes soil and is one of the main causes of deforestation in Mozambique).

Furthermore, it should be noted that the RAP was prepared in full compliance with Mozambican law and International Principles (IFC Performance Standards and Equator Principles). Furthermore, in 2016, Eni commissioned ERM (a third-party) to verify the RAP and they confirmed compliance with these International Standards and the Eni regulatory system.

- 8. When were the latest environmental and social impact studies or monitoring reports done for Eni for Area 1 and Area 4? If these are not available on the website, please could you make them available?**

**Answer**

In February 2019, Eni updated the environmental and social management plans for the Rovuma LNG project, the impacts of which are described in the Environmental Impact Assessment (EIA) approved by the Mozambican authorities. The updating of these plans was carried out jointly with Area 1 for Shared Facilities.

- 9. Which consultancy did Eni contract for this study/ studies?**

**Answer**

The updating of the environmental and social management plans was carried out with the contribution of IMPACTO and AECOM, a Mozambican and an international specialized company.

- 10. How is Eni monitoring the relocation and compensation process to ensure that the plan is on course, and that no human rights violations are taking place on the ground?**

**Answer**

Please see Answer to question 14

- 11. If Eni is using a consulting firm for this monitoring process, please could you name the firm/s?**

**Answer**

Please see Answer to question 14

- 12. How regularly does the consultant update Eni on impacts and problems on the ground?**



**Answer**

Please see Answer to question 14

**13. Please could you share the monitoring reports that the consultant has provided?**

**Answer**

Please see Answer to question 14

**14. Please could you share the contact details of the relevant persons at the consulting firm?**

**Answer**

Answer to questions 10 to 14

As anticipated in Answer 1.1, all implementation, follow-up and monitoring activities are the responsibility of Total (current operator of Area 1). Exxon Mobil is partner in the joint team.

Like all other partners, Eni receives updates on the progress of the relocation through a monthly report and in the technical committees of the Joint Venture. From the information received there are no violations of human rights.

**15. Can Eni say with total certainty that the resettlement process for the Park has been carried out as written in Anadarko's planning document?**

**Answer**

Based on the monthly reports we receive from the resettlement team we can say that the activities are taking place in accordance with the approved RAP.

**16. Can Eni say with total certainty that every family that has been removed to make way for the Park is still able to maintain their livelihood to the same extent as before the project?**

**Answer**

Please see Answer to the next question

**17. If not, has Eni communicated with Anadarko about this? And does Eni have plans to amend this problem?**

**Answer**

Answer to questions 16 and 17

The approved RAP provides for the maintenance or improvement of the living conditions of the



communities affected by the process; from the reports we have received, it is clear that the results are in line with the approved RAP.

## 2. Jobs

*Please note that we are asking questions also this year on the topic of jobs because based on new information and also because we have not been satisfied with limited answers received last year.*

**Very few, if any, of the jobs that are created through this project will go to local communities, and so far there has not been a single job created for anyone from the affected communities. At this point, the only jobs that have been provided have been to foreign nationals.**

**Locals do not have the education to benefit from jobs. As the assessment states, most of the people who live in the district surrounding the project have received no formal education and much of the population is illiterate. In addition, the local population has little to no experience with the private sector. Therefore, they will not have the skills or education level to perform the jobs that this project will create.**

**Developing the labour pool with the skills required will take three to five years of substantial support and training. None of the gas companies have provided the necessary apprenticeship and business development programs despite knowing for years that thousands of workers with these skills would be required.**

**The issue of employment has created hostility in many communities, with mostly young people being promised jobs, even though the companies have no plans for training programs.**

**Not only will the LNG project provide few local jobs, but it has also removed, and will continue to do so, the sources of income that local communities depend on, with very limited information if the compensation (in the form of money or land) is adequate to create a new income.**

**The EIA itself finds that the majority of the local communities are “highly dependent” on fishing, small scale agriculture, and other natural resources to make a living, and they will lose some if not all access to these means of livelihood.**

### Questions:

**1. How many jobs does Eni plan on providing through Coral LNG for Mozambican nationals? How many of these will go to people from Cabo Delgado?**



**Answer**

In the Local Content Plan of the Coral South project, we expect to generate about 800 direct and indirect jobs for Mozambicans during the entire life cycle of the project. Recruitment is carried out on a national basis - in accordance with the law - with particular attention to the profiles coming from the Province of Cabo Delgado.

**2. What would these jobs be?**

**Answer**

Please see Answer to question 4

**3. How many would be permanent?**

**Answer**

Please see Answer to question 4

**4. How many would be management and skilled jobs?**

**Answer**

Answer to question 2 to 4

As early as 2012, Eni launched a series of training initiatives in order to locally create the highly technological skills required by the Coral South project, which being an offshore project with a high technological content, requires highly specialized profiles. In particular, the direct jobs of the Company (Eni Rovuma Basin and Coral FLNG, Mozambique Rovuma Venture) are permanent (for a total of about 350 jobs over the entire life cycle of the project); the indirect generated by the supply chain are linked to the sector of the various contractors.

**5. How many Mozambicans have already been employed and what are these jobs?**

**Answer**

To date, approximately 325 Mozambicans have already been employed (directly and indirectly) by the Coral South project.

**6. What is your plan for education and skills development for Mozambicans to work in skilled and high-level jobs?**

**Answer**

Please see Answer to question 7



**7. When did you begin this training?**

**Answer**

Answer to questions 6 to 7

Eni strongly believes that training is a crucial issue for the development of the young Mozambican generations in order to prepare them to benefit from the opportunities created by the O&G projects. As early as 2012, it launched a series of training initiatives, including:

- o 'Program 200', aimed at training 200 young Mozambican talents graduated in different technical disciplines (economics, biological sciences, engineering, chemistry, ICT etc.) and subsequently employ them in the project. The first phase for 149 Mozambicans ended in 2018 and at the end of 2019 the second phase was launched for a further 19 people currently in training;

In 2019, Eni also launched a vast Vocational Training Program in collaboration with the Don Bosco Institute, the Colleges and Institute of Canada, and the Provincial Directorate of Science, Technology and Higher Education of Cabo Delgado at the Industrial and Commercial Institute of Pemba. The program is aimed at supporting the employability of young Mozambicans and in particular those residing in the Cabo Delgado Province, through the construction of new laboratories, certified training for 90 trainers, and over 500 scholarships for professional courses, degrees, masters and doctorates.

**8. Is Eni aware that the alleged jobs available on the ground have been given to foreign nationals?**

**Answer**

With reference to questions 2.1 - 2.4, our Grievance Mechanism shows no complaints regarding the Coral South project.

**9. Who is responsible for Eni's recruitment process in Mozambique?**

**Answer**

The Human Resources unit of the Eni Rovuma Basin and Coral FLNG SA companies.

**10. We were also told by people in the community that none of them have been given any training of any sort by Eni. Is this true?**

**Answer**

Please see Answer to question 12

**11. If so, why is this the case?**

**Answer**

Please see Answer to question 12



**12. If not, do you believe the community members are lying?**

**Answer**

Answer to questions 10 to 12

In accordance with its Local Content development strategy, Eni has been involved in training programs to support the Coral South project since 2012.

Furthermore, as part of the Rovuma LNG project, there is a training plan dedicated to communities with less specialized profiles that is managed by the Midstream Operator Exxon Mobil.

We have no evidence of complaints on these matters.

**13. Does Eni have an internal detailed employment pathway for Mozambique for Coral and Rovuma? could you share this with us?**

**Answer**

Training for Mozambican resources to be employed within the Projects follows a training path that leverages internal skills (on-the-job training) and the collaboration of international and national universities.

**14. Does Eni have an agreed employment pathway with the Mozambican government? Could you share this with us?**

**Answer**

The recruitment and nationalization plan is shared for approval with the Government of Mozambique.

3. Environmental impacts

*Please note that we found the answer to last year's questions regarding environmental impacts, both written and verbal, to be unsatisfactory, hence we need to ask it again. Furthermore, there have not been any changes to Eni's plans regarding the negative environmental impacts associated with the project.*

**This project will have a huge impact on the local environment. The sheer area of the project is massive; the EIA calculates that the footprint of the project is "approximately 3,600 ha, within the allocated approximately 7,000 ha DUAT area."**

**Area 1 and Area 4 encompass an area that provides a home to a large number of flora and fauna species, as well as special ecosystems. What's more, the EIA indicates that the nearshore and offshore areas include a number of species that are considered imperilled by the International Union for Conservation of Nature (IUCN), including six whales, Indian**



yellow nosed albatross, loggerhead, green turtles, leatherback, and hawksbill turtles.

This project will require dredging, disposal of waste materials, and the construction of subsea, nearshore, and onshore structures and infrastructure that will devastate these ecosystems.

This will also harm the species through habitat degradation, noise and ship strikes and force species to leave the area. Moreover, if there is a spill or gas accident, which have become prevalent at energy extraction sites, the impacts will be even more catastrophic.

The coastline of eastern Africa, including particularly the northern coast of Mozambique, is home to incredible biodiversity. Roughly 60% of Eastern Africa's remaining mangrove forests are in Mozambique, providing excellent habitat and tremendous ecosystem services.

Northern Mozambique's coral reefs are also largely intact and are some of the most species-diverse coral reefs in the region, particularly in the of Cabo Delgado Province where the Project will occur. The area's particularly productive seagrass beds also provide nursery grounds and foraging habitat for fish and turtles. One of these reefs is the Quirimbas Archipelago, a UNESCO Biosphere.

Although the assessment finds that most of the impacts will be either "minor" or reduced to "minor" with mitigation measures, there is no way that such a massive energy extraction project will not result in many major negative environmental impact, and it is known to be a big challenge to actually implement these mitigation measures.

Questions:

With Eni's vast experience in off-shore extraction, we can assume then that the issue of irreversible destruction of flora and fauna as mentioned above has been raised before, and therefore, we can safely assume that Eni is well aware of the destruction its extraction causes. Extinction is impossible to mitigate.

1. Why is Eni going ahead with this project considering the impacts it will have on the environment?

**Answer**

[See Answer to the next question](#)



**2. Does Eni believe this is in line with its 'pillar' and 'cornerstone' of 'respect for the environment' (as per the website)?**

**Answer**

Answer to questions 1 and 2

With its policy on biodiversity and ecosystem services (BES), Eni is committed to working beyond compliance in all countries and throughout the life cycle of projects. Once the priority BES values have been identified, Eni strictly applies the Impact Mitigation Hierarchy, according to the International Finance Corporation Performance Standard 6 (IFC PS6).

Since the approval of the environmental impact assessment (EIA) in 2014, Eni has developed and applied a BES management strategy aimed at conserving, protecting and restoring habitats and sensitive species in the area of the Rovuma LNG Project, as well as in the wider environmental context that will be potentially influenced by its activities, in order to continuously improve the management of BES aimed at the goal of "No net loss" of biodiversity in natural habitats and/or a "net gain" of biodiversity in critical habitats .

For the part of the project under Eni's competence, this strategy is supported by a series of studies conducted by international experts, as well as by the development and implementation of design choices, such as the optimization of the pipeline corridor routing, the dredging method, the definition of various associated management plans and specific procedures to identify, manage and monitor the Project specific risks and environmental and biodiversity problems.

In addition, Eni is involved in a continuous consultation with the main stakeholders (e.g. Ministry of Land, Environment and Rural Development (MITADER), Instituto Nacional de Petróleo (INP) ... etc.) through various meetings where they share Eni's approach and environmental management plans. Furthermore, the approach of the Rovuma LNG Project to the management, conservation and protection of biodiversity, also in collaboration with the UniLurio University's Faculty of Natural Sciences, and its compliance with IFC standards has been audited and approved by environmental consultants and social workers appointed by the group of project funders.

Eni believes that the approach adopted to fulfil its obligations towards the Government of Mozambique as well as live by its commitment to biodiversity conservation through a model aligned with the objectives of the "Convention on Biological Diversity", is in line with its corporate values of respect for the environment.

4. Financing

**1. Please confirm the amount that each agreed financier is providing to Coral FLNG.**

**Answer**

Coral LNG Project Financing amounts to about \$4.9 billion, divided in seven credit facilities:

- BPI ECA Covered Loan



- KEXIM ECA Covered Loan
- KSURE ECA Covered Loan
- SACE ECA Covered Loan
- SINOSURE ECA Covered Loan
- Commercial Bank Direct Loan
- KEXIM Direct Loan

**2. Please confirm the agreed financiers for Rovuma LNG and the amount each is providing.**

**Answer**

The composition of the loan has not yet been defined.

**3. When does Eni plan to announce its Final Investment Decision for Rovuma LNG? Is this date impacted by COVID-19 emergency?**

**Answer**

Considering the post COVID-19 situation, in a framework of lower investments for 2020, the FID (Final Investment Decision) on the Rovuma LNG project scheduled for 2020 has been postponed. Eni continues to work with Area 4 partners to optimize development programs, including maximizing synergies with Area 1 and opportunities for cost reductions related to changing market conditions.

5. Civil Society

*Please note that we are asking this question again this year as this information may be updated since last year.*

**1. Does Eni consult regularly with local Mozambican non-governmental organisations and civil society?**

**Answer**

See Answer to next question

**2. If so, which are these NGO's?**

**Answer**

Answer to questions 1 and 2

Eni regularly meets with civil society organizations; moreover, in collaboration with Area 4 partners, it annually organizes a Civil Society Public Meeting with the participation of International Multilateral and Bilateral organizations (i.e. UN Agencies, Development Agencies) and various NGOs



belonging to the local civil society platforms (Mining Industry, Environment and Climate Change, Human Rights).

- 3. Do any of these NGO's do paid work for Eni? If so, please could you name them, and their mandates?**

**Answer**

No.

- 4. Which Italian NGO's does Eni work with in Mozambique?**

**Answer**

To date we work with the AVSI Foundation, the Community of Sant'Egidio, CUAMM, the Sant'Agostino Foundation, the Don Bosco Institute.

#### 6. Militarisation and security

**Over the last three years, there has been a scourge of violent attacks on communities inhabiting the gas region. While the government has been attributing these attacks to 'Islamic terrorist groups', the situation is far more complex.**

**Many communities believe that these attacks are in some way linked to the gas industry since they only began once industry parties became visible in the area. Furthermore, since the attacks began there has only been one case where a company was attacked – a Gabriel Couto convoy, where one employee was killed.**

**Because of the lack of jobs in the gas region, as were promised to people, there is a large contingent of angry unemployed youth who could easily be coerced into a terrorist group.**

**Due to these attacks, life has become increasingly dangerous in the Cabo Delgado Province. As a response, the government has brought the military into the area, while gas companies have contracted several foreign private security companies. The region has thus become highly securitised, however local communities still report living under constant fear of mistreatment by the military and by private security actors rather than feeling protected from the attacks, thus creating a fragile context. They are afraid to walk the long distances to the new farmland they have been given for fear of both attacks and harassment from the army.**

**Many private security companies, including the Russian paramilitary organisation, the Wagner group, have been in Cabo Delgado recently.**



Questions:

- 1. Has Eni at any point requested assistance from the Mozambican government for security, by requesting more military troops in the gas region?**

**Answer**

On March 1, 2019 Anadarko and Mozambique Rovuma Basin (MRV), respectively operators of Area 1 and Area 4, signed a Memorandum of Understanding (MoU) with the Ministry of Defence and the Ministry of Home Affairs for the security of Operations of the Rovuma Basin Project in the Province of Cabo Delgado. The MoU contains clauses relating to anti-corruption and the protection of human rights, as well as mechanisms for cancelling the agreement if there are violations or deviations from these elements. Eni with the other partners of Area 4 and Area 1 is discussing with the Government of Mozambique an update of the MoU which involves both onshore and offshore areas.

- 2. Has Eni at any point paid the Mozambican government to provide them with troops for security?**

**Answer**

In execution of the provisions of the MoU MRV, it paid its share to the Area Operator 1.

- 3. Has Eni hired any paramilitary or private security companies to protect its offices and all work sites both owned by itself or by any other player in Coral LNG and Rovuma LNG? Please could you provide the names of these companies?**

**Answer**

Eni uses private security providers to ensure the safety and security of its staff and plants in Mozambique. Until April 2020, the security provider was G4S, then replaced by the Chelsea Group security provider.

- 4. Is Eni aware that the military are accompanying the people who have consultation meetings with communities? [as mentioned in Section 1]**

**Answer**

See Answer to next question

- 5. Naturally, communities cannot give honest thoughts and opinions when faced with a military contingent. What is Eni's comment on that?**

**Answer**

Answer to questions 4 and 5



In conducting engagement and consulting activities, the company has never been accompanied by military forces.

In the recent past (2018 and 2019), Eni conducted the following engagement and public hearings activities with the communities:

- In Q3 2018 and Q4 2019 Eni - supported by the Danish Institute for Human Rights -- conducted a Human Right Assessment focused on the activities operated in Pemba, Cabo Delgado (within the Coral South project of Area 4) and in the Districts of Angoche and Larde, Province of Nampula in support of the EIA for block A5-A.

- In March 2019 - a round of informational consultations in Pemba with relevant stakeholder groups within the Coral South offshore project, in particular representatives of coastal communities, community councils of fishermen, touristic operators and the Quirimbas National Park. The aim was to inform about the ways and timing of the drilling campaign which would begin in September.

- In April and September 2019 - 2 rounds of public consultations as part of the EIA process for the exploration phase linked to the A5-A offshore block in the districts of Angoche and Larde.

## 7. Government corruption

*Please note that we have raised this issue at last year's AGM and these are follow-up questions, and we request detailed responses please, as we found last year's very vague.*

**The Mozambican government has been involved in shocking economic scandals in the past, and in 2017, media reports revealed that the Mozambican government secretly arranged \$2 billion worth of loans and bonds (via Credit Suisse AG and Russian bank VTB Group) without securing mandatory parliamentary approval. Mozambique is still recovering from this debt crisis which resulted in the suspension of all general budget support by donors and brought the country into a deep financial and economic crisis. Three Credit Suisse bankers face money laundering charges, and the former finance minister is in custody in South Africa.**

**The government agreed to repay the banks with revenues from the gas projects. Though the investments were supposedly to pay for boats to catch tuna, the bonds actually paid primarily for military equipment. The government has admitted that it wanted to use the military equipment to protect the gas reserves and provide investment in related projects and companies.**

**The Federal Bureau of Investigation (FBI) and US Department of Justice (DOJ), UK government and Swiss regulator have been investigating the banks for making improper payments and deceiving investors.**

**According to the IMF, Mozambique won't make payments for at least five more years on about \$2 billion of loans that led to a default last year. The international organization thus expects**

**Mozambique to default on external debt until 2023, when the gas projects are supposed to**



start producing.

**According to the World Bank, 27% of the Mozambican population has access to electricity, even though it has been a major energy producing country for decades. Hence, it is quite clear that the benefits of the extractive industry do not filter down to the population.**

**Furthermore, in February, the European Union concluded that the 2019 national elections were rigged in favour of the ruling party. In November 158 people were convicted of electoral fraud and misconduct.**

**In this way, Eni's insistence that the LNG projects will benefit the people and economy cannot be taken seriously – it has never happened before so there is no reason to believe it will be different with this industry.**

Questions:

- 1. Why is Eni investing in a project in a country with a government that is notorious globally for corruption on this scale?**

**Answer**

The fight against corruption is primarily based on prevention. For this reason we have adopted an Anti-Corruption Compliance Program, which is inspired by the principle of "zero tolerance" expressed in Eni's Code of Ethics and is in line with the applicable national and international anti-corruption regulations in force and international benchmarks. Eni was the first Italian company to obtain the ISO 37001 "Antibribery Management Systems" certification of its Anti-Corruption Compliance Program in January 2017. It provides the principles and rules to follow to ensure compliance with anti-corruption laws to all Eni personnel and to all those who operate, in Italy and abroad, in favour or on behalf of Eni. Based on this set of principles and rules, Eni operates in Italy and abroad with a homogeneous and consistent approach aimed at preventing corruption phenomena. For each transaction/counterparty in areas at risk of corruption, an anti-corruption due diligence is carried out in which the corruption risk associated with the country is taken into consideration as a specific indicator for the strengthening of the due diligence controls as well as a red flag.

- 2. Does Eni believe this is responsible investing?**

**Answer**

As specified, the set of principles and rules according to which corporate decisions and operations are based are always focused on guaranteeing the highest levels of transparency and accountability, including social responsibility, for the investments undertaken. With reference to the investments made in the country in particular, these were carried out ensuring full compliance with the International Finance Corporation (IFC) Standards and the Equatorial Principles.



- 3. Does Eni believe that the population of Mozambique will benefit from the gas revenues, considering that they have not benefited from any revenues from the extractive industry in the past?**

**Answer**

Please see Answer 5

- 4. Can Eni safely say with certainty that it trusts the Mozambican government to not engage in corrupt activities with the revenues from the gas industry?**

**Answer**

Please see Answer 5

- 5. Can Eni say with certainty that it believes the Mozambican people will benefit from the gas industry?**

**Answer**

Answer to questions 3 to 5

Eni joined the Extractive Industries Transparency Initiative (EITI) in 2005, supporting its efforts to establish responsible management of natural resources. The Extractive Industries Transparency Initiative (EITI) is a global initiative to promote responsible and transparent use of the financial resources generated in the extractive sector, urging national governments to disclose payments made by Oil & Gas operators to national and local authorities in order to increase the level of mutual trust between the various stakeholders.

In Mozambique, Eni participated until 2019 in the Multi Stakeholder Group and in the local Steering Committee, in which the Government, mining companies and civil society work together to effectively implement the initiative and contribute to the evolution of the local debate on transparency.

- 6. If so, could you please share the agreement with the Mozambican government with a detailed plan for this?**

**Answer**

The website of the Instituto Nacional de Petroleo (INP) contains a lot of information regarding the agreements signed with the O&G companies.

- 7. Can Eni explain why these particular projects will bring benefit to the population, when it has not happened so before? What is different about these projects?**



## Answer

According to Petroleum Law 21/2014, 2.75% of government revenues generated from Oil & Gas projects must be spent/invested for the benefit of communities living in the area where the project is developed.

In addition, the benefits for local communities will also come from local development and local programs content: since 2012 the partners of Eni and Area 4 have invested around \$35 million and a further \$88 million are expected in the coming years.

In short, the main actions carried out so far in the Province of Cabo Delgado include:

- Access to energy: Clean Cooking Project: local production and distribution of 10,000 improved stoves in Pemba, creation of job opportunities for 50 rooms, CO<sub>2</sub> saving potential of 35-40 ktCO<sub>2</sub> through the certification of the project according to international standards; Education: infrastructure interventions (construction of 2 primary schools), teacher training and extracurricular activities for 5,000 students;
- Health: Strengthening of first aid and maternal services in the province of Cabo Delgado through the supply of equipment, capacity building and technical assistance, an oxygen production plant, construction of a new operating block and Casa Mae Espera for pregnant women in Palma; strengthening of the health system by guaranteeing a quality medical service addressed above all to women through the completion of a multi-specialist outpatient clinic in Zimpeto, Maputo (DREAM program); rehabilitation of pavilions of the Beira hospital hit by cyclones Idai and Kenneth.
- Water: a water system was built in Palma which serves more than 4,000 people with 20 litres of water per day per person and capacity development of the village water committee on sanitation, maintenance and management.

## 8. Climate change:

*Please note that we ask the same questions as last year, as Eni has not indicated any change in its plans regarding the climate impact of the Mozambique projects, and we would like to get more detailed answers.*

**Coral FLNG and Rovuma LNG will result in a huge release of greenhouse gas emissions, especially methane, not just over the next few years, but for decades to come. According to the Anadarko/Eni 2014 EIA, the project will increase the whole of Mozambique's greenhouse gas emissions from 0.4% up to 10% per year. "[G]iven the scale and nature of the project... the overall significance of the impact is not expected to significantly change post-mitigation." Methane emissions are a major problem for the oil and gas sector; some estimates put methane leakage from oil and gas production at 17% of total emissions. Natural gas projects' release of large amounts of methane led to a Cornell University review of the scientific research that found conventional natural gas has a greater climate impact than coal. Contrary to what one might think, the newer the gas well, the more likely the well is to leak methane. These wells will continue to leak methane long after Eni and other energy companies have**



**stopped using them to extract natural gas. This information was corroborated by a NASA-led study published in January 2018, which concluded that the sharp increase in atmospheric methane concentrations is primarily due to the oil and gas sectors.**

**This project does not just involve the extraction and burning of natural gas, it also involves liquefying it for export. The LNG project lifecycle processes of production, transport, liquefaction, shipping, regasification, and power plant combustion is incredibly energy intensive. The U.S. Department of Energy estimates that the liquefaction, transport, and regasification process increases the total lifecycle of greenhouse gas emissions from the natural gas industry by 15%.**

**With the growth forecast in the sector, LNG “will be the biggest source of carbon emission by 2025”, says consultancy Wood MacKenzie. In February 2020 the UN Environment Program released a report which found that methane has a greenhouse effect that is about 80 times more potent than carbon dioxide over a 20-year period and is responsible for at least 25% of global warming, and also that human emissions of fossil methane are underestimated by 40%.**

**Furthermore, Coral LNG is not consistent with the Paris Agreement on climate. It is already known that the already-operating oil and gas fields alone would take the world beyond the 1.5 Celsius Paris Agreement target. As this gas field is one of the largest gas fields in the world and with a lifetime of around 30 years, the project does not fit in a 1.5 C pathway.**

**Mozambique is already facing the impacts of climate change and is very likely to be one the countries that will be hit the hardest. Mozambique is consistently ranked as one of the most exposed countries to risks emanating from climate change, and just last year, two devastating cyclones hit the country and parts of surround countries, killing over 1300 people and displacing over 2 million.**

**Do note that the EIA itself speaks of the climate impact of the promises [although as mentioned, the figures are highly underestimated].**

*“It is evident that by 2022, the first year of full operations of the LNG Facility, GHG emissions from the Project could account for nearly 10 percent of Mozambique’s national GHG emissions.” (p.18)*

*“Given growth in national emissions over time, by 2028 the Project could account for around 6 percent of national GHG emissions.” (p.18)*

*“The Project is estimated to emit approximately 13 million tonnes of CO<sub>2</sub> per year during full operation of six LNG Trains. The Project GHG emissions will increase the level of Mozambique’s GHG emissions by 9.4 percent when six LNG Trains are projected to be operational in 2022.” (p.18)*

*“The duration of the impact is regarded as permanent, as science has indicated that the persistence of carbon dioxide in the atmosphere is said to range between 100 and 500 years and therefore continues beyond the life of the project... In light of the above, the significance of the impact of GHG emissions from the Project on Mozambique’s national GHG emissions can be considered MAJOR.” (p.20)*

*And according to the EIA Non-technical Summary:*



"Given the scale and nature of the Project, while good practice can be employed to reduce the GHG emissions, the overall significance of the impact is not expected to significantly change post-mitigation."  
(p.14)

Questions:

- 1. Please comment on the misalignment of the project with the Paris Agreement and if that is in line with Eni's climate policies.**

**Answer**

Eni's industrial strategy is based on a medium-long term Plan that combines the objectives of continuous development in a fast-changing energy market, with a significant reduction in the Group's carbon footprint. The Plan is characterized by a deep transformation of the business portfolio, which includes a series of actions that will lead to progressively reducing the carbon footprint associated with the operating activities and the energy products sold, in line with the reductions required by future scenarios consistent with the objectives of the Paris Agreement (e.g. IEA-SDS). In particular, the medium-long term Plan will allow Eni to achieve an 80% reduction in net emissions by 2050 relating to the entire life cycle of the energy products sold, which include scope 1, 2 and 3 emissions, (over the 70% threshold indicated by the IEA in the SDS scenario compatible with the objectives of the Paris Agreement) and a 55% reduction in emission intensity compared to 2018. Other commitments include those related to a 43% reduction in emission intensity of upstream activities by 2025 compared to 2014 levels and the achievement of a net zero carbon footprint in the Upstream by 2030 on scope 1 and 2 equity emissions, a target extended to all Group activities by 2040.

Among the actions that will contribute to achieving these results, a fundamental role is played by the growing share of gas production in the hydrocarbon generation portfolio (60% by 2030 and 85% by 2050) as well as the focus on the marketing of equity products and the progressive reduction of non-equity gas.

Both these levers are consistent with projects underway in Mozambique, which will simultaneously contribute to giving access to energy in Mozambique and in the countries importing the LNG, replacing more polluting sources with a more sustainable energy mix. However, we are working on further mitigation and operational and energy efficiency actions that allow an ever lower carbon footprint of our activities, also through our R&D.

In Mozambique in particular, a Memorandum of Understanding between Eni and the Government of Mozambique was recently signed (October 2019) for the implementation of a large program of local development initiatives including projects in the REDD + area.

- 2. Eni says on its website that it has "an ever-greater commitment to renewables: for a cleaner future. In 2015, Eni created a new business unit to ensure a low-emissions**



**future. As part of our pursuit of the UN's sustainability goals, we will have invested € 2.3 billion in renewables by 2023.” Does Eni have any concrete plan for developing renewable energy projects in Mozambique?**

**Can you provide details, including dates of construction and operation.**

**Answer**

Eni consider Mozambique a country of interest for the development of renewable energy projects, with high potential both in terms of solar and wind power, and we operate there in line with our strategy of investing in countries where we can exploit synergies with the Upstream. Currently we have not identified projects under development but we are following the preparation of tenders for the Proler programmes, supported by the Agence Française de Développement, and GET FIT, supported by the German KfW (Kreditanstalt für Wiederaufbau), in which we intend to participate. Tenders are expected to be launched by the end of 2020.

**3. Eni has received rights to explore in Areas A5-A, A5-B, Z5-C and Z5-D in the Angoche Basin of Mozambique. How does this align with Eni’s path to decarbonisation?**

**Answer**

In the Angoche offshore basin, Eni holds block A5-A as an operator while it has a stake in block A5-B. Blocks Z5-C and Z5-D are in the northern sector of the Zambezi offshore basin and are operated by another international company. These are unexplored geological basins, potentially hosting important accumulations of hydrocarbons, but characterized by high uncertainty about the possible results of the research. The projects are still in the study phase and exploratory wells have not yet been drilled.

These initiatives are part of a strategy to support the progressive replacement of reserves in the medium-long term in a scenario of progressive increase in the gas/oil ratio, in line with the medium-long term decarbonisation strategy, already reported in Answer no. 1.

9. Ramboll

**We have been engaging with Danish consultancy, Ramboll, and have learnt that Eni contracted the company to undertake an Environmental and Social Impact Assessment (ESIA) for Coral LNG.**

**We have also learnt that Ramboll was contracted as a consultant by Credit Agricole for Coral LNG.**

Questions:

**1. Did Ramboll undertake an Environmental and Social Impact Assessment for Coral LNG?**



**Answer**

See Answer to next question

**2. What were the dates of this contract?**

**Answer**

Answer to questions 1 and 2

Ramboll was not in charge of ESIA. Instead he was charged with an Environmental and Social (E&S) Due Diligence on behalf of Creditors in the period between Q3 2015 and Q2 2017, holding the role of independent E&S advisor for the Coral South project before the project financing reached a closing. The ESIA of the Coral South project was carried out by Consultec in 2015 on behalf of Eni and the other partners in Area 4.

**3. Does Ramboll still provide any services to Eni?**

**Answer**

In 2017 Ramboll was appointed by Credit Agricole as an Independent Environmental & Social Consultant (IESC) on behalf of Creditors in the Coral FLNG project, in order to monitor compliance with international standards during the period following the Financial Closing. As is customary in project financing agreements, these services are rendered through an agreement that also involves the companies active in the Coral project (of which Eni holds 25%), as they are responsible for managing costs and other obligations inherent in the project.

**4. Is/was Eni aware that Credit Agricole had contracted Ramboll as a consultant on Coral LNG?**

**Answer**

Yes.

**5. Considering that Credit Agricole is the financial advisor to Eni on Coral LNG, does Eni consider this a conflict of interest?**

**Answer**

We do not see a conflict of interest there. Ramboll has acted on behalf of creditors since their initial involvement in the Coral South project, fulfilling the obligation to act as an independent E&S advisor for creditors. In addition, both Credit Agricole and Ramboll have entered into a contractual commitment to adopt and maintain rigorous practices and procedures aimed at avoiding the onset of possible conflicts of interest as well as disclosing them in the event that they should occur during their work.



#### 10. Saipem's services to Eni:

**1. Can Eni detail the nature of the services that will be undertaken by Saipem in Mozambique?**

**Answer**

With reference to the Coral South project, the contract awarded to Saipem refers to Drilling & Completion activities that began in September 2019.

**2. Can Eni detail the identification names and numbers of the Saipem vessels that it will be utilising?**

**Answer**

For the purpose of the above work for the Coral South project, Saipem uses the deep water Drilling ship Saipem 12000.

#### 11. Contractors

**1. Could Eni provide a list of the local Mozambican contractors it has agreements with, and the nature of their agreed work?**

**Answer**

See Answer to next question

**2. Could Eni please provide a list of the international contractors it has agreements with, and the nature of their agreed work?**

**Answer**

Answer to questions 1 and 2

Eni does not communicate the names of its suppliers to third parties on a general basis (apart from any specific needs related to its financial statement information).

Eni however recalls on the occasion that the procurement activities in Mozambique are followed by the subsidiary Eni Rovuma Basin that:

- has adopted and follows regulations and a procedural framework modelled on those of the Group in all its phases;
- also applies (pursuant to the agreements with the Partners - the "Joint Operation Agreement") the specific provisions agreed for the project in addition to the current legislation (aimed at favouring transparent and advantageous awarding criteria for local companies).

In recent years, more than 80% of local procurement has been carried out with suppliers



permanently established in Mozambique in compliance with these regulations (among other things, monitored by and shared with local authorities).

## 12. Reforestation

*Please note, this question is a follow up on a discussion at the 2019 AGM regarding a Financial Times article in which Mr Claudio Descalzi was quoted as saying that Eni will be planting new forests to offset carbon emissions.*

- 1. For the sake of clarity, does Eni plan on planting any new forests, or expanding current forests?**

### **Answer**

See Answer to next question

- 2. If so, what are the locations of these?**

### **Answer**

Answer to questions 1 and 2

Eni's strategy on forestry is based on the development of forestry projects using the REDD + (Reducing Emissions from Deforestation and forest Degradation) framework developed by the UNFCCC (United Nations Framework Convention on Climate Change). This mechanism addresses the problems of CO2 emissions related to deforestation and forest degradation in developing countries but does not provide for the planting of forests.

Some potential REDD + opportunities in the country are currently under study.

## 13. Yara

**We are aware that Norwegian fertiliser company, Yara, has a presence in Cabo Delgado.**

- 1. Is there, or will there be a physical presence of Yara on the Afungi LNG Park?**

### **Answer**

As far as we know, Yara is not present in Afungi LNG Park.

- 2. Has Eni signed any agreements with Yara?**

### **Answer**

See Answer to question 4

- 3. What does this agreement entail? Will Yara be purchasing gas from Eni? If so, please indicate the amount that will be purchased and the cost.**



**Answer**

See Answer to question 4

- 4. Has Eni contracted Yara to perform work for it? If so, please detail the nature of this work.**

**Answer**

Answer to questions 2 to 4

Eni and its Area 4 Partners have not finalized any commercial agreement with Yara.

14. Impacts of COVID-19

- 1. Does Eni still have any operation running in Cabo Delgado, including administrative or planning?**

**Answer**

As for the Coral South project, drilling & completion activities were suspended on April 11th. In Pemba, Eni continues to manage a logistical base to support these activities.

- 2. If so, how many employees are still working?**

**Answer**

At the moment, 9 local Eni employees work in the Pemba base. No expat currently works on the base.

- 3. Have the Covid-19 pandemic and its economic implications, including the crash of oil price, produced a negative impact on the economic viability of the gas development projects in Mozambique in which Eni is involved? Has the NPV of Coral FLNG been reviewed and how? Has the NPV of Rovuma LNG been reviewed and how?**

**Answer**

We underline that these projects are not in production, therefore we have not detected any economic impacts deriving from price changes and/or a reduction in current demand.

In particular, the Coral FLNG project is in the execution phase and remains viable, thanks to the flexibility guaranteed by the project financing agreements defined with top level financial investors and the long-term LNG sales agreements already defined with solid buyers. At the moment, the drilling & completion campaign has been temporarily suspended due to the state of emergency in Mozambique.

With reference to the Rovuma LNG project, please note that the POD for the first phase of development of the Mamba field was approved in May 2019, Operators are working on further



optimizing the development plan, with the aim of maximizing synergies with Area 1 and to seize all market opportunities related to the current phase of gradual reduction in construction costs. Consequently, the project FID has been postponed and a new date will be defined after the current optimization phase. For these reasons, it is not currently possible to have an updated NPV of the project.

#### **D. South Africa's offshore exploration**

**With reference to the offshore oil and gas exploration in KwaZulu-Natal, South Africa, Exploration Drilling within Block ER236, off the East Coast of South Africa which is being conducted by Eni and Sasol, after the approval of project EIA by local authorities in October 2019,**

**1. What is the current status of Eni's exploration operations?**

**Answer**

See Answer to question 3

**2. What has been the impact of Covid-19 emergency on Eni's project operations? Does Eni intend to move ahead with exploration operations in the next months or halt them?**

**Answer**

See Answer to question 3

**3. Given the crash of oil markets and fall of oil price, has any updated economic assessment of the project been produced based on existing data on reserves? Is there a NPV for the project? Has this been revised?**

**Answer**

Answer to questions 1 to 3

The ER-236 research permit is currently in the second exploration period which will end on September 2, 2021 and which does not imply the obligation to drill a well. The assessment of the area's potential is still ongoing. In August 2019, Eni received authorization on the environmental impact assessment. Some stakeholders appealed to the decision and the related proceedings are therefore underway as required by law. Eni provided all due answers to objections raised.

As no drilling campaigns are scheduled for 2020 in South Africa, Covid-19 has so far had no impact on Eni's operational programs in the country.

Prospect evaluation is still ongoing and no drilling has been carried out so far. The presence of hydrocarbons in place is still to be confirmed, subject to further analysis of the associated risk. It is therefore not possible to discuss reserves or NPV for a project under development. No decisions have yet been made on carrying out the drilling activity and the current exploration period, expiring



in September 2021, does not provide for any obligations in this regard.

#### **E. Nigeria – NAOC’s sub-contractors and labour issues in Onelga communities**

The questions concern the agreements between NAOC and local communities in Onelga, Rivers State, as recently reported on [Iripimedia21](#).<sup>23</sup> According to them, compensation for land use is considered too low by local communities and yet relations with the company are always managed by traditional "chiefs", who in the community are called as the "Agip family" managing both the economic compensation and the employment of local staff. The latter is one of the points covered under the Memorandum of Understanding signed by the company with local communities. Subcontractors hiring NAOC's seasonal workforce ("casual staff"), such as Manila Industrial Security Service Ltd, reportedly signed contracts requiring employees to waive all union protection and part of their compensation. Apparently in the past it was easier for someone from the local community to join NAOC, but now it is no longer the case, despite the Memorandum in place.

**1. Does Eni review the performance of contractors to ensure that they do not fall short of Eni standard requirements?**

**Answer**

[See Answer to next question](#)

**2. When contractors do not meet such requirements, does Eni relieve them of their contract and compensate affected staff?**

**Answer**

[Answer to questions 1 and 2](#)

Through its affiliate in Nigeria NAOC, Eni periodically analyses contractors performance in order to ensure their compliance with the standards required by Eni. Measures taken to evaluate performance are in line with the contracts stipulated by contractors with NAOC as well as with Nigerian tax, pension and labour law.

In case of non-compliance with the contractual terms by a contractor, NAOC can decide, after verification, to stop the services.

**3. In awarding contracts to indigenous contractors, does Eni systemically pick contractors offering low wages?**

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<sup>23</sup> <https://irpimedia.irpi.eu/thenigeriancartel-famiglia-agip-caporalato/>



**Answer**

See Answer to next question

**4. Is it correct, as alleged, that service contractors are often owed salaries just for three to six months?**

**Answer**

Answer to questions 3 and 4

Based on the technical and economic offers received and in line with its procurement procedures, NAOC assigns contracts to contractors, including local ones, duly registered with the Company and requests compliance with the following:

- o all laws, regulations, orders, sentences, injunctions and other official acts of the Nigerian authorities or of any other governmental entity that are recognized by NAOC and which, now or in the future, may also apply to the Contractor;
- o Eni's standard requirements which include the Eni Anti-Corruption MSG, the Eni Code of Ethics (with particular reference to the ethical principles established for relations with suppliers, commercial and industrial partners) and Eni's Declaration on Respect for Human Rights, which covers fair remuneration rights, the right to health and education, etc.);
- o the commitment by the Contractor to ensure that its shareholders, directors, employees and collaborators comply with the same principles and guidelines as above.

With regard to *employment contracts*, wages and conditions of service are negotiated by NAOC in the contractual framework of the trade unions of the Industry.

In the case of *service contracts*, wages and conditions of service are instead negotiated directly by the contractor with their own staff, without the involvement of NAOC as NAOC does not make employment decisions on behalf of other companies.

Currently NAOC manages over 3700 contracts per year and over 900 suppliers.

In order to ensure that all Contractors, especially small service providers from the local communities, comply with the above, NAOC undertakes to proactively provide training programs for its local contractors on the relevant regulatory framework and best practices of procurement established by regulatory agencies of the Oil & Gas industry. These initiatives are part of the Company's contribution to the socio-economic development of local communities, in compliance with the provisions of the Nigerian Oil & Gas Industry Content Development (NOGICD) Act of 2010. The training allows to increase the awareness of contractors on the respect and promotion of Human Rights in the daily management of activities and in operational risk situations.

In recognition of NAOC's commitment and contribution in the development of 'local content' in the Oil & Gas sector in Nigeria, in February 2020 Eni was awarded the 'Local Content Operator' award of the year.

**5. How does Eni determine what job goes under a labour contract and what task goes instead under a service contract?**



### **Answer**

Personnel provided by "manpower" companies is used for vacancies in the organizational structure of the Company relate to jobs which are non-permanent but still operate under the direct coordination and supervision of NAOC, with role and perimeter of activity as defined directly by NAOC.

Activities that fall into the category of 'service contracts' relate to outsourced services for which a supplier is selected to carry out a project characterized by a well-defined work purpose with its own organizational structure and workforce.

**6. Eni says that more than 60 per cent of all employment positions including management offices come from its operation areas. Does Eni disagree with claims that most of the staff from Onelga communities are under service contracts?**

### **Answer**

Acting through NAOC, Eni offers equal opportunities and does not discriminate against any community or local authority regarding employment or contractual conditions. It should be mentioned that there are around 360 communities in the NAOC areas of interest. The Company does not intend to allocate employment quotas to any community or entity. The technical staff suitable for specific tasks is selected through a rigorous selection process.

It is quite logical that the NAOC direct employees who hold central positions in the corporate organizational structure are fewer than those employed by the contractors for the provision of services which, by their nature, are of various types and have a more limited duration in time.

NAOC is not involved in the employment decisions of the Contractors who however, to our knowledge, have recourse to the use of skilled workers from local communities.

### **F. Basilicata – Val d’Agri**

*Questions submitted on the basis of information and analysis collected with Mediterraneo No Triv, Giovanna Bellizzi, and with Domenico Nardoza.*

**On January 11, 2019, the documents relating to the project, the Environmental Impact Assessment and the Integrated Environmental Authorization for the construction of a Produced Water Treatment Plant from the Viggiano COVA were published on the Basilicata Region website; the plant is to be located in Località Le Vigne Viggiano. The request was sent by Syndial Servizi Ambientali s.p.a. of San Donato Milanese (MI).**

**The Environmental Impact Assessment TECHNICAL REPORT contains a Table 2 on page 18, detailing the “Chemical-Physical Characteristics and Radiometric Profile of the Waters to be sent for treatment”. This table relates to the waste to be treated, reporting two values for analyte concentrations (minimum and maximum), and specifying that “concentrations are**



only indicative and derived from data found in the literature in the bibliography".

**In this regard, it should be noted that in an Environmental Impact Assessment of a chemical plant one cannot ignore the correct and precise real characterization of the waste to be treated, by reporting merely indicative values resulting from bibliography data; all the more so since the project refers to a real plant that would be built to treat a highly dangerous waste COVA has been producing for many years, which is analysed every day several times per day; moreover, we note that, given the origin of the wastewater this approximate characterization DOES NOT SPECIFY OR INDICATE which and how many hydrocarbons are present in it.**

- 1. In this regard, therefore, since Syndial intends to treat waste waters produced by Cova and since the plant is connected to it, we ask to know the exact content and specific quality of the hydrocarbons found in the waters to be treated.**

#### **Answer**

The produced waters that Eni Rewind (formerly Syndial) intends to treat at the plant under investigation in the Basilicata Region have the same hydrocarbon content as the produced waters that the Southern District (DIME)/COVA disposes of today as waste, shipping it through tank trucks, with the intermediation of Eni Rewind's environmental services, to suitable authorized external plants.

The quantitative estimate of the maximum value in total hydrocarbons, for design purposes (plant design target), reported in the specification of the water entering the plant during the investigation, is equal to 500 mg/litre.

The waters that will be treated by the plant have a content of less than 60 mg/litre of dissolved hydrocarbons, in accordance with the Integrated Environmental Authorization of the plant.

The hydrocarbons present are mainly aliphatic of the C10-C40 family, i.e. hydrocarbon molecules that contain 10 to 40 carbon atoms.

**Furthermore, ENI's COVA (Centro Olio Val D'Agri), treats crude oil coming from underground wells located in Val D'Agri through underground pipelines, separating water, methane gas, non-methane gases and the sulphur compounds H<sub>2</sub>S and SO<sub>2</sub>, to obtain stabilized oil, which is a refining activity of extracted crude. In addition to this main activity, the COVA also carries out the compression of methane gas which is introduced into the Snam network and the generation of electrical and thermal energy in special turbogas and steam production plants.**

**In this regard, it is noted that:**

**When granting the Integrated Environmental Authorization (AIA) in March 2011 there**



**seems to have been an incorrect classification of the plant's activity since in the AIA the activity was classified as "Combustion of fuels in installation with total rated power equal to or greater than 50 MW" (IPPC 1.), thus considering only a minor part of the activity carried out by the COVA, which instead is above all "Oil Refining" (IPPC 1.2).**

**As of today, the AIA, which is incorrect, has expired in March 2016; the renewal has been pending for more than four years now, with updating of the actual activities in the COVA, which are IPPC 1.2 and 1.1.**

**In this regard, considering that as clarified above the layer water coming from the COVA and to be sent for treatment in the plant proposed by Syndial, is a wastewater:**

- 2. We ask to know if the waste is to be classified with the CER code class 05.xx.yy "Wastes from oil refining, purification of natural gas" and if it is correct to classify a waste coming from the refining and separation of the water-gas-oil mixture as a waste from the activity of "Combustion of gas in the power and thermal power plant alone" (CER code class 10.xx.yy).**

**Furthermore, Syndial says that all the purified water leaving the plant will be used in the Viggiano COVA; they also state that in this way there will be no discharge of treated water into any body of water in the Val D'Agri.**

#### **Answer**

First of all, it should be noted that the Val d'Agri Oil Centre (COVA) is not a refining plant but a plant in which the crude oil produced is separated from gas and water, stabilized and sent via pipeline to the Taranto Refinery.

Therefore, the COVA and the related Integrated Environmental Authorization (AIA) do not fall within the aforementioned fields of application.

Furthermore, as shared with the Judicial Authority during the 2016 plant modification, process water is currently classified with the CER 161002 (non-hazardous waste).

We also intend to specify that due to the Review of the Basilicata Region started in mid-2016, the AIA of COVA is still in effect today (the same Review represents in itself a process of renewal of the authorization, see Legislative Decree 152/2006 as amended, Art. 29-octies of the Environmental Code - Renewal and review, which provides that "Until the competent authority pronounces on the review, the operator continues the activity on the basis of the existing authorization"). The proposed plant, currently under investigation at the Basilicata Region, is classified as a waste water treatment plant (purification), as the flow of incoming produced water goes through a stable and seamless collection system with the COVA. For the aforementioned treatment methods, produced waters to be treated are *de iure* (Art. 243, paragraph 4 of Legislative Decree 152/2006), used water and not waste, without therefore any need for CER classification as subject to the provisions



of part III of Legislative Decree 152/2006 and not to those referred to in part IV of the same Legislative Decree.

In light of the above, we confirm that the operations carried out in the Val d'Agri Oil Centre plant are to be classified within mining and not refining.

**However, in this regard it is noted that:**

**Once the amount of water evaporates in the form of steam has been deducted, Viggiano COVA must also drain the remaining industrial water, and this amount of water, even if purified, arguably contains a percentage of residual radioactive isotopes and residual hydrocarbons.**

**The residual amount of isotopes in the treated water may even be not appreciable and not detectable, therefore passing the daily checks; however the large quantities spilled over time and the ability to accumulate heavy metals, including radioisotopes, and hydrocarbons, is a fairly well-known phenomenon, already occurring in the Ionian Sea overlooking the Lido di Rotondella, following the massive discharges of lightly-contaminated water by the Itrec Nuclear Centre.**

**The daily quantities that COVA will discharge into the ASI purifier, through the sewage water network (about 1000 cubic meters/day) are equal to at least 350,000 cubic meters/year; these quantities of waste through the ASI purifier will flow into the Agri river and, subsequently, into the reservoir of Lake Pertusillo where, due to the accumulation effect, there would almost certainly be irreparable pollution from active isotopes due to ionizing radiation, some with a half-life of 70,000 years, and from heavy hydrocarbons, causing an unimaginable impact to agricultural water in the lower Val D'Agri and the drinking water resource of nearby Puglia.**

**3. We thus want to know if ENI made an assessment of the impact of the Syndial project on water basins in Basilicata, if there are third-party and impartial scientific studies that Eni Spa has prepared in this regard and if it has an estimate of the damages that it could cause to the area and, if so, what mitigation measures it has prepared or intends to prepare.**

#### **Answer**

We confirm that all the purified water leaving the Eni Rewind plant (formerly Syndial) will be used in the Viggiano COVA and that, in this way, the plant under preliminary investigation will cause no discharge of treated water in any body of water in the Val d 'Agri.

Acting on Eni behalf, Eni Rewind has entrusted authoritative and independent studies to the Polytechnic of Turin and the University of Bologna.

These studies confirm the evaluations carried out in the design phase, and in particular that:

- the treatment methods adopted are in line with the best applicable technologies (Best Available



Technologies-BAT) and effectively redundant;

- the treated waters will be free of any possible radiological, chemical or bacteriological risk and suitable for industrial use in the COVA plant;
- the fractions deriving from the separation treatment (pressed sludge and saline concentrates) will be managed as waste with separate disposal to suitable external authorized plants as per the project under investigation;
- the water treated by the plant and which will be recovered for industrial uses within the COVA, will not involve any radiological risk either to the operators of the COVA or to the surrounding environment;
- the water treated by the plant will be reused in COVA in separate and segregated industrial cycles, destined for the production of demineralized water, steam/condensate recovery, heat exchange services, cooling towers and reintegration in the fire circuit ; in addition, all the industrial circuits indicated above have segregation and management characteristics such as to guarantee the absence of contamination with matrices having potential radiological risks.

The studies therefore confirm that the water produced by the Mini Blue Water system, sent to COVA for industrial use, cannot in any way be radioactively contaminated.

**4. In light of the issues highlighted above, we ask to know if the Company has assessed the possibility of jurisdictional disputes and/or exposure to responsibilities inherent and consequent to the authorization, implementation and operation of the Syndial project.**

**Answer**

The project has been carefully evaluated by the Company with the help of recognized international technical consultants and the authorization process has seen, and still sees, a constant dialogue with all the bodies involved, to guarantee the construction of a plant which has as its main objective to reduce to almost zero the use of fresh water, therefore improving the footprint on the water resource, and to make Eni's activities in the Val d'Agri more sustainable. Its management will be carried out in full compliance with the authorizations.

**According to the ENI website, wells drilled and productive in Val d'Agri are a total of 24; this number does not include one of the last wells the company is working on, namely Pergola 001, which falls in the municipality of Marsico Vetere (PZ); we ask to know:**

**5. When will the well be connected to the network of oil pipelines already present in the valley?**

**Answer**

The Environmental Impact Assessment (EIA) procedure relating to the construction of the well connection, activated in 2015 and then suspended by the Competent Bodies, started again in



2018. To date, the EIA Commission and the related Ministerial Decree are pending.

Upon completion of this process, all executive authorizations for the construction of the work will be requested.

**6. Given the considerable distance of the well from existing oil pipelines, what is the progress of the works?**

**Answer**

The works have not yet started pending the completion of the authorization process.

**7. Much has been said about this well in terms of production capacity; according to Eni what is the expected estimate in terms of barrels/day and when will this well start delivering crude?**

**Answer**

The production capacity is estimated at 3000 barrels/day. The start of production depends on completion of the authorization process.

**As early as May 2018, the company was asked about the remediation action of the former Cerro Falcone 7 and Sant'Elia 1 cluster in "Case Marinelli" in the municipality of Marsico Vetere (PZ). We ask to know:**

**8. What is the state of places today? What is being done to rehabilitate that portion of land now abandoned for many years, as is foreseen in the protocols of the agreements of 1998 relating to the decommissioning of mining structures?**

**Answer**

After obtaining all authorizations from competent authorities, we started restoration activities in the second half of 2019 for the S. Elia1-Cerro Falcone 7 well area.

There are no environmental liabilities on the site in question pursuant to the applicable legislation. In detail, all the reinforced concrete products have been removed and disposed of while the removal and disposal of ballast is almost completed. With the reshaping of the land aimed at restoring the slopes of the original site profile, the activity will be completed.

**A new location is being set up that will bear the same name, CF7-Sant'Elia 1, in the locality of Civita di Marsicovetere, with request for the construction of a third well called Allì 5.**

**9. As for Pergola 001, we would like to know the state of the works of this new cluster and**



**when do you expect to connect it to the network of existing pipelines?**

**Answer**

See answer to the next question

**This cluster is authorized by regional resolution No. 461 of 10 April 2015, which however did not provide for the construction of the third Alli 5 well; among the prescriptions that the Soprintendenza per i Beni Architettonici e Paesaggistici of Potenza added to the regional resolution, one related to important secular oaks on the site today: "large isolated oaks should be moved and planted in the parking area adjacent to the station" ;**

- 10. We ask if and how Eni will live up to what has been written by the superintendency regarding this difficult job of "transplanting" the oaks.**

**Answer**

Answer to questions 9 and 10

As already communicated to the Authorities, the construction of the Alli 5 well and of the CF7-Sant'Elia 1 station are not planned.

**With the start of oil production in the Tempa Rossa field owned by Total-Shell-Mitsui, the crude oil extracted from the Gorgoglione concession will be transported to Taranto through the same pipeline that ENI has used for twenty years to transport crude oil from Val d'Agri to the ENI refinery in Taranto.**

- 11. In this regard, how does the process of transporting crude oil to Taranto work now? Does the fact that the two crudes have a different API degree create any problems to the structure of the pipeline?**

**Answer**

All the parameters of the two crudes (including density) have been carefully evaluated as part of the transport project for Tempa Rossa crude, without finding any critical issues. Currently, the transfer of crude oil takes place by alternating dispatches of defined quantities of crude oil from Val d'Agri and Tempa Rossa, as planned.

- 12. And what is the state, certified by radiographs, of the pipeline that travels 136 kilometres underground between Basilicata and Puglia?**

**Answer**

The oil pipeline connecting the Val d'Agri Oil Centre with the Taranto Refinery is regularly inspected by means of ultrasound 'Smart Pig'. Smart Pig inspections are scheduled every 4 years. The results of the last inspection confirmed the safety of operating conditions of the pipeline.



This control method allows to determine the presence of any corrosive phenomena in a very punctual way along the whole pipeline.

Furthermore, it should be remembered that the monitoring system of the Viggiano-Taranto pipeline also provides for a cathodic protection system which ensures, through an electrical action, the absence of corrosive phenomena in the metal structure; twice a month the voltage supplied by the power supplies and the electrical status at the measuring points inside the bedrooms are checked. Each quarter, on the other hand, the electrical protection of the entire asset is verified.

There are also weekly and half-yearly visual checks on the entire pipeline; checks are carried out every week at the plant points and every six months along the entire asset to the extent this is possible since the pipeline is almost completely underground.

A control system with vibroacoustic technology has been installed and is functioning against spills deriving from break-ins; signal checks along the asset are entrusted to a specialized company that processes them and returns them to the operating unit for due verification and management. The analysis of the data returned by the aforementioned inspection processes, entrusted to leading companies in the metallurgical and structural reliability sector, confirms the absolute integrity of the asset.

**Since March 2020, the pandemic from Covid-19, a recognised global health problem, brought about a slowdown in oil activities in the Agri Valley.**

**13. What precautionary and health measures for the near future is ENI introducing for the protection of the workers present today at the COVA of Viggiano and on the entire supply chain of ENI in Basilicata? Is physical distancing between workers guaranteed given that over 1,500 people alternate at work within the oil centre at full capacity?**

#### **Answer**

In the current emergency context dictated by the COVID-19 pandemic, the company has taken steps to adopt an articulated series of measures to protect employee health, including those relating to hygiene and prevention, access to workplaces. and aggregation areas, the use of personal protective equipment, in line with regulatory indications.

These are aimed at:

- contrast and contain the spread of the COVID-19 virus in the workplace in order to allow the continuation of the activity in compliance with the health and safety of workers;
- act promptly on any cases of infection.

Even before the issue of the Memorandum of Understanding on March 14, 2020 between the Government and social partners, the company had adopted measures to mitigate the risk of contagion, aimed at protecting the health and safety of workers. Eni proceeded with a gradual and progressive reorganization of work activities which involved reducing the presence of staff in the Centre to the minimum possible and in particular: i) the postponement of non-essential activities;



ii) new shifts to limit attendance at the oil centre. The new configuration resulted in a 30% reduction in COVA production.

The result of changes in organizational and management structure implemented previously led to a constant presence of workers in around 80 units. This allowed adequate management of the activity compared to normal operating regimes.

As part of the prevention measures, the following have also been implemented:

- Preparation and dissemination of the "COVID-19 Epidemic Preparation and Answer Plan", which has been revised several times to follow the prescriptive changes over time;
- Constant communication to workers regarding the rules to be followed in order to limit virus dissemination: through e-mails and service orders, information material/posters (on the use of Devices of Individual Protection (DPI), hygiene rules, hand washing ...);
- Dedicated videoconference meetings with different categories of workers;
- "Smart working" for non-operating personnel in order to limit their presence on the premises;
- Communications to contractors for the purpose of disseminating the aforementioned Plan and the rules to be followed;
- Procurement of "biohazard" DPI in relation to the type of activity carried out;
- Checking staff body temperature before entering the premises,
- Intensification and monitoring of cleaning/sanitizing activities of internal and internal spaces;
- Establishment of the Monitoring Committee on the fulfilment of the Protocol of March 14, 2020.

Furthermore, following the issue of the new Memorandum of Understanding on April 24, 2020, the company has taken further actions in order to ensure maximum worker protection. Entry and exit from the workplace have been regulated and access to areas for mixed use such as refreshment areas, bathrooms and changing rooms has been restricted. The temperature detection has been extended to all the active sites of the DIME district.

All the measures activated will be maintained and adequately remodelled according to the progressive increase in activities, and further measures will also be introduced, in accordance with regulations and applicable guidelines, in order to guarantee maximum worker protection.

**At the beginning of March 2020 the workers employed by contractors called for a strike and among their various reasons, one struck us in particular. The workers complained about the lack of running water inside the COVA toilets and their general malfunction. This is very embarrassing, especially by rereading what is written on the ENI website about the same plant you own: "The COVA was chosen to become the first Lighthouse in the Eni world, that is an entirely digitalized system with the most innovative technologies". Just in light of this important statement,**

**14. We ask for precise explanations on the hygienic-sanitary issue raised by the workers. In particular, how many and above all in what state are the baths for COVA workforce?**



### **Answer**

Currently there are 46 toilets available to the workforce within the COVA and 11 for the related sites, while there are 26 available to Eni personnel.

These are chemical toilets equipped with a washbasin and operable with pedals for hygiene reasons. After the COVID-19 emergency outburst, the bathrooms were integrated with a sanitizing gel dispenser.

The issue raised by workers concerned the malfunction of a single bathroom, and steps were taken as soon as the problem was detected.

The monitoring of working conditions of the toilets is carried out constantly, in order to act in a timely manner if necessary.

The bathrooms all undergo cleaning and sanitization, in accordance with good hygiene practices and applicable regulations.

### **Shareholder Marco BAVA**

**1. CONSIDERING THAT YOU HAVE DECIDED to avail yourself of Article 106 of the Legislative Decree 18 of March 17, 2020, containing "Measures to strengthen the National Health Service and economic support for families, workers and companies connected to the epidemiological emergency from COVID-19", regarding - in particular - methods for participating and taking the floor in the Meeting as well as the granting of proxies and/or subproxies to a representative appointed pursuant to Article 135-undecies of the TUF, which I consider unconstitutional in that it violates Articles 3 and 47 of the Constitution because it discriminates against the shareholders of listed companies as it does not allow them to attend the meeting. The premises laid down by Article 106 of the "Cura Italia" Decree are unconstitutional since they violate Articles 3 and 47 of the Constitution, equality between citizens, and therefore the participation in the Meeting of all shareholders, in order to both vote but above all to take the floor, as guaranteed by both Article 47 of the Constitution and Article 2372 of the Italian Civil Code. Parliamentary sessions, congresses and university lectures will be held by electronic means, why aren't the Meeting of listed companies? The controlling role of minority shareholders has proved important in many financial cracks, why do you want to cover the voice of uncomfortable shareholders? For these reasons, I intend to sue you and ask for compensation for intangible damage, to be donated to charity, for not being able to exercise my right to participate in the meeting. Moreover:**

- a) Article 135-undecies of Legislative Decree 24.02.1998 n.58 does not allow the non-participation of shareholders in the meetings;**
- b) Point 1 of Article 106 admits that by way of derogation from the provisions of Art. 2364 2 c, and 2478-bis, the ordinary meeting may be convened within 180 days after the end of the financial year;**



**c) Therefore it is not possible, according to our system, to prohibit the participation of members for any reason, so just do it via the internet.**

**d) Therefore, since Article 106 of the Decree which was used to deny me the right to attend the meeting is unconstitutional, I will ask the judge for an incidental appeal to the Constitutional Court.**

**Since you did not hold the ONLINE meeting on the internet platform, I ask that a derivative action against the board of directors be put to the vote.**

#### **Answer**

The Company has decided to avail itself of a faculty expressly provided for by law and in particular by paragraph 4 of Art. 106 of Legislative Decree no. 18/2020, now converted by law no. 27/2020, allowing Shareholders to participate in the Shareholders' Meeting exclusively through the Shareholders Representative. With reference to the derivative action, it should be noted that the proposal was filed after the deadline of April 28, 2020 indicated in the notice of call for publication on the Company's website. The possibility of proposing it at the Shareholders' Meeting, by delegation to the Shareholders Representative, without prejudice to the admissibility assessments, remains unaffected.

#### **2. Does the auditing firm also give tax advice?**

##### **Answer**

No. In addition to the limitations provided by national and US legislation on the conduct of activities on tax issues envisaged for auditing firms, the Eni Group, in order to protect the auditor's independence requirement, has decided not to entrust the independent auditors, nor the companies in their network, any consultancy assignments; within the limits of the provisions of the applicable regulations, only assignments for activities strictly connected with the audit activity are provided.

#### **3. I invite the Chairman to be more exhaustive than at the last Meeting on the two proceedings promoted by the Nigerian government, which issued an international arrest warrant for Eni executive Roberto Casula, as well as for the former oil and justice ministers of the African country; and asked Eni and Shell, before the High Court of Justice in London, for damages for corruption in connection with the OPL 245 oil field. Acquired by the two companies in 2011 with a payment of \$1.3 billion, which however did not go to the Nigerian government but ended up in the hands of African politicians, Italian and international mediators, with an (alleged) "kickback" to Eni managers. Now the government of Nigeria is asking for the oil field to be paid, speculates that its true value is \$3.5 billion and vents the possibility of revoking the concession. None of this is filtered in the Eni Meeting. Descalzi, in his report, said that the company has obtained ten exploration permits in the Middle East and the Gulf. Then he illustrated the green turnaround of the company, with investments of €80 million to transform the Val D 'Agri**



Oil Centre, in Basilicata, into a sort of fairy tale of energy generation. He didn't say anything about his wife's business with Eni. He did not say where two of the suspects in the Milanese investigations went. An Eni spokesman announces that Roberto Casula "does not hold operational positions in Eni spa and affiliated operating companies and deals with innovation initiatives and activities". While Mantovani "has taken on an assignment in an Eni company that operates internationally in the Oil & Gas based in London and will deal with some initiatives related to the energy transition." Rumours have it that Matteo Salvini said "Descalzi is not to be touched ", while Luigi Di Maio and the Prime Minister Giuseppe Conte, as far as we understand, pretended not to see. Renzi nominated the former president of Confindustria Emma Marcegaglia, friend of the self-styled anti-mafia hero Antonello Montante, recently sentenced to 14 years in prison for his influence that extended its tentacles also in the Eni system. Exactly five years ago Matteo Renzi, just installed in Palazzo Chigi, declared: "Eni is today a fundamental piece of our energy policy, our foreign policy, our intelligence. What does intelligence mean? The services, secret services". His government had just nominated Paolo Scaroni, head of that fundamental piece of everything, to replace him with Claudio Descalzi. Today the two are together in an international corruption trial for the now famous bribe for over a billion paid in Nigeria for the OPL 245 field. But Descalzi is still at the helm of Eni. Renzi also appointed, as a board member, the economist Luigi Zingales, the only one who, five years later, has been forced to leave. Thanks to an investigation by the Milan prosecutors, today we know that the Chicago professor, together with Karina Litvack, were victims of a judicial frame for which the prosecutor of Syracuse Giancarlo Longo has been arrested about a year ago together with Piero Amara, for acting in a criminal association which, according to allegations, was headed by Eni's head of legal affairs, Massimo Mantovani. As soon as they were appointed, Zingales and Litvack asked Marcegaglia and Descalzi to clarify the role of Mantovani in the Nigerian affair. From that moment on for Eni top leaders, in agreement with the entire board, the two directors became a problem. Last April 15, in an interview with Luca Chianca for the TV programme Report, Amara said that for "non-institutional" operations in favour of Eni, he took orders from Claudio Granata, Descalzi's right and perhaps even left arm. In recent days, Milan prosecutors searched Amara's home. According to prosecutor Laura Pedio, as soon as Amara was arrested, a payment of 25 million would be issued by an Eni group company in favour of the Apag company which was headed by Amara (the lawyer denies this). According to the accusation, which this time sees Eni directly involved, the payment is evidence of "induction to false testimony", that is an encouragement to Amara not to testify. In the meantime, Eni has ascertained that Amara cashed parcels in the amount of 7.6 million from Eni legal structure led by Mantovani in the years 2011-2017, that is, when the investigation was already being framed to take out Zingales and Litvack and sabotage the Nigeria trial. For



**all this Mantovani has been awarded. First he was promoted to head Eni's Gas & Power structure. Then, by curious coincidence, on the very day of the airing of Report, he was sent to a golden exile in London, to the presidency of a Norwegian subsidiary with a millionaire salary?**

#### **Answer**

The employment relationship with the lawyer Mantovani was unilaterally terminated by Eni for violation of the duties according to the existing employment contract.

- 4. "My wife is an entrepreneur who has multiple activities abroad, where she lives and works, how can I be aware of all the investments she has made over time or what she intends to do? Likewise, she is not interested in my activities." In an interview with the director of Sole 24 Ore Fabio Tamburini, Eni's CEO Claudio Descalzi replies to the question about the Petrol Service company that worked for Eni in Africa and which according to the Milan prosecutor's office was related to Maria Magdalena Ingoba, Descalzi's wife and together with him investigated for failure to disclose a conflict of interest for this matter, as well as for international corruption in the Congo. Tamburini asked him if Petrol Service "belonged to his wife" and the manager replied that he did not know. Now do you know? The e-mails filed yesterday by the prosecutors at the Court of Review on "Wnr World Natural Resources" under British law, to which in 2013-2015 the Congolese AOGC (cover of the dictator N'Guesso) sold 23% of the exploration rights «Marine XI,» not dealt with by Eni precisely because of doubts about Aogc. The e-mails say that Wnr - through Maria «Marinù» Paduano, then Eni executive - belonged to Roberto Casula, then head of Eni in Africa (now accused in the other trial on Eni bribes in Nigeria). On November 27, 2011 Casula wrote to a lawyer: "Marinù has received a full mandate from us to represent us ... I will not formally appear". "Don't mention that I am a figurehead," Paduano wrote to a lawyer on December 21, who now confirms to the Guardia di Finanza: "Marinù told me that she was only a figurehead ... so Casula asked her." Besides Paduano, the other face of Wnr was Alexander Haly: that is, the Monegasque who, with the wife of the then Eni Head of explorations and current managing director Claudio Descalzi, the Congolese princess Marie Madeleine Ingoba, was a shareholder of Cardon, the Luxembourg Parent company (behind New Zealand trusts in Cyprus) of six companies providing naval services to Eni for 300 million in 2007-2018. On August 23, 2012 his daughter Simone took over from his wife, while all Cardon was sold to Haly on April 8, 2014: a month before Descalzi became Eni's number 1.**

#### **Answer**

The events referred to in the question are being investigated by the Milan prosecutor and therefore Eni does not intend to comment further. Every investigation carried out by Eni is



mentioned in the section on litigations of the Annual Report (page 232).

- 5. CAN I KNOW: if and what did Madeleine Ingoba tell Descalzi about the Loba Trust chain (New Zealand), Cambiasi Ltd (Cyprus) and Cardon sa (Luxembourg) with which she controlled (until August 2012, then her sister Simone Antoinette until April 2014) six supplier of Eni in Africa?**

**Answer**

The CEO has already clarified to Eni's Board of Directors that he is not aware of the corporate structure relating to the Petroserve group.

- 6. What are the relations between Eni and secret services? For example, with the mysterious Victor Nwafor of the Nigerian presidential services, who -- according to former manager Eni Vincenzo Armanna (a former executive fired in 2013 who was under investigation for an international bribe of €900,000, but at the same time accused his co-defendant Claudio Descalzi, questioned in Court on Eni's acquisition in 2011 of the OPL 245 oil block from the Nigerian government for 1 billion and 92 million, finally paid to the company Malabu of the former oil minister Dan Etete), had told him about 50 million in 100-dollar bills in two trolleys at the home of Eni manager Casula ..? "I introduced to Casula and Pagano, not him, at least he did not identify himself in this way, but names can be a moot point... ». What do you mean? «Well, for example, there are interceptions in which I am Giuseppe Viola ...». Can you track it? "I tried, but I could not", however, "this can be testified by an AISE Italian foreign secret service agent," of whom he makes the name, also evoking "my relationship because of my father with the then director of the secret service Alberto Manenti." And always "from the Italian services" Armanna claims to have "received the indication of which manager of a foreign bank could have been amenable to receiving anonymous letters" in order to stop a maxi transfer. Self-described as "an antenna for Eni, we are 4 or 5 in the world to do this job », Armanna seems quite protective of Scaroni and Luigi Bisignani («friend for many years»), less on Descalzi. On the initial intermediary Emeka Obi, and on his request for a 200 million commission, he first says that Descalzi told him that Obi represented Scaroni; then that Descalzi wanted to expel Obi; then that Descalzi was afraid of doing so, "because he was afraid of Bisignani's press campaigns, but Bisignani, as I know him, is not really that kind of person..."; then that «Descalzi feared that Bisignani would hinder him in his appointment as Eni no. 1». But who were the 200 million Obi was asking for? "All for him, except for a negligible share of about 20 million to Bisignani and Di Nardo," believes Armanna. Who, having been asked why he did not mention before having reported the figure of 200 million in a note to Scaroni, admits that he has "omitted it so far", in the sense that he "wrote the number but by hand, lightly, in pencil, so then Scaroni could erase it." The reference is**



to two minutes from the investigation on the "conspiracy" and above all to the defensive memorial of Piero Amara, filed in the defence on the afternoon of the day before the hearing and reported on the *Fatto Quotidiano* newspaper. In that note, Amara, Eni's external lawyer, considered the director of the "conspiracy", reports having received the assignment from Descalzi and his right arm, Claudio Granata, to convince Armanna to retract his accusations against Eni CEO. If confirmed, this would imply evidence tampering. Eni reacted by denying any accusation and immediately starting a series of legal actions: Descalzi sued Amara for defamation, Granata denounced Armanna for defamation, Amara for slander, Armanna, the former Eni manager for sub-Saharan Africa, for declaring that: "The money was for me, Descalzi and Scaroni", citing the former minister Dan Etete on the €200 million that would have been paid to the intermediary Emeka Obi as a bribe on the €2 billion field: did he omit to mention it during the investigations? So Eni former manager, deputy of Casula in 2010, reconstructed all the negotiations for the purchase of the OPL 245 oil field in Nigeria, worth at least \$2 billion. It was then bought in 2011 by Eni and Shell with a payment of 1.3 billion on an account of the Nigerian government, but immediately turned over to local politicians, dealers and intermediaries. Even Italians, according to the accusation. Armanna's declarations make it clear that the money went largely to Dan Etete, a former oil minister who had taken control of OPL 245 through the Malabu company. Armanna is almost amazed at how the long negotiation for OPL 245 develops: in ways unthinkable for Eni's standards. With direct contacts with Dan Etete, who not only did not have any formal titles on Malabu, controlled through figureheads, but who had also already been convicted of money laundering. With the presence of Emeka Obi, who did not represent the seller at all (Dan Etete), but who had indeed been openly refused by him, and had no mandate to sell OPL 245. But there was nothing to do, explains Armanna: Descalzi and Casula imposed Obi, because Scaroni wanted him. Incredible, then, his initial claims: \$200 million for his mediation. A provision for bribes - suggests Armanna - to be distributed between Nigerians and Italians.

What do you answer, besides the Letter of Erika Mandraffino, Senior Vice President of Eni Global Media Relations and Crisis Communication, to the "*Fatto Quotidiano*" newspaper on the article "*L'uomo di Descalzi all'Eni voleva il ritiro delle accuse*". As already stated, Granata has not seen Mr. Armanna ever since, on behalf of Eni, he fired him in 2013 for serious violations of company procedures and attempted fraud to the company. Granata never attended any meeting with Amara and Armanna in the spring of 2016, has never met Calafiore, nor knows who he is, and is taking legal actions against Calafiore himself, already convicted for corruption of magistrates and false representation. Eni is firmly convinced that the active role played by Armanna in the attempt to destabilize the company (as well as his relations with the lawyer Amara with whom he has collaborated



and collaborates to this end) in the "Nigerian" and "misdirection" events will emerge shortly after the upcoming judicial sentences. No one has ever proposed to Mr. Armanna to return to Eni, least of all in exchange for any "softening" of (false) declarations. Remember that Armanna is not a "key witness" but accused in the OPL 245 trial and the only one who appears to have received sums of various and multiple origin from Nigeria. Between the end of 2013 and 2019, Eni and Granata received numerous anonymous e-mails (activities of which Armanna defined himself expert, in his declarations to the Milan prosecutor's office) and text messages containing intimidation and threat of revenge generically linked to the events of Eni's activities in Nigeria. Most of these have been exposed to the Rome prosecutor. The function directed by Granata, and Granata himself never dealt with legal activity in the company. It can therefore be excluded that the same had knowledge of the movements between the prosecutors of Trani and Syracuse. Without prejudice to the investigations underway, Eni had until recently no evidence of the interests of accomplices of the lawyer Amara in Napag, Eni suspended Napag already in February 2019, initiating an internal audit (aimed at including also any interests of Amara or other third parties in Napag) in April 2019, well before any access by the Milan prosecutor. The audit highlighted Napag's connections with Amara, and led to the dismissal of Alessandro Des Dorides (from ETS in London) for operations with Napag, which was followed by a complaint for fraud (mid-June 2019), also on Napag, presented to investigating magistrates. It is therefore simply improbable (and denied by the filed complaints) that Eni has knowingly maintained contractual relations with Napag to generate utility for Amara or for the same to transfer benefits to third parties. Eni has declared itself an offended party in the so-called "misdirection investigations" on May 9, 2019 and will act, and has already demonstrated that it has vigorously and in every appropriate place acted for the protection of its reputation against anyone who is responsible for reprehensible conduct.

#### **Answer**

Eni does not comment on the truthfulness or omissions of the statements made by the accused Armanna, which are already verifiable following the statements made by him in the context of the "OPL 245" procedure, the minutes of which are public. In relation to the questions relating to the contents of the letter sent to "Il Fatto Quotidiano", considering that the circumstances are being investigated, the company has nothing to add compared to what has already been expressed in the aforementioned communication.

In any case, please note that with reference to the investigation into the alleged misdirection, launched by the Milanese investigators in February 2018, the Company received a warranty notice in May 2019 pursuant to Art. 25-decies for the allegation of having provided utility to an external lawyer to keep him from testifying. These utilities would have been generated through trading



operations of petrochemical products between the subsidiary ETS S.p.A. and a third trader (with strong ties to this external lawyer and with the involvement of some former-employees, immediately identified, fired and reported for fraud). The original hypotheses, related to the so-called obstruction of justice (with the involvement of a top manager) had already been subject to thorough verification, entrusted to various external consultants (including a primary auditing company and two well-known lawyers), concluded overall at the beginning of 2019. Some negligence and management deficiencies identified led to the assessment of the related disciplinary responsibilities with the adoption (in the first half of 2019) of the measures deemed appropriate. The organizational design of the legal department has been completed while the operations of the related controls on its operating processes has been strengthened under the guidance of the new head of the legal department. With regard to the new "strand" linked to Trading, Eni has already declared itself an offended party at the Milan Public Prosecutor's Office and is pursuing the protection of its reputation and patrimonial interests in all appropriate ways. Among the various initiatives, we recall the civil lawsuit filed against this external lawyer with the request for compensation for damages to the image suffered in the order of tens of millions. Recently, in January 2020, some other Eni executives were involved (on the occasion of a series of seizures at the company) following some "cross" declarations made by this ex external lawyer, other third parties and a former employee. All the authors of these declarations (whom have been the subject of various complaints from the managers of the company) have proposed, starting from November 2019, a new and different "representation" of the purposes of the original misdirection, attributing to different subjects (current Eni executives) the knowledge and "paternity" in order to misdirect the judiciary actions. Again, the control bodies, acting jointly, immediately activated a check on the material voluntarily made available to the Company by a senior manager (and received from the appeal against the seizure order) through the company that had already carried out the checks in the previous phase. These checks did not provide any documentary or relevant support (at present) to the declarations nor otherwise suggested the start of further investigations on the work of the new managers involved or in any case pointed at an involvement of the Company.

- 7. Is it true or not that Eni spied on the magistrates who accused Claudio Descalzi and his predecessor Paolo Scaroni of international corruption for the maxi bribe of \$1.092 billion which, according to the accusation, the Italian giant would have paid for to get the OPL 245 oil field in Nigeria? This was revealed to the Milanese magistrates by Piero Amara, Eni's former external lawyer, who in turn was investigated (among other things) for trying to sabotage the Milanese investigation by helping to open, at the Public Prosecutor's Office Syracuse, a dummy file on an alleged (and fake) plot against Descalzi. Amara has already claimed that the former Eni manager Vincenzo Armanca, accused in the same trial with Descalzi, would have been contacted to retract his version against Eni's CEO with the promise of a reinstatement in the oil giant. And again: Amara reports that "through Denis Verdini, he was again asked to leave all responsibility for the**



fake plot to Massimo Mantovani [former head of Eni's legal area, ed.] and Vella [Antonio, Eni manager, ed.]. Amara claims to have received "an original handwritten note of Verdini" which was "delivered to him during the meeting with Ignazio Abrignani by Verdini", former MP. Verdini is charged in Messina in a trial for illegal financing. "Denis - Amara says - wrote down for me the declarations that I should have made in the trial against him in Messina and repeats that should I had to talk about the Eni affair I would have basically to maintain that Vella and Mantovani wanted to save Descalzi and were the real inspirers of the manoeuvres, both that of 'palm oil' and of the 'misdirection'". Interviewed by the newspaper Il Fatto Quotidiano, the former MP Abrignani, from the same party as Verdini (Ala), explains: "I did not attend their meeting and I do not know their content of their conversation, but I can confirm that Verdini asked me my study to meet Amara shortly before last summer, I think between May and June ". Amara replies: "I learned from Claudio Granata [number two of Eni and Descalzi's right hand man, ed.] and received confirmation from Rapisarda [Alfio Rapisarda, company safety manager, ed.] that in relation to the OPL 245 proceeding (or other proceedings involving the company) Eni collected information on the members of the board of directors aimed at acquiring useful information to discredit people or exploit what has been acquired to their advantage. I know with absolute certainty that this activity was carried out against Karina Litvack [director of the group, ed.] Luigi Zingales [former director, ed.] (in a particularly pressing way), the journalist Gatti [Claudio, ed.], the director Cao (Stefano). I understand that information has been collected on the public prosecutors Paolo Storari, Sergio Spadaro and the assistant prosecutor Fabio De Pasquale. I already provided information about the activity carried out against the deputy prosecutor Ielo [Paolo Ielo, deputy attorney general of Rome, ed.]. I also know that information had been acquired on those who could preside over the judicial committee in the OPL 245 trial." Amara's version is obviously to be verified, but the content of his statements is truly disturbing. "I was told - continues Amara - that information was acquired, as well as from databases, also through police stalking and bugging of meeting places (restaurants, bars). I was told that the outcome of the activities carried out on the magistrates did not give any useful result for Eni".

#### **Answer**

As you know, investigations are ongoing. In any case, Eni has not given any mandate in this regard, which would be, inter alia, an extra-social activity, contrary to the interests of the company, in clear conflict with the corporate ethics and the values and tradition which inspires and conforms the action of the Company.

8. What about the "Renascent agreement", signed in March 2016 after a meeting at the Roman department store in Piazza Fiume? Amara tells it in one of his memoirs: "Armanina's declarations shook Eni's world, they feared that the Milan prosecutor could



issue requests for pre-trial detention against Descalzi himself". Thus, continues Amara, Granata instructed him to "manage Armanna": he is promised his reinstatement in Eni after the first sentence on the Nigeria case; and a payment of 1.5 million per year (so far at least 5/6 million euros) that the company paid to the Nigerian company Feng to be turned over to Armanna as a payment for consultancy. In exchange, Armanna retracted his accusations against Eni and Descalzi, inserting the three points indicated in a note prepared by Granata himself in a memo filed with the Milan Prosecutor's Office on May 23, 2016.

Amara told the Milan prosecutors that the "misdirection" activity in Trani and Syracuse was managed by him together with Eni people, the lawyer Bianco and, for Syracuse, Granata. To prepare this plot, the confidential relations between Granata and Amara - according to the latter's statements - were kept by the head of corporate security, Rapisarda. As compensation for this work, Eni paid legal advice to the lawyer Geraci, who then paid part of the money to a service company behind which stood Amara. The attorney Bianco - again according to Amara - asked Armanna to drop the accusations against Descalzi and Granata, unloading them on two managers fired by the company: the former head of Legal Affairs Massimo Mantovani and the former head of the Exploration & Production Antonio Vella. The same request arrived to Amara, on a slip of paper, from Verdini. Bianco, the lawyer, is also accused of asking Amara to pay him back part of the sums paid by Eni in cash. Amara told them that Claudio Granata, Eni's Chief Services and Stakeholders Relations office and right hand of the CEO of Descalzi, would have confided to him that Eni's security spied on the magistrates from Milan who carried out the two investigations, as well as the two directors Luigi Zingales and Karina Litvack. The latter had asked "uncomfortable" questions - as they themselves reiterated during the depositions at the Milan court - on the alleged corruption in Nigeria and Congo in the meetings of Eni's board of directors. Even the journalist Claudio Gatti would have been intercepted on the phone and stalked because of his critical stance on the OPL245 case, as argued in a book published over a year ago.

#### **Answer**

As mentioned, investigations are underway on the facts related to the question, and the Company and its managers have taken actions to protect the company's assets and its reputation. In any case, for Eni the assertion concerning the promise to re-hire Mr. Armanna has no foundation.

- 9. But who is Armanna? In 2010, when this intrigue started, Vincenzo Armanna is an Eni manager who lives in Nigeria. He reports directly to the head of the oil company in the African country, Roberto Casula. Above him, he has the head of Explorations, Claudio Descalzi, and the managing director, Paolo Scaroni. "In Nigeria, I was an antenna for Eni, there are four or five people in the world doing this job". He sees with his own eyes the long negotiations for OPL 245, an exploration field worth at least \$2 billion. He also sees that a Nigerian intermediary, Emeka Obi, who claims \$200 million in commission is**



immediately involved in the negotiations. Does he represent the government of Nigeria? No. Does he represent the former oil minister Dan Etete, the real owner of OPL 245, who had granted the deposit to the Malabu company, that is, to himself? Not even. First surprise: Obi represents the Italians. Dan Etete even makes a scene, at a meeting, because he has not given Obi a mandate. "Descalzi told me that Obi represented Scaroni," says Armanna. And he had been chosen by a great friend of Scaroni, Luigi Bisignani, ex P2 and many other things. Perhaps Descalzi would have gladly done without Obi, but he could not exclude him from the game: because Scaroni was the boss; because "he was afraid of Bisignani's press campaigns"; and because "he feared that Bisignani would hinder him in his appointment as Eni's number one" (Descalzi actually became CEO in May 2014). Armanna is not hard on Bisignani: "a friend for many years". But he reiterates that Obi is asking for 200 million "for the Italians" and that he represents Scaroni and Descalzi. Then it is unclear how the money is to be divided. Obi's mediation could be worth 5 or 10 million, yet Armanna says that the 200 had to be "all for Obi, save a small share of about 20 million for Bisignani and Di Nardo", the other Italian mediator. He says that Bisignani asked him to send a note on Obi to Scaroni. So far he said he hadn't even written the figure of 200 million. In the courtroom he corrects himself: "I wrote the number, but by hand, in pencil, so then Scaroni could delete it". One way to get sensitive information only to the boss. After months, Obi's mediation jumps. It was really impossible to give 200 million to an intermediary who had no mandate from the seller (neither the formal one, Malabu, nor the real one, Obi). Change of play. Gianfranco Falcioni becomes the new mediator, an Italian entrepreneur in business with Eni in Nigeria. And the operation, previously openly indecent, becomes "safe" "with a condom", writes the Economist as early as 2012: in 2011 Eni paid \$1.092 billion on an escrow account of JPMorgan in London on which the government of Nigeria operates, which then distributes them to the Nigerian accounts of Malabu to get them there - according to prosecutor Fabio De Pasquale - to Dan Etete, Goodluck Jonathan President of the Republic, and other Nigerian politicians. A part, confirms Armanna, goes back to the Italians of Eni. This is confirmed by Victor, the powerful security chief of the President's villa: 50 million in 100-dollar bills are crammed into two trolleys and taken to Roberto Casula's house. Eni sung victory when, six months ago, Victor Nwafor was interrogated in the courtroom, and said he knew nothing and had never seen a trolley or Armanna. But he was the wrong Victor: he was only "a bodyguard". The right Victor and his revelations, explains Armanna, can be confirmed by a witness, "a colonel from the Mossad", and Salvatore Castilletti, an agent of Aise, the Italian secret service of foreign affairs with which Armanna had relations, for his work in Nigeria which also had to do with the safety of Italian managers and because "my father had contacts with the then director of the Aise Alberto Manenti". From the Italian services, he says, "I also received an indication of which manager of a foreign bank could have been amenable to



receiving anonymous letters". Yes, because Armanna writes one to the head of compliance of BSI in Switzerland, to which the money from London is about to arrive. BSI blocks the transfer for suspected money laundering and sends the money back, which will be also rejected by a Lebanese bank and finally mostly turned over (in the amount of 800 million) by JPMorgan to Malabu accounts in Nigeria. Something also arrives in Armanna: \$1.2 million. He explained it first as "his father 's inheritance", then as proceeds from other affairs. In the courtroom he admits: "It is true, I declared something partially true." The air at the trial gets hot when the prosecution files documents coming from another proceeding (the one on the so-called misdirection that the external lawyer of Eni Piero Amara would design together with Armanna, playing between the Prosecutors of Trani and Syracuse, to weaken the investigations of the Milanese magistrates on Eni in Nigeria and Algeria). Amara, arrested in February 2018 for corruption, changes front and speaks. In a statement he claims that Eni's number two, Claudio Granata, would have put pressure on Armanna in 2016 to make him retract the accusations of corruption against Descalzi when in 2014 he went to the Milan prosecutor to tell about Nigerian bribes. The defence lawyers are indignant. But Armanna confirms the existence of the "Rinascente agreement" formed in the 2016 after a couple of meetings with Granata near the Milanese department store: "Granata, on behalf of Descalzi, asked me if I could write a memory in which I eliminated the corruption in relation to Descalzi himself. Granata gave me a sheet of paper with some points of memory written on it. And I copied them. So I partly wrote the memory and partly, in particular at points F1, F2 and F3, I transcribed it. I filed the memory with in the Public Prosecutor's Office in Milan on May 26, 2016. In return, I was offered a return to Eni". Armanna accepts the agreement. He changes defender, leaving the lawyer Luca Santa Maria. And he writes his new version for the Prosecutor, after receiving indications on the three points to be entered through the Wickr app, whose messages self-destruct, from Gierre (Granata) and Zorro69b (Amara). Objective: "To undermine the minutes on Descalzi in respect of corruption". "I talked about it in two meetings also with the lawyer Michele Bianco", Eni's chief of staff. Bianco is present at the trial: "What are you saying?", he screams red-faced, "But when? But where?". Eni denies and sues: Armanna for defamation and Amara for slander. The company repeats that it paid the money for OPL 245 to an account of the Nigerian government and that it is not responsible for the subsequent transfers of the money. Then, at the third hearing of the Armanna interrogation, on July 23, Eni shows his "final weapon": the defender of Casula, Giuseppe Fornari, says he has traced a note from the judicial police of Turin that contains excerpts from the registration of an interview of July 26, 2014 between Armanna and three other people who, according to the defence, would prove that the statements of the former manager are not genuine.

Eni's lawyer, Nerio Diodà, joins Fornari's request to make that interception available.



**Thus enters the process an audio and video recording acquired in the proceedings of the other proceeding, the one on the so-called misdirection: in the video, Armanna (recorded without his knowledge, probably precisely to use that video against him), referring to some Eni managers says to Amara: "It is better if they fire them because they have been heavily involved in (OPL) 245 and I would not rule out an investigation. I will work for that." And again: an avalanche is about to arrive on Eni. In reality Eni had already known that video at least since February 2018 (when the Milan Public Prosecutor filed the transcript to deal with the appeal of Massimo Mantovani, Eni's former head of the legal sector investigated in the "conspiracy" proceeding). But only now the defences - with a public relations move more than a legal one - discover that it is the proof of another plot, organised against the company and its managers, which takes away any credibility from Armanna. The next day, July 24, the hearing is dedicated to cross-examination: it is the moment when the defences could bring Armanna's unreliability into the trial. But, surprisingly, they give up asking questions (to the amazement of Shell's fellow American lawyers). The move could be suicidal, but it is effective media-wise: the newspapers focus on the video and not on the fact that the swinging Armanna finally confirms his accusations: it is only the prosecutor Sergio Spadaro to "cross-examine" Armanna, after the indignant renunciation of the defence lawyers. And Armanna confirms and explains. He admits that, in "a moment of emotion", he missed the date of his first meeting with Amara. Explain that the intercepted meeting was part of the negotiation that Amara was conducting with him to retract his accusations against Eni. He explains that the "avalanche" was referring to information about the Nigerian affair that was passing to some journalists at the time. Thus Armanna concludes his deposition. Is he credible? His credibility has already been ascertained in a sentence by the Milanese judge Giusy Barbara: it is the "fractional credibility" of mafia collaborators, for example, who may have done the worst things but are credible when their statements are confirmed by other elements of evidence.**

### **Answer**

Eni does not comment on the personal qualities or role of Vincenzo Armanna, accused in the criminal proceeding "OPL 245" and investigated in the so-called misdirection proceeding.

As far as Eni's knowledge of the video of the meeting of July 28, 2014 or the full content of the related transcript are concerned, this statement is incorrect since Eni was not aware of it. Eni only had a few omitted excerpts (6 paragraphs, 2 pages long compared to 94 transcription pages) filed by the Milan Public Prosecutor during the appeal on the seizure order of February 2018 relating to the then Chief Gas & LNG Marketing and Power Officer. It is therefore absolutely false that Eni had them.



**10. The Director of Human Resources of Eni Grazia Fimiani, handed Mantovani a letter of dismissal, challenging him for incorrect behaviour towards the company. Which company? Five months ago, Eni proposed a 5 million leave to Mantovani, which the manager refused.**

**Answer**

The employment relationship with the lawyer Mantovani was unilaterally resolved by Eni in July 2019 for violation of its duties according to the existing employment contract.

**11. Mantovani has always claimed that he never had relations with Napag. Nor with the miraculous accreditations that Napag obtained to trade with the ETS (in 2015) and with Versalis (Eni's chemical company in 2016). In fact, the accreditations was given the go-ahead by benevolent Eni internal audits which it would be interesting today to review. As for Mantovani, who left the Legal Department in 2016, in October of the same year he became the number one of Eni's Gas & Power division and in the following month Chairman of the ETS. But the operational manager of ETS is another: the managing director Franco Magnani, a man who grew up in the shadow of Descalzi in the Exploration division. It is he who has all the powers to operate, from the beginning, even in the Napag affair. Then, in 2018, ETS is reorganized, with two managing directors, one for the Oil division (based in London) and one for the Gas division (based in Brussels). Magnani remains CEO of Oil, replaced in November 2018 by Stefano Ballista, while Mantovani only deals with the Gas, LNG & Power sectors. It has no connections with the relations between Napag and ETS (and even more between Napag and Versalis), which are overseen by Granata and by Antonio Vella, the former Eni manager for North Africa. But Eni does not believe in Mantovani and challenges him on his relations with an ETS manager, Oil division: Alessandro Des Dorides, recently fired for his relations with Napag.**

**Answer**

Please refer to the second paragraph of our answer to question no. 6.

**12. Why did Vella has such a different treatment, after leaving the company with a severance pay and red carpet, after behaving diligently in the trial for bribes in Algeria, which ended with a conviction of the managers of Saipem (then an Eni subsidiary) and with the acquittal of Eni managers?**

**Answer**

Eni does not comment on the reasons underlying the termination of the employment relationship by mutual consent.



13. Is the "La Rinascente agreement" -- referred to in the Milanese trial in which Eni and its managing director Claudio Descalzi are accused of international corruption in Nigeria -- true? This agreement was disclosed by Piero Amara, an external lawyer of Eni, investigated by the prosecutors of Rome, Messina and Milan and who has already bargained a three-year sentence for corruption. In Milan, Amara is accused of being the director of the "misdirection" organized by the Prosecutors of Trani and Syracuse, to mislead the Milanese investigation into bribes that - according to the accusation - Eni would have paid in Nigeria and Algeria. To defend himself, Amara now attacks the leaders of the oil company, disclosing a couple of meetings that took place near Piazza del Duomo in Milan. Objective: to save Descalzi. "Claudio Granata ([Eni top manager, very close collaborator of Descalzi, ed.] summoned me for a meeting that took place near the Rinascente (place where usually, especially on Saturday afternoon, I used to meet Granata). The subject of the meeting was to check how to deal with the Armanna problem". Vincenzo Armanna is a former Eni manager who in 2011 was project leader in the acquisition of the Nigerian oil field OPL 245. He had begun to speak with the Milanese magistrates, telling about the \$50 million contained in two trolleys delivered in 2011 to be kicked-back to the top management of Eni, after a meeting in the Nigerian presidential residence between the then head of state Jonathan Goodluck and the then CEO of Eni Paolo Scaroni." Armanna's declarations ", writes Amara," shook the world of Eni, who feared that the Milan Prosecutor could issue requests for pre-trial detention against Descalzi himself". "Doctor Granata," continues Amara, "gave me a dual task: to try to manage Armanna" explaining that "his position made it impossible" to re-enter the company. And to "try, at the same time, to record Armanna's words in case he said something useful to frame him. I asked Granata if it was his initiative, but he told me he had Descalzi's cover. Then he called Descalzi on a video call", "introduced him to me and Descalzi himself told me that Eni would need a lawyer like me in every part of the world confirming me the purview of Granata". These words are contained in Amara's "defensive notes" which were filed (in part) yesterday, by prosecutors Fabio De Pasquale and Sergio Spadaro, in the proceedings of the Eni Nigeria trial in which Armanna is being interrogated today. "After the Rinascente agreement", continues Amara," Armanna's behaviour towards Descalzi changed radically, as known to the Milan prosecutor (but also to Syracuse)". In fact "on May 25, 2016, Armanna suddenly files a memo" in which "he inserts three points directly agreed with Granata and Descalzi". They are "totally invented", continues Amara, and "were handed over by Granata to Armanna during a meeting that took place near the Rinascente". It is the second meeting. "It was attended by Amara, Armanna, Granata, the lawyer Giuseppe Calafiore (who was nearby but did not participate in the meeting)". On that occasion Granata "represented to Armanna that his accommodating attitude towards Descalzi would help the path of his re-hiring. At the end of the meeting, the two embraced and looked like two reconciled brothers".



**"The memo of Armana had a very specific procedural purpose: Granata and Descalzi believed that none of the defendants in the (Eni Nigeria) proceedings could have been acquitted. By aligning Armana position to that of Descalzi it could be possible to save Descalzi and throw all the others overboard". In short, a plan to save the CEO, leaving his Italian co-defendants in trouble (the predecessor Paolo Scaroni, the managers Eni Roberto Casula and Ciro Antonio Pagano, the intermediaries Luigi Bisignani and Gianfranco Falcioni). Amara continues: "The plan to manage the trial on OPL245 then provided that Armana would have to exercise the option of not answering in the hearing, so that the statements made by him previously would not be used against the other suspects (but would be used against Armana), while parts of Armana's memory that exonerated Descalzi would remain on record, through an appropriate filing." Amara says he advised Armana not to accept the agreement:" By now Armana's friend, I invited him not to accept that proposal. I was certain, in fact, that Eni would never help Armana despite Granata's reassurances, because I know their methods and objectives. I tried to dissuade Armana in every way (also in order to avoid that Armana, a subject extremely close to the American services, out of disappointment, could point on me) ". Armana, however, did not listen to the advice: "He was in very dire economic conditions" and so "he felt compelled to accept: 'I have young children, I am out of everything because of this affair, I have no contract, I have to live somehow.'" "Amara, in conclusion, notes: " Indeed, by its own admission, Doctor Granata started in 2014 an activity aimed at isolating Armana to bend his will and his accusatory vis. Whatever door Armana knocked on to find work was closed. "Is it true that Claudio Granata, left and right arm of the CEO, has a place in Houston, the United States?**

#### **Answer**

[Claudio Granata holds the role of Eni's Chief Services & Stakeholder Relation Officer based in Italy and does not hold any position abroad. As for anything else, please see the answer provided in question 6 above.](#)

- 14. At what stage are the proceedings open by the Antitrust for misleading advertising. The preliminary phase, which is equivalent to investigations in the criminal field, confirmed the complaints filed in February by the Movimento Difesa del cittadino (Citizen Defence Movement), Legambiente and the European federation of transportation and environment: the advertisement for Eni Diesel+ fuel contained messages "likely to mislead consumers." Eni's incorrect behaviour began in 2016 and, according to the findings of the Antitrust preliminary investigation, it is still ongoing ("with signs and advertising material distributed at Eni main Stations"), despite the fact that the company has ensured the contrary. For years Eni presented this Diesel+ as almost miraculous: it pollutes less, guarantees more power and less wear, and**



obviously savings, with lower consumption. The Citizen Defence Movement and the other two associations contested the tone, but it is not easy to challenge Eni. The Antitrust investigation reconstructs the massive mobilization of experts that the group led by Claudio Descalzi has deployed in defence of its commercials, including the CNR (the National Research Council). On the 4% reduction in consumption thanks to Diesel+, Eni manages to keep the point, even if the benefit is only in optimal conditions. Small detail: for unclear reasons, Eni carries out the tests with a product other than the one it should defend, BluDiesel Tech, but ensures that nothing would change with Diesel+. The reduction of emissions is guaranteed "up to 40%", that is from zero to 40. And in the tests conducted by the CNR on behalf of Eni, some car models appear to show declines in some parameters around that figure. But it does not seem possible to generalize and as for the feared NOx, writes the Antitrust, "no significant results have been obtained" other than other similar fuels. As for the reduction in the environmental footprint measured in terms of carbon dioxide saved in the entire production process, it is almost an act of faith: there is a component that Eni calls Green Diesel, produced by the biorefinery in Venice, which should reduce carbon intensity using palm oil and other waste products as raw material. The associations dispute that the use of palm oil encourage plantations necessary to produce it and the overall ecological impact is negative. Precisely, this Green Diesel is one of the aspects contested by the Antitrust investigation: consumers, we read in the document, are induced to confuse fuel (Diesel+) with its ingredient (Green Diesel). The other parameters indicated with such precision in Eni commercials turn out to be vague or contestable or subject to a long series of prerequisites which make it difficult to maintain that the impact is as positive as the company claims. Eni had time until mid-December to produce other documentation to prove that it had not deceived consumers. Then, before Christmas came the final Antitrust decision that can impose a fine of up to 5 million euros.

#### **Answer**

Eni believes it has fully illustrated during the proceedings initiated by the Italian Antitrust Authority (Autorità Garante della Concorrenza e del Mercato) – and ended in January 2020 with the imposition of a fine of €5 million - the reasons why the allegations brought by the Authority must be considered unfounded, and have presented some decisive evidence confirming the methodological approach and content of their commercial communication on their Diesel+ fuel. Moreover, as anticipated immediately after the imposition of the fine (<https://www.eni.com/it-IT/media/news/2020/01/eni-sorpresa-per-la-decisione-dell-agcm-societa-ricorrera-al-tar-del-lazio.html>), the Company has filed an appeal for the cancellation of the provision, confident of the correctness and lawfulness of its work. Finally, on April 22, the Authority took note of Eni's adoption of measures in execution of the fine, or of Eni's compliance with the same provision. These compliance measures may be reconsidered in the event of total or partial cancellation of the fine.



With reference to the environmental impact, Eni reiterates that the distinctive feature of the Diesel+ product is its HVO (Hydrotreated vegetable oil) component which, thanks to an innovative hydrogenation process applied to vegetable oils (often recovered after their use), resulting from the research and innovative capacity of Eni laboratories, ensure that Diesel+ has absolutely unique properties from an environmental point of view. The chemical-physical characteristics of the HVO bio-component increase its compatibility with fossil diesel and allow the renewable component of Eni Diesel+ fuel to reach 15%, in spite of a technical mixing limit of 7% (the so-called blending wall) characterizing traditional biodiesel, and which, if exceeded, would make them incompatible with the vehicle engine pursuant to the applicable technical regulations. Eni Diesel + is therefore a product that, thanks to its HVO component, reduces the environmental impact compared to traditional fuels.

Regarding the use of the term "green" associated with Diesel+, Eni has amply demonstrated during the proceeding, and with the filing of the appeal to the TAR, that there is nothing incorrect and/or confusing in attributing to a product the qualities belonging to an important component that distinguishes it from other products available on the market. This is a widespread practice (and so far never contested by the Authority) in hundreds of promotional campaigns in all economic sectors.

With reference to the decrease in gas emissions (up to 40%), Eni has amply demonstrated that its declarations are true, based on tests carried out by one of the most important research centres, which has certified a reduction of up to 56% for carbon monoxide (CO) and up to 40% for unburnt hydrocarbons (HC). Eni was therefore fully entitled to mention the reduction in gas emissions.

As for the reduction in consumption (up to 4%), this is also supported by tests conducted by one of the most important road-test centres at the international level, which confirmed that Eni Diesel+ leads to a significant reduction in consumption, even when used by normal consumers, confirming that all the claimed benefits are real and documented.

**15. Is it true that on July 2, 2019, as declared by Giuseppe Calafiore when heard by the Milan Prosecutor, Descalzi's right arm Claudio Granata asked a key witness to retract his depositions? Those concerning allegations against Descalzi - now accused of international corruption in the investigation into the alleged maxi-bribe paid for the OPL 245 oil field in Nigeria. Calafiore is a lawyer very close to Piero Amara, a former external legal consultant of Eni, with whom he has been investigated for corruption. His story begins in July 2014 when the former Eni executive Vincenzo Amanna - also investigated for international corruption by the Milan prosecutor's office - "begins to make allegations against Descalzi" on "bribes paid in Nigeria". "Amara - Calafiore continues - told me that according to him the evidence against Eni was overwhelming. There were tense relations between Eni and Amanna because the latter had been fired by Eni and was particularly resentful. He wanted to return and work for Eni. () Amara told me that Granata had asked him to keep Amanna at bay () to 'work on him', so as to induce him to retract or**



sweeten the declarations he had made against Descalzi. ( ) Amara began to see him more assiduously and trying to record their conversations." In this context, explains Calafiore, between April and May 2016, there is "a meeting in Rome, in Piazza Fiume, in front of the Rinascente, between Granata, Amara and Armanna". "Amara - Calafiore says - had told me that Granata was willing to make an agreement with Armanna, guaranteeing that Eni would have taken him back, if he had sweetened the declarations against Descalzi. I myself accompanied Amara to the appointment and I saw Granata and Armanna waiting outside the Rinascente. Then I left." Calafiore says that he then learned from Amara the outcome of the meeting: "Granata offered Armanna to go back to work for Eni; I also know that Amara warned Armanna not to accept and not trust them" since "Eni would only hire him back after a retraction or to the attenuation of the accusations against Descalzi. I later learned from Amara that ( ) Armanna accepted Granata's proposal." But there is more. At that time, the Prosecutor's Office of Syracuse, receiving a file from Trani, started an investigation which was supposed to prove a "misdirection" against Descalzi, delegitimizing Eni independent directors, Luigi Zingales and Karina Litvack, to weaken the Milanese investigation on the alleged Nigerian bribe. For this investigation, the prosecutor who led it, Giancarlo Longo, has already received a conviction for corruption, while Amara and Calafiore asked for the plea bargain. The Milan prosecutors Laura Pedio and Paolo Storari remind Calafiore that Armanna, after sending an email to Longo, was summoned by the Prosecutor of Syracuse, for an interrogation, on July 6, 2016. "By going to Syracuse, is Armanna - they ask - giving out his intention to downsize his statements against Descalzi?" "Amara - Calafiore replies - has never explicitly connected Armanna 's going to Syracuse with his agreement with Granata". But he adds: "I am sure that, when the so-called 'misdirection' or 'Milan operation' trial was transferred from Trani to Syracuse, Granata was informed and aware of the objectives of the operation. Amara told me". According to Calafiore, therefore, Descalzi's right arm was aware of the operation - for which Eni has declared itself as an injured party - aimed at weakening the Milanese investigation into the Nigerian maxi tangent. The newspaper Fatto Quotidiano asked Armanna. "In 2016 - he says - I was in a terrible situation. Since then, even for the declarations that Descalzi had publicly made about me, I have never been able to work in Italy again. My son, born in 2014, was just over a year old. It is in this context that I met Amara and Granata. And Granata offered me to return to Eni, making three requests: I should confirm that Descalzi was my real boss and that my resistance to the intermediaries of the bribe had been decided by Descalzi himself, who he had waged a war against corruption on OPL 245; Smooth out statements on Nigerian political sponsors linked to the bribe; make statements in Syracuse in favour of Descalzi endorsing the idea that Zingales and Litvack were among the main organizers of the plot against him. In Syracuse I never made accusations against Zingales and Litvack while, on the 'misdirection' against



**Descalzi, which in my opinion existed, I reported what I knew. Granata gave me a note that I wrote in a memory and filed with the Milan prosecutor: I modified my accusations as they had asked me. I needed it, I was in difficulty, not financially, but for no longer having a future in Italy. In return, I was promised to be hired again by Eni, after the first instance. That promise was not kept." On May 30th, the Milan Prosecutors heard Salvatore Carollo, Eni's employee and trading expert. Carollo reports having been contacted by Amara a few days before to "convey" some messages to another important Eni official, Roberto Casula: "He told me that there was a block of power which he himself was part of together with Scaroni [Paolo, former CEO of Eni , ed.], the secret services and some unidentified prosecutors whose aim was to eliminate Descalzi from his position - he metaphorically used the term 'kill him' - and he said to me: 'Eni's leaders know that I have not said all that I knew and that I went through these legal events to protect them.' The names he gave me were Descalzi and Granata. He said that the operation to silence Armanna had cost him half a million." And again: "He told me that thanks to his good relations with Mantovani [Massimo, former head of Eni's legal office, then head of trading, investigated in Milan for the Syracusan fake misdirection, ed.] had continued trading (), that the company Napag, in which he has a stake, earned around one million dollars last year (). Basically he said that Eni should continue to safeguard Mantovani so that he would continue to earn. () Mantovani's protection was part of the negotiations I referred to earlier and that he asked me to convey to Casula." Il Fatto contacted Amara: "In May I met Carollo - he says - and I discussed with him about Granata and Descalzi, but I have no stake in Napag, a company for which I was only a consultant." Finally Fatto Quotidiano contacted Eni to ask if it confirmed or denied the declarations of Calafiore, Armanna and Carollo on the role of Granata and the oil company. Eni radically denied these reconstructions. And added that "It is quite clear that Armanna still feels a serious resentment against Eni and Granata, who personally fired him in 2013 and has never seen him since."**

#### **Answer**

[Please refer to the answer to question no. 6, reaffirming with absolute force that ENI never interfered with the behaviour of the defendant Armanna, who quite on the contrary could well and freely expose -- both during the investigation and most recently in the OPL 245 hearing at the Court of Milan \(as is clear from all sources\) – his own \(changing\) views.](#)

**16. What is Eni's relationship with ISS Global Forwarding Italy, of which Marco Carrai became a director in December 2018? ISS Global Forwarding Italy is a global logistics giant, with planes and cargo ships, specialized in Oil & Gas, with headquarters in Dubai and in other 100 countries in the world. 92.5% of the Italian company is owned by the Emirate, while 5% is controlled by Paolo Scaroni Partecipazioni Srl and the remaining 2.5% is owned by Marzocco Investments.**



**Answer**

We have no contractual relationships with ISS Global Forwarding Italy.

**17. Is it true that the Securities and Exchange Commission informed Eni that, based on the information currently available to the Commission, it concluded the investigation into the company, which also includes investigations related to the OPL245 operation and other investigations related to Eni's activities in the Congo? The result is that the SEC does not intend to take any actions or proceedings against Eni. As already announced in October last year, the US Justice Department closed its investigations on Algeria and OPL245 (the large oil block acquired in 2011 by the oil majors Eni and Shell) without taking any action.**

**Answer**

Yes it is true.

**18. CONSIDERING THAT: the Group led by the CEO Claudio Descalzi notes that the Court of Appeal of Milan published in recent days the reasons for the acquittal of Saipem and Eni, pronounced last January, from any allegations of corruption in the Algeria proceeding. Do you think that the Milan trial will also end in the same way since in the last hearing after a meeting of more than an hour, the Justices reappeared in room 7 on the third floor of the Milan court and decreed dryly that: the lawyer Amara - and also his colleague Leonardo Marchese - should not be heard as their testimonies would not constitute decisive evidence for the outcome of the Nigeria trial? I note that the same Justices excluded me from participating as civil party making serious technical errors that I reported to the CSM.**

**Answer**

We confirm that on January 15, 2020 the second penal section of the Court of Appeal of Milan confirmed the first degree acquittal sentence against former Eni managers, declaring the appeal proposed by the Public Ministry inadmissible. Saipem and its former managers involved in the proceeding were also acquitted with the same formula.

With regard to the "OPL 245" proceedings, Eni confirms its confidence in the work of its managers.

**19. HAVE YOU ADOPTED ISO 37001 and the Anti-Corruption Management Systems?**

**Answer**

With reference to the ISO 37001 standard "Antibribery Management Systems", it should be noted that Eni SpA was the first Italian company to receive this certification on January 10, 2017.

In December 2017 and December 2018 the certifier Rina Services S.p.A. successfully closed two



audits, scheduled for the purpose of maintaining the certification. Lastly, in December 2019, the complete review audit for the renewal of the ISO 37001: 2016 certification was successfully completed.

**20. DOES THE CHAIRMAN BELIEVE IN PARADISE? DO YOU KNOW THAT THE OMISSION OF TRUTH IS LIKE A LIE?**

**Answer**

This question relates to topics outside the agenda.

**21. HAVE INTERNATIONAL FINES BEEN APPEALED AGAINST?**

**Answer**

It is not clear what it is meant by "international fines".

**22. HAVE PING-PONG TRANSACTIONS BEEN CARRIED OUT ON TREASURY SHARES BY DECEMBER 31? WHAT WERE THE ECONOMIC RESULTS AND WHERE ARE THEY RECOGNISED IN THE FINANCIAL STATEMENTS?**

**Answer**

Eni has not carried out and does not carry out operations of the type described in the application.

**23. Who should I contact to propose the purchase of promotional chocolates, patents, brands and startups?**

**Answer**

Eni selects its suppliers through a transparent and open qualification process. All suppliers interested in offering goods or services to the Company can submit an application on the Eni eSupplier portal ([https://esupplier.eni.com/PFU\\_it\\_IT/autocandidatura.page](https://esupplier.eni.com/PFU_it_IT/autocandidatura.page)) by following the instructions indicated on the site.

The supply of chocolates is carried out through suppliers selected by tender from the competent procurement function.

Regarding the sending of proposals for potential investment opportunities in start-ups, you can contact the M&A structure, while for the brand management activity contact the Identity Communication function and for patents the Research & Technological Department Innovation.

**24. Are you going to carry out initiatives in favour of shareholders such as the medical centres created by the BANCA D'ALBA?**



**Answer**

No, at the moment we do not consider these initiatives.

**25. IRR: INTERNAL AVERAGE PROFIT RATE and WACC = WEIGHTED AVERAGE INTEREST RATE?**

**Answer**

**IRR:** The current portfolio of upstream projects has a 25% IRR, assuming the scenario used for the Strategy presentation of last February (Brent 2020-21 respectively at \$60-68/bbl). It is a particularly resilient project portfolio if you consider that, even considering prices 20% lower than those in the Eni scenario, IRR is at 23%.

Renewable Energy projects will be able to generate constant cash flows over the long term, with an IRR between 7% and double-digit returns.

Circular economy investments, including investments in biorefineries, also have attractive double-digit returns.

[Eni strategy presentation 2020, pages 10, 11]

Eni's **WACC in 2019** increased by 0.1% over 2018, to 7.4%. The 2019 adjusted WACC of Exploration & Production are between 6.4% and 15.3% depending on country risk (6.2% and 16.0% in 2018).

[Annual Report 2019, p. 169]

The **TIP (average interest rate)**: the weighted average interest rate on the Group's short-term financial payables is 1.9% for the year ended at December 31, 2019. Long-term finance debts, including the short-term portions, are analysed in the note 18 "Finance debts" of the consolidated financial statements; the average benchmark rates for total long-term financial debts, including short-term portions, are 2.1% for the Euro, 4.6% for the USD dollar, 4.3% for other currencies.

[Annual Financial Report 2019, p. 200, 202]

**26. DO YOU INTEND TO CERTIFY AS A BENEFIT CORPORATION and ISO 37001?**

**Answer**

Eni considered the possibility of qualifying as a "benefit company" or certifying itself as a benefit corporation, but considered that this is not necessary to pursue purposes of social utility. Some of Eni's main institutional investors, questioned on the point, did not express themselves in favour of the certification, believing that substance is more important than form, that is, the effective pursuit of social purposes. Not acquiring the status of "benefit company" does not preclude Eni from pursuing purposes of social utility. Eni specified the objectives of social utility it pursues in its "Mission", reviewed in September 2019 and which now makes express reference to the United Nations "Sustainable Development Goals". At Group level, it should be noted that the subsidiary Evolvere SpA, a leading company in the distributed generation and energy saving sector, has qualified as a benefit company since 10 January 2020.



As to ISO 37001, see answer to question no. 19.

**27. Are you going to hold meetings also via internet?**

**Answer**

Eni has incorporated into its By-laws the possibility, provided for by the European directive on shareholder rights, to allow participation in the meeting by telecommunication means and electronic voting, if so provided for in the notice of call. At the moment this provision has not found application. Technical and legal assessments will be carried out on the possibility of applying it in the future.

**28. How much did you receive in European funding for training and what have you used them for?**

**Answer**

In 2019 Eni did not use European funds for training.

**29. Are you planning new acquisitions and/or disposals?**

**Answer**

Our growth objectives in the four-year plan are organic and therefore do not depend on acquisitions. In relation to potential divestments, we have several options aimed at optimizing/de-risking our portfolio which will be evaluated in accordance with the evolution of the scenario.

**30. Does the Group hold current accounts denominated in non-euro high risk countries?**

**Answer**

Eni has current accounts in non-euro high risk countries connected with the company's industrial activities. These accounts are in any case compliant with applicable national and international laws and regulations.

**31. Are you going to transfer your registered office in the Netherlands and the tax office to the UK? If you did it, how do you plan to behave with the exit of the GB from the EU?**

**Answer**

Eni is not considering any relocation hypothesis.



**32. Are you going to propose amendments of the By-laws that double the vote?**

**Answer**

The Board of Directors examined the possible introduction of increased vote into the By-laws and decided not to make any proposal to the Shareholders' Meeting on this aspect.

**33. Do you have call centres abroad? If so where, with how many workers, whose ownership is it?**

**Answer**

In the retail market (households and small businesses) Eni gas e luce uses external call centres for customer management (toll-free number/customer service) and sales (outbound teleselling) activities, in line with the established market practices. In particular, for customer management we collaborate with 3 primary operators in the sector, selected over time through tender processes, which use a total of 8 call centres located throughout the Italian territory. Eni makes use of these same Italian call centre operators linked to the same contracts as Eni gas e luce in the retail oil sector in Italy. Finally, as regards mobility solutions, Eni uses a call centre based in Rome and operators in Italy.

**34. Are you registered with Confindustria? If so how much does it cost? Are you going to get out of it?**

**Answer**

Eni S.p.A. and the Italian subsidiaries adhere to the Confindustria system. In 2019 association dues totalled €5.2 million (of which €1.5 million for Territorial Associations, following a specific National Convention, and €3.7 million for Industry Associations such as Federchimica, Assomineraria, Unione Petrolifera, etc.). Eni has no intention of exiting the Confindustrial representation system.

**35. How has the debt changed and for what?**

**Answer**

Net borrowings at December 31, 2019 was € 17,125 million, an increase of €8,836 million over 2018. Total financial debt of €24,518 million included €5,608 million of short term debt (including the portion of long-term debt due within 12 months of €3,156 million) and €18,910 million of long term debt.

The increase reflects the initial recognition of the lease liabilities in application of IFRS 16 (amounting to €5,759 million), and includes the reclassification of €128 million for certain trade payables due in connection with the hiring of assets which were outstanding at January 1, 2019. The change is attributable for approximately €1,976 million to the portion of lease liabilities pertaining to joint operators in Eni-led upstream unincorporated joint ventures, which will be



recovered through a partner-billing process. Excluding the overall effect of IFRS 16, net borrowings came to €11,477 million, an increase of €3,188 million compared to December 31, 2018. This increase was mainly driven by the acquisition of a 20% stake in ADNOC Refining and other non-organic investments.

**36. How high are the incentives collected as a Group divided by type and entity?**

**Answer**

Please refer to what is indicated in the notes n. 38 and n. 35 respectively of the notes to the consolidated and separate financial statements of Eni SpA.

In particular, Law 124/2017, in force from 2018, introduced the obligation to disclose in the explanatory notes assistances received from Italian public authorities and entities; moreover, pursuant to the same regulation, being Eni SpA a State-controlled company, assistances granted to Italian and foreign beneficiaries are also disclosed.

Under Art. 1, paragraph 125-quinquies of Law no. 124/2017, for assistances received, please refer to information provided in the National State aid Register prepared pursuant to Article 52 of the Law of 24 December 2012, no. 234. In addition, the Company reports the contribution received by the Ministry of Education, University and Research (MIUR) of €1,157,397.

**37. Who are the members of the Watch structure and how much does it cost?**

**Answer**

For the express provision of Model 231, the Watch structure of Eni SpA is made up of seven members, whose names are listed on page 25 of the 2019 Annual Financial Report. The annual costs associated with the remuneration of the Watch structure amount to a total of €390,000.

**38. How much does sponsorship cost the Rimini Meeting of CL and EXPO 2015 or others?**

**For what and for how long?**

**Answer**

In 2019, Eni sponsored the Rimini Meeting for an amount in line with 2018. The Rimini Meeting is a large cultural annual event of international scope, which offers an open reflection and discussion on cultural, religious, political and artistic issues, through a series of meetings, debates, exhibitions, musical, literary and sporting events. From the year of its first edition, in 1980, it has attracted great political figures, managers, representatives of different religions and cultures, intellectuals and artists, sportsmen and world-renowned figures. The Meeting has been taking place for over thirty years, in the pavilions of the Fair, which host large educational exhibitions, theatrical works and big conferences. All this in a seven-day event which over the years has become the most popular cultural festival in the world.

In 2019, the Meeting had over 800,000 attendances from over 70 countries, over 170 sponsor companies, 130,000 sq m set up at the Fair with around 2,500 volunteers from all over Italy and



abroad, to which must be added approximately 350 people (mostly university students) who, during the pre-meeting days, worked for the preparation of the Fair. The whole event recorded 179 meetings, 20 exhibitions, 25 shows, 724 press articles, 2,384 online articles, 220 television reports, 50 radio reports, for a total of 3,378 reports in the major Italian and foreign newspapers.

**39. CAN YOU PROVIDE THE LIST OF PAYMENTS AND CREDITS TO PARTIES, POLITICAL FOUNDATIONS, ITALIAN AND FOREIGN POLICIES?**

**Answer**

Eni does not make payments to any political entity.

**40. HAVE YOU MADE IRREGULAR DISPOSAL OF TOXIC WASTE?**

**Answer**

No.

**41. WHAT WAS THE INVESTMENT IN GOVERNMENT SECURITIES, GDO, STRUCTURED SECURITIES?**

**Answer**

At December 31, 2019, the investment in listed securities issued by sovereign states amounted to €1,462 million (of which € 1,180 million Eni SpA).

Eni does not invest in structured securities.

At December 31, 2019, Eni SpA's investment in large-scale distribution (organized large-scale distribution) securities amounted to € 35 million.

Further information is available in Note 6 - "Financial assets held for trading" of the 2019 consolidated financial statements as well as in Note 6 - "Financial assets held for trading" of the 2019 financial statements, in the 2019 Annual Financial Report.

**42. How much did the securities service cost last year? Who is the provider?**

**Answer**

Except as regards the Monte Titoli service, whose rates are regulated, from April 1, 2019 the Company has entrusted the management of the securities service to the company Computershare S.p.A. for a total cost of €28,582.47 at December 31, 2019.

**43. Are staff reductions, restructuring planned? Relocation abroad?**

**Answer**

To date there are no extraordinary operations with impact on personnel.



**44. Is there a commitment to buy back products from customers after a certain time? How is it accounted for?**

**Answer**

There are no repurchase commitments.

**45. Are there any current and past directors investigated for environmental crimes, MONEY LAUNDERING OR OTHERS that concern the company? WITH WHAT POSSIBLE DAMAGES TO THE COMPANY?**

**Answer**

For significant disputes, see the notes to the Financial Statements of the 2019 Annual Financial Report, chapter Legal proceedings, page. 224.

**46. Reasons and methods for calculating the directors' end of office allowance.**

**Answer**

There are no severance indemnities for the Chairman and non-executive Directors, as reported in the 2020 Remuneration Report.

For the Chief Executive Officer, the policy for the new term provides for the maintenance of indemnities envisaged in relation to early termination of the relationship in the event of non-renewal or early termination prior to the expiry of term, setting it at a max. two years of remuneration, as better detailed in the 2020 Remuneration Report.

**47. Who does the property evaluation? How many years does the assignment last?**

**Answer**

The real estate assessments are carried out by specialist advisors, contracted through a tender with rigorous criteria established on the basis of precise technical specifications including adherence to RICS standards (international standards that establish the directives to be followed for the appraisals).

In 2019 we had three advisors for Italy: YARD SPA, PRELIOS INTEGRA SPA, EFM S.R.L. Following a new tender made at the beginning of 2020, three new advisors were selected with a three-year contract starting from March 1, 2020: PRELIOS INTEGRA SPA, RTI ABACO TEAM SPA / GABETTI PROPERTY SOLUTIONS AGENCY SPA / PATRIGEST SPA; RTI DUFF & PHELPS REAG SPA / DUFF & PHELPS ITALIA SRL.



In 2019 the advisor for abroad was ATI EFM SRL - NEWMARK & COMPANY with a contract expiring in July 2020.

**48. Is there a D&O insurance (guarantees offered amounts and claims covered, subjects currently covered, when it was approved and by which body, associated fringe-benefit component, with which broker it was entered into and which companies underwrite it, expiry date and effect of demerger on policy ) and how much does it cost?**

**Answer**

As per the shareholders' meeting resolution of May 25, 2006, the company has taken out D&O insurance coverage. The purpose of the policy is to guarantee the company, if called upon to respond directly, or its Directors and Officers from requests for compensation for errors committed by them in the exercise of their functions, excluding fraud. This covers all the Directors and Officers of Eni s.p.a. and of the companies in which Eni holds at least 50% of share capital. For the purposes of the insurance, Directors and Officers are Directors and people holding a managerial position (the definition of policyholder in the policy is very broad). The terms and conditions are those provided by the international market scheme (CODA Form). The broker is AON Spa. The leading company in the insurance program is AIG, followed by a panel of highly-rated international companies. The policy, which has an annual duration, runs from August 1 of each year. The after-tax cost of coverage is approximately \$2.2 million.

**49. Have policies been taken out to guarantee the prospectuses (relating to bonds)?**

**Answer**

No, no policy has been taken out to guarantee the prospectuses.

**50. What are the amounts for non-financial and social security insurance (differentiated by macro-area and industrial plant, which internal structure deliberates and manages the policies, who are brokers and companies used)?**

**Answer**

The answer is illustrated in a section (Safety, security, environmental and other operational risks) of the 2019 Annual Report. In addition to what is reported, Eni uses all the main Lloyd's insurance brokers worldwide (Aon, Marsh and Willis ), in particular the reinsurance program is rented to AON UK; as well as the main international insurance/reinsurance companies (around 100) with adequate rating (generally minimum S&P A- or AM Best equivalent). The insurance business is supervised by a dedicated internal structure, which reports to the CFO, which has the task of managing the insurance program of the year, as shared with a committee made up of the main Eni Top Managers.



**51. I WOULD LIKE TO KNOW What is the use of liquidity (monthly composition and evolution, interest rates, type of instruments, counterparty risk, financial income obtained, management policy, reasons for incompressibility, portion for post-employment benefits and what constraints, legal operational, exist on liquidity)**

**Answer**

At the end of 2019, Eni holds financial assets for €13.0 billion (€17.6 billion in 2018). The decrease of €4.6 billion is mainly due to the outlay of \$3.3 billion for the acquisition of a 20% interest in Adnoc Refining (whose pre-funding, carried out in 2018, had temporarily increased the financial assets).

The decision to keep a high level of liquidity was taken in 2012, on the occasion of the sale of Snam: the greater weight of the E&P sector, which is exposed to oil and gas prices volatility, determined a change in strategy, in line with the financial policies adopted by peers.

Eni therefore decided to minimize the liquidity risk by maintaining a stable liquidity reserve, of which a substantial portion - defined as "strategic liquidity" - is invested in very liquid short-term financial assets with a very low risk profile.

The liquidity reserve (unused financial assets and committed credit lines) is aimed at: (i) ensuring full coverage of short-term debt and medium-long term debt falling due over a 24-month time horizon, also in the case of restrictions on access to credit, (ii) addressing identified risk factors that could significantly alter the cash flows envisaged in the Financial Plan (e.g. changes to the scenario and/or production volumes, postponements in the execution of disposals), (iii) ensuring the availability of an adequate level of operational flexibility for Eni's development programs, (iv) promoting the maintenance/improvement of creditworthiness ("rating").

*[Annual Report 2019, p.99, 218 and 220]*

The stock of financial assets at the end of 2019 totalled €13.0 billion and breaks down as follows:

- **€6.0 billion: Cash and cash equivalents**, mainly managed by Eni SpA and including financial assets originally due, generally, within 90 days. The average maturity of euro deposits for €3.1 billion is 9 days and the effective interest rate is a negative 0.22%; the average maturity of dollar deposits of approximately €0.9 billion is 8 days and the effective interest rate is 1.95%.

*[Annual Financial Report 2019, p.76 and 181]*

- **€6.8 billion: "Held for trading" securities and other securities not instrumental to operating activities**. At the end of 2019, financial assets held for trading amounted to €6.8 billion, of which €6.2 billion managed by a dedicated Finance unit and invested in financial instruments (bonds, CP, ETFs/funds, etc.). The value of these assets reflected: listed securities issued by sovereign states in the amount of €1.5 billion (of which €0.9 billion Italy), listed securities issued by industrial companies in the amount of €2.7 billion, listed securities issued by



financial and insurance institutions in the amount of €2, 0 billion and other securities (€0.6 billion).

*[Annual Financial Report 2019, p.76, 181 and 182]*

- **€ 0.3 billion: Financial receivables not instrumental to operating activities.**

*[Annual Financial Report 2019, pag.76]*

**52. I WOULD LIKE TO KNOW WHAT ARE THE FORESEEN INVESTMENTS IN RENEWABLE ENERGIES, HOW WILL THEY BE FUNDED AND HOW LONG WILL IT TAKE FOR THESE INVESTMENTS TO BE RECOVERED.**

**Answer**

In the next four years, Energy Solutions will invest €2.6 billion in renewable energy with the aim of reaching an installed capacity of 3 GW by 2023 and 5 GW by 2025. Investments pursue geographical and technological diversification; in addition to projects in Italy, we will strengthen our presence in the USA, Africa, Australia and Kazakhstan as well as assessing the potential entry into emerging countries, mainly in Asia. Main technologies are photovoltaic, solar and onshore wind; the use of storage systems and the development, in collaboration with Eni's R&D, of ISWEC (Inertial Sea Wave Energy Converter) technology for the exploitation of wave motion are also envisaged.

To date, our investments in renewables have been financed mainly by using equity or, where possible, by accessing subsidized or dedicated loans (e.g. EIB financing on initiatives in Italy); in the future, we don't exclude the use of project financing for selected projects.

With reference to recovery times, they cannot be determined univocally since the development initiatives in the renewable environment and the financial returns associated with them depend on numerous factors such as technology, location, the regulatory system, the presence or absence of dedicated incentives.

**53. Has there been fee sharing agreements on advertising investments/sponsorships in Italy/abroad?**

**Answer**

No.

**54. How is the child labour regulation respected?**

**Answer**

It is forbidden in the Eni group to use child labour not only in compliance with the regulations of the countries where we operate but by applying the highest standard envisaged by the fundamental ILO Conventions (the Minimum Age Convention no. 138/the Worst Forms of Child Labour Convention no. 182). In implementing these principles, Eni undertakes to protect the right of



minors to be protected from economic exploitation, with the Guidelines for the "Protection and Promotion of Human Rights", the Code of ethics, Eni's Statement on respect for Human Rights, the "our people" policy and in trade union agreements at an international level as well as by binding suppliers to this respect in procurement activities.

**55. Does Eni have the SA8000 ENAS ethical certification or is it planning to obtain it?**

**Answer**

The Social Accountability International SA8000 standard (ENAS is probably a typo) is an international standard aimed at certifying certain aspects of corporate management related to corporate social responsibility and, in particular, respect for human rights, workers' rights, protection against the exploitation of minors and guarantees of safety and health in the workplace, as identified by the fundamental Conventions of the International Labour Organization (ILO).

**SA8000 Certification**

Like most companies in the O&G/Energy sector in Italy and abroad, Eni is not SA8000 certified except for the subsidiary Versalis in the chemical sector which obtained certification in 2017.

Versalis decided to take this path as a completion and integration of the process followed over time with certifications in the health, safety, environment, quality and energy fields.

This type of certification has positive impact in this sector, also in terms global competitiveness, since it responds to the increasingly emerging customer demands.

As for Eni as a whole, as reaffirmed in our Code of Ethics and in the Eni Declaration on respect for human rights, the company operates in accordance with the ILO Declaration on fundamental principles and rights at work to which the SA8000 standard refers, while all its internal procedures and rules comply with these Conventions.

Regarding the nature and the pool of companies that require the SA8000 certification, please refer to the statistics published on the official SA8000 website.

**Eni suppliers**

Eni does not require suppliers to possess the SA8000 certification but encourages the development of its suppliers' skills on sustainability issues, encouraging them to comply with the main ILO standards.

Suppliers are subject to a structured evaluation, aimed at verifying and monitoring their compliance with principles such as:

1. promotion and compliance with high standards of safety at work
2. prohibition of forced labour and exploitation of minors
3. trade union freedom of association and collective bargaining

Further information is contained in Eni for 2019.



In April 2020, the Supplier Code of Conduct was published, which outlines the behaviour expected from suppliers, in line with the principles adopted by Eni. Among these principles, human rights and work refer to the ILO Declaration on Fundamental Principles and Rights at Work, to which, moreover, the SA8000 standard also refers. All suppliers will be required to sign the aforementioned Code and to undertake to promote the principles contained therein along their supply chain as well as to request their contractors and subcontractors to commit in writing to sharing and accepting the same Code.

The Code of Conduct is published on Eni's suppliers portal, reachable through the following link [https://esupplier.eni.com/PFU\\_it\\_IT/formazioneeiniziative.page?](https://esupplier.eni.com/PFU_it_IT/formazioneeiniziative.page?)

**56. Do we finance the arms industry?**

**Answer**

No.

**57. I would like to know the GROUP NET FINANCIAL POSITION AT THE DATE OF THE MEETING WITH AVERAGE HISTORICAL LIABILITIES AND LIABILITY RATES.**

**Answer**

At December 31, 2019, net borrowings came to €11,477 million.

Cash and cash equivalents came to €5,994 million and essentially consist of deposits in Euros and US dollars; the effective interest rate of deposits in Euros is -0.22% (-0.22% in 2018) while that of deposits in US dollars is +1.95% (+2.59% in 2018); the amounts recognised for financial assets held for trading are disclosed in note no. 6 "Financial assets held for trading" in the consolidated financial report and in Eni SpA separate financial statements.

[Annual Report 2019].

The weighted average interest rate on short-term finance debts is 1.9% (2% in 2018). Long-term finance debts, including short-term portions, are analysed in note 18 "Finance debts" of the consolidated annual report with evidence of the interest rate for each bond.

The average benchmark rates for total long-term finance debts, including short-term portions, are: 2.1% for the Euro, 4.6% for the USD and 4.3% for other currencies.

[Annual Report 2019].

**58. What are the amounts of and reasons for Consob, Borsa and other fines?**

**Answer**

No fines were imposed by the indicated Authorities.



**59. Were there any unpaid taxes? If so how much are they? Interests? penalties?**

**Answer**

All taxes were regularly paid.

**60. I would like to know: CHANGE IN EQUITY INVESTMENTS COMPARED TO THE REPORT.**

**Answer**

The changes that took place on March 31, 2020 in the Group's consolidation area compared to the situation at December 31, 2019 concern:

(i) entry into line-by-line consolidation

(a) by acquisition of the following companies:

- Evolvere SpA Società Benefit
- Evolvere Energia SpA
- Evolvere Smart Srl
- Evolvere Venture SpA

(b) by incorporation of the following company:

- Eni Gas Liquefaction BV

(c) due to the relevance of the following companies:

- D-Share SpA
- Eni Albania BV
- Eni New Energy US Inc
- Mizamtec Operating Company S. de RL de CV
- Versalis Kimya Ticaret Limited Sirketi
- Versalis México S. de RL de CV
- Versalis Zeal Ltd

(ii) the exit from line-by-line consolidation due to the irrelevance of the following companies:

- Eni CBM Ltd
- Ieoc Exploration BV



**61. I would like to know today CAPITAL LOSSES AND GAINS ON LISTED STOCKS AT THE LAST STOCK CLEARANCE AVAILABLE**

**Answer**

In Eni's consolidated financial statements, Saipem SpA is an investment accounted for with the equity method.

At December 31, 2019 the book value of the investment aligned with the corresponding fraction of the investee's equity was €1,250 million.

The fair value represented by the share of market capitalization of Saipem share was €1,345 million and exceeded the book value of the investment by approximately 8%, as follows:

	Saipem SpA
Numero di azioni	308.767.968
% di partecipazione	30,99
Prezzo delle azioni (€)	4,356
Valore di mercato (€ milioni)	1.345
Valore di libro (€ milioni)	1.250

At December 31, 2019 the implicit capital gain was €95 million.

As of May 5, 2020, the reference price of Saipem is €2.307 per share; the number of shares held by Eni is 308,767,968 (unchanged from December 31, 2019).

The market value of Saipem shares is approximately €712 million.

At March 31, 2020, Saipem shareholders' equity is €3,728 million, Eni's equity investment is 31.24%. Saipem's book value is approximately €1,165 million.

As of May 5, 2020, the book value as of March 31, 2020 (latest available data) exceeded Saipem's market capitalization by approximately 64%.

	Saipem SpA
Number of shares held	308,767,968
Share price at May 5, 2020 (€)	2.307
Market value at May 5, 2020 (€ million)	712
Saipem Shareholders equity at March 31 2020 (€million)	3,728
% of the investment	31.24
Book value at March 31, 2020 (€million)	1,165

As of May 5, 2020, the implicit capital loss was €453 million.

**62. From the beginning of the year to today, I would like to know THE TURNOVER by sector.**

**Answer**

Eni's performance in the first quarter of 2020 was released on April 24, 2020. Below are the



turnover figures by business unit:

### Ricavi della gestione caratteristica

IV Trim.		I Trim.		
2019	(€ milioni)	2020	2019	var %
6.140	Exploration & Production	4.194	5.674	(26)
4.121	Gas & Power	4.437	6.518	(32)
9.719	Refining & Marketing e Chimica	7.450	9.771	(24)
9.140	- Refining & Marketing	6.805	9.161	(26)
953	- Chimica	902	1.037	(13)
(374)	- Elisioni	(257)	(427)	
491	Corporate e altre attività	385	367	5
(4.256)	Elisioni di consolidamento	(2.593)	(3.790)	
<b>16.215</b>		<b>13.873</b>	<b>18.540</b>	<b>(25)</b>

Core business revenues in the first quarter of 2020 (€13,873 million) decreased by €4,667 million compared to the first quarter of 2019 (-25%) due to the general decline in energy commodity prices due to the economic downturn due to the lockdown measures to contain the spread of the COVID-19 pandemic, with serious repercussions on production, trade and transport. In March the downward pressure on oil price increased due to the failure of the agreement of OPEC+ on further production cuts to balance the fall in consumption, worsening global oversupply conditions.

Revenues generated by the E&P segment (€4,194 million) decreased by €1,480 million (-26%) driven by lowering prices for the marker Brent in the quarter (-20%) and gas prices at virtual exchange point of the Italian PSV market (-45%), only partially offset by the appreciation of the USD vs. EUR (+ 3%). The production of 1,774 million boe/day, a decrease of 67 thousand boe/day compared to the first quarter of 2019 (-3.6%), is accounted for by a 50% decrease in the production in Libya due to expected contractual conditions, political instability and a reduction of entitlement/spending, the effects of which more than offset the contributions from portfolio production (Norway). The remaining 50% is linked to the effect of reducing gas demand, mainly in Egypt.

Revenues generated by the G&P segment (€4,437 million) decreased by €2,081 million (-32%) reflecting lower gas prices in Europe (PSV equal to 121 €/kmc, -45% and TTF equal to 102 €/kmc, -48% over the first quarter of 2019) and, to a lesser extent, lower volumes sold (16.75 billion cubic meters, -21% compared with the first quarter of 2019) as well as lower electricity sales (9.89 terawatt hours; -2% compared with the first quarter of 2019) due to lower seasonal sales and the slowdown in economic activity induced by measures in Italy and Europe against the spread of COVID-19.

Revenues generated by the R&M and Chemical segment (€7,450 million) decreased by €2,321 million (-24% over the first quarter of 2019) due to the unfavourable scenario of prices and lower volumes sold.

The Refining & Marketing business recorded a decrease in revenues (6,805 million, -26% over the first quarter of 2019) due to the decrease in the price of petrol (-16%) and diesel (-22%), as well as lower sales, both in the network and extra-network market in Italy (-19% and -11%, respectively compared to the first quarter of 2019), following lockdown measures against COVID-



19. The Chemical business reported a €135 million decrease in revenues (-13% compared to the first quarter of 2019) due to the drop in ethylene (-6%), styrene (4%) and butadiene (-17) prices %) as well as a 0.15 million-tons decrease in volumes in all segments due to lower demand from the main sectors, in particular the automotive sector, accentuated by the worsening of the global economic situation due to the COVID-19 emergency. These trends have been mitigated, in particular since March, by the robust demand for products related to the health emergency and the packaging sector.

Core business revenues in the first quarter of 2020 (€13,873 million) decreased by €2,342 million compared to the fourth quarter of 2019 (-14%) due to the combined effect of the economic recession induced by COVID-19 and oil oversupply as previously described. In detail, sale dollar prices of oil and gas decreased by 26.2% and 10.6% respectively compared to the fourth quarter of 2019, with a decrease in Brent price (-22.4%), gas prices in Europe (PSV and TTF respectively - 23.4% and -23.3% compared to the fourth quarter of 2019), gasoline price (-20% compared to the fourth quarter of 2019) and diesel price (-21% compared to the fourth quarter of 2019). Furthermore, performance was influenced by lower E&P production (-7.7%), a slight decrease in the volumes of gas and electricity marketed (respectively -2% and -0.3% compared to the fourth quarter of 2019) and by lower volumes marketed by the R&M (- 15%) and Chemical (-14.1%) businesses.

**63. I would like to know about TRADING ON OWN SHARES AND OF THE GROUP MADE ALSO FOR A THIRD COMPANY OR PERSON PURSUANT TO Art. 18 DRP.30/86, IN PARTICULAR IF RELATED TO SHARES OF OTHER COMPANIES, VIA A FOREIGN BANK NOT REQUIRED TO REVEAL THE NAME OF THE OWNER TO CONSOB, WITH REPORTS ON THE PORTFOLIO SECURITIES FOR A SYMBOLIC VALUE, WITH PORTAGE SHARES.**

**Answer**

With reference to the 2019 share buyback program: in the period between June 5 and December 9, 2019, 28,590,482 own shares were purchased, equal to 0.79% of the share capital, for a value of 399,999,994.58 euros. The operations ended on December 9, 2019 and no further purchase has been made since.

With reference to trading on shares of Group companies or of other companies, no operations of the type described in the question have been carried out.

**64. I would like to know the PURCHASE PRICE OF OWN SHARES AND DATE OF EACH LOT, AND % DIFFERENCE FROM THE STOCK PRICE**

**Answer**

On June 5, 2019, in execution of the resolution passed by the Shareholders' Meeting of May 14, 2019, Eni launched a programme to purchase own shares by engaging an authorised agent, on the basis of execution methods approved by the Board of Directors on May 30, 2019. The programme



ended on December 9, 2019 and resulted in the purchase of 28,590,482 Eni shares, representing 0.79% of the Company's share capital, for a total value of €399,999,994.58. The average purchase price was €13.9907, approximately 0.2% lower than the average stock market prices weighted for volumes in the purchase days (€14.0191).

The daily detail of the purchase transactions was communicated to the public on a weekly and monthly basis, in accordance with the provisions of current legislation, and published in an ad hoc section of the Eni website. (<https://www.eni.com/en-IT/about-us/governance/shareholders.html>).

**65. I would like to know the NAME OF THE FIRST 20 SHAREHOLDERS PRESENT IN THE ROOM WITH THE RELATIVE % OF POSSESSION, OF THE REPRESENTATIVES WITH THE SPECIFICATION OF THE TYPE OF ATTORNEY OR DELEGATION.**

**Answer**

The answers to the question can be found in the minutes of the meeting and in the list of shareholders represented at the meeting by proxy to the Shareholders' Representative, attached to the minutes..

**66. I would like to know in particular what shareholder pension funds are and for what share?**

**Answer**

The answers to the questions can be found in the minutes of the meeting and in the list of shareholders represented at the meeting by proxy to the Shareholders' Representative, attached to the minutes.

**67. I would like to know THE NAME OF THE JOURNALISTS PRESENT IN THE ROOM OR FOLLOWING THE MEETING THROUGH THE CLOSED CIRCUIT, OF PAPERS THEY REPRESENT AND IF ANY OF THEM HAVE DIRECT AND INDIRECT CONSULTANCY RELATIONS WITH GROUP COMPANY or received money or benefits directly or indirectly from subsidiaries, associates, parent companies. If you answer with "it is not relevant", I report the fact to the Board of statutory auditors pursuant to Art. 2408 of the Italian Civil Code.**

**Answer**

There are no journalists in the room

**68. I would like to know how advertising expenses are divided by publishing group, to evaluate the independence index? HAVE THERE BEEN PAYMENTS TO NEWSPAPERS OR JOURNALS AND INTERNET MEDIA OUTLETS FOR STUDIES AND ADVISORY WORK?**



### Answer

Advertising expenditure with the main media groups break down as follows:

Main media groups	Inv. 2019 (€)	%
MANZONI	5,921.30	11.60%
PUBLITALIA	5,293.73	10.40%
RAI	4,129.19	8.10%
RCS	3,156.51	6.20%
GOOGLE	2,739.26	5.40%
MEDIAMOND	2,229.87	4.40%
SOLE 24 ORE	1,973.46	3.90%
PIEMME	1,817.03	3.60%
FACEBOOK	979.19	1.90%
CAIRO	915.02	1.80%
<b>Total main media groups</b>	<b>29,154.59</b>	<b>57.20%</b>
<b>Total net expenditure</b>	<b>51,013.33</b>	

The residual portion also includes the publications for which the investment is not significant compared to the total volumes.

There were no fees paid to newspapers or websites for studies or advisory work.

**69. I would like to know THE NUMBER OF SHAREHOLDERS IN THE SHAREHOLDERS REGISTER, AND THEIR BREAKDOWN ON THE BASIS OF SHARE OWNERSHIP, AND BETWEEN RESIDENTS IN ITALY AND ABROAD.**

### Answer

The information requested is contained on pages 15 and 16 of the 2019 Report on Corporate Governance and Ownership Structure available on the Company's website at <https://www.eni.com/en-IT/about-us/governance/corporate-governance-report.html>.

**70. I would like to know whether THERE EXIST, WITHIN THE GROUP AND THE PARENT COMPANY AND OR DIRECT OR INDIRECT AFFILIATES, CONSULTING RELATIONS WITH THE BOARD OF STATUTORY AUDITORS AND INDEPENDENT AUDITORS OR THEIR PARENT COMPANIES. HOW MUCH ARE THE REIMBURSEMENT EXPENSES FOR BOTH?**

### Answer

As indicated in the previous Answer to question no. 2, in order to protect the auditors' independence, the Eni Group has decided not to entrust advisory tasks to the independent auditing company, as well as to the companies of the related network; only tasks strictly related to the



auditing activity can be entrusted within the limits of the provisions of the applicable national and US legislation. Transport, board and lodging expenses incurred by the auditor in providing the service are contractually reimbursable at the reasonable documented cost with presentation of related supporting documents, up to a maximum of 10% of the agreed remuneration.

The Board of Statutory Auditors of Eni SpA, as well as each of the members of the Board, does not have advisory relationships with Eni nor with any company controlled by Eni. Travelling arrangements for the Board of Statutory Auditors are organized by the Eni competent units and the related costs are borne directly by the company.

**71. I would like to know if THERE HAS BEEN DIRECT OR INDIRECT FUNDING TO TRADE UNIONS, PARTIES OR MOVEMENTS, POLITICAL FOUNDATIONS (such as Italiani nel mondo), CONSUMER FOUNDATIONS AND ASSOCIATIONS AND/OR NATIONAL OR INTERNATIONAL SHAREHOLDERS WITHIN THE GROUP ALSO THROUGH SPECIFIC DIRECTLY REQUESTED INITIATIVES?**

**Answer**

There has been no direct or even indirect funding to the aforementioned bodies/associations. Eni does not pay contributions to any Italian or foreign unions, parties, political foundations, politicians. Any contribution, direct or indirect, in any form, to parties, movements, committees and political and trade union organizations, to their representatives and candidates is expressly prohibited by the Code of Ethics and by the anti-corruption rules adopted by Eni.

**72. I would like to know if THERE ARE KICKBACKS PAID BY SUPPLIERS? AND HOW DOES YEAR-END "PAYBACK" WORK AT THE PROCUREMENT DEPARTMENT AND HOW MUCH IS IT WORTH?**

**Answer**

In line with the "zero tolerance" principle expressed in the Code of Ethics, Eni prohibits any form of corruption and tackles the risks faced the company in carrying out its business by adopting an articulated system of rules and controls aimed at the prevention of corruption: the "Anti-Corruption Compliance Program", drawn up in 2009 in accordance with applicable anti-corruption provisions in force and constantly updated to keep up with the evolution of national and international regulations and best practices. The concrete actions taken by Eni in promoting and supporting, both at an organizational and operational level, the corruption prevention system are expressed in the continuous strengthening of the Anti-Corruption Compliance Program, which has also obtained the ISO 37001 certification, and in promoting a compliance culture with training and communication activities dedicated to Eni people and third parties operating in sectors at risk of corruption.

With reference to the second part of the question, with the term "payback" we mean, in the context of the management of supply contracts, the recognition to Eni of part of the agreed consideration by suppliers, for example against volume discounts or penalties. The payback mechanisms, when



envisaged, are managed by a plurality of business units and not only by the competent procurement function. In particular, these mechanisms are negotiated by procurement, which embeds them in individual contracts. Upon the occurrence of the contractual conditions, they are activated by the operating units that manage the contracts, which are required to verify the applicability or otherwise of any penalties and volume discounts provided for in the contract. Eni's management of payback mechanisms also implies the active involvement of the competent administrative function throughout the process, in particular in verifying the correctness of the invoices and/or credit notes received with respect to what is contractually agreed and certified by the unit managing the contract. The amount of volume discounts and penalties (typically expressed as a percentage of the total value of the order), vary from contract to contract.

**73. I would like to know if bribes have been paid to enter emerging countries, in particular CHINA, Russia and India?**

**Answer**

No.

**74. I would like to know if there are any UNDECLARED REVENUES?**

**Answer**

No.

**75. I would like to know if Insider trading has taken place?**

**Answer**

No.

**76. I would like to know if there are managers and/or directors who have interests in suppliers? DO DIRECTORS OR MANAGERS OWN DIRECT OR INDIRECT SHARES IN SUPPLIER COMPANIES?**

**Answer**

Managers or directors hold no interests in supplier companies, unless they are an insignificant investment and as such are not registered. It should be remembered that, based on internal regulations, directors are required to periodically issue declarations on their "subjects of interest".

In any case, Eni's Code of Ethics expressly provides for an obligation for all employees to avoid and report conflicts of interest between personal and family economic assets and the duties they



hold within the structure or corporate body to which they belong.

**77. How much did the Directors personally earn in extraordinary operations?**

**Answer**

There are no compensation for extraordinary operations for the Directors.

The structure and levels of Directors' fees, as well as the amounts paid in 2019, are fully described in the 2020 Remuneration Report, respectively on pages 26 and 44.

**78. I would like to know if TOTAL GROUP LIBERAL DONATIONS AND FOR WHAT AND TO WHOM?**

**Answer**

Please refer to notes n. 38 and n. 35 respectively of the notes to the consolidated and annual financial statements of Eni S.p.A. In particular, pursuant to Law 124/2017 and subsequent modifications, it is mandatory to disclose in the explanatory notes any assistances received from Italian public authorities and entities; also, under Art. 1, paragraph 126 of the same law, Eni S.p.A. (being a company controlled by law or in fact, directly or indirectly, by the State) must disclose assistances granted by Eni to Italian and foreign companies, persons and public and private entities. In particular, pursuant to the aforementioned regulation, the granted assistances is mainly referred to foundations, associations and other entities for reputational purposes, donations and support for charitable and solidarity initiatives.

**79. I would like to know if THERE ARE JUDGES AMONG DIRECT AND INDIRECT CONSULTANTS OF THE GROUP, who were the magistrates sitting on the arbitration boards and what was their compensation and names?**

**Answer**

There are no assignments to ordinary judges and prosecutors.

**80. I would like to know if there are pending lawsuits with various antitrust authorities?**

**Answer**

There are no antitrust proceedings pending before competition authorities, nor judgments before administrative or judicial bodies.

**81. I would like to know if THERE ARE CRIMINAL CAUSES IN PROGRESS with investigations on current and past members of the Board of directors and statutory auditors for facts concerning the company.**

**Answer**

For significant disputes, see the notes to the Financial Statements of the 2019 Annual Report, section Legal Proceedings, page 214.



**82. I would like to know the amount of any BONDS issued and issuing bank (CREDIT SUISSE FIRST BOSTON, GOLDMAN SACHS, MORGAN STANLEY AND CITIGROUP, JP MORGAN, MERRILL LYNCH, BANK OF AMERICA, LEHMAN BROTHERS, DEUTSCHE BANK, BARCLAYS BANK, CANADIA IMPERIAL BANK COMMERCE –CIBC-)**

**Answer**

Eni SpA

To date, Eni SpA has approx. €16.8 billion of issued bonds, entirely with institutional investors (of which (i) €12.9 billion under the EMTN Program, (ii) USD3.8 billion in the US and (iii) €400 million of convertible not diluting Bond).

These bonds were issued using the main banks operating in the various markets and in particular: Banca IMI, Bank of America Merrill Lynch, Barclays, BBVA, BNP Paribas, Citi, Crédit Agricole, Deutsche Bank, Goldman Sachs, HSBC, ING, JP Morgan, Mediobanca, Mitsubishi Financial Group, Morgan Stanley, Natwest, Nomura, Santander, SMBC Nikko, Societe Générale, Unicredit and Wells Fargo.

**83. I would like to know DETAIL COST OF SALE for each sector.**

**Answer**

Cost of sales in 2019 at consolidated level was €50.9 billion.

Before the elimination of intra-group items, the breakdown of the cost of sales by sector is as follows: 60% G & P, 24% R & M, 9% E & P and 7% other sectors.

The cost of sales in 2019 decreased by about 9% compared to 2018 essentially due to the reduction in the prices of hydrocarbons (gas from long-term contracts and oil and petrochemical fuels).

**84. I would like to know the amount of EXPENSES FOR:**

- **ACQUISITIONS AND DISPOSALS OF EQUITY INVESTMENTS**
- **ENVIRONMENTAL REMEDIATION**
- **What investments have been made for environmental protection and for what purpose?**

**Answer**

- **Acquisitions and disposals of equity investments:**

In 2019 investments in equity investments, consolidated subsidiaries and businesses totalled €3,008 million and concerned:





<b>Imprese consolidate</b>			
Agip Oil Ecuador BV	211	(24)	187
<hr/>			
<b>Totale disinvestimenti in imprese consolidate e rami d'azienda</b>	<b>211</b>	<b>(24)</b>	<b>187</b>
<hr/>			
mln €			<b>Totale</b>

<b>Imprese consolidate</b>	
Agip Oil Ecuador BV	(3)
<hr/>	
<b>Totale imposte pagate sulle dimissioni</b>	<b>(3)</b>
<hr/>	
<b>Totale disinvestimenti di partecipazioni, imprese consolidate e rami d'azienda</b>	<b>223</b>

- **Environmental remediation and investments for environmental protection:**

Environmental costs incurred by Eni in 2019 amounted to €964 million and are mainly attributable to the remediation of contaminated areas and groundwater (including, emergency and operational safety, decommissioning and restoration, for a total of €367 million), waste management (€250 million), water resources (€168 million), air protection (€53 million), spills prevention (€41 million) and flaring down (€31 million).

**85. I would like to know**

- a. HOW DO YOU CALCULATE NON-MONETARY BENEFITS AND BONUSES AND INCENTIVES?**
- b. HOW MUCH DID SALARIES OF MANAGERS and of the enlightened CEOs HAVE CHANGED IN THE LAST YEAR, compared to that of EMPLOYEES AND WORKERS?**
- c. I would like to know the ratio BETWEEN AVERAGE COST OF EXECUTIVES/AND NOT.**
- d. I would like to know NUMBER OF EMPLOYEES DIVIDED BY CATEGORY, HAVE THERE BEEN cases of MOBBING, INCITEMENT TO SUICIDE, ACCIDENTS AT WORK, and with what results? PERSONALLY I CANNOT ACCEPT THE DOGMA OF THE ABSOLUTE REDUCTION IN THE WORKFORCE**
- e. How many employees were laid off before retirement and at what average age**

**Answer**

a. As already answered in 2019, non-monetary benefits mainly include social security and welfare benefits and the assignment of a company car for business and personal use. The value of the benefits, shown in Table 1 of the 2020 Remuneration Report, is calculated according to the taxability criterion required by Consob.



The variable remuneration, aimed at promoting the achievement of the annual objectives and the growth of business profitability in the long term, is divided into a short-term component and a long-term component, whose characteristics are briefly described in the "Summary" and more in detail in the "Remuneration Policy Guidelines" of the 2020 Remuneration Report.

As for the implementation of the incentive plans for 2019, the performance results related to the incentives paid are reported in Section II of the Report.

b. The average change in the workforce in 2019 was:

- Executives: + 2.42%
- Non-managers: + 0.8%

o Managers: + 1.0%

o Employees (white collars): + 0.4%

o Workers (blue collars): + 0.6%

c. The ratio between average managerial and non-managerial personnel costs is 4.8.

d. The breakdown of employees is as follows:

<b>2019</b>	<b>Abroad</b>	<b>Italy</b>	<b>Total</b>
Senior mngs	229	808	1,037
Middle mngs	2,747	6,714	9,461
White collars	5,419	10,984	16,403
Blue collars	2,170	2,982	5,152
<b>Total</b>	<b>10,565</b>	<b>21,488</b>	<b>32,053</b>

In 2019, the Court was reported 2 cases of workplace bullying-related offences, currently pending. There were no reported cases of instigation to suicide.

There have been no reported cases involving accidents to employees.

e. in 2019, 17 employees with an average age of 59.4 years were placed in NASPI (unemployment benefit programme), pursuant to Law 223/91. In the same period, 187 employees with average age of 58.7 years consensually terminated their working relationship, pursuant to Art. 4 of Law 92/2012.

Also in 2019, 113 employees anticipated access to retirement as funded by the 2019 Budget Act, through the "quota 100 option" with an average age of 63.4.



**86. I would like to know if works of art have been bought? by whom and for what amount?**

**Answer**

No purchases of works of art were made in 2019.

**87. I would like to know in which sectors the costs have decreased the most, excluding your salaries, which are constantly and rapidly increasing.**

**Answer**

Starting in mid-2014, and before the collapse of hydrocarbon prices, we put in place a rigorous process for reviewing costs and investments, without compromising our future growth, which was basically based on optimizing spending, through development in stages, use of modular and standard projects, synergies with existing structures, a careful and constant revision of the entire supply chain, as well as the flexibility of our portfolio of hydrocarbon resources.

In confirmation of that, in 2019 we halved our cash neutrality compared to 2014, i.e. our funds from operations are able to cover all expenses, investments the capital expenditure and the dividend at a Brent price of \$55/bl.

**88. I would like to know: ARE THERE FACTORY SUBSIDIARIES (MEANING C.C) BUT NOT INDICATED IN THE CONSOLIDATED FINANCIAL STATEMENTS? Dividends in the presence of a Brent price of 55\$/barrel**

**Answer**

No.

**89. I would like to know. WHO ARE THE GROUP'S GAS SUPPLIERS ,WHAT IS THE AVERAGE PRICE.**

**Answer**

Eni purchases natural gas mainly through long-term contracts and, in a portfolio diversification logic, maintains commercial relationships with the main national companies.

In 2019, 72% of natural gas and LNG came from six "historical" supplier countries.

In particular, 35% was from Russia (Gazprom), 9% from Norway (Equinor and other small suppliers), 6% from the Netherlands (Gasterra and hub), 9% from Algeria (Sonatrach), 8% from Libya (NOC + Eni) and 4% from Qatar (Rasgas).

The average purchase price, particularly at this moment in which we are involved in commercial negotiations with some of our suppliers, is a sensitive figure whose publication would damage the company's commercial interests.



**90. I would like to know if they are any consultants and how much are consultancy services paid to companies belonging to Bragiotti, Erede, Trevisan and Berger?**

**Answer**

In 2019, people mentioned in the question did not provide any consultancy service nor received any compensation for services related to financial activity.

**91. I would like to know the Italian share of research and development spending?**

**Answer**

In 2019 the Italian share of research and development spending was 89% of total R&D investments (85% in 2018).

**92. I WOULD LIKE TO KNOW THE AVERAGE COSTS of the meetings and the object of expenses**

**Answer**

The average cost for the meetings is around €200,000. Costs include, inter alia, those relating to the electronic voting system, the minutes of the meeting by the Notary, other notary obligations and the appointment of the Shareholders' Representative.

This year the cost will be lower considering the way in which it was held.

**93. I WOULD LIKE TO KNOW THE COSTS For STAMPS AND DUTIES**

**Answer**

The costs for stamps and duties at December 31, 2019 amount to €2,213,303 against 2,193,452 in 2018.

**94. I would like to know the traceability of toxic waste.**

**Answer**

The Italian legislation on waste provides for the traceability of the supply chain from the producer to final disposal. The administrative provisions aimed at traceability include loading and unloading registers, waste identification forms (FIR) for transport and a single environmental declaration form (MUD) to be presented annually.

In particular, the FIR is issued in 4 copies, the first of which is kept by the producer and the others accompany the waste in its transport to the disposal facility: one to the carrier, one to the recipient and one to the manufacturer, which thus confirms the success of the transfer.

The SISTRI system, adopted in Italy to electronically track waste, was repealed in 2018, in favour of a new system (National Electronic Register - REN), which is expected to be



implemented.

Eni also has an internal regulatory system of operating procedures and instructions to ensure full traceability of waste disposal, according to best practices in the field.

**95. WHAT cars do the Chairman and CEO have and how much do they cost as a detail of the benefits reported in the remuneration report?**

**Answer**

As already answered in 2019, the Chairman in this term did not receive a company car for personal use, while the CEO and General Manager, as for all managers, has been assigned a company car for business and personal use in line with the Eni Policy.

**96. Please provide a breakdown by user of the costs for the use or rental of helicopters and planes. How many helicopters are used, of which brand and at what hourly cost and by whom? If the answers are "The other questions are not relevant with respect to the items on the agenda" I report this to the Board of statutory auditors pursuant to Art. 2408 cc.**

**Answer**

At December 31, 2019, Servizi Aerei S.p.A. owns 2 Dassault Aviation planes and one Gulfstream plane, more precisely:

- Falcon 900EX Easy I-SEAS (year of construction 2008)
- Falcon 900EX Easy I-SEAR (year of construction 2007)
- Gulfstream G550 (year of construction 2013).

These planes are exclusively used for the operational needs of the companies belonging to the Eni group. Furthermore, especially in relation to certain foreign destinations, the use of a corporate fleet allows to guarantee high levels of service and safety, including the possibility of transporting personnel to foreign locations where connections are more complex and therefore significantly reduce the travel times compared to commercial services.

As regards the hourly cost, the possibility of drastically reducing the service activation times and the greater safety guaranteed by direct management of ground and flight operations makes the hourly cost aligned with what is found on the market by similar operators (where available).

Eni does not own helicopters. Where operational needs at oil fields or platforms require it, Eni rents helicopter transport services to suppliers contracted through specific tender procedures.

**97. How high are bad debts?**

**Answer**

The exposure to credit risk and expected losses relating to trade and other receivables have been processed on the basis of internal ratings as follows:



(€ milioni)	Crediti in bonis			Crediti in default	Clienti Eni gas e luce	Totale
	Rischio basso	Rischio medio	Rischio alto			
<b>31.12.2019</b>						
Clienti business	1.922	2.882	940	1.396		7.040
National Oil Company e Pubbliche Amministrazioni	1.201	472	244	2.710		4.627
Altre controparti	1.646	103	381	217	2.105	4.452
<b>Valore lordo</b>	<b>4.769</b>	<b>3.457</b>	<b>1.465</b>	<b>4.323</b>	<b>2.105</b>	<b>16.119</b>
Fondo svalutazione	(13)	(4)	(16)	(2.547)	(666)	(3.246)
<b>Valore netto</b>	<b>4.756</b>	<b>3.453</b>	<b>1.449</b>	<b>1.776</b>	<b>1.439</b>	<b>12.873</b>
Expected loss (% al netto dei fattori di mitigazione del rischio controparte)	0,3	0,1	1,1	58,9	31,6	20,1
<b>31.12.2018</b>						
Clienti business	2.454	3.585	1.152	1.350		8.541
National Oil Company e Pubbliche Amministrazioni	1.292	157	672	2.217		4.338
Altre controparti	1.494	77	156	271	2.374	4.372
<b>Valore lordo</b>	<b>5.240</b>	<b>3.819</b>	<b>1.980</b>	<b>3.838</b>	<b>2.374</b>	<b>17.251</b>
Fondo svalutazione	(9)	(3)	(44)	(2.237)	(857)	(3.150)
<b>Valore netto</b>	<b>5.231</b>	<b>3.816</b>	<b>1.936</b>	<b>1.601</b>	<b>1.517</b>	<b>14.101</b>
Expected loss (% al netto dei fattori di mitigazione del rischio controparte)	0,2	0,1	2,6	62,5	36,1	18,3

Compared to the opening balance, the allowance for doubtful accounts increased by approximately €96 million (equal to the balance between provisions for expected losses (€620 million), uses of allowance for doubtful accounts on receivables (€603 million) and other increases of €79 million relating to exchange differences and reclassifications).

In particular, the provisions refer for €67 million to the Gas & Power segment and mainly refer to performing commercial receivables relating to retail customers; €339 million in default receivables from the Exploration & Production segment mainly relating to the supply of equity hydrocarbons to state-owned companies and other commercial partners.

Uses of allowance for doubtful accounts on trade receivables in the Gas & Power segment (€385 million) related to uses against charges mainly in the retail business; Uses in the Exploration & Production segment of €177 million related to the progress in the collection of overdue amounts for cash calls.

Eni classifies credit exposures from commercial and other relationships based on an individual assessment of the credit merit and the counterparty risk. In particular, business customers other than the National Oil Companies (NOC) and public administrations, each of whom have undergone specific credit evaluations, have been assigned a probability of default calculated on the basis of internal ratings which factor in: (i) a full assessment of each customer profitability, financial conditions and liquidity and business and financial conditions on an ongoing basis; (ii) history of the contractual relationship (regularity of payments, disputes, etc.); (iii) presence of mitigation factors of the credit risk (securitization package, risk insurance, third party guarantees); (iv) any additional qualitative information obtained by the Company commercial departments or by specialised info-providers; (v) industrial and market trends. Internal ratings and the default probability levels are updated through back-testing analyses and current and forward looking risk assessments of the portfolio. The loss given default (LGD) of these customers is estimated by Eni businesses on the basis of past experience in credit recoverability; in case of defaulting customers, estimates are based on past experience of debt collection in litigation or restructuring procedures. The probability of default for National Oil Company, who are Eni's partners in Oil & Gas projects, and public administrations, essentially represented by the probability of a delay in payment, is



determined using country risk premiums incorporated in the risk-adjusted WACC for the impairment review of non-financial assets, while the LGD is estimated on the basis of historical averages of delays in collecting overdue receivables, assessing the time value of money, taking into account ongoing securitizations that can lead to a mitigation of the LGD estimate. In case of particular market conditions and sovereign financial crises, the expected loss of NOCs is subject to re-evaluation based on the empirical evidence obtained from restructuring of sovereign debt with particular reference to the energy sector.

For customers of Eni gas e luce, risk classes and the related expected loss are determined for homogeneous clusters on the basis of past experience in terms of collection, systematically updated and integrated, where necessary, to take into account expected market and credit trends in any given clusters.

The exposure to credit risk and expected losses relating to retail customers in the Gas & Power segment was assessed on the basis of a provision matrix as follows:

(€ milioni)	Non scaduti	Scaduti				Totale
		da 0 a 3 mesi	da 3 a 6 mesi	da 6 a 12 mesi	oltre 12 mesi	
<b>31.12.2019</b>						
Clienti Eni gas e luce:						
- Retail	991	105	60	86	376	1.618
- Middle	93	29	4	14	263	403
- Altri	76	3	1	2	2	84
<b>Valore lordo</b>	<b>1.160</b>	<b>137</b>	<b>65</b>	<b>102</b>	<b>641</b>	<b>2.105</b>
Fondo svalutazione	(16)	(27)	(26)	(49)	(548)	(666)
<b>Valore netto</b>	<b>1.144</b>	<b>110</b>	<b>39</b>	<b>53</b>	<b>93</b>	<b>1.439</b>
Expected loss (%)	1,4	19,7	40,0	48,0	85,5	31,6
<b>31.12.2018</b>						
Clienti Eni gas e luce:						
- Retail	575	49	34	64	554	1.276
- Middle	449	43	13	29	349	883
- Altri	207	2	1	2	3	215
<b>Valore lordo</b>	<b>1.231</b>	<b>94</b>	<b>48</b>	<b>95</b>	<b>906</b>	<b>2.374</b>
Fondo svalutazione	(20)	(18)	(18)	(56)	(745)	(857)
<b>Valore netto</b>	<b>1.211</b>	<b>76</b>	<b>30</b>	<b>39</b>	<b>161</b>	<b>1.517</b>
Expected loss (%)	1,6	19,1	37,5	58,9	82,2	36,1

**98. HAVE THERE BEEN CONTRIBUTIONS TO TRADE UNIONS? IF YES, TO WHOM, WHY AND HOW MUCH?**

**Answer**

Eni does not provide direct economic contributions to trade unions and trade unionists.

**99. Is there and how much is the advance on the sale of credits%?**

**Answer**

From 2011 onwards, agreements have been concluded with some primary counterparties for the sale without recourse of trade receivables.

At December 31, 2019 Eni sold without recourse trade receivables due in 2020 for approx. €1.7 billion (substantially unchanged from 2018 due in 2019). Derecognized receivables related to the



Gas & Power segment for €1.4 billion and to the Refining & Marketing and Chemical segment for €0.4 billion.

The sale agreements provide for the payment of a "flat" commission equal to a few basis points on the face value of the receivable; the discount rate applied between the date of assignment of the receivables and that of the weighted average maturity of the same is variable and is linked to the reference rate (Euribor or Libor) increased by a spread aligned with Eni's credit standing.

**100. Is there the person in charge of voting by proxy and how much does he cost? If the Answer is: "The related cost is not specifically enucleable as it falls within a wider set of activities related to the shareholders' meeting." In addition to indicating serious shortcomings in the control system, I report it to the board of statutory auditors pursuant to Art. 2408 cc.**

**Answer**

The Shareholders' Representative designated by the Company, pursuant to Art. 135-undecies of the TUF, is the Trevisan & Associati law firm, in the person of the lawyer Dario Trevisan (or his substitutes). The cost can be up to €12,500 depending on the number of proxies, plus expenses, VAT and CPA.

**101. How significant are investments in government securities?**

**Answer**

At 31 December 2019, the investment in listed securities issued by sovereign states amounted to €1,462 million (€1,180 million in Eni spa), against financial assets held for trading totalling €6,760 million (€6,230 million Eni spa).

Investment in government securities issued by the Italian Republic amounts to €869 million (of which €794 million Eni spa).

Further information is available in Note 6 - "Financial assets held for trading" of the 2019 consolidated financial statements as well as in Note 6 - "Financial assets held for trading", of the 2019 financial statements, in the 2019 Annual Report.

**102. How much is the liability with INPS and with the Italian Tax authority?**

**Answer**

The liability of Eni SpA with INPS amounts to approx. €63 million; net tax payables to the Italian Tax authority relating to direct taxes amount to approx. €3 million and mainly relate to taxes of the proportionally consolidated joint operations.



**103. Did you adopt tax consolidation scheme and how much is it and for what rates?**

**Answer**

Eni Spa and other leading Italian companies have exercised the option for the national tax consolidation scheme: in 2019, it was adopted by 26 companies. The overall result of consolidation for 2019 is negative. The tax rate is the ordinary IRES rate of 24%.

**104. How much is the contribution margin of the previous year?**

**Answer**

In 2019 the contribution margin was €24.3 billion, a 10% decrease compared with 2018 (-€2.6 billion) due to the lower contribution of the E&P segment (-€2.3 billion) reflecting the developments of the Brent and gas prices in Europe, which led to an 8.3% reduction in average sale prices of hydrocarbons in dollars.

**Shareholder Tommaso MARINO**

- 1. With a press release dated April 27, 2020, the Antitrust, at the end of a proceeding started in 2019, announced that it had imposed a penalty of €5,000,000.00 and ordered an halt to misleading advertising messages relating to fuel Eni Diesel+. Does the CEO admit the illegality of this provision or that he learned them and ignore them?**

**Answer**

See answer to question no. 14 of the Shareholder Marco Bava.

- 2. According to the Antitrust Authority, the messages disseminated were considered misleading with regard to the positive environmental impact associated with the use of Eni Diesel+ fuel, as well as the characteristics of the fuel, in terms of savings in consumption and reductions in emissions. But with such statements, isn't the Authority telling us, in fact, that we have made fun of consumers twice? Once because we made them believe that that specific type of fuel was better than that of our competitors, thanks to an announced but unrealistic positive environmental impact; the second because we made them believe that from that specific fuel they would derive a higher performance. Is this so?**

**Answer**

See Answer to question no. 14 of the Shareholder Marco Bava.

- 3. Specifically, these messages could mislead the public by generating confusion between the advertised product (EniDiesel+) and its biodiesel HVO component (Eni's "Green Diesel"); according to the Authority, these messages could also prove misleading in**



**that they attributed to the product, as a whole, the environmental benefits of this component, some of which later proved unfounded. Which environmental claims were unfounded?**

**Answer**

See Answer to question no. 14 of the Shareholder Marco Bava.

- 4. Regarding the fuel operation, while it is true that the Group will pay a 5-million fine, I believe that its economic benefits, unfortunately for us consumers but fortunately for Eni, have been much greater. After deducting the penalty, what was Eni net profit from such an affair?**

**Answer**

Eni has already paid the fine of €5 million, without prejudice to the right to obtain the refund in the event of a positive outcome of the appeal filed before the TAR. In recent years, Eni has invested significant resources in the study of new technologies aimed at adapting its production processes and in the search for innovative and sustainable solutions. The most important investments include the conversion of the refineries of Venice and Gela into biorefineries, where the HVO biofuel, a component of Diesel +, is produced.

Therefore Eni is today one of the leader of an energy transition process oriented towards decarbonisation.

It is evident that the profits deriving from the sale of Diesel+ cannot be assessed in absolute terms, but must necessarily be related to the huge resources that Eni has invested and continues to invest in research and development of increasingly advanced technologies and in the construction of industrial plants for the production of biofuels, with the aim of reducing the environmental impact.

- 5. The Privacy Guarantor has fined us for over 11 million this year. Why have we activated unsolicited consumers contracts? Who is the head of involved department? What steps has the CEO taken? Have you studied how to prevent the problem?**

**Answer**

In relation to the provision adopted by the Guarantor for the Protection of Personal Data towards the subsidiary Eni Gas e Luce S.p.A. (EGL), regarding unsolicited contracts, we specify the following:

1. the facts refer to the first half of 2018, when EGL was victim of a scam by a door-to-door agency;
2. upon discovering the facts, EGL immediately terminated the contract with the Agency and filed a criminal complaint;
3. the checks carried out showed that these were isolated episodes which affected a limited percentage of customers;
4. people receiving unsolicited contracts did not suffer any disservice or economic damage.



EGL adopted a series of measures enhancing controls on the contract acquisition processes, in order to prevent future scams. Thanks to a constructive dialogue with the Guarantor, Eni could share the measures with it and decided not to appeal against the fine, obtaining a significant reduction (equal to 50%) of its amount. Adopted measures include:

- the enhancement of EGL's IT tools dedicated to monitoring activities of agents;
- the establishment of an Anti-Fraud Team, within EGL, with dedicated professionals.

- 6. According to an article dated 27 April, signed by letter43, Mr Descalzi would be unhappy with the composition of the new board. Did he, as a manager, want to choose the directors, replacing the politicians ([https://www.lettera43.it/descalzi-eni-nomine-news-starace-enel/?refresh\\_ce](https://www.lettera43.it/descalzi-eni-nomine-news-starace-enel/?refresh_ce))?**

**Answer**

The Company does not comment on the unfounded statements made by information outlets. As in the past, the CEO does not express judgments on the body he belongs to, with whom he shares the responsibility of facing an unprecedented moment of economic and structural transition. The CEO will concentrate on working with the board appointed for this purpose.

- 7. Has Paolo Granata never represented Descalzi in relations with politicians, as the above mentioned periodical seems to affirm?**

**Answer**

Claudio Granata plays the role of Chief Services & Stakeholder Relation Officer of Eni. It does not represent a person, but the company within the scope of the delegated powers.

- 8. Is the fact that Lucia Calvosa will become Eni's chairman incompatible her presence on the Board of Directors of Il Fatto Quotidiano?**

**Answer**

As far as Eni is concerned, there are no incompatibilities pursuant to the law and internal regulations. Calvosa however resigned from the Board of Directors of SEIF SpA, the publishing company of Il Fatto Quotidiano, on May 4, 2020.

- 9. If Mr. Descalzi is not happy with the new BoD appointments, wouldn't this be one more reason to resign and defend himself in the trial that sees him accused of international corruption?**

**Answer**

It is absolutely not true that the CEO is not "happy" with the composition of the new board. Please refer to Answer no. 6.



**10. The press reports that Descalzi has been meeting with Casaleggio for about two years. In February, during the negotiations for Eni's appointments, there seems to have been another meeting. What did Descalzi and Casaleggio talk about when they last met? Are the meetings to be considered confidential because they are private and friendly?**

**Answer**

Descalzi met Casaleggio for a few minutes on the occasion of the presentation of the new Eni computer centre (HPC 5).

**11. I would like to know how much radioactive waste we have produced and how was it disposed of.**

**Answer**

In 2019, radioactive sources that were no longer used in the plants were disposed of. The details are below.

SITE	NUMBER OF SOURCES
GELA REFINERY	6 Cesium-137 sources 77 Cobalt-60 sources (32 of which removed in January 2020)
ENIPOWER SAN DONATO MILANESE	3 Krypton-85 sources
BOLGIANO LABS	Nikel-63 1 Krypton-85 source
CRO TRECATE	34 Americium-241 sources

The removal was carried out through specialized companies to authorized sites in accordance with current radiation protection legislation.

**12. Last year I asked how much had Amara received from the Eni Group. You avoided my question. Why doesn't the CEO want to specify the data?**

**Answer**

Amara (and his law firm partners) have always mainly carried out defence activities for Eni employees or former employees, whose costs Eni has to bear by virtue of the National Collective Bargaining Agreement. Eni notes that it still has small provisions for services provided before termination of terms prior to 2018, the payment of which is, however, currently blocked. The



Company also reminds that it has filed a civil action for damages against this lawyer for much higher amounts which, if Eni's claim is accepted, may be recognized to offset any residual credits.

**13. Can you tell us how many studies the Board of Statutory Auditors commissioned in 2019? Have any of them been successful? Can you let us know the overall costs, certainly in line with market values?**

**Answer**

As required by its own Rules and in line with applicable law *"the Board may engage, including through Company units structures, external consultants or other experts to the extent it deems necessary to carry out its duties. The Board shall be provided with the funds it deems necessary for payment of fees to independent consultants or other experts and payment of ordinary expenses incurred in the performance of its duties"*. The assignments conferred by the Board of Statutory Auditors mainly concern events relating to the legal proceedings involving the Company, and their outcomes, together with any critical issues identified, are reported in the Annual Report to the Shareholders' Meeting. These services were remunerated mainly on an hourly basis by applying contractually defined professional rates in line with what is normally required for each type of service according to the level of consultants employed.

**14. Is Enrico Trovato in house arrest for investigations into environmental disaster? Who is paying legal expenses for him and the other 13 suspects? Should they be found guilty, will they have to return them?**

**Answer**

Enrico Trovato currently holds the role of Managing Director of Eni Pakistan LTD.

The house arrests initially applied to him were repealed by the Court of Potenza on December 5, 2019, following the outcome of the decision of the Supreme Court of Cassation of September 20, 2019 which decided they were unwarranted.

As regards defence expenses, Eni applies the current provisions of the National Collective Agreement with all legal reserves.

**15. Have you started the reclamation of the 26,000-square-meter area polluted by oil spills in Val D'Agri? What costs have we budgeted for this?**

**Answer**

Immediately after the oil leaks from the D tank of COVA were detected, in February 2017, Eni, in accordance with existing environmental legislation, enacted the Emergency Safety Plan, which basically ensured the safety of the groundwater matrix, and subsequently, again in accordance with the legislation, started characterization activities. A total 351 surveys were carried out, 245 of which including the use of a piezometer and soil and groundwater analysis (188 were planned as



part of the characterization phase).

The activities envisaged by the Characterization Plan approved by the competent bodies (DGR 442/2017 of May 19, 2017) were completed and the final report on the works was filed on September 19, 2018.

Eni also completed the supplementary characterization activities requested by the competent bodies (DGR 47 of January 22, 2019), which mainly provided for the implementation of further surveys for the delimitation of the contaminated area.

To date, a first draft of the requested Risk Analysis has been presented, while the related final document will be filed, as defined in agreement with the Authorities participating in the "Conferenza dei servizi" of February 13, 2020, at the end of the fourth interstitial gas monitoring campaign. After the approval of the Risk Analysis by the competent bodies in the "Conferenza dei servizi", it will be possible to present and implement the Remediation Project.

The overall costs incurred at December 31, 2019 came to €189 million. These costs relate to the current safety and characterization phase. Estimated costs for managing the emergency security enhancement operations (MISE) for the whole 2023 are €93 million.

Further investigations are currently underway to complete the site's Risk Analysis, which will allow a better definition of the remediation goals as well as a precise estimate of the costs of remediation activities.

**16. Enrico Trovato was in charge of the COVA Centre. What role does he currently play? Were the damages he reportedly caused quantified?**

**Answer**

Eni is confident that Trovato acted correctly and that he will be able to prove that during the proceedings. Therefore, it is believed that no liability profile can be derived from this event.

**17. Oil memorandum in Basilicata. Is it true that Descalzi is planning to invest 4 billion in Basilicata? What is Eni aiming at? As of today, how much are the investments made and for what reason?**

**Answer**

Eni confirms its commitment to a sustainable development project in Basilicata, with the aim of creating long-term value in the area in collaboration with all stakeholders, institutions and citizens.

The economic commitment expected in **the next ten years** is estimated at **over €4 billion**.

In particular, the initiatives Eni intends to carry out in Basilicata in the coming years go beyond traditional activities in the extractive field and extend to energy diversification, decarbonisation, circular economy and other non-oil sectors, with the aim of concretely contributing to the development of a regional model that is sustainable from an economic, social and environmental point of view.

In this regard, the **Energy Valley project**, started in 2019, is underway to promote the



transformation of the Val D'Agri District into an energy-diversified strongly innovative and better-integrated reality.

In addition, in 2019 Eni promoted the "**Opportunities of Basilicata**" study, jointly conducted by a pool of experts from universities and research centres of Southern Italy, such as ENEA Trisaia, CNR Metaponto, ALSIA - the Regional Agency for Innovation and Experimentation in Agriculture -, University of Basilicata, for the enhancement of energy and local resources based on technological and development roadmaps, with the aim of identifying further projects for the enhancement of Basilicata in the fields of circular economy, innovation and energy diversification.

**The economic commitment sustained by Eni since the start of production activities** for the purpose of development, asset maintenance and local initiatives in the area amounts to approximately **€6 billion** (€4 billion of investments and approximately €2 billion of operating costs).

**18. Has it ever happened that Eni was in business relations with one or more companies controlled by the wife of Mr. Descalzi? If so, what was its turnover?**

**Answer**

Neither Eni nor its subsidiary operating in the Congo have or have ever had any contractual relationship with companies that are (as a result of the internal verification procedures or in the award) controlled by the wife of Mr. Descalzi.

Eni reminds that, in April 2018, the Board of Statutory Auditors, the Control and Risk Committee and the Watch Structure approved the engagement of a law firm and a consultancy company, experts in the anti-corruption field, in order to carry out an independent audit of the matter. The audit did not reveal any factual evidence pointing at a direct involvement of Eni or its employees and key managers in the crimes alleged by the Prosecutor. In particular, in addition to not detecting any evidence of the crimes Eni managers/employees are being investigated for in the framework of the investigations for international corruption relating to the award of concessions in the Republic of the Congo in favour or against the company, the audit did not find any conduct aimed at favouring the suppliers who were awarded (in competitive bids and in substantial compliance with the current procurement procedures) services in favour and/or to the detriment of Eni.

In November 2019, following the notification of the further investigative documents, the Board of Statutory Auditors, the Control and Risk Committee and the Watch Structure asked the consultants already engaged in 2018, also to review their conclusions, in light of the documentation made available following the decree notified to the CEO in September 2019. The second report of the consultants (still being finalized) updates the conclusions reached by the first report and indicated that: (i) it is probable that the CEO's wife held a shareholding in the Petroserve Group for a few years starting from 2009 until 2012 and in any case no later than the date the CEO was appointed Board Member; (ii) there is an absence of evidence to contradict the statements made by the CEO as to his lack of knowledge of his wife's interests in the ownership of the Petroserve Group.



**19. Did the Group pay any economic compensation to Scaroni or related companies in 2019? If so, for what amounts?**

**Answer**

In 2019, as in 2018, Scaroni did not receive any economic remuneration relating to the period in which he held the position of CEO/CEO, which ended in 2014.

**20. Has the Group ever paid international bribes, directly or indirectly?**

**Answer**

No.

**21. How high were AGI losses in 2018 (last year you did not have any figures yet) and in 2019? What is their overall amount? I would like to know the names of the Directors.**

**Answer**

Losses came to €6.8 million in 2019; a similar amount to losses in 2018 (in this regard, see also the answer to question 43 of the "Eni ordinary Shareholders' Meeting May 14, 2019 - Answers to questions received before the Shareholders' Meeting pursuant to Art.127-ter of Legislative Decree no. 58/1998). Said losses are substantially in line with those recorded in the recent past (totalling approximately €27 million since 2016) and are connected to the ongoing strong contraction of the market, with cancellations and/or reductions of contracts under renewal, against a cost structure substantially characterized by fixed costs.

In relation to the evolving market, AGI started a deep revision of its business model aimed at consolidating the journalistic nature of the Agency while, at the same time, guaranteeing the offer of innovative solutions and services to the media market, both institutional and corporate. As a result of actions put in place, there has been a reversal of the trend with the return to growth in turnover and with an increasing relevance of new services which represent around 10% of the total turnover.

In addition, in the framework of the repositioning process, the acquisition of a controlling share in D-Share, which took place in 2019, was functional to the digital transformation of the company's operating model, updating the AGI offer in line with the needs of the "media and brands" market as well as the development of adequate skills for the realization of digital projects.

The Board of Directors of the company currently in office is composed of: Massimo Mondazzi (Chairman); Salvatore Ippolito (CEO); Cristiana Argentino; Marco Bardazzi; Anna Elisa Messa.

**22. What contracts have we awarded to the well-known independent firm Pepper Hamilton in 2019? Did he ever found anything negative in our assignments?**

**Answer**

We did not engage this study in 2019. The assignment granted to Pepper Hamilton by the Board



of Statutory Auditors jointly with the Watch Structure in relation to the acquisition of the OPL 245 license in Nigeria ended in 2018. The results were reported in the legal proceedings section of the Annual Reports and in the Reports of the Board of Statutory Auditors to the Shareholders' Meeting to which you are referred.

**23. I would like to know the expenses made by the Eni Foundation in 2019. Does it also operate in initiatives aimed at individual families? How much did it receive from the Group in 2019?**

**Answer**

- 1) Costs incurred by Eni Foundation in 2019 came to approx. €2 million regarding projects in Myanmar and Egypt and €360 thousand, for management costs.
- 2) Eni Foundation does not participate in initiatives aimed at individual families;
- 3) Funding for the year 2019 is approx. €730 thousand, provided by Eni S.p.A.

**24. Regarding the acquittal for bribes in Algeria, did the Prosecutor appeal?**

**Answer**

As reported in the legal proceedings section of Eni's 2019 annual report, in September 2018, the Court of Milan rejected the requests for conviction from the Prosecutor's Office and acquitted Eni, the former CEO and the former Chief Upstream Officer in relation to all charges. Eni's former CFO was also acquitted of the charges brought against him in this role with Eni. The Public Prosecutor and the other parties who lost in the first degree sentence have filed an appeal. On January 15, 2020, the second section of the Court of Appeal of Milan confirmed the acquittal of former Eni managers, declaring that the appeal filed by the Public Prosecutor was inadmissible. Saipem and its former managers involved in the proceeding were also acquitted with the same formula.

**25. How much did the Group pay overall for consultancy in 2019?**

**Answer**

In Eni, 'consultancy' is defined as intellectual services in support of management decisions on specific issues deemed to be of strategic importance.

In this regard, in 2019 Eni Spa entered into contracts for approximately €17 million, mainly attributable to strategic M&A operations and initiatives related to digital transformation.

**26. In which cases has the Group engaged civil servants? For what amounts?**

**Answer**

Eni grants assignments to external professionals through work performance contracts, in compliance with the provisions of the law and in accordance with the internal regulatory



framework, including the verification of potential conflicts of interest. These checks are also ensured in the event that external professionals have the role of public employees.

**27. Has the Group suffered cyber-attacks? If so, what kind?**

**Answer**

Like all companies of similar size and complexity, Eni is constantly subject to cyber attacks. Almost all the attacks are neutralized by automatic security measures as well as countered by operational processes, advanced technologies, training and the creation of a corporate culture on cyber issues for all employees.

The past year has seen the ENI infrastructure resist numerous attacks of various kinds: attempts to spread viruses, steal credentials and access the corporate network, computer frauds, which have had no impact on the corporate business.

The most significant potential threats for the Oil & Gas sector can certainly be identified in industrial espionage and terrorism, linked to sabotage and/or hacktivism. Common threats from cybercrime aimed at obtaining economic profits or pursuing other interests are also to be added (e.g. ransomware, telematic fraud, etc. ...).

**28. Is Eni officially considered a company of strategic interest for the country?**

**Answer**

This qualification does not result from any law. Some Eni assets can be considered of strategic relevance for the national interest for the purposes of the special powers of the State, pursuant to law decree no. 21 of 15 March 2012, converted by law 11 May 2012, n. 56, as amended and related implementation decrees.

**29. What was the cost of the HPC5 supercomputer? How many people work there? Can it be used by industries that request it?**

**Answer**

HPC5 was provided by Dell EMC and consists of 1,820 Dell EMC PowerEdge C4140 nodes, each equipped with 2 24-core Intel Gold 6252 processors and 4 NVIDIA Tesla V100 GPU accelerators. The nodes are connected to each other through a very high performance Infiniband Mellanox HDR 200 Gbit/s network according to a full-non-blocking topology that guarantees direct node interconnection without bottlenecks. The HPC5 system is flanked by a high performance 15 Petabytes storage system. The total cost of the HPC5 hardware project was around €30 million.

There are 8 people working full time on HPC5, all in the Technical Computing for Geosciences & Subsurface Operations Department; to these 5 other external people for Cineca's specialist support should be added. But Eni people who work with HPC5 are many more: in the business sector, along the entire value chain of the energy supply chain, from exploration, to development and monitoring of fields, to the management of the "big data" generated during the operations of all generation



assets, to advanced simulations for the R&D of non-fossil energy sources. In fact, Eni's supercomputing provides strategic support for the company's digital transformation process.

Up to now, Eni has made its Supercomputer available only to international research bodies, under partnership agreements and on specific areas of expertise. These include the Boston MIT on magnetic fusion, the CNR and the ENEA on the simulation of wave motion and climate change. Since April 2020, Eni has freely offered its supercomputing infrastructures, as well as its molecular modelling skills, to Coronavirus research, within the European project EXSCALATE4CoV led by the biopharmaceutical company Dompé, which aggregates institutions and research centres of excellence in Italy and other European countries, in order to identify the safest and most promising drugs in the fight against Coronavirus. Eni contributes to the work as part of a partnership with Cineca, a non-profit research consortium between universities, national research centres and the Italian Ministry of University and Research. The joint team aims to simulate the molecular dynamics of viral proteins considered relevant in the Covid-19 infection mechanism, and identify, through the use of databases containing 10,000 known pharmaceutical compounds, the most effective ones. Subsequently, an activity will be developed for the search for new specific anti-viral molecules through the screening of billions of structures.

### **30. What are the differences between the HPC5 Supercomputer and the Government Supercomputer? Who is responsible for it?**

#### **Answer**

Below we reply with the characteristics of the HPC5 supercomputer; we are unable to make a comparison with those of a possible government supercomputer.

Inaugurated on February 6 and installed in record time (less than two months) at Eni's Green Data Centre, HPC5 uses the latest generation technology and is one of the ten most powerful Supercomputers in the world (the fifth to be exact) , the first ever among computers in the industrial sector (source: top500.org).

The supercomputer is a complex of parallel computing units capable of developing a processing power of 51.7 peak Petaflop/s. Associated with the supercomputing system that has been operational since 2018 (HPC4), this infrastructure reaches a peak power of 70 Petaflop/s: i.e. 70 million billion of mathematical operations performed in a second. The architecture of the new HPC5 supercomputer was conceived with the same philosophy as the previous ones, based on "hybrid" cluster technology (CPU + GPU), an architecture inaugurated in the industrial sector by Eni as early as 2013 and today recognized as a winning architecture widely widespread in the most important calculation centres in the world.

The supercomputers and the Green Data Centre provide strategic support for Eni's transformation process along its entire value chain, from the exploration and development phases of the oil & gas fields, to the management of the 'big data' generated during the operation phase from all production assets (upstream, refining and chemicals) and are fundamental assets for the



achievement of the company's "vision" on the energy of the future, as well as to support Eni's energy transition by identifying new forms of energy.

**31. How much has the previous Supercomputer influenced the search for gas and oil?**

**Answer**

Eni's super-computers, both the pre-existing HPC4, still active, and even more so the recently installed HPC5, allow us to use highly sophisticated internally-developed algorithms for processing data from the subsoil. The geophysical and seismic information we collect worldwide is sent to HPC5 for processing. Based on this information, the system elaborates very in-depth subsoil models, which contribute to identifying what is hidden several kilometres below the surface: this is how, for example, we made the discovery of Zohr, the largest gas field in the Mediterranean.

While the production of gas and oil continues in the traditional geographical areas of the energy industry, the frontier of exploration moves to increasingly remote places and more and more deep into the subsoil. And all this while the demand for world energy requires fast response times. Identifying new resources to be brought quickly into production becomes a very demanding challenge. The use of super-computers such as HPC4 and HPC5 allows us to increase the accuracy of our studies of underground rocks, reducing the margin of error of prospecting and decreasing the time-to-market, or the time that elapses between detection of the field and putting it into production. All of this also has a positive impact on sustainability because it reduces any waste of energy and resources.

**32. In 2019 how much oil did we spill and where?**

**Answer**

Eni is committed to the daily management of the risks arising from oil spills both in Italy and abroad, through increasingly integrated actions on all intervention plans, from the administrative to technical prevention, control and quality/speed/effectiveness.

The statistics on crude oil spills are available in the Consolidated Non-Financial Statement contained in the 2019 Annual Report and in the Eni For report published on our website eni.com (NB the Eni For 2019 report will be online on May 13, 2020).

The total number of operational oil spills decreased by 7% in 2019, compared to 2018, as did that of spilled barrels (-61%). In term of volumes, 44% of spills occurred in Egypt, 31% in Nigeria, 13% in Algeria, 5% in Italy and the rest in other countries.

The number of sabotage oil spills has increased compared to 2018, as have spilled barrels. All 138 recorded sabotage spill events occurred in Nigeria.



**33. To date, what are and have been the conflicts of interest of Descalzi?**

**Answer**

The Company has no evidence of conflicts of interest, based on the declarations made by the interested party and the internal checks carried out.

**34. Is our employee Casula still wanted by the Nigerian authorities?**

**Answer**

See Answer to the next question.

**35. Did Descalzi order him not to appear?**

**Answer questions 34-35**

Eni reminds that arrest warrants were repealed by the Nigerian Court on October 25, 2019. Eni spa and its managers who were previously hit by these measures are not involved in any pending proceedings in Nigeria.

**36. In case of conviction, will the CEO resign?**

**Answer**

The law provides for final sentences (i.e. after the Court of Cassation) to be the cause of forfeiture for specific crimes.

**37. Does the Group have relationships with companies headed by Serge Pereira, that is, the husband of Cindy Descalzi?**

**Answer**

We are not aware of any relationships with companies owned by Serge Pereira.

**38. Serge Pereira is a shareholder of Cap Energy, a gas and oil company. What are the Group relations with that company?**

**Answer**

Eni has no relationship with Cap Energy.

**39. At what prices and from whom did we buy works of art? Who is in charge of the sector at Eni?**

**Answer**

During 2019, no purchases of works of art were made. The activity is managed centrally within



the scope of the business support functions.

- 40. What does Descalzi think of Ms. Litvack, a candidate for reappointment in the BoD? Is it true that in the past the CEO has used vulgar words in front of her? This was reported by the Valori.it magazine of December 20, 2018 (<https://valori.it/la-supertestimone-ridicolizza-la-governance-eni-e-tira-in-ballo-marcegaglia/>). Is Litvack still being investigated by the Syracuse prosecutor?**

**Answer**

We have reiterated that the CEO has never used vulgar words with Director Litvack, with whom he has worked for six years, in a fruitful and cordial relationship within the board.

Director Litvack is no longer being investigated by the Syracuse prosecutor. The periodical "Valori" is responsible for its own statements, considering that the testimony of Director Litvack, (available on the Radio Radicale website <https://www.radioradicale.it/scheda/560714>) certainly does not lend itself to interpretations or speculations irrelevant for the discussion of Eni 2019 financial statements.

- 41. What proceedings does lawyer Neri Diodà follow for Eni? What was his cost in 2019?**

**Answer**

Nerio Diodà is the defence lawyer of Eni SpA in two criminal proceedings: (i) in the context of the proceeding in which Eni is charged pursuant to Legislative Decree 231/2001 for the crime of international corruption currently pending before the VII criminal section of the Court of Milan and (ii) in the context of the so-called procedure Congo currently under investigation at the Milan prosecutor's office.

Nerio Diodà is the defence lawyer of Eni S.p.A. in the OPL 245 proceedings (so-called Nigeria), currently underway before VII criminal section of the Court of Milan as civil the defence lawyer of accused ENI personnel and as administrative manager pursuant to law 231. He is also the defence lawyer (with another professional) in the investigation of the Milan Public Prosecutor's Office relating to licenses by Eni in the Congo.

Eni does not comment on the remuneration of professionals appointed, while confirming that services are rendered in accordance with the stipulated contract, justified on the basis of hourly reporting against a list of tasks that is verified by the person in charge of the file, according to the procedures in force in the Eni Group.

- 42. At what point is the Nigerian government's request for damages before the English High Court of Justice? How high is the overall claim for compensation?**

**Answer**

As reported in the legal proceedings section of Eni's 2019 financial report, the request has initially



been quantified at \$1,092 million or other value that will be established during the proceedings. The Federal Republic of Nigeria bases its assessment on an asset value estimate of \$3.5 billion. Eni's stake is 50%. Please note that Nigeria is a civil party in the Milan proceeding and that therefore the above proceedings appear to be a duplication of claims made in Milan against Eni's people.

In April 2020, a hearing was held before the High Court of Justice in London which must rule on the continuation of the case against the exceptions of lack of jurisdiction and duplication of the case brought by the Nigerian Government in illegitimate overlap with respect to the case before the Court in Milan. The English Court will issue its decision on the point (whether to continue or not) in the coming months.

**43. Is the mega-field concession in Nigeria subject to revocation? For Eni, how much is the field worth, compared to the \$3.5 billion claimed by the government of Nigeria?**

**Answer**

**OPL 245 (Oil Prospecting Lease, that is, an exploratory permit) is not currently subject to revocation by the granting authority.** Disputes exist between Eni and the Nigerian government, which has become a civil party in the proceedings before the Court of Milan and the Court of London (with Eni objecting to the lack of jurisdiction and the duplication with respect to the Milanese proceedings).

**44. Is it true that Nigeria cashes in 41% of generated revenues from extracted oil, against a (minimum) 65% as per recommendations of the IMF for producing countries?**

**Answer**

As regards OPL 245, it should be remembered that the license has never been transformed into extraction and therefore the field has never been developed and put into production, despite Eni's huge investments to date. Not a single barrel has ever been pulled out. **We are thus discussing a theoretical government take, which on OPL 245 would have been set at 69% (and not 41%), as confirmed by Pasquale Lucio Scandizzo (Open Economics).** The appraisals in this regard have already been filed with the Court of Milan and will also be published on the Eni website. It should also be remembered that while the Nigerian government has benefited from the investments made so far by Eni/Shell, which have led to the discovery of oil reserves (besides the consideration of \$1.3 billion, approximately \$340 million in past investment were made by Shell before 2011 and over \$700 million were spent by Eni and Shell from 2011 until today for further exploration activities and license maintenance), Eni has not obtained any revenue to date. Furthermore, it is important to highlight that the reference to the 65-70% value by the IMF identifies a general limit for the profits of a government, as it is based on average values that do not take into account the specificities of the OPL245 block, i.e. the its specific risks (both geological



and industrial) linked to the fact that it was an undeveloped ultra-deep offshore project, with exploratory activity still ongoing, in a country with a very high political risk.

Finally, it should be remembered that Eni publishes on its website the "**Consolidated Report on Payments to Governments**", containing data of payments annually paid by Eni to the governments of the producing countries, broken down by type of income, project and recipient body. In 2018, the latest available data, Eni paid Nigeria about €1.4 billion.

**45. For Eni, who is Omeka Obi, indicated in a legal report of the company, as an intermediary of Malabu?**

**Answer**

For Eni, Mr. Emeka Obi is the legal representative of the companies Eleda Capital and Energy Venture Partners, agents of Malabu OIL & Gas Limited. It is recalled that the negotiations relating to OPL 245 in which Mr. Obi acted as Malabu's representative stopped on October 4, 2010 following Malabu's refusal to accept the terms and conditions set by Eni. Subsequently (as is known), Eni reached several contractual agreements with the Nigerian government for the OPL 245 concession without any intervention or involvement of Mr. Obi.

**46. What role does Donatella Ranco, formerly head of Eni international contracts, currently play in the Group?**

**Answer**

Eni does not provide information on employees in non-top positions.

**47. What role does Valentina Ferri currently play in the Group?**

**Answer**

Eni does not provide information on employees in non-top positions.

**48. Why didn't Eni ever ask Obi for a letter confirming that he represented Malabu during the negotiations? In which other cases has such a thing happened? Yet it was a multimillion dollar deal and several reservations were voiced by employees.**

**Answer**

The circumstance is clearly false and in contrast with the factual and testimonial findings during the OPL 245 hearing before the VII section of the Milan court. Credentials of Mr. Obi (as the representative of Malabu) were (i) requested by Eni representatives on February 17, 2010, (ii) exhibited by Mr. Obi, (iii) verified by the two Eni representatives, (iv) Eni carried out due diligence activities on Mr. Obi regarding his reputation, professional and otherwise, and (v) Eni signed a confidentiality agreement with the company represented by Mr. Obi only and only after the above checks.

Any different statement made on this issue by the Luigi Zingales in the OPL 245 proceedings in



the Court of Milan on October 31, 2018 has been fully denied and is not true.

**49. Why does the curriculum of Lucia Calvosa does not show that she has been a board director of the editorial company Il Fatto Quotidiano since 2014?**

**Answer**

The curriculum vitae of Lucia Calvosa, included in the documentation accompanying the list filed by the Ministry of the Economy and Finance for her appointment in the Board of Directors, shows that she has been a Director of SEIF SpA, the publishing company of Il Fatto Quotidiano, since 2014.

**50. According to Eni, when did Enrico Trovato, former head of the COVA in Viggiano, first learn about oil spills in Basilicata?**

**Answer**

Mr. Enrico Trovato was Head of the Southern District of ENI S.p.A. from September 23, 2014 to January 31, 2017 and during this period he was responsible for the management of the Val D'Agri Oil Centre (COVA), assuming, like any other operating unit of each business line, responsibility and direct oversight of all environmental and safety problems of plant assets, with a view to achieving the objectives set by the Company for the protection of the environment, the safety and health of employees and non-employees, according to international best practices.

Mr. Trovato learned about the oil spills event at the COVA tank D in early February 2017 when he was in the Southern District of Viggiano to handover responsibility for the plant to a new Manager, who entered in office on February 1, 2017.

**51. Has it ever happened that Litvack's declarations were excluded from the minutes of BoD's meetings?**

**Answer**

The drafts of the minutes of the BoD meetings are previously submitted to the Directors for their verification and comments and have always been approved unanimously by the BoD.

**52. What did the director Litvack testify in the proceedings where Descalzi is accused of international corruption?**

**Answer**

The full testimony of Director Litvack, like all the statements made during the trial currently underway at first instance before the Court of Milan, are available on the Radio Radicale website. In particular, the statements referred to in this questions can be found at the following link: <https://www.radioradicale.it/scheda/560714>.

**53. Who is Eni's head of security? How many people is it made of? Has it ever prepared files, stalked and intercepted directors of the Eni Group?**



#### **Answer**

Alfio Rapisarda is the head of Eni Security. The Security structure of Eni SpA is made up of approximately 40 resources. As for the last question, the answer is no.

#### **54. What was the impact of lower oil prices on the Group? What are the losses as of today?**

Adjusted operating profit for the first quarter of 2020 came to €1.31 billion, a decrease of €1 billion (or 44%) compared to the corresponding quarter in 2019. Excluding the scenario effect (€1.1 billion) and the COVID-19 impact (-€0.15 billion), the performance was positive for €0.2 billion (+ 16%).

Adjusted net profit for the first quarter of 2020 came to €59 million, down by more than 90% compared to 2019, due to the drop in operating income, lower performance of the JVs and other equity investments reflecting the deterioration of the macroeconomic scenario; in addition, tax rate increased to 92% (+38 pp vs 2019).

#### **55. What are the impacts of the Coronavirus to date?**

#### **Answer**

The COVID-19 impact in the first quarter of 2020 amounted to €-0.15 billion and included: a reduction in gas demand, disrupted LNG sales in Asia, operational impacts on hydrocarbon production, lower volumes in R&M and Chemical, greater provisions for bad debts (for expected loss update).

#### **56. What relationship do we have with Russia? What do we collaborate in?**

#### **Answer**

Eni has been present in the Russian Federation since the sixties of the last century, when the first agreements were signed for the purchase of oil and gas from the USSR. Eni was one of the first European companies to establish economic and commercial relations with the USSR.

Eni still imports Russian crude oil and refined products, both via pipeline and on international markets, while we are among the main customers of Gazprom for the import of gas.

In 2019, Eni imported around 19 billion cubic meters of gas from Russia, which represents around 27% of total gas imports into Italy.

Furthermore, we are 50% partners with Gazprom in the Blue Stream project, a gas pipeline that has been transporting Russian gas from Russia to Turkey since 2003.

In the upstream sector, Eni holds minority interests (33.33%) in two JVs with Rosneft in the Barents Sea (Russian territory) for which all exploratory operating activities are suspended due



to international sanctions and only administrative activities continue.

Eni also collaborates with Russian companies in the Upstream of third countries: it operates in partnership with several Russian companies, including Rosneft in Egypt (Zohr), Lukoil in Kazakhstan, Mexico, Congo etc. and with Novatek in Montenegro and Lebanon.

In the downstream sector, Eni operates with Rosneft and other partners in the German Schwedt refinery. Eni is also present on the Russian market in the chemical sector through Versalis, which markets chemicals on the Russian market.

Through its subsidiary Eni Nefto, Eni operates in the oil downstream in Moscow, with a service station, through which it is also active in the sale of Eni brand lubricants.

Finally, Eni holds a 2% stake in the Caspian Pipeline Consortium (CPC), which built and operates an oil pipeline for the transportation of oil from Kazakhstan to the Russian terminal of Novorossiysk, on the Black Sea.

**57. What types of cyber-attacks has the Group been the victim of? Did you report any?**

**Answer**

During the past year, Eni's infrastructure resisted several attacks of various kinds: attempts to spread viruses, steal access credentials to the corporate network, computer frauds, but which have had no impact on corporate business. Also for this reason, no complaints were sent to the competent authorities in 2019.

Eni maintains relations with institutional bodies, at central level for the purpose of protecting people, infrastructure and corporate assets in a broad sense, also in a logic of public-private "participatory protection".

To this end, Eni holds constant relations with the Ministry of the Interior - National Anti-crime Computer Centre for the Protection of Critical Infrastructure, the Security Intelligence Department (DIS) of the Prime Minister's Office, the Ministry of Economic Development.

**58. In percentage terms, how much more is the Eni Group exposed to the Marcegaglia Group than in previous years?**

**Answer**

The impact on Eni Group's turnover is marginal.

**59. What types of agreements were signed between 2019 and the current year?**

**Answer**

The Marcegaglia Group (currently comprising 21 companies) has been under contract since the end of 2015 (first withdrawals in November 2015).

In 2019, two companies joined the Group and more precisely:

- PUGNOCHIUSO GROUP MARCEGAGLIA SPA



- **ALBARELLA GOLF CLUB**

All the companies of the Marcegaglia Group have signed our standard Multicard contract.

Below are the volumes and turnover for the years 2017, 2018, 2019 and 2020 up to the first half of April:

	2017	2018	2019	April 2020
Volumes (lt)	472,137	449,564	459,021	96,997
Revenues (€)	685,276	703,716	717,818	150,663
% change over previous year	-	2.7%	2.0%	-

Eni trades lubricants with the Marcegaglia Group on a spot basis. The turnover of the last 2 years were:

- **2018** = €137 thousand

- **2019** = €103 thousand (-25% vs 2018)

- **1 quarter 2020** = €5 thousand (-63% vs 1 quarter 2019)

Finally, services for the management of the properties owned by the Marcegaglia Group from 2016 up to date, worth €1.8 million.

**60. Can Mario Notari, Director for several companies, hold the office of Statutory Auditor while being a Notary and full professor? How can he teach, attend meetings in at least 3 companies, and work full time as a notary while being a Statutory Auditor in a large company like Eni?**

**Answer**

Statutory Auditors are chosen from among people possessing the qualifications provided for by applicable law; current legislation regulates the number of offices statutory auditors can hold, and the Board of Statutory Auditors periodically check their compliance. In addition, upon acceptance of the appointment, the Auditors declare that they can devote the necessary time to the diligent performance of their duties, in line with the recommendations of Art. 8.C.2. of the Corporate Governance Code for listed companies.

**61. To date, how much has the Group paid to Teresa Pomodoro's No'Hma Theatre? How much did we pay her in 2019? Are any future members of the Board of Directors involved in or have been involved in this theatre?**

**Answer**

Eni has been a partner of the Spazio Teatro No'hma Cultural Association since 2010, in line with its commitment to promoting accessibility to culture. The success of the events organized by the theatre and the wide public success allow to reach diversified targets; in particular, the Theater has



the merit of attracting young people, who are increasingly crowding into the No'hma Space and showing an enthusiastic and convinced participation. Moreover, the Theater has a recognized important social function within the Milanese context, an area that has always been important for Eni. The partnership was developed through various agreements, whose value changed over the years, in relation to the benefits recognized to Eni. With reference to 2019, the value of the partnership has been in line with previous years. As regards candidates for Eni's Board of Directors, Lucia Calvosa was a Director of Spazio Teatro NO'HMA Teresa Pomodoro from 2016 to 9 May 2020.

**62. Has the Group ever carried out illegal waste management? If yes, under what circumstances?**

**Answer**

No. When Eni carries out waste management activities, this is done with all the authorizations required pursuant to current legislation.

**63. Did the Prosecutor appeal to the Court of Cassation against the acquittals of the Algeria case?**

**Answer**

Due to the national health emergency, deadlines have been extended and an appeal could still be filed.

**64. Does the Group have any ongoing arbitrations proceedings?**

**Answer**

The Group currently has some ongoing arbitrations in the gas, LNG and power sectors, whose potential impacts, when negative and probable, have been assessed and considered in the preparation of the financial statement data. We cannot provide further information as the proceedings are covered by confidentiality.

**65. What are the exact issues of the eight complaints pursuant to Art. 2408 c.c. to the Board of Statutory Auditors? Very little emerges from the Report of the Board of Statutory Auditors.**

**Answer**

As reported in the Report to the Shareholders' Meeting, complaints received regarded events related to the main judicial proceedings relevant to the administrative liability of Eni SpA pursuant to Legislative Decree 231/01 as illustrated in the Annual Report and in the Board of Directors' Report to the Shareholders' Meeting. The Board examined in depth the complaints, also through meetings with the top management of the relevant company structures and accounts for the



irregularities found as a result of these investigations in its Report to the Shareholders' Meeting under section "Supervisory activities on the internal control and risk management system and of the administrative accounting system".

**66. When did Eni Group import oil from Iran last?**

**Answer**

The last import of oil from Iran dates back to 2018 and relates to Iranian light and Iranian heavy crude oils for a total quantity of 1.8 million tons.

**67. Considering that Eni's financial statements are submitted to the Italian Court of Auditors, what are the findings of their supervision in the last 5 years and to date.**

**Answer**

There have been no remarks of the Court of Auditors. In particular, in compliance with the provisions of article 100, second paragraph, of the Constitution and Law 259/1958, the Court of Auditors expresses its assessments on the control activities on Eni's financial management, in the annual report presented to Parliament; in addition to the report to the Parliament, according to the aforementioned legislation, the Court formulates remarks to the competent ministries when it finds irregularities in the management of the entity and in any case when it deems it appropriate.

**68. I would like to know the total net emoluments received by the CEO and the Chairman of Eni in 2019 as well as tax paid, respectively, from the payments received.**

**Answer**

As reported on page. 44 of the Report on the Remuneration Report, in 2019 Mr. Descalzi received a total gross amount of €5.694 million and Ms. Marcegaglia a total gross amount of €500,000. National and local tax and social security regulations apply to these amounts.

**69. I read a report of the Board of Statutory Auditors in which the statutory auditors wish to increase the remuneration of the Board of Statutory Auditors. Certainly if the Board asked for an increase, it must be because they are aware of how much money the Group saved thanks to them. And then it is right that their merits should pass unnoticed. How many events harmful to the Group did the Auditors find during the six years of their term? If the list of their innumerable merits in recent years is too long, can you at least indicate the most important events that emerged following checks by the Board of Statutory Auditors?**

**Answer**

As required by the rules of conduct for the boards of statutory auditors of listed companies issued



by the National Council of the Italian accounting profession (CNDCEC), at the end of its term, Eni Board of Statutory Auditors adopted the "Advice for the Board of Statutory Auditors of Eni SpA to be appointed at the Shareholders' Meeting called for 13 May 2020". Based on the Board's past experience and the results of the self-assessment process, this document provides the Shareholders with an outline of the skills and professional experience that, in addition to statutory requirements, most contributed to the efficient and effective functioning of the Board, also providing useful indications for assessing the commitment and duties of the Board of Statutory Auditors also considering that it performs the role of Audit Committee pursuant to SEC rules applicable to Eni SpA since it is listed on the NYSE. The supervisory activities carried out by the Board of Statutory Auditors and the related outcomes are detailed in the Reports to Shareholders' Meetings drawn up annually pursuant to the law.

**70. How much is the end-of-term benefit of the statutory auditors who were not re-appointed?**

**Answer**

There are no end-of-term benefits for the Statutory Auditors, in line with the Civil Code which only provides for an annual remuneration approved at the Shareholders' Meeting for the entire duration of the term (Art.2402 of the Italian Civil Code).

**71. Are there any exception on the maximum number of positions approved by the Board of Directors? Why were companies of the Eni Group excluded from the limits on positions? What criteria did the BoD use in making such a decision?**

**Answer**

The advice of the Board on the limit on multiple offices was adopted with a resolution of April 13, 2017, in line with the recommendations of the Corporate Governance Code. In particular, the Board confirmed the previous advice of September 17, 2015, which had reduced the maximum number of non-executive positions that an Eni Director can hold. Eni's advice is in line with international best practices and with the indications of the proxies advisors.

In any case, there are no directors of Eni who hold positions in other Group companies.

The Board, after preliminary investigation by the Nomination Committee, has always ascertained compliance with the limit by all the Directors.

**72. In 2019, in which companies of the Eni Group were Ms. Marcegaglia and Mr. Descalzi present?**

**Answer**

None

**73. In the last three years, who are the Directors who have exceeded the limits on the**



**maximum number of positions envisaged by the Board of Directors?**

**Answer**

See Answer 71.

**74. Does the Chief Operating Officer receive compensation on the results achieved?**

**Answer**

As specified in the Remuneration Report, Chief Operating Officers, as all key management personnel, are included in the variable (short and long term) incentive plans provided for the CEO and anchored to targets *"defined in advance, measurable and mutually complementary in order to fully capture the priorities that underpin the Company's overall performance"*.

**75. Speaking of maximum number of positions, the Corporate governance and shareholding structure Report accounts for a further verification carried out on the Director Trombone. How did it happen?**

**Answer**

Please refer to the information provided on page. 45, note no. 106, of the 2019 Corporate governance and shareholding structure Report, available on the company website at the address <https://www.eni.com/assets/documents/governance/2020/eng/Corporate-Governance-Report-2019.pdf>. The verifications of the Board of Directors on compliance with the limit on multiple offices are carried out with the preliminary support of the Nomination Committee.

**76. I state that for me Mr. Descalzi, although unsuitable for his role, is to be considered innocent until remote and eventual final sentence. Indeed, having studied the papers for what little I have been able to learn from the media, my judgment is that he will certainly be acquitted in the first instance of the charge of corruption. However, as a shareholder I cannot help but ascertain the presence of other investigations against the CEO, on which, at present, no one can form any opinion. And in fact, considering that, in addition to the crime of corruption, other investigations are underway against him, I ask if it would not be appropriate for the BoD to suspend Mr. Descalzi, in order to avoid the remote but still real possibility that the judiciary decides, right or wrong, that one of the following conditions envisaged by the Italian criminal code occurs, for which arrest is allowed during preliminary investigations: tampering with evidence, continuation of crime, attempt to escape. These three cases governed by the Italian Criminal Code, while hoping that the conditions for applying them do not exist, if put into practice, even individually, could cause a shock to the Group, with inevitable repercussions on the markets. That is, I mean that Mr. Descalzi's staying in office is not so much tied to his fate but to the consequences for everything he represents. Of course, it is also true that**



**in these cases one resigns to defend himself in the trial but given that the CEO, it must be said, has no obligations in this sense, I ask: if the BoD suspended him from office, temporarily appointing another Director in his place, wouldn't our Group and shareholders be better protected from the improbable but still possible repercussions that the ongoing investigations could indirectly cause to the Group and the markets? Certainly, if this happened we could not blame the judiciary, since Eni has a staff of criminal lawyers perfectly capable of assessing this risk. Has no law firm ever proposed anything of the kind to the BoD and/or the CEO and/or the Chairman?**

**Answer**

Eni's board of directors has already expressed full confidence in Mr. Descalzi following the checks carried out on the "OPL 245" affair.

Eni's defence of the investigation is handled by the legal department that reports to the Control and Risk Committee, while the Chief Executive Officer takes care of his personal defence separately and with professionals of his own choice.

**77. I would like to understand how the process of answers to pre-meeting questions works: Who in the Company sees them? Who responds on behalf of the Company? Who makes the preliminary work?**

**Answer**

The drafting and control of answers to the questions received by the Company before the Shareholders' Meeting are carried out in a manner similar to the preparation of the company's institutional information such as financial statements and sustainability reports. For the purposes of institutional reporting, the Company has adopted a system of procedures and controls of the compliance with disclosure obligations which basically provides for a process of preparation, control and sharing with the top management of information on financial and non-financial performance in order to ensure accurate, complete, transparent and timely information, allowing the user to fully evaluate the Company's performance, its industrial and ESG strategies, prospects and risks. These drafting and control processes are generally coordinated by the corporate functions that report to the Chief Financial Officer or the Chief Services & Stakeholder Relations Officer. These processes and controls are also applied to the answers to the pre-meeting questions: the coordinating function sorts the questions to the business units (such as the hydrocarbon development unit, refining, renewable energy division etc.) or to the staff units (e.g. the Legal Department, HSEQ, Financial Departments) each responsible for the matter of the question. The functions in charge draw up the answers by activating internal information flows, territorial controls, plant units or, in the case of the staff, the relevant competence centres. The answers are collected and checked by the central coordinating function (such as CFO or CSRO) and finally shared with the top management for final approval. In the event of particularly



sensitive issues (such as legal issues or compliance with regulations, relations with related parties) the Company's control bodies (Board of Statutory Auditors or Committees of independent directors such as the Control and Risk Committee) are also involved.

All the answers thus collected and screened are then organized and sorted by shareholder and published in a specific file distributed on the company website by statutory deadlines.

**78. Has the Risk Control Committee always taken its decisions unanimously? Who took their minutes? What did the dissenting member record?**

**Answer**

The Committee Regulations provide that the Senior Executive Vice President Internal Audit performs the role of Secretary and assists the Committee and its Chairman in carrying out the related activities; the minutes of the Control and Risk Committee meetings are handled by the Committee Secretary who is assisted, for this purpose, by staff from the Internal Audit Department. The minutes of the Committee meetings reflect the positions taken by the Committee as a whole and the positions of individual members, even if dissenting. Furthermore, in accordance with the Regulations, the draft report is submitted to the Chairman and the other Committee members for their remarks, therefore they may request to make any clarifications in the minutes.

With reference to the last three years, decisions have always been taken unanimously.

**79. Has the Control and Risk Committee always unanimously chosen the topics to discuss?**

**Answer**

The Regulation of the Control and Risk Committee provides that the agenda of the Committee meetings is prepared by the Chairman with the assistance of the Secretary of the Committee: Moreover, if requested by at least two of Committee members, a special meeting may be called for the discussion of a specific item they consider particularly relevant. Items proposed even by a single member have however been included in the agenda if they pertain to issues within the remit of the Committee.

**80. With reference to "Transactions with interests of Directors and Statutory Auditors and transactions with related parties," who in the Control and Risk Committee expressed a contrary opinion and why?**

**Answer**

There are no transactions with related parties under the responsibility of the Control and Risk Committee for which a contrary opinion has been expressed by the Committee or by its individual members.

**81. What are the minor transactions examined by the Control and Risk Committee?**



**Answer**

The notes to the financial statements (note 36 of Eni's consolidated financial statements and note 34 of Eni SpA's financial statements) list the transactions carried out with Eni's related parties subject to disclosure obligations.

Other related-party transactions are not subject to disclosure obligations and some are completely excluded from the application of the legislation, in accordance with Consob provisions.

In any case, for all transactions not excluded, the Company's interest in completing the transaction as well as the convenience and substantial correctness of the relative conditions were positively assessed by the Control and Risk Committee (or, where competent, by the Remuneration Committee).

**82. Which associations are funded by the Group? To what purpose?**

**Answer**

Eni does not fund any associations. We participate through the payment of an annual fee to industry associations with purposes of corporate interest.

**83. What are the qualifications of Egon Zehnder, an advisor who provided support to the Board of statutory auditors? Can you detail the costs, although they are certainly in line with market levels? Indeed, the writer does not know what the market prices are.**

**Answer**

Egon Zehnder was engaged by the Board, with the help of the Nomination Committee, for a term of three years, to provide assistance with the Board review, following a tender involving companies with recognized competence and experience in the sector and a high standing. Egon Zehnder's engagement also included support to the Board of Statutory Auditors for its self-assessment. It is therefore a global assignment, in which the costs for the individual activities conferred are not specified.

**84. Is the CEO charged and/or under investigation also abroad? If yes, in which countries?**

**Answer**

No.

**85. What are the names of people who have access to privileged information?**

**Answer**

In line with current legislation, Eni's internal regulations govern the rules for keeping and updating the Register of persons having access to Eni's privileged information.

The Register is drawn up in electronic format and ensures the traceability of people who have



access to privileged information.

There is also a "permanent" section in the Register in which Eni people involved in the process of evaluating privileged information on a regular basis are registered.

**86. Will Ms. Marcegaglia, who is not a candidate, resign from the Enrico Mattei Foundation?**

**Answer**

Ms. Marcegaglia has been appointed Chairman of the Enrico Mattei Foundation by the Foundation Board of Directors for three years, until 2021. She will however carry out her own assessments regarding the opportunity to keep this position.

**87. Who proposed the appointment of Giovanni Bazoli in the Enrico Mattei Foundation? What is the relationship between the Mattei Foundation and the Intesa Sanpaolo Group?**

**Answer**

The Bylaws of the Eni Enrico Mattei Foundation provides that Eni SpA appoints the directors of the board; Mr. Bazoli was appointed by Eni in 2009, 2012, 2015 and 2018. The Foundation has no relationship with the Intesa Sanpaolo Group, except for the non-exclusive assignment to Fideuram S.p.A. for the management of part of the Foundation's assets, together with Deutsche Bank Wealth Management S.p.A. (the resolution was taken with the abstention of Mr. Bazoli).

**88. Has the Enrico Mattei Foundation received funding from the Banca Intesa Group?**

**Answer**

No, the Eni Enrico Mattei Foundation has never received funding from the Intesa Sanpaolo Group.

**89. Being abroad, how does Ilaria Capua attend the meetings of the Board of Directors of the Enrico Mattei Foundations? Does it do via Internet?**

**Answer**

Capua attended the meetings of the BoD both in physical presence in Milan and by telephone, as required by the Foundation's Bylaws.

**90. What is the amount of end-of-term benefit that Chairman Marcegaglia will receive from Eni?**

**Answer**

As Chairman of the Foundation, Emma Marcegaglia does not receive any compensation. Her term in the Foundation ends in 2021 with the approval of the 2020 Budget, therefore by April 2021.



As specified on page 26 of the Remuneration Report, there are no end-of-term benefits for the chairman of the BoD.

**91. How much did the Mattei Foundation spend in 2019? How many employees are there?**

**Answer**

Expenditures recognized in the 2019 Report totalled €7,759,418.21. The total number of employees as of May 4, 2020 is 27, 7 of which are temporary and 5 part-time.

**92. Looking at the website of the Mattei Foundation, I note that Ms. Linda Isola is head of Budget control; Accounting and personnel; General Services. Why is all this work concentrated on one person?**

**Answer**

The Eni Enrico Mattei Foundation has its own organizational structure which is not defined by Eni. Eni appoints the FEEM Board of Directors, which appoints the Executive Director responsible for the organization of personnel. Specifically, given its operational size, the Foundation has a numerically limited staff structure, having a total number of employees of less than 30. Specifically, Linda Isola is responsible for several functions - each of which has its own dedicated staff - and reports to Administration and HR Management.

**93. How can you get the 2019 Annual Report of the Mattei Foundation? Why, to date, only the 2018 Report has been published on the Foundation's website?**

**Answer**

The 2019 Annual report of the Eni Enrico Mattei Foundation was approved by the Board of Directors only on April 27, 2020, and has been available on the website [www.FEEM.it](http://www.FEEM.it) since May 6, 2020.

**94. However, with reference to the Foundation's 2018 Annual report, what are the costs of property? To whom have contributions over €150,000 been made? What are the "expenditure before amortization" for about €900,000? Does the Eni Foundation also provide support to individual disadvantaged families?**

**Answer**

FEEM has offices in properties that have management and maintenance costs, although they are not owned by the Foundation. The contributions referred to are not reported in the 2018 report for the amount indicated, the amount of contributions (typically membership fees) amounted to a total of €27,079.69 in 2018. There is no figure of around €900,000 [expenditures net of depreciation for 2018 amount to €5,726,952.07]. The FEEM is a research body, its statutory purpose is to "contribute, through studies, research, and training and information initiatives, to a



broader awareness and understanding of economic, energy and environmental issues, at both on a local and global level"; It is not a charity and therefore does not provide or could provide "support" such as those mentioned.

**95. How much did the Eni Group provide to the Eni Foundation in 2019?**

**Answer**

The contributions paid by the Founder in 2019 amount to a total €5,750,060.01.

**96. In the Eni Board of Directors, which directors have delegated powers, in addition to the Chairman and the CEO?**

**Answer**

No Director other than the Chief Executive Officer has executive powers.

**Shareholder D&C Governance Technologies**

- 1. Provided that we don't deem it correct that the company, in spite of being able to call the shareholders' meeting within the most extended deadline of 180 days from the end of the financial year (as granted by Art. 106 of the Law Decree of 17 March 2020), has decided to call the meeting in practically the same period as last year, therefore at a time when members have no possibility to participate and take the floor, thus eliminating any possibility of discussion and debate among the shareholders, we specifically ask what are the reasons why the company has not chosen a longer deadline so as to allow a meeting with full participation of shareholders?**

**Answer**

The date of the Shareholders' Meeting was established to allow the payment of the dividend within the time limits the market and shareholders are used to.

- 2. Why has the company not provided for the use of remote participation tools pursuant to Article 106 "Cura Italia" paragraph 2?**

**Answer**

The Company has legitimately decided to avail itself of the faculty expressly provided for in paragraph 4 of Art. 106 of Legislative Decree no. 18/2020, now converted by law no. 27/2020, to allow the participation of Shareholders in the Shareholders' Meeting exclusively through the Shareholders' Representative.



**3. Was this decision taken after a specific discussion within the Board of Directors?**

- If the answer is yes, we also ask "were there any directors who voted against or abstained"

- If the answer is no, we also ask "Why? And who made the decision?"

**Answer**

The Board of Directors has given a mandate to the Chairman to detail in the notice of call for the Shareholders' Meeting the methods of conducting the meeting, without the physical presence of the shareholders, in accordance with the provisions contained in the Legislative Decree no. 16/2020 and subsequently shared the choice made.

**4. From the wording of the notice, it would seem that the only way for members to ask questions in relation to the meeting is through the "pre-meeting" questions, is this so? Or are they allowed to ask the Shareholders' Representative pursuant to article 135-novies, (even if this must be the Trevisan e Associati law firm) - to ask questions on their behalf?**

If the Answer is "yes, this is the only way" we also ask:

- How does the company intend to respect the shareholders' right of intervention by not providing the possibility for them to send questions through the Shareholders' representative? For this purpose, please note that Art. 106 of Law Decree no. 18 'Cura Italia' clearly indicates that the shareholders' representative "may also be granted proxies or sub-proxies pursuant to article 135-novies of the Legislative Decree 24 February 1998, n. 58, - the recipients of these proxies are authorized to ask questions on behalf of the person granting the proxy during the meeting."

- How does the company intend to respect the shareholders' right to reply to the answers received through the "pre-meeting questions"?

If the answer is "No, questions may be asked through the Shareholders' Representative" we ask:

- What are the methods for conveying the questions to the Shareholders' Representative?

- Why doesn't the form available on the company's website include a section for providing instructions/questions?

**Answer**

Questions can be asked through the Shareholders' Representative, but answers not affecting the vote will be provided after the Shareholders' Meeting, as the Shareholder cannot change their voting instructions, based on the answer. To this end, the proxy form available on the website contains a section called "space for the items and any other instructions". In this space, the



Shareholder will also be able to express his/her voting declaration (Shareholders' Meeting Rules do not provide for replies), based on the answers received to the pre-meeting questions.

- 5. Is it possible to send declarations and explanations of vote to the Shareholders' Representative so that they can be read or delivered to the Chairman of the meeting to be included in the minutes? If so, how can this be done?**

**Answer**

Please see Answer 4.

- 6. Since the notice in point 5.2 - unlike in point 5.1 - does not specify it, we ask if proxies pursuant to Art.135-*novies* grantable only to the Shareholders' Representative are free of charge for the party granting it? In case they are, we ask why it has not been specified in the text; in case they are not, we ask to know the expense to make all shareholders aware of the cost.**

**Answer**

Also the proxies pursuant to Art.135-*novies* of the TUF, which can only be granted to the Shareholders' Representative, are free of charge for the delegating party (without prejudice to shipping costs in case of paper submission), in line with the principle of gratuity expressly provided for by the Art. 135-*undecies* of the TUF and as such referred to in the notice of meeting only in point 5.1.

- 7. Is it correct to believe that proxies pursuant to Art.135-*novies* can be granted in any type of standard form/format normally used and accepted in previous meetings and that the form art 135-*novies* available on the site is only one of many options?  
If the Answer is "no, the form on the site is mandatory", we also ask "what is the regulations that obliges the granting party ex Art. 135-*novies* to use a form predetermined by the company or the Shareholders' representative"?**

**Answer**

Yes.

- 8. How will the Shareholders' representative attend the meeting? In person or remote connection?  
If the Answer is "remotely", we also ask to know which technical method will ensure the control of the identity of the Shareholders' Representative and which tools have been chosen to verify the security of the data transmitted during the meeting?**



**Answer**

The Shareholders' representative will participate in the Meeting in person.

- 9. Are journalists and financial analysts included in the parties that will also participate in the meeting via remote connections?**

**Answer**

**No.**

- 10. In communication no. 3/2020 Consob mentioned the possibility that Intermediaries have delays in sending communications for the legitimacy of vote, drawing the attention of the companies to the deadlines set out in Art. 83-sexies, paragraph 4, of the Consolidated Law on Finance (... *The legitimacy to attend and vote remains unaffected if communications have been received by the issuer beyond the deadline indicated in this paragraph, provided this happens by the start of the meeting works*). In what way does the Company ensure that the Shareholders' Representative and the person in charge of the securities service activity verify up to the moment before the start of the Shareholders' Meeting that the aforementioned communications have arrived to guarantee the validity of the voting proxy?**

**Answer**

Communications pursuant to article 83-sexies of the TUF are made by intermediaries belonging to the centralized management system of Monte Titoli S.p.A. to the Company, through the use of telematic platforms, to which all participants in the centralized management system adhere: issuers of dematerialized shares (therefore also the Company), intermediaries and service centres that manage the securities service on behalf of Issuers (in the case of Eni, this is Computershare SpA). These platforms guarantee the timeliness and traceability of communication flows at all times; the flows are monitored until the opening of the meeting, and are promptly communicated by the Company to the Shareholders' representative, in case he was not directly informed by the party granting the proxy.

- 11. What types of support has been offered employees to address this particular phase of health crisis?**

**Answer**

To manage the Covid-19 health emergency at Eni, we promptly implemented the most appropriate measures to ensure health protection and maximize safety. In particular, we implemented the preparation and answer plan for epidemics and pandemics ("Medical Emergency Plan"), already used in past years for other epidemic events.



Also on the basis of experience gained in recent months, we will continue to assist all colleagues, all over the world, according to the particular phase being experienced by each country.

From the operational point of view, we have been able to keep carrying out all our activities so far, providing:

- an internal, structured and constant communication activity, aimed at providing instructions on the behaviours to be adopted, the evolution of the pandemic and any other useful information for employees. In addition to giving a practical feedback, this method allows to keep a connection with the company, especially in this phase of social distancing;
- a psychological support service delivered by phone dedicated to all employees operating in Italy and to their family members, who, in this moment of great uncertainty due to the health emergency, are facing conditions of hardship and suffering;
- the use of smart working for all people working in offices and for all those people who, although working in industrial sites, can carry out their activities remotely;
- a reduction in the number of people overseeing operational activities;
- the reorganization of shifts and working spaces;
- the revision of the methods of access to the plants;
- the adoption of additional personal protective equipment.

**12. Are you providing for the possibility that meetings of the corporate bodies - board of directors and board of statutory auditors - take place remotely – via video and audio connection?**

**If the Answer were YES, we also ask**

- 1. How many meetings were held remotely in 2019? and How many meetings have been held remotely in 2020 so far?**
- 2. How do the Board of Statutory Auditors and the Chairman check the effective and constant presence of the participants in the meetings. Do you keep track of connection failures in the minutes?**
- 3. How do you ensure is the confidentiality of the works, in particular preventing the intrusion by third parties (via Trojan, for example) or checking that participants do not allow access to third parties, remotely or registered?**

**Answer**

In 2019 and 2020, Directors and Statutory Auditors were always guaranteed the opportunity to participate in meetings remotely, in compliance with the Bylaws and, for the Board of Directors, the Board Regulation.

As required by the Bylaws and, as regards the Board of Directors, the Board Regulations, the two bodies can meet by video or teleconference, provided that all participants can be identified and allowed to follow the discussion and to participate in real time to the discussion of the topics.

The presence and maintenance of the remote connection is monitored by the ICT function and the



minutes of the meetings contain precise indications of connection times and possible interruptions. Remote participation in meetings takes place in compliance with internal security policies and with the support of the competent ICT functions, through videoconference connections to Eni offices or via protected company devices, personally assigned to each Director and Auditor, which allow to follow the discussion and participate in real time in the discussion of the topics on the agenda. The members of the corporate bodies are required to comply with company provisions and procedures regarding the confidentiality, management and treatment of information and documents, including those containing privileged information.

**If the Answer were NO, it is also asked**

- 1. "Have there been meetings of the corporate bodies in the period following the start of the COVID-19 emergency and in particular in the presence of mobility restrictions?**
- 2. And if so, were there any justified absences?**
- 3. And why didn't we use remote participation tools?**

- 13. What is the cost of the service offered by Egon Zehnder for the Board Review process carried out with reference to the 2019 financial year?**

**Answer**

The consultant Egon Zehnder has been appointed by the Board for the entire three-year term, based on the proposals made by the Nomination Committee, following a tender with the participation of companies with competence and experience in the sector and with adequate standing selected by the Committee. The fees are in line with those of the market for similar engagements.

- 14. Did any areas for improvement emerge from the self-assessment process?**

**Answer**

The results of the Board Review process are shown in the 2019 Corporate Governance Report, published on the company's website, to which reference should be made.

- 15. How many times were external managers/directors invited to participate in the board of directors in 2019?**

**Answer**

Managers of the Company or its subsidiaries participated in all board meetings in 2019, to provide information on the items on the agenda.

- 16. Are there independent directors on the board of directors who have held this position for more than 9 years?**

**Answer**



On May 5, 2020, Director Lorenzi completed the ninth year of office as Director of Eni. On the occasion of the evaluation carried out on February 27, 2020, the Board confirmed the independence of the Director taking into account the expiry of his office on May 13, 2020.

**17. In 2019, did you pay any ad hoc/one-off bonuses to executive directors not linked to predetermined criteria and parameters?**

**Answer**

As stated on page 12 of the Remuneration Report, no form of extraordinary incentive is provided for the Chief Executive Officer and General Manager, whose variable remuneration is connected to predetermined and measurable objectives, fully described in the first section of the Report, with reference to each Incentive Plan.

The verification of results and the details of the incentives earned in 2019 are fully illustrated in the second section of the Report.

**18. What was the percentage increase of female presence in the top positions of management compared to 2018?**

**Answer**

The increase in female staff in managerial positions is 6%.

**19. How many employees were able to take advantage of the smartworking mode in 2019? What percentage of the total?**

**Answer**

At the end of 2019, people of Eni, in Italy, who have joined or activated a Smart Working request were around 6,000, equal to 38% of the population that can provide its activity remotely.

**20. In this critical period, how many employees have been able to take advantage of the smartworking mode? What percentage of the total?**

**Answer**

In this period of COVID health emergency, the company has put 21,500 employees into smart-working, in Italy and abroad, equal to 70% of the overall company population.

**21. During the period, how many meetings with shareholders (institutional or relevant) were organized, in what way, and what type of specific information was provided? Did directors or only the investor relator participate?**

**Answer**

In 2019, Eni's Investor Relations organized over 570 meetings with institutional investors through



in-person call/meeting methods, including brokerage conferences and road shows. The CEO, CFO and top managers attended a considerable number of meetings, in particular following the presentation of the 2019-2022 strategic plan (March 15, 2019), organized at the Eni research centre in Bolgiano (San Donato Milanese), and of quarterly results. In addition, understanding the need to reinforce the dialogue with the market, in addition to the traditional strategic presentation, the CEO illustrated the expansion strategy in the Arabian Peninsula during a field visit, to which investors and financial analysts were invited (Abu -Dhabi, September 19, 2019).

The questions raised by investors mainly concerned financial and industrial performance, the short and long term strategy, the state of the projects.

Furthermore, in 2019, the dialogue with the market on governance and remuneration continued through meetings of, respectively, the Chairman of the Board of Directors and the Chairman of the Remuneration Committee with Eni's main investors. The discussion focused on Eni's current governance model and possible future developments and on the 2019 Remuneration Policy.

- 22. How many requests for information from Consob, pursuant to Art. 115 of Legislative Decree 58/1998, were received by the Company during the year? What was the subject of the request?**

**Answer**

In 2019 the Company received a request for information pursuant to Art. 115 of Legislative Decree 58/1998 from Consob, concerning the shareholding structures. In 2019 the Board of Statutory Auditors was convened by Consob pursuant to Art. 115 of Legislative Decree no. 58/1998, following a previous request for information, in relation to the investigations launched by the Public Prosecutor's Office of Milan regarding an alleged impediment to the judicial activity of the same Public Prosecutor and alleged corruption cases in the Congo.

- 23. In particular, how much time was left to directors for the purposes of the approval of these financial statements by the Board of Directors? How much time could they actually spend on studying it?**

**Answer**

The approval process of the financial statements provides for a continuous involvement of directors and auditors. In general, starting from December, the main evaluation topics and other relevant topics for the preparation of the financial report are presented and analysed, with subsequent updates made during the months of January and February.

- 24. Were the directors' decisions, during the 2019 financial year, always taken unanimously? If not, on what topics were there directors voting against or abstaining?**

**Answer**

The decisions of the Board of Directors were taken unanimously, without prejudice to cases of



abstention required by law or internal legislation.

**25. What was the amount, if any, of liberal donations for projects aimed at dealing with the COVID19 emergency? And what are they?**

**Answer**

As part of the battle against the spread of Coronavirus, Eni launched a series of important initiatives in support of local health structures in countries in which it operates. The company's overall commitment to these activities amounts to approximately €35 million and has been the subject of multiple press releases since March 13. While several activities are already completed, others continue in these days and will continue in the coming months, until completion of the selected projects. In addition to the above, from March 18 to April 9, Eni employees chose to donate the value of one hour or more of their work through an initiative proposed by the employees and launched by the company, which collected the donated money and offered it to the Italian Red Cross to deal with the emergency. Overall, over €600 thousand were collected.

**26. Pursuant to article 130 of Legislative Decree n. 58 of February 24, 1998, we ask to view the list of shareholders for whom the Issuer received communications from the various intermediaries for the purpose of verifying the right to attend the meeting and exercise the right to vote in this meeting. In this regard, and in compliance with the restrictive measures for circulation connected to the ongoing health crisis, please inform us on which are the telematic ways to be used for viewing.**

**Answer**

Pursuant to Art. 130 of the TUF, the shareholders have the right to view all the documents deposited at the registered office for meetings already convened: these documents do not include the list of names of the shareholders for which the company has received communications pursuant to article 83-*sexies* of the TUF about the legitimate attendance and exercise of the right to vote at the Shareholders' Meeting. Pursuant to the law, the list of participants by proxy, with specification of the number of shares for which communication was made by the intermediary to the issuer pursuant to article 83-*sexies* of the TUF, will be published as an attachment to the minutes of the meeting, on the company's website, within 30 days of the Shareholders' Meeting.

**27. We also ask to receive the list of shareholders who actually attended the meeting without having to wait for publication on the minutes of the meeting.**

**Answer**

See Answer no.26.



## Shareholder Biagio PICCOLO

1. Provided that I have been following the company for some time also as a member of the Conscious Shareholders association ([www.azionisti.info](http://www.azionisti.info)), I would like to know the location of secondary offices, branches, production units divided by geographic area north/centre/south.

### Answer

North	Centre	South and islands
BOLOGNA	ANCONA	ASSEMINI - CA
BRESCIA	AVENZA - MS	BARI
CASALBORSETTI - RA	CALENZANO - FI	BELVEDERE SPINELLO - KR
CAVIAGA - LO	CASTEL GANDOLFO - RM	BRINDISI
CENGIO - SV	CIAMPINO - RM	BRONTE - CT
CHIVASSO - TO	CIVITAVECCHIA - RM	CAGLIARI
COMO	COLLESALVETTI - LI	CANDELA - FG
CORTEMAGGIORE - PC	FALCONARA - AN	CIRO' MARINA - KR
ETROUBLES - AO	FANO - PU	CROTONE
FERRARA	FIRENZE	FOGGIA
FERRERA - PV	GAETA - LT	GAGLIANO - EN
FIORENZUOLA D'ARDA - PC	GAVORRANO - GR	GELA - CL
FORNOVO DI TARO - PR	GROSSETO	L'AQUILA
GENOVA	GROTTAMMARE - AP	MANFREDONIA - FG
LA SPEZIA	LIVORNO	MAZARA DEL VALLO - TP
MANTOVA	PERUGIA	MILAZZO - ME
MILAN	PESARO	MISTERBIANCO - CT
NOVARA	PISA	NAPLES
PADOVA	POMEZIA - RM	ORTONA - CH
PARMA	ROME	PALERMO
PAVIA		PINETO - TE
PIEVE VERGONTE - VB		PISTICCI - MT
PORTO MARGHERA - VE		PORTO TORRES - SS
RAVENNA		PRIOLO - SR
RHO - MI		RAGUSA
ROBASSOMERO - TO		RENDE - CS
RUBICONE - FC		ROSETO - FG
SAN DONATO MILANESE - MI		SARROCH - CA
SANNAZZARO DE'BURGONDI - PV		TARANTO
TURIN		TORRENTE TONA - CB
TORTONA - AL		VIBO VALENTIA
TRECCATE - NO		VIESTE - FG
TRENTO		VIGGIANO - PZ
UDINE		
VENEZIA		
VERCELLI		
VERONA		
VOLPIANO - TO		

2. While noting that the legislation on transactions with related parties does not provide for any exceptions in the case of Public Entities, we ask to know which operations and for what amounts were carried out between the Company approving the financial statements and other state-owned or participated companies: Leonardo, Enel, RaiWay, Poste, etc. and in general with all the companies owned/controlled directly or



**indirectly by the "Italian Republic", understood as an ENTITY which is to be considered RELATED as "an entity that has a significant influence on the company pursuant to IAS 24". We ask to know the assessments expressed by the "related parties" committee regarding the individual transactions carried out under the "exemption" regime and the reasons for this exemption. And we ask to know which supervisory acts have been carried out by the Board of Statutory Auditors on all transactions between the Company and other companies subject to the influence of the Italian Republic.**

**Answer**

In the notes to the financial statements (note 36 of Eni's consolidated financial statements and note 34 of Eni SpA's financial statements) transactions carried out with Eni's related parties that are subject to disclosure obligations are listed, in accordance with the provisions of applicable legislation. The details of the operations carried out with State-controlled companies are also specified.

Transactions carried out under exemption are completely excluded from the application of the legislation, in accordance with Consob provisions. In any case, for all transactions not excluded, the Company's interest in completing the transaction as well as the convenience and substantial correctness of related terms and conditions were positively assessed by the Control and Risk Committee (or, where competent for the matter, by the Remuneration Committee).

The Board of Statutory Auditors, in addition to receiving information on transactions with related parties (bimonthly for non-exempt transactions and half-yearly for exempt and non-exempt transactions), monitors the compliance of internal regulations with the principles indicated in the Consob Regulation and their enforcement.

- 3. In recalling the rules and government guidelines that provide for an investment share of at least 34% in the southern regions of Italy, we ask to know the territorial division (region by region) of investments made in 2019.**

**Answer**

During 2019, the Eni group invested €1.5 billion in Italy of which 35% is located in the South and Islands; in particular Sicily, Puglia and Basilicata are among the top 5 regions by importance and together account for more than 30% of the overall investment.

- 4. We wonder if the State shareholder has taken territorial representation into account in the appointment of the management and control bodies. How were the designated directors chosen? Why do the majority have experience in world business banks? Is it considered a preferential title?**

**Answer**

The Company is not aware of the assessments made by the State in the choice of candidates. In



any case, all candidates included in the lists must meet the requirements prescribed by law and the Bylaws. In view of the renewal of the corporate bodies, the outgoing Board of Directors has developed an advice on the future size and composition of the Board, published on the Eni website on March 2, 2020.

- 5. Taking into account the scientific evidence which shows the higher contagiousness/mortality of COVID in the most polluted areas, one wonders if and which management offices and operational structures we intend to move to southern regions which in addition to the great availability of high-profile professional figures enjoy morphological, climatic and environmental conditions that guarantee operational continuity even in the event of a virus pandemic. We ask to know, for this purpose, when this move will be made. If, on the other hand, no move has been scheduled, we ask to know what studies, if any, have been carried out for assessing the economic/property damage that this failure to move will entail. The Board of Statutory Auditors is also asked if they have assessed the default risk due to the failure to transfer business operations to areas safer from the virus, such as those in the southern regions.**

**Answer**

No hypothesis of modification of the geographical location of management offices and operating structures is considered in relation to the health emergency COVID-19

