

Assessment of industry associations'
climate policy positions



Introduction

Eni acknowledges the value of the active participation in the work of business associations and it will advocate, within the business associations of which it is a member, coherently with its climate change strategy.

Eni also recognises the need to be clear, consistent and transparent in its advocacy activities addressing climate change and the energy transition.

This document describes:

- Our role in business associations.
- The main topics of Eni's climate-related advocacy.
- The methodology applied to assess the alignment of the public positions of the business associations, which Eni and its affiliates are a member of, with the main topics of Eni's climate-related advocacy.
- Assessment's results.
- Actions taken in case of positions misalignment.

Since 2020, we published an assessment every two years and this is our third review of the assessment. However, in line with the Global Standard on Responsible Corporate Climate Lobbying, we aim at executing our assessment on annual basis. In particular, following the current assessment, we will publish a progress report on partially aligned associations every 12 months, including an assessment of new potential associations to join.

For the purpose of this document, reference to "Eni" shall be intended as to Eni s.p.a. and/or its affiliates, as applicable.

Eni's participation in business associations

Eni takes part in several business associations at domestic and international level. Our membership and participation in these organisations allow us to:

- Develop, share and promote best practices and standards with our peers.
- Contribute to drafting advocacy positions on climate policies and regulations.
- Identify new approaches to meet the stakeholders' expectations.
- Participate in collective sectorial actions for climate mitigation and energy transition.

Without prejudice to any relevant antitrust and competition laws, Eni's representatives strive to actively contribute to internal debates on climate that might be relevant for the decarbonization pathway, according to Eni's principles.

Sometimes a particular position a business association may take is a compromise between the different, yet legitimate, views of its members. As such, Eni's position cannot always be fully reflected in any final outcome documents of the business association.

The main topics of Eni's climate-related advocacy

The main topics in the climate-related advocacy, in line with our strategy, and that guide Eni's membership and participation in business associations and think tanks in regard to climate-related matters, are:

1. Paris Agreement and net zero GHG emissions by 2050.

- Support for the temperature goals of the Paris Agreement.
- Support for the net zero GHG targets by 2050.
- Recognition of the Intergovernmental Panel on Climate Change (IPCC) as the most prominent scientific body on climate change.
- Support for policies and actions that combine social system sustainability (Just Transition), industrial competitiveness, economic and energy security and sustainability goals.
- Support for "technology neutrality approach", i.e. the approach based on which market mechanisms should determine which technologies achieve broad adoption, following a cost-effective principle.

2. Natural gas in the energy transition.

- Support for the central role of natural gas in the energy transition to replace coal and to complement the penetration of intermittent renewable generation.
- Support for policies that balance environmental, social, energy security, and affordability considerations.
- Promote policies, direct regulations and actions for curtailing methane and routine flaring emissions in the oil&gas industry.
- Support for policies and actions aimed at decarbonizing the natural gas supply chain, such as the deployment of CCS and the integration with biomethane.

3. Carbon pricing mechanisms.

- Support for the introduction of reliable and economically meaningful carbon pricing regimes, able to incentivise good business practices, consumer behaviours, research and investment to significantly advance the energy transition, while minimising the costs to vulnerable communities, thus supporting economic growth and human prosperity.
- Support for the operationalisation of international carbon market mechanisms under Article 6 of the Paris Agreement, to promote the sustainable development and to support countries to achieve their own NDC targets.

4. Energy efficiency and low carbon technologies¹.

- Support policies, actions and tools to promote an effective energy management based on energy efficiency and low carbon technologies in energy-intensive industries.
- Support for the energy efficiency as a mean to enhancing energy security and affordability, and in accelerating clean energy transitions.
- Support for policies that incentivize the scale up of:
 - renewables (solar photovoltaics, onshore and offshore wind, electrochemical energy storage);
 - CCS (including carbon transportation), to tackle emissions in some of the highest emitting and hard to abate sectors and power sector;
 - Carbon Dioxide Removal (CDR) technologies essential to balance emissions that cannot be directly abated or avoided;

¹ Includes technologies, fuels, energy vectors (e.g. hydrogen), industrial processes allowing for a significant reduction of net GHG emissions on life cycle basis, compared to the alternative unabated fossil fuel application.

- hydrogen, both from natural gas with CCS to start up the hydrogen economy, and through electrolyzers using renewable electricity, when the process will be cost effective;
- breakthrough technologies, such as magnetic confinement fusion.

5. Sustainable mobility.

- Supports for an approach based on a mix of solutions and technological neutrality, identifying complementarities and synergies among different solutions, selected on the base of technological maturity and the principles of effectiveness and efficiency.
- Support for policies promoting the deployment of the e-mobility and related infrastructures (e.g. charging points) concomitantly to the uptake of more sustainable biofuels, by means of example those produced from waste and residues, as well as biomethane, recycled carbon fuels, lower carbon hydrogen and renewable fuels of non-biological origin (incl. hydrogen), that will contribute to decarbonisation of heavy and light duty road transport, shipping and aviation.

6. Role of Carbon Offset.

- Support enabling policies and investments in Natural and Technological Climate Solutions.
- Support for the use of carbon credits to compensate residual emissions which can't be reduced with the currently available technologies, applying a mitigation hierarchy, where the avoidance and the reduction of the GHG emissions are the first priority.
- Support for the adoption of strict regulatory, environmental and social safeguards, to generate and use only high-quality carbon credits.

7. Climate transparency and disclosure.

- Support for development of best practices for a transparent disclosure on climate-related issues and on advocacy activities, in line with the most recognized standards.

Assessment methodology and actions

For this assessment, we made a selection of 45 business associations, increasing the scope of the analysis compared with the preceding reports and restructuring the associations portfolio under assessment². Among all the business associations which Eni and its affiliates were member of as of 31 December 2023, we selected the associations and think tanks deemed more influential in the political debate on climate and energy subjects. These associations are based mainly in Italy, Europe, USA and Australia.

The review of positions was performed considering publicly available data such as reports, websites and public statements, but also taking into account inputs coming from our representatives in the associations. We used the data and info collected to assess the alignment of the business associations on each of the seven main topics of the Eni's climate advocacy.

When the business associations' positions are unclear or ambiguous, they are classified as 'partially aligned' or 'not aligned'.

As a result of the final evaluation, each association has been assigned with one of following three categories:

Aligned

The stated positions of the association explicitly support at least one of the main topics³ of the Eni's climate-related advocacy (with regard to the scope of the association), including the relevant sub-topics, and it is not in contrast with any other of such main topics, including the relevant sub-topics.

Partially Aligned

The association only partially supports⁴ at least one of the main topics of the Eni's climate-related advocacy (with regard to the scope of the association) and it is not in contrast with any other of such main topics.

Not Aligned

The association's public positions are in contrast with at least one of the main topics of the Eni's climate-related advocacy.

When we find a misalignment between public positions of the association and the main topics of the Eni's climate-related advocacy, we will proceed with the following actions:

- Step 1: Formal communication of identified misalignments to association leadership and Eni representatives.
- Step 2: Public statement of differences of opinion with a periodic assessment report.
- Step 3: With reference to the associations with Not Aligned and Partially Aligned positions, on case-by-case basis, we immediately consider continuing membership or potentially leaving the association, as we did in the past for American Fuel and Petrochemical Manufacturers, depending upon our ability to reconcile our views.
- Step 4: In case we continue membership in the associations, set specific expectations for change supported by active engagement with Eni representatives to promote and influence closer alignment with Eni. Where an association keep the status of "Not Aligned" for two consecutive years or a status of "Partially aligned" for three consecutive years, then we will assess further possible counteractions, which may also include the decision to leave the association.
- Step 5: Report progress of the engagement in 12 months' time.

² We added new business associations relevant for climate advocacy and we took out a few of them to a lesser degree involved in climate lobbying.

³ Please refer to the seven topics listed in the paragraph "The main topics of Eni's climate-related advocacy" above.

⁴ "Partially supports" means that, in respect of a main topic of Eni climate-related advocacy, the association supports some sub-topics and is not in contrast with the others.

Assessment's overall results

Out of 45 business associations assessed, we found that 43 are aligned with the main topics of the Eni's climate-related advocacy and 2 are partially aligned because they have a partial alignment on one of the main topics, with regard to the scope of the Association, of the Eni's climate-related advocacy⁵.

In the Annex A there is a complete list of the assessed business associations, while in the Annex B there is a table about the payments and memberships of governing bodies of the business associations.

As for the Partially Aligned associations, find here below a few details from the latest assessment:

Alaska Oil and Gas Association (AOGA)

Alaska Oil and Gas Association represents O&G companies operating in Alaska region. It supports the advancement of the research, development, and demonstration of carbon capture utilization and storage (CCUS). We decided to cancel our membership in the Alaska Oil and Gas Association (AOGA) because it seems not be publicly in support of activities that aim at reducing emissions of the O&G sector through methane emissions and routine flaring reduction and we expected not being able to reconcile our views.

International gas union (IGU)

International gas union supports the Paris Agreement, and it is committed to the significant decarbonisation of the global energy system. It supports the role of natural gas, zero- and low-carbon gases as partners for renewable sources. It has stated support for reducing gas sector methane emissions, although it does not appear to have stated positions in support of the direct regulation of methane emissions. This is a new association included in the assessment and Eni will work within it for building a more Eni's aligned climate position. In this regard, we decided, as next step, to proactively engage with other members within IGU in order to drive entity's positions towards a closer alignment with Eni's climate vision. Specifically, Eni will try to direct and guide the discussions in accordance with Eni's positions and we will increase our engagement in the areas where we have different views.

⁵ We did not include the National Petroleum Council in the assessment as we cancelled our membership during 2024. While Eni's previous sustainability reporting (Eni For 2023, page 49) noted six business associations as 'partially aligned' with the Company's position in 2024, this report now reflects a reduction to two. This adjustment results from the alignment of four associations' positions with that of the Company as of the publication of this report.

Annex A

Full list of business associations assessed

1. Alaska Oil and Gas Association (AOGA)
2. Asociacion Mexicana de Hidrocarburos (AMEXHI)
3. Associazione Europea del Bitume (EUROBITUME)
4. Associazione Nazionale Industriali Gas (PROXIGAS)
5. Assorisorse
6. Australian Energy Producers (AEP, ex Australian Petroleum Production & Exploration Association)
7. Avenergy Suisse
8. Bio-based Industries Consortium (BIC)
9. Business Europe
10. Carbon Capture and Storage Association (CCSA)
11. China Petroleum and Chemical Industry Federation (CPCIF)
12. Clean Fuels Alliance America (ex National Biodiesel Board)
13. Confindustria Energia
14. EFuels Alliance
15. Elettricità Futura
16. European Biodiesel Board (EBB)
17. European Chemical Industry Council (CEFIC)
18. European Roundtable for Industry (ERT)
19. European Roundtable on Climate Change and Sustainable Transition (ERCST)
20. European Union Natural Gas Industry (EUROGAS)
21. Federazione Nazionale dell'Industria Chimica (FEDERCHIMICA)
22. Fuels Europe
23. Global CCS Institute
24. Groupe International des Importateurs de Gaz Naturel Liquéfié (GIIGNL)
25. Hydrogen Europe
26. International Air Transport Association (IATA)
27. International Association of Oil & Gas Producers (IOGP)
28. International Emissions Trading Association (IETA)
29. International Gas Union (IGU)
30. International Petroleum Industry Environmental Conservation Ass. (IPIECA)
31. Methanol Institute
32. Ocean Energy Europe (OEE)
33. Oil and Gas Climate Initiative (OGCI)
34. Oil Companies International Marine Forum (OCIMF)
35. Offshore energies UK (ex Oil & Gas UK)
36. Plastics Europe
37. Solarpower Europe
38. Unione Energie per la Mobilità (UNEM)
39. Union Française des Industries Pétrolières (UFIP)
40. Wind Europe
41. Wirtschaftsverband Fuels und Energie (EN2X)
42. World Business Council for Sustainable Development (WBCSD)
43. World Economic Forum (WEF)
44. World Energy Council (WEC)
45. Zero Emissions Platform (ZEP)

Annex B

Eni's payments and memberships of governing bodies of the business associations

Eni's payments in 2023 [€ range]	Business Associations*	Member of board or equivalent governing body
1 M€ - 2 M€	FEDERCHIMICA - Federazione Nazionale dell'Industria Chimica	Board or equivalent governing body
	OGCI - Oil and Gas Climate Initiative	Board or equivalent governing body
400 k€ - 800 k€	UNEM - Unione Energie per la Mobilità	Board or equivalent governing body
	Fuels Europe	Board or equivalent governing body
	Plastics Europe	Board or equivalent governing body
	CEFIC - European Chemical Industry Council	Board or equivalent governing body
	PROXIGAS - Associazione Nazionale Industriali Gas	Board or equivalent governing body
	Confindustria energia	Board or equivalent governing body
	IOGP - International Association of Oil & Gas Producers	Board or equivalent governing body
	WEF - World Economic Forum	Board or equivalent governing body
	EN2X - Wirtschaftsverband Fuels und Energie	Board or equivalent governing body
	Elettricità futura	Board or equivalent governing body
100 k€ - 400 k€	EUROGAS - European Union natural Gas Industry	Board or equivalent governing body
	Assorisorse	Board or equivalent governing body
	AEP - Australian Energy Producers	None
	Offshore energies UK	None
	EBB - European Biodiesel Board	None
	AOGA - Alaska Oil and Gas Association	Board or equivalent governing body
	UFIP - Union Française des Industries Pétrolières	Board or equivalent governing body
	IPIECA - International Petroleum Industry Environmental Conservation Association	Board or equivalent governing body
	WBCSD - World Business Council for Sustainable Development	Board or equivalent governing body
	EUROBITUME - Associazione europea del bitume	Board or equivalent governing body
	Global CCS institute	None
	Solarpower Europe	Board or equivalent governing body
	M.I. - The Methanol Institute	Board or equivalent governing body
50 k€ - 100 k€	ERT - European Round Table for Industry	Board or equivalent governing body
	EFuels Alliance	Board or equivalent governing body
	AMEXHI - Asociación Mexicana de Hidrocarburos	Board or equivalent governing body
	BIC - Bio-based Industries Consortium	None
	Business Europe	None
	ZEP - Zero Emissions Platform	Board or equivalent governing body
	ERCST - European roundtable on climate change and sustainable transition	None
	IETA - The International Emission Trading Association	None
	Hydrogen Europe	None
	Carbon Capture and Storage Association	None
	Avenergy Suisse	Board or equivalent governing body
	OEE - Ocean Energy Europe	Board or equivalent governing body
	WEC - World Energy Council	Board or equivalent governing body
	Wind Europe	None
	GIIGNL - Groupe International des Importateurs de Gaz Naturel Liquéfié	Board or equivalent governing body
	IATA - International Air Transport Association	None
	OCIMF - OIL Companies International Marine Forum	None
< 50 k€	CPCIF - China Petroleum and Chemical Industry Federation	Board or equivalent governing body
	IGU - International Gas Union	None
	Clean Fuel Alliance America	None

