

Consolidated disclosure of Non-Financial Information pursuant to Legislative Decree 254/2016

Introduction

The Eni 2020 consolidated disclosure of Non-Financial Information (NFI) has been drafted in accordance with Legislative Decree 254/2016 and the Sustainability Reporting Standards published by the Global Reporting Initiative (GRI)¹. In continuity with previous editions, the document is structured according to the three levers of the integrated business model, Carbon Neutrality by 2050, Operational Excellence and Alliances for development, whose objective is the creation of long-term value for all stakeholders. The contents of the "Carbon Neutrality by 2050" chapter have been organized according to the voluntary recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) of the Financial Stability Board, of which Eni has been a member since its foundation, in order to provide even clearer and more in-depth disclosure on these issues. In addition, the main United Nations Sustainable Development Goals (SDGs), that constitute an important reference for Eni in the conduct of its activities, have been mentioned in the various chapters.

The NFI is included in the Management Report in the Annual Report, to meet the information needs of Eni stakeholders in a clear and concise manner, further favouring the integrated disclosure of financial and non-financial information. In order to avoid duplication of information and ensure that disclosures are as concise as possible, the NFI provides integrated disclosures, which may include references to other sections of the Management Report, the Corporate Governance and Shareholding Structure Report and the Report on remuneration policy and remuneration paid, when the issues required by Legislative Decree 254/2016 are already contained therein or for further details. Specifically, the Management Report describes the Eni business model and governance, the integrated risk management system and the risk and uncertainty factors in which the main risks, possible impacts and treatment actions are detailed, in line with the disclosure requirements

of Italian regulations. Integration and conciseness are also some of the distinctive elements that allowed Eni to win the 2020 edition of the special award "Oscar" for the Non Financial Information promoted by FERPI – Federazione Relazioni Pubbliche Italiana (Italian Public Relations Federation) – in collaboration with Borsa Italiana and Bocconi University. The NFI contains detailed information on corporate policies, management and organizational models, an in-depth analysis of ESG (Environmental, Social and Governance) risks, the strategy on the topics covered, the most important initiatives of the year, the main performances with related comments and the 2020 materiality analysis. In the 2020 NFI, the "core" metrics defined by the World Economic Forum² (WEF) in its September 2020 White Paper "Measuring Stakeholder Capitalism – Towards Common Metrics and Consistent Reporting of Sustainable Value Creation" were included for the first time. Eni announced its support for the initiative, which aims to define common metrics for long-term value creation and to further promote the convergence of ESG standards and principles.

As in previous years, on the occasion of the Shareholders' Meeting, Eni will also publish Eni for, the voluntary sustainability report that aims to further enhance non-financial information. The 2020 edition of Eni for will also include the annex "Carbon Neutrality by 2050", and a report dedicated to human rights (Eni for - Human Rights)³. On the occasion of the Shareholders' Meeting, Eni will publish a reconciliation table with the Exploration & Production standards of the Sustainability Accounting Standards Board (SASB).

Below is a reconciliation table showing the information content required by the Decree, the areas and relative positioning in the NFI, the Management Report, the Corporate Governance and Shareholding Structure Report and the Report on remuneration policy and remuneration paid.

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

(2) The reconciliation with the WEF core metrics is directly shown in the Content Index in a dedicated column, see pp. 175-178.

(3) The Eni for Human Rights report will be published subsequent to Eni for by June 2021.

	SCOPES OF LEGISLATIVE DECREE 254/2016	COMPANY MANAGEMENT MODEL AND GOVERNANCE	POLICIES APPLIED	RISK MANAGEMENT MODEL	PERFORMANCE INDICATORS
	CROSS-REFERENCES TO ALL SCOPES OF THE DECREE	<ul style="list-style-type: none"> ○ NFI - Management and organizational models, p. 141; Sustainability material topics, p. 170 ○ AR - Business model, pp. 4-5; Responsible and sustainable approach, pp. 6-7; Stakeholder engagement activities, pp. 18-19; Strategy, pp. 20-25; Governance, pp. 32-39 ➤ CGR - Responsible and sustainable approach; Corporate governance model; Board of Directors; Board Committees; Board of Statutory Auditors; Model 231 	<ul style="list-style-type: none"> ➤ CGR - Eni Regulatory System; Principles and values. The Code of ethics 	<ul style="list-style-type: none"> ○ AR - Integrated Risk Management, pp. 26-31; Risk factors and uncertainties, pp. 114-134 	<ul style="list-style-type: none"> ○ AR - Responsible and sustainable approach, pp. 6-7; Eni at a glance, pp. 14-17
CARBON NEUTRALITY BY 2050	CLIMATE CHANGE Art. 3.2, paragraphs a) and b)	<ul style="list-style-type: none"> ○ NFI - Carbon Neutrality by 2050, pp. 144-150 ○ AR - Strategy, pp. 20-25 ➤ CGR - Responsible and sustainable approach 	<ul style="list-style-type: none"> ○ NFI - Main regulatory tools, guidelines and management models related to the scopes of Legislative Decree 254/2016, pp. 139-140 	<ul style="list-style-type: none"> ○ NFI - Main ESG risks and related mitigation actions pp. 142-143 	<ul style="list-style-type: none"> ○ AR - Responsible and sustainable approach, pp. 6-7 ○ NFI - Carbon Neutrality by 2050, pp. 148-150
OPERATIONAL EXCELLENCE	PEOPLE Art. 3.2, paragraphs a) and b)	<ul style="list-style-type: none"> ○ AR - Governance, pp. 32-39 ○ NFI - People (employment, diversity and inclusion, training, industrial relations, welfare, health), pp. 151-155; Safety, pp. 156-157 	<ul style="list-style-type: none"> ○ NFI - Main regulatory tools, guidelines and management models related to the scopes of Legislative Decree 254/2016, pp. 139-140 	<ul style="list-style-type: none"> ○ NFI - Main ESG risks and related mitigation actions pp. 142-143 	<ul style="list-style-type: none"> ○ AR - Responsible and sustainable approach, pp. 6-7 ○ NFI - People, pp. 153-155; Safety, pp. 156-157 ➤ RR - Executive Summary, pp. 12-13
	RESPECT FOR THE ENVIRONMENT Art. 3.2, paragraphs a), b) and c)	<ul style="list-style-type: none"> ○ NFI - Respect for the environment (circular economy, waste, water, spills, biodiversity), pp. 157-162 	<ul style="list-style-type: none"> ○ NFI - Main regulatory tools, guidelines and management models related to the scopes of Legislative Decree 254/2016, pp. 139-140 	<ul style="list-style-type: none"> ○ NFI - Main ESG risks and related mitigation actions pp. 142-143 	<ul style="list-style-type: none"> ○ AR - Responsible and sustainable approach, pp. 6-7 ○ NFI - Respect for the environment, pp. 159-162
	HUMAN RIGHTS Art. 3.2, paragraph e)	<ul style="list-style-type: none"> ○ NFI - Human Rights (security, training, whistleblowing), pp. 162-164 ➤ CGR - Responsible and sustainable approach 	<ul style="list-style-type: none"> ○ NFI - Main regulatory tools, guidelines and management models related to the scopes of Legislative Decree 254/2016, pp. 139-140 	<ul style="list-style-type: none"> ○ NFI - Main ESG risks and related mitigation actions pp. 142-143 	<ul style="list-style-type: none"> ○ AR - Responsible and sustainable approach, pp. 6-7 ○ NFI - Human Rights, p. 164
	SUPPLIERS Art. 3.1, paragraph c)	<ul style="list-style-type: none"> ○ NFI - Human Rights, pp. 162-164; Suppliers, p. 165 	<ul style="list-style-type: none"> ○ NFI - Main regulatory tools, guidelines and management models related to the scopes of Legislative Decree 254/2016, pp. 139-140 	<ul style="list-style-type: none"> ○ NFI - Main ESG risks and related mitigation actions pp. 142-143 	<ul style="list-style-type: none"> ○ AR - Responsible and sustainable approach, pp. 6-7 ○ NFI - Human Rights, p. 164; Suppliers, p. 165
	TRANSPARENCY AND ANTI-CORRUPTION Art. 3.2, paragraph f)	<ul style="list-style-type: none"> ○ NFI - Transparency, anti-corruption and tax strategy, pp. 166-167 	<ul style="list-style-type: none"> ○ NFI - Main regulatory tools, guidelines and management models related to the scopes of Legislative Decree 254/2016, pp. 139-140 ➤ CGR - Principles and values. The Code of Ethics; Anti-Corruption Compliance Program 	<ul style="list-style-type: none"> ○ NFI - Main ESG risks and related mitigation actions pp. 142-143 	<ul style="list-style-type: none"> ○ AR - Responsible and sustainable approach, pp. 6-7 ○ NFI - Transparency, anti-corruption and tax strategy, p. 167
ALLIANCES FOR DEVELOPMENT	LOCAL COMMUNITIES Art. 3.2, paragraph d)	<ul style="list-style-type: none"> ○ NFI - Alliances for promotion of local development, pp. 168-169 	<ul style="list-style-type: none"> ○ NFI - Main regulatory tools, guidelines and management models related to the scopes of Legislative Decree 254/2016, pp. 139-140 	<ul style="list-style-type: none"> ○ NFI - Main ESG risks and related mitigation actions pp. 142-143 	<ul style="list-style-type: none"> ○ AR - Responsible and sustainable approach, pp. 6-7 ○ NFI - Alliances for promotion of local development, p. 169

AR Annual Report 2020

CGR Corporate Governance and Shareholding Structure Report 2020

RR Report on remuneration policy and remuneration paid 2021

○ Sections/paragraphs providing the disclosures required by the Decree

➤ Sections/paragraphs to which reference should be made for further details

The effects of the COVID-19 pandemic

In a year in which the world was turned upside down by the health emergency linked to the outbreak of the COVID-19 pandemic, Eni intervened on several fronts to manage the consequences by exploiting its expertise gained in a complex sector such as energy, in order to protect the health of its employees and contractors. Eni has also worked in synergy with governments, institutions and local and international NGOs with the aim of preventing and countering the spread of the pandemic and minimizing its impact on local communities, both in Italy and abroad.

Emergency management of the pandemic - Despite the scope and speed with which the COVID-19 pandemic spread throughout the world, Eni intervened promptly, also by virtue of the experience gained managing past epidemics such as Sars-Cov-1 and Ebola, and thanks to the regulatory, organizational and operational tools it had already adopted in 2011 to be prepared for the management of epidemic and pandemic events, implementing its own risk management model for Health, Safety, Environment, Security and Public Health and Safety. Since January 2020, there has been a constant flow of communication with the subsidiaries, both in Italy and abroad, with the aim of monitoring the evolution of the emergency and implementing the necessary preventive measures defined by the Company's regulatory instruments and in accordance with the provisions of national and international health authorities. Eni has therefore updated the epidemic and pandemic response plan within its medical emergency procedure.

In particular, Eni, through its Board of Directors, has defined the strategic and coordination guidelines also through the establishment of the Crisis Unit formed by all the competent central functions of Eni with the role of monitoring the regulations in force and, in application of this, taking into account the progress of the pandemic, to indicate the strategic guidelines for the transversal management of the health emergency, defining technical and organizational measures to be implement-

ed for the containment of the spread of the infection in the workplace. On the basis of the indications of the Crisis Unit, each employer has put in place the appropriate measures and operational actions with respect to its own production unit, taking into account the specificities of the work environments, for the counter and containment of the spread of the virus, mainly with regard to: (i) communication, information and training; (ii) hygiene and prevention; (iii) management and use of PPE (Personal Protective Equipment); (iv) sanitization of work environments; (v) reorganization of work arrangements and agile work; (vi) access to workplaces and aggregation areas; (vii) management of suspected and confirmed cases; (viii) health surveillance and protection of fragile workers; (ix) maintenance of essential services and business continuity plan.

In March 2020, all employees with duties that do not require physical presence in the workplace began to perform their professional activities remotely. Over a few days, Eni ensured that 99% of office personnel and, overall, about 87% of total non-shift personnel (almost 14,400 employees) were able to continue their activities through smart working, guaranteeing the maintenance of the IT infrastructure (for further details see Internal control risks, p. 134) and providing about 3,000 PCs, Hot Spots and monitors. At the same time, the return from foreign offices of approximately 500 expatriate colleagues was organized, ensuring the necessary logistical measures, including dedicated flights. Additional and complementary actions have been activated in support of health institutions and important initiatives have been put in place in favour of Eni's people (for more information see the sections on People and Health, pp. 151-155) and in support of Community Health in line with the needs gathered and the evolution of national and territorial health plans (see the section on Alliances for promotion of local development, pp. 168-169). Finally, for more information on the impact of the pandemic on Eni operating performance, see pp. 89-91.

Company mission

The Eni mission – approved by the Board of Directors in September 2019 – shows the path that the Company has taken to face the main challenge of the energy sector: ensuring access to efficient and sustainable energy for all, while reducing greenhouse gas emissions, in order to counter climate change in line with the objectives of the Paris Agreement.

Despite the complex context due to the health emergency, Eni has decided to accelerate its transformation path by committing to achieve total decarbonization of all products and processes by 2050 (for more details see the chapter Strategy pp. 20-25 and the chapter Carbon Neutrality by 2050 pp. 144-150). The mission, which is inspired by the 17 SDGs to the

achievement of which Eni intends to contribute by seizing new business opportunities, confirms the commitment of Eni to a just energy transition. This is possible thanks to Eni's people, the passion and drive towards continuous innovation, respect and promotion of human rights, considering diversity as a resource, integrity in business management and environmental protection. In addition, it must be considered that achieving the SDGs requires unprecedented collaboration between the public and private sectors, as announced at the 2015 Addis Ababa international conference on financing for development. Hence, the commitment of Eni in defining and building cooperations with locally rooted, internationally recognized partners.

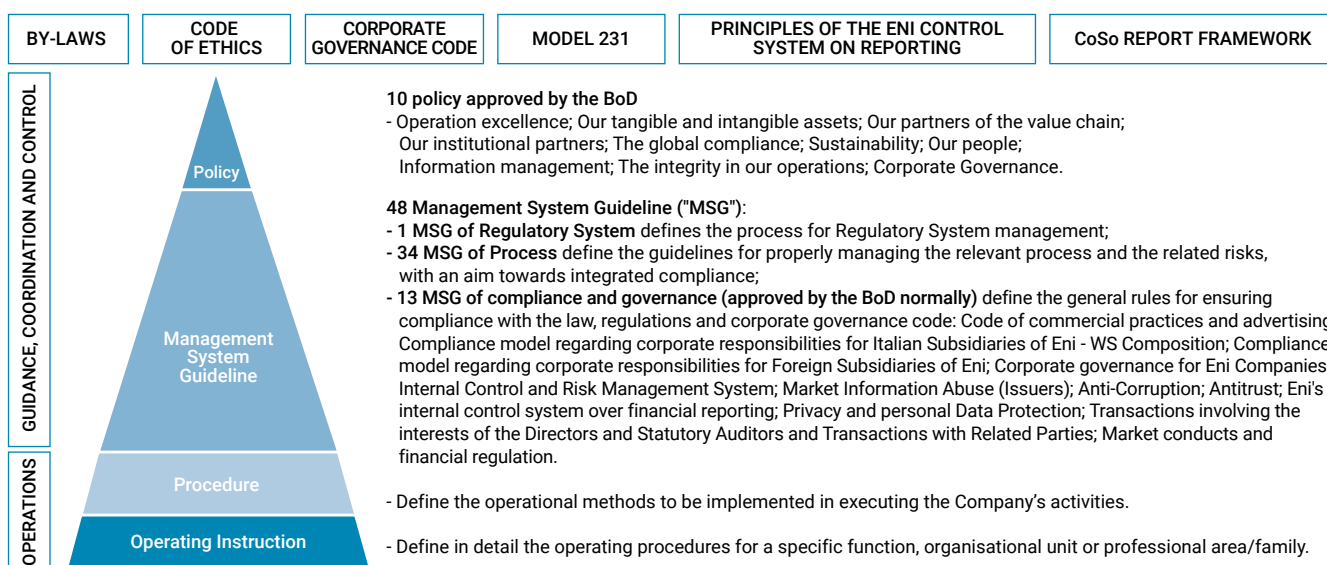
Main regulatory tools, guidelines and management models related to scopes of Legislative Decree 254/2016

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

All of Eni's operational activities can be grouped into a map

of processes functional to the Company's activities and integrated with control requirements and principles set out in the compliance and governance models and based on the By-laws, Code of Ethics, Self Regulatory Code 2018 and Corporate Governance Code 2020⁴, Model 231, SOA principles⁵ and CoSO Report⁶.

GENERAL OVERVIEW OF THE REGULATORY SYSTEM



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

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

They also regulate operations in order to pursue the objectives of compliance with local regulations. The content is defined in compliance with the Policies and MSGs as implemented by the companies;

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

The regulatory instruments are published on the Company's Intranet site and, in some cases, on the Company's website. In addition, in 2020, Eni updated its **Code of Ethics** in which it renewed the corporate values that characterize the commitment of Eni people and all third parties working with the Company: integrity, respect and protection of human rights, transparency, promotion of development, operational excellence, innovation, teamwork and collaboration. In the first of the two following tables (p. 140), in addition to the Policies and the Code of Ethics, other Eni regulatory instruments approved by the CEO and/or the BoD are also considered. On the other hand, the second table (p. 141) shows management and organizational models, including management systems, multi-year plans, processes and cross-functional working groups.

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

(5) US Sarbanes-Oxley Act of 2002.

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

**CARBON NEUTRALITY
BY 2050****CLIMATE CHANGE****GOAL**

Combat climate change

PUBLIC DOCUMENTS

Policy "Sustainability", Eni's Position on biomass, Eni's responsible engagement on climate change within business associations, Strategic Plan 2021-2024: towards zero emissions (February 2021)

PRINCIPLES

- Full decarbonization of all products and processes by 2050;
- reduce the carbon footprint towards zero emissions with the contribution of Forestry and CCS initiatives
- develop and implement new technologies for the reduction of climate-altering emissions and more efficient energy production
- ensure sustainable biomass management along the entire supply chain
- ensure consistency and transparency in the activities of associations with Eni's strategy on climate change and energy transition, in line with stakeholders' expectations

**OPERATIONAL EXCELLENCE****PEOPLE, HEALTH & SAFETY****GOAL**

Value Eni's people and protect their health and safety

PUBLIC DOCUMENTS

Our People" and "The integrity in Our Operations" policies, Eni's statement on Respect for Human Rights

PRINCIPLES

- respect the dignity of each individual, valuing cultural, ethnic, gender, age, sexual orientation and different abilities
- provide managers with tools and support for the management and development of people working for them
- identify knowledge instrumental to the Company's growth and promote its enhancement, development and sharing
- adopt fair remuneration systems that allow to motivate and retain people with skills that best suit the needs of the business
- carry out activities in accordance with agreements and regulations on workers' health and safety protection and in accordance with the principles of precaution, prevention, protection and continuous improvement
- create a safe working environment implementing appropriate prevention initiatives

**OPERATIONAL EXCELLENCE****RESPECT FOR THE ENVIRONMENT****GOAL**

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

PUBLIC DOCUMENTS

Sustainability" and "The integrity in Our Operations" policies, "Eni biodiversity and ecosystem services" policy; "Eni's commitment not to conduct exploration and development activities within the boundaries of Natural Sites included in the UNESCO World Heritage List"

PRINCIPLES

- consider, in project assessments and operations, the presence of UNESCO World Heritage Sites and other protected areas relevant to biodiversity, identifying potential impacts and mitigation actions (risk-based approach)
- establish links between environmental and social aspects including the sustainable development of local communities
- promote sustainable water resource management
- optimise the control and reduction of emissions into the air, water and soil
- act in a sustainable way, minimizing environmental impacts and optimizing the use of energy and natural resources

**OPERATIONAL EXCELLENCE****HUMAN RIGHTS****GOAL**

Protect human rights

PUBLIC DOCUMENTS

Policy "Sustainability", "Our people", "Our Partners of the Value Chain", "Whistleblowing reports received, including anonymously, by Eni SpA and by its subsidiaries in Italy and abroad", "Alaska Indigenous Peoples", Eni's Statement on Respect for Human Rights, Supplier code of conduct

PRINCIPLES

- respect human rights and promote their respect among employees, partners and stakeholders, also through training and awareness-raising activities
- ensure a safe and healthy working environment and working conditions in line with international standards
- take into account Human Rights issues, from the very first feasibility evaluation phases of projects and respect the distinctive rights of indigenous populations and vulnerable groups
- minimize the necessity for intervention by state and/or private security forces to protect employees and assets
- select commercial partners that comply with the Eni Supplier Code of Conduct and that are committed to preventing or mitigating impacts on human rights

**OPERATIONAL EXCELLENCE****TRANSPARENCY AND ANTI-CORRUPTION****GOAL**

Fight any form of corruption, with no exception

PUBLIC DOCUMENTS

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

PRINCIPLES

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

**ALLIANCES FOR DEVELOPMENT****LOCAL COMMUNITIES****GOAL**

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

PUBLIC DOCUMENTS

"Sustainability" policy, Eni's Statement on Respect for Human Rights

PRINCIPLES

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

MANAGEMENT AND ORGANIZATIONAL MODELS


CLIMATE CHANGE	<ul style="list-style-type: none"> → New organization to be a leader in energy transition with two Business Groups: <ul style="list-style-type: none"> • Natural Resources, for the sustainable valorization of the upstream Oil & Gas portfolio, for energy efficiency and carbon capture • Energy Evolution, for the evolution of the production, transformation and marketing activities from fossil fuel based to bio, blue and green products → Central organizational function dedicated which oversees the Company's strategy and positioning on climate change → Technologies for Energy Transition and Biomasses Programme: to promote research and technological innovation relating to the exploitation of gas resources with a view to full integration with renewable sources, the use of biomasses and the valorisation of scrap materials with reference to their possible application in the process of redefining the energy mix → Energy management systems coordinated with the ISO 50001 standard, included in the HSE regulatory system, for the improvement of energy performance and already implemented in all the main mid-downstream sites and extension in progress to all Eni's sites
PEOPLE	<ul style="list-style-type: none"> → Employment management and planning process to align skills to the technical and professional needs → Management and development tools, aimed at professional involvement, growth and updating, inter-generational and inter-cultural exchange of experiences, building of cross-cutting and professional managerial development pathways in core technical areas valuing and including diversity → Working group to determine the impacts of Digital Transformation on Roles/Skills. Development of Innovative HR Management Tools → Quality management system for training, up-to-date and complying with the ISO 9001:2015 standard → Knowledge management system for integrating and sharing know-how and professional experiences → National and international industrial relations management system: participative model and platform of operating tools to engage employees in compliance with ILO (International Labour Organization) conventions and the guidelines of the Institute for Human Rights and Business → Welfare system for the achievement of work-life balance and the enhancement of services for employees and their families
HEALTH	<ul style="list-style-type: none"> → Integrated environmental, health and safety management system based on an operating platform of qualified healthcare providers and partnerships with national and international university and governmental research centers and institutions → Occupational medicine for the protection of the health and safety of workers, in relation to the workplace, to occupational risk factors and to the way in which work is carried out and the system of assistance and health promotion for the provision of health services consistent with the results of the analysis of needs and epidemiological, operational and legislative contexts → Health emergency preparedness and response, including epidemic and pandemic response plans → Health for communities: initiatives aimed at maintaining, protecting and/or improving the health status of communities
SAFETY	<ul style="list-style-type: none"> → Integrated environment, health and safety management system for workers certified in accordance with the OHSAS 18001/ISO 45001 standard with the aim of eliminating or mitigating the risks to which workers are exposed during their work activities → Process safety management system aimed at preventing major accidents by applying high technical and management standards (application of best practices for asset design, operating management, maintenance and decommissioning) → Emergency preparation and response with plans that put the protection of people and the environment first → Product safety management system for the assessment of risks related to the production, import, sale, purchase and use of substances/ mixtures to ensure human health and environmental protection throughout their life cycle → Working group for the definition of methodologies and tools for the management of the Human Factor in accident prevention
RESPECT FOR THE ENVIRONMENT	<ul style="list-style-type: none"> → Integrated environment, health and safety management system: adopted in all plants and production units and certified in accordance with the ISO 14001:2015 environmental management standard → Application of the Environmental, Social & Health Impact Assessment (ESHIA) process to all projects → Technical meetings for the analysis and sharing of experiences on specific environmental and energy issues → Green Sourcing: model to identify analysis methods and technical requirements for the selection of products and suppliers with the best environmental performances → Site-specific circularity analysis: mapping of elements already present, measurement and identification of possible interventions for improvement → International Environmental Legislative Analysis: in-depth analysis of current national and international legislation by environmental matrix and definition of a Ranking of regulatory development for each Country analyzed
HUMAN RIGHTS	<ul style="list-style-type: none"> → Human rights management process regulated by an internal regulatory instrument → Inter-functional activities on Business and Human Rights to further align processes with key international standards and best practices → Human Rights Impact Assessment, with a risk-based prioritization model for industrial projects → Security management system aimed at ensuring respect of human rights in all Countries, particularly in high-risk Countries → Three-year e-learning training plan on the main areas of interest on human rights
TRANSPARENCY AND ANTI-CORRUPTION	<ul style="list-style-type: none"> → Model 231: sets out responsibilities, sensitive activities and control protocols for crimes of corruption under Italian Legislative Decree 231/01 (including environmental crimes and crimes related to workers' health and safety) → Anti-Corruption Compliance Program: system of rules and controls to prevent corruption crimes → Recognition for the Eni SpA Anti-Corruption Compliance Program: certified pursuant to the ISO 37001:2016 standard → Anti-corruption unit placed in the "Integrated Compliance" function reporting directly to the CEO → Eni participation in local EITI multi stakeholder group activities to promote responsible use of resources, fostering transparency
SUPPLIERS	<ul style="list-style-type: none"> → Procurement Process designed to check compliance with Eni requirements for reliability, ethical conduct and integrity, health, safety, environmental and human rights protection, through the qualification, selection and assignment of contracts, management and monitoring of suppliers, as well as through assessments using parameters set out by the Social Accountability Standard (SA8000) → JUST: initiative aimed at involving suppliers in the energy transition process
LOCAL COMMUNITIES	<ul style="list-style-type: none"> → Sustainability liaison at local level, who interfaces with the Company headquarters to define local community development programmes (Local Development Programme) in line with national development plans integrating business processes → Application of the ESHIA (Environmental Social & Health Impact Assessment) process to all business projects → Stakeholder Management System Platform for the management and monitoring of relations with local stakeholders and of grievances → Sustainability management process in the business cycle and design specifications according to international methods (e.g. Logical Framework)
INNOVATION AND DIGITALIZATION	<ul style="list-style-type: none"> → Centralized Research & Development function for optimal sharing and best use of know-how → Management of Technological Innovation projects in line with best practices (step-by-step planning and control according to the development of the technology) → Continuous updating of procedures relating to the protection of intellectual property and the identification of service/professional service providers

Main ESG risks and related mitigation actions

For the analysis and assessment of risks, Eni has adopted an Integrated Risk Management Model with the aim of enabling management to make informed decisions with an overall and prospective vision⁷. Risks are assessed with quantitative and qualitative tools, taking into account environmental, health and safety, social and reputational impacts. The results of the risk assessment, including the main ESG (Environmental, Social and Governance) risks, are submitted to the Board of Directors and the Control and Risk Committee on a half yearly basis. It should be noted that in 2020, the impact of the Climate Change risk, already a top risk, increased due to the effects of the energy transi-

tion on the Eni business model and management's subsequent commitment in the definition of the Long-Term Strategic Plan. In addition, it should be noted that due to the COVID-19 pandemic in 2020, biological risk has become a top risk, assessed both as a risk to people's health and as a systemic risk capable of affecting Eni's risk portfolio as a whole and, in particular, market, Country and operational risks. The table below provides a summary view of Eni ESG risks classified according to the areas of Legislative Decree 254/2016. For each risk event, the type of risk – top risk and non-top risk – and the page references, where the main treatment actions are set out, are indicated.



RISK MANAGEMENT MODEL

SCOPES OF LEGISLATIVE DECREE 254/2016	RISK EVENT	TOP RISK	MAIN TREATMENT ACTIONS
CROSS RISKS	→ Risks associated with research and development activities		NFI - Carbon neutrality by 2050, pp. 144-150; Safety, pp. 156-157; Respect for the environment, pp. 157-162
	→ Cyber Security	■	AR - Integrated Risk Management, pp. 26-31; Internal control risks, pp. 133-134
	→ Relations with stakeholders	■	AR - Integrated Risk Management, pp. 26-31; Risks related to political considerations, pp. 125-127; Risks associated with the exploration and production of oil and natural gas, pp. 121-125 NFI - Alliances for promotion of local development, pp. 168-169
	→ Political and social instability and Global security risk	■	AR - Integrated Risk Management, pp. 26-31; Risks related to political considerations, pp. 125-127
 CARBON NEUTRALITY BY 2050	CLIMATE CHANGE		
	Art. 3.2, paragraphs a) and b) → Climate Change risk and energy transition risks	■	AR - Integrated Risk Management, pp. 26-31; Safety, security, environmental and other operational risks, pp. 119-121; Climate-related risks, pp. 129-132 NFI - Carbon Neutrality by 2050 (risk management), pp. 146-147

■ Top risk

(7) For further information, see the chapter Integrated Risk Management, on pp. 26-31.

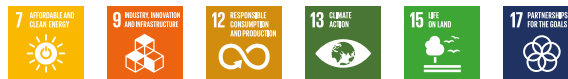
RISK MANAGEMENT MODEL

	SCOPES OF LEGISLATIVE DECREE 254/2016	RISK EVENT	TOP RISK	MAIN TREATMENT ACTIONS
 RATIONAL EXCELLENCE	PEOPLE Art. 3.2, paragraphs c) and d)	<p>→ Biological risk, i.e. the spread of pandemics and epidemics with potential impacts on people, health systems and business</p> <p>→ Risks regarding human health and safety:</p> <ul style="list-style-type: none"> • Accidents involving workers and contractors • Process safety and asset integrity incidents <p>→ Risks connected with the competency portfolio</p>	<p>■</p> <p>■</p>	<p>AR - Eni at a glance, pp. 14-15; Integrated Risk Management, pp. 26-31; Impact of COVID-19 pandemic, pp. 89-91; Safety, security, environmental and other operational risks, pp. 119-121; Risks associated with the exploration and production of oil and natural gas, pp. 121-125</p> <p>NFI - People, pp. 151-155, Safety, pp. 156-157</p>
	RESPECT FOR THE ENVIRONMENT Art. 3.2, paragraphs a), b) and c)	<p>→ Blow out</p> <p>→ Process safety and asset integrity incidents</p> <p>→ Regulatory risk energy sector</p> <p>→ Permitting</p> <p>→ Environmental risks (e.g. water scarcity, oil spill, waste, biodiversity)</p>	<p>■</p> <p>■</p> <p>■</p> <p>■</p>	<p>AR - Integrated Risk Management, pp. 26-31; Risks associated with the exploration and production of oil and natural gas, pp. 121-125; Safety, security, environmental and other operational risks, pp. 119-121; Risks related to Environmental, Health and Safety regulations and legal risks pp. 128-129;</p> <p>NFI - Respect for the environment, pp. 157-162</p>
	HUMAN RIGHTS Art. 3.2, paragraph e)	→ Risks associated with the violation of human rights (human rights in the supply chain, human rights in security, human rights in the workplace, human rights in local communities)		NFI - Human Rights (risk management), pp. 162-164
	SUPPLIERS Art. 3.1, paragraph c)	→ Risks associated with procurement activities		NFI - Suppliers (risk management), p. 165
	TRANSPARENCY AND ANTI-CORRUPTION Art. 3.2, paragraph f)	<p>→ Investigations and litigation regarding:</p> <ul style="list-style-type: none"> • Environment, health and safety • Corruption <p>→ Risks connected with Corporate Governance</p>	<p>■</p>	<p>AR - Integrated Risk Management, pp. 26-31; Risks related to legal proceedings and compliance with anti-corruption legislation, p. 133</p> <p>AR - The internal control and risk management system, pp. 38-39</p> <p>NFI - Transparency, anti-corruption and tax strategy, pp. 166-167</p>
 ALLIANCES FOR DEVELOPMENT	COMMUNITIES Art. 3.2, paragraph d)	→ Risks connected with local content		<p>AR - Integrated Risk Management, pp. 26-31; Risks related to political considerations, pp. 125-127; Risks associated with the exploration and production of oil and natural gas, pp. 121-125</p> <p>NFI - Alliances for promotion of local development, pp. 168-169</p>

■ Top risk



CARBON NEUTRALITY BY 2050



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

Leadership in disclosure - Eni has been the only Oil & Gas Company involved in the TCFD since the beginning of its work and has contributed to the development of the voluntary recommendations for corporate climate change reporting. Transparency in climate change reporting and the strategy implemented by the Company have enabled Eni to be confirmed, once again in 2020, as a leading Company in the Climate Change disclosure program of the CDP⁸. The A-rating achieved by Eni was equalled only by few in the Oil & Gas industry and far exceeds the global average rating of C, in a scale ranging from D (minimum) to A (maximum). In 2020, the TPI⁹ assessment awarded Eni, for the first time, the highest rating for management quality, due to the completeness of Eni's decarbonization strategy, and a high ranking for the emission performance of sold products (carbon performance). In the same period, Carbon Tracker¹⁰ published an analysis of the potential risk of investment for the upstream sector of the main Oil & Gas companies in transition scenarios, in which Eni ranked first, distinguishing itself for the ambition of its GHG emission reduction targets, the competitiveness of future projects and for a medium-long term price scenario among the most conservative in the sector.

Commitment to partnerships - Among the many international climate initiatives that Eni participates in, Eni's CEO sits on the Steering Committee of the Oil and Gas Climate Initiative

(OGCI). Established in 2014 by 5 Oil & Gas companies, including Eni, OGCI now counts twelve companies, representing about one-third of global hydrocarbon production. To reinforce its commitment to reduce operational emissions, OGCI has communicated in 2020 a new collective target for the reduction of the GHG emission intensity (Scope 1+2) of upstream operated assets¹¹, consistent with the scenarios in line with the Paris Agreement. The target is in addition to the methane emission intensity reduction target announced in 2018¹². Furthermore, the commitment to the joint investment in a fund of 1 billion dollars has continued, for the development of technologies to reduce GHG emissions throughout the energy value chain at a global scale and to promote, following the initiative started in 2019, (CCUS KickStarter) wide-scale marketing at global level of CCUS (CO₂ Capture, Utilisation and Storage) technology. Eni promotes the need for alignment among the methodologies for GHG reporting in order to make the Oil & Gas sector performances and decarbonization targets comparable. In this sense, Eni collaborates in the Science Based Target Initiative (SBTi), which is working on the definition of guidelines and standards applicable to the sector to define decarbonization targets in line with the objectives of the Paris Agreement. In December 2020, Eni, together with 7 other companies, joined the Energy Transition Principles initiative, committing to increase transparency and consistency in reporting on GHG emissions and Net Carbon Intensity targets. Disclosure on long-term carbon neutrality is organized according to the four thematic areas covered by TCFD recommendations: governance, risk management, strategy and metrics and targets. The key elements of each area are presented below; please see Eni for 2020 - Carbon Neutrality by 2050¹³ Report for a complete analysis; further details will be available through Eni's disclosure to CDP Climate Change questionnaire 2021.

(8) CDP (formerly Carbon Disclosure Project) is an organization recognized internationally as one of the reference institutions in performance assessment and for the climate strategy of listed companies.

(9) Transition Pathway Initiative, an investor-led global initiative that assesses companies' progress in the low-carbon transition. The report published in September 2020 is an update of the first TPI assessment published in 2019.

(10) Financial independent think tank that for years has been conducting analyses to assess the impact of energy transition on financial markets.

(11) Equal to 20 kgCO₂.eq./boe by 2025 compared to the baseline of 23 kgCO₂.eq./boe in 2017 (13% reduction).

(12) Collective target to reduce methane emission intensity of upstream activities to 0.25% by 2025 from the 2017 value of 0.32%.

(13) This report will be published in the occasion of Eni's Shareholders Meeting.

TCFD RECOMMENDATIONS		AR 2020	2020 SUSTAINABILITY REPORT
		Consolidated Non-Financial Information	Addendum Eni For - Carbon neutrality by 2050
GOVERNANCE			
Disclose the organization's governance around climate-related risks and opportunities.	a) Oversight by the BoD		✓
	b) Role of the management	✓ Key elements	✓
STRATEGY			
Disclose the current and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	a) Climate-related risks and opportunities		✓
	b) Incidence of risks and opportunities linked to climate	✓ Key elements	✓
	c) Resilience of the strategy		✓
RISK MANAGEMENT			
Disclose how the organization identifies, assesses, and manages risks related to climate change.	a) Identification and assessment processes		✓
	b) Management processes	✓ Key elements	✓
	c) Integration into overall risk management		✓
METRICS & TARGETS			
Disclose the metrics and targets used to assess and manage risks and opportunities related to climate change where such information is material.	a) Metrics used		✓
	b) GHG emissions	✓ Key elements	✓
	c) Targets		✓

GOVERNANCE

Role of the BoD. Eni's decarbonization strategy is part of a structured system of Corporate Governance, in which the BoD and the CEO play a central role in managing the main aspects linked to climate change. Based on the CEO's proposal, the BoD examines and approves the Strategic Plan, which sets out strategies and targets, including those related to climate change and energy transition. Since 2014, the BoD has been supported in performing its duties by the Sustainability and Scenarios Committee (SSC), with whom it examines, on a periodic basis, integration between strategy, future scenarios and the medium/long-term sustainability of the business. During 2020, the SSC discussed climate change issues at all meetings, including the outcomes of the 2019 United Nations Climate Change Conference (COP25), energy scenarios, the state of the art in research and development for energy transition, Eni's decarbonization strategy, forestry activities, climate partnerships, Eni's responsible engagement on climate change within business associations, climate resolutions and assembly's disclosure

of reference peers¹⁴. As from 2019, the BoD examines and approves Eni's Medium-Long Term Plan, aiming to guarantee the sustainability of its business portfolio in a time frame up to 2050, in line with what is provided for in the Four-Year Strategic Plan. Several members of the new Board of Directors, in place since May 13, 2020, have experience with ESG issues¹⁵. Immediately after the appointment of the Board of Directors and the Board of Statutory Auditors, a board induction programme was implemented for directors and statutory auditors, which covered, among other topics, issues related to the decarbonization process and the environmental and social sustainability of Eni's activities. Eni's economic and financial exposure to the risk deriving from the introduction of new carbon pricing mechanisms is examined by the BoD both during preliminary approval of the investment and in the following half-year monitoring of the entire project portfolio.

The BoD is also informed annually on the results of the impairment test carried out on the main Cash Generating Units in the E&P sector and elaborated with the introduction of a carbon

(14) For more information, please see the "Sustainability and Scenarios Committee" paragraph of the 2020 Corporate Governance Report.

(15) In particular, in addition to the Chief Executive Officer, Director Litvack and Director Guindani, current and former Chair of the Sustainability and Scenarios Committee respectively, as well as Directors Piccinno and Vermeir. For further details, reference should be made to the biographies of the Directors published in the Governance section of the eni.com website, <https://www.eni.com/en-IT/about-us/governance/board-of-directors.html>

tax value aligned with IEA¹⁶ Sustainable Development Scenario - SDS (see pp. 129-132, "Climate Change Risk" para.). Finally, the BoD is informed on a quarterly basis on the results of the risk assessment and monitoring activities related to Eni's top risks, including climate change.

Role of management. All corporate structures are involved in the definition and implementation of the carbon neutrality strategy and in 2020, to foster its energy transition path, Eni launched a new organizational structure with two business groups: Natural Resources, active in the sustainable development of the upstream Oil & Gas portfolio, in marketing of wholesale natural gas, and in promoting forestry conservation (REDD+) and carbon storage projects, and Energy Evolution, to support the evolution of the production, transformation and marketing activities from fossil fuel based to bio, blue and green products, also through the merge of the retail and renewable businesses. As of 2019, climate strategy issues are part of long-term planning and managed by the CFO area through dedicated structures with the aim of overseeing the process of defining Eni's climate strategy and the related portfolio of initiatives, in line with international climate agreements. The strategic commitment in carbon footprint reduction is part of the essential goals of the Company and is therefore also reflected in the Variable Incentive Plans for the CEO and Company's management. In particular, the 2020-2022 Long-Term Stock-based Incentive Plan provides for a specific objective on issues of environmental sustainability and energy transition (total weight 35%), based on the targets related to decarbonization, energy transition and circular economy processes consistent with the objectives communicated to the market and with a view to aligning with the interests of all stakeholders. The Short-Term deferral Incentive Plan 2021 is closely linked to the Company's strategy, as it is aimed at measuring the achievement of annual objectives in line with Eni's new decarbonization targets. In particular, the upstream emission intensity on an equity basis is considered, which includes indirect emissions (so-called Scope 2) and non-operated activities. Starting this year, the IBT Plan will also include the incremental renewable installed capacity KPI, replacing the one related with the exploration of resources, to support the energy transition strategy. Each of these targets is assigned to the CEO with a weighting of 12.5% and to all the Company's managers according to percentages in line with the attributed responsibilities.

RISK MANAGEMENT

The process for identifying and assessing climate-related risks and opportunities is part of Eni's Integrated Risk Management Model developed to ensure that management makes decisions that take into account current and potential risks, including medium- and long-term risks, and with an integrated, comprehensive and prospective view. In light of the link

between risk and opportunity management and Eni's strategic objectives, the RMI process starts with a contribution in defining Eni's medium- and long-term plan and four-year plan (objectives and actions with de-risking value), and continues with supporting their implementation through periodic risk assessments and monitoring cycles. The IRM process ensures the detection, consolidation and analysis of all Eni's risks and supports the BoD in checking the compatibility of the risk profile with the strategic targets, including those that are medium to long-term. Risks are:

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

Main risks and opportunities. Risks related to climate change are analysed, assessed and managed by considering energy transition aspects (market scenario, regulatory and technological evolution, reputation issues) and physical phenomena. The analysis is carried out using an integrated and cross-cutting approach that involves specialist departments and business lines and considers the related risks and opportunities. The main findings are shown below.

Market scenario. The International Energy Agency (IEA) identifies two main paths of possible evolution of the energy system: the Stated Policies Scenario (STEPS), which includes the policies implemented and planned by governments, and the Sustainable Development Scenario (SDS), which pursues the main energy objectives of sustainable development, including limiting the temperature increase in line with the Paris Agreement. In the SDS scenario, considered by Eni as the main reference for assessing the risks and opportunities associated with energy transition, fossil sources maintain a central role in the energy mix (Oil & Gas equal to 46% of the mix in 2040). Although in this scenario, the global energy demand by 2040 is expected to decrease compared to today (-9.6% vs. 2019, CAGR¹⁷ 2019-2040 -0.5%). In particular, natural gas maintains its portion in the energy mix (23%), and appears as the fossil fuel with the best future perspectives both for integration with renewable sources and for replacement of other sources with higher environmental impacts, especially in emerging Countries. Oil demand, on the other hand, is expected to peak immediately within the next two years and then gradually decline in almost all Countries (with the exception of India and Sub-Saharan Africa). Nevertheless, significant upstream investments are still needed to offset the decline in production from existing fields, although uncertainty remains on the influence that regulatory changes and technological breakthroughs could have on the scenario. Instead, renewable sources will gain growing importance in the progress towards decarbonization, succeeding

(16) International Energy Agency.

(17) CAGR: Compound Annual Growth Rate.

in satisfying in 2040 36% of primary consumption (vs. 14% in 2019), mostly through wind and solar energy.

In its World Energy Outlook 2020 (WEO), IEA introduced an even more challenging scenario called NZE2050 (Net Zero Emissions).

Built on the SDS scenario, it calls for a much stronger set of measures than the SDS in order to achieve net zero emissions by 2050 and limit the temperature increase to 1.5°C by 2100 compared to pre-industrial levels. Energy demand in the NZE2050 decreases by 17% as early as 2030 (vs. -7% compared to SDS), reaching a level similar to 2006, but with an economy twice the size. This is made possible through an even more pronounced recourse (vs. SDS) to electrification, efficiency and changing consumer behaviours.

Regulatory developments. Adoption of policies suitable to sustain the energy transition towards low carbon sources could have significant impacts on the evolution of Eni's business portfolio. In particular, all Parties of the Paris Agreement are called upon to review and strengthen their Nationally Determined Contributions (NDCs) by COP26, to be held in November 2021 in Glasgow. At the same time, an increasing number of governments are announcing carbon neutrality targets by 2050 and some of them, including the EU, have already transposed this into law. In fact, the EU published in December 2019 the European Green Deal, a set of initiatives aimed at achieving carbon neutrality by 2050, a goal transposed into law with the Climate Law. In this context, the EU also intends to revise upwards its 2030 emission reduction target and update most of the related legislation accordingly (e.g. Renewable Directive, EU Emissions Trading Directive). Also with respect to this development, Eni has defined a medium to long-term plan designed to take full advantage of the opportunities offered by the energy transition and progressively reduce the carbon footprint of its activities, as explained in more detail in the Strategy and Targets section.

Technological developments. The need to build a final energy consumption model with a low carbon footprint will favour technologies for GHG emissions capture and reduction, production of hydrogen from gas as well as technologies that support methane emissions control along the Oil & Gas production chain. These elements will contribute to sustaining the role of hydrocarbons in the global energy mix. Furthermore, technological evolution in the field of energy production and storage from renewable sources and in the field of bio-based activities will be a key lever for the industrial transformation of Eni's business. Scientific and technological research is therefore one of the levers on which Eni's decarbonization strategy is based and the areas of action are described in the Strategy and Targets section.

Reputation. Awareness-raising campaigns by NGOs and other environmentalist organizations, media campaigns, campaigns to ban plastic, shareholder resolutions during meetings, disinvestments by some investors and class action by groups of

stakeholders are increasingly more oriented towards greater transparency on the tangible commitments of Oil & Gas companies towards energy transition. Additionally, some public and private parties have begun proceedings, legal or otherwise, against the major Oil & Gas companies, including companies belonging to Eni's Group, deeming them responsible for the impacts related to climate change and human rights. Eni has long been committed to promoting a constant, open and transparent exchange of views on climate change and human rights issues which are an integral part of its strategy and therefore the subject of communications to all stakeholders. This commitment is part of a wider relationship that Eni has established with its stakeholders on important sustainability issues with initiatives on the subjects of governance, dialogue with investors and targeted communication campaigns, as well as participation in international initiatives and partnerships. In the early months of 2020, upholding requests from a number of investors, Eni published a Responsible Engagement policy on climate change within business associations, in which it commits to periodically check (update expected in the first half of 2021) consistency of its climate and energy advocacy positions and those of the trade associations to which it belongs.

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

STRATEGY AND OBJECTIVES

Following a phase of great transformation that has allowed the group to grow and diversify its portfolio, and at the same time strengthen its financial organization, Eni initiated a new phase

in the development of its business model, strongly oriented towards the creation of long-term value, combining economic/financial and environmental sustainability. Based on these principles, in 2021, the new strategy was defined to relaunch the short, medium and long-term operational objectives that outline the evolutionary and integrated path of the individual businesses and that will lead Eni to carbon neutrality by 2050, in line with the provisions of the scenarios compatible with maintaining global warming within the threshold of 1.5°C. The speed of the evolution and the related contribution of the businesses will depend on the market trend, the technological scenario and the reference regulations. Eni will pursue a strategy that aims to achieve by 2050 the net-zero target on GHG Lifecycle Scope 1, 2 and 3 emissions, and the associated emission intensity (Net Carbon Intensity), referred to the entire life cycle of the energy products sold. In addition, the **intermediate decarbonization targets** were confirmed and further extended:

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

Actions mostly already in place that will contribute to achieve these results are:

- reduction of hydrocarbon production in the medium term, with gradual growth of the gas share, which will reach 90% by 2050;
- gradual conversion of traditional refining using new technologies for the production of decarbonized products and recycling of waste materials;
- increase of "bio" refining capacity to 5/6 million tonnes, palm oil free starting from 2023;
- growth in renewable energy capacity production to 60 GW by 2050;
- progressive increase in the production of blue energy carriers (electricity and hydrogen) from gas, combined with CO₂ capture and storage projects;
- increase in Eni gas e luce retail customers, with over 20 million by 2050;
- forest conservation projects totalling around 40 million tonnes/year by 2050.

Accurate accounting of emissions is ensured by the application of a reporting model based on a rigorous methodology for evaluating Scope 1+2+3 emissions associated with the value chain of energy products sold, including both those deriving from own production and those purchased from third parties. This distinctive approach exceeds the current standards for estimating emissions and provides an integral and concise

view of the carbon footprint associated with Eni activities. The methodology was developed with the collaboration of independent experts and the resulting indicators are published annually and certified by the financial auditor. Overall spending in the four-year period 2021-24 for decarbonization, circular economy and renewables is approximately €5.7 billion, including scientific and technological research activities designed to support these themes.

PERFORMANCE METRICS AND COMMENTS

Starting from 2016, Eni was among the first in the industry, to commit to targets aimed at improving the performance related to operational GHG emissions of the operated assets, with specific indicators showing the progress achieved so far in terms of reduction of GHG emissions into the atmosphere, use and consumption of energy resources from primary sources and production of energy from renewable sources. In addition to these, in 2020 new medium and long-term targets, accounted for on an equity basis, were defined and in 2021 they have been relaunched during the presentation of the strategy, in which Eni announced the target of net zero emissions (Scope 1, 2 and 3) by 2050. Below are Eni's main long-term objectives and the performance of the associated indicators:

Net-zero Carbon Footprint upstream by 2030: the indicator considers Scope 1+2 emissions from all upstream assets, operated by Eni and by third parties, net of carbon sinks, which in 2020, was down by 23% compared to 2019 due to both the production declines occurred in relation to the health emergency and the offsetting through forestry credits equal to 1.5 million tonnes of CO₂eq.

Net-zero GHG Lifecycle Emissions by 2050: the indicator refers to all Scope 1, 2 and Scope 3 emissions associated with Eni activities and products, along their value chain, net of carbon sinks and in 2020 it was down by 13% mainly due to the decrease in production and sales in all sectors related to the health emergency.

Zero Net Carbon Intensity by 2050: the indicator is calculated as the ratio between absolute net GHG emissions (Scope 1, 2 and 3) along the value chain of energy products and the amount of energy they contain. In 2020 it was essentially stable as the decrease in emissions across all sectors was accompanied by a proportional decrease in production related to the decline in activities due to the health emergency.

With specific reference to short-term decarbonization targets, defined on operated assets and accounted for on a 100% basis, the following is a summary of the results obtained in 2020 and the progress towards defined targets.

Reduction of the upstream GHG emission intensity index by 43% by 2025 vs. 2014:

the upstream GHG intensity index, expressed as the ratio of direct emissions in tonnes of CO₂eq. and the gross production in thousands of barrels of oil equivalent, in 2020 interrupted the progressive reduction trend, due to the drop in production ascribable to the health emergency and other causes, including the reduced production in onshore fields in Libya due to force majeure caused by the geo-political instability situation and the drop in gas demand in Egypt, whose productions are associated with a low emission impact. In 2020, the index recorded a value of 20.0 tonCO₂eq./kboe, up by 2% compared to 2019. The overall reduction compared to 2014 is 26%.

Zero routine gas flaring by 2025: in 2020, the volumes of hydrocarbons sent to routine flaring, equal to 1.03 billion Sm³, fell by 14% compared to 2019 and by 39% compared to 2014, in relation to both the completion of projects to reduce flaring, in particular in Angola, and due to the decrease in activities related to the health emergency that also affected some fields with associated gas flaring.

Reduction of upstream methane fugitive emissions by 80% by 2025 vs. 2014:

upstream methane fugitive emissions were 11.2 ktCH₄ in 2020, down by approximately 50% from 2019, as a consequence of the decreased production related to the health emergency and thanks to monitoring and maintenance activities carried out as part of the Leak Detection And Repair (LDAR) campaigns that are conducted on a periodic basis and to date cover approximately 60 assets. The overall reduction compared to 2014 is 90%, confirming the achievement in advance of the 80% reduction target set for 2025.

An average improvement of 2% per year in 2021 compared to the 2014 carbon efficiency index: the target has extended the

commitment of reducing GHG emissions (Scope 1 and Scope 2) to all business areas. This objective refers to the overall Eni's index, maintaining the appropriate flexibility in the trends of the individual businesses. In 2020, the index was 31.64 tonCO₂eq./kboe, substantially stable with respect to 2019 (31.41 tonCO₂eq./kboe) mainly due to the drop in production related to the health emergency, and in line with the trend in the upstream sector that weighs more on the overall index. The effect was partially offset by the energy efficiency projects launched or completed during the year. In 2020, in fact, Eni went ahead with its investment plan both in projects aiming directly at increasing energy efficiency in its assets (€10M) and in development and revamping projects with significant effects on the energy performance of operations. When fully operational, the interventions carried out during the year will allow fuel savings of 287 ktoe/year (mostly upstream), with a benefit in terms of emissions reduction of approximately 0.7 million tonnes of CO₂eq.

Overall, **direct GHG emissions from assets operated by Eni** in 2020 amounted to 37.8 mln tonCO₂eq., down by 8% compared to 2019, mainly due to the decrease in activities related to the health emergency, in the upstream, power and refining sectors.

The Energy Solutions business in 2020 grew significantly, reporting a 76% increase in renewables installed capacity compared to 2019 (307 MWp in 2020 vs. 174 in 2019) and bringing production to 339.6 GWh. For biofuels, the quantities produced in 2020 rose to 622 thousand tonnes, with a 143% increase with respect to the previous year. For 2020, the financial commitment of Eni in scientific research and technological development amounted to €157 million, of which approximately €74 million was spent on investments for decarbonization and circular economy projects. These investments are related to energy transition, bio-refinement, green chemistry, production from renewable sources, reduction of emissions and energy efficiency.

KPIS RELATED TO MEDIUM-LONG TERM TARGETS¹⁸

		2020	2019	2018	Target
Net Carbon Footprint upstream (Scope 1 + Scope 2 GHG emissions)	(million tonnes CO ₂ eq.)	11.4	14.8	14.8	UPS Net zero 2030
Net GHG Lifecycle Emissions (Scope 1, 2 and 3) ^(a)		439	501	505	Net zero 2050
Net Carbon Intensity (Scope 1, 2 and 3) ^(a)	(gCO ₂ eq./MJ)	68	68	68	Net zero 2050
Renewable installed capacity	MW	307	174	40	60 GW 2050
Capacity of biorefineries ^(b)	(million tonnes/year)	1.11	1.11	0.36	5/6 million tonnes/year 2050

(a) The methodology for calculating Scope 1+2+3 emissions associated to the value chain of energy products sold, has been enhanced in order to better represent Scope 3 end-use emissions; 2019 and 2018 data are updated accordingly.

(b) Installed capacity of Gela biorefinery has been updated to 750 ktonnes/y due to a review of KPI calculation method (2019 data updated accordingly).

(18) KPIS accounted for on an equity basis.

KEY PERFORMANCE INDICATORS

		2020		2019	2018
		Total	of which fully consolidated entities	Total	Total
Direct GHG emissions (Scope 1)	(million tonnes CO ₂ eq.)	37.76	24.32	41.20	43.35
of which: CO ₂ equivalent from combustion and process		29.70	21.30	32.27	33.89
of which: CO ₂ equivalent from flaring ^(a)		6.13	2.53	6.49	6.26
of which: CO ₂ equivalent from venting		1.64	0.31	1.88	2.12
of which: CO ₂ equivalent from methane fugitive emissions		0.29	0.19	0.56	1.08
Carbon efficiency index (Scope 1 and 2)	(tonnes CO ₂ eq./kboe)	31.64	41.78	31.41	33.90
Direct GHG emissions (Scope 1)/100% operated hydrocarbon gross production		19.98	19.84	19.58	21.44
Direct GHG emissions (Scope 1)/Equivalent electricity produced (EniPower)	(gCO ₂ eq./kWh eq.)	391.4	391.0	394	402
Direct GHG emissions (Scope 1)/Refinery throughputs (raw and semi-finished materials)	(tonnes CO ₂ eq./ktonnes)	248	248	248	253
Methane fugitive emissions (upstream)	(ktonnes CH ₄)	11.2	7.01	21.9	38.8
Volumes of hydrocarbon sent to flaring	(billion Sm ³)	1.8	0.9	1.9	1.9
of which: routine flaring		1.0	0.3	1.2	1.4
Indirect GHG emissions (Scope 2)	(million tonnes CO ₂ eq.)	0.73	0.58	0.69	0.67
Indirect GHG emissions (Scope 3) from use of sold products ^(b)		185	na	204	203
Electricity produced from renewable sources ^(c)	(GWh)	339.6	243.4	60.6	11.6
Energy consumption from production activities/ 100% operated hydrocarbon gross production (upstream)	(GJ/toe)	1.52	3.88	1.39	1.42
Net consumption of primary resources/ Equivalent electricity produced (EniPower)	(toe/MWheq.)	0.17	0.17	0.17	0.17
Energy Intensity Index (refineries)	(%)	124.8	124.8	112.7	112.2
R&D expenditure	(€ million)	157	157	194	197.2
of which: related to decarbonization		74	74	102	74
First patent filing applications	(number)	25	25	34	43
of which: filed on renewable sources		7	7	15	13
Production of biofuels	(ktonnes)	622	622	256	219

Unless differently specified, KPIs related to GHG emissions and consumptions refer to operated assets 100% data.

(a) Starting with 2020, the indicator includes all Eni's emissions related to flaring, aggregating also the contributions of Refining & Marketing and Chemicals, which, until 2019, are accounted in the "combustion and process" category.

(b) Category 11 of GHG Protocol Corporate Value Chain (Scope 3) Standard. Based on upstream production, Eni's share, consistently with IPIECA methodologies.

(c) Consistently with Company targets, the indicator is accounted for on an equity basis. In order to ensure comparability, 2019 and 2018 data are represented accordingly.



OPERATING EXCELLENCE MODEL

The Operating Excellence Model is based on a constant commitment to consolidating and developing skills in line with new business needs, enhancing its people in all areas (professional

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

People

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

A CULTURE OF PLURALITY AND THE DEVELOPMENT OF PEOPLE

The approach of Eni to Diversity & Inclusion has been developed in the wake of its cultural sensitivity and tradition, rooted in the international culture of plurality; it is based on the fundamental principles of non-discrimination, equal opportunity and inclusion of all forms of diversity, as well as integration and balancing work with people's personal and family needs. Eni is committed to creating a work environment in which different personal and cultural characteristics or orientations are considered a source of mutual enrichment and an indispensable element of business sustainability. At Eni, there are no differences in gender, religion, nationality, political opinion, sexual orientation, social status, physical abilities, medical conditions, family circumstances and age and any other irrelevant aspect; furthermore, Eni aims to establish working relationships free from any form of discrimination, requiring that similar values be adopted by all third parties working with Eni. Diversity is in fact a resource to be safeguarded and enhanced both within the Company and in all relations with external stakeholders, including suppliers, commercial and industrial partners, as underlined by its mission and Code of Ethics. Eni promotes cross professional exchange through a series of processes, including geographical mobility, as an important experience in the path of personal growth. The consolidation over the years of the processes of induction of new recruits, coaching, training and sharing of skills and best practices with local personnel has ensured continuity in op-



erating activities in 2020, a year characterized by a massive return of expatriate personnel to headquarters. With regard to gender diversity, Eni pays particular attention to the promotion of initiatives to attract female talents at a national and international level, and to the development of managerial and professional growth paths for the women in the Company. In this context, Eni organizes initiatives for high school students in STEM (Science, Technology, Engineering and Mathematics) subjects, with a focus on gender equality (Think About Tomorrow) and participates in national and international initiatives¹⁹ with the aim of constantly enhancing its processes and operating practices with a view to gender equality. These activities have continued throughout the year through the "dematerialization" of events and meetings that has allowed reaching places, people and realities inaccessible to date, breaking down language and geographical barriers. Remuneration policies for Eni employees are defined according to an integrated model at global level and promote salary progression linked exclusively to meritocratic criteria referring to the skills expressed in the role held, the performance achieved and the references of the local remuneration market. In order to verify the implementation of these policies, since 2011, Eni has annually monitored the remuneration gap between women and men, noting the substantial alignment of remuneration. In addition, in relation to ILO (International Labour Organization) standards, Eni performs annual analyses on the remuneration of local personnel in the main Countries in which it operates, which show minimum salary levels of Eni personnel significantly higher than both the minimum legal salaries and the minimum market remuneration levels, identified for each Country by international providers (for further information, see Report on remuneration policy and remuneration paid 2021, on p. 13).

Relating to the professional management of its resources, Eni has implemented managerial development and excellence pathways aimed at the core professional areas, which it supports through training activities, mobility initiatives, job rotation and development tools. Eni uses various assessment

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

tools to support these pathways, including the annual review, the performance and feedback process with a focus on senior managers, middle managers and young graduates and soft skills assessment processes. The year 2020 saw an inevitable downturn in mobility initiatives. However, internal growth and development continued, held remotely.

In 2020, the performance assessment and feedback process covered 97%, while potential assessment activities²⁰ 95% of the total planned with an overall improving trend (+10 p.p. vs. 2019); finally, 123 senior managers and middle managers were assessed using the Management Appraisal methodology.

TRAINING

The 2020 training programme was marked by an intense redesign of many distance learning courses, giving priority to health and safety issues, alongside courses to support people, up to and including master's degrees, to which we wanted to give continuity. HSE training continued where possible in presence, or in distance mode, and covered both mandatory and non-mandatory training content. In addition, a course was created for all Eni employees (Enicampus Live) to encourage greater awareness of individual behaviour in the emergency context and to acquire renewed responsibility for individual and team results. The Diversity & Inclusion training offer was also expanded with new content, including a course dedicated to "gender harassment in the workplace", while the commitment for the contamination remained prevalent for many training initiatives on the emerging issues of Energy Transition, Circular Economy, Carbon Capture, Utilization, and Storage (CCUS), Forestry, Renewable Energy, digitalization both of a technical nature and of Corporate Identity (for new hires, new managers, or managerial figures). Attention continued to be focused both on information security, through the provision of cyber security courses, and on training using innovative techniques such as Virtual Reality Training (for example in the HSE and Drilling field) or Augmented Reality (in the HSE field).

INDUSTRIAL RELATIONS

The energy transition path has determined the need to define a new model of industrial relations and for this reason, on December 3, 2020, Eni and the unions signed a new protocol called "INSIEME, a model of industrial relations to support the energy transition path". The protocol aims at sharing information on this path, updating and renewing professional skills in view of the new business challenges and proposing a clear and favourable regulatory framework for the development of a sustainable business model. At international level, the model of trade union relations is based

on three pillars: two in Europe (the European Works Council and the European Observatory for the Health and Safety of Workers at Eni) and a global one, namely the Global Framework Agreement on International Industrial Relations and Corporate Social Responsibility (GFA), renewed in 2019 with the main Italian trade unions and IndustriALL Global Union²¹. During 2020, a constant exchange of information was ensured between the Company and the unions, within the framework of competence provided for each agreement, on the main topics of attention (including emergency management, Company reorganizations and Brexit).

WELFARE INITIATIVES²²

The health emergency situation has impacted all personal services, making it necessary both to revise the ways in which initiatives are organized with a view to utmost safety (increased attention to health services, support for summer family organization and employee catering services) and to identify innovative services capable of responding to emerging needs arising from family and social complexity and new ways of working. These new initiatives include an online training course dedicated to parents to help them cope in the new everyday life, addressing issues such as the impact of digital technologies, educational needs and building relationships.

HEALTH

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

(20) Potential assessments are conducted through the methodology of Development Center, Online Assessment, and Individual Assessment.

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

(22) Benefits are offered to all employees consistent with the regulations set forth in the Health Care, Supplemental Security and Other Funds.

the risks inherent to new projects, industrial processes and the results of industrial hygiene activities; (iv) promoting the digitalization of health processes and services. In 2020, all of the Group companies continued the implementation of health management systems with the objective of promoting and maintaining the health and well-being of Eni people and ensuring adequate risk management in the workplace.

In the critical global health context, Eni has implemented a series of prevention and assistance interventions in order to support those in the front line managing health emergencies and local health structures, also thanks to the numerous experiences in health projects gained in response to epidemic events around the world²³. In fact, the Eni centre of competence for the management of health emergencies has supported the business units through: (i) epidemiological updates and new guidelines issued by international bodies, (ii) hygiene measures for the prevention and containment of outbreaks and epidemics/pandemics, (iii) clinical and care flow management best practices, vaccinations and recommendations for travel medicine and (iv) support in defining technical specifications for services related to emergency response.

PERFORMANCE METRICS AND COMMENTS

EMPLOYMENT AND DIVERSITY

Overview - Overall employment amounts to 30,775 people, of whom 21,170 in Italy (68.7% of Eni employees) and 9,605 abroad (31.2% of Eni employees). In 2020, employment at global level decreased by 546 people compared to 2019, equal to -1.7%, with an increase in Italy (+92 employees) and a reduction abroad (-638 employees). The reduction in employment, due mainly to a business scenario affected by the health emergency, concerned both local and international employees. Despite the discontinuity of the energy market, Eni continued to pursue its diversity objectives: in 2020, permanent hires of female personnel stood at 34.6% of total hires compared to 32.3% in the previous year.

Hires - Overall, in 2020, 780 people were hired, 607 of whom with permanent contracts. About 76% involved employees under the age of 40. Of the total number of hires, approximately 23% in upstream business (total 183, of which 109 with permanent contracts and 74 with fixed-term contracts), 20% in Support Function, 10% the R&M area and 47% the other businesses.

Terminations - Overall, 1,600 contracts were terminated (934 in Italy and 666 abroad), 1,323 of which were permanent

contracts²⁴, and 21.0% regarded female employees. In 2020, 22.1% of employees with permanent contracts who ended their employment were under 40 years of age. Due to the negative business scenario generated mainly by the health emergency, the turnover rate decreased compared to previous years mainly due to a reduction in the number of hires.

Female employment - Of the permanent hires in 2020, 34.6% involved female personnel (up 2.3 percentage points vs. 2019). In 2020, the percentage of female employees stood at: 16.3% of executives, 27.7% of middle managers, 29.9% of white collar workers, 2.1% of blue collar workers. Compared to the past, the overall percentage of women on the boards of directors of subsidiaries decreased to 26% in 2020 (29% in 2019), while the overall percentage of women on the supervisory boards of subsidiaries remained substantially stable at 37%. In 2020, the percentage of women in positions of responsibility rose to 26.64%, compared to 26.05% in 2019; in all, women accounted for 24.56% of the Eni total workforce. At Eni, 33% of the figures reporting directly to the CEO are women.

Employment in Italy - There were 379 hires in Italy, of which 346 were permanent contracts (37.6% women, an increase of about 5 percentage points compared to 2019). Despite an increase in employment in Italy of +0.4% compared to 2019, there was a slight decrease in the number of people employed in the youngest age group (18-29), -0.6% vs. 2019, while the 40-49 (+0.8%) and over 60 (+1.15%) age groups increased, partly due to the return of expatriate personnel. Again in Italy, in 2020, there were 934 terminations, 893 of whom were permanently employed (and 19.0% women).

Employment abroad - Average presence of local employees abroad is constant and around 84% in the last three years on average, that confirms Eni commitment to local content through the engagement of local communities in its business activities in the Countries. Use of expatriate personnel is limited to specific expertise and competences hardly available in the Country. Abroad, in 2020, there were 401 new hires, of which 261 were with permanent contracts (30.7% women) and 78.1% were employees under 40 years of age. The balance between hires and terminations abroad at the end of the year was -265 (+401 hires and -666 terminations) and this trend is also attributable to contractual terminations of international resources employed in the E&P business. There were 666 terminations, 430 of whom permanently employed. Of these, 35.3% regarded employees under the age of 40, and 25.1% were women. Abroad, there

(23) For health-related initiatives carried out in favour of the local community in Italy and abroad, see the chapter Alliances for promotion of local development on pp. 168-169.

(24) Of which about 58% for retirement and 28% for resignation.

was a reduction of 645 overseas resources compared to the previous year (-33.5%), in particular -392 Italian expatriates (-28.8%) and -253 international expatriates (-44.9%). Local personnel remains essentially stable compared to 2019 (+0.08%). A total of 1,278 expatriates work abroad (of which 968 Italians and 310 international expatriates). In last years, approximately 20% of employees in positions of responsibility are non-italians, with an increase of 1.3 p.p. vs. 2019. Such an increase is part of professional development paths that include work periods in offices located in Italy or in Countries other than the one of origin. Specifically, percentage of local senior managers & middle managers abroad increased of 2.48 p.p. vs. 2019.

Employment by line of business - About 55% of permanent hires were in the upstream business areas (mainly in Mozambique, the United Kingdom, Mexico and the United States), Retail G&P (France and Greece) and Support Functions, with the main objective of managing turnover to support the consolidation and evolution of skills. Terminations were related to the upstream business (31.8%), Support Functions (25.3%) and R&M (14.2%).

Average age - The average age of Eni's people in the world is 45.8 years (46.7 in Italy and 43.7 abroad): 49.8 years (50.7 in Italy and 47.1 abroad) for senior and middle managers, 44.4 years (45.5 in Italy and 41.9 abroad) for employees, and 41.9 years (40.6 in Italy and 43.7 abroad) for workers.

TRAINING

In a year marked by the COVID-19 emergency, there was a 23.6% reduction in total hours of training provided in 2020 compared to 2019. However, it is important to highlight the significant increase in distance learning, which reached 67% of total hours in 2020 (vs. 28% in 2019).

The average expenditure compared to 2019 has a per capita decrease as it is affected by the reduction in overall training costs, which led to a decrease of 33%; however, it was possible to achieve this result also thanks to efficiency actions with reductions in external costs and greater use of internal teaching.

HEALTH

In 2020, the number of health services sustained by Eni was 354,192, of which 242,160 for employees, 39,840 for family members, 65,662 for contractors and 6,530 for others (e.g. visitors and external patients).

The number of participants in health promotion initiatives in 2020 was 222,708, of whom 99,758 were employees, 86,357 contractors and 36,593 family members. As concerns occupational illnesses, claims fell during 2020 from 73 to 28, with an overall reduction of 61%, due to the reduction of illnesses reported, both by former employees (from 64 to 21 claims) and current employees (from 9 to 7 claims). Of the 28 occupational disease claims submitted in 2020, 10 were submitted by heirs (all relating to former employees).

KEY PERFORMANCE INDICATORS

		2020	2019	2018
Employees as of 31st December ^(a)	(number)	30,775	31,321	30,950
Women		7,559	7,590	7,307
Italy		21,170	21,078	20,576
Abroad		9,605	10,243	10,374
Africa		3,143	3,371	3,374
Americas		925	1,005	1,257
Asia		2,432	2,662	2,505
Australia and Oceania		87	88	90
Rest of Europe		3,018	3,117	3,148
Employees aged 18-24		470	564	437
Employees aged 25-39		8,689	9,289	9,224
Employees aged 40-54		13,739	13,824	14,058
Employees aged over 55		7,877	7,644	7,231
Local employees abroad	(%)	87	81	83
Employees by professional category:	(number)			
Senior managers		965	1,021	1,008
Middle managers		9,172	9,387	9,147
White collars		15,941	16,050	15,839
Blue collars		4,697	4,863	4,956
Employees by educational qualification:				
Degree		15,345	15,375	14,603
Secondary school diploma		12,826	13,184	13,348
Less than secondary school diploma		2,604	2,762	2,999
Employees with permanent contracts ^(b)		30,165	30,571	30,183
Employees with fixed term contracts ^(b)		610	750	767
Employees with full-time contracts		30,290	30,785	30,390
Employees with part-time contracts ^(c)		485	536	560
New hires with permanent contracts		607	1,855	1,264
Terminations of permanent contracts		1,323	1,198	1,270
Turnover rate ^(d)	(%)	6.1	9.8	7.6
Local senior managers & middle managers abroad		19.13	16.65	16.70
Non-Italian employees in positions of responsibility		18.6	17.3	17.9
Seniority	(years)			
Senior managers		23.21	22.78	22.12
Middle managers		20.40	20.00	20.02
White collars		17.03	16.73	17.03
Blue collars		14.15	13.55	13.05
Presence of women on the Boards of Directors	(%)	26	29	33
Presence of women on the Boards of Statutory Auditors ^(e)		37	37	39
Training hours	(number)	1,040,119	1,362,182	1,169,385
Average training hours per employee by employee category		36.2	43.6	36.9
Senior managers		30.7	51.0	41.7
Middle managers		34.9	42.0	37.2
White collars		39.0	43.9	36.2
Blue collars		30.3	44.3	37.7
Average training and development expenditure per full time employee	(€)	778.4	1070.8	1059.5
Employees covered by collective bargaining	(%)	83.40	83.03	80.89
Italy		100	100	100
Abroad		41.78	40.91	35.33
Occupational illnesses allegations received	(number)	28	73	81
Employees		7	9	10
Previously employed		21	64	71

(a) The data differ from those published in the Annual Report (see p. 16) because they include only fully consolidated companies.

(b) The breakdown of fixed-term/permanent contracts does not vary significantly either by gender or by geographical area except for China and Mozambique where it is common practice to insert local resources for fixed term and then stabilize them over a period of 1-3 years.

(c) There is a higher percentage of women (6% of total women) on part-time contracts, compared to men who are round 0.2% of total men.

(d) Ratio between the number of new hires + terminations of permanent contracts and the permanent employment of the previous year.

(e) Outside of Italy, only the companies with a control body similar to the Italian Board of Statutory Auditors are considered.

Safety



Eni is constantly engaged in research and development for all the necessary actions to be taken to ensure safety at work, in particular in the development of organizational models for risk assessment and management and in the promotion of a culture of safety, in order to pursue its commitment to stopping accidents from happening. Several projects and initiatives on the theme of the “Human Factor” were promoted in 2020, mainly concerning: (i) the creation of a behavioural analysis model in search of so-called “weak signals” that provides recommendations for reducing human error, strengthening human “barriers” to counter accident risks and assessing the influence of cultural elements in a given operational reality; (ii) the creation of an accident investigation methodology to highlight recurring causes; (iii) the preparation of a new behavioural training area with the aim of fostering greater awareness of HSE aspects in the field of behavioural safety and Non-Technical Skills.

In addition to these innovative activities, Eni continued to pay particular attention to reinforcing safety during activities at **operating sites**, further standardizing in special regulatory instruments, valid for all Eni entities, the minimum basic principles to be applied in the most critical activities already adopted at site level. In addition, with the continuation of smart working, the “Safety starts @ home” campaign was relaunched and enhanced to promote safety at home starting with the “Safety Golden Rules”²⁵ – the 10 golden rules for safety at work. In the foreign upstream subsidiaries, an initiative was also implemented with the aim of strengthening the leadership and commitment of management at all levels, both of Eni and its contractors.

Regarding the **management of contractors**, the 130 people in the Safety Competence Center (SCC)²⁶ continued to proactively monitor and support the process of improvement of companies towards management models characterized by a safety culture that is more preventive than reactive, monitoring over 2,500 suppliers, equal to 70% of those with potential HSE criticalities in Italy, and managing the anomalies detected with immediate corrective actions and sharing innovative good practices. In addition, agreements (so-called “Safety Pacts”) were developed with various contractors operating in Ghana and Angola.

In 2020, the massive dissemination of the 10 shared operating rules on **process safety** (Process Safety Fundamentals - PSF) was launched, which transversally involved the various Eni businesses, covering about 80% of employees at operating sites.

Moreover, Eni applies **Asset Integrity** process to its assets

and ensures they are well-designed, well-built and with the most appropriate materials, well run, and decommissioned properly, by managing residual risk with the aim of guaranteeing maximum reliability and, above all, safety of people and the environment. The Asset Integrity Management System develops from the initial design stage (Design Integrity), to procurement, construction, installation and testing (Technical Integrity) through to operational and decommissioning (Operating Integrity). In 2020 Eni continued the initiatives launched in 2019 to further promote the Asset Integrity culture with a cross and widespread approach.

With regard to **industrial hygiene**, great attention was paid, in the context of the emergency, to the identification and management of suitable individual prevention devices (PPE) and initiatives were promoted to raise awareness of the effective management of risk factors.

In 2020, Eni continued to develop and implement digital initiatives to support safety, including: the creation of an app to increase HSE culture, initiatives to support issued work permits currently present at more than 60 sites and a project to identify recurring hazardous situations with artificial intelligence technologies.

Lastly, other initiatives were launched in the areas of emergency preparedness and response, use of chemical products, radiation protection with regard to the dangers of exposure to ionizing radiation and product safety. The main corporate objectives for safety and industrial hygiene in 2021 are: (i) the improvement of the Severity Incident Rate (SIR), Eni's weighted internal index that measures the level of incident severity and is used in the short-term incentive plan of the CEO and senior managers with strategic responsibilities, in order to focus the commitment of Eni on reducing the most serious accidents; (ii) the consolidation of the Safety Culture Program, an indicator that monitors the level of proactivity through aspects of preventive safety management; (iii) the continuation of the dissemination of the 10 Process Safety Fundamentals; (iv) the extension to all Eni sites of projects that apply new technologies and new digital devices to support safety; (v) strengthening of oversight in specific areas of industrial hygiene.

PERFORMANCE METRICS AND COMMENTS

In 2020, the total recordable injury frequency ratio (TRIR) of the workforce increased compared to 2019 (+5%), particularly the employee ratio due to an increase in the number of injuries (30

(25) For more information, see: <https://www.eni.com/en-IT/just-transition/culture-of-safety.html>.

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

compared to 19 in 2019). In contrast, the ratio for contractors improved by 10%. A fatal injury occurred involving an upstream contractor in Egypt due to crushing. The ratio for injuries at work with serious consequences is nil, since there were no events falling into this category (i.e. no injuries with more than 180 days of absence or with consequences such as total or partial permanent disability).

In Italy, the number of total recordable injuries decreased (27 events compared to 37 in 2019, of which 8 employees and 19 contractors) and the total recordable injury frequency ratio (TRIR) improved by 18%; also abroad the number of injuries decreased (64 events compared to 77 in 2019, of which 22 employees and 42 contractors), but the total recordable injury frequency ratio worsened (+14%).

KEY PERFORMANCE INDICATORS

		2020		2019	2018
		Total	of which fully consolidated entities	Total	Total
TRIR (Total Recordable Injury Rate)	(total recordable injuries/hours worked) x 1,000,000	0.36	0.42	0.34	0.35
Employees		0.37	0.50	0.21	0.37
Contractors		0.35	0.38	0.39	0.34
Number of fatalities as a result of work-related injury	(number)	1	0	3	4
Employees		0	0	1	0
Contractors		1	0	2	4
High-consequence work-related injuries rate (excluding fatalities)	(high-consequence work-related injuries/hours worked) x 1,000,000	0.00	0.00	0.01	0.01
Employees		0.00	0.00	0.00	0.00
Contractors		0.00	0.00	0.01	0.01
Near miss	(number)	841	642	1,159	1,431
Worked hours	(million of hours)	255.1	158.8	334.2	330.6
Employees		81.8	54.1	92.1	91.6
Contractors		173.3	104.7	242.1	239.0

Respect for the environment

Eni operates in very different geographical contexts, which require specific assessments of the environmental aspects, and is committed to strengthening control and monitoring of its activities by adopting international technical and management good practices and **Best Available Technology**. Particular attention is paid to the efficient use of natural resources, like water, to reducing oil spills, to managing waste, to managing the interaction with biodiversity and ecosystem services.

For Eni, **environmental culture** is an important lever for the correct management of environmental issues and for this reason in 2020, it involved its own people through various initiatives including the conduct of specific environmental cultural engagement sessions on the field, the provision of awareness “briefs” on the correct management of environmental aspects and the creation of an environmental communication campaign dedicated to all employees, with interventions by internal and operational experts. At the same time, in renewing its environmental

culture, Eni has directly involved its suppliers, whose activities must reflect Eni’s values, commitment and standards. In 2020, the Safety Pact was extended to the environment as well, involving several suppliers who have committed to implement tangible improvement actions that can be measured through the Safety and Environment Performance Index, whose data are collected with specific tools called “safetymeter” and “environmentmeter”. The commitment of Eni in 2020 also concerned **environmental digitalization** with particular reference to process optimization through the creation of IT tools for the management of environmental compliance, including international compliance, and site-specific technical-management assessment models. The transition path towards a **circular economy** represents for Eni one of the main responses to the current environmental challenges, which is based on the revision of the Company’s production processes and the management of its assets, reducing the withdrawal of natural resources in favour of mate-



rials from renewable sources, reducing and enhancing scrap (from production, waste, emissions, discharges) through recycling or recovery actions and extending the useful life of products and assets through reuse or reconversion actions. In this regard, starting in 2017, Eni began carrying out site-specific circularity analyses, moving from an initial qualitative approach, based on the 3R (Reduce, Reuse, Recycle) criterion, to quantitative assessments with a measurement model developed on the basis of internationally recognized principles and assessed by a third party. This model, through the monitoring of specific indicators, including HSE indicators, makes it possible to measure both the current state of circularity and the effect of the improvement opportunities identified, while at the same time anticipating the setting of future national and international regulations on the subject.

Eni's **waste** management pays particular attention to the traceability of the entire process and to the verification of the parties involved in the disposal/recovery chain, in order to ensure compliance with regulations and the environment. Nearly all of Eni waste in Italy is managed by Eni Rewind, which in 2020, launched a digitalization project for the efficiency and monitoring of its waste management process and implemented solutions to ensure its traceability up to its correct final disposal/recovery, facing regulatory developments that have strengthened the responsibilities of companies in this area.

With reference to **water resources**, Eni operates **efficient management** by evaluating the use of water and the impacts of its activities on water resources for the benefit of the ecosystem, other users and the Company itself. Eni, especially in stressed areas, carries out the mapping and monitoring of water risks and drought scenarios to define long-term actions also aimed at preventing and mitigating the effects of climate change, involving suppliers as well during the qualification process. Following its decision to endorse the CEO Water Mandate in 2019, Eni has launched a number of initiatives including, in line with the first of the core elements of the Mandate, a number of studies to evaluate options to increase the water resilience and efficiency of its assets. In terms of transparency, also in 2020, Eni gave a public response to the CDP Water Security questionnaire, confirming the score obtained last year (A-).

With regard to the management of risks related to **oil spills**, Eni is constantly engaged in every area of intervention: prevention, preparedness, followed by mitigation, response and recovery.

In the area of prevention, in Italy, on the pipeline network of the Val D'Agri Oil Centre, completed on two backbones was the installation of the e-VPMS® technology (Eni Vibroacoustic Pipeline Monitoring System²⁷ – Proprietary Patent), which, among other things, obtained the recognition of Conformity to the Industry 4.0 Plan²⁸ by a third party, while in Nigeria, where the system is already operational on the Kwale-Akri and Ogbobiri-Tebidaba pipelines, installation has been temporarily suspended on the Clough Creek-Tebidaba pipeline (52 km) due to the pandemic and is expected to be rescheduled in 2021. Lastly, regarding R&D, work continued on testing various technologies, including those that monitor the integrity of pipelines and tanks and early warning systems for water and pollution risks, both on upstream and downstream assets. In addition, on the retail network in Italy, the replacement of single-wall underground tanks with new double-wall tanks or resining continued, with completion expected in 2021.

As part of the preparation, in order to minimize intervention times, an analysis of the risk of natural events, such as landslides and river overflows, was carried out on the oil pipeline network in Italy, in order to identify the critical sections and the consequent priorities for defence interventions.

As part of the sustainable recovery of places that have been sabotaged, remediation work is also being carried out using a technology that makes use of plant species (phyto-remediation). Lastly, collaborations continued with IPIECA and IOGP²⁹ in order to strengthen the capacity to respond to marine pollution, in terms of updating and disseminating good practices and regional initiatives such as GI-WACAF - Global Initiative for West, Central and Southern Africa³⁰ and OSPRI - Oil Spill Preparedness Regional Initiative³¹, together with local authorities.

Eni commitment to Biodiversity and Ecosystem Services (BES)

is an integral part of the Integrated HSE Management System, confirming its awareness of the risks for the natural environment resulting from its sites and activities. Operating on a global scale in environmental contexts with different ecological sensitivities and regulatory systems, Eni has adopted a specific BES management model that has evolved over time thanks also to long-term collaborations with recognized international organizations that are leaders in biodiversity conservation. The BES management model³² is aligned with the strategic objectives of the Convention on Biological Diversity (CBD)³³ and ensures that the interactions between environmental aspects (such as

(27) e-VPMS® is a technology for detecting vibro-acoustic variations in the structure of pipelines and in the fluid transported by the same, aimed at identifying potential spills in progress.

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

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

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

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

(32) Eni BES management model is described in detail in the BES Policy published on the Eni website: <https://www.eni.com/assets/documents/eng/just-transition/Eni-Biodiversity-and-Ecosystem-Services-Policy.pdf>.

(33) Rio de Janeiro, 1992.

BES, climate change, water management) and social aspects (such as the sustainable development of local communities) are identified and managed correctly from the early planning stages. Through the application of the Mitigation Hierarchy, Eni gives priority to preventive measures over corrective ones with the primary objective of no net loss of biodiversity.

The active involvement of stakeholders is fundamental for the implementation and continuous improvement in the management of the BES issue and ensures the effective application of the Mitigation Hierarchy. Consultation and collaboration with local communities, indigenous peoples and other local stakeholders helps to understand their expectations and concerns, determine how ecosystem services and biodiversity are being used, and identify management options that include their needs. The involvement of key stakeholders is an inclusive and transparent process that takes place from the early stages of a project and continues throughout its life cycle. Eni biodiversity risk exposure is periodically assessed by mapping the geographical proximity to protected areas and areas important for biodiversity conservation. This mapping allows identifying priority sites where to take action with higher resolution inquiries to characterize the operational and environmental context and assess potential impacts to be mitigated through Action Plans, thus ensuring effective management of risk exposure. Moreover, since October 2019, Eni has committed not to conduct oil and gas exploration and development activities within the boundaries of Natural Sites included in the UNESCO World Heritage List³⁴. This commitment confirms the Biodiversity and Ecosystem Services Policy that Eni has been following for a long time in its operations, in line with the corporate mission, and reaffirms both its approach to nature conservation in every area with a high biodiversity value and the spread of good management practices in joint ventures where Eni is not an operator. In 2020, Eni adhered to the "Together with Nature" principles, committing, in addition to recognizing the close link between climate change and biodiversity loss, to minimizing risks and maximizing efforts to protect and conserve existing ecosystems through the application of Nature-based Solutions, based on rigorous ecological principles.

PERFORMANCE METRICS AND COMMENTS

In 2020, sea **water** withdrawals increased by 10% overall, mainly due to the increase recorded at the Priolo petrochemical plant (where activity resumed after the 2019 maintenance shutdown and where, starting in the second half of

2020, functionality tests were carried out on the seawater network with an increase in the related withdrawals). The increase in seawater withdrawals was also influenced by upstream start-up activities in Angola. The increase in sea water withdrawals was partly offset by the lower quantity of raw materials processed at the Taranto refinery (-8 Mm³). Freshwater withdrawals, accounting for about 7% of total water withdrawals and over 70% attributable to the R&MeC sector, declined by 11%. The trend is attributable to a reduction in surface water withdrawals of more than 19 Mm³ at the Mantua (Italy) petrochemical plant due to both the cessation of maintenance activities carried out in 2019 and the individual user awareness and control activities put in place by the site during 2020. Freshwater reuse rate increased to 91% from 89% in 2019. The E&P sector's produced water re-injection rate stood at 53%, down from 2019 (when it stood at 58%) due to shutdowns in Libya, malfunctions of the re-injection systems at the Loango and Zatchi fields in Congo and the Ebocha field in Nigeria (with difficulties in performing maintenance activities due to reduced staffing for the COVID-19 emergency) as well as deconsolidation of Eni Ecuador whose performances in terms of re-injection rates were particularly solid. Analysis of the stress level of hydrographic basins³⁵ and further studies carried out locally shows that freshwater withdrawals from areas under stress account for 1.5% of Eni total water withdrawals. In 2020, in particular, Eni withdrew 113 million cubic meters (Mm³) of freshwater, of which 26.5 Mm³ from water-stressed areas (11.8 Mm³ from superficial water bodies, 5.4 Mm³ from groundwater, 4.6 Mm³ from third parties, 3.2 Mm³ from urban net and 1.5 Mm³ from TAF). Onshore produced water in water-stressed areas was 20.7 Mm³. In 2020, Eni discharged 93.6 Mm³ of freshwater, of which 18.3 Mm³ in water-stressed areas (equal to 20%). Spilled barrels following operational **oil spills** decreased by 7% compared to 2019. The most significant events included a spill in Nigeria of almost 300 barrels at the Brass Terminal (almost all recovered) and a spill of 63 barrels at the Brindisi petrochemical plant (fully recovered). Overall, 64% of operational spill volumes were recovered. Of the barrels spilled, 73% are attributable to activities in Nigeria. With regard to sabotage events, in 2020, there was a decrease in both the number of spills and the quantities spilled. Of volumes spilled, 76% were from upstream operations in Nigeria, where spilled quantities were down 29% compared to 2019. Two events were recorded in Egypt, one of which caused the spill of 1,000 barrels from a crude oil line in the desert (70% already recovered). In Italy, there was a break-in

(34) Natural Sites included in the UNESCO World Heritage List as of May 31, 2019. For further information, please refer to the Eni website: <https://www.eni.com/en-IT/media/press-release/2019/10/eni-makes-no-go-commitment-for-unesco-natural-world-heritage-sites.html>.

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

at the Genoa-Ferrera Erboگونه oil pipeline near Novi Ligure, which caused the spillage of about 400 barrels of crude oil. Overall, 46% of oil spill volumes from sabotage were recovered. Volumes spilled as a result of chemical spills are mainly attributable to upstream activities in the UK and USA.

Waste generated by Eni from production operations in 2020 decreased by 19% compared to 2019, due to the decline in both non-hazardous waste (76% of the total), and hazardous waste. The decrease in non-hazardous waste is mainly related to the E&P sector, where more than 350,000 tonnes less were generated compared to 2019 due to the slowdown of activities following the COVID-19 emergency and as a result of the cessation of Construction activities in Zohr (Egypt). The reduction in hazardous waste is attributable to both the E&P sector (due to reduced drilling activities in Nigeria and Kazakhstan) and the R&MeC sector, where the Taranto and Sannazzaro refineries recorded a significant drop in waste production due to the slowdown in operations following the health emergency. Eni's share of recovered and recycled waste in 2020 was 13% of the total waste disposed³⁶, up from 2019 thanks to the increase in non-hazardous waste recovered regarding both the E&P sector (Central Southern District) and the R&MeC sector (Gela and Taranto refineries). In 2020, a total of 4.2 million tonnes of waste was generated by remediation activities (of which 3.9 million tonnes by Eni Rewind), of which about 73% was groundwater treated at TAF plants, partly reused and partly returned to the environment. Expenditure on remediation activities amounted to €411 million.

Emissions of pollutants into the atmosphere decreased, with the exception of sulphur oxide (SO_x) emissions, which increased slightly compared to 2019 (+0.1%), particularly for upstream activities where the composition of the gas

sent to the emergency flares at the Val d'Agri Oil Center was updated, a gas that has a higher percentage of hydrogen sulphide (H₂S).

In 2020, Eni updated the assessment of exposure to **biodiversity** risk to the R&M, Versalis and EniPower operational sites, and to the concessions under development or exploitation in the upstream sector, in order to identify where Eni activities fall, even only partially, within protected areas³⁷ or key biodiversity areas (KBA)³⁸. An analysis of the mapping of the R&M, Versalis and EniPower operational sites showed that there is overlap, even partial, with protected areas or KBAs at 11 sites, all located in Italy; another 18 sites in 7 Countries (Italy, Austria, Hungary, France, Germany, Switzerland and the United Kingdom) border with protected areas or KBAs, i.e. located at a distance of less than 1 km. As regards the upstream sector, 74 concessions overlap partially with protected areas or KBAs, 30 of which located in 6 Countries (Italy, Nigeria, Pakistan, USA/Alaska, Egypt and the United Kingdom) have operations in the overlapping area. The number of sites and concessions overlapping protected areas/KBAs is in line with 2019 results. In addition, a similar mapping was carried out in 2020 for R&M pipelines in Italy, which showed that about 10% of the total length of the pipelines crosses (under surface) protected areas and KBAs, for stretches with a total length of 118 km and 146 km respectively. In general, for all the Business Lines, the greatest exposure in Italy and Europe is to the protected areas of the Natura 2000 Network³⁹, which is widespread across Europe. In no case, in Italy or abroad, there is any overlapping of operational activities with natural sites belonging to the UNESCO WHS⁴⁰; only one upstream site⁴¹ is located near a WHS natural site (Mount Etna) but there are no operational activities within the protected area.

(36) Specifically, in 2020, 10% of hazardous waste disposed of by Eni was recovered/recycled, 4% was subjected to chemical/physical/biological treatment, 29% was incinerated, 2% was disposed of in landfill and the remaining 55% was sent for other types of disposal (including transfer to temporary storage plants prior to final disposal). With regard to non-hazardous waste, 14% was recovered/recycled, 50% was subjected to chemical/physical/biological treatment, 3% was disposed of in landfills and the remaining 33% was sent for other types of disposal (including transfer to temporary storage plants prior to final disposal and incineration of small quantity).

(37) Source: World Database of Protected Areas.

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

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

(40) WHS, World Heritage Site.

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

KEY PERFORMANCE INDICATORS

		2020		2019	2018
		Total	of which fully consolidated entities	Total	Total
Total water withdrawals ^(a)	(million m ³)	1,723	1,683	1,597	1,776
of which: sea water		1,599	1,580	1,451	1,640
of which: freshwater		113	101	128	117
of which: from superficial water bodies		71	62	90	81
of which: from subsoil		21	18	20	19
of which: from urban net or tanker		7	6	8	6
of which: polluted groundwater treated at TAF ^(b) plants and used in the production cycle		4	4	3	4
of which: third-party water ^(c)		10	10	6	6
of which: withdrawal from other streams ^(d)		0	0	1	1
of which: brackish water from subsoil or superficial water bodies		11	2	18	19
Freshwater reused	(%)	91	92	89	87
Re-injected production water		53	33	58	60
Total water discharge ^(e)	(million m ³)	1,583	1,580	1,432	1,668
of which: into the sea		1,501	1,501	1,334	1,576
of which: in superficial water bodies		67	67	79	72
of which: in sewerage		11	10	14	15
of which: given to third-party ^(f)		4	2	5	5
Operational oil spills ^(g)					
Total number of oil spills (> 1 barrel)	(number)	46	29	67	72
Volumes of oil spills (> 1 barrel)	(barrels)	958	780	1,033	2,665
Oil spills due to sabotage (including thefts) ^(g)					
Total number of oil spills (> 1 barrel)	(number)	109	107	140	101
Volumes of oil spills (> 1 barrel)	(barrels)	5,831	4,826	6,232	4,022
Chemical spills					
Total number of chemical spills	(number)	24	24	21	34
Volumes of chemical spills	(barrels)	3	3	4	61
Total waste from production activities	(million of tonnes)	1.8	1.5	2.2	2.6
of which: hazardous waste		0.4	0.3	0.5	0.3
of which: non-hazardous waste		1.4	1.2	1.7	2.3
NO _x (nitrogen oxides) emissions	(ktonnes NO ₂ eq.)	51.7	31.2	52.0	53.1
SO _x (sulphur oxides) emissions	(ktonnes SO ₂ eq.)	15.3	4.8	15.2	16.5
NM VOC (Non Methan Volatile Organic Compounds) emissions	(ktonnes)	21.4	10.8	24.1	23.1
TSP (Total Suspended Particulate) emissions		1.3	0.6	1.4	1.5

(a) It is reported that the production water in 2020 was 57.4 Mm³.

(b) TAF: groundwater treatment facilities.

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

(d) With the aim to further increase the accordance with "GRI 303: Water and effluents 2018" standard used by Eni from 2020 reporting cycle, data related to third party water is reported separately, while in previous editions it was included in "of which freshwater withdrawal from other streams".

(e) It is reported that in 2020 re-injected production water and re-injected water for disposal was equal to 30.5 Mm³. 6% of the total water discharges is fresh water.

(f) It is water given for industrial use.

(g) The 2019 figure was updated following the closure of some investigations after the publication of the 2019 NFI. This circumstance could also occur for the 2020 data.

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

		R&M, Versalis, Enipower Operational sites						Upstream Concessions		
		Overlapping with operational sites			Adjacent to operational sites (<1km) ^(b)			With operating activities in the overlapping area		
		2020	2019	2018	2020	2019	2018	2020	2019	2018
ENI Operational sites/Concessions ^(c)	(number)	11	11	n.a.	18	15	n.a.	30	31	27
UNESCO World Heritage Natural Sites	(number)	0	0	n.a.	0	0	n.a.	0	0	0
Natura 2000		5	5	n.a.	19	21	n.a.	16	15	15
IUCN ^(d)		4	4	n.a.	13	11	n.a.	2	3	3
Ramsar ^(e)		0	0	n.a.	3	3	n.a.	3	2	2
Other Protected Areas		2	2	n.a.	8	3	n.a.	11	12	7
KBAs		5	6	n.a.	8	11	n.a.	12	13	12

(a) The reporting boundary, in addition to fully consolidated entities, includes also 5 upstream concessions belonging to operated companies in Egypt and 1 coastal deposit of R&M, belonging to an operated Company as well. For this analysis, upstream concessions as of June 30 of reporting year are considered.

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

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

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

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

Human rights



Eni is committed to conducting its activities with respect for human rights and expects its Business Partners to do the same in carrying out the assigned activities or those done in collaboration with and/or on behalf of Eni. This commitment, based on the dignity of each human being and on the responsibility of the Company to contribute to the well-being of individuals and communities in the Countries in which it operates, is set out in the Eni's Statement on Respect for Human Rights approved in December 2018 by Eni's Board of Directors (BoD). The document highlights the priority areas on which this commitment is focused and on which Eni exercises in-depth due diligence, according to an approach developed in line with the United Nations Guiding Principles on Business and Human Rights (UNGPs)⁽⁴²⁾ and pursuing continuous improvement. These aspects are described within a dedicated report, Eni for Human Rights, published for the first time in December 2019, and updated during 2020⁽⁴³⁾, which provides a full representation of the management model adopted by Eni on the issue and the activities carried out in recent years, using the UNGP Reporting Framework to report commitments and results.

Human rights are one of the areas in which Eni's Sustainability and Scenarios Committee (SSC) performs consultative and advisory functions for the BoD. In 2020, the SSC reviewed the activities carried out during the year and analyzed the result

achieved in the fourth edition of the Corporate Human Rights Benchmark (CHRB), in which Eni confirmed its leadership position, ranking first ex aequo with only one other Company among the 199 assessed.

In 2020, Eni further strengthened the process of awarding management incentives linked to human rights performance, assigning specific objectives to all managers reporting directly to the CEO and other management levels. In addition, Eni adopted a new internal procedure outlining the human rights due diligence process as required by the UNGPs and updated its Code of Ethics. With regard to training, following on with the internal human rights awareness process launched in 2016, specific e-learning courses dedicated to the functions most in managing human rights issues were provided in 2020 in order to create a common and shared language and culture throughout the Company and to improve the understanding of the possible impacts of the business on human rights.

Moreover, since 2006 an internal procedure has been in place, also included in the Anti-Corruption Regulatory Instruments, which regulates the process for receiving, analyzing and processing any whistleblowing reports, also related to human rights, sent by or transmitted from stakeholders, Eni's people and other third parties, even confidentially or anonymously.

The commitment of Eni, the management model and activities on human rights focus on issues considered most signif-

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

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

icant for the Company – as also requested by the UNGPs – in light of the business activities carried out and the contexts in which the Company operates. The “salient human rights issues” identified by Eni’s are 13, grouped into 4 categories: human rights (i) **in the workplace** (see chapter People); (ii) in the communities hosting Eni activities; (iii) in business relations (with suppliers, contractors and other business partners); (iv) in security services.

Eni is committed to preventing possible negative impacts on the **human rights of individuals and host communities resulting from the implementation of industrial projects**. To this end, in 2018, Eni adopted a risk-based model that uses elements related to the operating context, such as risk indices of the data provider Verisk Maplecroft, and project characteristics, in order to classify upstream business projects according to potential human rights risks and to identify appropriate management measures. Higher-risk projects are specifically investigated through a Human Rights Impact Assessment (HRIA) to identify measures to prevent potential impacts on human rights and manage the existing ones. Consistent with the evolution towards a just transition and its commitment to decarbonization, in 2020, Eni also conducted an in-depth assessment of the Energy Evolution business activities, aimed at identifying the most relevant human rights issues of the projects for the production of energy from renewable sources, following which a specific action plan was prepared. In some Countries, such as Norway, Australia and Alaska, Eni operates in areas where indigenous peoples are present, towards which it has adopted specific policies to protect their rights, culture and traditions and to promote their free, prior and informed consultation. During 2020, Eni approved and published a Policy dedicated to Indigenous Peoples in Alaska⁴⁴, referring to the business activities carried out by Eni US Operating in that area. Respect for human rights in the **supply chain** is ensured through the adoption of transparent, impartial, consistent and non-discriminatory conduct in the selection of suppliers, the evaluation of offers and the verification of contractual activities (see chapter Suppliers).

In 2020, the Supplier Code of Conduct was published, which sets out the principles contained in the Code of Ethics for suppliers that are required to sign it during the qualification or assignment of contracts, committing to respect Eni’s values and to recognize and protect the value of people and prevent any type of discrimination.

To support human rights due diligence, Eni has also introduced a new risk-based model to segment qualified suppliers according to a potential risk of human rights violations in consideration of Country and product risk level. The assessment of these risks is based on the application of an objective and transpar-

ent methodology, which provides for the classification not only of the geographical context but also the evaluation of the peculiarities of the activity carried out, using information verified during the qualification process, which ascertained both the complexity (e.g. skills required, workforce employed, equipment and materials used) and the relevance in HSE terms of the reference product sector. Suppliers assessed in the human rights area carry out activities directly related to Eni’s needs, both industrial (including electrical and instrumental assembly) and civil (including cleaning services). The model makes it possible to apply control measures differentiated on the basis of the level of risk, using criteria inspired by international standards, such as the SA 8000 standard.

Further actions to counteract forms of modern slavery and human trafficking and to prevent the exploitation of minerals associated with human rights violations in the supply chain are discussed respectively in the “Slavery and Human Trafficking Statement”⁴⁵ and in the “Position on conflict minerals”⁴⁶.

With reference to Business Partners in upstream contracts, Eni adopts ad hoc clauses for the respect of human rights. Eni manages its **security operations** in accordance with international principles, including the Voluntary Principles on Security & Human Rights, adhered to by Eni in 2020. In May 2020, Eni was admitted as an “Engaged Corporate Participant” to the Voluntary Principles Initiative (VPI), the multi stakeholder initiative dedicated to the respect of human rights in the management of Security operations that involves governments, companies and NGOs. In line with its commitment, Eni has designed a coherent set of rules and tools to ensure that: (i) contractual terms comprise provisions on the respect for human rights; (ii) the providers of security forces are selected also according to human rights criteria; (iii) security operators and supervisors receive adequate training on the respect for human rights; (iv) the events considered most at risk are managed in accordance with international standards. Moreover, in 2020, Eni launched the human rights due diligence model, aimed at identifying the risk of negative impacts on human rights in relation to security activities and evaluating the use of preventive and/or mitigation measures. In this regard, the “Security & Human Rights” action plan was drawn up, which envisaged: (i) sample review of the security contracts in place in the first 10 Countries resulting from the risk-based model, in order to verify the presence or absence of human rights clauses; (ii) verification of the allocation/use of security assets and services made available to the public and private security forces operating at Eni Pakistan sites; (iii) implementation of a training and information workshop on “Security & Human Rights” in Angola.

(44) See: <https://www.eni.com/assets/documents/indigenous-peoples-policy-1dec2020-final.pdf>.

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

(46) Compliance with US SEC regulations.

PERFORMANCE METRICS AND COMMENTS

Mandatory training for senior managers and middle managers (Italy and abroad) of the 4 specific modules continued in 2020: "Security and Human Rights", "Human Rights and relations with Communities", "Human Rights in the Workplace" and "Human Rights in the Supply Chain", with a 99% completion rate compared to registrations. In addition, the provision of sustainability and human rights pathways continued for the entire Eni's population on a voluntary basis: "Stakeholder sustainability, reporting and human rights", "Sustainability and integration with business", "SDGs" and the new "SDG's Follow Up: Agenda 2030"; taking into account the two types of use, the overall percentage is 92%.

The e-learning course "Security & Human Rights", dedicated to the target population of the Security professional area (middle managers and senior managers), was also reconfirmed in 2020. The e-learning course has been produced in three languages (Italian, English and French), to extend its accessibility. Thanks also to the course mentioned above, the staff belonging to the professional area trained in human rights reached 91%. In addition, since 2009 Eni has been conducting a training program for public and private security forces at its subsidiaries, which was recognized as a best practice in the 2013 joint publication by the Global Compact and the Principles for Responsible Investment (PRI) of the United Nations. In 2020, the

training session was carried out in Angola and was attended in presence of 32 representatives of the security forces⁴⁷.

Although no new Human Rights Impact Assessments (HRIAs) were carried out in 2020 due to the emergency, the implementation of actions under the Action Plans related to the HRIAs carried out during 2019 and 2018 on Area 1 development in Mexico and Area 4 development in Mozambique continued. In addition, in 2020, Eni published a Report⁴⁸ on the completion of the Action Plan referred to the North Cabinda project in Angola and a Report⁴⁹ on the progress of the Action Plan referred to the aforementioned Area 1 development project in Mexico.

With regard to whistleblowing reports, in 2020 investigations were completed on 73 files⁵⁰, of which 25⁵¹ included human rights aspects, mainly concerning potential impacts on workers' rights. Among these, 28 assertions were verified with the following results: for 11 of them, the reported facts were confirmed, at least in part, and corrective actions were taken to mitigate and/or minimise their impact, including: (i) actions on the Internal Control and Risk Management System, relating to the implementation and strengthening of controls in place; (ii) actions against business partners/suppliers; (iii) actions against employees, including disciplinary measures, in accordance with the collective labour agreement and other national laws applicable. At the end of the year, 16 files were still open, 6 of which referred to human rights aspects, in particular potential impacts on workers' rights.

KEY PERFORMANCE INDICATORS

		2020	2019	2018
Human rights training hours	(number)	33,112	25,845	10,653
In class		260	108	164
Distance		32,852	25,737	10,489
Employees trained on human rights ^(a)	(%)	92	97	91
Security personnel trained on human rights ^(b)	(number)	32	696	73
Security personnel (professional area) trained on human rights ^(c)	(%)	91	92	96
Security contracts containing clauses on human rights		97	97	90
Whistleblowing files (assertions) on human rights violations closed during the year	(number)	25 (28)	20 (26)	31 (34)
Founded assertions		11	7	9
Unfounded assertions, with the adoption of corrective/improvement measures		9	8	9
Unfounded/Not applicable assertions ^(d)		8	11	16

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

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

(c) This data is a cumulative percentage value. The 2020 data is calculated considering only Eni's employees, unlike the 2019 figure which also includes contractors.

(d) They are classified as such whistleblowing/assertions in which the reported facts: (i) coincide with the subject of the pre-litigation, litigation and investigation; (ii) cannot be classified as Verifiable Detailed Reports, therefore it is not possible to start the investigation phase; (iii) Verifiable Detailed Reports for which, in light of the outcomes of the preliminary checks conducted, it is not being considered necessary to start the subsequent investigation referred phase.

(47) Other 100 people attended the event (either in presence or remotely), among which Eni's management and employees, other oil companies' members and NGOs.

(48) <https://www.eni.com/assets/documents/eng/just-transition/human-rights/HRA-Action-Plan-Cabinda-Centrum-summary-report-December-2020.pdf>.

(49) <https://www.eni.com/assets/documents/eng/just-transition/human-rights/Eni-Mexico-Summary-report-on-the-implementation-of-Human-Rights-Action-Plan-Area-1-update-2019-2020.pdf>.

(50) Whistleblowing report: is a summary document of the investigations carried out on the report(s) (which may contain one or more detailed and verifiable assertions) providing a summary of the investigation carried out on the reported facts, the outcome of the investigations and any action plans identified.

(51) All relating to fully consolidated entities.

Suppliers

Eni adopts qualification and selection criteria for suppliers to assess their capacity to meet Company standards in terms of ethical reliability, technical-operational, health, safety, environmental protection, human rights and cyber security. Eni meets this commitment by promoting its own values with its suppliers and involving them in the risk prevention process. For this purpose, as part of the procurement process, Eni: (i) subjects all suppliers to qualification and due diligence processes to verify their professionalism, technical-operational skills, ethical, economic and financial reliability and to minimize the risks inherent in operating with third parties; (ii) requires all suppliers to sign the Supplier Code of Conduct with which they undertake to recognize and protect the value of people and prevent any type of discrimination; (iii) monitors compliance with these commitments, to ensure that suppliers maintain the qualification requirements over time; (iv) if critical issues arise, requires the implementation of improvement actions or, if they do not meet the minimum standards of acceptability, limits or inhibits the invitation to tender. During 2020, Eni launched the JUST (Join Us in a Sustainable Transition) initiative, aimed at involving suppliers in the fair and sustainable energy transition path, enhancing the aspects of environmental protection, economic development and social growth. In particular, Eni has: (i) extended to all qualification processes an assessment related to the respect of human rights; (ii) launched the "Sustainable Transition and Supply Chain" observatory to collect suppliers' sustainability experiences; (iii) introduced sustainability criteria and rewarding mechanisms in tenders to encourage suppliers' best practices; (iv) launched an experimental workshop with qualified companies in the chemical, physical and biological treatment of liquid waste sector to encourage the adoption of circular economy models and/or sustainability initiatives; (v) supported the JUST initiative through external and internal communication activities, conveying the main objectives through eniSpace, the platform for collaboration and communication between Eni and the supply market, with the aim of reaffirming Eni's commitment to the sustainability of its supply chain. In addition, Eni has started the development, in collaboration with Boston Consulting Group (BCG) and Google Cloud,

of Open-es, an open digital platform dedicated to all suppliers in the energy sector with the aim of sharing and enhancing information, best practices and sustainability models along the supply chain and encouraging the entire supply chain towards the sector's energy transition. Finally, in the context of the **COVID-19 health emergency**, Eni has set up a task force to ensure the safe continuity of contractors' activities and at the same time, ensure the resilience of the supply chain during the crisis, so as to be able to guarantee a safe and timely restart after the emergency situation. Measures activated include: (i) the renegotiation of contracts, seeking mutual benefits such as the extension of their duration in exchange for greater flexibility and efficiency and identifying contractual forms capable of sustaining, where possible, employment levels; (ii) measures to protect suppliers at greater financial risk, for example by rebalancing payment terms; (iii) tendering strategies to encourage the opening of the market also to small and medium-sized enterprises or, where not feasible, favouring joint ventures between small/medium-sized enterprises.

PERFORMANCE METRICS AND COMMENTS

During 2020, 5,655 suppliers (including all the new ones) were subject to checks and assessments with reference to environmental and social sustainability aspects (including health, safety, environment, human rights, anti-corruption and compliance). Potential critical issues and/or areas for improvement were identified for 15% of the suppliers audited (828). Of these, only a portion, equal to 124, received a negative evaluation during the qualification phase or was subject to new preventive measures (attention status with clearance, suspension or revocation of qualification) or confirmation of the pre-existing preventive measures. The identified criticalities (resulting in the request for the implementation of improvement plans) during the qualification process or Human Rights assessment are related to HSE issues or violations of human rights, such as health and safety regulations, violation of the Code of Ethics, corruption, environmental crimes.

KEY PERFORMANCE INDICATORS

		2020	2019	2018
Suppliers subjected to assessment on social responsibility aspects	(number)	5,655	5,906	5,184
of which: suppliers with criticalities/areas for improvement		828	898	1,008
of which: suppliers with whom Eni has terminated the relations		124	96	95
New suppliers assessed using social criteria	(%)	100	100	100



Transparency, anti-corruption and tax strategy



Demonstrating its commitment to the 10 United Nations Principles for **Responsible Business**, in 2020, Eni was confirmed in the Global Compact LEAD. These principles, including the repudiation of corruption, are reflected in Eni's Code of Ethics, which is distributed to all employees at the time of hiring, and in Model 231 of Eni SpA. Moreover, since 2009, Eni has designed and developed the Anti-Corruption Compliance Program, in compliance with the applicable provisions in force and international conventions and taking into account guidance and best practices, as well as the policies adopted by leading international organizations. It is an organic system of rules and controls to prevent corrupt practices. All Eni's subsidiaries, in Italy and abroad, must adopt, by resolution of their BoD⁽⁵²⁾, all the **anti-corruption** regulatory instruments issued by Eni SpA. In addition, companies and entities in which it holds a non-controlling interest are encouraged to comply with the standards set forth in internal anti-corruption regulations by adopting and maintaining an adequate internal control system consistent with the requirements of the relevant laws.

Eni's Anti-Corruption Compliance Program has evolved over the years with the aim of continuous improvement; in January 2017, Eni SpA was the first Italian Company to achieve the ISO 37001:2016 "Anti-bribery Management Systems" certification. In order to maintain this certification, Eni cyclically undergoes surveillance and recertification audits, which have always ended with a positive outcome. In addition, in order to guarantee the effectiveness of the Anti-Corruption Compliance Program, Eni, through its anti-corruption unit, supports its subsidiaries in Italy and abroad, providing specialized assistance in the activity of assessing the reliability of potential counterparties at risk (due diligence), the management of any critical issues/red flags that emerge and the development of the related contractual safeguards. In particular, specific anti-corruption clauses are included in contracts with counterparties, which also provide for a commitment to view and abide by the principles contained in Eni's Anti-Corruption regulations. The main anti-corruption activities and information on the related regulatory instruments issued during the reporting period are the subject of periodic reports addressed to Eni's internal control bodies and the Chief Financial Officer.

Eni also implements an anti-corruption training program, both through e-learning and with classroom events, general workshops and job specific training. The workshops offer an overview of the anti-corruption laws applicable to Eni, the risks that could result from their infringement for natural and legal persons and the Anti-Corruption Compliance Program adopted to address these risks. Generally, the workshops are accompanied by job specific training, or training for professional areas particularly at risk in terms of corruption.

In order to optimize the identification of the recipients of the various training initiatives, a methodology has been defined for the systematic segmentation of Eni's people based on specific corruption risk drivers such as Country, qualification, and professional area. In addition, periodic information and updating activities continued through the preparation of short information briefs on compliance, including any anti-corruption issues.

In 2020, on the occasion of their inauguration, the members of the Board of Directors of Eni SpA were shown the key elements of the Anti-Corruption Compliance Programme for training purposes, also in terms of its consistency with international best practices. In addition, the anti-corruption training program continued for some categories of Eni's third parties with the aim of making them aware of the issue of corruption and in particular, on how to recognize corrupt conduct and how to prevent the violation of anti-corruption laws, in the context of their professional activity. Eni's experience in the field of anti-corruption also matures through continuous participation in international conferences, events and working groups, which represent a tool for Eni to grow and promote and disseminate its values. In this regard, in 2020, Eni actively participated in the World Economic Forum's Partnering Against Corruption Initiative (PACI) and the Oil & Gas ABC Compliance Attorney Group (a discussion group on anti-corruption issues in the Oil & Gas sector).

In order to assess the adequacy and effective operation of the Anti-Corruption Compliance Program, as part of the integrated audit plan approved annually by the BoD, Eni carries out specific checks on relevant activities, with audits dedicated to analyses of processes and companies, identified based on the riskiness of the Country in which they operate and materiality, as well as third parties considered to be high risk, where required contractually.

Moreover, since 2006 Eni has issued an internal procedure, aligned with national and international best practices as well as with the Italian law (L.179/2017), in order to manage the process of receiving, analyzing and processing whistleblowing reports received, even in confidential or anonymous form, by Eni SpA and its subsidiaries in Italy and abroad. This internal procedure allows anyone, employees and third parties, to report facts relating to the Internal Control and Risk Management System and concerning behaviors in violation of the Code of Ethics, any laws, regulations, provisions of authorities, internal regulations, Model 231 or Compliance Models for foreign subsidiaries, that may cause damage or prejudice to Eni, even if only to its public image. Dedicated and easily accessible channels have been set up and are available on eni.com.

Eni's **tax strategy**, which has been approved by the Board of Di-

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

rectors and is available on the Company's website⁵³, is based on the principles of transparency, honesty, fairness and good faith set forth in its Code of Ethics and in the "OECD Guidelines for Multinational Enterprises"⁵⁴ and has as its primary objective the payment of taxes in the various Countries in which it operates, in the knowledge that it can contribute significantly to tax revenues in those Countries, supporting local economic and social development.

Eni has designed and implemented a Tax Control Framework for which Eni's CFO is responsible, structured in a three-step business process: (i) assessment of tax risk (Risk Assessment); (ii) identification and establishment of controls to monitor risks; (iii) verification of the effectiveness of controls and related information flows (Reporting).

As part of its tax and litigation activities risk management, Eni adopts prior communication with the tax authorities and maintains relations based on transparency, dialogue and cooperation, participating, where appropriate, in projects of enhanced cooperation (Co-operative Compliance). True to the commitment to better governance and greater transparency in the extraction sector, which is crucial to foster responsible use of resources and prevent corruption, Eni takes part in the Extractive Industries Transparency Initiative (EITI) since 2005. In this context, Eni actively participates both at local level, through the Multi-Stakeholder Groups in the member Countries, and in the Board's initiatives at international level.

In accordance with Italian law no. 208/2015, Eni prepares the "Country-by-Country Report" required by Action 13 of the "Base erosion and profit shifting - BEPS" project, promoted by the OECD with the sponsorship of the G-20, whose objective is to have the profits of multinational companies declared in the jurisdictions where the economic activities that generate them are carried out, in proportion to the value generated. With a view to fostering fiscal transparency for the benefit of all interested stakeholders, this report is published voluntarily by Eni, although there are no regulatory obligations in this regard⁵⁵. The publication of this report has been recognized as best practice by the EITI⁵⁶.

Also in line with its support for the EITI, Eni has published a public position on contract transparency in which governments are encouraged to comply with the new requirement on contracts publication and it is expressed the support to the mechanisms and initiatives that will be launched by Countries to promote transparency in this area. Finally, anticipating by two years the reporting requirements on transparency of payments to States in the exercise of extraction activities introduced by the EU Directive 2013/34 EU (Accounting Directive), Eni had begun in 2015 to provide disclosure on a voluntary basis of a series of summary data on cash flows paid to States in which it conducts hydrocarbon exploration and production activities.

PERFORMANCE METRICS AND COMMENTS

During 2020, 31 audits were carried out in 21 Countries, with anti-corruption checks that confirmed the overall adequacy and effective operation of the Anti-Corruption Compliance Program. In 2020, the ascertained cases of corruption⁵⁷ relating to Eni SpA amounted to 0; for ongoing proceedings see the section Legal Proceedings on pp. 264 and following.

Beginning in March 2020, due to the emergency related to COVID-19, planned classroom training events were conducted in distance mode. In addition, in 2020, the online training continued on anti-corruption issues according to the risk-based methodology started in 2019, aimed at the entire corporate's population. Regarding the commitment with EITI, Eni follows the activities conducted at international level and contributes annually to preparation of the Reports in member Countries; additionally, as a member, Eni takes part in the activities of the Multi Stakeholder Groups in Congo, Ghana, Timor Leste, and the United Kingdom. In Kazakhstan, Indonesia, Mozambique, Nigeria and Mexico, Eni's subsidiaries interface with the local EITI Multi Stakeholder Groups through the industry associations present in the Countries.

KEY PERFORMANCE INDICATORS

		2020		2019	2018
		Total	of which fully consolidated entities	Total	Total
Audit actions with anti-corruption verifications ^(a)	(number)	31	31	27	32
E-learning for resources in medium/high corruption risk context	(number of participants)	3,388	3,276	13,886	951
E-learning for resources in low corruption risk context		3,769	3,694	9,461	1,950
General Workshops		904	832	1,237	1,765
Job specific training		568	539	1,108	1,461
Countries where Eni supports EITI's local Multi Stakeholder Groups	(number)	9	9	9	8

(a) 2018 data refer to fully consolidated entities only.

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

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

(55) For more details please see the most recent edition of Country-by-Country Report published in November 2020 related to 2019:

<https://www.eni.com/assets/documents/eng/just-transition/2019/Country-by-Country-2019-ENG.pdf>

(56) EITI pointed out Eni and Shell as companies pioneering Country-by-Country reporting among Oil and Gas majors, see:

<https://eiti.org/news/extractives-companies-champion-tax-transparency>

(57) Data include investigations carried out on any whistleblowing reports.



ALLIANCES FOR PROMOTION OF LOCAL DEVELOPMENT



One lever of Eni's business model is represented by the promotion of local development, through the enhancement of the resources of the Countries where Eni is present, allocating gas production to the local market and promoting access to electricity, together with a wide range of socio-economic development initiatives in line with the development objectives of the Countries themselves. The unpredictable and rapid spread of the pandemic has destabilized health, social and economic systems all over the world. However, at the same time, it has shown how, when faced with great challenges, forces need to be joined and actions implemented together, making the most of common factors with the various partners involved in the areas of interest: from International Organizations to Development Banks, from National Institutions to the private sector, from Universities to Research Centres, from Cooperation Bodies to Civil Society Organizations present in the territories in which Eni operates, with the common goal of fostering local sustainable development in the innate respect for the dignity of every person. Starting from the analysis of the local socio-economic context, which accompanies the various business project phases in order to ensure greater efficiency and systematicity in the decision-making approach, from the time of license acquisition to decommissioning, Eni adopts tools and methodologies consistent with the main international standards to meet the needs of local populations. These activities, defined in specific **Local Development Programmes (LDPs)** in line with the United Nations 2030 Agenda, the National Development Plans, the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the commitments under the Paris Agreement (Nationally Determined Contributions - NDCs), include five lines of action:

- **Local development projects:** contribution to the socio-economic development of local communities, in accordance with national legislation and development plans, also based on the knowledge acquired. These initiatives are aimed at improving access to off-grid energy and clean cooking, economic diversification (e.g. agricultural projects, micro-credit, infrastructure interventions) and forest protection and conservation, education and vocational training, access to water and sanitation and support of health services/systems, as well as improving the health status of vulnerable groups;
- **Local Content:** generation of added value through the transfer of skills and know-how, activation of labour along the local supply chain and the implementation of development projects;
- **Land management:** optimal land management starting from the assessment of the impacts deriving from the acquisition of land on which Eni's activities are carried out in order to find possible alternatives and mitigation measures; Eni undertakes to evaluate possible project alternatives with the aim of pursuing the well-being of local communities;
- **Stakeholder engagement:** enhancement of the relationship with stakeholders based on the sharing of values, mutual understanding and attention;
- **Human Rights:** assessment of potential or actual human rights impacts attributable - directly or indirectly - to Eni's activities through Human Rights Impact Assessments, definition of related prevention or mitigation measures, in line with the United Nations Guiding Principles (UNGPs) and promotion of human rights through the local development projects mentioned above.

The definition of Local Development Programme implies the commitment of Eni in the front line on site and alongside other development players to contribute to the sustainable development of Countries. Many of the partnerships developed by Eni with International Organizations and – more generally – of development cooperations move in this direction, such as the agreements signed in 2020: in Ghana with the local office of the World Bank and the Ghana Alliance for Clean Cookstoves and Fuels (GHACCO) to improve cooking systems and reduce forest exploitation, in Angola with USAID⁵⁸ as part of economic diversification with a focus on women's empowerment, and in Kenya with the E4Impact Foundation for the development of local entrepreneurship. In addition, cooperation agreements were signed in 2020 with some Civil Society Organizations such as AMREF, AVSI, CUAMM and VIS⁵⁹.

In the various business design phases, in line with internationally recognized standard principles/methodologies, Eni has developed:

- analysis tools to better understand the reference context and appropriately address local development projects, such as Social Context analysis

(58) United States Agency for International Development.

(59) Organizations from Civil Society recognized as international development cooperation leaders in matters such as access to energy, economic diversification, education, access to water and sanitation, land management, community health.

also based on the global Multidimensional Poverty Index (MPI) developed by UNDP (United Nations Development Programme) and Oxford University – and the Human Rights Impact Assessment – (HRIA);

- management tools to map the relationship with stakeholders and monitor the progress of projects and the results achieved (including Stakeholder Management System - SMS, Logical Framework Approach - LFA and Monitoring, Evaluation and Learning - MEL);
- impact assessment tools, useful for evaluating the direct, indirect and induced benefits generated by Eni in the context of business operations and through the cooperation model, such as Eni's Local Content Evaluation - ELCE and Eni's Impact Tool⁶⁰;
- analyses to measure the percentage spent on local suppliers at some relevant foreign upstream subsidiaries, which in 2020 amounted to about 38% of the total amount spent.

PERFORMANCE METRICS AND COMMENTS

In 2020, investments for local development amounted to around €96.1 million⁶¹ (Eni's share), about 96% of which in the area of upstream activities. In Africa, a total of €44.2 million was spent, of which €36.6 million in the Sub-Saharan area, mainly in the area of development and maintenance of infrastructures, particularly school buildings. In Asia, approximately €28.2 million was spent, mainly on economic diversification, in particular for the development and maintenance of infrastructures. In Italy, €16.9 million was spent. Overall, approximately €41.8 million was invested in infrastructure development activities, of which €20.8 million in Asia, €16.3 million in Africa, €4.4 million in Central and South America. Key projects implemented in 2020 include initiatives to encourage: (i) access to water through desalination plants in Iraq and wells fed by photovoltaic systems in North-East Nigeria; (ii) access to electricity in Libya and Nigeria; (iii) economic diversification both in the agricultural sector in Congo and

Nigeria and to support local and youth entrepreneurship in Nigeria and Ghana; (iv) access to education with activities for both students and trainers in Angola, Mozambique, Ghana, Iraq and Mexico. As part of the interventions implemented in response to the health needs of the populations of the Countries in which it is present, in 2020, Eni supported 22 initiatives against the COVID-19 pandemic, in 14 foreign Countries, aimed in particular at local vulnerable groups, hospitals, health institutions and ministries of health, providing: ventilators and respirators; intensive care equipment and other medical equipment; personal protective equipment. In addition, the emergency response plan included: (i) implementation of community awareness campaigns and "community engagement" actions aimed at preventing the spread of the virus; (ii) creation of access points and distribution of safe water equipped with soap for hand washing; (iii) social protection and food assistance measures such as the distribution of meals for families, vulnerable groups and school canteens; (iv) measures to support the education system through the creation of widespread learning spaces and the distribution of educational materials. In addition to its support to fight the pandemic, Eni has carried out 29 initiatives in 13 Countries to improve the health status of the populations of partner Countries as an essential prerequisite for socio-economic development, through the strengthening of the skills of health personnel, the construction and rehabilitation of health facilities and their equipment, access to drinking water, information, education and awareness-raising on health issues among the populations involved.

Lastly, in 2020, with the aim of assessing the potential impact of projects on the health of the communities involved, Eni completed 4 HIAs (Health Impact Assessment), of which 3 were integrated ESHIA studies (Environmental and Social Health Impact Assessment).

During 2020, 107 grievances⁶² were received, of which 53% were resolved and closed. The complaints mainly concerned: management of environmental aspects, employment development, land management.

KEY PERFORMANCE INDICATORS

		2020		2019	2018
		Total	of which fully consolidated entities	Total	Total
Local development investment	(€ million)	96.1	80.4	95.3	94.8
of which: infrastructure		41.8	38.8	43.4	32.4

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

(61) The figure includes expenses for resettlement activities which in 2020 amounted to €12.2 million, of which: €11.8 million in Mozambique, €0.4 million in Ghana and €0.004 million in Kazakhstan.

(62) Complaints made by an individual or a group of individuals relating to actual or perceived impacts caused by the Company's operational activities.

SUSTAINABILITY MATERIAL TOPICS

Each year, to identify the relevant issues for the Strategic Plan and sustainability report, the materiality analysis is updated. The material aspects include the priority issues relevant to all of Eni's major stakeholders, whether external or internal, through the multi-stakeholder approach and identify the key challenges and opportunities of the entire chain of activities for creating value in the long term.

Identification of relevant aspects

The analysis has been updated from last year's material aspects to which the priorities reported by ESMA⁶³ on non-financial reporting have been added.

Analysis of internal and external priorities

The materiality of the topics identified is determined based on the priority analyses:

- the relevance of stakeholders and their requests, mapped and weighed both through a dedicated platform (Stakeholder Management System - SMS), which supports the management of relations with local stakeholders, and through interviews with the departments responsible for managing

relations with specific stakeholders at central level on an on-going basis throughout the year, through meetings, consultations, initiatives, workshops, etc.;

- the ESG risks resulting from the Integrated Risk Management (IRM) process, which also takes into account the evidences provided by external providers, including RepRisk⁶⁴. These risks are assessed considering also potential environmental, social, health and safety and reputational impacts;
- the scenario elements – determined based on the topics that were addressed during the Sustainability and Scenario Committee (SSC) meetings in 2020.

The combination of these analyses allows for the inclusion of priority issues for both relevant stakeholders and the Company itself.

Sharing and validation with the governing body

The management involved in the non-financial reporting process validated the material aspects, which, in turn, were presented to the SSC and the Board of Directors, together with the relevant analysis.

Below are the 2020 material topics associated with the SDGs on which Eni's activities have a direct or indirect impact.

2020 MATERIAL TOPICS

CARBON NEUTRALITY BY 2050		SDGs
COMBATING CLIMATE CHANGE	GHG emissions, Promotion of natural gas, Renewables, Biofuels and Green Chemistry, CO ₂ storage solutions	7 - 9 - 12 - 13 - 15 - 17
OPERATIONAL EXCELLENCE		
PEOPLE	Employment, Diversity & Inclusion and Training	4 - 5 - 8 - 10
HEALTH	Health emergency management Occupational health and local communities' health	3 - 6 - 8
SAFETY	People safety and asset integrity	3 - 8
ENVIRONMENT	Water resources, biodiversity, oil spill, air quality, remediation and waste	3 - 6 - 9 - 11 - 12 - 14 - 15
HUMAN RIGHTS	Rights of workers and local communities Supply chain and Security	1 - 4 - 8 - 10 - 16 - 17
INTEGRITY IN BUSINESS MANAGEMENT	Transparency and Anti-Corruption	16 - 17
ALLIANCES FOR DEVELOPMENT		
ACCESS TO ENERGY	Access to energy	7 - 17
LOCAL DEVELOPMENT THROUGH PUBLIC-PRIVATE PARTNERSHIPS	Economic diversification; Education and Training; Access to water and sanitation; Health; Protection and conservation of forests and land protection; Public Private Partnership; Health emergency support	1 - 2 - 3 - 4 - 5 - 6 - 7 - 8 - 9 - 10 - 13 - 15 - 17
LOCAL CONTENT	Business and added value created in countries of presence	4 - 8 - 9
DIGITALIZATION, INNOVATION AND CYBER SECURITY		7 - 9 - 12 - 13 - 17

(63) ESMA, the European Securities and Markets Authority, is the EU body with the role of safeguarding the stability of the EU's financial system and issued a public statement last 28th of October including also priorities related to non-financial reporting.

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

REPORTING PRINCIPLES AND CRITERIA

Standards, guidelines and recommendations. The Consolidated Non-Financial Information was prepared in accordance with the Legislative Decree 254/2016 transposing the European Directive on Non-Financial Information, and the "Sustainability Reporting Standards", published by the Global Reporting Initiative (GRI Standards), with a level of adherence "in accordance Core" and has been subject to a limited review by the independent Company, which is also the auditor of Eni's Annual Report as of December 31, 2020. All GRI's indicators in the Content Index refer to the version of the GRI Standards published in 2016, with the exception of those of: (i) "Standard 403: Occupational Health and Safety", (ii) "Standard 303: Water and Effluents" – which refer to the 2018 edition – and (iii) "Standard 207: Tax" of 2019. In addition, the recommendations reported by ESMA on non-financial statements as well as the set of core metrics defined by WEF in the September 2020 White Paper "Measuring Stakeholder Capitalism - Towards Common Metrics and Consistent Reporting of Sustainable Value Creation" were taken into account in drafting the document.

Key Performance Indicators. KPIs are selected based on the topics identified as most significant, are collected on an annual basis according to the consolidation scope of the reference year and refer to the period 2018-2020. In general, trends in data and performance indicators are also calculated using decimal places not shown in the document. The data for the year 2020 are the best possible estimate with the data available at the time of preparation of this report. In addition, some data published in previous years may be subject to restatement in this edition for one of the following reasons: refinement/change in estimation or calculation methods, significant changes in the consolidation scope, or if significant updated information becomes available. If a restatement is made, the

reasons for it are appropriately disclosed in the text. Most of the KPIs presented are collected and aggregated automatically through the use of specific Company software.

Boundary. The boundary of the key performance indicators is aligned with the objectives set by the Company and represents the potential impact of the activities Eni manages. In particular, for KPIs relating to safety, the environment and climate, the boundary is made up of companies with HSE impacts⁶⁵ and includes: (i) companies in joint operations, jointly controlled or associated companies in which Eni has control over operations and (ii) Eni's subsidiaries with HSE risk⁶⁶. With regard to health, the data consider the companies with health impacts and companies under joint operation or joint control or associates in which Eni has the control of the operations (with the sole exception of data relating to occupational illness reports, which refer to fully consolidated companies only). The boundary of data relating to anti-corruption training, local development investments and the number of Countries in which Eni supports EITI relates to the reporting companies in which these activities are conducted. The boundary of data referred to whistleblowing reports relate to Eni SpA and its subsidiaries. The boundary of data referred to audit actions on risk of corruption activities relate to: Eni SpA, subsidiaries controlled directly and indirectly (excluding listed subsidiaries that have their own internal audit department), associated companies, and based on specific agreements third parties deemed to have a higher risk, as provided for under the contracts entered with Eni. Comments on performance relate to these boundaries. In addition to these Key Performance Indicators, there is an additional view only for 2020 where the data of the fully consolidated companies are presented. Finally, the indicators relating to people, human rights and suppliers refer to the data of fully consolidated companies.

(65) In addition to fully consolidated companies, the boundary includes the following non fully consolidated companies: Agiba Petroleum Co; Cardón IV SA; Costiero Gas Livorno SpA; Esacontrol SA; Eni Abu Dhabi Refining & Trading Services BV; Eni Gas Transport Services Srl; Eni Iran BV; Eni Ukraine LLC; EniProgetti Egypt Ltd; Groupment Sonatrach-Agip; Industria Siciliana Acido Fosforico - ISAF - SpA - in liquidation; Karachaganak Petroleum Operating BV; Mellitah Oil & Gas BV; Mozambique Rovuma Venture SpA; Oleodotto del Reno SA; OOO "Eni-Nefto"; Oléoduc du Rhone SA; Petrobel Belayim Petroleum Co; Servizi Fondo Bombole Metano SpA; Società EniPower Ferrara Srl; Société Energies Renouvelables Eni-ETAP SA; Tecnoesa SA; Versalis Pacific (India) Private Limited; Vår Energi AS.

(66) Based on the type of activity performed and the number of employees, Eni SpA subsidiaries with HSE impacts (significant and limited) are included in the scope of consolidation, while those with no HSE impacts are excluded.

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

KPI	METHODOLOGY
TURNOVER RATE	Ratio between the number of new hires + resolutions of permanent contracts and permanent employment for the previous year.
SAFETY	<p>Eni uses a large number of contractors to carry out the activities within its own sites.</p> <p>TRIR: total recordable injury rate (injuries leading to days of absence, medical treatments and cases of work limitations). Numerator: number of total recordable injuries; denominator: hours worked in the same period. Result of the ratio multiplied by 1,000,000.</p> <p>High-consequence work-related injuries rate: injuries at work with days of absence exceeding 180 days or resulting in total or permanent disability. Numerator: number of injuries at work with serious consequences; denominator: hours worked in the same period. Result of the ratio multiplied by 1,000,000.</p> <p>Near miss: an incidental event, the origin, execution and potential effect of which is accidental in nature, but which is however different from an accident only in that the result has not proved damaging, due to luck or favourable circumstances, or to the mitigating intervention of technical and/or organizational protection systems. Accidental events that do not turn into accidents or injuries are therefore considered to be near misses.</p> <p>The main hazards detected in 2020 in Eni concern:</p> <ul style="list-style-type: none"> → HGV maneuvers; → Load lifting; → Energized systems, in particular equipment containing high/low temperature fluids, exposed electrical parts or moving mechanical parts, the latter related to parts of drilling or cutting equipment.
HEALTH	<p>Number of occupational disease claims filed by heirs: indicator used as a proxy for the number of deaths due to occupational diseases.</p> <p>Recordable cases of occupational diseases: number of occupational disease reports.</p> <p>Main types of diseases: reports of suspected occupational disease made known to the employer concern pathologies that may have a causal connection with the risk at work, as they may have been contracted in the course of work and due to prolonged exposure to risk agents present in the workplace. The risk may be caused by the processing carried out, or by the environment in which the processing takes place. The main risk agents whose prolonged exposure may lead to an occupational disease are: (i) chemical agents (example of disease: neoplasms, respiratory system diseases, blood diseases); (ii) biological agents (example of disease: malaria); (iii) physical agents (example of disease: hearing loss).</p>
ENVIRONMENT	
WATER RESOURCES	<p>Water withdrawals: sum of sea water, freshwater, and brackish water from subsoil or surface withdrawn. TAF (groundwater treatment plant) water represents the amount of polluted groundwater treated and reused in the production cycle. The limit for freshwater, which is more conservative than that indicated by the GRI reference standard (equal to 1,000 ppm), is 2,000 ppm TDS, as provided in the IPECA/API/IOGP 2020 guidance.</p> <p>Water discharges: The internal procedures relating to the operational management of water discharges regulate the control of the minimum quality standards and the authorization limits prescribed for each operational site, ensuring that they are respected and promptly resolved if they are exceeded.</p>
BIODIVERSITY	<p>Number of sites overlapping with protected areas and Key Biodiversity Areas (KBAs): R&M, Versalis and EniPower operational sites and pipelines in Italy and abroad, which are located within (or partially within) the boundaries of one or more protected areas or KBAs (December of each reference year).</p> <p>Number of sites adjacent to protected areas or Key Biodiversity Areas (KBAs): R&M, Versalis and EniPower operational sites in Italy and abroad which, although outside the boundaries of protected areas or KBA, are less than 1 km away (December of each reference year).</p> <p>Number of upstream concessions overlapping protected areas and Key Biodiversity Areas (KBAs), with activities in the overlapping area: active national and international concessions, operated, under development or in production, present in the Company's databases in June of each reference year that overlap one or more protected areas or KBAs, where development/production operations (wells, sealines, pipelines and onshore and offshore installations as documented in the Company's GIS geodatabase) are located within the intersection area.</p> <p>Number of upstream concessions overlapping protected areas or Key Biodiversity Areas (KBAs), without activities in the overlapping area: active national and international concessions, operated, under development or in production, present in the Company's databases in June of each reference year that overlap one or more protected areas or KBAs, where development/production operations (wells, sealines, pipelines and onshore and offshore installations as documented in the Company's GIS geodatabase) are located outside the intersection area.</p> <p>The sources used for the census of protected areas and KBAs are the "World Database on Protected Areas" and the "World Database of Key Biodiversity Areas" respectively; the data was made available to Eni in the framework of its membership in the UNEP-WCMC Proteus Partnership. There are some limitations to consider when interpreting the results of this analysis:</p> <ul style="list-style-type: none"> → it is globally recognized that there is an overlap between the different databases of protected areas and KBAs, which may have led to a certain degree of duplication in the analysis (some protected areas/KBAs could be counted several times); → the databases of protected or key biodiversity areas used for the analysis, while representing the most up-to-date information available at global level, may not be complete for each Country.
SPILL	Spills from primary or secondary containment into the environment of oil or petroleum derivative from refining or oil waste occurring during operation or as a result of sabotage, theft or vandalism. Specifically, in 2020, volumes spilled by operational spill impacted 95% soil and 5% water body, those due to sabotage impacted 93% soil and 7% water body.
WASTE	<p>Waste from production: waste from production activities, including waste from drilling activities and construction sites.</p> <p>Waste from remediation activities: this includes waste from soil securing and remediation activities, demolition and groundwater classified as waste. The waste disposal method is communicated to Eni by the third party authorised for disposal.</p>

KPI	METHODOLOGY
AIR PROTECTION	<p>NO_x: total direct emissions of nitrogen oxide due to combustion processes with air. It includes emissions of NO_x from flaring activities, sulphur recovery processes, FCC regeneration, etc. It includes emissions of NO_x and NO₂, excludes N₂O.</p> <p>SO_x: total direct emissions of sulphur oxides, including emissions of SO₂ and SO₃.</p> <p>NM VOC: total direct emissions of hydrocarbons, hydrocarbon substitutes and oxygenated hydrocarbons that evaporate at normal temperature. They include LPG and exclude methane.</p> <p>PST: direct emissions of Total Suspended Particulates, finely divided solid or liquid material suspended in gaseous flows. Standard emission factors.</p>
HUMAN RIGHTS	
SECURITY CONTRACTS WITH HUMAN RIGHTS CLAUSES	The indicator "percentage of security contracts with human rights clauses" is obtained by calculating the ratio between the "Number of security and security porter contracts with human rights clauses" and the "Total number of security and security porter contracts".
WHISTLEBLOWING REPORTS	The indicator refers to the reporting files relating to Eni SpA and its subsidiaries, closed during the year and relating to Human Rights; of the files thus identified, the number of separate claims is reported as a result of the investigation conducted on the facts reported founded, not founded with adoption of improvement actions and not founded/not applicable.
SUPPLIERS	
SUPPLIERS SUBJECTED TO ASSESSMENT	The indicator refers to the processes managed by the companies in the boundary; it represents all the suppliers subject to Due Diligence or subject to a qualification process or subject to a performance assessment feedback on HSE or Compliance or commercial conduct or subject to a feedback process or subject to an assessment on human rights issues (based on the SA 8000 standard or similar certification). The indicator therefore refers to all suppliers for which Vendor Management activities are centralized in Eni SpA (i.e. all Italian, mega and international suppliers) and to local suppliers of Eni Ghana, Eni Pakistan, Eni US and Eni Angola, Eni México S. de RL de CV and IEOC.
NEW SUPPLIERS ASSESSED ACCORDING TO SOCIAL CRITERIA	This indicator is included in the "Suppliers subject to assessment" indicator and represents all new suppliers subjected to a new qualification process.
TRANSPARENCY, ANTI-CORRUPTION AND TAX STRATEGY	
Country-BY-Country REPORT	The disclosure relating to the Country-by-Country report is covered by means of a reference to the last published document (generally the financial year preceding the NFI reporting year) in line with the provisions of the relevant GRI standard (207-4).
ANTI-CORRUPTION TRAINING	<p>E-learning for resources in a context at medium/high risk of corruption.</p> <p>E-learning for resources in a context at low risk of corruption.</p> <p>Generale workshop: classroom training events for staff in a context at high risk of corruption.</p> <p>Job specific training: classroom training events for professional areas in a context at risk of corruption.</p>
LOCAL DEVELOPMENT	
LOCAL DEVELOPMENT INVESTMENTS	The indicator refers to the Eni share of spending in local development initiatives carried out by Eni in favour of local communities to promote the improvement of the quality of life and sustainable socio-economic development of communities in operational contexts.
SPENDING TO LOCAL SUPPLIERS	<p>The indicator refers to the 2020 share of expenditure to local suppliers. "Spending to local suppliers" has been defined according to the following alternative methods on the basis of the specific characteristics of the Countries analyzed: 1) "Equity method" (Ghana): the share of expenditure towards local suppliers is determined on the basis of the percentage of ownership of the corporate structure (e.g. for a Joint Venture with 60% local components, 60% of total expenditure towards the Joint Venture is considered as expenditure towards local suppliers); 2) "Local currency method" (Angola and UK): the share paid in local currency is identified as expenditure towards local suppliers; 3) "Country registration method" (Iraq and Nigeria): the expenditure towards suppliers registered in the Country and not belonging to international groups/mega suppliers (e.g. suppliers of drilling services/auxiliary drilling services) is identified as local; 4) "Method of registration in the Country + local currency" (Congo and Mexico): expenditure towards suppliers registered in the Country and not belonging to international groups/mega suppliers (e.g. suppliers of drilling services) is identified as local. For the latter, spending in local currency is considered to be local.</p> <p>The selected Countries are Ghana, Angola, UK, Iraq, Nigeria, Congo and Mexico. The Countries selected are those most representative for Eni business from a strategic point of view and in which a significant component of expenditure was recorded compared to the total spent by the Eni Group.</p>

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Material Aspect/ GRI Disclosure	Description/GRI Disclosure	Section and/or page number	Omission	WEF - Core themes and metrics
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Material Aspect/ GRI Disclosure	Description/GRI Disclosure	Section and/or page number	Omission	WEF - Core themes and metrics
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(1) RNES: Reporting not extended to suppliers.

(2) RNEC: Reporting not extended to customers.

Independent auditor's report



Independent auditor's report on the consolidated non-financial statement

pursuant to article 3, paragraph 10, of Legislative Decree No. 254/2016 and article 5 of CONSOB Regulation No. 20267 of January 2018

To the Board of Directors of Eni SpA

Pursuant to article 3, paragraph 10, of Legislative Decree No. 254 of 30 December 2016 (the "Decree") and article 5 of CONSOB Regulation No. 20267/2018, we have undertaken a limited assurance engagement on the consolidated non-financial statement of Eni SpA and its subsidiaries (the "Group") for the year ended 31 December 2020 prepared in accordance with article 4 of the Decree, presented in the specific section of the report on operations and approved by the board of directors on 18 March 2021 (the "NFS").

Responsibilities of the Directors and the Board of Statutory Auditors for the NFS

The Directors are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree and with the "Global Reporting Initiative Sustainability Reporting Standards" defined in 2016, and updated to 2019, by the GRI - Global Reporting Initiative (the "GRI Standards"), disclosed in the chapter "Reporting principles and criteria" of the NFS, identified by them as the reporting standard.

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

Moreover, the Directors are responsible for identifying the content of the NFS, within the matters mentioned in article 3, paragraph 1, of the Decree, considering the activities and characteristics of the Group and to the extent necessary to ensure an understanding of the Group's activities, its performance, its results and related impacts.

Finally, the Directors are responsible for defining the business and organisational model of the Group and, with reference to the matters identified and reported in the NFS, for the policies adopted by the Group and for the identification and management of risks generated or faced by the Group.

The Board of Statutory Auditors is responsible for overseeing, in the terms prescribed by law, compliance with the Decree.

PricewaterhouseCoopers SpA

Sede legale: Milano 20145 Piazza Tre Torri 2 Tel. 02 77851 Fax 02 7785240 Capitale Sociale Euro 6.890.000,00 I.v. C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 12079880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: Ancona 60131 Via Sandro Totti 1 Tel. 071 2132311 - Bari 70122 Via Abate Giunna 72 Tel. 080 5640211 - Bergamo 24123 Largo Belotti 5 Tel. 035 229691 - Bologna 40126 Via Angelo Finelli 8 Tel. 051 6186211 - Brescia 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - Catania 95129 Corso Italia 302 Tel. 095 7532311 - Firenze 50121 Viale Gramsci 15 Tel. 055 2482811 - Genova 16121 Piazza Piacapetra 9 Tel. 010 29041 - Napoli 80121 Via del Mille 16 Tel. 081 36181 - Padova 35138 Via Vicenza 4 Tel. 049 873481 - Palermo 90141 Via Marchese Ugo 60 Tel. 091 349737 - Parma 43121 Viale Tanara 20/A Tel. 0521 275911 - Pescara 65127 Piazza Ettore Troilo 8 Tel. 085 4545711 - Roma 00154 Largo Fochetti 29 Tel. 06 370251 - Torino 10122 Corso Palestro 10 Tel. 011 556771 - Trento 38122 Viale della Costituzione 33 Tel. 0461 237004 - Treviso 31100 Viale Felissent 90 Tel. 0422 696911 - Trieste 34123 Via Cesare Battisti 18 Tel. 040 3480781 - Udine 33100 Via Pascolle 43 Tel. 0432 25789 - Varese 21100 Via Albuzzi 43 Tel. 0332 285039 - Verona 37135 Via Francia 21/C Tel. 045 8263001 - Vicenza 36100 Piazza Pontelanello 9 Tel. 0444 393311

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Auditor's Independence and Quality Control

We are independent in accordance with the principles of ethics and independence set out in the Code of Ethics for Professional Accountants published by the International Ethics Standards Board for Accountants, which are based on the fundamental principles of integrity, objectivity, competence and professional diligence, confidentiality and professional behaviour. Our audit firm adopts International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains an overall quality control system which includes processes and procedures for compliance with ethical and professional principles and with applicable laws and regulations.

Auditor's responsibilities

We are responsible for expressing a conclusion, on the basis of the work performed, regarding the compliance of the NFS with the Decree and the GRI Standards. We conducted our work in accordance with International Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. The standard requires that we plan and apply procedures in order to obtain limited assurance that the NFS is free of material misstatement. The procedures performed in a limited assurance engagement are less in scope than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not provide us with a sufficient level of assurance that we have become aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

The procedures performed on the NFS were based on our professional judgement and consisted in interviews, primarily of company personnel responsible for the preparation of the information presented in the NFS, analyses of documents, recalculations and other procedures designed to obtain evidence considered useful.

In detail, we performed the following procedures:

1. analysis of the relevant matters reported in the NFS relating to the activities and characteristics of the Group, in order to assess the reasonableness of the selection process used, in accordance with article 3 of the Decree and with the reporting standard adopted;
2. analysis and assessment of the criteria used to identify the consolidation area, in order to assess their compliance with the Decree;
3. comparison of the financial information reported in the NFS with the information reported in the Group's consolidated financial statements;
4. understanding of the following matters:
 - business and organisational model of the Group with reference to the management of the matters specified by article 3 of the Decree;
 - policies adopted by the Group with reference to the matters specified in article 3 of the Decree, actual results and related key performance indicators;
 - key risks generated or faced by the Group with reference to the matters specified in article 3 of the Decree.

With reference to those matters, we compared the information obtained with the information presented in the NFS and carried out the procedures described under point 5 a) below;



5. understanding of the processes underlying the preparation, collection and management of the significant qualitative and quantitative information included in the NFS.

In detail, we held meetings and interviews with the management of Eni SpA and with the personnel of Eni Mediterranea Idrocarburi SpA, Eni UK Limited and Versalis SpA and we performed limited analyses of documentary evidence, to gather information about the processes and procedures for the collection, consolidation, processing and submission of the non-financial information to the function responsible for the preparation of the NFS.

Moreover, for material information, considering the activities and characteristics of the Group:

- at holding level,
 - a) with reference to the qualitative information included in the NFS, and in particular to the business model, the policies adopted and the main risks, we carried out interviews and acquired supporting documentation to verify its consistency with available evidence;
 - b) with reference to quantitative information, we performed analytical procedures as well as limited tests, in order to assess, on a sample basis, the accuracy of consolidation of the information;
- for the sites of Eni SpA (Venice Refinery and Distretto Centro-Settentrionale – Centro Olio Trecate), Eni Mediterranea Idrocarburi SpA (Nuovo Centro Olio Gela), Eni UK Limited (Liverpool Bay Offshore Assets) and Versalis SpA (Porto Marghera Plant), which were selected on the basis of their activities, their contribution to the performance indicators at a consolidated level and their location, we carried out meetings and interviews during which we met local management and gathered supporting documentation regarding the correct application of the procedures and calculation methods used for the key performance indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of Eni Group for the year ended 31 December 2020 is not prepared, in all material respects, in accordance with articles 3 and 4 of the Decree and with the GRI Standards.

Rome, 2 April 2021

PricewaterhouseCoopers SpA

Signed by

Giovanni Andrea Toselli
(Partner)

Signed by

Paolo Bersani
(Authorised signatory)

This report has been translated from the Italian original solely for the convenience of international readers. We have not performed any controls on the NFS 2020 translation.