

# Eni for 2020

## A just transition





# Mission

We are an energy company.

- 13 | 15** We concretely support a just energy transition,  
with the objective of preserving our planet
- 7 | 12** and promoting an efficient and sustainable access to energy for all.
- 9** Our work is based on passion and innovation,  
on our unique strengths and skills,
- 5 | 10** on the equal dignity of each person,  
recognizing diversity as a key value for human development,  
on the responsibility, integrity and transparency of our actions.
- 17** We believe in the value of long-term partnerships with the Countries  
and communities where we operate, bringing long-lasting prosperity for all.

The mission represents more explicitly the Eni's path to face the global challenges, contributing to achieve the SDGs determined by the UN in order to clearly address the actions to be implemented by all the involved players.

## Global goals for a sustainable development

The 2030 Agenda for Sustainable Development, presented in September 2015, identifies the 17 Sustainable Development Goals (SDGs) which represent the common targets of sustainable development on the current complex social problems. These goals are an important reference for the international community and Eni in managing activities in those Countries in which it operates.



## Disclaimer

Eni for 2020 is a document published on a yearly basis which contains certain forward-looking statements related to the different topics covered therein. Forward-looking statement are based on Eni management's reasonable assumptions and belief in light of the information available to them at the time the statements are made. Nevertheless, by their nature, forward-looking statements involve a component of uncertainty as they relate to events and depend on circumstances that may or may not occur in the future and which are, in whole or in part, out of Eni's control. Actual results, also with reference to the targets and objectives identified in the strategic planning or those of Corporate Governance, may differ from those expressed in such statements, depending on a variety of factors, including without limitation: the impact of the pandemic disease (COVID-19); the fluctuation of the demand, the offer and the pricing of oil and natural gas and other oil products; the actual operational performances; the general macroeconomic conditions; geopolitical factors and changes in the economic and regulatory framework in many of the Countries in which Eni operates; the achievements reached in the development and use of new technologies; changes in the stakeholders' expectations and other changes to the business conditions. The readers of the document are therefore invited to take into account a possible discrepancy between the estimates reported and the results that may be achieved as a consequence of the occurrence of the above. Eni for 2020 also contains terms such as, for instance, "partnership" or "public/private partnership" used for convenience only, without a technical-legal implication. "Eni" means the parent company Eni SpA and its consolidated subsidiaries.

**On the cover:** The Onshore Receiving Facility (ORF) plant in Sanzule, Ghana, where the gas is compressed and subsequently distributed to the national network.

Some photos contained in this report were taken by Eni colleagues who participated in an internal Photo Contest organized to help Eni to describe its sustainability path.

# Contents

## Why read Eni for 2020?

In this document, Eni wants to describe its contribution to a just transition, an energy transition that allows to give access to energy for all and to protect the environment, while being socially fair. Eni for 2020 recounts Eni's path to meet these challenges, which are now even harder following the health emergency that began in 2020.

Eni for explores Eni's business model and in particular Operational Excellence, i.e. the enabling factors for achieving strategic objectives, as well as the importance of the Alliances for Development for creating value in the Countries where Eni operates.

Eni for also includes two annexes, one detailing the path towards "Carbon Neutrality by 2050" and one dedicated to the Sustainability performance over the last 5 years, with related comments.

Compared to the Consolidated Disclosure of Non-Financial Information (pursuant to Leg. Decree 254/2016) published within the Annual Report to provide an integrated view of financial and non-financial information, Eni for is a voluntary sustainability report aimed at further exploring non-financial issues by presenting concrete cases and testimonials of people with whom Eni shares its journey.

### For more information:

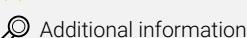
[Annual Report 2020](#)

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[Eni for 2020 - Carbon neutrality by 2050](#)

[Eni for 2020 - Sustainability performance](#) (including the Reference table with the standards/guidelines)



# Message to our Stakeholders

During a year that we will not easily forget, the global pandemic has revealed the vulnerability of global development models to the intense and rapid social, environmental and especially health turbulence that was difficult to predict.

The current economic and health crisis has heightened awareness of the strong interdependence between economic growth and the health of the natural and social environment, and also of the essential need to combine activities and economic development with the careful management of natural resources and the generation of social value.

Last February, at the presentation of the Long-Term Strategic Plan, we defined strategies and operational objectives for 2030, 2040 and 2050, confirming our tangible commitment to setting our energy transition strategy on the evolution of our business model, strongly focused on long-term value creation. Such an evolution combines the objectives of continuous development of the energy market with a significant reduction of the portfolio's carbon footprint, through the integration, diversification and expansion of retail and renewable businesses, bio products and the circular economy, as well as the contribution of gas, which in the long term will represent over 90% of our upstream sector.

As we consolidate our role as a global player in the world and in competitive and dynamic energy markets, one of the fundamental objectives of our strategy is to achieve total decarbonisation of all our products and processes by 2050: an ambitious goal that we intend to achieve by leveraging the quality of our assets, technologies and skills and with a technologically feasible plan supported by criteria and careful performance audits of economic, energy and environmental sustainability.

The total decarbonisation of Eni's products and operations will be achieved through existing activities and technologies, which will enable the accelerated doubling of biorefinery capacity, increased production and use of biogas and hydrogen, increase of renewable capacity to 60 GW in 2050, as well as the expansion of CO<sub>2</sub> capture, storage and reuse systems and the development of forest management plans in large tropical compartments, as provided for in the UN REDD+ scheme.

As part of our decarbonisation strategy, we have launched innovative systems that can access clean, safe and basically inexhaustible energy sources such as the transformation of wave energy into electricity and – still in the experimental stage – the magnetic confinement fusion of two hydrogen nuclei, which generates huge amounts of energy without the unfavourable emission of undesirable greenhouse gases.

In the IT field, we have focused and will continue to focus on energy savings based on efficiency and digitalisation in operations and customer services, and on the use of energy-efficient supercomputers with which we also study new energies. In particular, our HPC5 is one of the most powerful and sustainable computing systems in the world, and it has recently been used in the research service for the comparative evaluation of solutions against COVID-19.

Our strategies are in line with the Paris Agreement, which has been ratified by more than 190 Countries, and are based on the 17 Sustainable Development Goals of the United Nations 2030 Agenda. They represent common sustainable development goals for today's complex social challenges and, in energy issues, guide us towards achieving the fair and inclusive energy transition that preserves the environment and ensures universal access to energy sources.

Our transformation journey is underpinned by rigorous financial discipline, which has resulted in consistent endorsements over time that have been measured by prestigious indicators such as the ESG Responsible Investment criteria, which are used in business to measure environmental, social and governance performance.

The challenges outlined by the 2030 Agenda, the Guiding Principles on Business and Human Rights (UNGPs) and the 10 principles of the Global Compact call for action in a systemic perspective in which all stakeholders are required to play an active role in a mutually complementary manner, ranging from the private sector, institutions, governments, civil society, through the individual behaviour of each of us. Pursuing this vision, we have strengthened our partnerships with international development cooperation agencies and organizations, which constitute an effective tool to mobilize resources that are not exclusively economic and to support the growth of our host Countries.

In order to create long-term value for our stakeholders, we cannot disregard the development of the Countries in which we operate, working in synergy with all the stakeholders in the territories. In addition, in recent years we have established an extensive network of partnerships with more than 70 universities and institutes around the world to catalyse those ideas, skills and innovations that can successfully propel us towards a more sustainable and human-friendly future.

Each of us is called upon to play an active part in the transition process, to build a more sustainable future for tomorrow's generations. Businesses are organisations of economic, financial and technical resources, but also and above all of human resources. Values such as respect for human rights, transparency, entrepreneurial spirit, a drive for innovation and the courage to go against the grain have characterised our company and are still the basis for our growth as a business. Our company is making a crossing, exposing ourselves to waves that we are now able to navigate safely. In this journey ahead, we are all called to act responsibly. Each of us plays an important role and must be at the service of others, working with and for others, creating a virtuous circle that unites all stakeholders and therefore achieves the just energy transition that we desire.

**Claudio Descalzi**

Chief Executive Officer



**«If you want to build a ship,  
don't drum up people to collect wood  
and don't assign them tasks and work,  
but rather teach them to long for the  
endless immensity of the sea.  
As soon as this desire is awakened  
in them, they will set to work  
immediately to build the ship.»**

Antoine de Saint-Exupéry

# Eni in the world

Eni is a global energy company present in 68 Countries with over 30,000 people, operating along the entire value chain.

The company's Mission clearly expresses the commitment of Eni to play a decisive role in the just transition for a low-carbon future that guarantees efficient and sustainable access to energy for all in order to contribute to the achievement of the Sustainable Development Goals (SDGs). This commitment is confirmed by the transformation path that Eni has been pursuing for some years, and which saw in 2020 an acceleration. In fact, in February 2021, was announced the commitment to achieve net zero emissions by 2050, through the full decarbonisation of products and processes.

■ COUNTRIES WITH ENI'S PRESENCE

**68**

Countries of presence  
(2019: 66)

**30,775**

People  
(2019: 31,321)

- EXPLORATION & PRODUCTION
- GLOBAL GAS & LNG PORTFOLIO
- REFINING & MARKETING AND CHEMICALS (VERSALIS)
- ENI GAS E LUCE, POWER (ENIPOWER) & RENEWABLES

## EUROPE

ALBANIA  
AUSTRIA  
BELGIUM  
CYPRUS  
CZECH REPUBLIC  
DENMARK  
FRANCE  
GERMANY  
GREECE  
GREENLAND  
HUNGARY  
IRELAND  
ITALY  
MONTENEGRO  
NORWAY  
POLAND  
PORTUGAL  
ROMANIA  
SLOVAK REPUBLIC  
SLOVENIA  
SPAIN  
SWEDEN  
SWITZERLAND  
THE NETHERLANDS  
THE UNITED KINGDOM  
TURKEY

## AFRICA

ALGERIA  
ANGOLA  
CONGO  
EGYPT  
GABON  
GHANA  
IVORY COAST  
KENYA  
LIBYA  
MOROCCO  
MOZAMBIQUE  
NIGERIA  
SOUTH AFRICA  
TUNISIA

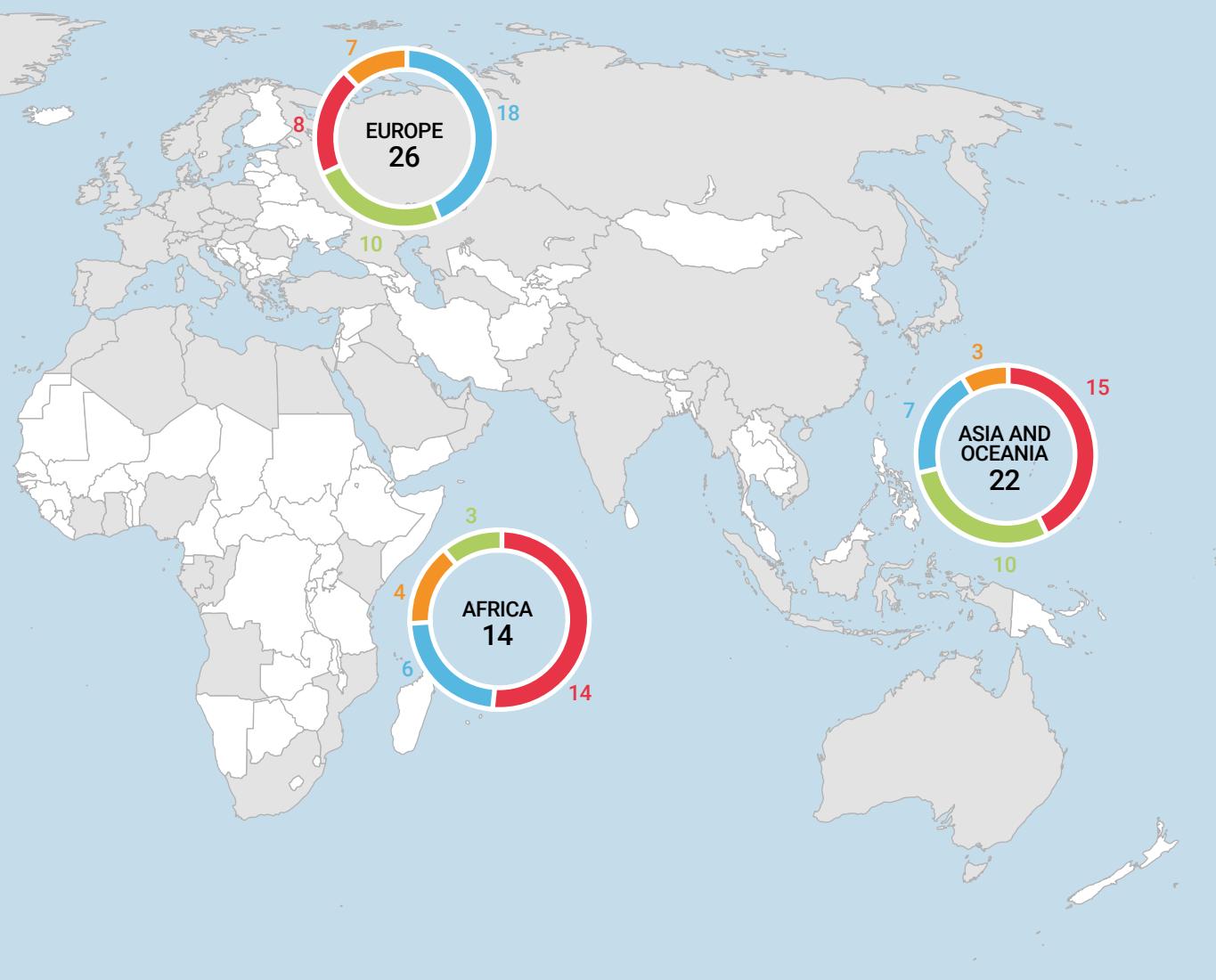
## AMERICAS

ARGENTINA  
CANADA  
ECUADOR  
MEXICO  
THE UNITED STATES  
VENEZUELA

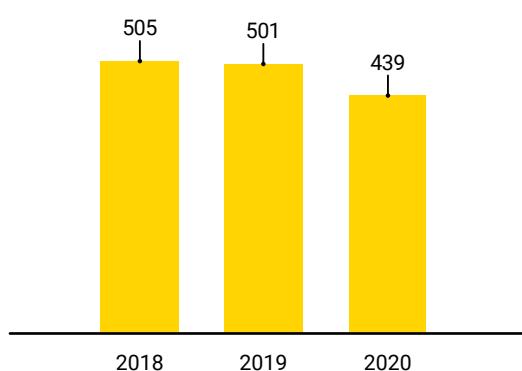
## ASIA AND OCEANIA

AUSTRALIA  
BAHRAIN  
CHINA  
INDIA  
INDONESIA  
IRAQ  
JAPAN  
KAZAKHSTAN  
LEBANON  
MYANMAR  
OMAN  
PAKISTAN  
QATAR  
RUSSIA  
SAUDI ARABIA  
SINGAPORE  
SOUTH KOREA  
TAIWAN  
THE UNITED ARAB EMIRATES  
TIMOR LESTE  
TURKMENISTAN  
VIETNAM

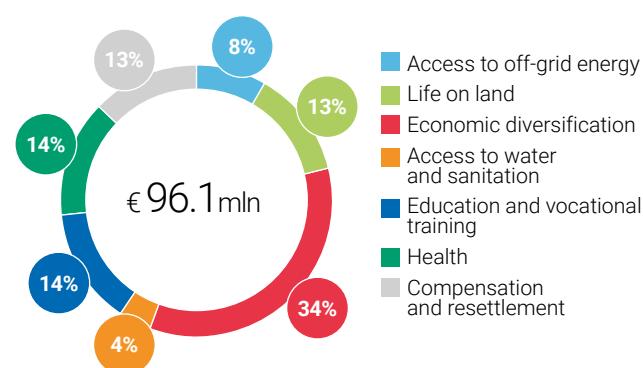




#### Net GHG Lifecycle Emissions (Scope 1+2+3) (million tonnes of CO<sub>2</sub>eq.)



#### Investments in local development in 2020



€ 157 million

Total expenditure on Research and Development in 2020

91 %

Freshwater reused in 2020

0.36

Total Recordable Injury Rate (TRIR) of the workforce in 2020

57 billion Sm<sup>3</sup>

Gas sold to domestic markets in 16 Countries in 2020

# Eni activities: the value chain

"Our Strategic Plan 2021-2024 is another step forward in boosting our transformation. We commit to the full decarbonization of all our products and processes by 2050."

Claudio Descalzi, CEO of Eni

Eni is a global energy company that operates along the entire value chain: from exploration, development and extraction of oil and natural gas, to generation of electricity from cogeneration and renewable sources, traditional and bio refining and chemicals, to the development of circular economy processes. Eni extends its reach to end markets, selling gas, electricity and products to retail and business customers and local markets.

Both CO<sub>2</sub> capture and storage initiatives and forest conservation projects (REDD+ initiatives) will be implemented to absorb residual emissions.

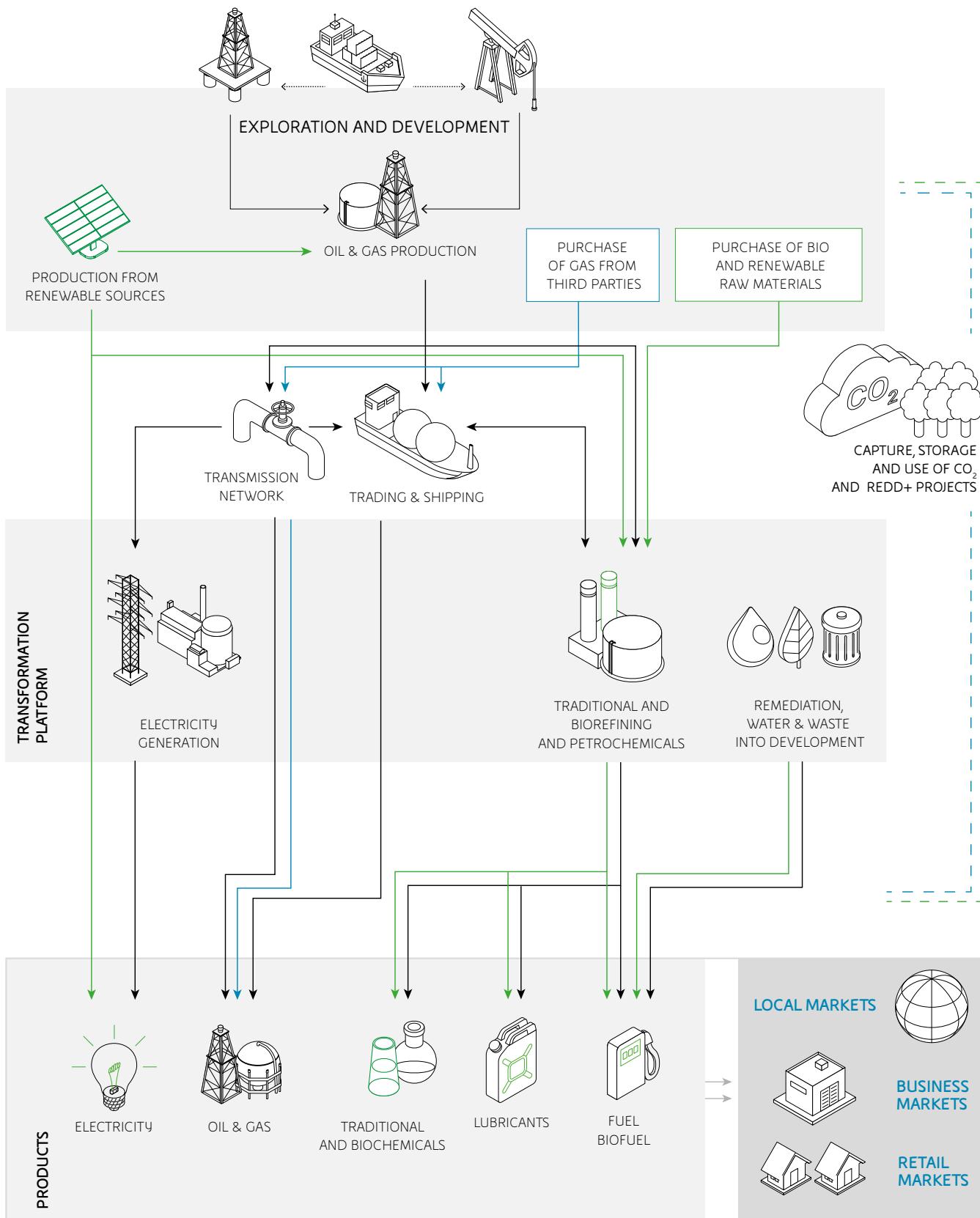
Consolidated expertise, technologies and geographical distribution of assets are Eni's levers to strengthen its presence along the value chain. Along this path, Eni has committed to becoming a leading company in the production and sale of decarbonised energy products, increasingly customer-oriented, through:

- **Bio-refineries** where production capacity is expected to grow to **5-6 million tonnes by 2050**; Eni will be **palm-oil free by 2023**, with an increasing input of raw materials from **waste and scrap that will account for around 80%** of the total in 2024 compared to 20% today;
- **Circular economy** with increased use of biomethane, waste products and recycling of end products;
- **Efficiency and digitalisation** in operations and customer services;
- **Renewables** with an increase in capacity to **60 GW by 2050**, fully integrated with Eni's customers;
- **Blue and green hydrogen** to power Eni biorefineries and other highly energy-intensive industrial activities;
- **Natural or artificial carbon capture** to absorb residual emissions through **REDD+ forest conservation initiatives** and **CCS projects**.

**Gas**, which in the long term **will account for more than 90% of Eni's production**, will be an important support for intermittent sources in the energy transition.

The Gela biorefinery plant, operating since 2019





# Towards a Just Transition: scenario and global challenges

Eni intends to play  
a defining role in  
the path towards a just  
energy transition

**9.2 billion**

People in 2040

**+19%**

Energy demand in 2040 vs.  
2019 according to IEA STEPS  
scenario

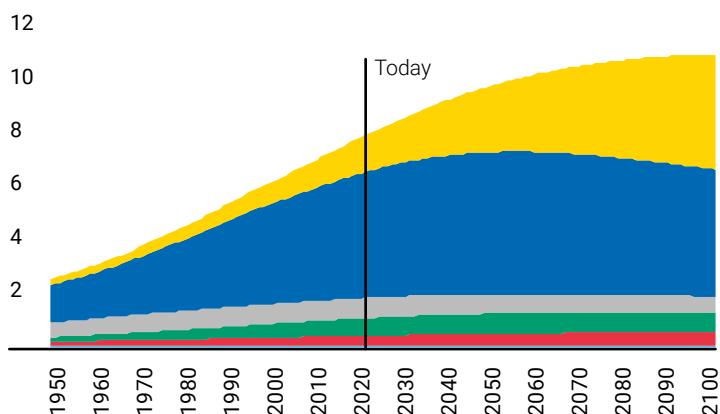
Over the last three decades, energy demand has grown at high rates and there has been a change in the composition of the energy mix, marked initially by an increasing contribution from fossil fuels, and later by a major increase in gas and renewables. In recent years, growth in energy demand has been mainly driven by developing Countries, while OECD Countries have experienced substantially stable/slightly decreasing consumption, which, in terms of mix, has seen an increase in renewables and natural gas (the only growing fossil source), to the detriment of primary energy sources. Against this changing mix, OECD Countries have seen emissions remain broadly stable, while in non-OECD Countries the increasing use of fossil fuels to meet rising energy needs has resulted in a fairly sharp rise in emissions. It is clear, therefore, that the path to energy transition is made even more challenging by the constantly evolving scenario: on one hand, demographic growth in non-OECD Countries triggers a significant increase in energy demand, on the other hand combating climate change requires a reduction of atmospheric greenhouse gas emissions.

Population growth will result in an increase of 1.5 billion people by 2040 on top of the 7.7 billion global population in 2019, with about half of this increase concentrated in Africa and 1/3 in emerging Asian economies. With respect to energy demand, the International Energy Agency (IEA) has identified two main energy paths: a scenario in line with current and planned policies (STEPS<sup>1</sup> - Stated Policies Scenario) and a decarbonised scenario (SDS<sup>2</sup> - Sustainable Development Scenario). In the first one, global energy demand is forecast to grow by 19% in 2040 from 2019 levels, driven mainly by non-OECD Countries (+34%), in the second one consumption is expected to contract from 2019 (-10%), mostly driven by efficiency and energy savings measures concentrated in the OECD area. In the SDS scenario, at global level, non-fossil sources (including nuclear) will account for 44% of primary energy consumption by 2040 (vs. 19% today and 27% in the STEPS scenario by 2040).

**World population**  
(billions of people)

Source: UN, World Population Prospects, 2020 revision

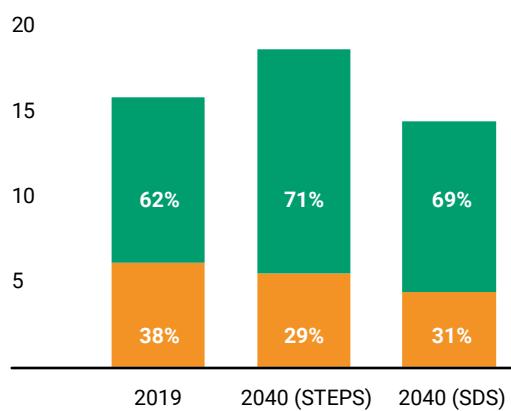
<span style="color: blue;">█</span> Oceania <span style="color: red;">█</span> North America <span style="color: green;">█</span> Latin America and Caribbean	<span style="color: grey;">█</span> Europe <span style="color: blue;">█</span> Asia <span style="color: yellow;">█</span> Africa
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**Energy demand**  
(Gtoe)

Source: IEA (2020) World Energy Outlook.  
All rights reserved.

<span style="color: green;">█</span> NON-OECD <span style="color: orange;">█</span> OECD
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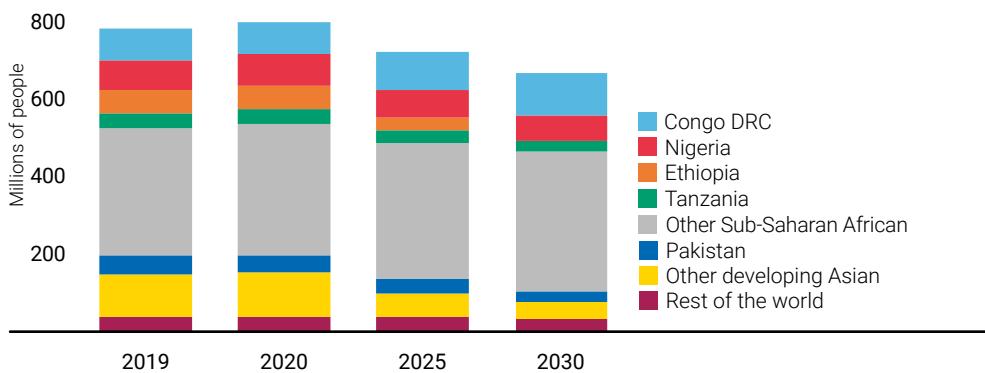


1) This is the IEA baseline scenario and reflects all existing and announced government policies, although it does not meet the temperature limitation target as set out in the Paris Agreement.

2) It is a backcasting scenario, incorporating a series of measures needed to reach net zero by 2070 and limit the global temperature increase over pre-industrial levels to 1.65 °C with 50% probability. It ensures universal access to energy by 2030, reduction of local pollution and implementation of actions to combat climate change, limiting global temperature rise in line with the Paris Agreement.

To meet the world's energy demand, it is essential that OECD Countries promote efficiency-boosting processes and limit the carbon footprint associated with consumptions, while non-OECD Countries need to ensure universal access to energy through a sustainable energy mix, while also leveraging existing local resources. The International Energy Agency estimates that there will still be 790 million people without access to electricity in 2020 and, while in the SDS scenario the target is full access to electricity by 2030, in the STEPS scenario by 2030 there will still be 660 million people without access to electricity. In 2030, 50% of the world population without access to electricity will be concentrated in 7 Countries - Democratic Republic of Congo (Congo DRC), Nigeria, Uganda, Pakistan, Tanzania, Niger and Sudan.

#### People without access to electricity

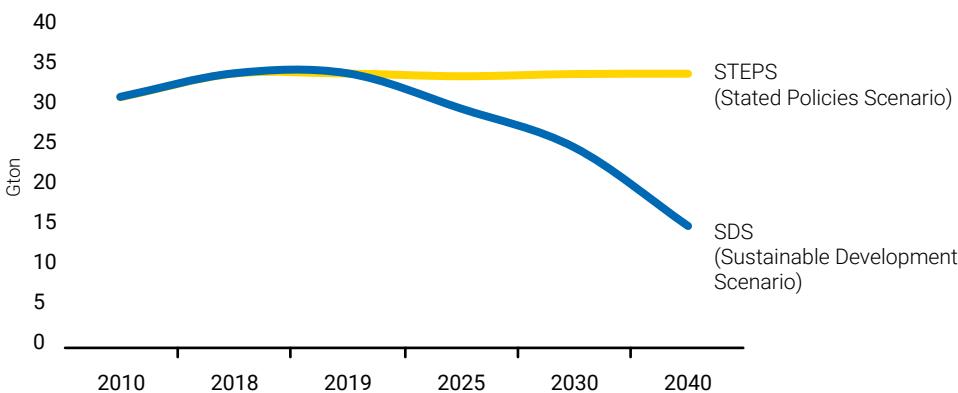


Source: IEA (2020) World Energy Outlook. All rights reserved.

Energy demand will have to be met, limiting atmospheric emissions of climate-altering gases to combat climate change. Currently, around two-thirds of global greenhouse gas emissions derive from the energy sector; of these, more than 40% are from the power sector, with coal accounting for more than 70% of the sector's emissions. According to the IEA, a trajectory compatible with the goals of the Paris Agreement requires halving the emissions of the energy sector by 2040, in order to reach by 2050 approximately 1/3 of the current value of emissions and ultimately zeroing net emissions in 2070.

#### For more information: Eni for 2020 - Carbon neutrality by 2050

#### Emissions of CO<sub>2</sub> (Gton)



Source: IEA (2020) World Energy Outlook. All rights reserved.

**660 million**

People still without access to electricity in 2030 according to IEA STEPS scenario

**-56%**

CO<sub>2</sub> emissions in 2040 vs. 2019 according to IEA SDS scenario

# Health emergency related to COVID-19

2020 was marked by the worldwide health crisis due to COVID-19, which triggered a series of containment measures, such as shutting down productive activities and implementing mobility restrictions, with severe negative impacts on the economic environment and consequently on energy demand. The energy sector was characterised by a memorable contraction in global oil demand, which fell by around 9% over 2019 and is now expected to return to pre-COVID 19 levels in 2023 according to the International Energy Agency (STEPS scenario). However, in the case of a prolonged pandemic (DRS - Delayed Recovery Scenario), realignment to pre-COVID 19 levels will only occur in 2025. The most profound effects of the crisis will be most evident in non-OECD Countries. Increased poverty may have resulted in basic electricity services being unaffordable for more than 100 million people around the world who previously had access to them.

A Crisis Unit was set up, comprising all relevant corporate functions, to identify timely and consistent measures to be applied across businesses for managing the health emergency

## Emergency management at Eni

Despite the scope and pace at which the pandemic spread throughout the world, Eni intervened promptly, also by virtue of the experience gained in the past in managing epidemics such as Sars-Cov-1 and Ebola, and thanks to the regulatory, organisational and operational tools it had adopted in 2011 for the management of epidemic and pandemic events, implementing its own risk management model for Health, Safety, Environment, Security and Public Health and Safety. Since January 2020, there has been a constant flow of communication with subsidiaries, both in Italy and abroad, with the aim of monitoring the evolution of the crisis and implementing the necessary preventive measures defined by the Company's regulatory instruments in accordance with provisions enforced by national and international health authorities. Eni has therefore updated its epidemic and pandemic response plan as part of the medical emergency procedure. Eni, through its Board of Directors, has defined strategic guidelines and coordination protocol, including the establishment of a Crisis Unit formed by all the relevant corporate functions, with the mandate of identifying timely and consistent measures to be applied across the different businesses. These measures mainly focused on: (i) hygiene and prevention; (ii) management and use of Personal protective equipment (PPE); (iii) hygiene and sanitation measures in the workplace; (iv) operational control and diagnostic methods; (v) communication and information activities; (vi) reorganisation of working methods and agile work; (vii) management of suspected and confirmed cases.

### Eni's initiatives to tackle health emergencies in Italy and around the world

<b>Permanent infrastructure works</b>	Preference for infrastructure works of a "permanent nature" capable of strengthening the response capacity of regional and national health systems in a stable and lasting manner, both in an emergency situation and in an ordinary situation. Such works are aimed not only at responding to the emergency in progress but also at being used once the emergency is over.
<b>Provision of medical equipment</b>	Providing medical equipment and protection devices that are not readily available (e.g. pulmonary ventilators), through the intervention of the company's procurement and logistics network, to those healthcare facilities and hospitals that are "in the front line" in terms of emergency management, in accordance with the regional policy on COVID 19 hospitals and in coordination with the Civil Protection Department and, in general, with healthcare institutions.
<b>Support for Institutions</b>	Supporting regional and national institutions by making Eni's know-how and procurement and logistics network available.
<b>Health projects for communities</b>	A preference for interventions focused on the needs of the communities where Eni operates, in line with the overall strategies for relations with local communities.

## Eni's fight against the coronavirus

Eni has mobilised all available resources to meet the challenge through numerous health and social activities in support of Italian health institutions, Eni people and the communities in which Eni operates, with investments of around €35 million and initiatives around the world, with a focus on Africa.

Eni has in fact supported several hospitals in Italy, as part of the "Eni for Italy" program, dedicated to the care of coronavirus patients: key collaborations include those with the IRCCS Luigi Sacco Hospital in Milan, the Fondazione Policlinico Universitario Agostino Gemelli IRCCS, the IRCCS Policlinico San Matteo in Pavia, and the IRCCS Policlinico di San Donato for the construction and expansion of hospital facilities dedicated to coronavirus patients. Other hospitals were also supported in the regions of Veneto, Emilia Romagna, Marche, Basilicata, Apulia, Sardinia and Sicily with the supply of medical equipment to increase intensive care capacity.

Eni also financed public information campaigns on the role of General Practitioners and services for the elderly and, thanks to its employees, it collected and donated over €600,000 to the Italian Red Cross to deal with the emergency. [see p. 46](#)

In terms of technological support, Eni has made its supercomputing infrastructures and molecular modelling skills available to coronavirus research, offering the contribution of excellent tools and resources in the fight against the global emergency. It also partnered with the CNR's Institute of Complex Systems and the Italian National Institute of Health for the use of the Eni/HPC5 supercomputer for medical research related to infectious diseases.

[see p. 27](#)

Eni also launched an information campaign in collaboration with the Federazione Italiana Medici di Medicina Generale (Italian Federation of General Practitioners) to raise awareness on the importance of family doctors in the fight against coronavirus, in addition to complying with all the Ministry of Health's provisions.

Finally, alongside the 'Eni for Italy' program, initiatives have been identified in several Countries where Eni is present and able to support the diagnostic capacity of national health systems with respect to COVID-19. These initiatives, in accordance with the needs expressed by the selected Countries, comprised the donation of medical and diagnostic equipment, consumables and protective devices. [see p. 77](#)

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€35 million

Allocated by Eni to actions against the coronavirus

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over €600,000

Donated to the Italian Red Cross to deal with the emergency by Eni's employees



At a time of global emergency such as the present, we must mobilise all available resources with the aim of meeting the challenge before us, and we are honoured as Eni to be able to make our contribution to trying to find solutions to this challenge for humanity.



**Claudio Descalzi**, Chief Executive Officer of Eni

[For more information: eni.com](#)

# Business model



Eni's business model is focused on creating value for all its stakeholders through a strong presence along the entire value chain

Eni business model is aimed at the creation of value for all stakeholders through a strong presence along the entire value chain of energy. Eni aims to contribute, directly or indirectly, to the achievement of the Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda, supporting a just energy transition, which responds with concrete and economically sustainable solutions to the challenges of combating climate change and giving access to energy in an efficient and sustainable way, for all. Eni organically combines its business plan with the principles of environmental and social sustainability, extending its range of action along three pillars: **1. operational excellence; 2. carbon neutrality by 2050; 3. alliances for development.**

**1. First of all, Eni business is constantly focused on operational excellence.** This translates into an ongoing commitment to valuing people, safeguarding both the health and safety of people and asset integrity, protecting the environment, integrity and respect for human rights, resilience and diversification of activities and ensuring sound financial discipline. These elements allow the company to seize the opportunities related to the possible evolutions of the energy market and to continue on the path of transformation.

**2. Second, Eni's business model envisages a decarbonisation path towards carbon neutrality** based on an approach oriented to emissions generated throughout the life cycle of energy products and on a set of actions that will lead to the total decarbonisation of processes and products by 2050. This path, achieved through existing technologies, will allow Eni to totally reduce its carbon footprint, both in terms of net emissions and in terms of net carbon intensity.

**3. The third guideline refers to alliances for the promotion of development** through the enhancement of the resources of the Countries where it operates, promoting access to electricity and promoting Local Development Programmes (LDPs) with a broad portfolio of initiatives in favour of communities. This distinctive approach, referred to as Dual Flag, is based on collaborations with other internationally recognized players in order to identify the needs of communities in line with the National Development Plans and the United Nations 2030 Agenda. Eni is also committed to creating job opportunities and transferring its know-how and expertise to its local partners.

Eni's business model is developed along these three pillars by leveraging internal expertise, the development and application of innovative technologies and the digitalization process. A fundamental element of the business model is the Corporate Governance system, inspired by the principles of transparency and integrity, outlined further in the Governance section.

## VALUE CREATION FOR STAKEHOLDERS

Through an integrated presence all along the energy value chain



### OPERATIONAL EXCELLENCE

Health, Safety and Environment

Human Rights & Integrity

Resilience and Diversification

Capital discipline

### TRANSFORMATION AND PORTFOLIO FLEXIBILITY

### CARBON NEUTRALITY BY 2050

Life cycle GHG emissions approach  
(Scope 1, 2 and 3)

Set of concrete actions for the entire decarbonisation of processes and products

### INTERMEDIATE OBJECTIVES OF NET REDUCTION IN ABSOLUTE TERMS AND OF EMISSION INTENSITY

### ALLIANCES FOR DEVELOPMENT

Dual Flag approach

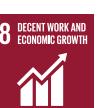
Public-private partnerships

Job creation and know-how transfer

LOCAL DEVELOPMENT PROGRAMS IN ACCORDANCE WITH 2030 AGENDA

## COMPETENCES

## TECHNOLOGICAL INNOVATION AND DIGITALIZATION



# Sustainability governance

Eni has adhered to the new Corporate Governance Code, which introduces the concept of sustainable success

Energy transition topics have been discussed in all the meetings of the Sustainability and Scenarios Committee in 2020

## Board of Directors and Committees

Eni's corporate governance system, based on the principles of integrity and transparency, reflects the desire to integrate sustainability into the business model. This approach is confirmed by the adherence to the new Corporate Governance Code, applicable as of 1 January 2021, which identifies "sustainable success" as the objective that must guide the actions of the Board of Directors and that consists of creating long-term value for the benefit of shareholders, taking into account the interests of other stakeholders relevant to the company. Moreover, since 2006 Eni has considered the interest of stakeholders other than shareholders as one of the necessary references that Directors must assess when making informed decisions.

The Board of Directors (BoD) has a central role in defining, on the proposal of the Chief Executive Officer (CEO), sustainability policies and strategies, in identifying annual, four-year and long-term objectives and in monitoring results. In performing its sustainability duties, the BoD has been supported, since 2014, by the Sustainability and Scenarios Committee (SSC), which makes proposals and provides advice on scenarios and sustainability, for example in the areas of climate change and human rights. Under the new Corporate Governance Code, the Control and Risk Committee, in assisting the Board of Directors, is also responsible for assessing the suitability of periodic non-financial information for the appropriate representation of the company's business model and strategies, for the impact of its activities and the performance achieved, and for examining the content of periodic non-financial information relevant to the internal control and risk management system.

### Roles and responsibilities of the Board of Directors on sustainability topics

BOARD OF DIRECTORS			
CHIEF EXECUTIVE OFFICER	CHAIRMAN	COMMITTEES	
SUSTAINABILITY AND SCENARIOS COMMITTEE	CONTROL AND RISK COMMITTEE	REMUNERATION COMMITTEE	NOMINATION COMMITTEE
<b>Defines:</b> <ul style="list-style-type: none"> <li>the Corporate Governance system;</li> <li>the fundamental lines of the organisational, administrative and accounting set-up and the guidelines of the internal control and risk management system;</li> <li>the strategic lines and the objectives, including sustainability objectives, at the CEO's proposal.</li> </ul>	<b>It reviews or approves:</b> <ul style="list-style-type: none"> <li>the basic outlines of the internal regulatory system and the main corporate regulatory instruments;</li> <li>the main risks, including socio-environmental ones;</li> <li>the Policy for the Remuneration of Directors and managers with strategic responsibilities;</li> <li>financial and non-financial reporting.</li> </ul>		
<ul style="list-style-type: none"> <li>The main responsible for the management of the Company, without prejudice to the tasks reserved to the Board;</li> <li>Implements the resolutions of the BoD, informs and submits proposals to the BoD and to the Committees.</li> </ul>	<ul style="list-style-type: none"> <li>Central role in the internal control and risk management system;</li> <li>Steers the BoD's activities and ensures that Directors are trained on sustainability matters.</li> </ul>		
It provides proposals and advice to the BoD on scenarios and sustainability and delves further into the integration between strategy, evolutionary scenarios and business sustainability in medium-long term.	It supports the Board in evaluations and decisions relating to the internal control and risk management system, and in particular in the quarterly review of the main risks, including ESG risks, and the approval of periodic financial and non-financial reports.	It makes proposals and provides advice to the Board of Directors on remuneration topics, and in this context proposes annual and long-term incentive systems, defining their objectives, also supporting the guidelines adopted on sustainability issues.	It supports the BoD in the appointments, in the periodic assessments of the directors' requirements and in the self-assessment process, formulating opinions to the BoD on the composition of the BoD and of its Committees also with respect to required competencies.

### Sustainability topics addressed by the Board of Directors and/or by the Sustainability and Scenarios Committee in 2020

<b>Strategy and energy transition</b>	Energy, climate and technology scenarios and climate change risks Four-year and long-term plan (including sustainability targets) Performance and prospects of the renewable energy sector Sustainable finance instruments Updates on: Forestry, magnetic fusion, R&D, sustainable mobility, 2019 CDP (Climate and Water) Climate Resolutions and reference Peer Review Disclosure Updates on climate change advocacy and Eni's responsible engagement on climate policies within business associations
<b>Human rights and social topics</b>	Update on Eni's activities in the areas of human rights, diversity and inclusion Approval of the Statement in accordance with the UK "Modern Slavery Act" Investment plan for local development and non-profit budget
<b>Reports and monitoring</b>	Approval of Eni for and of the Disclosure of Non-Financial Information, included in the Annual Report Insight into HSE results Summary of results in key ESG indices and ratings
<b>Other topics</b>	Analysis of COVID emergency management and its impacts Expansion of the anti-corruption compliance programme New Code of Ethics

## Remuneration linked to sustainability targets

The commitment to energy transition is reflected in the Variable Incentive Plans for the CEO and company management. The 2020-2022 Long-Term Equity Incentive Plan supports the implementation of the strategy through parameters related to the objectives of decarbonisation, energy transition and circular economy, with an overall weight of 35% for both the CEO and all Eni's management recipients of the Plan; the 2021 Short-Term Incentive Plan with deferral (IBT) includes, as in previous years, a target on reducing the intensity of GHG emissions, now extended to indirect emissions (so-called Scope 2) and non-operated activities (weight 12.5%), and a target on personnel safety (weight 12.5%) measured through the Severity Incident Rate (SIR) index, which aims to focus Eni's commitment on reducing the most serious incidents, as it calculates the frequency of total incidents that can be recorded with respect to the number of hours worked, attributing progressively increasing weights as the level of incidents severity increases. From this year, within the operating results, the incremental installed capacity of renewable sources (weight 12.5%) replaces the indicator of exploratory resources, to support the energy transition. As a result, the overall weight of sustainability objectives is 37.5% for the CEO, while weights for company management depend on responsibilities assigned as well as to specific objectives based on the role (e.g. linked to environmental issues, human rights, or local development projects).

**37.5%**

CEO sustainability objectives  
for Short-Term Incentive Plan

**35%**

CEO sustainability objectives  
for Long-Term Incentive Plan

## Management role at local and central level

To ensure that sustainability topics are properly managed from top management down to all subsidiaries, Eni has established a sustainability structure since 2006. This unit coordinates and supervises activities related to the main sustainability topics, in cooperation with central and local staff and business functions. As of 2019, climate strategy topics, part of long-term planning, are managed by the CFO area through dedicated structures with the aim of overseeing the process of defining Eni's climate strategy and related portfolio of initiatives, in line with international climate agreements. At the local branches, managing directors, who are responsible for defining the Country development plans according to local needs, are supported by both local sustainability reference personnel and the central sustainability function.

# Eni's mission and Sustainable Development Goals (SDGs)

Eni's Mission highlights the company's commitment to a just transition

Eni's mission – approved by the BoD in September 2019 – shows the path that the Company is undertaking to address 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. 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 commitment is affirmed by Eni's new strategy, which has accelerated the transformation process with the goal of achieving total decarbonisation of all products and processes by 2050, by the new organisational structure of the company and by the new sustainable finance strategy. For a closer look at all Eni's objectives, see the relevant chapters.

## COMMITMENTS

 <b>CARBON NEUTRALITY BY 2050</b>	<b>FIGHTING CLIMATE CHANGE</b>  <a href="#">Targets, p. 30</a>
 <b>OPERATIONAL EXCELLENCE</b>	<b>PEOPLE</b>  <a href="#">Targets, p. 36</a> <p>Eni is committed to supporting the just transition process by consolidating and developing skills, enhancing every psychophysical dimension of its people and recognising diversity as a resource</p> <b>HEALTH</b>  <a href="#">Targets, p. 44</a> <p>Eni considers protection of the health of its people, families and communities in the Countries where it operates to be a fundamental requirement and promotes their physical, psychological and social well-being</p> <b>SAFETY</b>  <a href="#">Targets, p. 48</a> <p>Eni considers workplace safety an essential value to be shared among local employees, contractors and stakeholders and it is committed to reduce incidents down to zero and safeguarding the integrity of assets</p> <b>ENVIRONMENT</b>  <a href="#">Targets, p. 54</a> <p>Eni promotes the efficient management of natural resources and the safeguard of protected areas relevant to biodiversity, through actions aimed at improving energy efficiency and transitioning to a circular economy, and by identifying potential impacts and mitigation actions. Eni is also committed not to carry out hydrocarbon exploration and development activities in UNESCO World Heritage Sites</p> <b>HUMAN RIGHTS</b>  <a href="#">Targets, p. 60</a> <p>Eni is committed to respecting human rights in its activities and to promoting their respect with partners and stakeholders</p> <b>TRANSPARENCY AND INTEGRITY</b>  <a href="#">Targets, p. 68</a> <p>Eni carries out its business activities with fairness, correctness, transparency, honesty, integrity and in compliance with the law</p>
 <b>ALLIANCES FOR DEVELOPMENT</b>	<b>COOPERATION MODEL</b>  <a href="#">Targets, p. 74</a> <p>The cooperation model integrated into the business model is a distinctive feature of Eni, which aims to support Countries in achieving their development goals</p>
 <b>CROSS-CUTTING TOPICS</b>	<b>TECHNOLOGICAL INNOVATION</b>  <a href="#">Targets, p. 25</a> <p>For Eni, research, development and rapid implementation of new technologies are an important strategic lever to drive business transformation</p>

## Eni and sustainable finance

In 2020, Eni signed sustainable financial contracts with banks for a total amount of €5.1 billion linked to the achievement of the United Nations Sustainable Development Goals (SDGs). Sustainability elements were introduced through a bonus/malus mechanism associated with a specific sustainability performance target linked to SDG 7 "Affordable and clean energy" and SDG 13 "Climate action". Furthermore, Eni is one of the signatories of the CFO Principles on Integrated SDGs Investments and Finance. The principles, announced on the sidelines of the 2020 UN General Assembly and signed by Eni's CFO, aim to highlight the role that companies and CFOs play in contributing to the financing of the SDGs and guide companies in aligning their sustainability commitments with credible corporate finance strategies to create real impact for the SDGs.

Eni signed the CFO Principles on Integrated SDGs Investments and Finance in 2020

### MAIN RESULTS IN 2020

- -26% upstream GHG emission intensity index vs. 2014
- -39% volume of hydrocarbons sent to routine flaring vs. 2014
- -90% upstream methane fugitive emissions vs. 2014 (TARGET REACHED)

### SUSTAINABLE DEVELOPMENT GOALS



- 30,775 employees as of 31 December (reported -1.7% vs. 2019)
- +2.3 percentage point increase in women hired (34.6% in 2020 vs. 32.3% in 2019)
- Approx. 1.04 million hours of training (-23.6% vs. 2019)
- 13,300 professional profiles mapped to date
- 354,192 health services provided
- 222,708 registrations to health promotion initiatives



- Total Recordable Injury Rate (TRIR): 0.36
- Initiatives focused on the Human Factor to prevent incidents and enhanced the "Safety starts @ home" campaign



- Adherence to the 4 principles for solutions based on "Together with Nature"
- Extension of biodiversity risk mapping to the R&M pipeline network
- Water: 91% freshwater reused; -11% freshwater withdrawals vs. 2019
- -19% waste generated by production activities vs. 2019
- -7% operational oil spills vs. 2019



- Eni ranked first among around 200 companies evaluated by Corporate Human Rights Benchmark (CHRB)
- Adherence to Voluntary Principles on Security and Human Rights
- New Code of Ethics and Supplier Code of Conduct
- New Policy on Indigenous Peoples in Alaska
- 97% security contracts with human rights clauses
- 100% new suppliers assessed according to social criteria



- 9 Countries where Eni supports the EITI Multi Stakeholder Groups at local level
- Publication of Country-by-Country Report and Eni's position on contractual transparency



- €96.1 million invested in local development
- Cooperation agreements signed with World Bank, USAID and civil society organizations



- €157 million invested in research and development
- 25 new applications for first patent filings, of which 7 concern renewable sources



# Main events of 2020



# 2020 ESG ratings

Eni's transition path continues to gather support even among the most popular ESG rating agencies in the market, such as leadership rating according to four international ESG agencies: MSCI, Sustainalytics, Bloomberg ES and V.E (formerly Vigeo Eiris). Additional leadership ratings were obtained in the CDP Climate Change, CDP Water Security and Transition Pathway Initiative ratings. Eni was also confirmed in the FTSE4Good Developed index and, from this year, in the ESG iTraxx index. In addition, Eni received recognition from specialist research institutes such as Carbon Tracker. Finally, Eni confirms its leadership in the approach to human rights, by ranking first among around 200 companies assessed by the Corporate Human Rights Benchmark (CHRB) in 2020, ex aequo with only one other company.

Eni's transition path continues to gather support even among the most popular ESG rating agencies and indices on the market

## IN 2020 ENI WAS CONFIRMED IN THE FOLLOWING RATINGS

 <b>MSCI ESG RATINGS</b>	Eni confirmed by MSCI in its ESG "A" rating (AAA - CCC scale).	LEADER
 <b>SUSTAINALYTICS</b> a Morningstar company	In December 2020, Eni received an ESG Risk Rating score of 25.7, placing it in the top 3% of Oil & Gas producers assessed.	LEADER
 <b>Bloomberg ES</b>	Eni scored highest in the Bloomberg ranking of Oil & Gas companies assessing environmental performance, with a score of 6.42 out of 10.	
 <b>V.E VIGEO-EIRIS</b>	Eni achieved an overall score of 65/100 and was therefore placed in the "advanced" bracket, the highest in the Vigeo Eiris assessment framework.	LEADER
 <b>CDP</b> DISCLOSURE INSIGHT ACTION	Eni confirmed its leadership position in tackling climate change by obtaining an A- rating in the CDP Climate Change and CDP Water Security questionnaire.	LEADER
 <b>Transition Pathway Initiative</b>	Eni was confirmed as a leading company in the Oil & Gas sector for the fourth consecutive year, with the highest rating in the Management Quality area at level 4 "STAR" for strategic assessment of climate-related risks and opportunities.	
 <b>FTSE4Good</b>	Eni was confirmed for the 14 <sup>th</sup> consecutive year in the FTSE4Good Developed stock market index and improved its performance by achieving a score of 4.5 out of 5, confirming its position among the top 5 in the Oil & Gas sector.	LEADER
<b>ITRAXX INDEX</b>	Eni was included in the ITRAXX ESG Index, which derives from the iTraxx Main index with the application of 3 conditions - based on research by the ESG rating agency MSCI.	LAUNCHED IN 2020
 <b>Carbon Tracker Initiative</b>	Eni was voted first among comparable companies on the competitiveness of its non-sanctioned project portfolio, emission reduction targets and medium to long-term price scenario.	
 <b>WDI</b> Workforce Disclosure Initiative 2020 RESPONDER	Eni was awarded the "Contingent Workforce Data Award" for being one of the companies with the most data provided to the 2020 survey on workers with non permanent contracts. Eni is also in the top 10% of companies that provided the most complete disclosure to the 2020 questionnaire.	
 <b>CHRB</b>	Eni confirms its leadership in its approach to human rights, ranking first among about 200 companies assessed by the Corporate Human Rights Benchmark (CHRB) in 2020, ex aequo with only one other company. CHRB is a benchmark part of the World Benchmarking Alliance which will evaluate Eni's performance on a set of core social indicators and on its decarbonisation process (evaluating its contribution to SDGs).	LEADER
<b>Oscar di bilancio 2020</b>	Eni received the special award, promoted by FERPI with Borsa Italiana and Università Bocconi, "Oscar di Bilancio per la Dichiarazione Non Finanziaria" for its Non-Financial Information integrated in the financial statements.	
 <b>wbcisd</b>	For the second year running, Eni was included among the 10 companies with the best sustainability reporting in the World Business Council for Sustainable Development (WBCSD) analysis, ranking among the Top Performers.	TOP TEN
<b>ecovadis</b>	Eni has achieved a "Gold" rating in the analysis carried out by EcoVadis, making it one of the 5% of companies with the highest score globally.	GOLD

# Material topics

**Materiality is defined on the basis of stakeholder concerns, ESG risks resulting from the Integrated Risk Management process and scenario elements**

Every year Eni updates the analysis to define material aspects, which include priority topics for all Eni's relevant stakeholders, external and internal, through the so-called "multi-stakeholder approach", and which identify key challenges and opportunities across the entire business chain for long-term value creation.

## **Identification of relevant aspects**

The analysis has been updated from last year's material aspects and supplemented with the priorities reported by ESMA<sup>3</sup> on non-financial reporting.

## **Analysis of internal and external priorities**

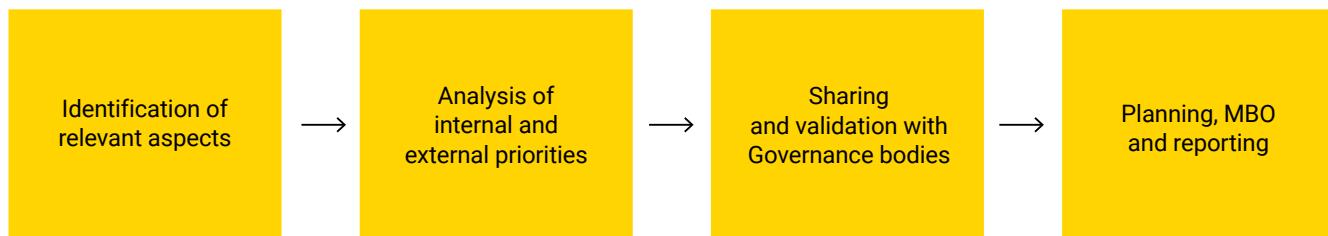
The materiality of the topics identified is determined based on:

- 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 responsible functions that have relations with specific stakeholders at a central level on an ongoing basis throughout the year;
- ESG risks resulting from the Integrated Risk Management (IRM) process, which takes into account evidence provided by external providers, including RepRisk<sup>4</sup>. Assessment of these risks also includes potential environmental, social, health and safety and reputational impacts;
- scenario elements defined on the basis of topics discussed during Sustainability Committee meetings and submitted to the Board of Directors.

## **Planning, definition of MBOs and reporting**

Identified material topics underpin the development of the Strategic Plan, which, by combining economic-financial and sustainability objectives, enables an integrated strategic planning. Furthermore, these topics, enriched with specific context analyses of the socio-economic, environmental and cultural aspects of the Countries where Eni operates, help define Strategic Plan priorities at the local level and local development promotion activities. Once the Strategic Plan is finalized, sustainability managerial objectives (MBOs) are assigned to all managers. Finally, material topics allow to identify the content of Eni's non-financial reporting (Consolidated Disclosure of Non-Financial Information and Eni for).

### **Materiality process**



3) The European Securities and Markets Authority (ESMA), the EU body tasked with overseeing the European financial market, issued a public statement on 28 October 2020 that also contained priorities relating to non-financial reporting.

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

## MATERIAL TOPICS IDENTIFIED IN 2020

<b>CARBON NEUTRALITY BY 2050</b>	<b>FIGHTING CLIMATE CHANGE</b>		GHG emissions, promotion of natural gas, renewables, biofuels and chemicals from renewable sources, CO <sub>2</sub> storage solutions	
<b>OPERATIONAL EXCELLENCE</b>	<b>PEOPLE</b>	Employment and Diversity and Inclusion; Training		
	<b>HEALTH</b>	Health emergency management; Health protection of workers and communities		
	<b>SAFETY</b>	People safety and asset integrity		
	<b>ENVIRONMENT</b>	Water resources, biodiversity, oil spills, air quality, remediation and waste		
	<b>HUMAN RIGHTS</b>	Workers' and local communities' rights, Supply chain and Security		
	<b>INTEGRITY IN BUSINESS MANAGEMENT</b>	Transparency and anti-corruption		
<b>ALLIANCES FOR DEVELOPMENT</b>	<b>ACCESS TO ENERGY</b>	Access to energy		
	<b>LOCAL DEVELOPMENT THROUGH PUBLIC-PRIVATE PARTNERSHIPS</b>	Economic diversification; Education and training; Access to water and sanitation; Health; Protection and conservation of forests and land protection; Public-private partnerships Health emergency support		
	<b>LOCAL CONTENT</b>	Business and added value created in Countries where Eni is present		
<b>CROSS-CUTTING TOPICS</b>	<b>DIGITALISATION, INNOVATION AND CYBER SECURITY</b>			

# Stakeholder engagement activities

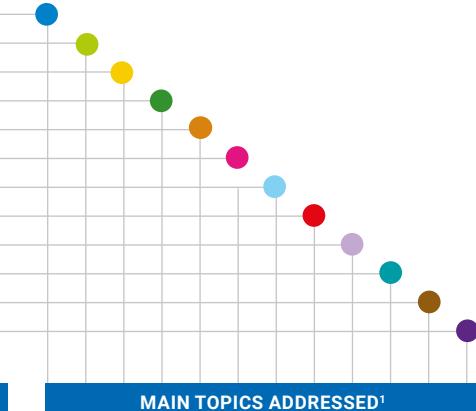
Eni believes that dialogue and direct involvement of stakeholders are key to long-term value creation

Operating in 68 Countries with different social, economic and cultural contexts, Eni considers dialogue and direct involvement of stakeholders fundamental elements for the creation of long-term value, in every phase of its activities. For Eni, openness listening, mutual exchange, inclusion, understanding of stakeholders' different views and expectations, and sharing choices are essential components for building relationships based on mutual trust, transparency and integrity. To improve the knowledge and understanding of the points of view and expectations of the many stakeholders, Eni adopted in 2018 an IT platform called Stakeholder Management System (SMS). Since 2020, the system has been in use on all the sites where Eni has industrial operations, monitoring the relationship with about 4,000 stakeholders. The SMS helps to understand the singularities of local contexts, any needs, critical issues and areas for improvement, the main topics of interest, potential impacts on human rights, and allows to identify the possible presence of vulnerable groups and any areas listed by UNESCO as sites of cultural and/or naturalistic interest (WHS - World Heritage Sites).

STAKEHOLDER CATEGORIES	MAIN STAKEHOLDER ENGAGEMENT ACTIVITIES
<b>ENI'S PEOPLE AND NATIONAL AND INTERNATIONAL UNIONS</b> <a href="#">see p. 36</a>	<ul style="list-style-type: none"> <li>→ Professional and training paths on emerging skills related to business strategies and expansion of skills mapping</li> <li>→ Training initiatives to support inclusion and recognition of the value of all kinds of diversity and international initiatives supporting team building and innovation</li> </ul>
<b>FINANCIAL COMMUNITY</b>	<ul style="list-style-type: none"> <li>→ Presentation of the long-term Strategic Plan to 2050 and the 2020-23 Plan, followed by the virtual Road-Show of Eni's CEO and top management at the main financial centres</li> <li>→ Participation in ESG thematic conferences</li> </ul>
<b>LOCAL COMMUNITIES &amp; COMMUNITY BASED ORGANISATIONS</b>	<ul style="list-style-type: none"> <li>→ Involvement of more than 600 communities, including hosts (villages/communities that host Eni plants in their territory), transit (communities near pipelines), neighbouring (communities close to Eni activities in the territory, not directly impacted) and indigenous communities - close to plants</li> </ul>
<b>CONTRACTORS, SUPPLIERS AND COMMERCIAL PARTNERS</b> <a href="#">see p. 66</a>	<ul style="list-style-type: none"> <li>→ Publication and distribution of Eni's Supplier Code of Conduct</li> <li>→ Collaboration with suppliers for health emergency management</li> <li>→ Launch of JUST (Join Us in a Sustainable Transition), an initiative to involve suppliers in the energy transition process, placing sustainability in every phase of the procurement process</li> </ul>
<b>CUSTOMERS AND CONSUMERS</b> <a href="#">Eni for 2020 - Sustainability performance</a> <a href="#">Eni for 2020 - Carbon Neutrality by 2050</a>	<ul style="list-style-type: none"> <li>→ Meetings and workshops with Presidents, General Secretaries and Energy Managers of national and local Consumer Associations on topics such as sustainability, circular economy, remediation, environmental restoration, energy saving, customer service and new business initiatives</li> </ul>
<b>NATIONAL, EUROPEAN AND INTERNATIONAL INSTITUTIONS</b>	<ul style="list-style-type: none"> <li>→ Active participation in workshops and working groups, including technical and institutional ones, with local, national, European and international political and institutional representatives on energy, climate, sustainable development, research and innovation</li> <li>→ Meetings with local, national, European and international political and institutional representatives on strategic issues</li> </ul>
<b>UNIVERSITIES AND RESEARCH CENTRES</b>	<ul style="list-style-type: none"> <li>→ Meetings with Universities, Research Centres and third-party companies with which Eni collaborates or interfaces in the development of innovative technologies</li> <li>→ Agreements and collaborations with Milan and Turin Polytechnics, Universities of Bologna, Naples and Pavia, MIT, CNR, INSTM, ENEA and INGV<sup>(a)</sup> and establishment with CNR of 4 research centres in Southern Italy for sustainable environmental and economic development in Italy and worldwide</li> </ul>
<b>VOLUNTARY ADVOCACY AND CATEGORY ORGANISATIONS AND INDUSTRY ASSOCIATIONS</b>	<ul style="list-style-type: none"> <li>→ Membership and participation in OGCI, IPIECA, WBCSD, UN GLOBAL COMPACT, CIDU, EITI and VPI<sup>(b)</sup></li> <li>→ Conferences, debates, seminars, events and training initiatives on sustainability topics (energy, circular economy, remediation, corporate social responsibility); implementation of guidelines and sharing of best practices</li> </ul>
<b>ORGANISATIONS FOR COOPERATION AND DEVELOPMENT</b> <a href="#">see p. 80</a>	<ul style="list-style-type: none"> <li>→ Definition of new types of local development collaboration agreements</li> <li>→ Consolidation of collaborations with civil society organisations, cooperation bodies and agencies and religiously inspired organisations (AMREF, AVSI, CUAMM, VIS, GHACCO, E4Impact Foundation, Don Bosco High School in Maputo, Diocese of Sekondi-Takoradi and Halo Trust Foundation)</li> </ul>

(a) Massachusetts Institute of Technology; National Research Council (Consiglio Nazionale delle Ricerche); National Interuniversity Consortium for Materials Science and Technology (Consorzio Interuniversitario Nazionale per la Scienza e Tecnologia dei Materiali); National agency for new technologies, energy and sustainable economic development (Agenzia nazionale per le nuove tecnologie, l'energia e lo sviluppo economico sostenibile); National Institute of Geophysics and Volcanology (Istituto nazionale di geofisica e vulcanologia).

- Climate change and energy transition
- Health, safety, asset integrity and emergencies
- Diversity, labour standards and welfare
- Management of environmental impacts
- Integrity and transparency
- Sustainable supply chain management
- Protection of human rights
- Community relations/local development
- Innovation and technological research
- Creation of economic-financial value
- Ability to respond to customer needs
- Fairness and transparency of commercial policies

**MAIN TOPICS ADDRESSED<sup>1</sup>**

- Initiatives to support parenting (smart working and nursery school services), family members with disabilities and psychological support for employees in the COVID-19 emergency  
 → New industrial relations protocol signed by Eni and the unions to support the energy transition process; periodic meetings with the unions to manage the health emergency



- Dialogue with the market, in particular on the 2020 remuneration policy, before the 2020 Shareholders' Meeting  
 → Discussion of quarterly results and strategy update in Q2 2020  
 → Participation of top management in thematic conferences organized by banks



- Mapping of community relations, requests and grievances and definition of local engagement content  
 → Consultations with local authorities and communities for new exploration activities and/or the development of new projects as well as for the planning and management of local development projects



- Engagement of suppliers through the eniSpace platform for communication and collaboration between Eni and suppliers  
 → Completion of Due Diligence on human rights with the formalization of a risk-based model on respect for human rights along the procurement process



- Sponsorship of Consumer Association initiatives on sustainability and circular economy  
 → Territorial meetings with regional Consumer Associations of the National Council of Consumers and Users  
 → Survey of national and regional Consumer Association representatives on circular economy, sustainability and energy transition



- Meetings with foreign, European, national and local institutional delegations during State visits and at industrial sites  
 → Activities of engagement and institutional dialogue with national, international and European think tanks and *fora* on green transition and related geopolitical issues



- Collaboration with the Polytechnics of Milan and Turin in the organisation of Post-Graduate Master Courses in Energy Innovation e in Energy Engineering and Operations.  
 2019-2020 editions concluded  
 → Collaborations for the development of Impact Assessment Models (Politecnico di Milano and Università di Milano - Faculty of Agrarian Sciences)



- Participation to meetings of associations and working groups on strategic topics  
 → Specific meetings with local business associations to discuss topics such as the supplier qualification process and current energy issues  
 → Cooperation with the Institute for Human Rights and Business and other international human rights institutions



- Consolidation of partnerships with International Organizations, Italian and European institutions, development banks and private sector (United Nations Development Program - UNDP; United Nations Educational, Scientific and Cultural Organization - UNESCO; Food and Agriculture Organization - FAO, United Nations Industrial Development Organization - UNIDO, World Bank, USAID)



(b) Oil and Gas Climate Initiative; World Business Council for Sustainable Development; Comitato Interministeriale dei Diritti Umani (Inter-ministerial Committee for Human Rights); Extractive Industries Transparency Initiative; Voluntary Principles Initiative.

(1) The topics on which there was the most interaction during 2020 were highlighted.

# Integrated Risk Management Model

The Integrated Risk Management Model ensures that management makes informed decisions within an organic and comprehensive vision

Eni has developed and adopted an Integrated Risk Management Model directed at ensuring that management make risk-informed decisions, through the assessment and analysis of risks, including short, medium and long term risks, carried out with an integrated, comprehensive and perspective vision. Risk Governance assigns a central role to the BoD, which defines the nature and level of risk compatible with the strategic objectives and assesses all risks that may have relevance for medium-long term business sustainability. Risks are (i) assessed with quantitative and qualitative tools considering both probability of occurrence and the impacts (economic, operational, HSE, social, reputational) that would take place in a given time horizon if the risk were to occur; (ii) represented, based on the probability of occurrence and impact, on matrices that allow comparison and classification by relevance. In 2020, two assessment cycles were undertaken: in the first half of the year, the Annual Risk Profile Assessment was carried out, involving 121 subsidiaries in 43 Countries, while in the second half the Interim Top Risk Assessment was carried out, entailing the revision of assessments and treatment of Eni's top risks and of the main business risks. Three monitoring cycles were then performed on Eni's top risks to analyse their progress and the status of implementation of the respective mitigation actions, the results of which were presented to the Management and Control bodies in March, July and October 2020. Eni's Top Risk portfolio consists of 20 risks, classified into external, strategic and operational risks. The main ESG risks are summarised below. For each risk event, the type of risk – top and non-top risk – and page references for the main treatment actions covered in the document are given.

AREA	EVENT	MAIN MITIGATION ACTIONS
<b>CARBON NEUTRALITY BY 2050</b>		
CLIMATE CHANGE	Climate Change risk and energy transition risks	P. 30; 78
<b>OPERATIONAL EXCELLENCE</b>		
PEOPLE	Biological risk, i.e. the spread of pandemics and epidemics with potential impacts on people, health systems and business	P. 10; 44; 77
ENVIRONMENT	Risks regarding human health and safety: • Incidents involving workers and contractors • Process safety and asset integrity incidents	P. 44; 48; 51; 53
	Risks connected with the portfolio of skills	P. 43
HUMAN RIGHTS	Blow out	
SUPPLIERS	Process safety and asset integrity incidents	
TRANSPARENCY AND ANTI-CORRUPTION	Energy sector regulatory risk	P. 30; 54
	Permitting	
	Environmental risks (e.g. water scarcity, oil spills, waste, biodiversity)	
ALLIANCES FOR DEVELOPMENT	Risks related to potential violations of human rights (supply chain, security, workplace, local communities)	P. 60; 85
COMMUNITIES	Risks associated with procurement activities	P. 66; 88; 94
CROSS-CUTTING RISKS	Investigations and litigation: • Environment, health and safety • Corruption	P. 14; 30; 48; 54; 68
	Risks connected with Corporate governance	
	Risks connected with local content	P. 88; 94
	Risks associated with research and development activities	P. 25
	Cyber Security	P. 26
	Relations with stakeholders	P. 22
	Political and social instability and global security risk	P. 65; 84

# Innovation

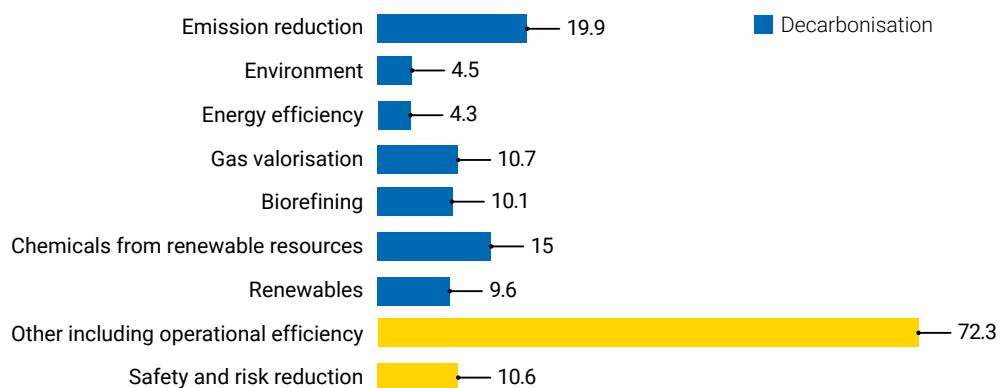
Research and technological innovation are two pillars of the company's organic growth, allowing know-how to be consolidated and enriched, thus contributing to development of internal skills and technological evolution. Integration, efficiency and application of technologies are the strategic levers that characterise Eni's operating model, along the entire energy value chain. Research projects cover every aspect of the production chain: their objectives are, therefore, pursued by the following strategic directions, defined as technology platforms:

- 1) Operational Excellence: to research technologies for asset development, increasing energy efficiency, ensuring the highest level of safety and minimum environmental impact.
- 2) Carbon Neutrality: to reduce, capture, transform or store CO<sub>2</sub>, promoting natural gas as an energy source in the transition to a low-carbon energy mix, integrating it with renewable energies and developing innovative energy technologies.
- 3) Circular economy: to reduce the use of raw materials, including recycling and transforming waste into value-added products, with a view to sustainable development based on the principles of circular economy.

In addition to its seven proprietary research facilities in Italy, Eni collaborates with nationally and internationally recognised centres of excellence, such as the National Research Council (CNR) or the Massachusetts Institute of Technology (MIT), with whom it has been working since 2008 on issues such as renewables, environmental protection, energy transition and asset integrity. As part of the challenge of pursuing energy production with the lowest possible carbon footprint, Eni is engaged in research on magnetic confinement fusion together with the main Italian (ENEA, CNR, Universities) and international technical and scientific bodies (Commonwealth Fusion System, a spin-off of MIT).

 [For more information: Eni for 2020 - Carbon neutrality by 2050](#)

**Expenditure on Research and Development in 2020**  
( $\text{€ mln}$ )



**€787 million**

Planned R&D investments in the 2021-2024 period, of which:

71% of investments dedicated to long-term carbon neutrality

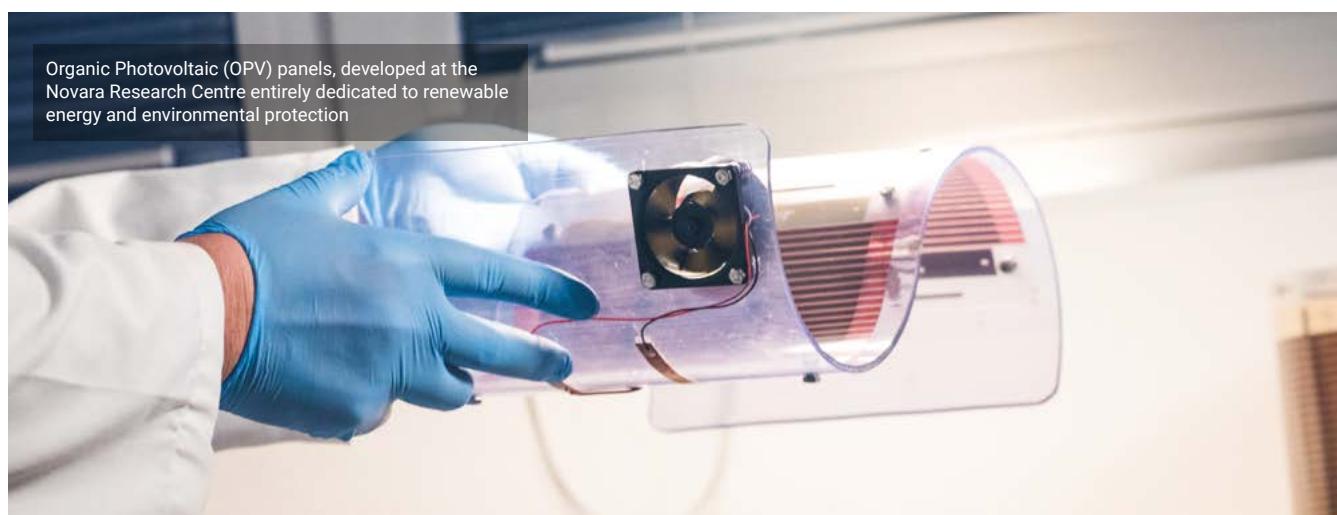
**7,471**

Current patents

**€157 million**

Total expenditure on Research and Development in 2020, of which:

€74 million in decarbonisation



# Digitalisation and cyber security

Digitalisation is a value creation lever, aimed at making Eni's business increasingly integrated, efficient and sustainable

In order to accelerate its transformation process, contribute to ensuring competitiveness and long-term sustainable growth, and achieve its strategic objectives, Eni has given greater impetus to innovation by creating the conditions for research and development, new technologies and digital solutions to be increasingly integrated into its business for the creation of value. Data available at Eni, combined with powerful calculation systems and the skills of Eni's people, represent an essential asset for developing innovative projects and achieving important sustainability goals. Cutting-edge technologies enhance the safety of people and the integrity of assets, increase the energy efficiency of production sites, reduce environmental impact, optimise processes for greater business agility, strengthen infrastructure resilience and cybersecurity, and help achieve decarbonisation targets. The transversal and integrated approach of technological innovation promotes an ecosystem in which needs are met and new opportunities and solutions are identified, combining mature and emerging technologies.

## A few figures on Eni's digitisation

Increase in user connections and conferences compared to baseline (pre-massive smart working)



## Major projects in 2020

<b>Enabling infrastructures</b>	Evolution of the company's IT and TLC infrastructures to allow a 90% reduction in office presence and enable smart working, helping Eni to promptly address the COVID-19 health emergency.
<b>Digital Safety</b>	With the aim of increasing worker safety and enhancing the effectiveness of emergency procedures, the Smart Safety solution was extended to new sites, leveraging the use of wearable technology and smart networks. In 2020, the roll out of the eWP (electronic Work Permit) solution for the full digitalisation of the work permit process continued, reaching a total coverage of 62 sites in Italy and abroad. <a href="#">see p. 48</a>
<b>Asset Integrity</b>	The digitalisation of production sites launched at the end of 2018 continued. Projects at Eni Angiola's East Hub production site and Versalis' Brindisi plant to optimise processes, improve people safety and production efficiency were completed. In addition, new digital solutions have been launched to improve and simplify the work of Eni's employees through artificial intelligence and automation to support process efficiency and error reduction.
<b>Open-es platform</b>	Collaboration with the Boston Consulting Group and Google Cloud has begun on the creation of an open digital platform dedicated to sustainability in the industrial supply chain engaged in the energy transition, in order to collect and share sustainability experiences, growth plans and information in compliance with regulations. <a href="#">see p. 66</a>
<b>e-das</b>	Digitilisation of shipping processes undertaken by Eni with the Customs Agency and Sogei with a view to combating fraud in the energy products sector; shipments have been digitilised nationwide, for a total of approximately 4,500 digital e-das per day.

## Cyber security

The cyber security risk represents the possibility that cyber attacks compromise corporate information systems (management and industrial) leading to interruption of services and theft of Eni's sensitive information. This risk, which is high in Eni due to both the geopolitical context in which it operates and the constantly growing trend of cyber attacks, is a factor of attention in the development of the company's digital transformation strategy. The company since long had a number of defensive measures in place to prevent and contain potential impacts, according to a risk-based approach, such as: (i) the strengthening of Cyber Security Defence infrastructures and services, which in 2020 made it possible to block approximately 89 million malicious e-mails, 715 phishing campaigns, and 109 million attempts at malicious access to applications exposed on the Internet; (ii) the strengthening of technological and government security systems for foreign and industrial sites; (iii) actions to strengthen the continuity of IT services and improve monitoring of the management of central systems. In addition, specific defensive measures have been taken due to the increased use of smart working. In 2020, the programme for promoting a corporate culture on the right behaviour to adopt in order to deal with cyber risks continued, with the completion of training, simulations, awareness-raising and communication actions aimed at the entire corporate population. Finally, implementation of the Cyber Security 4 Kids programme continued, aimed at promoting a more secure and aware digital culture among younger generations.

Eni has enhanced its cyber security defence services, which have made it possible to block:

**89 million**

malicious e-mails

**715**

phishing campaigns

**109 million**

attempts at malicious access to applications exposed on the Internet



### HEALTH EMERGENCY

#### The HPC5 supercomputer against the virus

Eni is collaborating with the European project EXSCALEATE4CoV to identify the safest and most promising drugs to combat the Coronavirus, by providing its HPC5 – the world's highest performing industrial supercomputing infrastructure – and Eni's expertise in molecular modelling. Molecular dynamics simulations of the proteins on the surface of SARS-CoV-2, which play a key role in the virus' infection mechanism, were conducted, and 10,000 active ingredients of currently known pharmaceutical compounds were screened to identify the most effective molecular targets and with the goal to prevent the virus from unleashing its viral load. With HPC5, molecular interactions between each of the proteins that make up SARS-CoV-2 and the active ingredients were studied. Those that were found to be most effective in binding to viral proteins, blocking them and preventing them from harming the body, are now being tested in clinical trials for tolerability and activity. To date, the most promising one appears to be Raloxifene: a generic drug that can be prescribed to treat osteoporosis. The aim is to have more effective drugs that are already clinically tested and therefore quickly available.

In 2020, the HPC5 made it possible to conduct the world's most complex molecular supercomputing experiment ever carried out to identify new therapies against the virus: 1,074 billion interactions were processed, equivalent to 5 million molecular simulations per second

↗ For more information:  
[eni.com](http://eni.com)

# Carbon neutrality by 2050

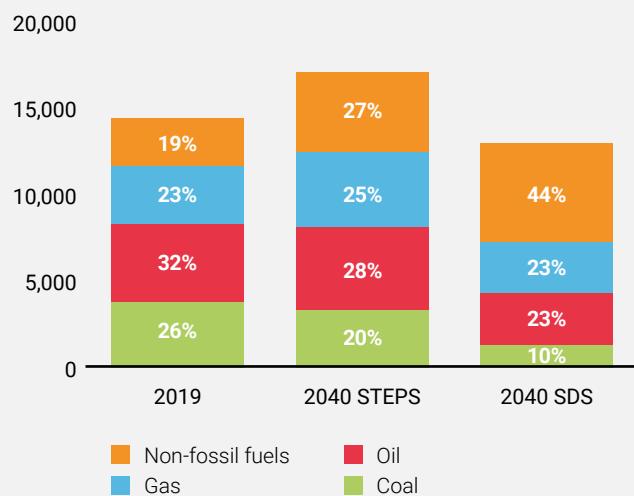
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Risk management	31
Eni's strategy	32
Metrics and targets	33

Eni's business model provides for a pathway towards carbon neutrality based on an approach that looks at emissions generated throughout the life cycle of the energy products sold by Eni and on a set of actions that will lead to total decarbonisation of processes and products by 2050.

In fact, in 2021, the new strategy was defined to relaunch the operational objectives in the short, medium and long term, which outline the evolutionary and integrated path of the individual businesses and which will lead Eni to carbon neutrality by 2050, in line with the provisions of the scenarios compatible with keeping global warming within the 1.5 °C threshold. The speed of evolution and the relative contribution of the businesses will depend on market trends, the technological scenario and the relevant legislation.

## SCENARIO ELEMENTS: CHALLENGES AND OPPORTUNITIES

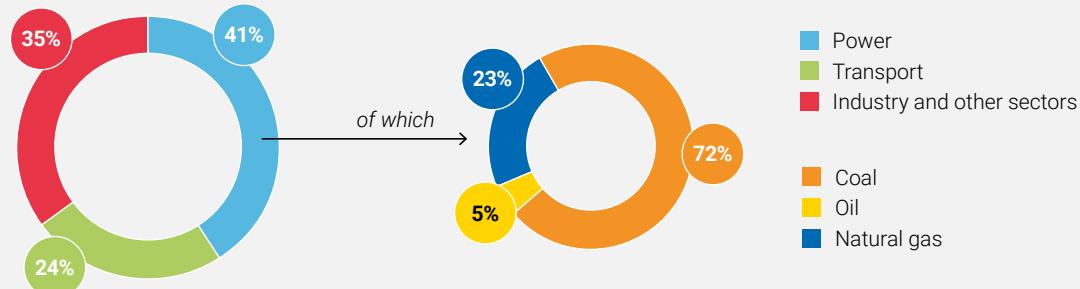
### Energy demand by source (Mtoe; %)



Over the next two decades, energy demand will continue to grow (STEPS), driven by the needs of emerging economies, while industrialised Countries will see a gradual slowdown in consumption growth driven by ongoing energy efficiency and savings. Fossil fuels will continue to play a key role in the energy mix, accounting for 73%, although their share is expected to decrease mainly due to a lower contribution of coal in favour of renewables. In the SDS scenario, consumption is expected to decrease (-10% compared to today) despite growing population and economy. Fossil sources will decrease their weight in the mix, mainly in favour of renewables. Natural gas is the only fossil source that will maintain its share in the mix even in a decarbonised scenario, supported by its lower environmental impact and higher efficiency compared to other fossil fuels.

Source: IEA (2020) World Energy Outlook. All rights reserved.

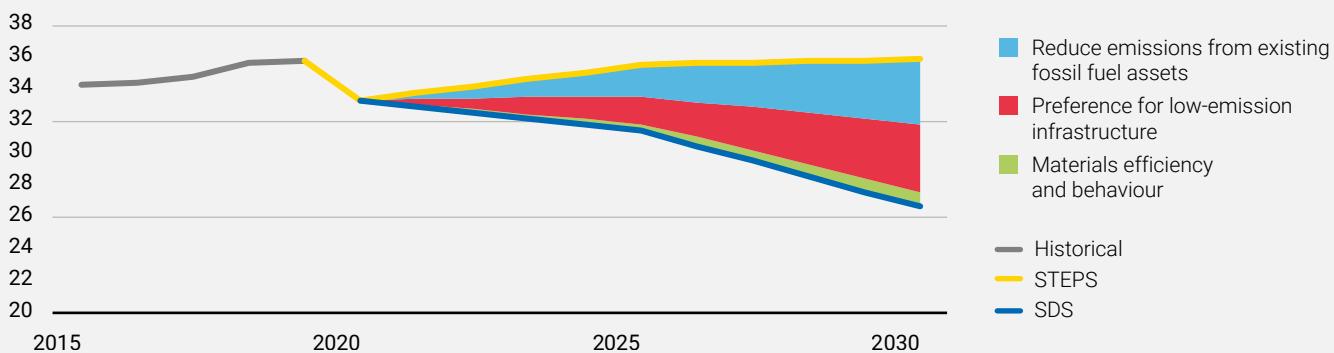
### Energy-related global CO<sub>2</sub> emissions



Energy-related global CO<sub>2</sub> emissions in 2019 are 33.3 billion tons, 13.7 of which from electricity generation. Coal continues to dominate the electricity sector emissions (>70%).

Source: IEA (2020) World Energy Outlook. All rights reserved.

### Reduction of CO<sub>2</sub> in the Sustainable Development Scenario (SDS) and in the Stated Policies Scenario (STEPS) (Gton CO<sub>2</sub>)



The SDS scenario focuses efforts on reducing emissions from existing energy infrastructure (such as coal-fired power plants, steelworks and cement plants), energy efficiency and changing consumer behaviour.

Source: IEA (2020) World Energy Outlook. All rights reserved.

# Carbon neutrality by 2050



## Why is it important to Eni?

Eni is aware of the ongoing climate emergency and wants to be an active part of a virtuous path of the energy sector towards carbon neutrality by 2050, to keep average global warming within the threshold of 1.5 °C by the end of the century. Eni's business model is therefore based on an approach that considers emissions generated throughout the entire life cycle of energy products sold and on a set of actions that will lead to the total decarbonisation of processes and products by 2050, through the use of existing technologies.

## POLICIES AND OTHER REGULATORY TOOLS

"Sustainability" policy; Eni's position on biomass, Eni's responsible engagement on climate change within business associations, Strategic Plan 2021-2024: towards zero emissions (February 2021); Code of Ethics.

## ORGANISATIONAL AND MANAGEMENT MODELS

New organisation to be a leader in energy transition with two Business Groups; Central organisational function overseeing climate change strategy and positioning; Technologies for Energy Transition and Biomasses Programme; Energy management systems coordinated with ISO 50001 standards.

### 2020 PROGRESS

### SHORT- AND MEDIUM-TERM TARGETS BY 2025

#### GHG EMISSIONS (SCOPE 1, *data referring to 100% of operated assets*)

i) -26% upstream GHG emission intensity index vs. 2014;  
ii) -39% volume of hydrocarbons sent for routine flaring vs. 2014; iii) -90% upstream fugitive methane emissions vs. 2014 (TARGET ACHIEVED); iv) Substantially stable carbon efficiency index.

i) -43% of upstream GHG emission intensity index to 2025 vs. 2014; ii) Zero routine gas flaring to 2025; iii) -80% of upstream fugitive methane emissions to 2025 vs. 2014; iv) Average improvement of 2% per year to 2021 compared to 2014 carbon index.

### 2020 PROGRESS

### SHORT- AND MEDIUM-TERM TARGETS BY 2025

### LONG-TERM TARGETS (2030 AND BEYOND)

BY 2030

BY 2040

BY 2050

#### NET CARBON FOOTPRINT (GHG SCOPE 1+2 EMISSIONS, *on equity basis*)

Net Carbon Footprint (GHG emissions Scope 1+2) upstream: 11.4 MtonCO<sub>2</sub>eq. (-23% vs. 2019).

Halving the Net Carbon Footprint for Scope 1+2 upstream emissions by 2024 vs. 2018.

Net Zero Carbon Footprint for Scope 1+2 emissions of upstream activities by 2030.

Net Zero Carbon Footprint for Scope 1+2 emissions from all group activities by 2040.

#### NET GHG LIFECYCLE EMISSIONS (GHG SCOPE 1+2+3 EMISSIONS, *on equity basis*)

439 MtonCO<sub>2</sub>eq. (-13% vs. 2019)

-25% vs. 2018

-65% by 2040

Net-zero by 2050

#### CARBON INTENSITY (GHG SCOPE 1+2+3 EMISSIONS, *on equity basis*)

68 gCO<sub>2</sub> eq./MJ (~ 2019)

-15% vs. 2018

-40% vs. 2018

Net-zero by 2050

## Climate governance

Eni's decarbonisation strategy is part of a structured system of Corporate Governance, where the BoD and the CEO play a central role in managing key climate change issues. Upon 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 periodically examines the integration between strategy, future scenarios and medium/long-term sustainability of the business. During 2020, the SSC explored 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 decarbonisation strategy, forestry activities and climate partnerships, Eni's responsible engagement in climate policies within business associations, climate resolutions and assembly disclosure of reference peers. As from 2019, the BoD has examined and approved Eni's medium-long term plan, aiming to guarantee sustainability of its business portfolio in a time frame up to 2050, in line with the provision in the Four-Year Strategic Plan. Several members of the current Board of Directors, which took office on May 13, 2020, have had experience with ESG topics. Immediately after the appointment of the BoD and Board of Statutory Auditors, a training program (so-called "board induction") was carried out for directors and statutory auditors which covered, among other topics, issues relating to decarbonisation and the environmental and social sustainability of Eni's activities. The economic and financial exposure of Eni to the risks deriving from the introduction of new carbon pricing mechanisms is examined by the BoD both in the phase leading up to authorisation of each investment and in the following half-year monitoring of the entire project portfolio. The BoD is also informed annually on the result of the impairment test carried out on the main Cash Generating Units in the upstream sector and processed with the introduction of a carbon tax valued according to the IEA's Sustainable Development Scenario (SDS). Finally, the BoD is informed on a quarterly basis on the results of risk assessment and monitoring activities related to Eni top risks, including climate change.

**The CEO and the BoD have a central role in the definition of the decarbonisation strategy**

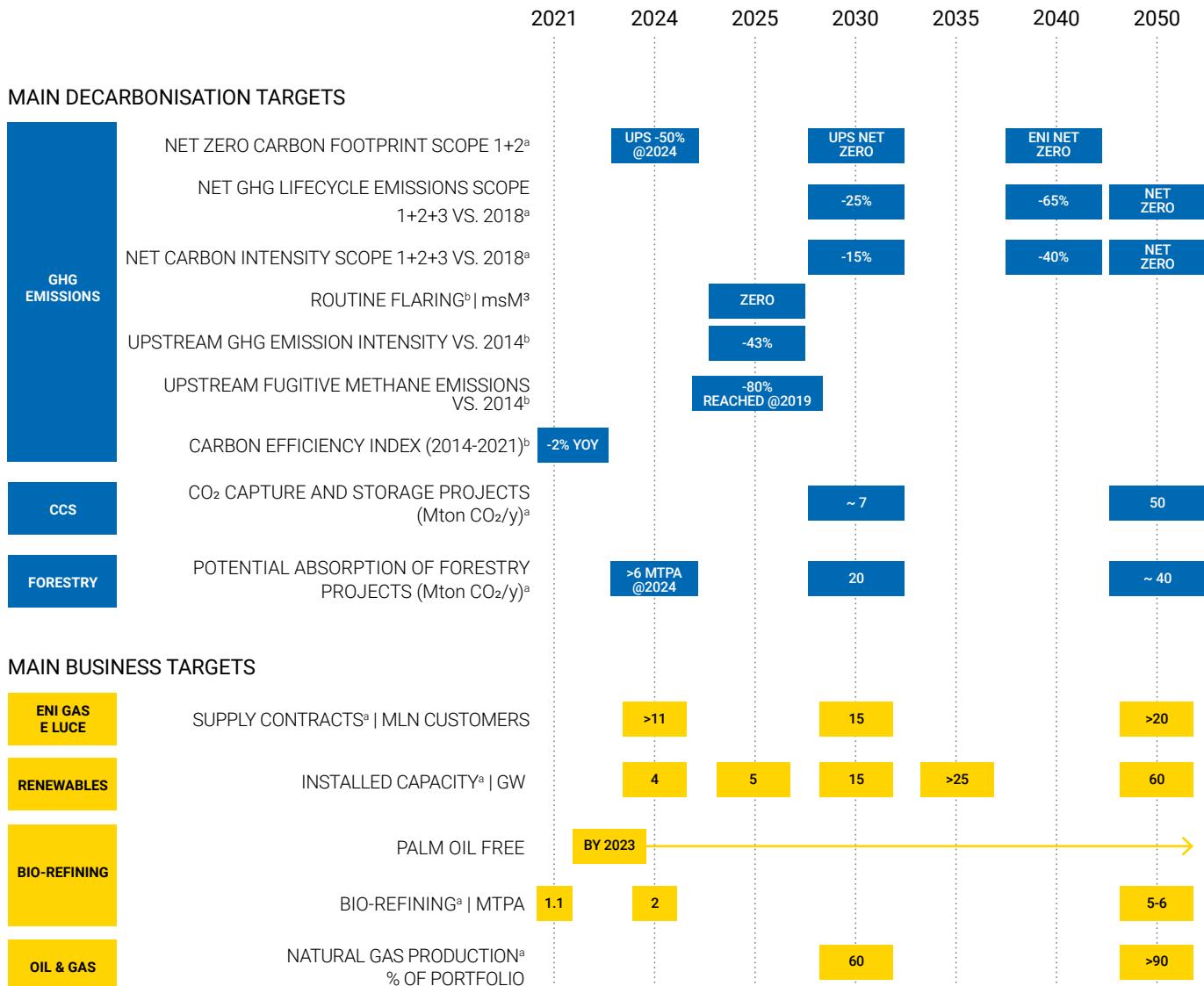
## Risk management

Climate change is analysed, assessed and managed by considering 5 key drivers, identified by the Task force on Climate-related Disclosure (TCFD), relating to both transition risks (market scenario, regulatory and technological development, reputational issues) and physical risks such as extreme or chronic weather events. The analysis is carried out using an integrated and cross-cutting approach, which involves specialist departments and business lines and includes an assessment of the risks and opportunities related to climate change.

**Climate change is one of Eni's top strategic risks**



## Eni's strategy



(a) Based on Eni's shareholding; (b) 100% according to operatorship.

New strategy defined to relaunch short, medium and long-term operational objectives that will lead Eni to carbon neutrality by 2050

Following a phase of great transformation that allowed the group to grow and diversify its portfolio, while strengthening its financial organisation, Eni initiated a new phase in the development of its business model, strongly oriented towards the creation of long-term value, combining economic/financial, social and environmental sustainability. Based on these principles, the new strategy was defined in 2021 to relaunch short, medium and long-term operating objectives, that outline the integrated evolutionary path of individual businesses and that will lead Eni to carbon neutrality in 2050, in accordance with the scenarios compatible with keeping global warming within 1.5 °C. The speed of the evolution and the relative contribution from the businesses may be influenced by market trends, by the technological scenario and by reference regulations.

Eni will pursue a strategy that aims to achieve by 2050 the net-zero target on GHG Scope 1, 2 and 3 emissions (Net GHG Lifecycle Emissions), and the elimination of related emission intensity (Net Carbon Intensity), referred to the entire life cycle of the energy products sold. The new strategy has also set more stringent intermediate decarbonisation targets:

- -25% Net GHG Lifecycle Emissions @2030 vs. 2018 and -65% @2040;
- -15% 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 halving target to 2024 from 2018;
- Net Zero Carbon Footprint for Scope 1 and 2 emissions from all group operations by 2040.

Actions, most of which are already in place, that will help achieve these results include:

- reduction of hydrocarbon production in the medium term, with gradual growth of the gas component, which will exceed 90% by 2050;
- gradual conversion of traditional refining using new technologies for the exploitation of decarbonised products and recycling of waste materials;
- increase of "bio" refining capacity to 5-6 million tonnes by 2050, palm oil free starting from 2023;
- circular economy: increasing the use of bio-methane, waste and recycling of end products;
- efficiency and digitalisation in operations and customer services;
- growth in renewable energy capacity to 60 GW by 2050;
- blue and green hydrogen to power Eni biorefineries and other highly energy-intensive industrial activities;
- progressive increase in electricity production from gas, combined with CO<sub>2</sub> capture and storage projects;
- increase in Eni gas and electricity retail customers, exceeding 20 million by 2050;
- forest conservation projects for a total CO<sub>2</sub> offset of about 40 million tonnes/year by 2050.

The total amount for investments in decarbonisation, circular economy and renewables and expenditure on research and development is equal to €5.7 billion in the 2021-24 plan.

**For GHG emissions accounting, Eni uses a model that provides for a rigorous methodology for the assessment of Scope 1, 2 and 3 emissions associated with the supply chain of energy products sold**

## Metrics and targets

The following are Eni's main long-term objectives and the performance of related indicators, on an equity basis by applying a reporting model that considers all GHG Scope 1+2+3 emissions associated with the supply chain of the energy products sold.

### ENI'S MAIN LONG-TERM OBJECTIVES AND PERFORMANCE OF THE RELATED INDICATORS

<b>Net Zero Carbon footprint of upstream activities by 2030</b>	This indicator considers Scope 1+2 emissions from upstream assets operated by Eni and third parties, net of carbon sinks. In 2020, it was down 23% compared to 2019 due to production declines related to the health emergency and to offsetting through forestry credits of 1.5 million tonnes of CO <sub>2</sub> eq.
<b>Net Zero GHG Lifecycle Emissions</b>	This indicator refers to GHG Lifecycle emissions (Scope 1+2+3) associated with activities and products sold by Eni, along their value chain, net of carbon sinks. In 2020, it was down 13% mainly due to the decrease in production and sales in all sectors because of the health emergency.
<b>Net Zero Carbon Intensity by 2050</b>	This indicator is calculated as the ratio between net GHG Lifecycle emissions (Scope 1+2+3) along the value chain of energy products sold and the amount of energy included in them. In 2020, it was essentially stable as the decrease in emissions across all sectors was accompanied by a proportional decrease in production related to diminished activities because of the health emergency.

# Operational excellence

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Health	44
Safety	48
Environment	54
Human rights	60
Transparency, anti-corruption and tax strategy	68

Eni's business is constantly focused on operational excellence.

This translates into an ongoing commitment to the development of people through consolidation and evolution of skills to support the transformation process, to the protection of the health and safety of both people and asset integrity, and to the protection of the environment by promoting the efficient use of natural resources and the safeguard of protected areas relevant to biodiversity.

Furthermore, Eni is committed to respecting and promoting integrity and respect for human rights in its activities and with the involvement of its stakeholders, with a focus on transparency and the anti-corruption in all its forms.

These elements allow the company to seize the opportunities related to the possible evolutions of the energy market and to continue on the path of transformation.

## SCENARIO ELEMENTS: CHALLENGES AND OPPORTUNITIES

### Impact of the health emergency on employment

**8.8%** of global working hours lost in 2020 vs. 2019

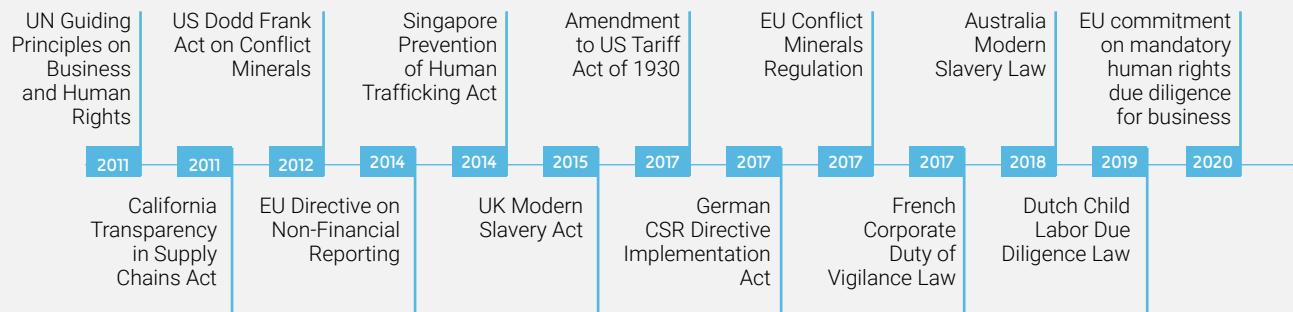
**114 million** of full-time jobs lost

**\$ 3.7 trillions** of global labour income lost in 2020\*

Source: ILO Monitor: COVID-19 and the world of work. Seventh edition, 25 January 2021

(\*) amounting to 4.4% of global Gross Domestic Product (GDP)

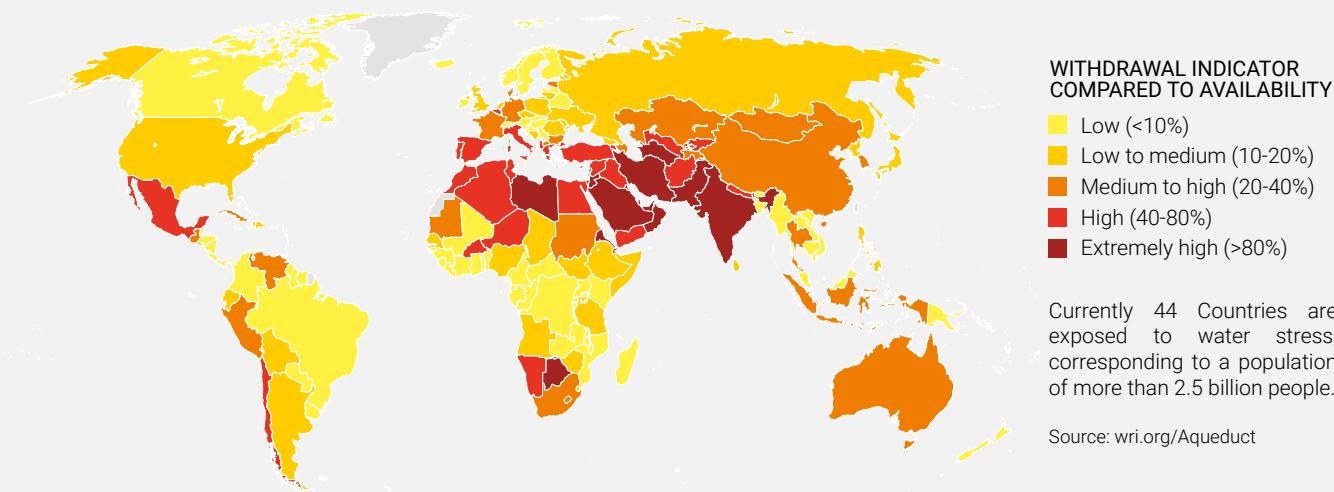
### New international references in the field of human rights



Since 2011, when the United Nations published its "Guiding Principles on Business and Human Rights", relevant legislation and documents have proliferated worldwide. Internationally, in particular at the European level, there is a constant and growing focus on the introduction of regulatory prescriptions providing for reporting obligations and due diligence processes on human rights by companies.

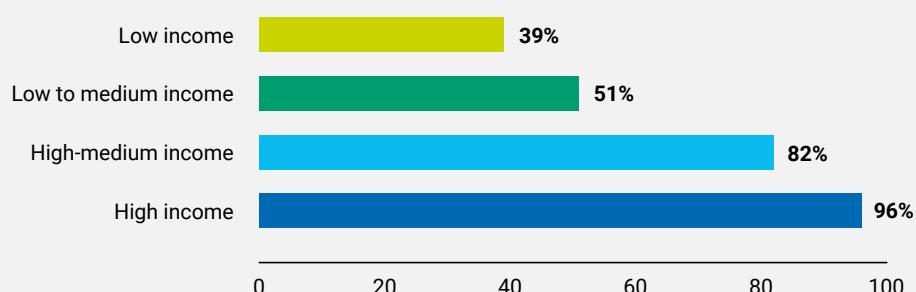
Source: Eni revision of the CEO Guide to Human Rights, WBCSD 2020

### Water stress level per Country in 2019



### Waste collection rates, by income level (%)

Waste collection is a key step in waste management, but rates vary widely according to income levels, with upper-middle-income and high-income Countries providing almost universal waste collection.



Source: WHAT A WASTE 2.0 A Global Snapshot of Solid Waste Management to 2050, The World Bank

# Each of us



## Why is it important to Eni?

For Eni, people are the company's most important resource, as they support and spread values and culture in the Countries where Eni operates and enable Eni, through their skills, to achieve challenging business objectives. The successes achieved so far are the direct result of passion and internal expertise, an asset in which Eni continues to invest in order to generate value in the short and long term. For this reason, Eni is committed to guaranteeing the health and safety of its people and of those who work with the company, and to building a working environment free from any form of discrimination or harassment, based on decent working conditions, open dialogue and appreciation of diversity.

## POLICIES AND OTHER REGULATORY TOOLS

Policies entitled "Our People", "The integrity in Our Operations", Eni's Statement on Respect for human rights; Code of Ethics.

## ORGANISATIONAL AND MANAGEMENT MODELS

Employment management and planning process to align skills to technical-professional needs; Tools for management and professional development; Working group to define the impact of Digital Transformation on Roles/Skills; Training quality management system in accordance with the ISO 9001:2015 standard; Knowledge management system for know-how sharing; System for managing industrial relations at the national and international level; Welfare system for work-life balance and enhancement of services to employees and their families.

### 2020 PROGRESS

### SHORT-TERM TARGETS (2021)

### MEDIUM-TERM TARGETS (2022-2024)

### LONG-TERM TARGETS (2030 AND BEYOND)

#### TURNOVER

Turnover of 1, 2019-20 figure.

Valuing internal resources and selecting strategic skills to support the energy transition process.

Strengthening new structures with a turnover above 1.

#### TRAINING AND DEVELOPMENT

Revised distance learning, bringing e-learning hours to 67% of total Eni hours.

Training to accompany, in terms of knowledge and skills, organisational change and strategic and business evolution.

Updating skills in line with strategic directions and business and technological developments.

Ongoing process of upgrading skills in order to achieve completion of the strategic transformation.

#### GENDER DIVERSITY

2020 women's turnover: 0.76 (vs. male turnover 0.38).

Commitment to keeping turnover of female staff higher than that of male staff.

Enhancement of female employment in all professional fields.

Increase in female employment by at least 3 percentage points by 2030.

#### WORK-LIFE BALANCE

Revision of organisational arrangements for welfare initiatives to support families and strengthening of preventive health initiatives.

Further increase in welfare cases as a result of a larger number of usable smart working days; identification of new welfare services for emerging needs.

Strengthening work-life integration initiatives (e.g. support to care givers), well-being and digital caring.

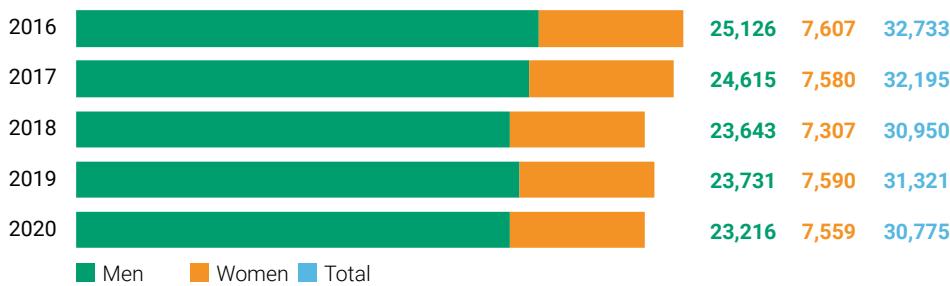
Monitoring and listening to social, family and individual needs and designing coherent initiatives.

## Employment challenges

The path undertaken by Eni for the profound transformation of its business activities implies both a strong involvement of people working at and with the company, and an important evolution of professional skills through initiatives to enrich or reorient the set of competences needed to face the new business challenges. To this end, management and development systems for Eni's people are based on tools for mapping and updating competences, evaluating skills and personal motivations, in order to enhance specific talents in line with business objectives. During 2020, 1,374 people were involved in the extension of the competence model, bringing the number of role mappings supporting career paths to around 13,300. In addition, a first trial on digital platforms was launched in order to support communication, management and self-confidence skills and competences, also through an interactive coaching course on leadership and diversity & inclusion issues. This activity was supplemented with the usual development of performance assessment and feedback processes designed to direct resources towards skills upgrading which, in 2020, covered 97% of the target population worldwide (managers, middle managers and young graduates).

With regard to employment levels, the health emergency negatively affected the business scenario, leading to a slight reduction in overall employment in Italy and abroad. However, despite the discontinuity of the energy market, Eni hired 780 resources in 2020, of which 607 with permanent contracts. Eni also continued to pursue its diversity objectives, with an increase in female hires of 2.3 percentage points (p.p.) compared to 2019 (34.6% of total hires).

### Employees (number)



607

Resources hired on a permanent basis in 2020

34.6%

Women compared to total recruitment  
+2.3 p.p. vs. 2019

[For more information: Eni for 2020 - Sustainability performance \(p. 13\)](#)

### HEALTH EMERGENCY

#### Employee engagement during the health emergency

With the health emergency, the company has adopted smart working for 5 days a week for all workers with compatible duties (14,400 employees equal to 87% of the non-shifting staff), including for situations of health fragility prescribed by physicians. This smart working mode will be preserved and modulated in line with the evolution of the emergency and in accordance with indications from relevant authorities. In this context, internal engagement played a crucial role in managing crisis communication and involving people. The CEO, through his Blog and with live streaming, has been close to Eni's people throughout 2020, with regular events to express togetherness, give strength and create a deeper sense of community. A number of actions were also carried out both to provide updates on the health situation and its requirements, government regulations and company decisions, and to create awareness on the importance of health and hygiene rules and the rules of conduct to be adopted in the workplace. In addition, a collective storytelling initiative entitled "We've never stopped" was developed, involving all Eni's people, from smart workers to colleagues at industrial sites, who ideally came together, united by a strong sense of belonging.

&gt;80,000 views

4 streaming events from March to November with the CEO

700,000 views

of the intranet section "Informed. Aware. Safe."

200,000 views

of "We've never stopped" stories

[For more information: Eni for 2020 - Sustainability performance](#)

**Diversity is a resource to be safeguarded and valued both within the company and in all relations with external stakeholders, including suppliers, commercial and industrial partners, as underlined by Eni's mission and Code of Ethics**

## Diversity and inclusion - The culture of plurality

Eni's approach to Diversity and Inclusion (D&I) has developed in the wake of its international culture of plurality, based on the fundamental principles of non-discrimination, equal opportunities and inclusion of all forms of diversity, as well as integration and balancing work with personal and family needs. Eni is committed to creating a working environment in which different personal and cultural characteristics or orientations are considered a source of mutual enrichment and an indispensable element of business sustainability, both through constant individual involvement and responsibility and through communication and awareness-raising actions by top management towards all employees, as in the case of the violent episodes of racial discrimination that occurred in the US (George Floyd) in the summer of 2020. At Eni, there are no differences in gender, religion, nationality, political opinion, sexual orientation, social status, physical abilities, medical conditions, family circumstances, 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. All Eni's people and third parties have a duty to report any violations of one of the principles of the Code of Ethics, using one of the Reporting Channels available, in line with relevant regulatory provisions.



### Initiatives to promote inclusion

D&I Matters programme	A D&I Matters training and internal communication programme was launched in 2019 to raise awareness of unconscious biases and in 2020 the "Eni Global Inclusion" event was organised to further explore this content in corporate culture and in daily and working relational life.
Unconscious Bias education campaign	A training campaign on unconscious biases was launched for all employees, in English, Italian and soon French. The campaign is designed to address the issue both from a theoretical point of view and through a series of exercises and self-observation possibilities, as well as in-depth studies, to strengthen individual awareness and the ability to manage prejudice correctly and effectively.
International intergenerational female monitoring	Processes to reinforce the value of intergenerational exchange and make internal relations more open to dialogue between different sensitivities and mutual inclusion, with particular attention to women's careers. Since 2017, about 250 mentoring paths have been implemented with about 130 mentors, involving younger colleagues (including women returning from maternity leave).
Orange the world	Adhesion to the worldwide initiative against gender-based violence "Orange the world" (25 November - 10 December) through support to the campaign by top management, including the CEO and the President, individual adhesion of Eni's people, orange lighting at Eni's headquarters in Rome, activation of a new e-learning course on harassment.

↗ For more information: [eni.com](http://eni.com)

## Women's empowerment

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 trajectories for women in the company. This commitment is confirmed by the main employment and development indicators monitored to enhance the presence and development of women. In fact, of all permanent hires in 2020, 34.6% were women (up 2.3 percentage points vs. 2019). Furthermore, in 2020, the percentage of women in positions of responsibility rose to 26.64%, compared to 26.05% in 2019; overall, women accounted for 24.56% of Eni's total workforce. At Eni, 33% of people reporting directly to the CEO are women.

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**33%**

CEO's direct reports  
are women

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**26.6%**

People in positions of  
responsibility are women  
**+0.6 p.p. vs. 2019**



### Female role modelling to support STEM studies

Eni organises initiatives with a focus on gender equality for students oriented towards STEM (Science, Technology, Engineering and Mathematics) disciplines and participates in national and international initiatives with the aim of constantly enriching its own processes and operational practices from a gender equality perspective. Activities, which took place online in 2020, include:

- **InspirinGirls:** an initiative that started three years ago, involving some 5,000 girls in 187 secondary school classes, to help them overcome prejudice by becoming aware of their talent;
- **Fondazione Mondo Digitale (Digital World Foundation):** initiatives carried out in high schools to help young people discover professional areas and profiles in technology and artificial intelligence;
- **Think About Tomorrow:** an event in high schools aimed at helping young people make an informed educational and professional choice beyond gender stereotypes, stimulating girls' interest in STEM studies and raising awareness of gender equality issues among the male audience;
- **Women in Technical Roles:** an event taking place at universities in collaboration with the Politecnico di Milano with a focus on gender equality;
- participation in the work of the **inter-company STEM Committee** promoted by Valore D with the aim of proposing an action plan to complement implementation of the Manifesto for Women's Employment, which Eni's CEO signed in 2016.

Eni's female Role Models is an important lever of intergenerational alliance to help reduce the gender gap in key economic sectors for the future of society



## Eni promotes a range of initiatives to foster gender equality beyond its direct workforce

Eni is also committed to continually improving its ability to integrate women's perspectives in its internal business processes as well as in the contexts where it is present and where it operates indirectly, with the following evidence for the year 2020:

- **local development projects to promote women's empowerment** such as "100 Women in demining", promoted by HALO Trust to involve Angolan women in the clearance of land mines; [see p. 80](#)
- **involvement of the supply chain:** adhesion to the JUST initiative, whereby Eni is committed to reducing and eliminating all possible forms of discrimination and making sure that suppliers guarantee equal opportunities in their employee recruitment process and professional career paths; [see p. 66](#)
- **attention to the marketing chain:** Eni takes care of the representation of the female role in the media, paying the utmost attention not to convey gender stereotypes and harm the image of other diversities through its communication;
- **support for female entrepreneurship:** through its Joule business school, Eni promotes the entrepreneurial development of women, encouraging business ideas and participating in the Women 4.0 - The Women Enterprise Project. In addition, Eni promotes the CoLABoRA programme aimed at developing innovative business ideas through start-ups with a specific focus on those owned and/or managed by women.



## Internationality

Eni's strong international presence is characterised by solid alliances with host Countries aimed at creating value, also through knowledge transfer, while respecting local cultures.

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**68**

Countries of presence

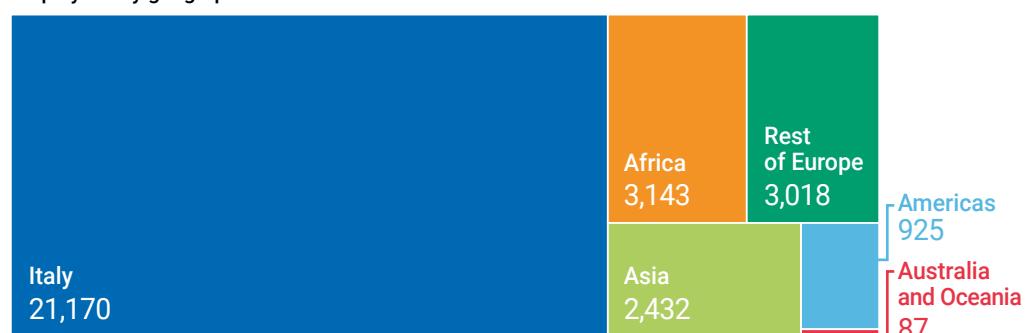
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**106**

Nationalities

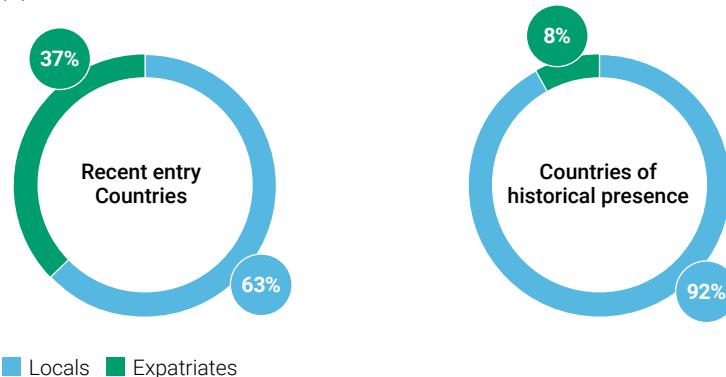
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### Employees by geographical area in 2020



The average presence of local staff abroad has remained substantially constant at around 84% over the last three years, confirming Eni's attention to local content through the involvement of local communities in operational activities in each Countries. The use of expatriate staff is limited to particular skills and expertise that are not readily available at local level. Eni promotes cross professional exchange through a series of processes, including geographical mobility, as an important experience for personal growth. Consolidation over the years of processes such as onboarding of new recruits, coaching, training and sharing of skills and best practices with local personnel has ensured continuity in operating activities in 2020, a year characterized by a massive return of expatriate personnel to headquarters. In recent years, around 20% of resources in positions of responsibility are non-Italian, with an increase in 2020 compared to 2019 (+1.3 p.p.), partly due to professional development paths that include periods of activity in Eni's offices in Italy or in Countries other than their Country of origin. The percentage of local senior managers and middle managers abroad increased by 2.48 p.p. in 2020 compared to 2019, to 19.13%. A more detailed analysis of the upstream sector, which accounts for 81.5% of non-Italian employees, shows that the percentage of local employees out of the entire workforce increases significantly in Eni's Countries of historical presence (92%) (e.g. Nigeria, Congo, Egypt, Libya and Kazakhstan) compared to more recent ones (e.g. Mexico, United Arab Emirates and Myanmar), where transfer of know-how is still in progress.

**Local Eni people in the upstream sector (%)**



**18.6%**

Non-Italians in positions  
of responsibility

+1.3 p.p. vs. 2019

**19.13%**

Senior managers and  
middle managers abroad

+2.5 p.p. vs. 2019

**92%**

Local employees in Eni's  
Countries of historical  
presence

## Remuneration

Remuneration policies for Eni's employees are defined according to a global integrated model and promote salary progression based exclusively on meritocratic criteria based on role related skills, performance achieved and local remuneration market benchmarks. In order to verify implementation of these policies, Eni has been monitoring on an annual basis the remuneration gap between women and men since 2011, finding a substantial alignment of remuneration.

**Gender pay ratio\***

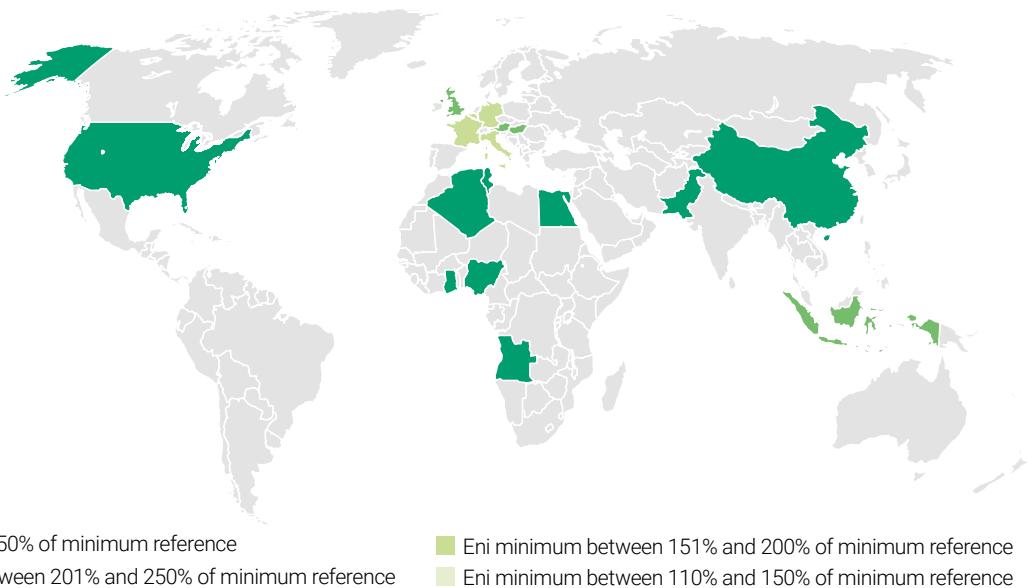


\* As in previous years, Eni's methodology neutralises any effects arising from differences in role level and seniority.

In the various Countries in which Eni operates, Eni guarantees fair and competitive remuneration policies with respect to roles and professional skills, providing salaries that ensure a decent standard of living, above mere subsistence levels and/or legal or contractual minimums in force, as well as minimum remuneration levels found on the local market. For this purpose, Eni provides its business lines, for each Country, with policy salary references that are significantly higher than the 1<sup>st</sup> decile of the local salary market, as well as the legal/contractual minimums as found in the checks that Eni carries out annually on the salaries of local staff in the main Countries where it operates, compared to the minimum reference salaries provided by international providers.

**Ratio between Eni minimum wage and law minimum wage (1<sup>st</sup> decile)**  
(Middle manager – Senior staff – Employee)

The minimum wage levels of Eni's personnel are significantly higher than both the legal minimum wages and market minimum wage levels



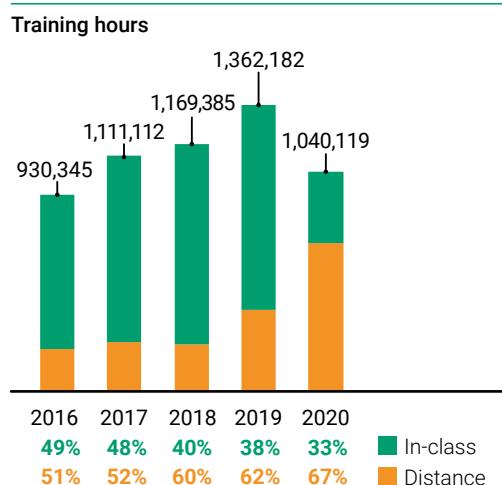
## Welfare

The 2020 health emergency situation has had an impact on all personal services, making it necessary both to review the way in which consolidated initiatives are organised with a view to maximum safety and compliance with regulations, and to identify areas of innovation for the design of new services capable of responding to the emerging needs arising from family and social complexity and new ways of working.

<b>Family and work-life balance</b>	The organisational and management methods of the San Donato and Rome crèche schools and summer camps have been redesigned, in response to the health emergency. Vocational school guidance for employees' children and caregiver services have been kept in place. More than 2,500 people signed up for the proposed initiatives. Extension of smart working to about 90% of office staff and to all workers in conditions of fragility, evaluated by the competent doctor. Application in the offices of daily and multi-periodal flexible hours and paid leave for events such as bereavement, serious family infirmities, marriages and civil unions, study permits and professional training courses.
<b>Parenting</b>	Recognition in all Countries of presence of 10 working days paid 100% to fathers, as well as a minimum maternity leave of 14 weeks with payment of at least 2/3 of the salary received in the previous period, in accordance with the standards set by the ILO Convention. Right of access to smart working for the child's first three years of age in favor of parents working in the main offices.
<b>Health prevention campaigns and well-being</b>	Reinforced prevention programmes with the integration of the oncological check-up medical protocol and cardiovascular examinations; new prevention initiatives for employees' families are also being studied. More than 2,400 people signed up for check-up programs and targeted specialist visits. Catering services remodeled to cope with the health emergency and guarantee service to employees.

## Training

The 2020 training program was extensively redesigned: distance learning was adopted for many courses, giving priority to health and safety issues, alongside courses to support people, up to and including master's degrees, which Eni kept in place. Innovative training activities continued with the use of Virtual Reality Training, the development and enhancement of digital skills, by also revamping the "Digital Transformation Centre" platform, and provision of cyber security courses. The Diversity & Inclusion training offer was also expanded with new content, including a course on "gender harassment in the workplace". As previously, the focus of many training initiatives was on contamination of content, both of a technical nature and of Corporate Identity (for new recruits, junior or expert, for new executives, or for managerial figures), on emerging themes such as Energy Transition, Circular Economy, Carbon Capture Utilization and Storage, Forestry, Renewable Energy and Digitalisation.



**Main training courses offered by Eni**  
(training hours by type)



### Main training courses offered by Eni

**Technical Commercial Professional:** technical training courses dedicated to professional families as well as master's degrees, commercial projects and training on asset integrity made available to all employees.

**Safety:** due to restrictions applying to face-to-face courses with practical tests, compulsory distance learning courses for workers and dissemination of the new Golden Rules for upstream activities have been crucial.

**Cross-cutting professional:** cross-cutting initiatives on compliance issues, professional courses required by business units and training on the Digital Transformation Centre platform.

**Behavioural/communication/corporate identity:** open courses on Diversity&Inclusion or energy transition; courses on corporate identity, human rights/sustainability and cyber security.

**Language and IT:** initiatives to disseminate new computer and language skills.

**Environment, health and quality:** initiatives for the enhancement of core professionalism in the field of environmental regulations and health pathways such as the HSEQ Master.

#### HEALTH EMERGENCY

##### Training support during the health emergency

During the crisis management, "Enicampus live" was created, a programme accessible to all Eni people, with the aim of fostering greater awareness of individual behaviour in the emergency context, acquiring renewed responsibility for individual and team results, and interpreting current phenomena. Similarly, daily leadership figures were offered tools and insights for managing the emergency and coping with uncertainty.

# Health



## Why is it important to Eni?

Eni considers health protection as 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. Eni's approach includes a vision of health as a state of bio-psycho-social well-being and as a fundamental human right, in which health is considered the result of not only biological but also economic, social, political, cultural and environmental processes. This approach is applied by Eni both to protection, promotion and health welfare actions and to actions supporting the communities in which it operates.

## POLICIES AND OTHER REGULATORY TOOLS

Policies entitled "Our People", "The integrity in Our Operations", Eni's Statement on Respect for human rights; Code of Ethics.

## ORGANISATIONAL AND MANAGEMENT MODELS

Integrated environment, health and safety management system; Occupational medicine for the protection of workers' health and safety; Health care and health promotion system for the provision of health services; Preparedness and response to health emergencies, including epidemic and pandemic response plans; Health for communities: initiatives aimed at maintaining, protecting and/or improving the health of communities.

### 2020 PROGRESS

### SHORT-TERM TARGETS (2021)

### MEDIUM-TERM TARGETS (2022-2024)

### LONG-TERM TARGETS (2030 AND BEYOND)

#### DIGITALISATION OF HEALTH PROCESSES AND SERVICES

Identification and testing of new technological solutions - IoT for continuous monitoring of healthy conditions in indoor environments.

Ongoing experimentation to monitor air quality of indoor environments with technologically improved sensors (e.g. generic hydrocarbons, CO<sub>2</sub>, particulate matter).

Planning and implementation of a pilot project involving several Business Units in Italy and abroad.

Potential adoption of the continuous monitoring system throughout Eni's operations and completion of digitisation of health operating processes.

#### INVESTMENTS IN HEALTH ACTIVITIES

€76 million invested in health activities in 2020.

€73 million investments in health activities in 2021.

€161 million investments in health activities over the period 2022-2024.

Continuation of health promotion for all Eni's people and interventions in favor of local communities.

## Eni's health initiatives

The extreme variability of working contexts requires constant updating of the health risk matrices of the Countries where Eni operates, based both on international indicators and, in case of exceptional events such as epidemic/pandemic outbreaks with significant impacts on Country risk. This variability makes it particularly challenging to ensure health at every stage of the business cycle, and for this reason Eni has developed an operational platform ensuring services to its people through occupational health and hygiene, travel medicine, health care and medical emergencies, as well as health promotion initiatives for Eni people and the communities where it operates. In 2020, all the companies continued to implement health management systems with the objective of promoting and maintaining people's health and well-being and ensuring adequate risk management in the workplace.

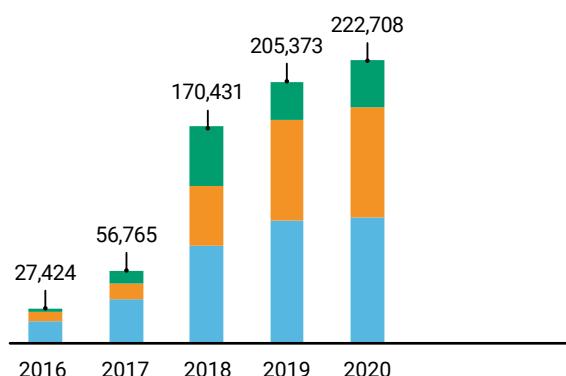
### Eni's health management strategy

<b>Health care</b>	Increasing access to health care for all Eni people, reinforcing community-based interventions and emergency shelters to support situations of fragility created or aggravated by the pandemic.
<b>Culture of health</b>	Disseminating a culture of health by implementing initiatives for workers, their families and communities identified as a result of risk and health impact assessment.
<b>Community health</b>	Promotion of the state of health of the populations of the Countries of presence as a prerequisite for socio-economic development, through the implementation of specific programs. <a href="#">see p. 77</a>
<b>Occupational medicine</b>	Implementing identified occupational health activities, while also considering risks inherent in new projects, industrial processes and the findings of industrial hygiene activities.
<b>Process digitalisation</b>	Promoting the digitalisation of health processes and services through the use of mobile information and communication technologies.

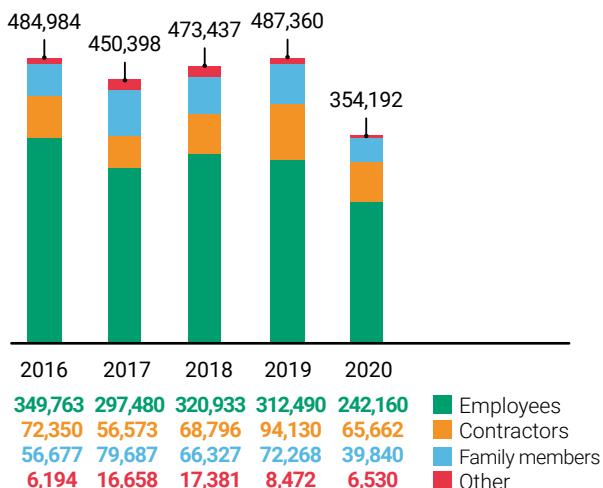
In 2020, 354,192 health services were supported by Eni, including occupational medicine and health care services; the flu vaccination campaign was implemented and initiatives for early diagnosis of chronic diseases continued for Eni's employees in Italy. Initiatives to meet the health needs of the populations of the Countries where Eni operates have continued, through Health Impact Assessments and the implementation of community health projects.

[For more information: Eni for 2020 - Sustainability performance \(p. 23\)](#)

**Number of registrations to health promotion initiatives**



**Number of health services provided**



**In the critical global health context, Eni has taken a range of measures to support those on the front line of emergency management and local health facilities**

## Efforts and initiatives to deal with the health emergency

In the critical global health context, Eni has taken a range of measures to support those on the front line managing emergencies and local health facilities, also guided by the experience gained in dealing with epidemic events around the world, through: i) epidemiological updates and new guidelines from international bodies, ii) hygiene measures for prevention and containment of epidemics/pandemics, iii) clinical and care flow management best practices, vaccination and recommendations for travel medicine and iv) support in defining technical specifications for services related to emergency response. Activities to promote the psychological wellbeing of employees and in-depth studies on various health issues were initiated, especially on the new virus, new lockdown habits, necessary precautionary measures, as well as constant updates on the ongoing health emergency.

During 2020, the medical emergency procedure, the "Medical Emergency Response Plan" (MERP), of all Eni's subsidiaries with operational and management specificities was updated several times, "Pandemic Preparedness Response Plans" were activated and specific health emergency response actions were identified.

### Health emergency response actions for Eni's workers

<b>Prevention measures</b>	Restrictive and preventive measures (including alternative working arrangements) in offices and operational sites.
<b>Monitoring of production activities</b>	Identification of priorities for monitoring production activities.
<b>Personnel management</b>	Reduction of expatriated personnel and their family and review of rotation and shift change arrangements.
<b>Quarantine modes</b>	Arrangements for quarantine in dedicated quarters.
<b>PPE procurement</b>	Supporting the procurement of personal protective equipment (PPE) required for emergency management.
<b>Travel medicine</b>	Adaptation of travel medicine procedures by assessing additional restrictions in relation to the level of risk.
<b>Awareness campaigns</b>	Launching awareness and information campaigns for employees with hygiene and prevention measures to reduce the risk of infection.
<b>Safe clinical pathways</b>	Establishment, where Eni-managed health facilities are present, of appropriate safe clinical pathways for suspected cases.
<b>Health surveillance</b>	Adaptation of health surveillance activities both in Italy and abroad, giving priority to people present at the workplace.
<b>Management of fragile workers</b>	Definition of guidelines for the management of frail workers, with respect to pre-existing conditions, in accordance with progressively enacted legislation, local legislation and international best practices.
<b>Serological tests</b>	Project launched to offer workers in the Lombardy Region the opportunity to take serological tests on a voluntary basis.
<b>Psychological support</b>	Activation of a remote psychological support service in Italy and abroad for all Eni personnel in Italy and their families, in relation to the COVID emergency.

Eni has also mobilised all available resources with the aim of addressing the emergency situation through numerous health and social activities with an economic commitment of approximately €27.5 million, including interventions for employees (approximately €21.4 million) and COVID initiatives for local communities (approximately €6.4 million). Eni has also made its supercomputing infrastructures and molecular modelling skills available to Coronavirus research, offering the contribution of excellent tools and resources in the fight against the global emergency. Furthermore, Eni also financed public information campaigns on the role of the family doctor and services for the elderly and, thanks to its employees, collected and donated over €600,000 were collected and donated to the Italian Red Cross to deal with the emergency. [see p. 10](#)

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**€27.5 million**

Economic commitment to respond to the emergency in interventions for employees and local communities



## Eni is with Italy and the Gemelli Hospital in Rome

### What was Gemelli's response within the Italian health system to the COVID emergency?

As soon as the emergency began, we promptly decided to totally transform the Columbus hospital, attached to the Policlinico Gemelli, into a 'COVID hospital', a facility for treating cases of coronavirus infection. In the space of three weeks, a general hospital equipped to care for patients of all pathologies was transformed into a specialised hospital with 250 inpatient beds and 60 intensive care beds entirely dedicated to COVID with a special radiology and all the specific services and pathways for this type of patient. Moreover, in the most acute phase of the crisis, many wards of the Gemelli Hospital were transformed for COVID. To date, we have treated thousands of cases from all over Lazio, being the second reference centre of the health service for the treatment and management of these cases.



Interview with **Professor**

**Rocco Bellantone** Director of Clinical Governance and Director of the UOC of Endocrine and Metabolic Surgery at the Fondazione Policlinico Universitario Agostino Gemelli IRCCS. Full Professor and Dean of the Faculty of Medicine and Surgery at the Catholic University of the Sacred Heart

[For more information:](#)  
[eni.com](http://eni.com)

### In order to respond promptly to the Coronavirus emergency, Eni has implemented numerous initiatives to support the local health structures in the areas where it operates. Specifically, what has been achieved in collaboration with Policlinico Gemelli?

The collaboration between Eni and Gemelli was timely and effective. Eni gave us a big hand with the equipment needed to set up the "COVID Hospital". The largest part of the major contribution was directed towards the purchase of the latest generation of respirators for patients in intensive care. This collaboration has continued and is still active in prevention and assistance for Eni personnel, especially from abroad, through the provision of diagnostic services for suspected cases and prompt admission for symptomatic patients and the management of the most critical cases.

# Safety



## Why is it important to Eni?

Eni is constantly committed to ensuring safety in the workplace, regardless of any contingent situation, in order to guarantee the safety of its employees and contractors. Commitment to zero incidents is achieved through the implementation of organisational models for risk analysis and management and the application of a thorough system of procedures and standards for the protection of employees, suppliers, processes and plant integrity. The commitment to safety also includes the dissemination and strengthening of the safety culture as an essential part of the activities, with the development of campaigns and projects promoting healthy and safe behaviour in every working and, in general, living environment.

## POLICIES AND OTHER REGULATORY TOOLS

Policies entitled "Our People", "The integrity in Our Operations", Eni's Statement on Respect for human rights; Code of Ethics.

## ORGANISATIONAL AND MANAGEMENT MODELS

Integrated environment, health and workers' safety management system certified in accordance with the OHSAS 18001/ISO 45001 standard; Process safety management system; Emergency preparedness and response plans; Product safety management system; Methodologies and tools for managing the Human Factor in incident prevention.

### 2020 PROGRESS

### SHORT-TERM TARGETS (2021)

### MEDIUM-TERM TARGETS (2022-2024)

### LONG-TERM TARGETS (2030 AND BEYOND)

## CONSOLIDATION OF THE SAFETY CULTURE

Development of a methodology for the analysis and management of the safety-related human factor (THEME project). Launch of a "Behavioural HSE" training area, in the field of behavioural safety and non-technical skills. Consolidation of the Process Safety Fundamentals campaign.

Promotion of HSE involvement and leadership of Eni's people, partners and Contractors. Application of THEME on operational sites and behavioural coaching. Dissemination of Process Safety Fundamentals at all operational sites in Italy and abroad.

Enhancing HSE awareness and decision-making capacity to increase the HSE awareness of employees, as well as the ability to act safely, through monitoring of risk variables and knowledge of possible errors in perception and assessment.

Increasing focus on behaviour, enhancing the sense of responsibility towards oneself and others, with greater awareness of HSE aspects, transforming people from those who generate mistakes and suffer the consequences to active barriers that prevent them.

## OCCUPATIONAL SAFETY, PROCESS SAFETY AND ASSET INTEGRITY

New digital initiatives to increase operators' safety (IoT technologies, wearable devices and IT tools). New regulatory tools for Operational Safety Management in the field and introduction of mobile apps as a digital working tool.

Extension of Digital Safety initiatives in Italy and abroad and introduction of new digital technologies; digitisation of HSE processes.

Application of digital technologies with predictive capabilities, to intercept potentially dangerous situations and introduce preventive measures at operational sites.

Full digitalisation of all operational processes through digital technologies that make business processes safer, more efficient and faster.

## Injury rates and intervention actions

In 2020, Eni has once again confirmed its commitment to zero incidents through the consolidation of the Severity Incident Rate (SIR), an internal index that measures the level of severity of incidents, and its inclusion in the short-term remuneration of the CEO and senior managers with strategic responsibilities.

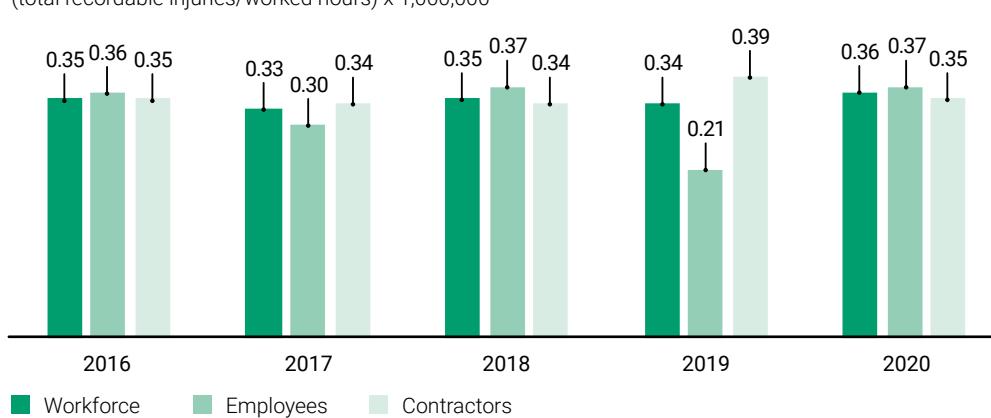
[For more information: Report on remuneration policy and remuneration paid 2021](#)

2020 saw the consolidation of the Safety Culture Program (SCP), a preventive safety management indicator involving aspects such as analysis and management of weak signals, implementation of safety awareness campaigns and emergency preparedness. In 2020, the Total Recordable Injury Rate (TRIR) of the workforce increased by 5% compared to 2019, with a rise in the employee index and a decrease in the contractor index. In September 2020, a fatal injury occurred involving an upstream contractor in Egypt due to crushing. The identification and analysis of the causes of the event made it possible to implement specific preventive actions to avoid its recurrence:

- Reinforced work permit system for activities involving the use of heavy goods vehicles;
- Introduction of checklists for periodic verification of vehicle condition;
- Update of the contract management system, with new requirements on access to areas, staff roles and responsibilities, and emergency management;
- Provision of training courses on "Safe Driving".

Eni is also engaged in initiatives for: (i) development of human factor analysis methods in the field of behavioural safety; (ii) renewal and enhancement of event investigation techniques with a new root cause analysis methodology; (iii) use of new digital technologies for data analysis with a focus on prevention aspects.

**Total Recordable Injury Rate (TRIR)**  
(total recordable injuries/working hours) x 1,000,000



**0.36**

TRIR of the workforce  
in 2020

+5%

TRIR vs. 2019  
-50% vs. 2014

[For more information: Eni for 2020 - Sustainability performance \(p. 24\)](#)



## Digital initiatives for safety: Safety Pre-Sense

As part of the digital initiatives, the use of the "Safety Pre-Sense" tool was launched, which, using Artificial Intelligence, is able to analyse the thousands of data and information recorded annually in the HSE database, in order to intercept potential dangerous situations before unwanted events occur. The tool has been developed and progressively trained to identify hidden keywords in reports that, because they have been automatically recognised as recurring in past incidents sequences, can be used effectively as warning signals. The use of these new technologies will help expand large-scale statistical data analysis capabilities, extending the possibilities of analysis beyond human capabilities, and an automatic alert system will be able to highlight potential incidents risk situations in real time and allow implementation of preventive actions.

**Safety Pre-Sense,  
a tool that intercepts  
dangerous situations  
before unwanted  
events occur**

## Safety culture

Eni is constantly striving to ensure that the culture of safety becomes increasingly preventive rather than reactive through projects, initiatives and activities that aim to make every Eni person a leader in safety, setting an example through the continuous commitment of management. In particular, several initiatives were launched in 2020, including those in the area of behavioural safety and Human Factor analysis and management.

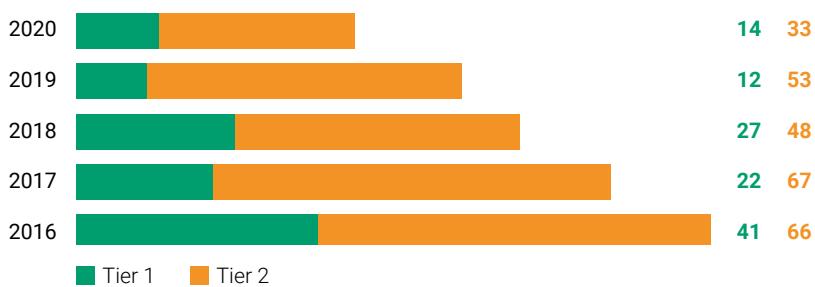
### Main initiatives to strengthen the safety culture

<b>The Safety Pact game</b>	Implementation by the staff of the Safety Competence Centre (SCC - safety competence centre for the coordination and supervision of contract works, in Italy and abroad) of a training-experiential course for company supervisors to develop, through "gamification" (which makes classroom training fun, interactive and exciting), technical skills on safety management and leadership skills.
<b>THEME (The Human Error Model for Eni)</b>	The THEME Project (The Human Error Model for Eni) saw the creation of a model for analysing the human factor in the field of safety, with the support of the University of Bologna ALMA MATER, for the development of the methodology and application tools. The methodology identifies factors influencing behaviour, assesses 'barriers' and characterises the influence of cultural elements in a given operational reality in order to identify appropriate interventions. The novelty lies in the redefinition of the role of man, who is no longer seen as a passive subject or only partially involved in the improvement process, but as the first barrier to prevent incidents. An on-site test of the methodology was conducted in 2020, and on-site activities are planned for 2021-23, both in Italy and abroad, with several assessments.
<b>HSE behavioural training line</b>	In 2020, a new line of behavioural training was launched in the field of behavioural safety and Non-Technical Skills, to promote safe and virtuous behaviour at work and in everyday life (in continuity with the "Safety Starts @HOME" and "safety starts@office" campaigns). Two courses were designed for all staff with the aim of influencing behaviour and developing a new sense of responsibility towards oneself and others, with greater awareness of HSE aspects: (i) leadership in HSE: to enhance the ability to make decisions that will increase the awareness of employees; (ii) acting in Safety: to increase the ability to act in safety, through the monitoring of risk variables and awareness of possible errors of perception and evaluation.



## Process safety

Process safety events (number)



Process safety events more than halved vs. 2016

In 2020, there was an overall improvement in Process Safety performance signalled by the downward trend in Tier 1 and Tier 2 events, both in absolute numbers and by normalising the number of incidents for the hours worked in "process" activities. Levels ("tier") 1 and 2 indicate the severity of the consequences of the incidents (from the most serious to the least serious) in terms of released quantities of dangerous substances and damage caused to people or assets.

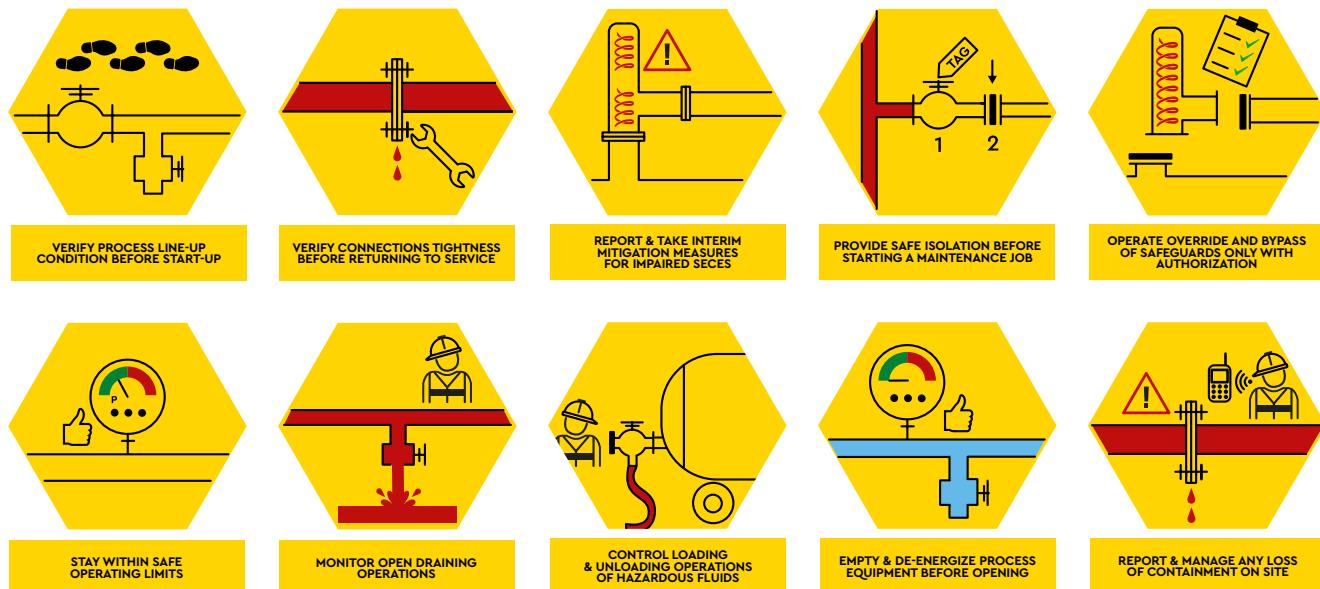
[For more information: Eni for 2020 - Sustainability performance \(p. 25\)](#)

In 2019, Eni defined the 10 fundamental rules for Process Safety, the Process Safety Fundamentals (PSF). Following the pilot initiative at the Southern District (DIME), the Venice Refinery and the Porto Marghera Petrochemical, which ended in April 2020, dissemination began at all Eni sites in Italy and abroad through selected promoters and dedicated workshops. The campaign was supported by in-depth material, including 10 video clips and Lessons Learned 3D films on process safety incidents. The initiative involved 22 subsidiaries, 15 sites including refineries, depots and affiliates, 14 Versalis plants, 6 EniPower power plants and 14 Eni Rewind sites, involving over 10,000 workers. A number of initiatives then escalated at Country level: in Libya, at the request of the National Operating Company, two dissemination events were organised with the participation of the main Libyan players in the Oil & Gas world. The ultimate goal is to significantly prevent release events, by acting on the Process Safety culture, through the involvement of all Eni personnel and contractors on all 10 operational rules.

[For more information: eni.com](#)

More than 10,000 workers involved in the dissemination of Process Safety Fundamentals (Eni's 10 operating rules for process safety)

### Process Safety Fundamentals



**More than 4,000 exercises run in 2020**

## Emergency preparedness and response

Emergency preparedness is regularly tested during exercises where the ability to respond in line with dedicated plans is assessed, including the timely alerting of the chain of command and resources necessary to deal with the event. Although the pandemic has scaled down exercises, especially those with complex scenarios, the operational sites have maintained a high level of emergency preparedness, even readjusting, in agreement with management or the authorities, the exercise methods, carrying out over 4,000 exercises. For example, the exercise carried out at the Ortona depot, in collaboration with the Harbour Master's Office, simulated two different incidents scenarios: a fire on board a tanker, with consequent spillage at sea, and the presumed loss of product from the transfer line.



**More than 2,500 companies monitored and evaluated by the Safety Competence Centre**

## Contractors management

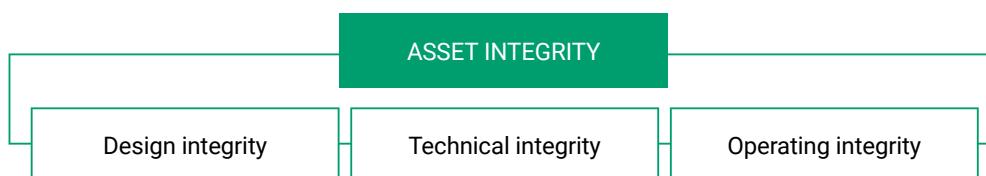
With regard to the management of contractors at Eni's industrial sites, the 130 resources of the Safety Competence Centre (SCC), employed to coordinate and supervise the safety of construction sites and contract work, continued to monitor and support the process of improving company safety by orienting them towards more functional and preventive management models. More than 2,500 companies were monitored (representing 70% of the suppliers with potential HSE criticalities in Italy) and the anomalies detected were subject to immediate corrective action, while at the same time implementing the recognition and dissemination of good practices. In 2020, the 'Safety Pact', which involves contractors on SCC tools and methodologies to safeguard workers' health and safety during operations, was extended to Eni's subsidiaries in Ghana and Angola.

## Industrial hygiene

In 2020, Eni developed and promoted activities aimed at strengthening its monitoring and control of risk factors in the workplace, in particular i) participation in working groups with national bodies aimed at preparing reference guidelines on the subject in order to anticipate and optimise any impacts on activities; ii) strengthening awareness of risk factors by ensuring alignment with the most recent best practices on the subject, through the implementation of a targeted training/information program; iii) development and application of new monitoring systems in the field in order to ensure increasingly effective risk control. Finally, in 2020, Eni organised a workshop in collaboration with the main sector associations in order to analyse and discuss the effects of the new law on radiation protection (Legislative Decree no. 101/2020). The topics covered reinforced the awareness of the responsibility of compliance for organisational roles.

## Asset integrity

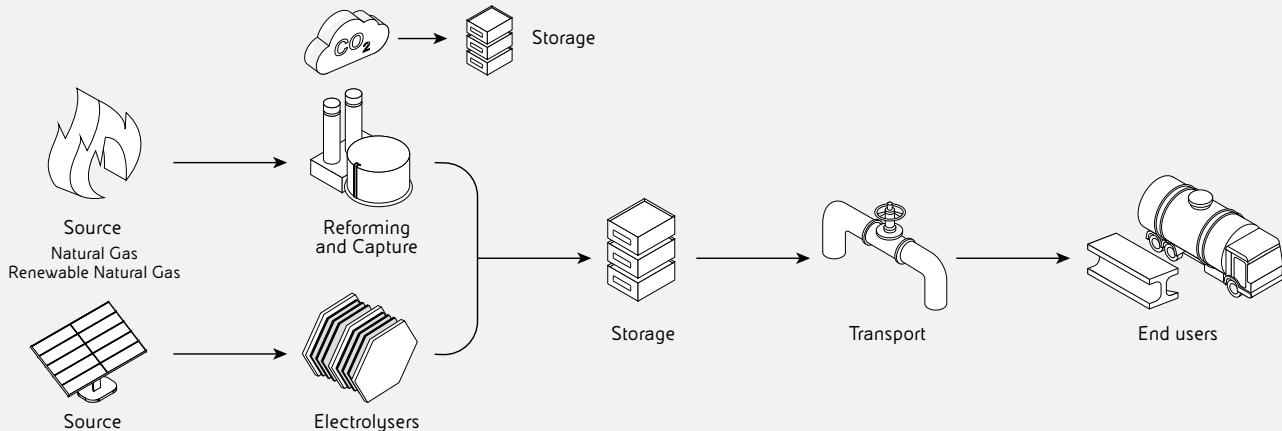
Eni applies the Asset Integrity process to all plants, which ensures that they are well designed, well built with the most appropriate materials, well operated and decommissioned, managing residual risk in the best possible way, guaranteeing maximum reliability and above all safety for people and the environment. The Asset Integrity Management System therefore is employed from the initial design stage (Design Integrity), to procurement, construction, installation and testing (Technical Integrity) through to operating and decommissioning (Operating Integrity). During 2020, Eni followed up on the initiatives launched in 2019 to further promote the Asset Integrity culture with a transversal and widespread approach, also through the creation of a centralised and transversal organisational structure dedicated to the technical oversight of skills and standards.



## Hydrogen transport infrastructure

There are more than 5,000 km of high-pressure hydrogen pipelines in the world, built to 'ad hoc' standards, mostly for hydrogen destined for refineries and chemical plants. A key factor in reducing decarbonisation costs is to reuse existing natural gas transport infrastructure as much as possible, either to transport mixtures of hydrogen and natural gas or for conversion to pure hydrogen. The re-use of existing pipelines implies a process of upgrading, consisting of a re-evaluation of the design of the system according to the changed conditions, which may also lead to a reduction of the maximum working pressure. Many aspects need to be considered in upgrading activities, such as the composition of the gas, the state of integrity of the existing line, the characteristics of the construction material, welding technologies, safety implications and risk assessment. Eni has recently carried out engineering studies to estimate the potential of a strategic trans-European pipeline system, in which Eni has a stake, for hydrogen transport, assessing its integrity and commenting on the maximum percentage of hydrogen that could be mixed into the flow, highlighting tests to be performed on the pipelines and providing recommendations for further studies to ensure pipeline integrity. In addition, within the e-kms (Knowledge Management System) platform, dedicated to sharing Eni's technical knowledge, two different discussion areas have been launched on the prospects of hydrogen and its production technologies, possible transport modes, environmental impacts and the entire carbon life cycle.

### The hydrogen value chain in which Eni is engaged



**Asset integrity assures the safeguard of people, of the environment and of operational continuity**

As part of its decarbonisation strategy, Eni has carried out engineering studies to estimate the potential of a strategic trans-European pipeline system for hydrogen transport

# Environment



## Why is it important to Eni?

Protection of the environment, based on the principles of prevention, protection, information and participation, is an essential component of how Eni operates. Particular attention is paid to the efficient use of natural resources, like water; to reducing operational oil spills; to managing waste; to the interaction with biodiversity and ecosystem services. For Eni, environmental culture is an important lever and for this reason in 2020 it involved both its own people through various initiatives to raise awareness on the correct management of environmental aspects, including a communication campaign dedicated to all employees, and its suppliers, whose activities must reflect Eni's values, commitment and standards.

## POLICIES AND OTHER REGULATORY TOOLS

Policies: "Sustainability", "The integrity in our operations", "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"; Code of Ethics.

## ORGANISATIONAL AND MANAGEMENT MODELS

Integrated environment, health and safety management system certified in accordance with the ISO 14001:2015; Application of the ESHIA (Environmental Social & Health Impact Assessment) process in all projects; Technical meetings for analysis and sharing of experiences on specific environmental and energy issues; Green Sourcing: model for identifying analysis logics and technical requirements for selecting products and suppliers with better environmental performances; Site-specific circularity analysis; International Environmental Legislative Analysis.

### 2020 PROGRESS

### SHORT-TERM TARGETS (2021)

### MEDIUM-TERM TARGETS (2022-2024)

### LONG-TERM TARGETS (2030 AND BEYOND)

#### WATER RESOURCES

6.1 Mm<sup>3</sup> of water from TAF reused in the production cycle or re-injected; 53% of production water re-injected for production or disposal purposes.

Increase in the share of reclaimed water from the current 6.1 Mm<sup>3</sup> to 12.6 Mm<sup>3</sup> by 2024;  
Increase in the share of re-injected produced water to 64% of total produced water by 2024.

Commitment to achieve an efficient, collective and sustainable management of water resources at the river basin level.

#### OIL SPILLS

-7% vs. 2019 operational spills.

Start of e-vpms installation on the Clough Creek-Tebidaba pipeline (52 km) in Nigeria.

Actions to improve the asset integrity of upstream, downstream and retail facilities.

Exploration of new technologies and tools to enhance prevention, mitigation and response capabilities to oil spill events.

#### BIODIVERSITY

Adherence to the 4 principles for nature-based solutions of "Together with Nature"; extended biodiversity risk mapping to R&M pipelines.

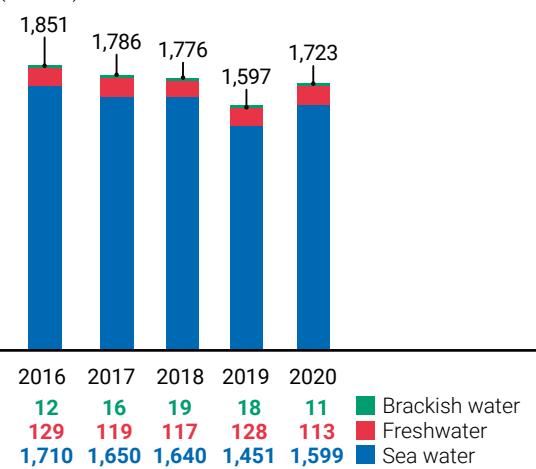
Extension of biodiversity risk mapping to renewable energy plants.

Commitment to contribute to the conservation of biodiversity through a progressive increase in the number of Biodiversity Action Plans in sensitive areas and the implementation of NbS.

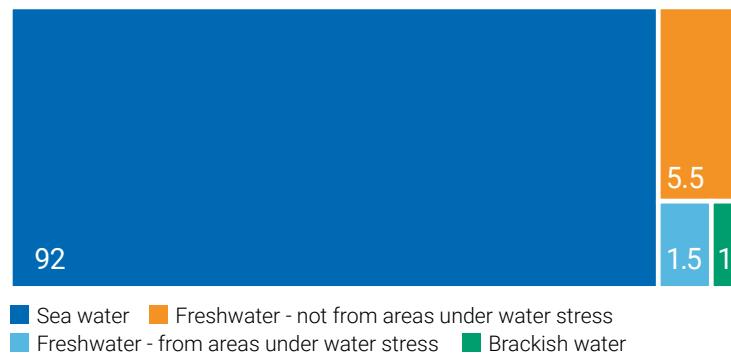
## Efficient use of water

With a view to the sustainable management of water resources, initiatives were implemented at Eni sites in 2020 aimed at reducing fresh water withdrawals and replacing it, in both civil and industrial uses, with water from secondary sources such as rainwater, reclaimed groundwater or treated wastewater. In addition, the Upstream sector continues to develop projects aimed at both the re-injection of production water and its treatment and reuse for industrial purposes, with the aim of reducing the impact on local communities and ecosystems, especially in water-stressed areas. In particular, five wells in the production field in Turkmenistan were converted to re-inject the production water, while in Egypt a project was launched to optimise its treatment before disposal. Eni constantly monitors water risk, especially in the water-stressed areas in which it operates, in order to effectively implement mitigation actions of water saving, reuse and circularity of water resources to achieve an increase in the water efficiency and resilience of sites, also actively involving suppliers during the qualification process. As a result of joining the CEO Water Mandate in 2019, water balances have been drawn up at many Upstream sites in order to map the water resource used and identify actions to optimise its use. Finally, in accordance with its principles of transparency, in 2020 Eni also gave a public response to the CDP Water Safety questionnaire, confirming the A- score obtained the previous year.

**Total water withdrawals**  
(mln m<sup>3</sup>)



**Water withdrawals, by source**  
(%)



For more information: Eni for 2020 - Sustainability performance (p. 26)

An offshore installation at Zohr, Egypt's giant field





Zohr desalination plant is an example of a sustainable approach to water resource conservation

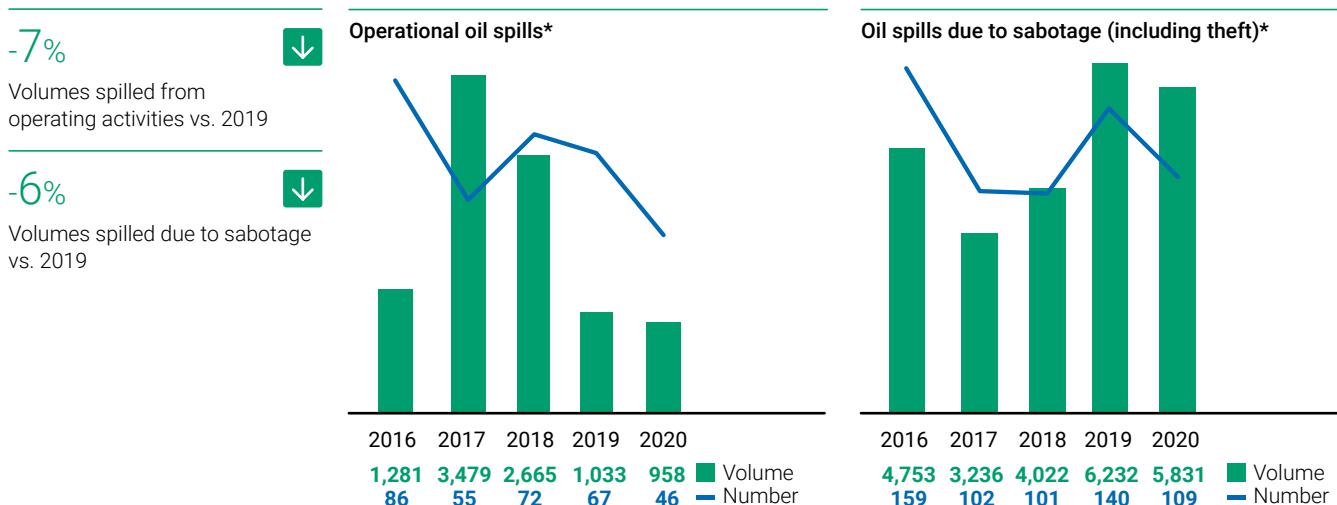
## The desalination plant at the Zohr field in Egypt

The desalination plant in the Zohr offshore gas field (Egypt), operational from the beginning of 2021, aims to ensure the independence of the water supply and minimise the withdrawal of fresh water for necessary uses. Designed and installed in 2020 for a maximum production capacity of 1,200m<sup>3</sup>/day of desalinated water, the plant treats seawater taken from coastal supply wells through a unit consisting of three filtration and reverse osmosis trains, meeting the Zohr camp's water needs previously guaranteed by tankers and the local aqueduct. In addition, the plant minimises the impact of natural waste management by injecting the saline concentrate resulting from the osmosis process into coastal wells. Finally, with the aim of reducing the waste produced, the new plant will be able to receive, treat and recirculate for internal use on the site the effluent from the demineralisation units (up to 200 m<sup>3</sup>/day), currently transported by truck to external sites for disposal.

## Oil spill management

With regard to the risks associated with operational oil spills and sabotage, Eni is constantly engaged on every front: prevention, preparedness, followed by mitigation, response and restoration. In particular, in the area of prevention, the installation of e-vpms®<sup>5</sup> technology was completed in Italy on two backbones of the flowline network of the Val D'Agri Oil Centre, which also obtained recognition of Conformity to the Industry 4.0<sup>6</sup> plan by a third party. Also in Italy, on downstream pipelines, an analysis of the risk of natural events, such as landslides and river overflows, continued, enabling the most vulnerable points to be identified and corrective consolidation measures to be implemented. In addition, testing of various technologies was advanced to assess the effect of the combined action of fungi and bacteria in the remediation of hydrocarbons ("Myco Remediation" project) or to draw up sensitivity maps using satellite images from the European Space Agency (ESA) which are also useful in responding to oil spill events ("Ecoesam" project). In 2020, total volumes spilled as a result of production-related events decreased by 7% with a recovery rate of 64%; barrels spilled as a result of effractive attempts decreased by 6% with a recovery rate of 46% in 2020.

[For more information: Eni for 2020 - Sustainability performance \(p. 28\)](#)



(\*) Spill data (>1 barrel) both in terms of numbers and volumes spilled are subject to updates over the years due to possible completion of investigations after publication of this document.

5) Eni Vibroacoustic Pipeline Monitoring System - Proprietary patent for pipeline monitoring.

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



## Oil spills in Nigeria

In recent years, Eni's facilities in Nigeria (wells, flow lines and pipelines covering approximately 3,000 km) were the target of illegal activities, resulting in significant spills, despite a 29% reduction in spilled volumes in 2020, probably due to both the easing of social tensions that had characterised the post-election period in 2019 and the increase in surveillance activities. With regard to the latter, the e-vpms® technology, which allows the early identification of leaks, damage or sabotage activity near or on the pipelines, is already operational on the Kwale-Akri and Ogoibiri-Tebidaba pipelines and is expected to be completed on the Clough Creek-Tebidaba pipeline (52 km) during 2021-2022, slightly later than initially planned due to the pandemic. Surveillance activities are part of Eni's integrated strategy to prevent, reduce, contain these events and reclaim their impacts and they include different types of actions: from engagement with local communities to technical prevention, control initiatives, increasing the quality and speed of intervention, as well as participation in international initiatives on the subject. In 2020, operational oil spill figures were affected by an operational spill of 300 barrels, almost all recovered, caused by a malfunction during the transfer of crude oil at the Brass terminal. At the same time, 37% of sabotage oil spills and 66% of operational oil spills were recovered in 2020, broadly in line with the volumes recovered in 2019.



**Operational oil spills\***



**Oil spills due to sabotage (including theft)\***



-29%



volumes spilled as a result of sabotage events

(\* ) Spill data (>1 barrel) both in terms of numbers and volumes spilled are subject to updates over the years due to possible completion of investigation after publication of this document.

[For more information: NAOC website](#) (Eni company in Nigeria, with constantly updated data. For this reason small deviations may be noted from the figures provided herein).

**Eni applies the Mitigation Hierarchy to prioritise preventive mitigation measures**

**Adherence in 2020 to the 4 principles for solutions based on "Together with Nature"**

## Biodiversity

The management of biodiversity and ecosystem services (BES) is a key component of Eni's environmental strategies and operating practices, also in view of the multiple environmental contexts of business activities, characterised by different ecological sensitivities and regulatory regimes. As specified in the BES Policy Eni ensures that the interrelations between environmental aspects such as biodiversity, ecosystemic services, climate change, management of water resources and social issues of sustainable development of local communities, are identified and managed correctly. Eni, in collaboration with international scientific partners (for example with Fauna and Flora International, UN Environment World Conservation Monitoring Centre e Wildlife Conservation Society), assesses the risks arising from the complexity of each project, the value of the natural environment and the local social context. Through the application of the Mitigation Hierarchy, it prioritises preventive mitigation measures, monitoring their effectiveness and adapting the management approach based on observed results, with the aim of avoiding net loss of biodiversity. Consultation and collaboration with communities, indigenous peoples and other local stakeholders is an inclusive and transparent process that takes place from the early stages of a project and continues throughout its life cycle, and it helps to understand their expectations and concerns, determine how ecosystem services and biodiversity are used, and to identify management options that take into account their needs. From 2019 Eni has committed not to conduct exploration and development activities within the boundaries of Natural Sites in the UNESCO World Heritage List (as of May 31, 2019). This commitment confirms Eni's long-standing policy and reaffirms both its approach to the preservation of the natural environment in every area with high biodiversity value and the promotion of good management practices in the joint ventures where Eni is not an operator. In 2020, in order to identify where Eni's activities fall, even partially, within protected areas or priority sites for biodiversity conservation, Eni updated its biodiversity risk exposure assessment for R&M, Versalis and EniPower operating sites and concessions under development or exploitation in the upstream sector, and carried out a similar analysis for R&M pipelines operating in Italy.

### **For more information: Eni for 2020 - Sustainability performance (pp. 27-28)**

Moreover, in 2020, Eni adhered to the "Together with Nature" principles, undertaking efforts guided by the recognition of the close link between climate change and biodiversity loss, to minimise risks and maximise efforts to protect and conserve existing ecosystems through the application of Nature-based Solutions, based on rigorous ecological principles.

View of an alluvial forest in the area of Kouilou, near M'Boundi, Congo



## Circular economy

The path to the transition towards a circular economy represents for Eni one of the main responses to the current environmental challenges, and it is based on the revision of the production processes and the management of assets, reducing the withdrawal of natural resources in favour of materials 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. For the implementation of the transition to the circular economy, the process of measuring circularity is a prerequisite as it is an essential tool for the management, control and transparency of the objectives. 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 recognised principles and validated by the third-party body Certiquality, which made use of the collaboration of the Scuola Superiore Sant'Anna in Pisa. 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. This model has been applied in 2020 to different contexts within the company including operational sites, processes and business units and a study has been launched to integrate it with environmental redevelopment projects in order to help increase their overall level of circularity.

[To learn more about Eni's strategy on the circular economy: Eni for 2020 - Carbon neutrality by 2050](#)

**"It is essential a new paradigm of development that makes us move from linear to circular growth to reduce waste, transform waste and give new life to what already exists."**

Claudio Descalzi

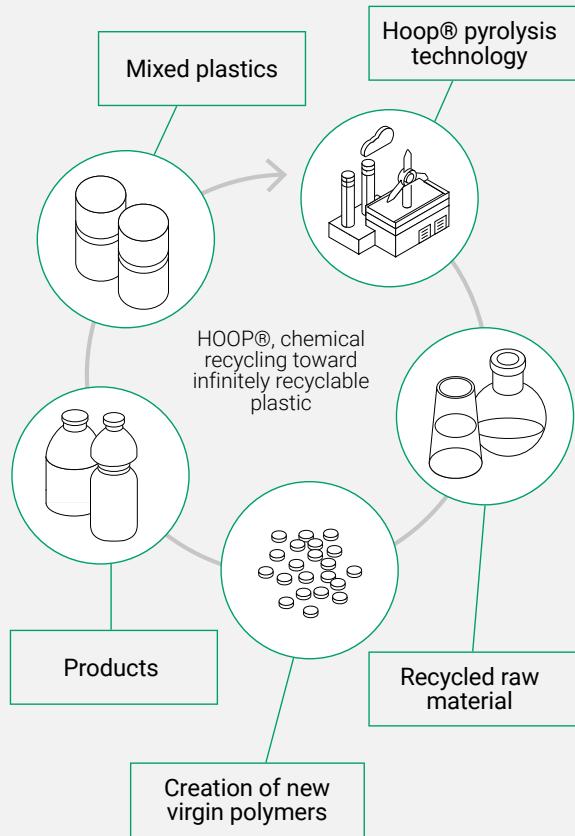


## Plastic recycling

The commitment to plastics recycling is a concrete example of the implementation of the principle of circular economy and, in this context, Eni, through its subsidiary Versalis, is active in the research and development of technologies both for mechanical recycling, currently the most widespread, and for chemical recycling, which is highly innovative. In terms of mechanical recycling, a product line (Versalis Revive®) has been developed from municipal and industrial waste in order to improve the characteristics of recycled plastic. These products have a better environmental performance, in terms of both carbon footprint and water use, than products made from virgin raw materials. Versalis is also engaged in experimenting with innovative chemical recycling technologies that overcome the limitations of mechanical recycling, including the impossibility of treating complex and contaminated waste. In particular, chemical recycling makes it possible to reconvert mixed plastic waste, currently destined for disposal (plasmix), into raw material for producing new polymers. For this purpose, in 2020, Versalis launched the Hoop® project, through a joint development agreement with the Italian engineering company Servizi di Ricerche e Sviluppo (S.R.S.), owner of a pyrolysis technology for chemical recycling, which makes it possible to transform mixed plastic waste into a raw material with the same qualities as virgin plastic and capable of being used in high-value applications, such as those in contact with food. To prevent marine pollution, Versalis is also involved in the "Operation Clean Sweep" project, which involves the entire value chain, and has joined the "Alliance to end Plastic Waste" to promote projects and implement concrete solutions to the problem of plastic waste in the sea. Finally, Versalis has joined the Circular Plastics Alliance initiative to actively contribute to the European target of using 10 million tonnes of recycled plastic in new products by 2025.

[For more information: versalis.eni.com](#)

### Chemical recycling



# Human rights



## Why is it important to Eni?

Respect for human rights is an integral part of Eni's culture, based on the dignity of every human being and on companies' responsibility to contribute to the well-being of individuals and of local communities. This approach, a prerequisite for a fair energy transition, is rooted in Eni's business model and it is guided by the Top Management, which diffuses it in the corporate culture. The effort starts from relations with employees and contractors and extends to those with local communities, governments, suppliers and commercial partners, as well as to security activities and workers' rights. This commitment is also confirmed by the adherence to the 10 principles of the Global Compact and by Eni's recognition among the Lead companies of the initiative.

## POLICIES AND OTHER REGULATORY TOOLS

Policies: "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", Code of Ethics, Eni's statement on respect for human rights, Supplier Code of Conduct.

## ORGANISATIONAL AND MANAGEMENT MODELS

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 (HRIA); Security Management System to guarantee respect for human rights in all Countries; Three-year e-learning training plan on human rights; Procurement process with assessment based on criteria inspired by the Social Accountability Standard (SA8000); JUST: initiative aimed at involving suppliers in the energy transition process.

### 2020 PROGRESS

### SHORT-TERM TARGETS (2021)

### MEDIUM-TERM TARGETS (2022-2024)

### LONG-TERM TARGETS (2030 AND BEYOND)

#### HUMAN RIGHTS MANAGEMENT MODEL

Application of the risk-based model to the renewable energy business; adoption of new due diligence models.

Extension to other business units; dissemination and updating of new due diligence models.

Extension of the model to the business areas; periodic review of the general system.

#### MANAGEMENT REMUNERATION LINKED TO HUMAN RIGHTS

18 objectives assigned to managers reporting to the CEO.

Continued widespread assignment of specific MBOs on human rights to Eni management at all levels and to subsidiaries.

#### TRAINING

28% increase in hours compared to 2019.

Continuation of human rights training campaign on the 4 specialist modules.

Updating training modules and launching new awareness campaigns.

Continuous updating of employees on human rights according to company strategies and needs.

#### SUPPLIERS

Publication and dissemination of the Supplier Code of Conduct; Due Diligence on human rights of the Procurement process.

Acceptance of the Code of Conduct by suppliers; gradual application of the model in the subsidiaries.

Application of the human rights model by all subsidiaries.

## Human rights governance

Eni's approach to human rights is embedded in its mission and is carefully explained in Eni's Statement on Respect for human rights, approved by the Board in December 2018, which highlights the priority areas of engagement and which is subject to in-depth due diligence, according to an approach developed in coherence with the United Nations Guiding Principles on Business and Human Rights (UNGPs). This commitment is reiterated in the Code of Ethics, renewed in 2020, and supported by the commitments required of suppliers to respect human rights in the Supplier Code of Conduct, also adopted in 2020. The Vision is based on the dignity of every human being and the responsibility of companies to contribute to the well-being of people and local communities, beyond obtaining a social licence to operate, as part of Eni's identity and its way of doing business. The path undertaken by Eni in recent years in disseminating and consolidating a culture of respect for human rights, based on the UNGPs, has led to the strengthening of human rights due diligence procedures, a process outlined in a specific internal regulatory document adopted in 2020. This process is based on an approach of shared responsibility between several functions for managing the most important processes in human rights risk management: human resources, procurement, security, and sustainability. Another important step in Eni's journey is the unanimous approval by the Voluntary Principles Initiative (VPI) Plenary of Eni's entry as an "Engaged Corporate Participant" in 2020. A detailed description of Eni's commitment and performance with respect to human rights can be found in "Eni for Human rights".

[For more information: Eni for Human rights](#)



**“** Now, more than ever, strengthening our commitment to respecting human rights is crucial to meet today's challenges. For us, respecting human rights means first and foremost recognising the value of each person, guaranteeing their dignity, safety and health, equal working conditions and, above all, promoting diversity.

**Claudio Descalzi**, Chief Executive Officer of Eni



## Eni in the Corporate Human Rights Benchmark assessment

CHRB is an initiative resulting from the collaboration between investors and civil society organisations to create the first public benchmark to assess companies' performance with respect to human rights, in line with UNGPs. The initiative annually compares the world's largest companies in the extractive, agricultural products, apparel, ICT, manufacturing and since 2020 automotive sectors. Due to the global pandemic, this year the companies taking part in the benchmark were judged on a restricted set of indicators related to the three pillars of the UNGPs. Eni confirmed its leadership in its approach to human rights, ranking first among the around 200 companies assessed by the CHRB in 2020, ex aequo with only one other company. The work carried out in recent years has enabled Eni to further improve its performance with a considerable increase in score, thanks to the strengthening of due diligence processes, monitoring and evaluation of the effectiveness of the actions taken to identify risks and deal with possible impacts, also with a view to constantly improving its approach, and the accessibility of this information.

In 2018, Eni published its Statement on respect for human rights

Eni publishes a dedicated annual report, "Eni for Human rights"

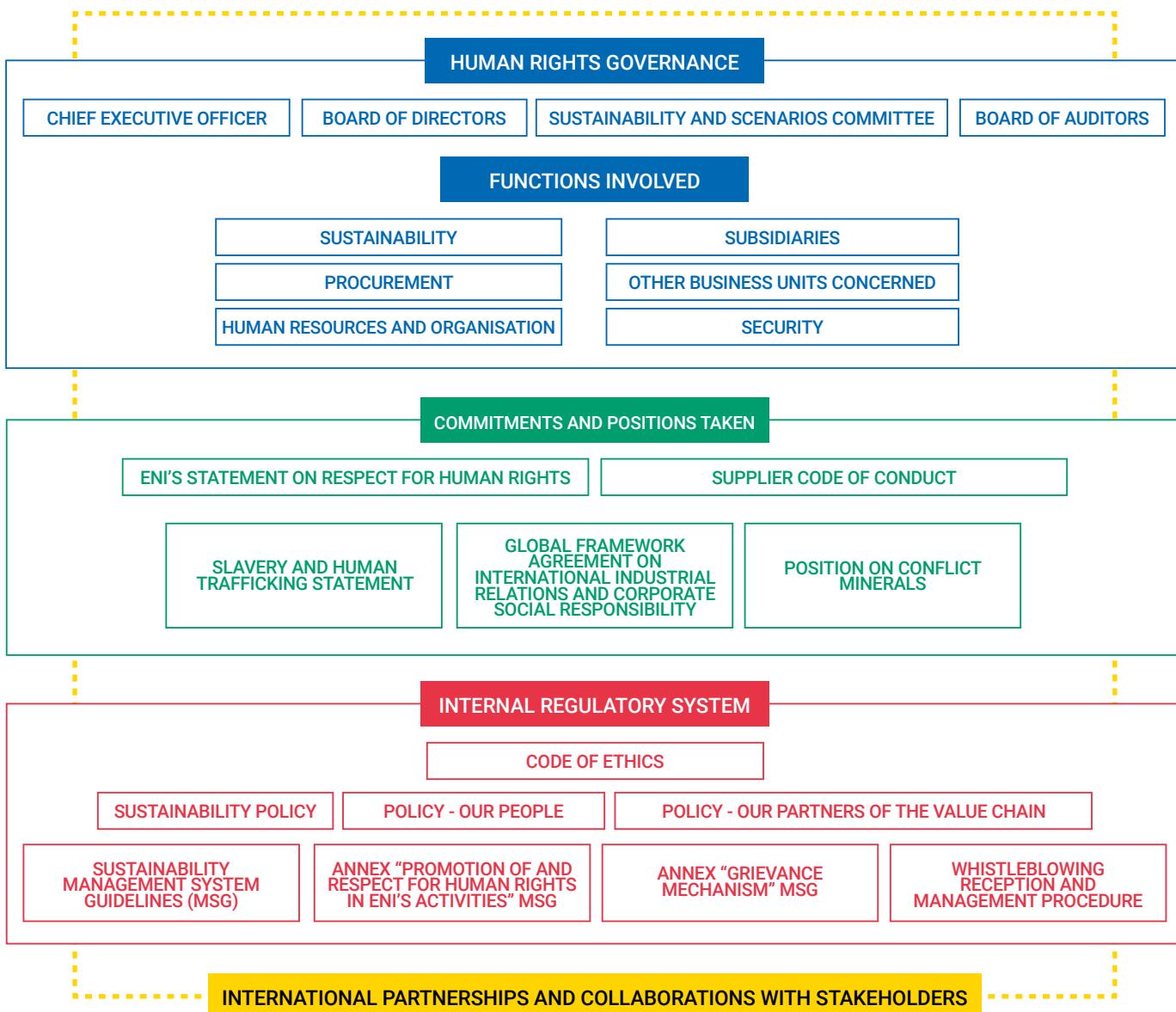
In 2020, Eni ranked first among the around 200 companies assessed by the Corporate Human Rights Benchmark (CHRB), ex aequo with only one other company

**100%**

Managers reporting directly to the CEO to whom a human rights target was assigned

Human rights are one of the issues on which the Sustainability and Scenarios Committee (SSC) makes proposals and provides advice to the Board of Directors. In 2020, the SSC reviewed the year's activities, including the implementation of the human rights due diligence model based on priority areas of intervention relating to Eni's salient human rights issues and the result achieved in the fourth edition of the Corporate Human Rights Benchmark (CHRB).

With the aim of defining roles and responsibilities, Eni has adopted a specific procedure that provides the internal framework for the human rights management model and defines the main guidelines for preventing human rights violations for all corporate functions. In 2020, the process of providing management with incentives linked to human rights performance was further strengthened by assigning specific targets to all 18 first reports to the CEO and more than 50 targets to other levels of management, including at subsidiary level. 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.



## Human rights training

In 2020, mandatory training continued for senior managers and middle managers (Italy and abroad) on the four specific modules of the course on human rights: (i) in the workplace; (ii) in the communities hosting Eni's activities; (iii) in security operations; (iv) in business relationships (with suppliers, contractors and other business partners). During the last year the participation rate of the course, in terms of number of enrolments, has been very positive. In addition to the specific course on human rights, other courses on sustainability and human rights issues are accessible to all employees, such as 'Sustainability in stakeholder, reporting and human rights', 'Sustainability and business integration' and courses on the SDGs. Finally, a training course on the new Code of Ethics, adopted in 2020, was launched through a video in which the CEO and the Director of the Integrated Compliance Department introduced the structure of the new Code and the main innovations.

**33,112**

Hours of human rights training  
+28% vs. 2019



## Salient human rights issues

The commitment of Eni, the management model and activities on human rights focus on the issues considered most significant for the company – also as requested by the UNGPs – in light of the business activities carried out and the contexts in which the company operates. During 2017, this set of themes, called salient human rights issues, had been identified by a cross-functional group on human rights and business, with the support from the Danish Institute for Human Rights, as part of a broader work study to analyse Eni's approach to human rights. The salient human rights issues identified by Eni are 13, grouped into 4 categories: (i) human rights in the workplace; (ii) human rights in business relationships (with suppliers, contractors and other business partners); (iii) human rights in security operations; (iv) human rights in communities hosting Eni's activities.

Since 2018, Eni has been implementing a risk-based model that makes use of elements linked to the reference context, such as the risk indices of the data provider Verisk Maplecroft, and to project characteristics, in order to classify upstream projects according to potential human rights risk and identify appropriate management measures. Higher-risk projects are specifically assessed through a Human Rights Impact Assessment (HRIA) to identify measures to prevent potential impacts on human rights and manage existing ones. During the 2019-2020 two-year period, Eni carried out in-depth analyses aimed at extending the management model adopted on human rights to specific business areas, with a view to constantly expanding the scope of the due diligence. The activities of the business areas traditional and bio refining, marketing of products and services for mobility and Energy Solutions (production of energy from renewable sources) have been the subject of specific analyses that made possible to identify improvement actions, that have been included in Eni's action plan on human rights; however the list of salient issues remained unchanged.

Since 2018, Eni has had a risk-based model to classify upstream projects according to potential human rights risk and identify appropriate management measures

### HUMAN RIGHTS SALIENT ISSUES FOR ENI, SHARED IN 2020 WITH OUTSIDE STAKEHOLDERS AND LEADING EXPERTS

#### Human rights in the workplace

- Discrimination and equal treatment
- Safe and healthy working conditions
- Freedom of association and collective bargaining

#### Human rights and security

- Excessive use of force by public and private security forces
- Employee safety in high-risk environments

#### Human rights in the supply chain

- Modern slavery
- Migrant workers
- Freedom of associations and collective negotiation
- Safe and healthy working conditions
- Working conditions (wages and working hours)

#### Human rights in the communities

- Land rights
- Environmental impacts that affect livelihood, health, availability of water
- Decommissioning

### ACCESS TO REMEDIAL MEASURES

In possible cases of violation: for the process of managing whistleblowing reports, including anonymous ones, by employees or third parties  
For more information: Eni for 2020 - Sustainability performance (p. 34), for grievance mechanism see p. 84

**New industrial relations protocol "Insieme" signed in 2020 by Eni and Italian trade unions to support the energy transition process**

## Human rights in the workplace: industrial relations

Respecting the rights of the people who work within Eni and for Eni is essential to build mutually satisfactory and long-lasting relations. Eni's industrial relations model is based on agreements that identify how to share information with organisations representing workers, defined at national and international level: among these there are two European bodies, the European Works Council and the European Observatory for the Health and Safety of Workers at Eni, and a global one, the Global Framework Agreement on International Industrial Relations and Corporate Social Responsibility (GFA) renewed in 2019. The GFA, which is the result of collaborations with the main Italian trade union organisations and IndustriALL Global Union<sup>7</sup>, encloses a series of commitments to comply with the main international regulatory references<sup>8</sup>. With this agreement, Eni and the signatory trade unions have confirmed their joint commitment to promoting sustainable development and raising awareness among direct and indirect employees about respect for human and labour rights. The new industrial relations protocol "Insieme" (Together), signed in 2020 by Eni and the Italian trade unions to support the energy transition process, is also moving towards a more sustainable model in terms of business and people.



**Definition of a human rights risk assessment in the workplace model**

## Model of human rights risk assessment in the workplace

In 2020, a model for assessing human rights risk in the workplace was implemented as a pilot project on some subsidiaries. It is a "risk-based" model aimed at segmenting Eni companies on the basis of specific quantitative and qualitative parameters that capture the specific characteristics and risks of the Country/operating context and linked to the human resources management process, including the fight against all forms of discrimination, gender equality, working conditions, freedom of association and collective bargaining. This approach identifies possible areas of risk, or improvement, for which specific actions should be defined and monitored over time. During 2021, the model will be extended to the other subsidiaries of the upstream business by expanding the assessment of human rights risk in the workplace.

### HEALTH EMERGENCY

#### Eni's industrial relations model in relation to the management of the SARS-CoV2 emergency

Eni's consolidated model of industrial relations made it possible, in relation to the management of the SARS-CoV2 emergency, to identify common paths with the reference trade unions, to share information and action plans aimed at containing the effects of the pandemic in the workplace. In Italy, this approach took concrete form in the signing with the Italian trade unions of the "Shared protocol regulating the measures to contrast and contain the spread of the COVID-19 virus in workplaces", containing a series of provisions to protect the health of employees, including the establishment of the "Committee for the application and verification of the rules of the protocol", a body with joint company and trade union representation, which met periodically to analyse the situation at national and international level. Within the framework of the European Works Council activities, Eni maintained a constant flow of information to the workers' representatives, also holding a meeting of the relevant Restricted Committee, in which the main evidence relating to emergency management was analysed. With regard to the GFA's scope of competence, Eni fed the communication channel to IndustriALL Global Union, co-signatory of the Agreement itself, periodically providing an overview of the measures adopted at global level to address the crisis situation.

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

8) The reference regulatory instruments include: the United Nations Universal Declaration of Human Rights, the International Labour Organisation (ILO) conventions directly applicable to Eni's activities, the OECD Guidelines for Multinational Enterprises, the principles of the Global Compact of the United Nations, the ILO Declaration on Multinational Enterprises, as well as the United Nations Guiding Principles on Business and Human Rights (UNGPs), the Declaration on the Elimination of All Forms of Discrimination against Women, the Declaration of the Rights of the Child, the International Covenant on Civil and Political Rights.

## Human rights and security

Eni manages its own security operations in compliance with international principles, including the Voluntary Principles on Security & Human Rights. 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 system of rules and instruments to assure that: (i) contractual terms comprise provisions on respect for human rights; (ii) security force providers are selected also on the basis of human rights criteria; (iii) security operators and supervisors receive adequate training on the respect for human rights; and (iv) the events considered most at risk are managed in accordance with international standards.

97%

## Security contracts containing clauses on human rights in 2020

## Main activities and initiatives implemented in 2020

<b>Activities related to the adherence to the Voluntary Principles on Security and Human Rights (VPSHR)</b>	<p>Exchange of information and co-operation with the VPSHR Secretariat; regular participation in initiatives organised by VPI (e.g. Verification Presentation on VPSHR Implementation, webinars, forums) and calls dedicated to Eni with the VPI Secretariat.</p>
<b>Launch of the human rights due diligence model in the security field</b>	<p>A model that identifies, analyses and prioritises the risk of negative impact on human rights in security activities and assesses the use of appropriate preventive or remedial measures, formalised in the strategic document "Security &amp; Human Rights Action Plan", which provided for: (i) random review of the security contracts in place in the first 10 Countries resulting from the Risk-Based Model to verify the presence or absence in them of Human Rights clauses; (ii) verification of the allocation/use of Security goods 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 &amp; Human Rights" in Angola.</p>
<b>Support for security and human rights awareness-raising activities</b>	<p>Support to subsidiaries through regulatory updates, newsletters and reports related to human rights and security; an information package for security professionals to share and use in their local environments.</p>



## Security and human rights training program

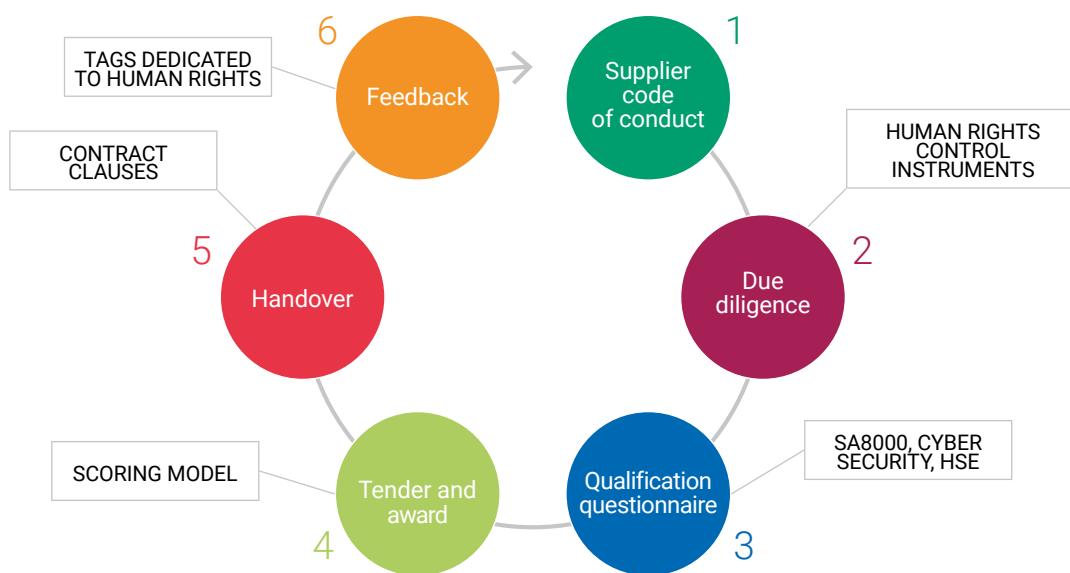
On 29 October 2020, a training workshop on Security and Respect for Human Rights was held in Angola, attended by 32 representatives of public and private security forces in Luanda; the event was also attended, both in person and remotely, by around 100 other people, including Eni management and employees, other oil companies and NGOs. The workshop was divided into two face-to-face sessions: one dedicated to senior officers of the Armed Forces (Army Special Forces, Navy), the Angolan Police with the participation of other oil majors present in Angola; another dedicated to private security operators who carry out their activities at Eni sites. The Angola initiative is part of a broader training project launched in 2009 to promote corporate best practices that incorporate the international principles established by the United Nations in the Universal Declaration of Human Rights; international principles that are referred to in the Voluntary Principles Initiative and that inspire Eni's statement on respect for human rights in all the Countries in which the company operates. This project was also recognised as a best practice in the joint UN Global Compact and Principles for Responsible Investment (PRI) publication of 2013. To date, workshops have been successfully held in 14 Countries around the world, confirming Eni's commitment to protecting people's safety, respecting local communities and engaging in a constant dialogue with authorities and local security operators.



## Management of suppliers and business partners

The promotion and protection of human rights in the supply chain is ensured through the adoption of transparent, impartial, consistent and non-discriminatory behaviour based on a model for assessing and monitoring respect for human rights, developed according to a risk-based approach, in order to identify, prevent and mitigate the risks of violations of the rules on the protection of human rights throughout the procurement process. The risk-based approach allows the segmentation of qualified suppliers according to potential Country and product risk. Suppliers assessed in the human rights area carry out activities directly related to Eni's needs, both industrial and civil. This model makes it also 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.

### Control measures to ensure respect for human rights in the procurement process



**1) Supplier Code of Conduct:** published in 2020, it sets out the principles contained in the Code of Ethics for suppliers who are required to sign it during the self-application/qualification or awarding of contracts, recognising and protecting the value of people and the prohibition of any kind of discrimination.

**2) Due diligence:** introduction of keyword search strings dedicated to possible human rights violations in the reputational analysis of counterparties. To support due diligence on human rights, Eni has implemented a risk-based model to segment qualified suppliers according to a potential risk of human rights violations in consideration of the risks related to the Country and the activities carried out.

**3) Qualification questionnaire:** verification of professionalism, technical-operational capacity, ethical, economic and financial reliability, health, safety, environmental protection, respect for human rights, by filling in a special section inspired by the SA8000 standard and cyber security to minimise the risks inherent in working with third parties.

**4) Tender and award:** definition of any minimum human rights requirements necessary for the evaluation of bids (scoring model) and the subsequent award of the tender. Strengthening of contractual clauses guaranteeing respect for human rights, including the possibility of specific audits of the supplier's activities.

**5) Handover:** transmission to the contract manager of all relevant information, including the indication of the contractual clauses protecting human rights, in order to allow actions aimed at the optimal management of the contract also in relation to the protection of human rights.

**6) Feedback:** if critical issues are identified, improvement actions are requested or, if minimum standards of acceptability are not met, limitations or inhibitions are placed on the invitation to tender. Inclusion of dedicated tags in the system, in order to periodically detect which reports have led to action being taken against the supplier and in respect of which human rights violations.

To ensure that suppliers maintain their qualification requirements over time, they are continuously monitored and periodically required to undergo the entire evaluation process again. In 2020, 5,655 suppliers were also audited and assessed on environmental and social sustainability issues. Of these, for 15% potential problems and/or areas for improvement have been identified, which in 85% of the cases did not compromise the possibility of engaging the supplier. Further actions to counter modern forms of 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<sup>9</sup>" and in the "Position on conflict minerals<sup>10</sup>". [For more information: eni.com](#)

#### Main initiatives in 2020, aimed at involving suppliers in the energy transition process

<b>JUST Initiative</b> <a href="#">For more information: eni.com</a>	Initiative aimed at involving suppliers in Eni's fair and sustainable energy transition path, enhancing the aspects of environmental protection, economic development and social growth at every stage of the procurement process.
<b>eniSpace supplier portal</b> <a href="#">For more information: esupplier.eni.com</a>	A collaborative environment between Eni and its current and future suppliers, where they can keep up to date on Eni's business initiatives, share common goals and best practices, stimulate ideas, work and grow together in the energy transition path.
<b>Open-es platform</b> <a href="#">For more information: eni.com</a>	Digital platform, developed in partnership with Google and Boston Consulting Group (BCG), open and dedicated to all suppliers interested in embarking on the path of fair and sustainable energy transition, with the aim of pooling and exploiting information, best practices and sustainability models across the entire ecosystem of companies, in a collaborative and non-competitive spirit, for common growth on the four pillars of sustainability (People, Planet, Prosperity and Governance Principles), fundamental for the present and future. This platform is based on a standard ESG data model, according to the core metrics defined in the WEF initiative "Measuring Stakeholder Capitalism", with a simple, flexible approach suitable for all realities present in the energy industry chain, from SMEs to big players.

#### HEALTH EMERGENCY

##### Supply chain resilience during the health crisis

With the health emergency, Eni found itself having to respond promptly to a double challenge: i) ensuring the safe continuation of operations for its own people and contract staff, and ii) ensuring supply chain resilience during the health and economic crisis. Eni has set up a task force to meet internal procurement needs (e.g. masks, protective glasses, gloves, thermoscanners, services for the return of expatriates) and in support of the National Health Service (e.g. medical devices and equipment) as part of the broader program launched to support the Country ("Eni with Italy"). Further actions have also been implemented, such as: i) the establishment of an airlift with China through cargo charters dedicated to Eni and used to transport masks and medical supplies; ii) constant monitoring of the global supply market, which has been impacted by the emergency and is often unable to respond to growing needs with the quality and timeliness required, identifying over 100 companies of potential interest; iii) recourse to domestic supplies, as soon as production of locally produced materials becomes available, also in order to reduce procurement and logistics risks.

Finally, Eni's response to the crisis has also involved supporting its supply chain with targeted actions such as: (i) renegotiation of contracts, ensuring greater flexibility and efficiency and identifying contractual forms capable of sustaining employment levels where possible; (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.

Eni has set up a task force to meet internal procurement needs and to support the National Health Service

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

10) Compliance with US SEC regulations.

# Transparency, anti-corruption and tax strategy



## Why is it important to Eni?

To improve the governance and transparency of the extraction sector, it is essential to promote a good use of resources and to prevent corruption phenomena. Repudiating corruption has been one of the fundamental ethical principles of Eni's Code of Ethics since 1998 and for this reason Eni adopted a comprehensive system of rules and controls for the prevention of corruption offences (the Anti-Corruption Compliance Program).

### POLICIES AND OTHER REGULATORY TOOLS

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

### ORGANISATIONAL AND MANAGEMENT MODELS

Model 231; Eni SpA Anti-Corruption Compliance Program, certified in accordance with the ISO 37001:2016 standard; Anti-Corruption Unit located in the "Integrated Compliance" function reporting directly to the CEO; Eni participation in local EITI multi stakeholder group activities.

#### 2020 PROGRESS

#### SHORT-TERM TARGETS (2021)

#### MEDIUM-TERM TARGETS (2022-2024)

#### LONG-TERM TARGETS (2030 AND BEYOND)

### EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (EITI)

Participation in the work of the Board Meeting and consultations organised by the Supporting Companies Constituency.

Organization of training plans for the subsidiaries recently admitted as member Countries and/or are in the application process to join the initiative.

Strengthening interaction and engagement with the International Secretariat, Board and EITI Working Committees.

Recognition of Eni as a best practice in fiscal transparency with the voluntary publication of the Country by Country report.

Supporting subsidiaries in members Countries on specific emerging issues.

Promotion of the active role of the subsidiaries in the implementation of EITI in the members Countries and to take part in the initiatives undertaken at local level in the potential upcoming accession Countries or that might be new members Countries.

### ANTI-CORRUPTION COMPLIANCE PROGRAM

Confirmation of ISO 37001:2016 "Anti-bribery management system" certification.

Update of the Anti-Corruption MSG; Successful passing of the surveillance audit required to maintain the ISO 37001: 2016 "Anti-bribery management systems" certification.

Continuous updating and improvement of the Anti-Corruption Compliance Program; Maintenance of the ISO 37001: 2016 "Anti-bribery management systems" certification.

### ANTI-CORRUPTION TRAINING

The methodology for segmentation of Eni people on the basis of corruption risk is now fully implemented.

Updating of the basic online anti-corruption training course that will feed into the new e-learning on Code of Ethics and its delivery.

Delivery of the basic online anti-corruption training course that will be incorporated into the new e-learning on Code of Ethics, which is mandatory for all Eni personnel.

In order to improve the governance and transparency of the extractive sector and to contribute to increasing the awareness of local communities – by stimulating governments to publish more complete information on payments, investments and revenues generated by Oil & Gas activities – Eni adheres as a supporting company to EITI (Extractive Industries Transparency Initiative), the global multi-stakeholder initiative that promotes the responsible and transparent use of financial resources generated in the extractive sector, and publishes specific reports on the disclosure of payments to governments, profits and taxes. Moreover, in line with disclosure on beneficial ownership, Eni publishes its corporate structure in its Annual Report.

<b>Membership of the Extractive Industries Transparency Initiative (EITI) since 2005</b>	In the area of the commitment with EITI, Eni follows the activities conducted at international level and in member Countries contributes annually to preparation of the Reports; 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, the Eni subsidiaries interface with the local EITI Multi Stakeholder Groups through the trade associations present in the Countries. <a href="#">For more information: EITI.org</a>
<b>Report on payments to Government</b>	Annual publication in compliance with the reporting obligations introduced by the Directive EU 2013/34 (Accounting Directive) and in line with the EITI standard.
<b>Country-by-Country Report (CbC)</b>	Drafting of the annual report in accordance with Italian Law No. 208/2015, in line with Action 13 of the OECD project and supported by the G20 to counter "tax base erosion and profit shifting" by multinational companies. The CbC contains data on business volumes, profits and taxes aggregated with reference to the jurisdictions in which Eni operates, which constitutes an information obligation towards the Italian tax authorities. Although there are no obligations to disclose this information, in order to maximise its own transparency in the taxation field, Eni publishes the CbC Report every year; The publication of this report has been recognised as best practice by the EITI. <a href="#">For more information: EITI.org</a>
<b>Tax Strategy</b>	Preparation of the Guidelines in the Tax strategy guidelines that define the commitments pursued by Eni from the taxation viewpoint, approved by the BoD and available on eni.com. The tax strategy is based on the principles of transparency, honesty, fairness and good faith set forth in the Code of Ethics and in the "OECD Guidelines for Multinational Enterprises" and has as its primary objective the payment of taxes in the various Countries in which Eni operates, in the knowledge that it can contribute significantly to tax revenues in those Countries, supporting local economic and social development. <a href="#">For more information: eni.com</a>
<b>US SEC consultation</b>	Eni has participated to a SEC consultation on the rule proposed to implement Section 1504 of the Dodd-Frank Act and relating to the disclosure of payments to governments, declaring itself favourable to the alignment of regulatory standards on transparency and to the guarantee of a "level playing field".



## Eni's position on contractual transparency

The new EITI standard, launched in 2019, has introduced significant changes in reporting and, in particular, on contract transparency; under this standard, all EITI member Countries will have to "publicly disclose contracts and licences granted, entered into or amended after 1 January 2021".

The aim of this new requirement is to contribute to greater transparency in the management of natural resources and to strengthen the trust of communities, stakeholders and investors in governments and companies, allowing civil society to monitor and oversee the terms of these agreements, the expected revenues and the related social and environmental obligations.

Eni, in line with its commitment to transparency and participation in the EITI multi-stakeholder initiative as a supporting company, has expressed its position in favour of contract transparency, encouraging governments to comply with the new standard on contract publication and expressing its support for mechanisms and initiatives that will be launched by Countries to promote transparency in this area.

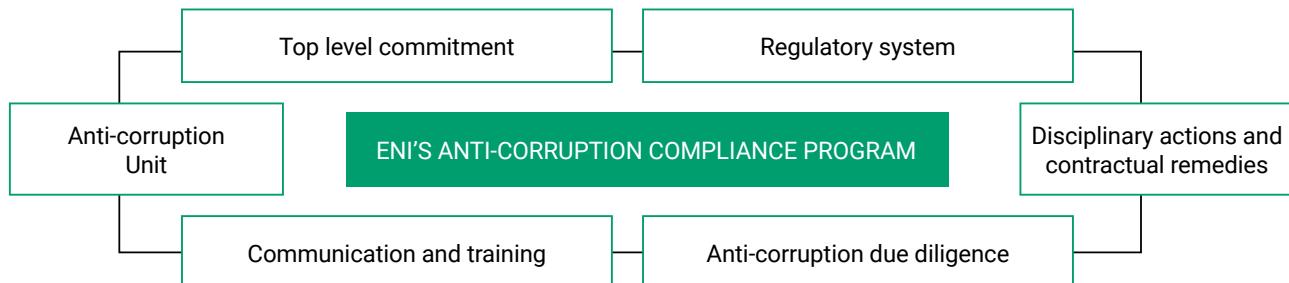
[For more information: eni.com](#)

**Eni expressed its position in favour of contractual transparency**

**Eni SpA Anti-Corruption  
Compliance Program  
is certified ISO  
37001:2016 "Anti-bribery  
management systems"  
since 2017**

## Eni's Anti-Corruption Compliance Program

Consistently with the "zero tolerance" principle expressed in the Code of Ethics, Eni adopted a comprehensive system of rules and controls for the prevention of corruption offences: the Anti-Corruption Compliance Program. The Anti-Corruption Compliance Program, which was drawn up in accordance with applicable anti-corruption provisions and international conventions, including the United Nations Convention against Corruption, the Foreign Corrupt Practices Act and the UK Bribery Act, is characterised by its dynamism and constant attention to the evolution of the national and international regulatory landscape and best practices. The primary internal legislation is represented by the Anti-Corruption Management System Guidelines and by further detailed regulatory instruments which constitute the reference framework for identifying activities at risk and the control tools that Eni makes available to its staff to prevent and combat the risk of corruption. All subsidiaries, in Italy and abroad, adopt, by resolution of their BoD, all the anti-corruption regulatory instruments issued by Eni SpA. In addition, companies and entities where Eni holds a non-controlling interest are encouraged to comply with Eni's anti-corruption standards by adopting and maintaining an adequate internal control system consistent with the requirements of relevant laws. The implementation of the Anti-Corruption Compliance Program has been guaranteed, since 2010, by a dedicated organisational structure (Anti-Corruption Unit) which provides specialist anti-corruption assistance in relation to the activities of Eni SpA and its subsidiaries, with particular reference to the assessment of the reliability of potential counterparties at risk ("anti-corruption due diligence"), the management of any critical issues/red flags that emerge and the development of the relevant 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 regulations. The main anti-corruption activities and information on the related regulatory instruments issued or updated during the reporting period are the subject of periodic reports addressed to Eni control bodies and the Chief Financial Officer.




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**904**

Participants in general workshops

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**568**

Participants in job-specific training

## Anti-corruption training

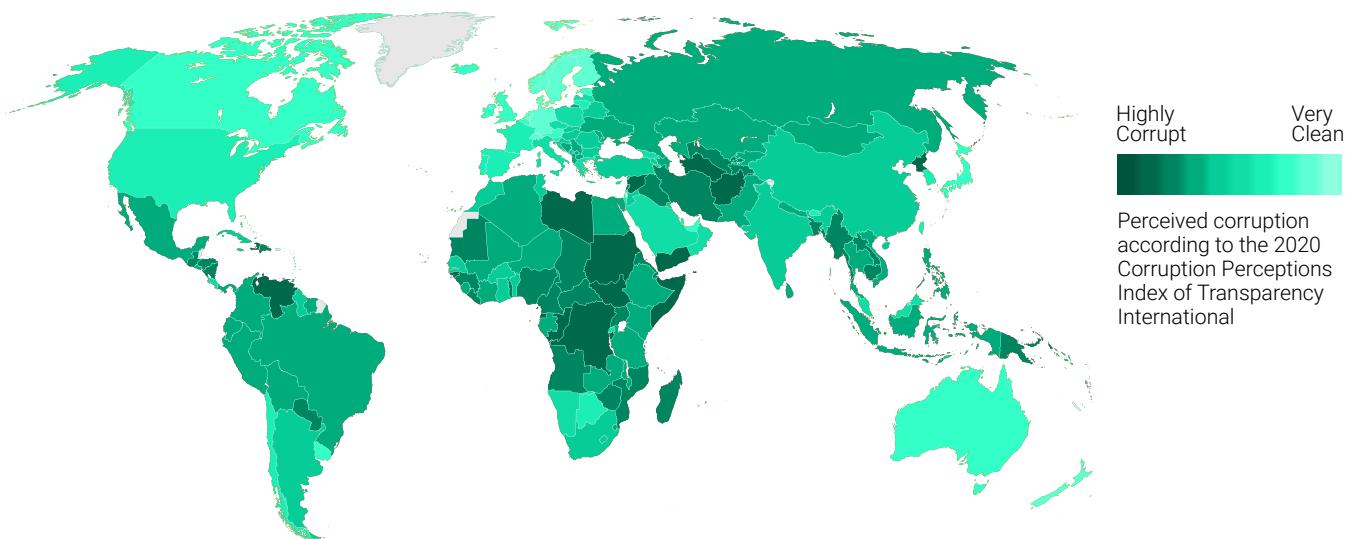
Another pillar of the program is represented by the anti-corruption training activities:

- e-learning courses, online courses for the entire corporate population;
- general workshops, training sessions for resources at mid-high corruption risk;
- job specific training, training sessions generally administered together with the general workshops and intended for professional areas under specific risk of corruption.

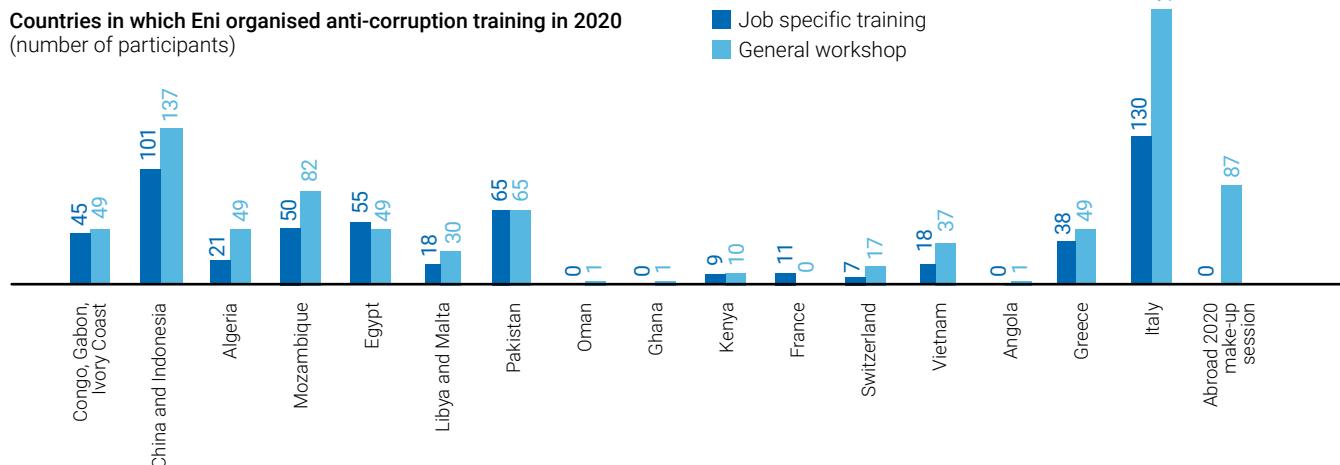
To optimise the identification of the recipients of training initiatives, a methodology was defined for a systemic segmentation of Eni personnel on the basis of the level of corruption risk they are exposed to according to specific risk drivers such as Country, qualification, professional family. In addition, periodic information and updating activities continued through the preparation of short information briefs on compliance, including any anti-corruption issues. Due to the emergency, the 2020 training events were carried out in distance mode with the continuation of regular information and update activities on compliance and anti-corruption issues. In 2020, on the occasion of the inauguration of the new Eni Board of Directors, the key elements of the Anti-Corruption Compliance Program were illustrated for training purposes, also in terms of its consistency with international best practices. In addition, the anti-corruption training program continued for certain categories of Eni's third parties to raise their awareness of recognising

corrupt behaviour and how to prevent violations of anti-corruption laws in their professional activities. Eni's anti-corruption experience also matures through participation in international events and working groups, which represent a tool for growth, promotion and dissemination of its values. In this regard, it is worth mentioning Eni's participation in the Partnering Against Corruption Initiative and in the O&G ABC Compliance Attorney Group (a discussion group on anti-corruption issues in the Oil & Gas sector).

#### 2020 Corruption Perceptions Index



**Countries in which Eni organised anti-corruption training in 2020**  
(number of participants)



#### Whistleblowing management

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 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 the eni.com.

74

Whistleblowing report opened in 2020

22

Files for which the verifications have confirmed at least in part the content of the whistleblowing reports and appropriate corrective actions have been taken

# Alliances for development

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The outbreak of the health emergency triggered an unprecedented crisis, affecting the poorest and most vulnerable people in the world, and hindering progress towards the SDGs.

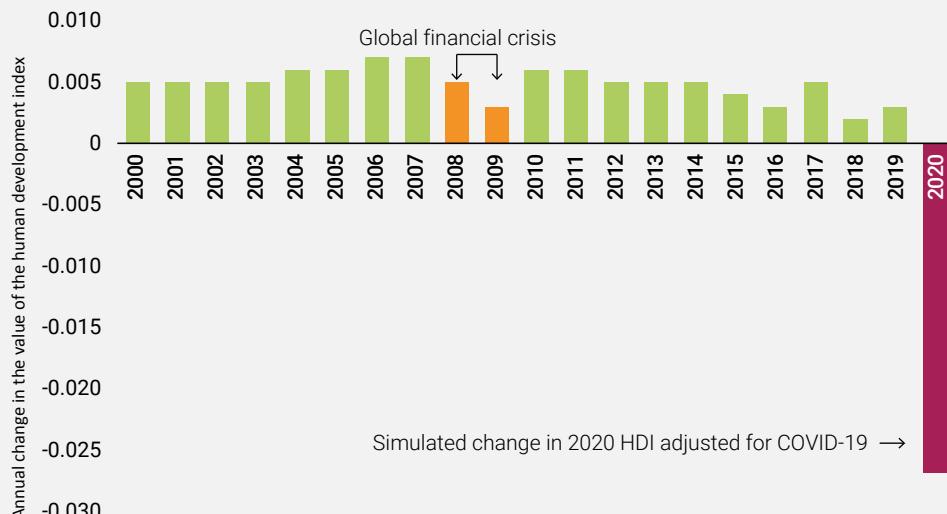
In 2020, Eni has increased its efforts towards a just energy transition that combines the need to reduce carbon footprint with the need for community development by reinforcing resources in the Countries where it operates, allocating gas production to the local market, promoting access to energy and supporting the definition of Local Development Programmes (LDPs). To address the health emergency, Eni has taken immediate action, in collaboration with local authorities, to reorient local development projects to better meet primary needs of the most vulnerable populations. In order to meet development challenges, partnerships with international development cooperation agencies and organisations have become increasingly important as an effective lever to mobilize resources that are not exclusively economic and to contribute to the development of Countries.

## SCENARIO ELEMENTS: CHALLENGES AND OPPORTUNITIES

### The unprecedented shock caused by COVID-19 pandemic for human development

In 2020, the Human Development Index (HDI) may have suffered the worst setback in a generation due to the COVID-19 emergency: the decline would be equivalent to erasing all the progress in human development of the past 6 years. The HDI is a summary measure that encompasses the standards achieved by Countries in three key dimensions of human development: the ability to lead a long and healthy life, the level of education and a decent standard of living. The HDI is the geometric mean of the normalised indices for each of the three dimensions.

Source: The 2020 Human Development Report, UNDP



### Impact of COVID-19 on multidimensional poverty

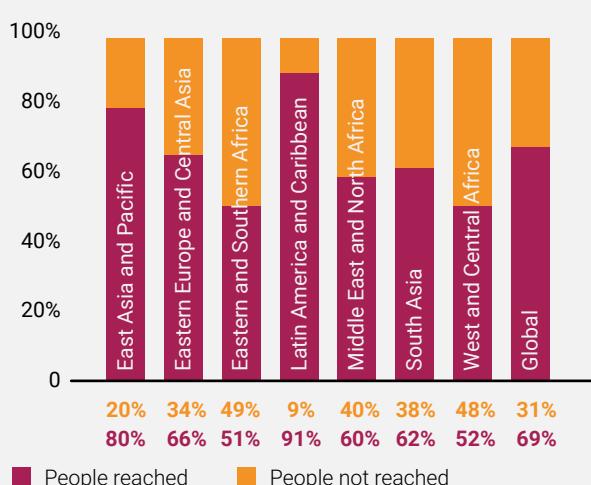
## 8-10 years setback

Potential progress setback on poverty reduction across 70 Countries

OPHI has developed scenario-based simulations of the possible impacts of the COVID-19 pandemic on the multidimensional global poverty index (MPI), a measure of acute poverty in over 100 developing Countries. The measure is complementary to traditional monetary poverty measures and is based on the identification of severe and simultaneous deprivations in health, education and standard of living.

Source: Oxford Poverty and Human Development Initiative (OPHI), and United Nations Development Programme (UNDP) Human Development Report Office.

### The potential scope of remote learning

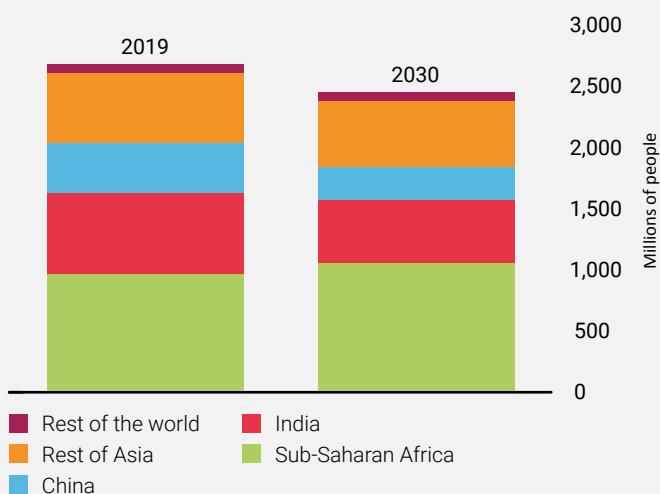


■ People reached      ■ People not reached

The graph represents the percentage of students potentially reached/not reached by digital remote learning policies, by region (pre-primary to upper school). At least 463 million - or 31% - of students cannot be reached by digital distance learning programmes put in place to counteract school closures.

Source: United Nations Children's Fund, "COVID-19: Are children able to continue learning during school closures? A global analysis of the potential reach of remote learning policies using data from 100 Countries." UNICEF, New York, 2020.

### People without access to clean cooking



■ Rest of the world      ■ India      ■ Sub-Saharan Africa

■ Rest of Asia      ■ China

In the Stated Policies Scenario (STEPS), there is a slowdown in progress during 2020 and 2021, which means that by 2030 there will be around 2.4 billion people without access to clean cooking, around 60 million more than in the previous year. Sub-Saharan Africa, in particular, would see the situation worsen, with 1.1 billion without access to clean cooking.

Source: IEA (2020) World Energy Outlook. All rights reserved.

# Eni as a local development actor



## Why is it important to Eni?

The distinctive element of Eni's cooperation model in Countries of presence, particularly in non-OECD Countries, is the application of the 'Dual Flag' strategy. This approach translates into constant interactions with local institutions and stakeholders to identify the initiatives necessary to meet the needs of the communities and to lay the foundations for new growth opportunities for the Country and for Eni's business activities. Thanks to the definition of specific Local Development Programmes (LDPs), Eni invests in initiatives for energy access, economic diversification, training, community health, access to water and sanitation, and land protection in line with the Country's national or regional development strategies, with the 2030 Agenda of the United Nations and with the Nationally Determined Contributions (NDCs). The development strategies in the Countries are strengthened by the establishment of public-private partnerships and alliances with committed local and globally recognised actors who, by pooling not only economic resources but also know-how and experience, contribute to improving the initiatives identified and achieving the SDGs.

## POLICIES AND OTHER REGULATORY TOOLS

Policies: "Sustainability", "Alaska Indigenous People"; Eni Statement on Respect for human rights; Code of Ethics.

## ORGANISATIONAL AND MANAGEMENT MODELS

Presence of sustainability contact persons at local level, to define development programs for local communities in line with national development plans, integrating business processes; Application of ESHIA process in all business projects; Stakeholder Management System Platform for managing and monitoring relations with local stakeholders; Process for managing sustainability in the business cycle and design specifications according to international methodologies (e.g. Logical Framework).

### 2020 PROGRESS

### SHORT-TERM TARGETS (2021)

### MEDIUM-TERM TARGETS (2022-2024)

### LONG-TERM TARGETS (2030 AND BEYOND)

## LOCAL DEVELOPMENT PROJECTS

**Access to energy:** 9,445 households accessing clean cooking technology.  
**Education:** 4,526 students attending schools that were renovated and with services improved by Eni.

**Access to energy:** 4,100 households accessing clean cooking technology.  
**Education:** 6,180 students attending schools that were renovated and with services improved by Eni.

**Access to energy:** 11,300 households accessing clean cooking technology.  
**Education:** 61,125 students attending schools that were renovated and with services improved by Eni.

**Access to energy:** Ensuring access to modern energy, in particular clean cooking, for local communities.  
**Education:** Ensuring access to quality and inclusive education for students from local communities.

## HUMAN RIGHTS IN COMMUNITIES

Defined a new Human Right Risk Analysis methodology to be applied to industrial projects.

Carrying out two pilot projects for the application of the new methodology.

Full implementation of the new methodology in relevant projects.

## INVESTMENTS IN LOCAL DEVELOPMENT

€96.1 million invested in 2020 for local development.

€109.4 million invested in local development.

€243.9 million invested in local development.

Contributing to the promotion of development interventions for local communities.

## Integrating sustainability into business

From the first entry into a Country or new territory to the decommissioning phase, Eni adopts tools and methodologies, in line with the main international standards, ensuring a more efficient and systematic decision-making approach in order to contribute to the development of host Countries, in line with the Sustainable Development Goals (SDGs). This approach improves the sustainability of industrial activities throughout the business cycle.

The analysis of the socio-economic context, that accompanies in an ever deeper manner the business design stages, allows Eni to know local needs and hence to define the sectors of intervention to prioritise. These priorities translate into objectives in the four-year Strategic Plan, aimed at contributing to the achievement of the SDGs, including through the application of the following principles:

1. **the knowledge of the Country context** from the socio-economic, environmental and cultural viewpoint, with the use of internationally recognised tools that are also applied at the sub-national level, such as the global Multidimensional Poverty Index (MPI)<sup>11</sup>;
2. **the constant and two-way relationship with local stakeholders**, directly and/or indirectly involved, to analyse their requests and any grievances, understand local needs and consolidate mutual trust; [see p. 84](#)
3. the assessment and **mitigation of the potential impacts of the activities** to identify critical issues, opportunities, risks from the socio-economic and environmental standpoint, including respect for and promotion of human rights;
4. the definition and implementation of **Local Development Programmes (LDPs)** consistent with the Country Development Plans, the 2030 Agenda, the Nationally Determined Contributions and local needs analysis; [see p. 84](#)
5. the assessment and measurement of local development generated ("learn and adapt") through the use of instruments and methodologies either internationally recognised and adopted by Eni, such as the logical framework approach, the results-based management approach and project cycle management, or developed directly by Eni in collaboration with academic institutions such as the Eni impact tool and the Eni Local Content Evaluation.

[see p. 94](#)

This approach is based on collaborations with institutions, cooperation agencies and local stakeholders to identify the interventions necessary to meet the communities' needs in line with the National Development Plans and the 2030 Agenda of the United Nations. [see p. 80](#)

The approach to development in Countries where Eni operates responds to the needs of communities in line with National Development Plans and the UN 2030 Agenda

Knowledge of socio-economic, environmental and cultural aspects of host Countries

1

Relations with stakeholders and mapping of requests and grievances

2

Assessment of impacts to identify local development opportunities and risks

3

Definition of local development projects

4

Assessment and measurement of local development generated

5

LEARN AND ADAPT

PRE-ACQUISITION

ACQUISITION

EXPLORATION

DEVELOPMENT

PRODUCTION

DECOMMISSIONING

<sup>11</sup>) The MPI measures multidimensional poverty in over 100 developing Countries, measuring acute deprivation in health, education and living standards. Source: Oxford Poverty and Human Development Initiative (OPHI), and United Nations Development Program (UNDP) Human Development Report Office.

## Integrating Sustainable Development Goals into planning and strategies

The issues related to the Sustainable Development Goals (SDGs) are acquiring an increasingly important role also in the approval phase of an investment. In 2020 Eni has set itself the objective of systematising qualitative and quantitative information on the SDGs, in order to integrate these aspects into its planning, monitoring and reporting processes. The analysis focused on a sample of upstream investments: the Area 1 project (Mexico), as an example in which Eni is the operator and the Dalma project (United Arab Emirates), in which Eni is present within the Joint Venture as a non-operator.



In 2020, a pilot study was carried out to analyse qualitative and quantitative information related to the SDGs within the framework of the Area 1 Project in Mexico

### Application of the analysis to the Project Area 1 in Mexico CONTEXT

Eni holds a 100% interest in the Area 1 (67 km<sup>2</sup>), in the Gulf of Mexico, 200 km west of Ciudad del Carmen, where development work is underway on the Amoca, Miztón and Tecalli fields. The development plan provides for a total of 2.1 billion barrels of oil equivalent. In 2019, Eni launched the early production phase of the Miztón field and the full production phase is scheduled to start in 2022, with the installation of the first platform of the Amoca field and a Floating, Production, Storage and Offloading (FPSO) unit with a processing capacity of 90,000 boe/d. The associated natural gas is exported onshore and sold on the local market, helping to support economic development in the region.

### PROJECT AND RESULTS

The Project Area 1 was analysed by first considering the documentation for the final investment decision, in order to identify the project elements associated with the 2030 Agenda targets and the respective quantitative metrics. Based on these results, a questionnaire was then defined and shared with the subsidiary in Mexico, in order to investigate the project actions and the available indicators, in relation to the context indicators of the Agenda. Based on the 169 targets, the analysis has defined the Goals (SDGs) mostly addressed by the project.

### How SDGs Targets are addressed by the project



**HIGH:** for each Goal, more than half of the Targets are addressed by the project actions



**MEDIUM:** for each Goal, at least one quarter of the Targets are addressed by the project actions



**LOW:** for each Goal, less than a quarter of the Targets are addressed by the project actions

## Health emergency management in local communities

Since the start of the pandemic, Eni has further strengthened its contacts with national governments to monitor and analyse the health situation of local communities, understand their real needs and activate interventions in the areas of health care, social protection, access to water and sanitation, prevention and education. In 2020, Eni implemented a number of initiatives in Africa, Asia and the Americas, targeting vulnerable groups to respond to the rapid spread of the pandemic and supporting local authorities. In particular, health infrastructure and emergency services were improved, providing ventilators and respirators; intensive care and other medical equipment; and personal protective equipment. Other initiatives included awareness-raising campaigns to prevent the spread of the virus, the establishment of access and distribution points for safe water with hand-washing soap, the implementation of social protection and food assistance measures such as the distribution of meals for families, vulnerable groups and school canteens, and support to the education system with the creation of widespread learning spaces and the distribution of teaching materials. [For more information: eni.com](#)

### About €9 million

to support initiatives in favor of communities in response to the COVID-19 health emergency

<b>Algeria</b>	Support to local health authorities through the distribution of medical equipment for intensive care in the governorate of Ouargla.
<b>Angola</b>	Support to local health authorities by providing fans and donating food to homeless shelters; awareness-raising campaigns to prevent the spread of the virus.
<b>Congo</b>	Support to local health authorities through the provision of ventilators, medical consumables and fuel vouchers; awareness campaigns to prevent the spread of the virus through distribution of leaflets and disinfectants.
<b>Ghana</b>	Support to local health authorities through the provision of ventilators, consumables and other medical supplies; awareness-raising campaigns to prevent the spread of the virus through distribution of leaflets and disinfectants.
<b>Indonesia</b>	Support to the local community through the donation of PPE.
<b>Italy</b>	Support to several hospitals under the Eni Program for Italy. <a href="#">see pp. 10-11</a>
<b>Iraq</b>	Support to local health authorities through the provision of PPE, food parcels and computers for university distance learning students.
<b>Kazakhstan</b>	Support to local health authorities by donating ventilators, consumables and other medical supplies.
<b>Libya</b>	Support to local health authorities through the provision of medical equipment, including respirators, diagnostic tools, PRC and consumables to Zuwara Hospital as well as PPE.
<b>Mexico</b>	Support to health authorities in Tabasco State through donation of fans; distribution of food and cleaning aid kits to families; awareness-raising campaigns to prevent the spread of the virus.
<b>Mozambique</b>	Supporting local health authorities through the donation of ventilators, ambulance and PPE; awareness-raising campaigns to prevent the spread of the virus; distribution of safe water and soap for hand washing; food assistance through the distribution of meals for vulnerable families.
<b>Myanmar</b>	Support to Ministry of Health in Magway through donation of ventilators and PPE.
<b>Nigeria</b>	Support to initiatives implemented by the local government through the improvement of health infrastructure and emergency services and the donation of medical equipment.
<b>Tunisia</b>	Support to local health authorities through the provision of respirators, medical equipment and food parcels at community level.
<b>Vietnam</b>	Support to local government initiatives by donating ventilators.

# Access to energy



In its Mission, Eni reaffirmed its commitment to promoting access to energy in an efficient and sustainable manner for all

In 2020, 98% of Ghana's thermal power was generated by gas, more than 50% of which came from the OCTP project, in which Eni is the operator

Fighting energy poverty is the first step to meet the primary needs related to education, health and economic diversification, and ensuring universal access to energy in an efficient and sustainable manner is the main challenge for the energy sector in the transition process towards a low-carbon future. Eni contributes to this challenge through the construction of gas infrastructure as an integral part of the business model, the development of initiatives to improve access to modern cooking systems and through off-grid and renewable energy projects. Clean cooking projects also combat exposure to toxic fumes and reduce forest exploitation.

## Construction of infrastructure for the production and transport of gas

Eni invests in the construction of infrastructure for the production and transport of gas both for export, and for local consumption. In Ghana, Eni is operator of the Offshore Cape Three Points (OCTP), the only non-associated gas project destined for the domestic market in Sub-Saharan Africa, which since 2018 has been feeding the Country's power plants. In addition, Eni completed the Takoradi-Tema Interconnection Project (TTIP) in 2020<sup>12</sup>, through which it transports gas from the Western Region to the eastern part of the Country, while continuing to transport gas from Nigeria to Benin, Togo and Ghana. These projects meet Ghana's growing energy demands and reinforce Eni's commitment to fostering employment, local training and sourcing goods and services from local suppliers. In Libya in 2020, Eni carried out a series of initiatives, in coordination with the Libyan General Electricity Company (GECOL), to strengthen the electricity generation and transmission sectors<sup>13</sup>. In addition, Eni continues to supply almost all of the gas needed to power its power plants and is studying the development of a new one, as well as a pilot photovoltaic plant in the North West of the Country. In Egypt, thanks to the discovery of the Zohr and Nooros fields, Eni has made a fundamental contribution to achieving energy independence. In Iraq, the start-up phase of the power generation plant in Zubair continues. The plant is equipped with 4 gas turbines, capable of generating up to 520 MW of power and represents an important support for the national electricity grid. In 2020, Eni supplied 71% of the gas produced from its fields to local markets, for a total of approximately 57 billion Sm<sup>3</sup>, down from last year due to lower gas demand, mainly in Egypt, as a result of the ongoing health emergency. In particular, in 12 Countries it has allocated 100% of the gas produced to the domestic market.

**57 billion Sm<sup>3</sup>**

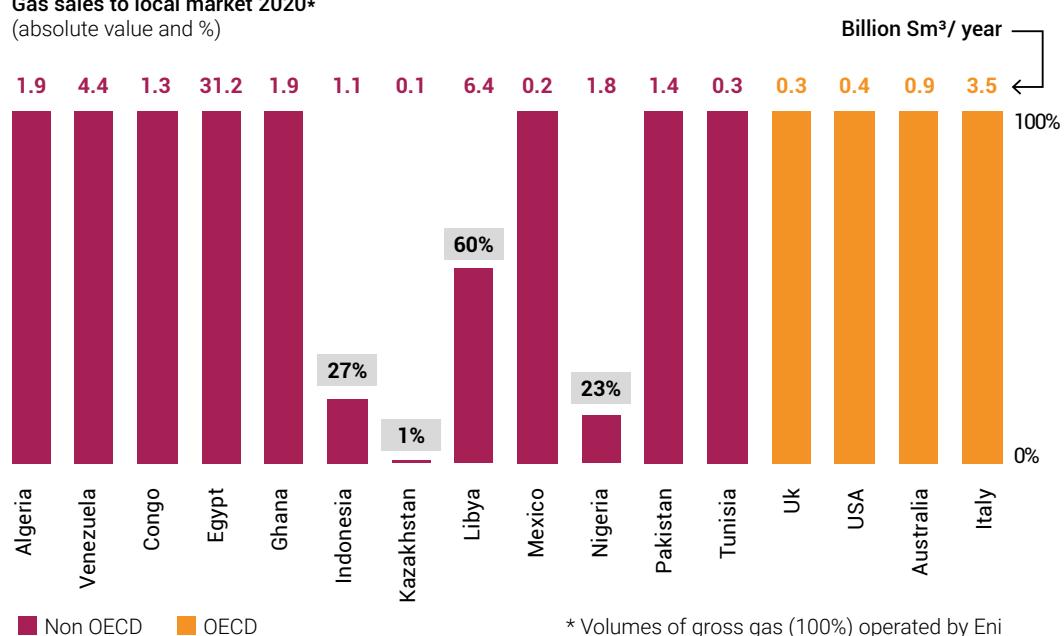
of gas sold to domestic markets in 16 Countries

**100%**

gas sold to the domestic markets of 12 out of 16 Countries

### Gas sales to local market 2020\*

(absolute value and %)



(12) Expanded West African Gas Pipeline Company's facilities in Takoradi and Tema and the connection of the West African Gas Pipeline system.

(13) Initiatives including: 1) the supply of spare parts for routine and extraordinary maintenance of the main power plants; 2) the training of GECOL's technical sector and the updating of the grid code, revised in line with the latest international standards and industry best practices.

## Construction of thermoelectric power stations

In Sub-Saharan Africa, Eni has invested in the construction of thermoelectric power plants through the exploitation of associated gas in order to diversify the energy mix by introducing natural gas. In Nigeria, the Okpai power plant, with an originally installed capacity of 480 MW, generated around 1,601 GWh in 2020, contributing around 7.7% of the total energy fed into the national transmission grid of the capacity available in the Country. Two additional gas turbine generation sets were completed in 2019 and 2020, now available for operation, further increasing the originally available capacity by 320 MW and bringing Okpai's total generation capacity to over 800 MW, thus placing Okpai IPP as the largest privately built power generation facility in Nigeria. Also in Nigeria, since 2012, Eni has been supplying gas to third parties through the Ob-Ob plant, which, with a power station with an installed capacity of 150 MW, generates electricity for around 1 million beneficiaries. In Congo, the Centrale Electrique du Congo (CEC), created in 2010 in Pointe-Noire and expanded in 2019 to reach a total installed capacity of 484 MW (with a progressive increase from 484 MW to 1 GW in the next 10 years), contributes around 70% of the Country's total electricity generation. Its strategic positioning in industrial production centres is an advantage in terms of expanding capacity and marketing electricity directly to industrial customers, who thus have a reliable and competitive source of energy supply.

**800 MW**

total generation capacity  
of Okpai power plant  
+ 320 MW vs. 2019



## Energy efficiency and sustainable cooking in Mozambique

### CONTEXT

In Mozambique, more than 80% of the population depends on wood and charcoal to meet daily household energy needs, and on average, households in urban areas spend about 20% of their total monthly income on energy consumption. The city of Pemba, capital of the province of Cabo Delgado, is one of the urban areas most affected by the use of biomass for domestic needs, and deforestation and the extensive use of wood and charcoal have a huge socio-economic, health and environmental impact on the Country.

### PROJECT AND OBJECTIVES

With the Promoting Energy Efficiency and Clean Cooking project, which started in 2018, Eni has contributed to the replacement, especially among the most vulnerable households, of 10,000 traditional stoves with the improved ones, contributing to the reduction of CO<sub>2</sub> emissions, deforestation and respiratory diseases, creating jobs and opportunities for small businesses.

### RESULTS

The project has produced 9,488 improved stoves, reaching a total of 8,833 households, 6,245 households in 2020. As part of the project's certification by the international standardisation body, a reduction of 9,776 tCO<sub>2</sub>eq. was monitored in 2020 compared to 2018. The next step will be the completion in the first quarter of 2021, of the distribution of 10,000 improved cookstoves, achieving the project goals and expected results.

Promoting Energy Efficiency and Clean Cooking project:  
replacement of 10,000 conventional stoves with improved cookstoves



# Partnerships for development



**"We need to team up, it is necessary for all actors to play their part, working in a complementary way, from institutions to governments, which must invest in sustainable development, to private actors and civil society, which must optimise consumption"**

Claudio Descalzi, "The Milestones of the Integral Ecology for a Human Economy", October 23<sup>rd</sup>, 2020

The unpredictable and rapid spread of the pandemic has shaken the whole world disrupting health, social and economic systems. However, at the same time, these events have also demonstrated to everyone that, in response to major challenges, everyone must join forces leveraging on common goals with the different actors involved in the hosting Countries: from International Organisations to Development Banks, from National Institutions to the private sector, from Universities to Research Centres, from Cooperation Bodies to Civil Society Organisations (including Faith Based Organisations). It is necessary to build collaborative networks that include all these stakeholders with the common goal of promoting sustainable local development and respecting the dignity of each person, as highlighted in the "Third International Conference on Financing for Development" organised in Addis Ababa by the United Nations in July 2015. The collaborations started in the past years continued in 2020 such as the one with FAO (Food and Agriculture Organisation of the United Nations) in Nigeria, the Don Bosco Higher Institute in Mozambique, the Banco Alimentare in Italy, or the alliances aimed at promoting the achievement of the SDGs with UNDP (United Nations Development Programme), to improve the access to sustainable energy and the fight against climate change in Africa, and with UNIDO (United Nations Industrial Development Organisation) to improve youth employment and the value chain of the agrifood chain in Mozambique and research activities on renewable energy and energy efficiency in Congo. 2020 represents a very significant year in terms of new collaborations signed with Civil Society Organisations, such as AMREF, AVSI, CUAMM and VIS, which will allow the launch of local partnerships in the fields of access to energy, economic diversification, land protection, education and training, access to water and sanitation and support to health systems to improve the health of local populations, in particular vulnerable groups. These activities contribute to the public interest and arise in response to socio-economic fragilities identified through internationally recognised methodological approaches that highlight the degree of poverty and deficiencies in primary resources and goods.

The interventions of Eni in favor of the communities are in line with the Paris Agreement, the UN 2030 Agenda, the National Development Plans and the United Nations Guiding Principles on Business and Human Rights (UNGPs)

**Ghana.** Collaborations with the local office of the World Bank and with the Ghana Alliance for Clean Cookstoves and Fuels (GHACCO) were carried out to implement the use of more efficient cookstoves powered by wood fuels, to reduce exposure to toxic fumes and prevent forest exploitation. These activities, in line with the Ghanaian government's strategy and SDG 7, are aimed at ensuring access to clean cooking technologies to over 600 households of the Western Region and to promote an awareness campaign on the benefits of clean cooking. Collaborations were carried out in the Country also with Ghana Enterprises Agency - GEA (former National Board for Small Scale Industries) for entrepreneurial and managerial training of 800 people, especially women and young people, from 10 coastal communities in the Western Region and with the Diocese of Sekondi-Takoradi for vocational training and job placement of 90 young women from Nyakrom and neighbouring villages.

**Angola.** Women empowerment is at the centre of the collaborations signed in Angola with the United States Agency for International Development (USAID) and the NGO Aid for the Development of People for People (ADPP), as part of economic diversification in rural areas, also through the Women's Global Development and Prosperity (W-GDP) Initiative. In Angola Eni supports, since 2017, the Halo Trust Project "100 Women in Demining" with the aim of giving women job opportunities, training and the necessary skills in the demining sector and contributing to the security of the Country. Eni signed a Cooperation Agreement with the Institute of Agronomic Investigation and Cabinda's Provincial Secretariat of Agriculture and Fisheries to immediately support small farmers affected by the pandemic, with interventions in favour of food security by improving the quality of crops, with more productive and resistant varieties.

**Kenya.** Promotion of impact entrepreneurship is the focus of the collaborations started in Kenya with the E4Impact Foundation that, together with the Italian Agency for Development Cooperation (AICS), have created a business accelerator in Nairobi.

**Mexico.** An agreement has been signed with AVSI and the Government of the State of Tabasco for the implementation of a project to support students, teachers and school staff. The activities carried out include the distribution of school materials for primary public schools, the development of skills through courses and workshops and the involvement of the local community in educational activities.

## GHANA

### World Bank and Ghana Alliance for Clean Cookstoves and Fuels (GHACCO) – SDGs 7 and 15

**Area of collaboration:** Access to clean cooking

**Results and beneficiaries:** Ensure access to clean cooking technologies to over 600 households in 10 coastal communities of the Western Region

### Ghana Enterprises Agency (GEA) – SDGs 4, 5 and 8

**Area of collaboration:** Professional training and employability

**Results and beneficiaries:** 800 people trained on entrepreneurial and managerial skills

### Diocese of Sekondi-Takoradi – SDGs 4, 5 and 8

**Area of collaboration:** Professional training and employability

**Results and beneficiaries:** 90 young women from Nyakrom and neighbouring villages trained and employed



## ANGOLA

### United States Agency for International Development (USAID)

### and Aid for the Development of People for People (ADPP) – SDGs 1, 2, 3, 4, 5, 6 and 7

**Area of collaboration:** Rural Development and Women socio-economic empowerment

**Results and beneficiaries:** Increased women farmers' capacities, production, and incomes. Promoted equality, participation and women's rights

### Halo Trust Foundation – SDGs 1, 3, 5 and 16

**Area of collaboration:** Women empowerment and land remediation

**Results and beneficiaries:** Recruitment and training of female deminers; over 80,000 m<sup>2</sup> reclaimed area (since 2018) and other 40,000 m<sup>2</sup> in 2020-21; 62 anti-personnel mines deactivated, 50 munitions and 24 unexploded ordnances destroyed during COVID-19 awareness activities have been implemented

## KENYA

### E4Impact – SDG 8

**Area of collaboration:** Impact entrepreneurship

**Results and beneficiaries:** 20 companies financially supported by Eni



## MEXICO

### AVSI Mexico – SDG 4

**Area of collaboration:** Access to education

**Results and beneficiaries:** Promotion of a qualitative, inclusive and effective education in 13 primary public schools to the benefit of 1,300 students and 60 teachers

Eni's partnerships contribute towards progress of the Sustainable Development Goals.





**Access to clean water is ever more important, as hygiene is the first line of defence in this pandemic**

## FAO and Eni promote access to water in Nigeria

### CONTEXT

Socio-economic problems, exposure to climate change and internal conflicts are factors that have fuelled the Country's crisis in recent years. The crisis has triggered important migratory flows and informal settlements have grown both in the north-east and in the Abuja Federal Capital Territory (FCT), to which many people are fleeing.

### PROJECT AND OBJECTIVES

On February 26, 2018, Eni and FAO signed a Collaboration Agreement for the improvement of access to water in the Country. The Access to Water Project contributes to the achievement of SDG 6 "Clean water and sanitation" and SDG 13 "Fight against climate change", intervening beyond the perimeter of the operational areas. The project – aligned with the "Rebuilding the North East-The Buhari Plan" – responds to the invitation addressed to the energy companies by the Federal Government to counter the suffering of the population in the North-East of the Country threatened by the violence of Boko Haram and the water crisis of Lake Chad.

### RESULTS

In the 3 years of activity, the synergy with FAO has made it possible to build 22 wells powered by photovoltaic systems: 5 in the federal territory of the capital Abuja and 17 in the North-East of the Country (5 in the state of Borno, 5 in Adamawa state and 7 in Yobe state), reaching over 67,000 beneficiaries.

↗ [For more information: eni.com](#)

“

With the project, also thanks to the help of our partners, water is available to them, for both household use and also for agriculture. So they can cultivate small gardens with the extra water.



**Fred Kafeero**, FAO Representative in Nigeria and of the Economic Community of West African States (ECOWAS)

↗ [For more information: eni.com](#)



## With E4Impact to promote entrepreneurship in Kenya

### CONTEXT

In 2020, Eni supported the business acceleration program set up in Nairobi, Kenya, by the E4Impact Foundation. Since 2018, the accelerator has supported 40 companies (40% run by women). The project was funded by the Italian Agency for Development Cooperation and the Catholic University of the Sacred Heart in Milan.

### PROJECT AND OBJECTIVES

The initiative offered selected companies the opportunity to become catalysts for social and environmental change while contributing to the integration of social and business needs by leveraging private sector resources. The program supports the local private sector by initiating micro-entrepreneurship initiatives, also promoting the inclusion of Kenyan women in the labour market. In two years, Eni has contributed to promoting high-impact entrepreneurship in Kenya, providing financial support, fostering job creation for new generations and promoting the internationalisation of companies in strategic sectors for Kenya-Italy collaboration (agribusiness and food, circular economy, technology, fashion, cosmetics and health). Companies had to meet certain quality criteria to apply for the program and special attention was given to mission-driven companies supporting disadvantaged communities.

### RESULTS

40 companies were incubated, of which 20 were financially supported.



Collaboration between Eni and E4Impact, the business accelerator that launches start-ups in Kenya

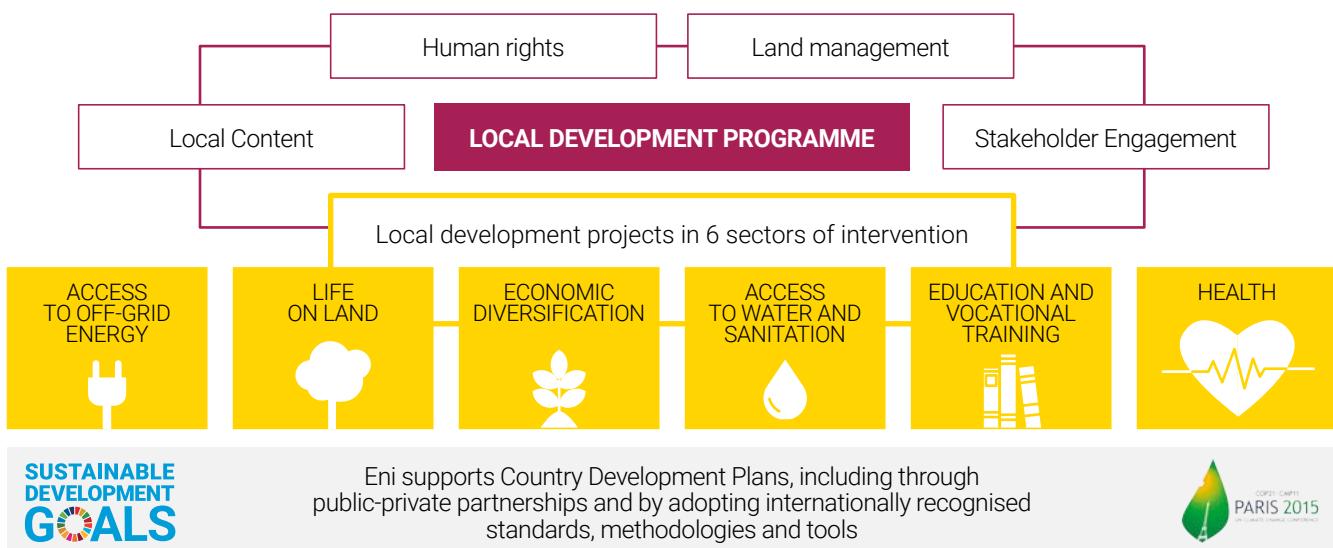
**“** The biggest impact in my experience has been the increase in female employment. We have involved many women in cultivating the land, harvesting and packing the papaya and processing the products in the factory. This has led to an increase and diversification of their sources of income.

**Felix Asenji**, Startupper

# Local Development Programme

The Local Development Programme provides an integrated view of the various activities that Eni, as a local development actor, carries out in the Countries where its business projects are located. The Programme is divided into five action lines: 1) stakeholder engagement; 2) human rights; 3) local content; 4) land management; 5) local development projects. The activities included therein, defined in coherence with the National Development Plans, contribute as a whole to the achievement of the objectives set by the Country in relation to the 2030 Agenda and the Paris Agreement (Nationally Determined Contributions - NDCs) to improve the well-being of local communities.

## Structure of the Local Development Programme



**107**

complaints received  
by Eni in 2020

**57**

cases have been  
solved and closed

## Local Stakeholder engagement

Eni considers the relationship with its stakeholders, and in particular with the people who live in the Countries of presence, to be an important element of comparison. For this reason, Eni tracks and examines all requests received in order to implement development initiatives, shared with local communities, and consistent with sustainable development. Grievance management is also a key focus of attention and is managed by the Grievance Mechanism (GM) which is based on the International Guidelines on the subject, published by IPIECA and which has been active in all subsidiaries since 2016. Grievances are monitored through the "Stakeholder Management System - SMS", which makes it possible to respond quickly and effectively to possible critical situations and to control and reduce stakeholder-related risks.

In 2020, Eni received 107 claims from 7 subsidiaries/districts/plants, of which 53%, i.e. 57 cases, were resolved and closed. Most of the grievances have come from Sub-Saharan Africa in particular Ghana and Nigeria and mainly concerned: management of environmental aspects, employment development, land management. [see p. 22](#)

## 2020 grievances - Main issues (%)



Yellow: Environmental management   Blue: Employment   Green: Land Management   Purple: Supplier management/Agreement   Orange: Other  
Light Blue: Community management   Dark Blue: Access to energy   Light Green: Infrastructure   Red: Social, economic impacts   Grey: Education   Light Grey: Economic diversification

## Human rights in communities

Eni is engaged in preventing possible negative impacts on the human rights of individuals and host communities deriving from the implementation of industrial projects. For this purpose, in 2018 Eni adopted a risk-based model to classify the business projects of the upstream activities based on the potential risk to human rights, extended in 2020 to the evaluation of renewable energy projects. The highest risk projects are, therefore, specifically studied through "Human Rights Impact Assessments" (HRIA), which include also a preliminary analysis of the local context on human rights and a subsequent engagement with the main "rightsholders". A final report provides the recommendations for the implementation of measures to prevent potential human rights impacts and to manage existing ones, followed by the adoption of a specific action plan identifying actions to be introduced and their timing. Using these models, 100% of the exploration and upstream development projects as well as renewable energy projects were analysed: a medium-high risk profile was found for 6 projects, which will be subject to dedicated in-depth studies in 2021-2022. In addition, a new analysis methodology – Human Rights Risk Analysis – is being developed to be applied to medium risk projects and will be tested in 2021. Although no new HRAs were launched in 2020 due to the health emergency, the implementation of the actions foreseen in the analyses carried out in 2019 and 2018 in Mexico and Mozambique continued. Also in Mozambique, the Action Plan for the exploration of Area 5 was finalised. In 2020, Eni also published two Reports, one on the completion of the Action Plan related to the Cabinda North project in Angola and the other on the progress of the Action Plan related to the Area 1 development project in Mexico. Finally, a further progress report on the Action Plan for the Area 4 development project in Mozambique was published in early 2021.

**↗ For more information:**

[eni.com](http://eni.com) With regard to the state of emergency declared in Myanmar on 1 February 2021, Eni has adhered to the Statement by concerned businesses operating in Myanmar promoted on 19 February 2021 by the Myanmar Centre for Responsible Business.

**↗ For more information:**

[myanmar-responsiblebusiness.org](http://myanmar-responsiblebusiness.org)

Projects assessed by the risk-based model as having a higher risk on human rights are subject to a "Human Rights Impact Assessment" (HRIA)



## An example of Eni's cooperation with non-judicial mechanisms: update

In December 2017, an association called Egbema Voice of Freedom (EVF), in the Aggah community, issued a complaint before the Italian National Contact Point (NCP) for the OECD Guidelines. The application complained that Eni was not doing enough to mitigate the impact of its operations on the effects of the floods on the community. During the procedure, Eni provided objective elements – also with the support of photo and video documentation – to demonstrate that NAOC operations and infrastructures have no aggravating impact on the natural flooding of the area. The natural flooding affects a much wider area than the one of the community of Aggah, and it is a typical phenomenon of the Niger Delta region. While always reaffirming its position, Eni has chosen to comply with and participate in good faith in the procedure at the NCP and to actively contribute to its proper implementation. Following the signing of the Terms of Settlement (ToS), Eni in Nigeria (NAOC) and Egbema voice of Freedom (EVF) designated their respective contact persons who met several times in order to define the contents of the drainage interventions to be carried out in the community. The work is currently being completed. On 4 March 2021, the NCP, having heard the parties, published a follow-up report on its website with the following final considerations: "During conversations with the NCP, both parties recognised that there has been progress on the implementation of the ToS and confirmed their willingness to continue the dialogue to reap the benefits of the agreement reached. The NCP reiterates the enormous value of the agreement of the 8<sup>th</sup> July 2019 and welcomes the progress made up to now in its implementation. The NCP invites the Parties to continue to cooperate in good faith and with the utmost commitment for the implementation of the Terms of Settlement and to follow the final recommendations formulated by the Conciliator in the ToS."



The Aggah community resides in the state of Rivers in Nigeria, in an area that is regularly prone to flooding, due to seasonal rains and flooding of the Niger River



Interview to **Sheila Guadalupe Cadena Nieto**, appointed in 2020, by the Governor of Tabasco, Adán Augusto López Hernández, as the first woman to become head of the Secretariat for Energy Development of the State.

[Read the complete interview on eni.com](#)

### An example of cooperation with local authorities: interview to the Head of Secretariat for Energy Development of the State of Tabasco.

The Secretariat for Energy Development (hereinafter, SEDENER), is the mexican agency in charge of the state energy affairs. The role of SEDENER is to promote before the federal authorities, regulatory bodies and the state productive companies – and through the creation of legal instruments and mechanisms of association that allow the attraction of public and private investment – the development and implementation of strategic energy projects aiming the growth of the sector in the field of hydrocarbons, oil, petrochemicals, electricity and renewable energies. SEDENER also promotes both the efficient use of energy among the population and in the productive sectors, and the use of renewable energies in isolated or dispersed communities where it is difficult to have traditional energy services. Moreover, the Secretariat has the responsibility to prevent and restore the impact caused by energy activities, through mediation as a mechanism of conflict resolution.

**Eni has made a specific commitment on this issue, with a Statement approved by its Board of Directors. In Mexico, in particular in the State of Tabasco, Eni carried out an impact analysis on human rights with an external consultant, followed by a specific action plan. What suggestions could you give the company to continue improving coverage of this issue in the Country?**

An analysis of the both the Human Rights Impact Assessment and the Human Rights Action Plan reveals the transversality of the protection of human rights in business activity and in the public sector. In this sense, it is important that the company continues to actively participate in the formulation and execution of public policy, signing collaboration agreements with dependencies, bodies and entities related to the enjoyment and exercise of human rights, the gender perspective and social development. The latter with the aim that in the medium term the company is able to attend and have a voice in the working groups where the decisions, in the fields mentioned above, are taken.

The search for social welfare in the communities surrounding the areas of hydrocarbon exploration and exploitation requires the participation of all those involved. In this logic it is essential that the experience and capacities of the Government of the State of Tabasco represented by SEDENER are considered.

**Eni was invited to present its approach to human rights at the V Regional Forum on Business and Human Rights for Latin America and the Caribbean**

"Eni's vision on human rights is based on the dignity of every human being and on the responsibility of the company to contribute to the well-being of people and communities in the Countries where it operates". These words come from the Eni's statement on respect of human rights, the document that sets out the terms of Eni's engagement with its communities. Eni constantly monitors what is happening in the Countries where it has a presence, and Domenico Barranca, Eni's head of sustainability in Mexico, gave evidence of this. He took part in the virtual forum Business and Human Rights for Latin America and the Caribbean, held on 9 September 2020, where Eni was invited as a best practice on the approach to human rights to take stock of the activities implemented by the company. The event, organised by the Office of the UN High Commissioner for Human Rights (OHCHR), the ILO and the OECD, discussed due diligence and human rights in Latin America and the Caribbean.

“

**At the end of the HRIA many people in the community approached us to express their satisfaction with being involved, and having their opinions taken into account.**

**Domenico Barranca,**

head of sustainability for Eni in Mexico, at the Business and Human Rights Latin America and Caribbean virtual forum



## The relations with indigenous populations

Considering the industrial contexts in which it operates, Eni has direct contacts with indigenous populations and their representatives exclusively in Australia, Alaska and Norway. In these cases the relationship is managed in compliance with international and local regulations that define how to involve and consult them. In Australia, Eni operates in the Northern Territory, near the Wadeye community, and regularly engages local administrative bodies which protect the rights of Aboriginal populations, developing participatory projects concerning local development and environmental conservation.



## Policy for Indigenous Peoples in Alaska

### CONTEXT

In Alaska, Eni's Oil & Gas operations are concentrated in the northern end of the State (North Slope), where native peoples live on subsistence-based lifestyles (hunting and fishing); Eni's key stakeholders include representatives of the villages located close to Eni's operating activities, as well as cooperatives and corporations which supply goods and services to companies operating in the area, according to local regulations.

### ADOPTION OF THE POLICY

Eni's commitment to these communities is the subject of a specific policy on respecting the rights of indigenous peoples in the conduct of its activities and operations in the state of Alaska, adopted by Eni's subsidiaries in US (Eni US Operating) in 2020 and in line with the Eni's statement on respect of human rights. The commitment includes to:

- establish, in agreement with Indigenous People an inclusive and effective framework to ensure the free and informed participation and consultation of indigenous peoples on Eni's activities, with appropriate communication open to dialogue, use of the local language, a continuative presence in the community and strategic participation in community events;
- in cooperation with Indigenous People, undertake an appropriate due diligence process in order to assess, anticipate, avoid, mitigate negative impacts. A mutually agreed plan or land use agreement (LUA) will take into account the results of these assessments; the definition of mitigation and compensation measures in case of identified impacts, based on the results of the consultation process;
- seek agreement (LUA), wherever possible, with the Indigenous People communities on activities that affect land rights. Where these activities include relocation or affect their critical cultural heritage, indigenous people prior consent will be sought and obtained;
- establish and ensure, including through cooperation, effective and culturally appropriate grievance mechanisms to contributing access to remedy and ensure company/contractor-wide stakeholder training.

The policy also includes a commitment to periodic reporting on its implementation.

[For more information: eni.com](http://eni.com)



Eni in 2020 has adopted a specific Policy on respecting the rights of indigenous peoples in the conduct of its activities and operations in the state of Alaska

The Local Content  
is the added value  
that Eni is able to bring  
to the Countries where  
it operates, thanks  
to the positive impact  
it generates on the  
socio-economic system

## Local Content

Local Content is the added value that Eni is able to bring to the Countries where it operates, thanks to the positive impact it generates on the socio-economic system. The Local Content action has three main lines of action:

1. skills and knowledge transfer, through training programs intended for local employees in the energy sector, together with the diffusion of technological innovation;
2. activation of all local economic sectors of the supply chain involved in the Eni business, to promote the competitiveness of local enterprises;
3. development initiatives to promote the local economy's growth and diversification also through vocational training programs to enhance the community's competencies.

Local Content is of fundamental importance for the development of local communities: an effective strategy can create social and commercial benefits that stimulate economic growth and contribute to sustainable development; at the same time it can face a local supply chain that is not yet fully developed. For this reason, Local Content initiatives are also followed by Eni in those contexts where specific local legislation is absent or where exploration and production agreements do not specifically require action on local employment or the provision of goods and services. In Mozambique, for example, as part of the Coral South Project, Eni has developed a local content strategy that aims at enhancing the inclusion of the Mozambican workforce and of local small and medium enterprises through the involvement of its own main suppliers. Training, in particular, is an essential lever to sustain the development of the new generations; therefore, actions have been launched to transmit competencies to the local workforce through specialist Oil & Gas training programs, vocational training and sharing know-how in the long term for over 800 Mozambican resources during the operational phase of the project. [see p. 94](#)



View of the port of Pemba, Mozambique

## Land Management

The development of natural resource use projects may require the acquisition and/or use of areas from local communities. The term "land management" refers not only to the physical displacement of people, but also to the management of this challenging process with the aim of minimising socio-economic changes to the lives of people living in these communities by minimising the loss of assets or access to assets (economic displacement) that generates the loss of income or livelihood resources that people, households and communities use to make a living, such as agriculture, fishing or other natural resource-based livelihoods, minor trade and barter. For this purpose, Eni is first of all committed to ensuring that the choice of the area to be acquired is made by taking into consideration different project alternatives. In the event that relocation of families or loss of livelihood resources is unavoidable, Eni ensures a timely process for defining fair and sustainable compensation measures, applying principles and methods that comply with both internal and international standards - such as the IFC (International Finance Corporation) Performance Standard on involuntary resettlement. Eni's goal is to improve or at least restore the living standards of the communities involved.

**The compensation measures, if required, are defined in accordance with high international standards**



## Land Management Quiluma & Maboqueiro Project in Angola CONTEXT

The city of Soyo with its approximately 219,000 inhabitants is located in the Province of Zaire in north-east Angola, at the mouth of the Congo River. Its economy is mainly driven by the Oil & Gas industry, and to a lesser extent by subsistence fishing and farming activities.

### PROJECT AND OBJECTIVES

Eni and its partners are evaluating the commercialisation potential of non-associated gas from the two fields Quiluma and Maboqueiro located in an area of Angolan offshore about 50 km from the coast opposite the municipality of Soyo and south of the Congo River. The project includes both an offshore and an onshore part with a Gas Treatment Plant (GTP) and pipelines to send the treated gas to the existing gas liquefaction plant a few kilometres away.

### RESULTS

For the onshore component, the acquisition of the rights for the use of land is required and to manage the process Eni has developed a Land Management Action Plan and involved the Government of Angola, local authorities and Sonangol<sup>14</sup>, in line with the requirements of Angolan law, Eni procedures and international standards. The process is managed by an ad hoc committee, made up of members of the Municipality of Soyo, traditional authorities and Eni, and has led to the registration of 389 persons (Project Affected Persons "PAPs") who use assets and land where the GTP will be built, and has defined compensation for the loss of livelihood resources due to the acquisition of the rights for land use.



**Creation of an ad hoc committee with local authorities for land management in Soyo**

14) The Sonangol group is a parastatal that oversees the production of oil and natural gas in Angola.

## €353.4 million

Investments for local development planned in the period 2021-2024

## €96.1 million

Invested in 2020 for local development

### Local Development Projects

Eni operates in difficult contexts where simple daily actions such as washing, heating, eating are for the privileged few, given the difficulty of having energy, water and sanitation. For this reason and thanks to its experience, Eni studies and implements targeted interventions to support the needs of local populations, in collaboration with local institutions and stakeholders. In line with the Sustainable Development Goals, Eni wants to "promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all" (SDG 8). Within the Local Development Programs, Eni implements projects to contribute to improved access to off-grid energy and clean cooking technologies, economic diversification (e.g. farming projects, micro-credit, infrastructure initiatives), education and professional training, land protection, access to water and sanitation and to the improvement of healthcare services for communities. These initiatives are developed with a long-term perspective and they are carried out after assessing the local context. Particular attention is paid to circular economy projects, such as the "CATREP" training and technical support centre in Congo, and programs to promote the development of diversified economic entrepreneurship in Mozambique, in collaboration with the Standard Bank business incubator. Eni also pays particular attention to "gender transformative" projects in support of local communities, such as "100 Women in demining", a project promoted by the HALO Trust to involve Angolan women in clearing land littered with landmines, and the Standard Bank's "Lioness of Africa" women's entrepreneurship project in Mozambique. Finally, Eni supports groups of women in carrying out productive activities in the agriculture, livestock and aquaculture sectors with the Green River Project in Nigeria.

[For more information: Eni for 2020 - Sustainability performance \(p. 35\)](#)

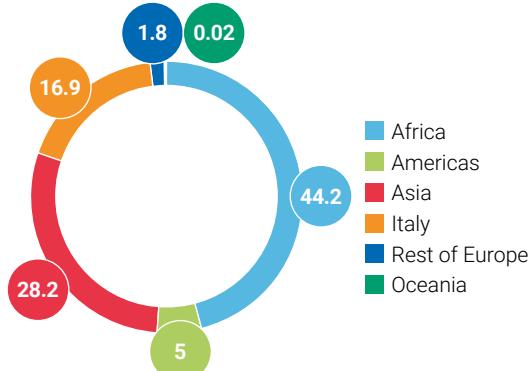
Investments in local development  
(€ mln)



#### SECTORS OF INTERVENTION

Access to off-grid energy	8.1
Life on land	12.2
Economic diversification	33.1
Access to water and sanitation	3.9
Education and vocational training	13.3
Health	13.3
Compensation and resettlement	12.2

2020 investments in local development  
by geographical area (€ mln)



A Green River Project (GRP) plant propagation centre in Obiafu-Orikom, Nigeria (photo by Amachree Isoboye)



## Local development in Italy

Eni in Italy works in close collaboration with local authorities to implement local development projects capable of generating long-term value for the communities in which it operates. With respect to energy access, in 2020, Eni supported the energy upgrading and qualification of public buildings in Ravenna, it continued its commitment in Val d'Agri for the supply of natural gas to 11 municipalities, and it financed a photovoltaic revolving fund in Porto Torres. Projects were developed to promote innovation and entrepreneurial skills in Ravenna and in Gela and to enhance tourism in these areas. Through Coldiretti Basilicata Eni continued its support to over 1,000 farms, contributing to the opening of new sales points for local products. In the field of education, despite the health emergency, awareness-raising activities on sustainability were carried out in Ravenna and educational support against school drop-out was provided in Gela. With regard to environmental protection, Eni continued its support for the preservation of natural coastal habitats, in compliance with the VIII Agreement with the Municipality of Ravenna, and it financed the management of an environmental monitoring center under the of Intent with the Basilicata Region.

**€16.9 million**

Invested in 2020 in Italy

New olive grove collection planted on the land of project CASF



## CASF (Centro Agricolo di Sperimentazione e Formazione, Agricultural Research and Training Centre) Project

### CONTEXT

In 2019, as part of the Energy Valley program, the CASF project was launched for the creation of an "Agricultural Research and Training Centre" that will serve as a local demonstration hub for farming techniques, attracting new talents and fostering innovation for the promotion of sustainable agriculture to the benefit of the Lucanian community.

### PROJECT AND OBJECTIVES

The project, implemented on the land adjacent to the Val d'Agri Oil Centre, which covers an area of approximately 25 hectares, includes: (i) cultivations of different varieties of fruit trees, proposing replicable farming techniques for a profitable and high-quality production; (ii) demonstrations of low-impact agricultural practices also with the aid of a biological plant-protection product derived from chemistry powered by renewable sources; (iii) technologies for a green agriculture that promote the efficient use of water resources and contribute to the energy transition; (iv) training activities and work placement programs; (v) public events and educational courses for schools; (vi) experimental trials on energy crops for the production of advanced biofuels.

### RESULTS

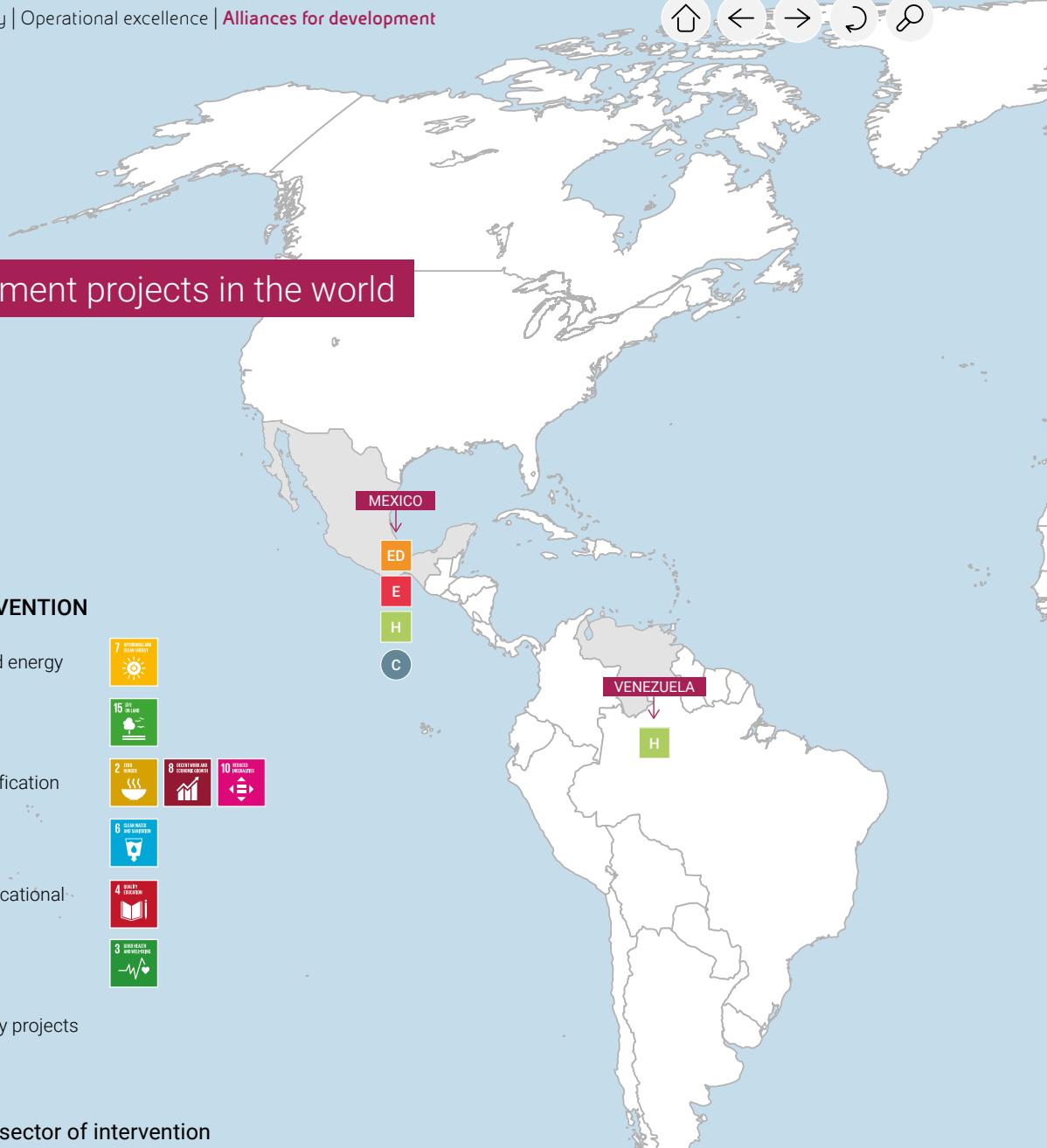
The project, financed by Eni in joint venture (approximately €3.5 million up to 2024), is expected to generate an employment impact (direct and indirect) of over 100 people and a cumulative economic impact on induced activities estimated at over €7 million over the 2019-2029 decade. In 2020, the project, despite the 5-month work hiatus due to the health emergency, directly engaged 27 local resources and achieved the requalification of approximately 13 hectares to new agricultural use, planting more than 2,000 fruit trees.



**CASF aims to act as a lever for regional development by promoting technological transfer and innovative practices in the agricultural sector**



## Local development projects in the world

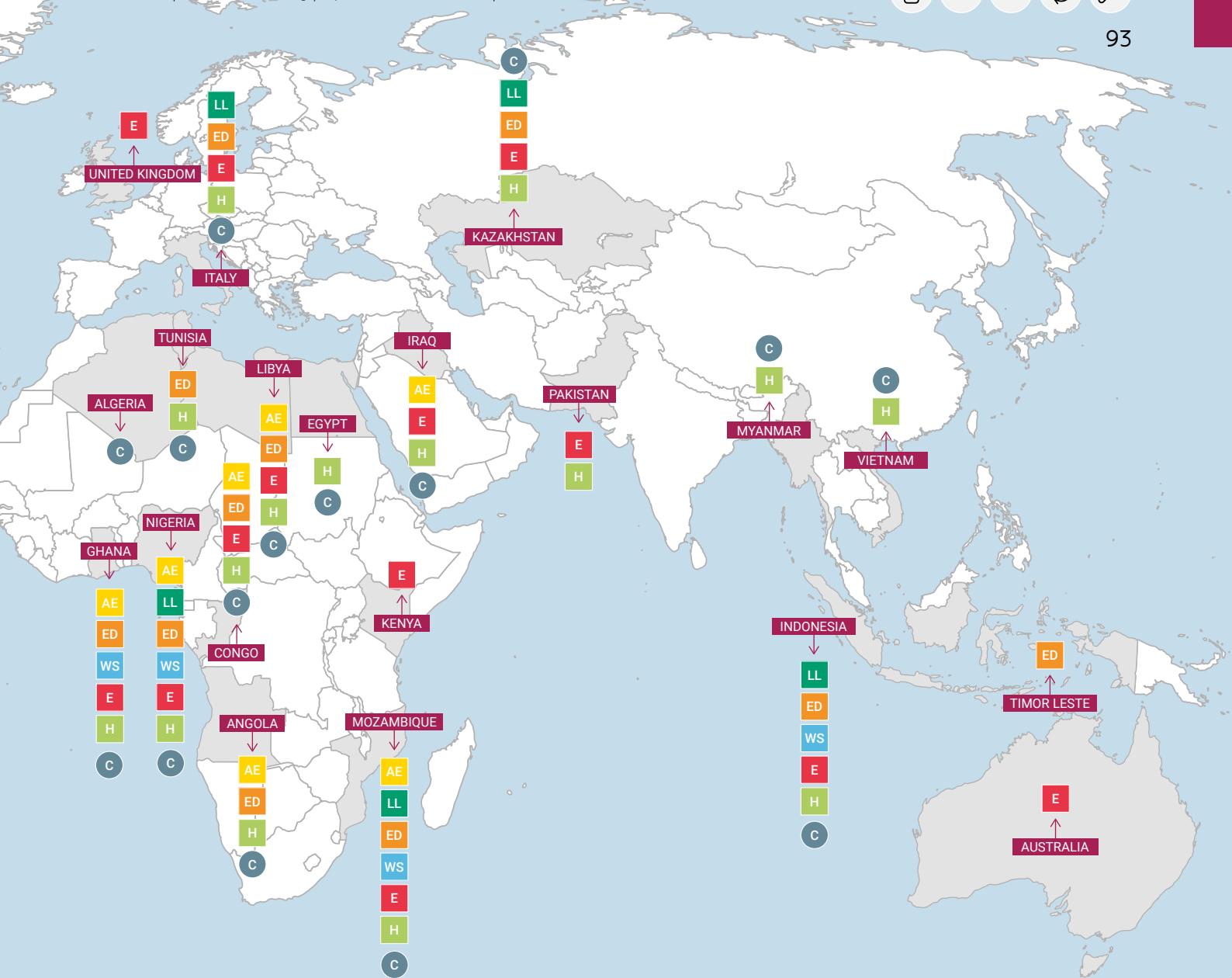


### SECTORS OF INTERVENTION

<b>AE</b>	Access to off-grid energy	
<b>LL</b>	Life on land	
<b>ED</b>	Economic diversification	
<b>WS</b>	Access to water and sanitation	
<b>E</b>	Education and vocational training	
<b>H</b>	Health	
<b>C</b>	COVID emergency projects	

### Project examples by sector of intervention

ACCESS TO OFF-GRID ENERGY	ECONOMIC DIVERSIFICATION	LIFE ON LAND
<p><b>Ghana - Rural Clean Cooking Pilot Project ↗</b></p> <p><b>Targets:</b> Promoting local production and marketing of certified, quality cooking systems, by creating employment opportunities and local micro-entrepreneurship and replacing traditional cooking systems with improved ones in coastal communities in the Ellembelle District of the Western Region.</p> <p><b>Beneficiaries and results in 2020:</b> Training of 45 young traders, 1 production expert and 5 production technicians; creation of 2 sales units; production of 3,500 improved local stoves; implementation of market research and development of strategies for local production.</p>	<p><b>Congo - Agricultural project CATREP ↗</b></p> <p><b>Targets:</b> Promoting food security, growth and economic diversification for the inhabitants of the rural centres of M'Boundi, Kouakouala, Zingali and Loufika, by promoting research and innovation and circular economy, to reduce the environmental impact of waste generated by companies with compost production.</p> <p><b>Beneficiaries and results in 2020:</b> 22 villages involved and 25,000 beneficiaries; 30 drinking water wells built for houses, schools and health facilities, 27 of which are solar-powered; 15 cooperative groups of 75 people established and assistance provided to more than 110 farmers and cooperatives, facilitating their access to the market; 2 industrial composters installed, for biodegradation of 120 tonnes per year of organic waste.</p>	<p><b>Italy - Reconstruction of the "Saline di Priolo" Nature Reserve</b></p> <p><b>Targets:</b> Contributing to reconstruction of the "Saline di Priolo" Nature Reserve following the fire that devastated this protected area in 2019. Securing work involved pruning and removal of hundreds of burnt trees, making the paths in the reserve accessible again.</p> <p><b>Beneficiaries and results in 2020:</b> The project, carried out by Eni Rewind (Eni's environmental company), and Versalis as part of the agreement signed with Lipu (Lega Italiana Protezione Uccelli - Italian League for the Protection of Birds), contributes to the recovery of a natural oasis of great environmental and tourist value for the area.</p>



### ACCESS TO WATER

#### Iraq - Water management

##### Targets:

In line with Eni's strategy focused on the integration of forces and skills necessary for the growth of own value and of the territories, the project, developed by Eni Rewind together with Eni, provides for the complete refurbishment of one of the three lines of the Al Buradieiah purification plant located in the city of Basra and the construction of a new drinking water production plant for the inhabitants of the Zubair locality located near the city of Bardjazia.

##### Beneficiaries and results in 2020:

The two nine plants will provide 30 million drinking water a day to approximately 150,000 inhabitants of the city of Basra and the area of Al Bardjazia. The design of the 2 new plants is almost completed while their construction is underway mainly as regards the civil works.

### EDUCATION

#### Mozambique - Promotion of schooling Paquitequete ↗

##### Targets:

Paquitequete is the oldest neighborhood in the city of Pemba with approximately 22,000 inhabitants. The Paquitequete community is one of the most vulnerable in terms of access to basic services such as education and health. The project aims to contribute to ensure an inclusive and equitable quality education and promoting lifelong and lasting learning opportunities for all.

##### Beneficiaries and results in 2020:

Since 2013, about 3,800 children reached, 41 primary school teachers of which 1,470 children and 26 teachers in 2020, 400 kindergarten children, 4 educators, 10 administrative staff members; a new primary school in Paquitequete built in 2020.

### HEALTH

#### Libya - Training activities for health personnel

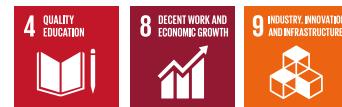
##### Targets:

As part of the MoU signed in 2018 between National Oil Corporation and Eni, the project aims to improve health management capacity in two main areas: "Assistance Program" to support the implementation of the "Master Program in Healthcare" aimed at young professionals, and the "Management Course", dedicated to officials involved in management roles at hospitals in the eastern region of Libya, with the support of the SDA Bocconi University.

##### Beneficiaries and results in 2020:

26 participants; 6 courses from SDA Bocconi amounting to 36 training sessions. Since December 2020, the design of the third quarter at the University of Benghazi has been underway, again supported by SDA Bocconi and Eni.

# Instruments and methodologies for local development



The use of tools and methods, in line with internationally recognised standard principles, is fundamental through the different business phases in order to:

- understand the context and define local development projects through tools for context analysis [see p. 75](#) and assessing human rights impacts, if any [see p. 85](#);
- map the relationship with stakeholders with the Stakeholder Management System [see p. 84](#);
- monitor the progress of the projects and the results achieved through dedicated management tools (e.g. Logical Framework Approach, Monitoring, Evaluation and Learning);
- assess the impact and quantify the benefits generated by Eni in the operating environment of the business and through the cooperation model (e.g. Eni Local Content Evaluation and Eni Impact Tool).

**Eni has defined a model for measuring the value generated by business projects at local and international level**

## ELCE Local Content Model

A company's legitimacy in operating in different Countries also depends on its ability to actively contribute to their socio-economic development, creating wealth, offering employment opportunities and developing human capital. Local Content, as discussed in more detail ([see p. 88](#)), represents the added value brought to the local economy, society and communities over the lifetime of a project or activity. In the last five years, Eni has developed the "proprietary" ELCE Model ("Eni Local Content Evaluation") for the evaluation of Local Content, validated by the Politecnico di Milano. ELCE is a tool for measuring the value generated by business projects, and is applicable at both a forecast and an actual level, from a local and/or national perspective. Impacts are assessed, through ELCE, with specific indicators to capture the local content components in a way that best reflects the regulatory and economic reality of the individual Country; for example, expenditure on "local" purchases is assessed using the criterion of payments in local currency, or that of the percentage of local companies' participation in consortia, depending on the Country's regulations. Since 2020, the model has been updated in order to refine the economic impact assessment to quantify the effects on production, tax revenues and the wage bill. This assessment is complemented by the employment impact, which continues to be measured in terms of jobs. The ELCE model, in addition to the "direct" effects generated by Eni's activities, also considers the action of the entire supply chain (and not only the first level of direct contractors) to the extent of the "indirect" effects and the consequent "induced" effects referring to the macroeconomic sectors of the Country affected by the activity.

## Application of the ELCE Model to the Quiluma & Maboqueiro project in Angola

The model was applied in early 2020 in order to support the 'Definition' phase of the business project development. The analysis period considered the construction and operation phases over a period of 20 years.

**Major product classes activated locally by Eni out of total contracts:**  
**Drilling services (77.2%)**  
**Support services (100%)**

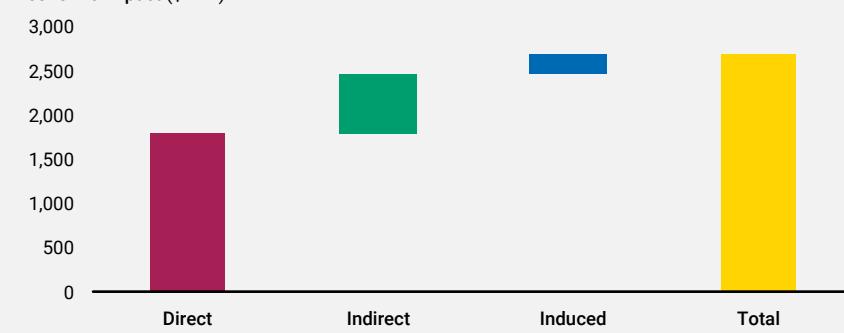
**\$2,608 mln**

Total economic impact (2020-2039)

**\$2,475 mln**

Eni investment (construction & operation)

**Economic impact (\$ mln)**



**\$0.69 mln**

Expenditure on training for employees

**6,743**

Local jobs created (2020-2039)

**235**

Local employees trained over the project life-span

## How data collection in a “baseline” can support local development projects (Ghana)

In Ghana, in connection with the “Offshore Cape Three Points-OCTP” project (see p. 80), the OCTP Local Development Project was launched in 2020 to promote inclusive economic growth and the well-being of the approximately 14,000 people living in the 10 villages surrounding the OCTP gas reception facility. The project is divided into different areas of intervention, affecting on the one hand the quality of life (access to energy, health conditions, education and access to water) and on the other hand the development of the local economy. In February 2020, Eni carried out a data collection in the communities, aimed at defining the project baseline to identify needs, to support the formulation of activities and to monitor and evaluate the impact after the activities were completed. The questionnaire consisted of 80 questions, on aspects of community life related to the areas of intervention, involving a statistically significant sample of about 360 households, in order to obtain results that could be generalised to the whole community. In particular, it was possible to quantify metrics recognised by international institutions, such as the World Food Program and the World Bank, which may also be of support in a future dialogue with these organisations.

In 2020, in Ghana, the OCTP Local Development Project was launched to promote inclusive economic growth

Areas of investigation	Data collected from interviews with households of local communities	Activities of the OCTP Local Development Project
ACCESS TO ENERGY	Almost all households are connected to the grid and access to electricity is not critical.	Potential interventions should focus on the quality and reliability of the supply.
COOKING SYSTEMS	<ul style="list-style-type: none"> <li>Half of all households use traditional systems such as three-stone, while only a quarter have gas cooking systems;</li> <li>Almost 30% of households have the habit of cooking inside the house; indoor air pollution and the consequent impact on health is not perceived as negative by more than 3% of households.</li> </ul>	The project will focus both on access to improved stoves as a transitional solution towards more modern stoves systems and on awareness-raising campaigns on health risks due to indoor pollution.
ECONOMIC DIVERSIFICATION	<ul style="list-style-type: none"> <li>Fishing is the main economic activity for 20% of households, while the majority work in services and handicrafts;</li> <li>40% of households have a bank account with a local financial institution;</li> <li>Only 20% have previously applied for a loan to finance their business;</li> <li>About one of three families works the land; farming is for subsistence, without the use of modern agronomic techniques and not aimed at selling products on the local market.</li> </ul>	The project will activate mechanisms for access to credit, especially for young people and women, by offering support to the main cooperative banks already operating in the ten villages. In addition, an agricultural project will be launched to support self-production at family level, with a view to strengthening food security and stimulating production for the market.



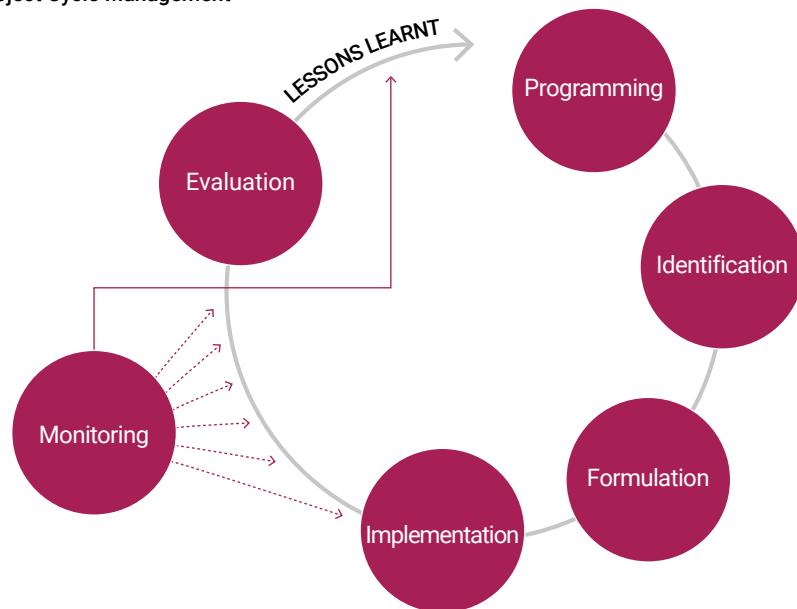
## Project Cycle

Management consists of mutually connected phases through which the project goes from the initial idea to the end of the project, when (ideally) the objectives are achieved

## Logical Framework Approach and monitoring, evaluation and learning system

In line with the work undertaken in 2019, to strengthen the effectiveness and efficiency of local development projects, Eni consolidated monitoring, evaluation and learning tools within Project Cycle Management to manage the project with a view to continuous improvement, also allowing lessons learned and/or recommendations for future projects to be identified.

### Project Cycle Management



Collaboration between Eni and the University of Milan for an impact assessment of the efficiency and effectiveness of the GRP project

## Application of Project Cycle Management in Nigeria: Green River Project 2.0

### CONTEXT

The formulation of the four-year Green River Project (GRP) 2.0 (2021-2024) is a concrete example of how Project Cycle Management has been virtuously applied to community and land initiatives. The GRP has been established since 1987 in the Niger Delta region to assist communities in improving agricultural practices and obtaining better outputs.

### PROJECT

In 2019, thanks to a proactive collaboration between Eni and the University of Milan, an assessment of the impact the project had on beneficiaries in the period 2013-2018 was conducted. Careful data collection and analysis gave a clear picture of the context and the results achieved through a constant presence on the ground.

By following the five DAC<sup>15</sup> criteria (Relevance, Effectiveness, Efficiency, Impact and Sustainability), it was possible to identify precise recommendations that take into account both the strengths and weaknesses of the project.

### RESULTS

Based on these recommendations, GRP 2.0 was formulated in 2020, adopting a new implementation strategy targeted to the needs of the current context following the logical framework approach, setting up the monitoring strategy and a baseline study from the outset. The adoption of clear indicators will make it possible to assess the efficiency and effectiveness of the project in a timely manner to ensure both the reliability of the data and the relevance of the activities undertaken. The choice of specific actions in response to the lessons learnt is a clear consequence of the continuous improvement process, advocated by the project cycle, through which Eni identifies and disseminates best practices to all its subsidiaries.

# Independent Auditors' Report



## ***Independent auditor's report on the limited assurance engagement of the Sustainability Report – Eni for 2020***

To the Board of Directors of Eni SpA

We have been engaged to undertake a limited assurance engagement on the Sustainability Report – Eni for of Eni Group (hereinafter also the “Group”) for the year ended 31 December 2020 (hereinafter also the “Report”).

### ***Responsibilities of the Directors for the Report***

The Directors of Eni SpA are responsible for the preparation of the Report in accordance with the “Global Reporting Initiative Sustainability Reporting Standards” issued in 2016 and last updated in 2019 by GRI - Global Reporting Initiative (the “GRI Standards”), as illustrated in the “Reporting Criteria” section of the Report.

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

The Directors are also responsible for defining the sustainability performance targets of Eni Group, as well as for identifying its stakeholders and material topics to be reported on.

### ***Auditor's Independence and Quality Control***

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 (ISQC Italia 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### ***Auditor's responsibilities***

Our responsibility is to express a conclusion, based on the procedures performed, on whether the Report complies with the requirements of the GRI Standards. We conducted our work in accordance with “International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements other than Audits or Reviews of Historical Information” (hereinafter also “ISAE 3000 Revised”) issued by the International Auditing and Assurance Standards Board (IAASB) for limited

#### ***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 129709880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 051 2132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 080 5640211 - **Bergamo** 24121 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 Picciapietra 9 Tel. 010 29041 - **Napoli** 80121 Via dei Mille 16 Tel. 081 36181 - **Padoa** 35138 Via Vicenza 4 Tel. 049 873481 - **Palermo** 90141 Via Marchese Ugo 66 Tel. 091 349737 - **Parma** 43121 Viale Tanaro 20/A Tel. 0521 275911 - **Pescara** 65127 Piazza Ettore Trollo 8 Tel. 085 4545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06 570251 - **Torino** 10122 Corso Palestro 10 Tel. 011 556771 - **Trento** 38122 Viale della Costituzione 33 Tel. 0461 237004 - **Trevise** 31100 Viale Felisent 99 Tel. 0422 6696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 040 3480781 - **Udine** 33100 Via Poscolle 43 Tel. 0432 25789 - **Varese** 21100 Via Albuzzi 43 Tel. 0332 285039 - **Verona** 37135 Via Francia 21/C Tel. 045 8263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444 393311



assurance engagements. That standard requires that we plan and perform procedures to obtain limited assurance about whether the Report is free from material misstatement.

The work performed was less in scope than in a reasonable assurance engagement conducted in accordance with ISAE 3000 *Revised* and, consequently, we did not obtain assurance that we became aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

The procedures performed on the Report were based on our professional judgement and included inquiries, primarily of personnel of the Company responsible for the preparation of the information presented in the Report, inspection of documents, recalculations and other procedures designed to obtain evidence considered useful.

In detail, we performed the following procedures:

1. we analysed the reasons for the existence of both a Non-financial Statement (required under articles 3, 4 and 7 of Legislative Decree No. 254/2016) and the Report, and the features distinguishing the two documents;
2. we analysed the process of definition of the material topics reported on in the Report, with reference to the method of their identification in terms of priority for the various categories of stakeholders and to the internal validation of the results of the process;
3. we compared the financial information reported in the “Governance and business ethics” section of the Sustainability Report with the information included in the Group’s annual consolidated financial statements;
4. we obtained an understanding of the processes underlying the generation, collection and management of significant qualitative and quantitative information included in the Report.

In detail, we inquired of and discussed with management personnel of Eni SpA and with personnel of Eni Mediterranea Idrocarburi SpA, Eni UK Limited and Versalis SpA and we carried out limited analyses of documentary evidence, in order to obtain information about the processes and procedures supporting the collection, aggregation, processing and submission of non-financial information to the corporate function in charge of the preparation of the Report.

Furthermore, for significant information, taking into account the activities and characteristics of the Group:

- at parent company level
  - a) with reference to the qualitative information presented in the Report, we carried out interviews and obtained supporting documents to verify its consistency with available evidence;
  - b) with reference to quantitative information, we performed both analytical procedures and limited tests to verify, on a sample basis, the accuracy of data aggregation.
- for Eni SpA (Venezia 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 we selected based on their activities, contribution to performance indicators at a consolidated level and location, we carried out meetings and interviews during which we met the persons responsible and obtained documentary evidence, on a sample basis, about the correct application of the procedures and calculation methods applied for the indicators.



### **Conclusion**

Based on the work performed, nothing has come to our attention that causes us to believe that the Sustainability Report – Eni for of Eni Group for the year ended 31 December 2020 is not prepared, in all material respects, in accordance with the requirements of the GRI Standards as illustrated in the “Reporting criteria” section of the Report.

### **Other aspects**

With reference to the annex "Statement on GHG accounting and reporting - year 2020" of the Sustainability Report - Eni for called "Carbon neutrality by 2050", which has been prepared with principles (suitable criteria) that differ from the GRI Standards, the audit activities envisaged by ISAE 3000 Revised were carried out using the limited assurance approach for the indicators GHG Lifecycle Emissions (Net GHG Lifecycle Emissions and Net Carbon Intensity), Net Zero Carbon Footprint Upstream (Scope 1 and 2) on an equity basis and Scope 3 emissions, and reasonable assurance for the indicators Scope 1 emissions and Scope 2 emissions. On the basis of these activities, a special report was prepared and attached to the document "Carbon neutrality by 2050".

Milan, 12 May 2021

PricewaterhouseCoopers SpA

*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 Sustainability Report – Eni for translation.*

# Eni's non-financial reporting

Through its non-financial reporting, Eni wants to proactively describe its role in the energy transition, sharing its values, corporate strategies, objectives and results achieved to date. For this reason, also aware of the increasing centrality of non-financial information, over the years Eni has developed an articulated reporting system with the aim of satisfying the information needs of its stakeholders in a complete and timely manner in terms of both variety and of level of deepening.

The **2020 Consolidated Disclosure of Non-Financial Information (NFI)**, prepared in accordance with the requirements of Legislative Decree 254/2016 (transposing European Directive 95/2014) and published in the Annual Report 2020, has the aim of clearly and concisely meeting the information needs of Eni's stakeholders, further promoting the integration of financial and non-financial information. The NFI provides integrated reporting on the management model, policies applied, main risks and results related to environmental, social, personnel, human rights and anti-corruption issues.

[For more information: Annual Report 2020](#)



Your feedback is important to us. If you have any comments, suggestions or questions, please write an email to [sostenibilita@eni.com](mailto:sostenibilita@eni.com)

## Eni for 2020 - A just transition

Report that describes how, through the integrated business model, Eni creates long-term value, through the operational excellence model, alliances for local development and carbon neutrality by 2050.

## Eni For 2020 - Carbon neutrality by 2050

In-depth analysis of governance, risk management activities, strategy and main Eni metrics and targets on climate change.

## Eni for 2020 - Sustainability performance

This report, available only online, provides an overview of non-financial performance indicators along the three pillars of Eni's business model.

## Other reports

By June 2021 Eni will publish **Eni for Human rights**. Report describing Eni's strategy on promoting and respecting human rights and reporting the main activities and performance indicators. In addition to these documents, Eni publishes **other local sustainability reports** on an annual basis, which will be available in the course of 2021 on the site [For more information: eni.com](#)

## REPORTING PRINCIPLES AND CRITERIA

Eni for 2020 is prepared in accordance with the "Sustainability Reporting Standards" of the Global Reporting Initiative (GRI Standards) with an "in accordance Core" level of adherence and taking into account the 10 principles of the Global Compact. Eni for 2020 - Carbon Neutrality by 2050 is prepared in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Moreover, for the first time, in line with the commitment to promote a complete and comparable disclosure, the metrics related to the Sustainability Accounting Standards Board (SASB) standard and the "core" metrics defined by the World Economic Forum (WEF) in the White Paper "Measuring Stakeholder Capitalism - Towards Common Metrics and Consistent Reporting of Sustainable Value Creation" were published (the latter already included in the Non-Financial Information). The reference tables related to the GRI standards, the TCFD recommendations, the SASB standards and the WEF metrics are available in Eni for 2020 - Sustainability Performance and on eni.com. [For more information: Eni for 2020 - Sustainability performance \(pp. 57-58\)](#)

## EXTERNAL ASSURANCE

Eni for 2020 was also subjected to limited assurance this year by the same independent auditors who also audited the Consolidated Financial Statements and the NFI ( [pp. 97-99](#)). In addition, GHG Scope 1 and Scope 2 emissions are also subject to a reasonable assurance by the same external auditing company (PwC), with the aim of guaranteeing an even greater solidity of these data having strategic relevance for Eni. [For more information: Eni for 2020 - Carbon neutrality by 2050 \(pp. 56-59\)](#)



Eni SpA

**Headquarters**

Piazzale Enrico Mattei, 1 - Rome - Italy

Capital Stock as of December 31, 2020: € 4,005,358,876.00 fully paid

Tax identification number 00484960588

**Branches**

Via Emilia, 1 - San Donato Milanese (Milan) - Italy

Piazza Ezio Vanoni, 1 - San Donato Milanese (Milan) - Italy

**Contacts**

eni.com

+39-0659821

800940924

segreteriasocietaria.azionisti@eni.com

**Investor Relations**

Piazza Ezio Vanoni, 1 - 20097 San Donato Milanese (Milan)

Tel. +39-0252051651 - Fax +39-0252031929

e-mail: investor.relations@eni.com

**Layout and supervision**

K-Change - Rome

**Printing**

Tipografia Facciotti - Rome - Italy



Printed on Fedrigoni Arena paper





## Eni for 2020 - Sustainability Report



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