

FOR

A JUST TRANSITION

ENI FOR 2019



MISSION



We are an energy company.

We concretely support a just energy transition,

with the objective of preserving our planet

and promoting an efficient and sustainable access to energy for all.

Our work is based on passion and innovation,

on our unique strengths and skills, 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.

We believe in the value of long-term partnerships with the Countries and communities where we operate, bringing long-lasting prosperity for all.



The new 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.

THE SUSTAINABLE DEVELOPMENT GOALS

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.



Contents

WHY READ ENI'S SUSTAINABILITY REPORT, ENI FOR 2019?

In this report, Eni wants to describe its contribution to a **just transition**, an energy transition that allows to protect the environment and give access to energy for all, but at the same time is socially fair. Eni for 2019 presents Eni's efforts in facing these challenges, describing how the company creates long-term value through its integrated business model.

Eni for outlines Eni's **Operational Excellence**, an enabling factor for the achievement of its goals and for the creation of value in the Countries of presence, which is strengthened through **Alliances for local development**. Eni for also includes an annex on the path towards **Carbon neutrality in the long term** and one dedicated to the three-year period sustainability **Performance** with the relative comments.

In relation to the **Consolidated Disclosure of Non-Financial Information**, included in the Annual Report and prepared in accordance with the provisions of Legislative Decree 254/2016 to give an integrated and concise view of financial and non-financial information, **Eni for** wants to further deepen the non-financial issues, presenting concrete cases also through external voices of people with whom Eni shares its path.

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GRI Content Index 2019 (available on [Eni for 2019 - Sustainability performance](https://www.eni.com/eni-for-2019-sustainability-performance))



INTERVIEWS

CASE STUDIES

LINKS AND FURTHER INFORMATION

SHALL WE ADVISE STRETCHING FORTH THE HAND TO THE SHIPWRECKED
SAILOR, OR POINTING OUT THE WAY TO THE WANDERER,
OR SHARING A CRUST WITH THE STARVING?
YES, IF I CAN ONLY TELL YOU FIRST EVERYTHING WHICH OUGHT
TO BE AFFORDED OR WITHHELD; MEANTIME, I CAN LAY DOWN FOR MANKIND
A RULE, IN SHORT COMPASS, FOR OUR DUTIES IN HUMAN RELATIONSHIPS:
ALL THAT YOU BEHOLD, THAT WHICH COMPRISES BOTH GOD AND MAN,
IS ONE - WE ARE THE PARTS OF ONE GREAT BODY.
NATURE PRODUCED US RELATED TO ONE ANOTHER,
SINCE SHE CREATED US FROM THE SAME SOURCE AND TO THE SAME END.
SHE ENGENDERED IN US MUTUAL AFFECTION,
AND MADE US PRONE TO FRIENDSHIPS. [...]
LET THIS VERSE BE IN YOUR HEART AND ON YOUR LIPS:
"I AM A MAN; AND NOTHING IN MAN'S LOT DO I DEEM FOREIGN TO ME".
LET US POSSESS THINGS IN COMMON; FOR BIRTH IS OURS IN COMMON.
OUR RELATIONS WITH ONE ANOTHER ARE LIKE A STONE ARCH,
WHICH WOULD COLLAPSE IF THE STONES DID NOT MUTUALLY SUPPORT
EACH OTHER, AND WHICH IS UPHELD IN THIS VERY WAY.

SENECA, LETTERS TO LUCILIUS



Message to our Stakeholders

Committed in the present to build the future

The historical moment we are witnessing poses unprecedented challenges and very complex scenarios on our path. The dramatic health emergency caused by the new coronavirus finds us on the frontline – and in close contact with those who are coordinating the interventions – to protect the health of our people and of the communities where we operate. Italy has been the first western Country to experience the threat of the virus and our response to the emergency was immediate. We launched several initiatives to support healthcare facilities in Italy and in the Countries where we operate, making the most of the experiences gained in health and social fields at a global level.

This is not the first crisis we face: our company was founded after the Second World War, to contribute to the reconstruction of a destroyed Country, and it emerged stronger from the crises that hit the sector over the years. It is important to remember who we are and where we come from, remembering what we have gone through during the years that has now become method and best practice. This is why I care so much about our sustainability report, which collects, year by year, the fruits of our commitment for the development of the people who work with us and who live in the Countries of presence.

Eni stays strong. The commitments we have made to continue our transformation process – which made us a simpler, faster and more resilient integrated energy company – remain intact, as our determination to fight climate change and our efforts towards a just energy transition. As we announced with our Long-Term Strategic Plan to 2050, we want to be leaders in supplying decarbonized energy products, by combining economic and environmental sustainability. We will continue to study, improve and deploy at an industrial scale our ideas and innovative technologies. We want a future where everyone can access energy resources, in an efficient and sustainable way, focusing on the skills and innovation capacities of a company that represents the Italian excellence around the world. An example of this is our HPC5 – the world's most powerful industrial supercomputer – which allows us to shape what is not visible: from the subsurface, developing and running advanced geoscience algorithms, to new energy sources, supporting the development of new technological solutions like wave power and magnetic fusion. In this context, thanks to a European project, we have proudly made HPC5 available to model the effect of an array of drugs on the Covid-19 strain.

Crises and emergencies are dramatic moments, but they are also an opportunity: the comfort zone in which we lived until now is crumbling and we find ourselves reflecting on our values, on the importance of what we do in our life and work. Businesses are organizations of economic, financial and technical resources, but they are human communities above all. Today, we notice that by putting our values as a priority, we contribute to fill a void. Today, we clearly see the reason why we chose to inspire our new mission to the 17 Sustainable Development Goals: they aim to bring real and sustainable growth that takes into consideration the environment, as well as the needs of mankind and the values on which business must be built. This point of view is what makes our ambitions credible.

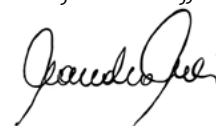
We often talk about long-term vision, circular economy, about the need to find a new development model fit for human beings. Never before has it been possible to experience how solidarity among people and communities – and not mere profit – is the key to guarantee a future for the next generations. This is why we chose to dedicate the Eni for 2019 edition to the just transition, to our commitment to promote a fair evolution that takes into account all the factors at stake: from the need to reduce our carbon footprint in the direction of the Paris Agreement to the need for a global development of mankind. A commitment which – once again – we want to carry on in synergy with all those who share this vision. We are pleased to have undertaken important partnerships with international multilateral organizations such as UNIDO, UNDP, FAO and the World Bank, to have collaborated with UNESCO on the first Biennale of Luanda for peace, in Angola, and for the joint work with civil society organizations, institutes and research centers. Only together can we change and improve.

At the heart of our actions is the ongoing commitment to respect human rights, essential prerequisite for the safeguard of the dignity of each person. To work at our best, we need to make sure we do so transparently, paying attention to business integrity, the environment and social inclusion, and seizing opportunities by looking further ahead. We have clear international references that help us in this direction: above all, within the United Nations, in addition to the SDGs, the Guiding Principles on Business and Human Rights (UNGPs) and the 10 principles of the Global Compact.

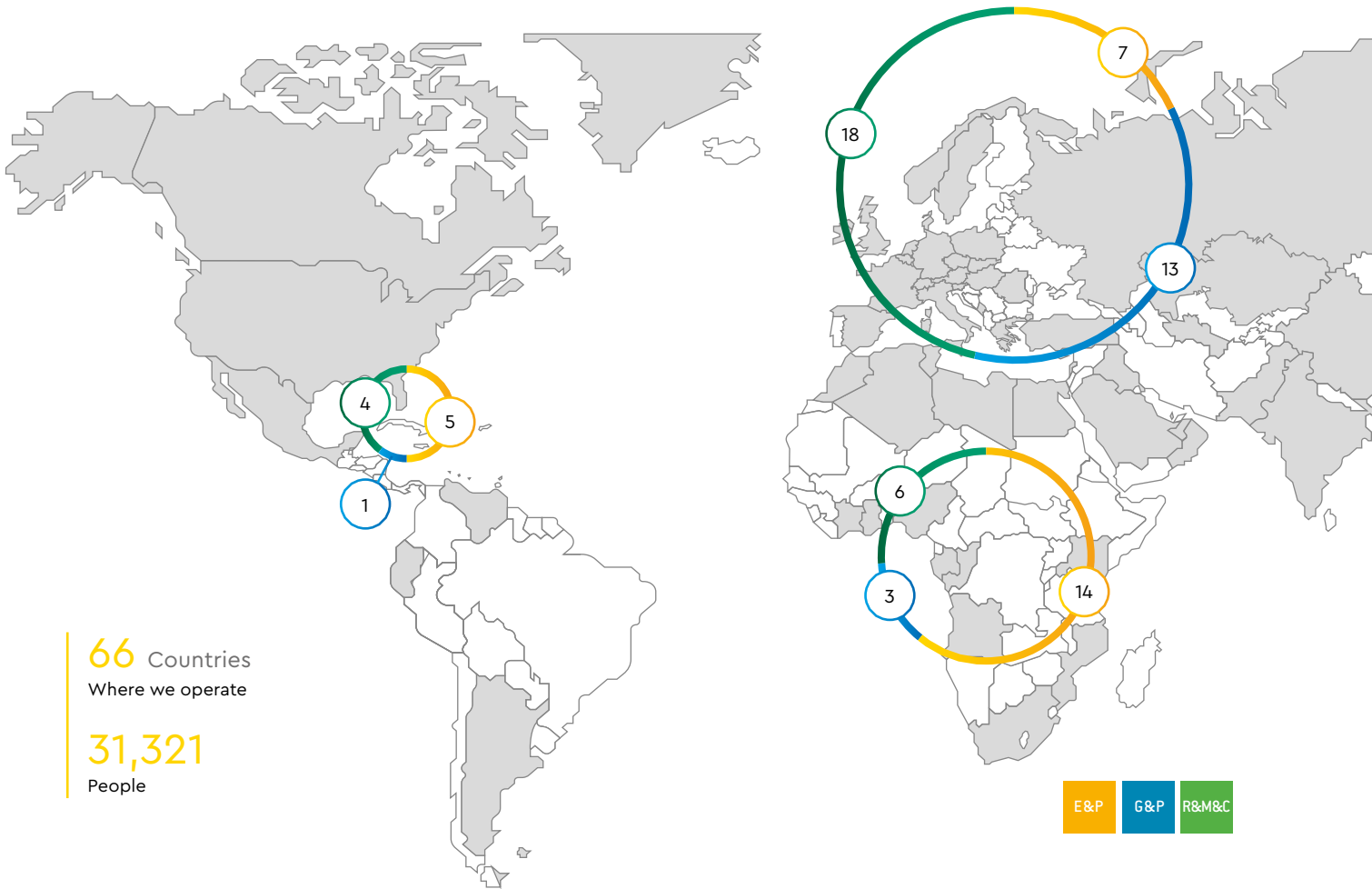
The waters of the sea we are sailing are certainly rough. But on this ship we are not alone. The health emergency, as safety at work, economic tensions and geopolitical uncertainties affect us all. Now we can see the added value of acting together, of focusing on the person and on the basic needs of the people we work with and who live in the Countries that host us, values that we want to promote with perseverance and determination.

Claudio Descalzi

Chief Executive Officer



Eni in the World



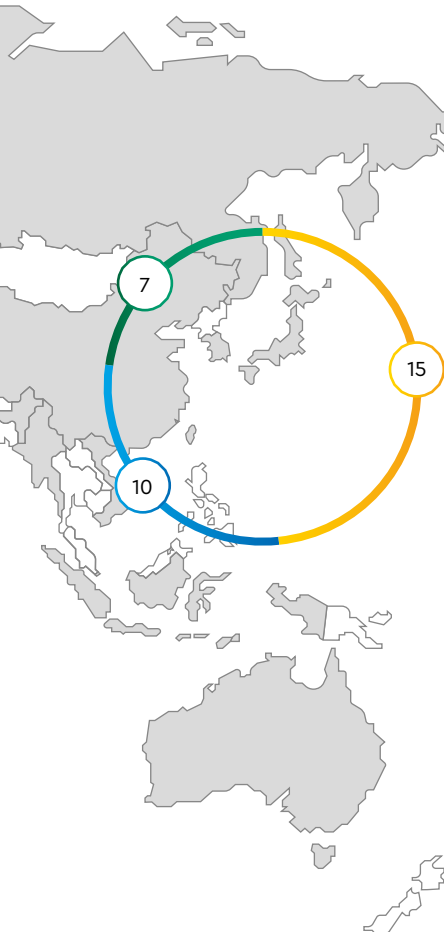
1.87 MLN BOE/DAY

New record hydrocarbon
production

7.3 BLN BOE

Proven reserves
of hydrocarbons

A strong love for Italy and great respect for different cultures, 67 years ago, led Enrico Mattei to achieve a dream enclosed in a small word with a great future: Eni. Italy as a starting Country for a trip towards distant shores. A bold path taken by inventing a new national energy policy that would entail the broadest possible participation by the host Nation in the technical and administrative management of the activities launched in various Countries. Thus was launched Eni's "Dual Flag" strategy, which to this day is a distinctive feature of the model of cooperation in the **66 Countries where Eni is active**. This approach translates into constant interactions with local institutions and stakeholders, to identify the initiatives necessary to meet the needs of the communities, whose development strategies are strengthened with the launch of partnerships also with international bodies that, sharing not only economic resources, but also skills, know-how and experience, contribute to improving quality of life and achievement of the SDGs. All this is ensured by the skills, energy and passion that **Eni's 31,321 people** put in everything they do. Our actions stem from curiosity, concreteness and the commitment for technological innovation and progress, to face to the most important challenge of the industry: making energy resources accessible efficiently and sustainably for everyone, combating climate change. The key to take on this challenge is enclosed in one word: **transformation**. Eni is transforming its own business, not only to keep up with the constantly evolving global scenario, but to anticipate its requirements. The new Eni will supply highly decarbonised energy products and will be ever more enhanced by businesses such as renewable energies and circular economy, thus actively contributing to the energy transition process. Innovation anchored to tradition: a forward-looking company that stays faithful to its history and to its non-negotiable values, such as integrity, respect for people and environmental protection.



EUROPE

- Austria
- Belgium
- Cyprus
- Czech Republic
- Denmark
- France
- Germany
- Greece
- Greenland
- Hungary
- Ireland
- Italy
- Luxembourg
- Montenegro
- Norway
- Poland
- Romania
- Slovakia
- Slovenia
- Spain
- Sweden
- Switzerland
- the Netherlands
- the United Kingdom
- Turkey

ASIA AND OCEANIA

- Australia
- Bahrain
- China
- India
- Indonesia
- Iraq
- Japan
- Kazakhstan
- Lebanon
- Myanmar
- Oman
- Pakistan
- Russia
- Saudi Arabia
- Singapore
- South Korea
- Taiwan
- the United Arab Emirates
- Timor Leste
- Turkmenistan
- Vietnam

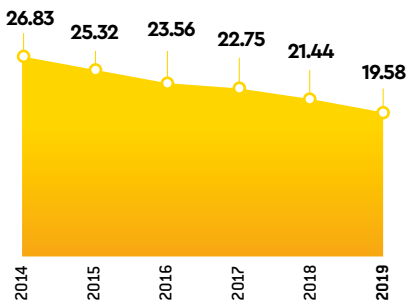
AFRICA

- Algeria
- Angola
- Congo
- Egypt
- Gabon
- Ghana
- Ivory Coast
- Kenya
- Libya
- Morocco
- Mozambique
- Nigeria
- South Africa
- Tunisia

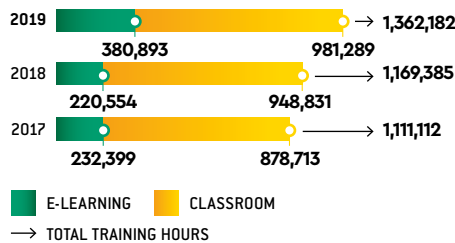
AMERICAS

- Argentina
- Canada
- Ecuador
- Mexico
- the United States
- Venezuela

UPSTREAM GHG EMISSION INTENSITY INDEX
[tonnes of CO₂e/ thousands of boe]



TRAINING HOURS



INVESTMENTS FOR LOCAL DEVELOPMENT (€ mln)



-81% TARGET REACHED
Upstream fugitive methane emissions vs. 2014

€194 MLN
Research and development expenditures

0.34 TRIR
-3% vs. 2018

89%
Freshwater reused

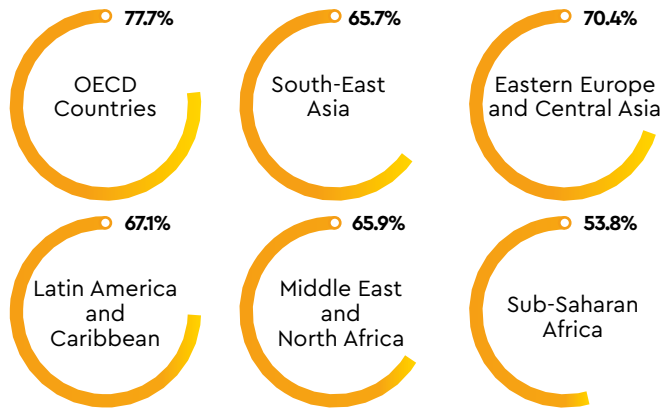
64 BLN Sm³
Gas sold to the domestic markets of 17 Countries

Towards a Just Transition: scenario and global challenges

Eni intends to play a defining role in the socially fair energy transition

Eni's transformation process, launched 6 years ago, underlines the company's intention to play a defining role in a socially fair energy transition to a low-carbon future, a key requirement of the Paris Agreement and of the labour guidelines of the United Nations' International Labour Organisation (ILO). As stressed in the new corporate mission, which includes a clear reference to the Sustainable Development Goals (SDGs), Eni's effort is aimed at rising, with concrete, fast-acting and economically sustainable solutions, to the challenge of improving access to reliable, clean energy, combating climate change. According to the 2019 SDG Index, which measures progress towards the full achievement of the SDGs, a different level of achievement of the SDGs worldwide is readily apparent, in particular between OECD and Non-OECD Countries. To achieve the SDGs, UNCTAD (World Investment Report 2014) estimated a financial gap in developing Countries of US\$2.5 trillion annually. Therefore, unprecedented cooperation is required between companies and players, such as governmental institutions and civil society, to create a new development model, sustainable from the economic, social and environmental viewpoint, propelled by efficiency and technology.

PROGRESS OF SDGs BY GEOGRAPHIC AREA



The percentages represent the achievement of SDGs by geographic area, where 0 indicates the worst result and 100 the attainment of the goals. The analysis is presented in the "SDG index and dashboards" outlined in the "Sustainable Development Report 2019".

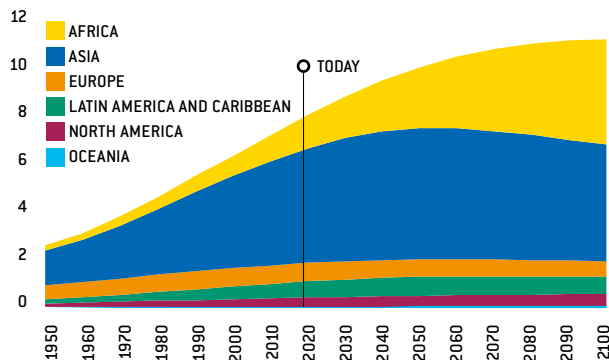
Source: Sustainable Development Solutions Network (SDSN)

9.2 BLN
People in 2040

+24%
Primary energy demand in 2040 vs. 2018 according to the STEPS scenario of the IEA

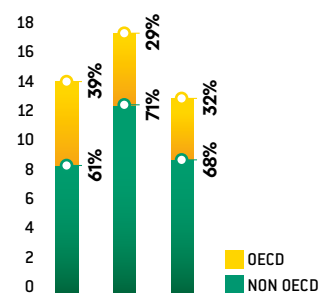
The path to energy transition is made even more challenging by the current, constantly evolving scenario: on one hand, demographic growth in non-OECD Countries implies a significant increase in energy demand, on the other hand combating climate change requires reducing atmospheric GHG emissions. As a result of demographic growth, there will be 1.6 billion more people in 2040 compared to the 7.6 billion in 2018, approximately 45% of whom will be in Sub-Saharan Africa. The International Energy Agency (IEA) has identified two main energy paths: a Stated Policies Scenario (STEPS) and a decarbonised, Sustainable Development Scenario (SDS). In the first one, global energy demand is forecast to grow by 24% in 2040 from the 2018 levels, driven mainly by non-OECD Countries (+42%), while in the second one consumption would contract from 2018, sustained mostly by efficiency and energy savings measures concentrated in the OECD area.

WORLD POPULATION (billions of people)



Source: UN, World Population Prospects, 2019 revision

ENERGY DEMAND (Gtoe)



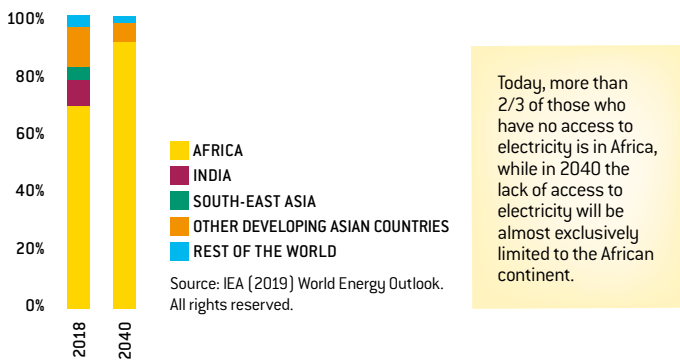
Source: IEA (2019) World Energy Outlook. All rights reserved.

To meet the world's energy demand, OECD Countries will have to promote efficiency-boosting processes and limit the carbon footprint associated with consumption, while non-OECD Countries will have to ensure universal access to energy through a sustainable energy mix, which will also make it possible to value existing local resources. In 2018, 860 million people still had no access to electricity and, while in the SDS the goal is full access to electricity as early as 2030, in the STEPS 660 million people would still lack access to electricity in 2040.

660 MLN

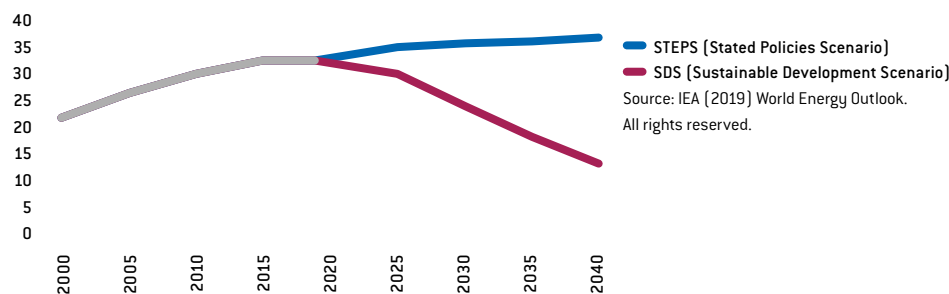
People without access to electricity by 2040 according to the STEPS scenario of the IEA

PEOPLE WITHOUT ACCESS TO ELECTRICITY (%)



Energy demand will have to be met, limiting atmospheric emissions of climate-altering gases to combat climate change. The ongoing global warming phenomenon is estimated to have reached a level of approximately 1 °C over the pre-industrial era. Currently, approximately 2/3 of global greenhouse gas emissions originate from the energy sector; of these, approximately 55% is related to the combustion of oil and gas, with coal covering the remainder. According to the IEA, a trajectory compatible with the goals of the Paris Agreement requires halving the emissions of the energy sector by 2040, to reach a value of approximately 1/3 of the current one in 2050 and ultimately zeroing net emissions in 2070.

EMISSIONS OF CO₂ (Gtonnes)



-52%

CO₂ emissions in 2040 vs. 2018 according to the SDS scenario of the IEA

Health emergency connected with COVID-19

The beginning of 2020 was marked by the worldwide spread of the health crisis tied to COVID-19, which triggered a series of containment measures, such as shutting down production activities and social distancing, with severe negative impacts on the economic environment and consequently on energy demand.

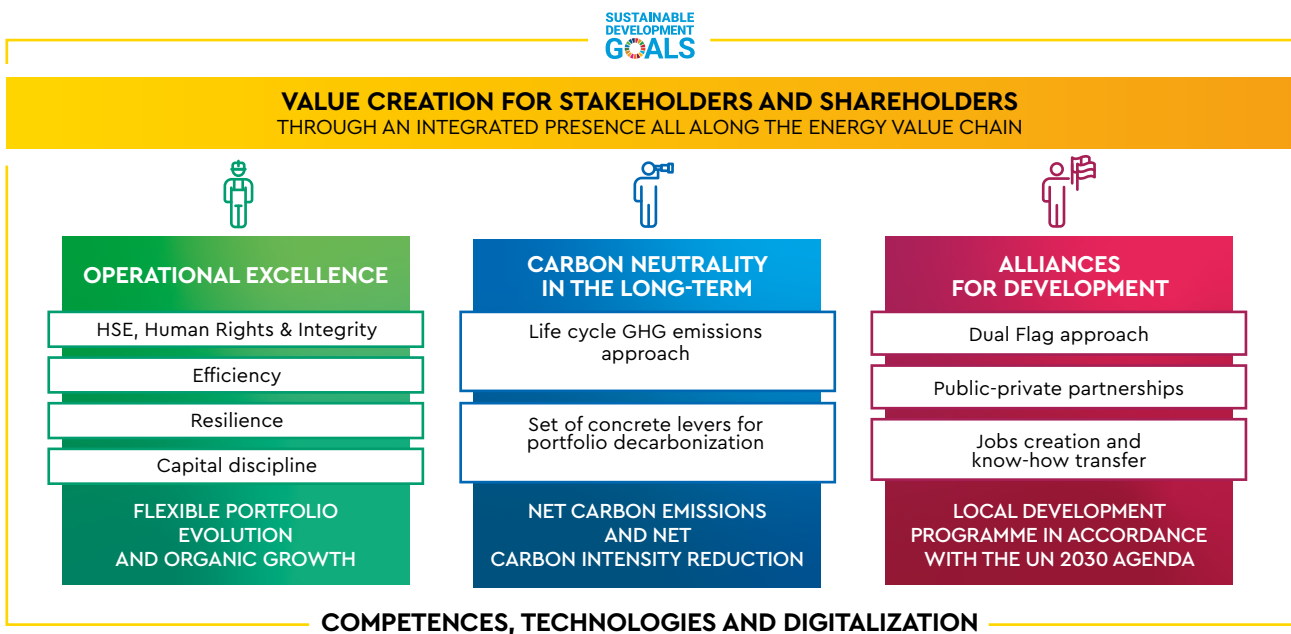
The magnitude of the effects will be closely tied to the duration of the lockdown and to the impact of the unprecedented economic measures taken by Governments throughout the world.

Though the energy sector needs to address the challenges connected with declining consumption, decreasing commodity prices and with the weakening of the general context in which it operates, it will have to ensure continuity to its highly strategic business, while providing the highest safety standards, and ensure the fulfillment of its decarbonization commitments, seizing the opportunities arising from the energy transition.

FOR FURTHER INFORMATION:
for all the initiatives launched by Eni for the health emergency, see eni.com

Business model

Eni's business model is focused on **creating value for its stakeholders and shareholders** through a strong **presence along the whole value chain**. Eni, as an integrated energy company, contributes, directly or indirectly, to achieve **Sustainable Development Goals (SDGs)** of the UN 2030 Agenda, supporting a socially fair energy transition responding through concrete, quick and economically sustainable answers to the challenge of combating climate change and giving access to energy resources in an efficient and sustainable way, for all. To manage this effectively, Eni integrates organically its industrial plan with the principles of environmental and social sustainability, enlarging its actions along three directives: **1. operational excellence; 2. carbon neutrality in the long term; 3. alliances for development.**



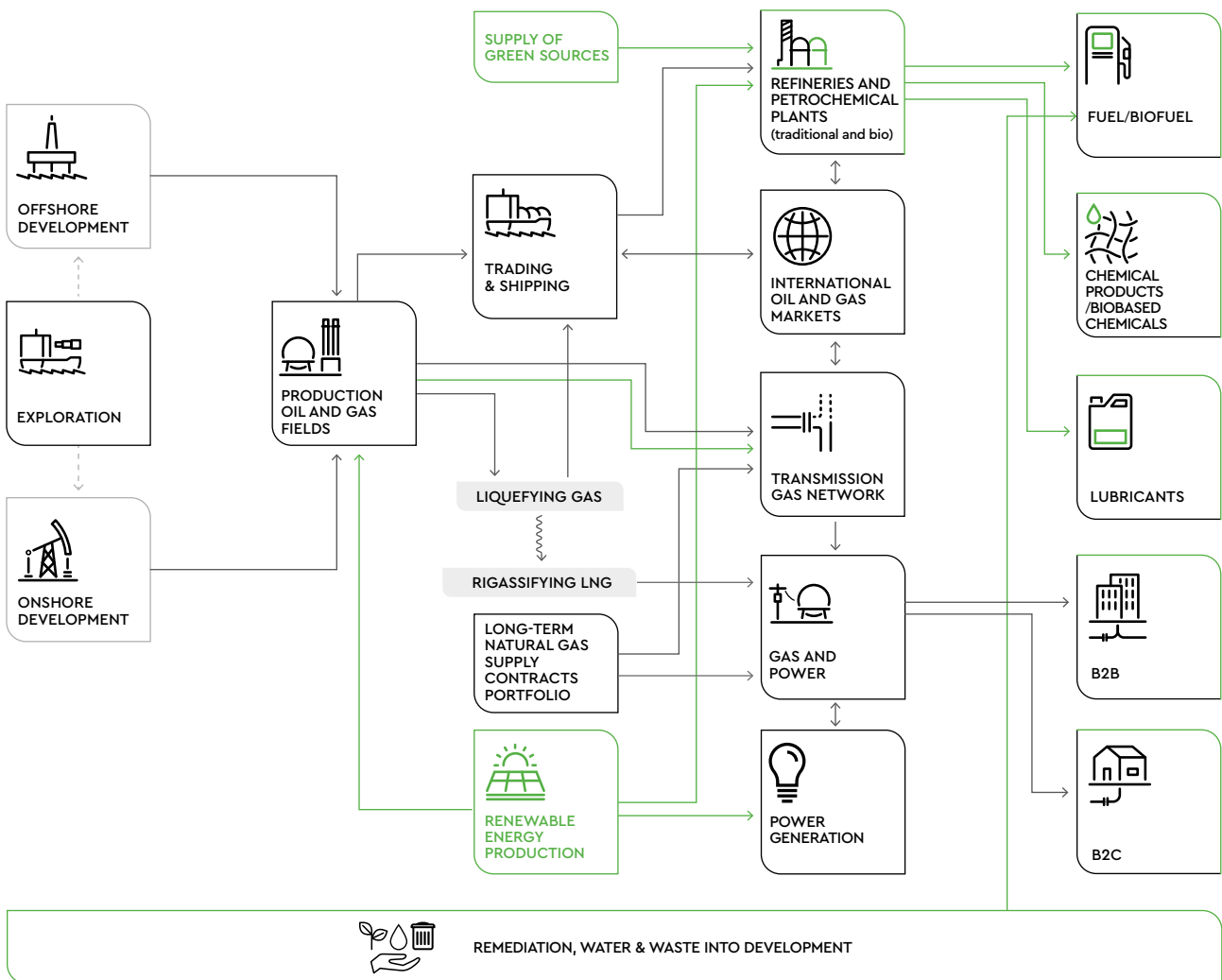
1. Firstly, Eni's business is constantly focused on the **operational excellence**. This is translated into: a continuous commitment to the valorization of people and, in **HSE**, to the safeguard of health and safety and environmental protection; the **efficiency and resilience** of operations, thanks to which Eni has accelerated projects' time-to-market, reducing their break-even; a solid **financial discipline**; the maximum attention to the **integrity** and respect for **human rights**. The company will leverage on these drivers to catch the opportunities deriving from the possible evolution of the energy market and technological progress and to **grow organically**;
2. Secondly, Eni's business model envisages a path to decarbonization with the ambition to lead the company to become **carbon neutral in the long term**. In this context, the company adopts a **life cycle GHG emissions approach** and leverages on **a set of actions including**: maximizing the energy efficiency of its assets; growing low carbon sources in its portfolio (with an increase in gas and biofuel share, as well as the production and marketing of biomethane); growing emission-free sources and developing circular economy initiatives. An important role will also be played by the application of new technologies capturing CO₂ and the development of forestry projects for forest conservation in accordance with the REDD+ scheme. This approach and these drivers will enable Eni to considerably **reduce its carbon footprint**, both in terms of **net emissions** and **carbon intensity**;
3. Thirdly, Eni's value creation will leverage on the alliances for the **promotion of local development** in its Countries of operation. Eni is not only committed to address the valorization of resources of producing Countries, allocating their gas production to the local market and facilitating access to electricity, but also to promote a wide range of community initiatives: from diversification of local economies, to health projects, education, access to water and hygiene projects. This distinctive approach, called **Dual Flag**, is based on collaborations with institutions, cooperation agencies and local stakeholders in order to identify certain necessary actions to meet the needs of communities in line with the National Development Plans and the 2030 UN Agenda. Eni is also committed to **creating employment opportunities and transferring its know-how** and expertise to its local partners involved in operations. These distinctive factors are reflected in the **Local Development Programmes (LDP)** to foster an inclusive growth, creating long-term value. Initiatives identified in Eni's Countries of operations leverage on an integrated approach through **public-private partnerships and alliances** with other internationally recognised players engaged in the territory.

Eni's business model is designed on these three levers leveraging on **internal competencies**, the **deployment of innovative technologies** and the **digitalization process**.

Eni's activities: the value chain

Eni is an energy company, operating in 66 Countries. Eni engages in oil and natural gas exploration, fields development and production, mainly in Italy, Algeria, Angola, Australia, Congo, Egypt, Ghana, Kazakhstan, Libya, Mexico, Mozambique, Nigeria, Norway, Oman, the United Arab Emirates, the United Kingdom and the United States, for overall 41 Countries.

Eni sells gas, electricity, LNG and oil products in European and extra-European markets, also leveraging on trading activities. Products availability is ensured by oil and gas production in the upstream business, long-term gas supply contracts, Combined Cycle Gas Turbine (CCGT) power plants, Eni's refinery system as well as by Versalis' chemical plants. The supply of commodities is optimized through trading activity. Integrated business units enable the company to capture synergies in operations and reach cost efficiencies. Eni engages in the renewable energy business through the development of plants for the production of low carbon energy, also reconvertng industrial sites through safety, remediation and environmental restoration.



Eni is an integrated energy company looking at the long-term, aiming to play a decisive role in the energy transition to a low carbon future, maximizing the energy efficiency of its assets and total elimination of flaring and methane leaks, the growth of low carbon sources in its portfolio; zero-emission sources development and the development of circular economy initiatives.

The circular transformation of Eni has been started-up in the downstream businesses, with the first conversion in the world of a traditional refinery into biorefinery, the transformation of waste in energy products, leveraging on proprietary technologies such as the Waste To Fuel and on the implementation in the chemical business of new processes and products transforming waste plastics in second raw material. Consolidated skills, technologies, innovation, research and geographical differentiation of assets are the levers to strengthen a change based on the synergies among stakeholders, the industrial symbiosis and the cultural change.

Sustainability governance

Sustainability targets in the CEO incentive plan

25%
Short term

35%
Long term

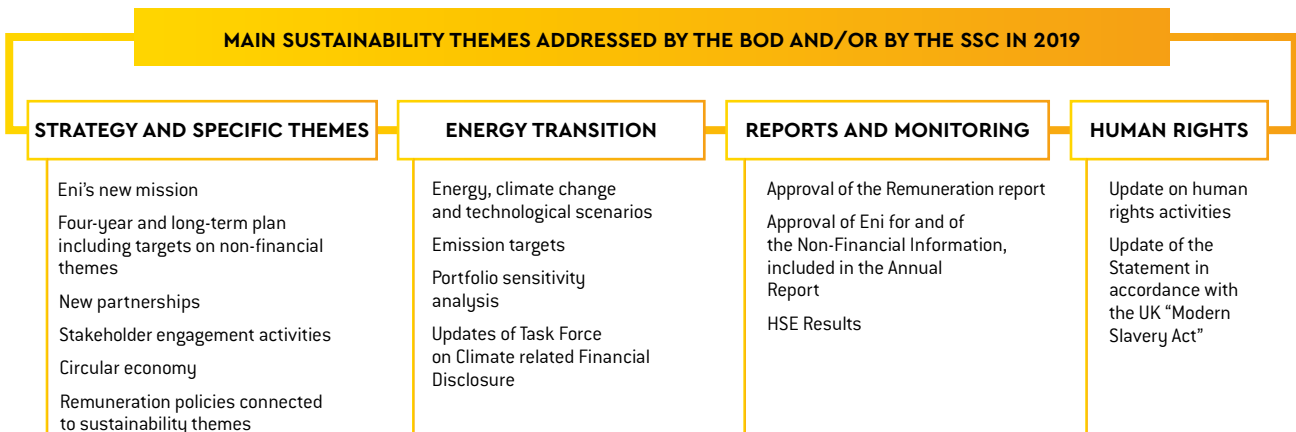
Board of Directors and Committees

Integrity and transparency are the principles guiding Eni in outlining its Corporate Governance¹ system, fundamental element for the company's business model. Eni's governance structure reflects the intention to integrate sustainability in its business model.

The Board of Directors (BoD) plays a central role in the definition, at the proposal of the Chief Executive Officer (CEO), of sustainability policies and strategies, in the identification of yearly, four-year and long-term targets shared among functions and subsidiaries and in verifying the related results, which are also presented to the Shareholders' Meeting, with the present document and the Consolidated disclosure of non-financial Information².

In performing its sustainability duties, the BoD has been supported, since 2014, by the **Sustainability and Scenarios Committee (SSC)**, tasked with making proposals and providing advice on scenarios and sustainability. The Committee is an important safeguard of the sustainability matters integrated in the company's business model, for example concerning climate change³ and human rights. Eni's BoD has also appointed an **Advisory Board** to analyse, for the benefit of the BoD and the CEO, the issues relating to the decarbonization process.

MAIN SUSTAINABILITY THEMES ADDRESSED BY THE BOD AND/OR BY THE SSC IN 2019



Remuneration linked to sustainability targets

The **short-term variable incentive Plan of the CEO**, for 2020 as well, includes environmental sustainability targets (with a weight of 12.5% on GHG emissions) and human capital targets (with a weight of 12.5% on the SIR⁴). These targets are also set for managers with strategic responsibilities for whom are also set other sustainability targets (e.g. relating to human rights or development projects) consistently with their position and with the provisions of the Strategic Plan. In addition, the stock-based **Long-Term Incentive (LTI) Plan** for 2020-2022 provides a specific target on environmental sustainability and energy transition (total weight 35%), comprising targets connected with decarbonization processes, energy transition and circular economy⁵.

THE PRINCIPLES OF THE 2020-2023 STRATEGIC PLAN



ENVIRONMENTAL SUSTAINABILITY AND ENERGY TRANSITION TARGET (35% WEIGHT) IN THE LTI 2020-2022 PLAN



ROLES AND RESPONSIBILITIES ON SUSTAINABILITY TOPICS¹



Management role at the central and local level




In Eni, sustainability cuts across all corporate processes, but also all functions. To ensure that sustainability matters are managed from the corporate leadership of all Eni's companies worldwide, Eni has adopted a business support organisation cutting across all areas (Chief Services & Stakeholder Relations Officer - CSRO) and responsible for defining the guidelines, methods and tools for managing and promoting sustainability matters, through ever closer integration with operating processes. The sustainability structure has been active since 2006 and renamed Impresso since 2015: it is a central organisational function (within the CSRO structure) that coordinates and supervises sustainability-related activities, from monitoring the evolution of the external environment to defining sustainability targets for the Strategic Plan and to developing initiatives in favour of the Countries where Eni operates. The integration of sustainability in the business is ensured at the central level by the collaboration between the sustainability function and the different functions (staff and business) that oversee sustainability matters. At the local branches, Managing Directors (top level managers of the corporate structure in the Countries where Eni is active), supported both by the local sustainability contact persons and by the central sustainability function, are responsible for defining the development plans of the Countries according to local needs. In 2019, a central organisational function was established, which is called Scenarios, Positioning and Medium-long term Plan. Reporting directly to the CFO, it supervises the preparation and consolidation of the medium-long term plan and ensured the drafting of the configuration assumptions for the portfolio of energy sources for the achievement of the targets in the Plan, including ESG targets.



1) For additional information about the roles and responsibilities of the BoD and of the Committees on sustainability matters, please refer to the [Corporate Governance and Shareholding Structure Report Eni](#), published on the eni.com website.
 2) The [Disclosure of non-financial information](#), included in the Annual Financial Report, is prepared in accordance with Italian Legislative Decree 254/2016 which transposed European Directive 95/2014.
 3) For additional information about climate change, please refer to "[Eni for - Carbon neutrality in the long term](#)", and on human rights, please refer to "Governance on human rights" on p. 43.
 4) [Severity Incident Rate \(SIR\)](#): internal Eni indicator calculating total recordable injuries relative to the number of hours worked, taking into account the level of severity of the incident on the basis of the days of absence of work.
 5) For additional information, please refer to [Eni's Report on remuneration policy and remuneration paid](#) available on eni.com.

Eni's new mission and the Sustainable Development Goals

Eni's new mission – approved by the Board of Directors in September 2019 – expressly represents the transformation path taken by the company to play a defining role in the global “**just transition**” process towards a low carbon future, promoting access to energy efficiently and sustainably for everyone. This mission completes and strengthens the previous one, confirming Eni's commitment to an energy transition that is also socially fair and organically integrating the **17 SDGs** to which Eni intends to contribute, exploiting new business opportunities. This is possible thanks to Eni's people, their passion and the company's drive towards continuous innovation, to valuing diversity as a leverage for development, to the respect and promotion of human rights, to integrity in business management and to environmental protection.

| LEVER OF BUSINESS MODEL | TOPIC | COMMITMENTS | MAIN RESULTS IN 2019 | | |
|--|---|---|---|---|--|
|  <p>CARBON NEUTRALITY IN THE LONG TERM P. 20</p> | | Eni has defined a medium- and long-term plan in order to take full advantage of the opportunities offered by energy transition and to reduce progressively the carbon footprint of its activities | <ul style="list-style-type: none"> -27% of GHG emission intensity index (upstream) vs. 2014 -29% volumes of hydrocarbons sent to process flaring vs. 2014 -81% upstream fugitive methane emissions vs. 2014 [TARGET REACHED] | | |
| |  <p>PEOPLE P. 26</p> | | Eni is committed to supporting the transition by consolidating and developing skills, enhancing every psychophysical dimension of its people and recognising diversity as a resource | <ul style="list-style-type: none"> 31,321 employees in service as of December, 31 +3.2 percentage point increase in women hired (32.3% in 2019 vs. 29.1% in 2018) Approx. 1.4 million hours of training (+16.5% vs. 2018) 12,000 professional profiles mapped to date | |
| | | <p>SAFETY P. 32</p> | | Eni believes that safety in the workplace is an essential value to be shared among employees, contractors and local stakeholders and it is committed to eliminating the occurrence of incidents | <ul style="list-style-type: none"> Total Recordable Injuries Rate (TRIR) 0.34 TRIR -3% vs. 2018 (-52% vs. 2014) |
| | | <p>RESPECT FOR THE ENVIRONMENT P. 36</p> | | Eni promotes the efficient use of natural resources and the safeguard of protected areas and key biodiversity areas, identifying potential impacts and mitigation actions and is committed not to carry out hydrocarbon exploration and development activities in UNESCO World Heritage Natural Sites | <ul style="list-style-type: none"> Formalisation of Eni's commitment not to carry out exploration and development activities in UNESCO World Heritage Natural Sites Eni's adhesion to the CEO Water Mandate +7.5% of groundwater treated at TAF plants and used in the production cycle or reinjected vs. 2018 (5.1 million m³ in 2019) 89% reuse of freshwater -12% seawater withdrawn vs. 2018 -15% waste from production activities generated vs. 2018 -61% operational oil spills vs. 2018 |
| | | <p>HUMAN RIGHTS P. 42</p> | | Eni is committed to respecting human rights in its activities and to promoting their respect among its partners and stakeholders | <ul style="list-style-type: none"> First “Eni for human rights” report published Ranked in the top 4% of the 200 companies evaluated by the CHRB “CEO Guide to Human Rights” of the WBCSD signed 97% security contracts with human rights clauses 100% new suppliers assessed according to social criteria |
| | <p>TRANSPARENCY AND INTEGRITY IN BUSINESS MANAGEMENT P. 48</p> | | Eni carries out its business activities with fairness, correctness, transparency, honesty and integrity in compliance with the law | <ul style="list-style-type: none"> Membership in EITI since 2005 9 Countries where Eni supports EITI's local Multi-Stakeholder group 27 audits with anti-corruption checks | |
| |  <p>ALLIANCES FOR LOCAL DEVELOPMENT P. 50</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 | <ul style="list-style-type: none"> €95.3 million invested in local development Partnership signed with UNIDO to contribute to SDG 9 MoUs signed with Angola and Mozambique that combine traditional business with a commitment to diversified and sustainable growth | |
| <p>TECHNOLOGICAL INNOVATION P. 18</p> | | | For Eni, research, development and rapid implementation of new technologies are an important strategic lever to drive business transformation | <ul style="list-style-type: none"> €194 million invested in research and technological development 34 applications for first patent filings, of which 15 concern renewable sources | |

It is necessary to consider that the achievement of the SDGs requires an unprecedented collaboration between the public and the private sector. Hence Eni's effort in defining and building alliances (public-private partnerships) with locally rooted, internationally recognised partners. Moreover, Eni has been confirmed as a participant in the **Global Compact LEAD** – the largest initiative in the world on business sustainability – demonstrating its ongoing commitment in favour of the Principles of the United Nations for Responsible Business. Eni was recognised as one of the most active companies: in 2019, it participated in the Action Platform for Reporting on the SDGs and in the Action Platform for Financial Innovation for the SDGs.

GOALS

SDGs

- Reduction of the upstream GHG emissions intensity index of 43% by 2025 against 2014
- Zero process gas flaring by 2025
- Reduction of upstream fugitive methane emissions of 80% by 2025 against 2014
- Average improvement of 2% per year in 2021 compared to 2014 of carbon efficiency index
- Net zero carbon footprint for Scope 1 and 2 emissions from upstream operations by 2030 and from Eni Group operations by 2040
- Reduction of 80% in Scope 1, 2 and 3 net emissions, with reference to the entire life-cycle of the energy products sold and of 55% in emission intensity compared to 2018



- Turnover in the two-year period 2019-2020 (hires/terminations ratio) greater than 1.5 to support the consolidation and evolution of skills
- Training: continue planning and development of professional paths related to digitalization and Energy Transition
- Gender diversity: continue with the positive trend of turnover achieved in the last 3 years related to women hired compared to those who leave the company ≥ 1.4
- Work-life balance: verify the possibility of further extensions of Smart Working, in particular in industrial areas
- Health: investments of approximately €205 million by 2023



- Culture of safety consolidation: development and implementation of an Eni model for analysis and control of human barriers and coaching activities on behavioural safety
- Eliminating of the occurrence of incidents, extension of Digital Safety initiatives, new digital technologies to support workers health and safety; definition and dissemination of the golden rules on process safety and asset integrity related to behaviours needed to prevent major accidents



- Achievement of the share of 5.4 million m³ by 2020 of groundwater treated at TAF plants and used in the production cycle or re-injected
- Re-injected production water: re-injected amount achievement equal to 71% is estimated by 2023
- Oil Spill: extension of the Vibroacoustic Pipeline Monitoring System (e-vpms®) to detect activities near pipelines and Third Party Intrusion (TPI) pilot testing
- Waste: increasing of waste amount to recovery
- Biodiversity: extension of biodiversity risk mapping to R&M pipelines



- Continuing in the widespread assignment of specific MBOs on human rights to Eni management at all levels
- Training: continuing the human rights training campaign
- Suppliers: dissemination of Supplier Code of Conduct
- Scope extension of the human rights management model to other business units (beyond upstream and downstream)



- Systematic interaction with subsidiaries in the member Countries and active promotion of EITI membership in non-member Countries
- Continuous improvement of Anti-corruption Compliance Program
- Application of methodology to segment population for anti-corruption training purposes



- Local development investments 2020-2023: €381 million which will enable, among others, the achievement of following targets by 2020:
 - Energy access: 4,600 families beneficiaries of access to clean cooking technologies in the communities involved
 - Education: 2,730 students attending refurbished schools with improved services by Eni



- R&D investments planned for the 2020-2023 period: €957 million; 80% to be invested in the path to long-term carbon neutrality



Sustainability priorities

37

Countries where stakeholder issues were collected

Each year Eni updates the analysis for the definition of the material aspects, which includes the priorities for all Eni relevant stakeholders, external and internal, and identifies the challenges and key opportunities of the entire cycle of activities for the creation of value in the long term.

Identification of internal and external topics

The issues of the relevant stakeholders are mapped both through a dedicated platform (Stakeholder Management System - SMS), which supports the management of local stakeholders, and through interviews with the functions responsible for managing their relations on an ongoing basis throughout the year. Furthermore, to identify the relevant aspects, the main ESG risks are also considered, as defined through the integrated risk management model, as well as the results of the scenario analyses carried out by Eni.

Analysis of priority topics

The materiality of the topics identified is defined on the basis of the priority analyses:

1. of the scenario elements – defined on the basis of the topics that were addressed during the meetings of the Sustainability and Scenarios Committee (SSC) in 2019;
2. of the main ESG risks resulting from the Integrated Risk Management (IRM) process, which also takes into account the evidence provided by external providers, including RepRisk⁶. These risks are assessed also considering potential environmental, social, health and safety and reputational impacts;
3. of the relevance of the stakeholders and the related issues.

The combination of these analyzes, including the priority issues for all the relevant stakeholders, allows to have a perspective both internal and external to the company.

Sharing and validation with the Governance body

The management involved in the non-financial reporting process validated the material aspects, which were also presented to the SSC and the BoD, together with the related analysis.

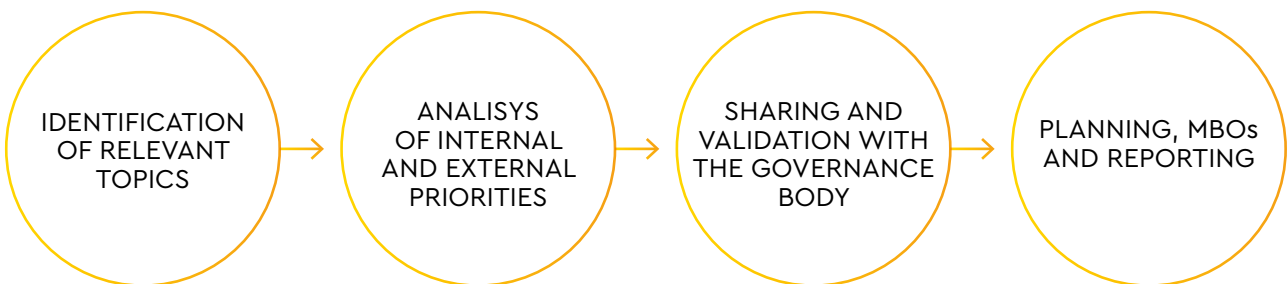
Planning, definition of MBOs and Reporting

The material topics thus identified are the basis for the development of the four-year Strategic Plan, which, by combining economic-financial and sustainability objectives, enables an integrated strategic planning. Furthermore, these aspects, enriched with specific context analyses of the socio-economic, environmental and cultural aspects of the Countries of presence, allow to define the priorities of the Strategic Plan at local level and to define the activities for the promotion of local development (for further information see p. 53). Once the Strategic Plan is finalized, the sustainability managerial objectives (MBOs) are attributed to all managers. Finally, the material topics allow to identify the content of Eni's non-financial reporting (Consolidated disclosure of Non-Financial Information and Eni for).

>3,500

Stakeholders whose issues have been analyzed in the materiality definition process

MATERIALITY PROCESS



6) RepRisk is a provider for the materiality analysis of ESG risks relating to companies, sectors, Countries and issues, whose calculation model is based on the collection and classification of information [i.e. "risk incidents"] from the media, other stakeholders and public sources outside the companies.

IDENTIFICATION AND ANALYSIS OF INTERNAL AND EXTERNAL PRIORITIES

1. SCENARIO ANALYSIS

Emerging topics in the context of activities and progress regarding the objectives of the Strategic Plan.

For more details see pp.: 6-7, 21, 25, 51

2. MAIN ESG RISKS

Identification of Eni's main risks with potential environmental, social, health and safety and reputational impacts. The CEO submits the main risks for the company to the BoD quarterly.

For more details see p.: 16

3. STAKEHOLDER ENGAGEMENT

For more information see p. 17

| STAKEHOLDER CATEGORIES | PRIORITY TOPICS | Climate change and energy efficiency | Risks and vulnerabilities in the energy sector | Circular economy | Integrity and transparency | Management of environmental impacts | Health and safety in the workplace | Corporate Governance | Economic and financial value creation | Fairness and transparency of commercial policies | Sustainable management of the supply chain | Labour standards & diversity | Asset integrity and emergency management | Response capacity to the consumer's needs | Organizational environment and welfare | Protection of human rights | Challenges for development | Relations with the community and local development | Digitalization, technological development and research |
|---|-----------------|---|--|------------------|----------------------------|-------------------------------------|------------------------------------|----------------------|---------------------------------------|--|--|------------------------------|--|---|--|----------------------------|----------------------------|--|--|
| | | Eni's people and national and international labour unions | | | | | | | | | | | | | | | | | |
| Financial community | | | | | | | | | | | | | | | | | | | |
| Local communities & community based organizations | | | | | | | | | | | | | | | | | | | |
| Suppliers and commercial partners | | | | | | | | | | | | | | | | | | | |
| Customers and consumers | | | | | | | | | | | | | | | | | | | |
| Domestic, european and international institutions | | | | | | | | | | | | | | | | | | | |
| Universities and research centres | | | | | | | | | | | | | | | | | | | |
| Volunteer organizations and category associations | | | | | | | | | | | | | | | | | | | |
| Organizations for cooperation and development | | | | | | | | | | | | | | | | | | | |

THE COMBINATION OF THE RESULTS OF THESE 3 ANALYSES ALLOWS TO DEFINE THE MATERIAL ASPECTS, ORGANIZED BY THE LEVERS OF THE BUSINESS MODEL



OPERATIONAL EXCELLENCE MODEL

People
Employment, Diversity and Inclusion, Training, Health protection of workers and communities

Safety
People's safety and asset integrity

Reduction of environmental impacts
Water resources, biodiversity and oil spill

Human rights
Workers' and local communities' rights, Supply chain and Security

Integrity in business management
Transparency and Anti-corruption



CARBON NEUTRALITY IN THE LONG TERM

Fight against climate change
GHG emissions, promotion of natural gas, renewables, biofuels and green chemistry



ALLIANCES FOR LOCAL DEVELOPMENT

Access to energy
Local development through public-private partnerships
Economic diversification, Education and Training, Access to water and sanitation, Health

Local content

Digitalization, technological development and research

Integrated Risk Management Model

In 2019, implementation of the Integrated Country Risk (ICR) model was completed; the model makes it possible to synthesize the overall risk, of a Country of Eni's presence or Eni's potential interest, including the ESG dimension




Eni has developed and adopted an Integrated Risk Management Model (IRM)⁷ directed at ensuring that management make risk-informed decisions, through the assessment and analysis of risks, including 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 includes in its own evaluations all the risks that may be relevant to business sustainability in the medium to long term.

Risks are:

- assessed with quantitative and qualitative tools, considering both the probability of occurrence and the impacts [economic, operational, HSE, social, reputational] that would be determined in a given time horizon upon occurrence of the risk;
- represented, based on the probability of occurrence and on the impact, on matrices that allow them to be compared and classified by relevance.

In 2019, two assessment cycles were carried out: in the first half of the year, the Annual Risk Profile Assessment was carried out, involving 95 subsidiaries in 37 Countries, while in the second half the Interim Top Risk Assessment was carried out, in which the assessments and treatment actions related to Eni's top risks and main business risks have been updated.

In addition, three monitoring cycles were carried out on Eni's top risks. The outcomes of the assessment and monitoring activities were presented to the Board of Directors and the Board of Statutory Auditors on a quarterly basis. Eni's risk portfolio comprises approximately 160 risks, of which 20 top risks⁸, classified as external, strategic and operational risks. The following figure is a representation of the main risk categories with ESG⁹ impacts; the related mitigating actions are described in Eni for and in the Non-Financial Statement.

| |  CARBON NEUTRALITY IN THE LONG TERM |  OPERATIONAL EXCELLENCE MODEL |  ALLIANCES FOR LOCAL DEVELOPMENT |
|--|--|--|---|
| MAIN ESG RISKS AND MITIGATING ACTIONS | | | |
| Political and social instability and Global security risks | | p. 46 | pp. 61-69 |
| Climate change | pp. 20-23 | | pp. 54-55 |
| Blow out | | pp. 34; 38 | |
| Incidents | | pp. 32-35 | |
| Evolution in HSE legislation | pp. 20-23 | pp. 31-41 | |
| Environment, health and safety proceedings | pp. 20-23 | pp. 31-41 | |
| Involvement in corruption investigations and proceedings | | pp. 48-49 | |
| Relations with stakeholders | pp. 20-23 | | p. 63 |
| Health ^[a] and safety risks | | pp. 31-35 | pp. 66-69 |
| Risks related to workforce skills portfolio | | pp. 26-30 | |
| Risks related to potential human rights violations | | pp. 42-47 | pp. 64-65 |
| Environmental risks | pp. 20-23 | pp. 36-41 | pp. 66-69 |
| Risks related to local content | | | pp. 70-71 |
| Risks related to the procurement activity | | pp. 46-47 | pp. 61; 64; 70-71 |
| Risks related to Corporate governance | | pp. 10-11 | |

 Top Risk

[a] For additional information about the risk related to the spread of pandemics and epidemics, with potential impacts on people, health system and business, please refer to the [2019 Annual Financial Report](#), pp. 98-99.

7) For additional information about the IRM model and top risks please refer to the [2019 Annual Financial Report](#), pp. 20-23; for more information on climate change related risks, please refer to [Eni for 2019 - Carbon neutrality in the long term](#).

8) Among the 20 top risks, the Cyber security and industrial espionage risk is represented in the [2019 Annual Financial Report](#), pp. 23 and 114.

9) Risks associated with Environmental, Social and Governance issues.

Stakeholder engagement activities

To Eni, the relationship with its stakeholders, listening and sharing decisions with people in the Countries where it operates are fundamental elements: knowledge of their point of view and their expectations is the foundation of its commitment to building transparent and lasting relationships based on mutual trust. Eni has operations in 66 Countries with very different social, economic and cultural contexts, and it believes that dialogue and the direct involvement of stakeholders are fundamental elements for creating value in the long term, in every phase of its business activities. In order to engage in this daily and proactive dialogue with multiple stakeholders at local, national and international level, since 2018, Eni has been using an IT platform called Stakeholder Management System (SMS), which supports the management of its complex network of relationships. The system is in use in 37 Countries and tracks over 3,500 stakeholders. The SMS allows to record and view relationships with each stakeholder category, highlighting any critical issues and areas for improvement, the main issues of interest, the potential impacts on human rights, also identifying the possible presence of vulnerable groups and areas listed by UNESCO as well as sites of cultural and/or naturalistic interest (WHS - World Heritage Sites) in the Countries where it operates. For the main issues emerging from the dialogue with the following categories of stakeholders, see p. 15.

ENI'S PEOPLE AND NATIONAL AND INTERNATIONAL TRADE UNIONS

- Professional and training paths on emerging skills related to business strategies and expansion of skills mapping
- Training initiatives to support inclusion and recognition of the value of all kinds of diversity and international initiatives supporting team building and innovation (Hackathon)
- Fourth edition of the climate analysis
- Initiatives for parenthood (smart working and school nursery) and family members with disabilities
- Meeting with national and international trade unions (renewal of the Global Framework Agreement) to discuss the different social and trade union realities of the Countries where it operates

FINANCIAL COMMUNITY

- Presentation of the 2019-22 strategic plan, followed by Road-Show of the CEO and top management at the main stock exchanges
- Eni's President Governance Road Show
- Dialogue with the market, in particular on the 2019 remuneration policy, in view of the 2019 Shareholders' Meeting
- Meeting in Abu-Dhabi for investors and financial analysts on the expansion strategy in the Arabian Peninsula
- Meetings on quarterly results
- Participation of top management in thematic conferences organized by banks

LOCAL COMMUNITIES AND COMMUNITY BASED ORGANIZATIONS

- Involvement of about 650 communities (including indigenous ones) close to plants
- Consultation of local authorities and communities for new exploration activities and/or the development of new projects as well as for the planning, management and improvement of social projects (Angola – economic diversification, Iraq – education, Pakistan – access to water, Mozambique – access to energy, Italia/Basilicata – CASF Project)
- Mapping of community relations, requests and grievances and definition of local engagement content

SUPPLIERS AND COMMERCIAL PARTNERS

- Suppliers involvement with human rights Assessment
- Communication, feedback and improvement plans
- Participation in IPIECA WG: Forum on O&G Sustainability best practices
- Green Sourcing Project: identification of supply chain levers to reduce environmental impacts
- Discussion of human rights clauses in upstream joint venture contracts

CUSTOMERS AND CONSUMERS

- Meetings and workshops with Presidents, Secretaries General and Energy Managers of national and local Consumers' Associations (CAs) on issues such as sustainability, circular economy, reclamation and environmental remediation
- Sponsorship of CA initiatives on sustainability and circular economy
- Territorial meetings with the regional CA of the Italian National Council of Consumers and Users
- Survey of national and regional CA representatives on circular economy, sustainability and energy transition

NATIONAL, EUROPEAN AND INTERNATIONAL INSTITUTIONS

- Dialogue with the the Inter-Ministerial Committee on Human Rights (CIDU) and the National Contact Point (Italy) for OECD Guidelines
- Meetings with Italian political representatives and institutions, both central and local, on energy, climate and environmental issues, circular economy and sustainable development
- Active participation in institutional technical round tables, joint committees, WGs and other meetings promoted by Italian Government and Parliament
- Visits by Italian institution delegations, central and local, to Eni industrial plants, sites and research centres

UNIVERSITIES AND RESEARCH CENTRES

- Meetings with Universities, Research Centres and third-party companies with which Eni collaborates or interfaces in the development of innovative technologies
- Agreements and collaborations with the Polytechnic of Milan and Turin, the Universities of Bologna, Naples and Pavia, MIT, CNR, Italian National Inter-University Consortium for Materials Science and Technology, ENEA and Italian National Institute of Geophysics and Volcanology
- Establishment with the CNR of 4 research centres in Southern Italy for sustainable environmental and economic development in Italy and worldwide
- Collaboration with the Polytechnic of Milan in the organization of the Master's in Energy Innovation and for the development of Impact Assessment Models (the latter also with the University of Milan - Faculty of Agrarian Sciences)

VOLUNTEER ORGANIZATIONS AND CATEGORY ASSOCIATIONS

- Membership and participation in OGCI, IPIECA, WBCSD, UN GLOBAL COMPACT, EITI
- Collaboration with IHRB and other international human rights institutions
- Conferences, debates, seminars and training initiatives on sustainability issues (energy, circular economy, remediation, corporate social responsibility); implementation of guidelines and sharing of best practices
- Participation in meetings of the association bodies and working tables on strategic issues, monitoring legislative developments
- Meetings with Local Business Associations on the supplier qualification process

ORGANIZATIONS FOR COOPERATION AND DEVELOPMENT

- Development of new public-private partnership models
- Dialogue and development of collaborations with United Nations organizations and cooperation agencies UNIDO, UNESCO, FAO, World Bank, E4Impact Foundation, Dom Bosco Institute in Maputo and Halo Trust Foundation
- Consolidated relations with Faith-Based Organizations (2nd "Vatican Dialogue on Energy Transition and Care for Our Common Home"; Scientific and Organizational Committee of the Mediterranean Frontier of Peace event organized by the Italian Episcopal Conference)

Technological development



€957 MLN

R&D investments planned for 2020-2023

80%

to be invested in the path to long-term carbon neutrality

A key element for Eni's transformation into an integrated energy company with an ever lower carbon footprint is **Research and Development (R&D)**, which includes both the availability and the development of cutting-edge technological competencies, and the continuous effort to multiply the scope of the identified energy solutions. Innovation is, for Eni, a lever to create value and grow as a company, through the development of new technologies and their rapid field implementation on an industrial scale. Research projects pertain to every aspect of the production chain, with the goal of reducing risks and increasing efficiency, consolidating technological leadership and generally obtaining more quality, efficiency and sustainability in products, plants and processes. Efficiency also pertains to the minimisation of direct CO₂ emissions, the reduction of waste and the valorisation of scrap materials to assure the smallest possible environmental impact. In addition to its 7 research centres in Italy, Eni collaborates with internationally recognised centres of excellence, such as the Massachusetts Institute of Technology (MIT), with which it has had relations since 2008, or the Italian National Research Council (CNR) since 2009. From 2008 Eni has established the Eni Award, the "Nobel prize" for energy, to develop better utilisation of energy sources and recognises new generations of researchers, with the award ceremony conducted in the presence of the President of Italy. Throughout the years, the Award has evolved, encompassing matters like environmental clean-up, the innovative use of hydrocarbons and renewable energies, focusing on developing Countries and on the ideas of young students and Eni's people. In 12 years, 78 researchers from 5 continents have been recognised.

€194 MLN

Total R&D expenses in 2019

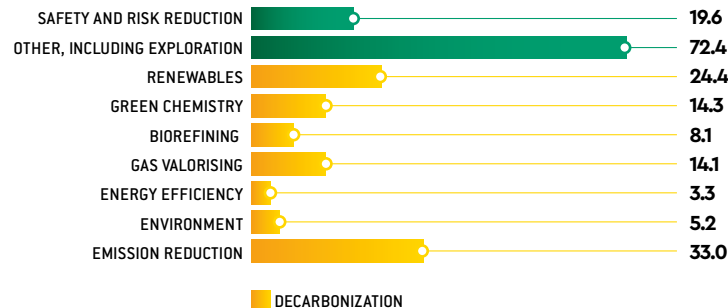
7,686

Current patents

15

First patent filing applications on renewable sources

R&D EXPENDITURES IN 2019 (€ mln)



Tangible value generated by R&D

Eni is also committed to identifying the value generated by applying innovative technologies developed both in-house and with third parties. In 2019, the estimated tangible value generated was €1,126 million, an increase from the previous year thanks mainly to the contribution of:

- Proprietary software boosting the accuracy of the analyses carried out, for example reducing exploration risk and shortening the assets' time-to-market;
- Technologies that enable to identify the best structures during drilling, allowing the optimal positioning of wells in a timely manner and boosting their productivity;
- Software to optimise operating parameters in real time, with consequent increase in the efficiency of field operations;
- New fuels with low carbon impact, energy saving lubricants and biochemicals.

To promote internal competencies, Eni has undertaken to disseminate technical knowledge across all structures also through the Knowledge Management System [e-kms].



FOR FURTHER INFORMATION:

Eni for 2019 - Carbon neutrality in the long term; eni.com website; collaborations with MIT and CNR

Digitalization

The digital transformation launched by Eni is a process that changes people's way of working, exploiting the potential of digital technologies. Digital transformation is an opportunity for everyone: it allows to operate more safely (see p. 33), it provides for new ways of working, it fosters and enhances competencies. Through interaction with technology, people act more rapidly, efficiently and flexibly, allowing the company to be more sustainable with respect to the environment and to stakeholders and more competitive in the reference market, sustaining energy transition. For the transformation to take place organically, a structured change management path is necessary, to renew the corporate culture and change the traditional approach to work, identifying more flexible, streamlined paths and appropriate tools to involve people rationally and emotionally. In 2019, €105 million were invested in digital transformation focused on personnel safety, asset integrity, efficiency and effectiveness of operating and internal processes and attention to customers, obtaining economic benefits in the amount of €173 million. These benefits originate from upstream (drilling, reservoir, surface facility management, inspection, survey and mapping using drones), Refining & Marketing and Eni gas e luce (customer value & centricity areas).

€105 MLN
Invested in digital transformation

€173 MLN
Benefits generated by digital transformation

The components of the digital transformation

DIGITAL BUSINESS UNIT

Serves all Eni business lines for the digital transformation of the company.

"LIGHTHOUSE" PROJECTS

For the digitalization in Italy and abroad of upstream industrial plants (offshore and onshore), downstream plants (refineries and petrochemical sites), to improve the efficiency, safety and sustainability of the operations.

DIGITAL COMPETENCE CENTER

To enhance systems and methods, hire, train, develop new professional roles and for the upskilling of traditional roles. The study of Big Data provides useful information for Eni's activities.

PROCESSES

Digitalization of business support functions such as integrated risk management, negotiation activities, audits.

OPEN INNOVATION CALL

1) Innovation challenge for defining new Data Science models and predictions for Security; 2) "Digital HR: innovate to grow" call for training and for renewing the engagement, feedback and employee relations management process; 3) "Smart&Efficient Buildings" call by Eni gas e luce to make buildings more efficient, independent, safe and comfortable.

"The inauguration of the HPC5 is an important time in the path toward the energy transition. It's another step forward towards the global goal that we share with our research and technology partners: making tomorrow's energy an even closer reality"
Claudio Descalzi, Eni CEO

LAUNCH OF THE EVOLUTION OF THE SUPER-COMPUTING INFRASTRUCTURE IN THE GREEN DATA CENTER In October 2019, Eni started building the new HPC5 supercomputing system, commissioned in early 2020, supporting the ongoing digitalization and transformation path.

The new HPC5 supercomputing system is added to the current HPC4, compared to which it triples computing power, allowing the execution of 52 million billion mathematical operations per second. From 2020 onwards, the entire structure of the Green Data Center has a total peak power of 70 PetaFlop/s.

BIG DATA: HPC5 allows the use of "big data" generated during the operations of all productive assets, and allows to further accelerate Eni's transformation path thanks to the improvement in the processes relating to the new energy sources, supporting the development energy from the sea, research on magnetic confinement fusion, on climate and on technologies for the environment.

ENERGY EFFICIENCY: HPC5 was developed to achieve the highest possible level of energy efficiency, also exploiting the energy generated by the photovoltaic field installed at the Green Data Center, thereby reducing emissions and operating costs.



FOR FURTHER INFORMATION:
eni.com website: [HPC5](#)



Carbon neutrality in the long term

Eni has embarked on a decarbonization path to rise to the crucial challenge of the energy sector: transition towards a low carbon future and access to energy for a growing world population. The strategy adopted in this direction comprises, in addition to the reduction of direct GHG emissions, the development of the renewables business and new businesses based on circularity, the research effort, the development of innovative solutions in support of all activities and a resilient hydrocarbon portfolio in which gas, as is pointed out in all IEA scenarios, will play a significant role, by virtue of its lower carbon intensity and of the possibility of integration with renewable sources in electricity generation, while promoting the reduction of coal consumption.

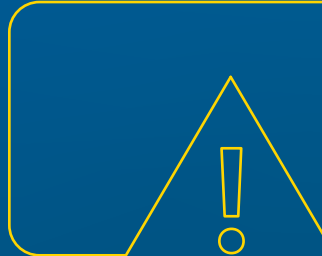


Climate Disclosure

FOR THE THIRD CONSECUTIVE YEAR, ENI HAS PUBLISHED A REPORT DEDICATED TO ITS PATH TOWARDS LONG-TERM CARBON NEUTRALITY IN LINE WITH THE RECOMMENDATIONS OF THE TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURE (TCFD)

Governance on climate

THE BOARD OF DIRECTORS AND THE CEO HAVE A CENTRAL ROLE IN THE MANAGEMENT OF THE MAIN ASPECTS RELATED TO CLIMATE CHANGE

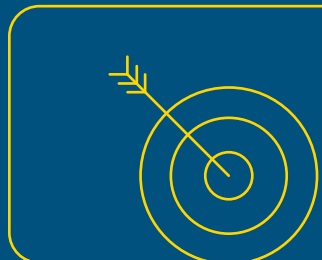


Risk management

THE PROCESS MANAGEMENT FOR THE RISKS AND OPPORTUNITIES CONNECTED WITH CLIMATE CHANGE IS INCLUDED IN THE INTEGRATED RISK MANAGEMENT MODEL

Strategy

ENI'S STRATEGY COUPLES CONTINUOUS DEVELOPMENT OBJECTIVES IN A RAPIDLY EVOLVING ENERGY MARKET WITH A SIGNIFICANT REDUCTION IN THE CARBON FOOTPRINT



Metrics and targets

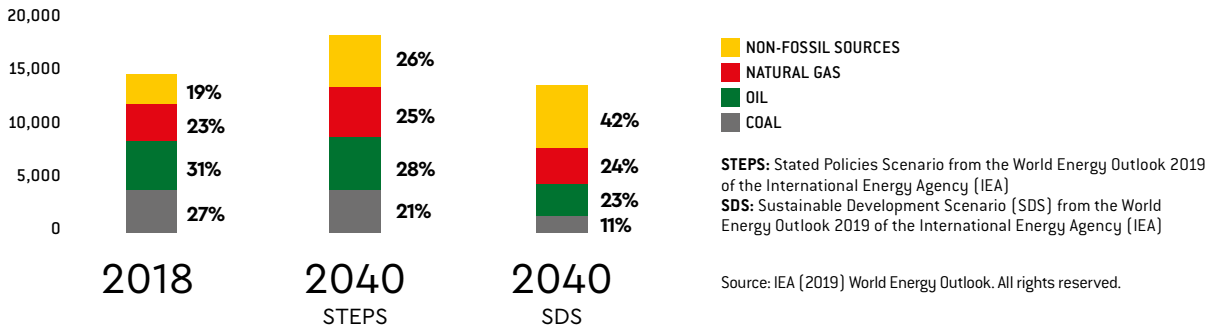
ENI HAS ADOPTED SHORT, MEDIUM AND LONG TERM TARGETS, WITH PROGRESS PERIODICALLY MONITORED AND COMMUNICATED TO THE MARKET ANNUALLY AND/OR SEMI-ANNUALLY



Scenario elements

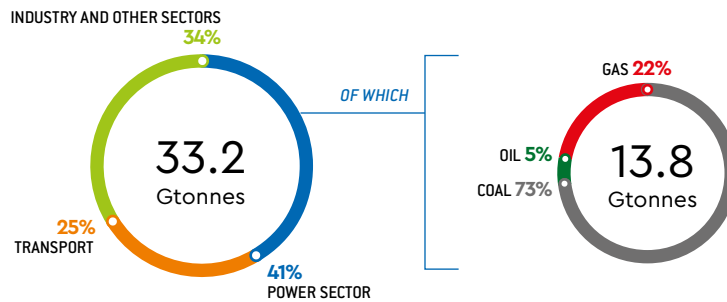
Energy demand by source

(Mtoe, %)



Gas, favored by the high efficiency of the plants and by low emissions coefficients, is the only fossil fuel that is increasing its mix amount both in the Stated Policies Scenario (STEPS) and in the decarbonised scenario (SDS), continuing to account for around a ¼ of energy needs in 2040.

Global CO₂ emissions in the energy sector

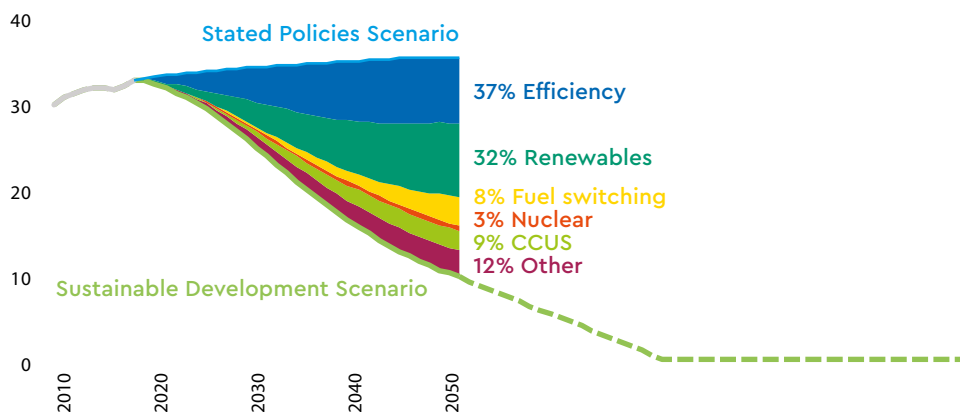


Energy-related global CO₂ emissions in 2018 are 33.2 billion tonnes, 13.8 of which come from electricity generation. Coal continues to dominate the power sector emissions (>70%).

Source: IEA (2019) World Energy Outlook. All rights reserved.

Energy-related CO₂ emissions and reductions by source in the Sustainable Development Scenario (Gtonnes CO₂)

In order to achieve the SDS scenario, radical changes are needed in the way energy is produced and consumed, through the use of energy efficiency and low-carbon technologies, such as renewables, nuclear and CCUS (carbon capture, utilisation and storage).



Path to decarbonization



WHY IS IT IMPORTANT TO ENI?

Eni has defined a short, medium and long term Business Plan that, leveraging on know-how, proprietary technologies, innovation as well as on the flexibility and resilience of the assets, will allow to exploit new development and efficiency opportunities, in order to play a leading role in the energy transition process. Eni dedicates an addendum to long term carbon neutrality, prepared according to the recommendations of the Task Force on Climate related Financial Disclosure (TCFD), to provide an even clearer and in-depth disclosure.

Policy and other regulatory tools

“Sustainability” policy; Eni’s position on biomasses; Eni’s responsible engagement on climate change in business associations which includes Eni’s position on the role of gas, carbon pricing, low carbon technologies, and natural based solutions

Management tools and organisational models

All the company functions contribute in the definition and implementation of the carbon neutrality strategy. In addition, Eni has adopted specific structures to facilitate the energy transition path, as: **Evaluation for Medium and Long Term Plans Committee**, chaired by the CEO; **Energy Solutions Department** for the generation of energy from renewable sources; **Research and Development Program for Energy Transition**; **Central organisational function** which supervises the preparation and consolidation of the medium-long term plan; **Energy management systems** in accordance with the ISO 50001 standard

Progress in 2019 vs. 2018

- Upstream GHG emission intensity index: -9% vs. 2018 (-27% vs. 2014)
- Volumes of hydrocarbons sent to process flaring: -15% vs. 2018 (-29% vs. 2014)
- Fugitive methane emissions: -44% vs. 2018 Target achieved (-81% vs. 2014)
- Carbon efficiency index: -7.4% vs. 2018

Objectives

- -43% upstream GHG emission intensity index vs. 2014
- Zero process flaring by 2025
- -80% of upstream fugitive methane emissions by 2025 vs. 2014
- Carbon efficiency index: average improvement of 2% per year to 2021 vs. 2014
- Net zero carbon footprint (Scope 1 and 2):
 - of upstream activities in 2030
 - of all Group activities in 2040
- Emissions throughout the life cycle at 2050 vs. 2018 (Scope 1, 2 and Scope 3):
 - -80% of net absolute emissions
 - -55% of net carbon intensity



FOR FURTHER INFORMATION:

[Eni for 2019 - Carbon neutrality in the long term](#); [Eni for 2019 - Sustainability performance \(pp. 7-9\)](#); [eni.com website](#); [Eni’s position on biomasses](#); [Eni’s responsible engagement on climate change in business associations](#); [CDP Climate change Questionnaire](#); [Methodology for the assessment of GHG emissions along the value chains of Eni products](#)

CEO and BoD have a central role in the definition of the decarbonization strategy

Governance

Eni’s decarbonization strategy is included in a structured Corporate Governance system in which BoD and CEO have a central role. As support, the Sustainability and Scenarios Committee studies in depth, on a regular basis, the integration between strategy, evolution scenarios and medium-long term business sustainability and the Advisory Board helps to refine Eni’s strategic path. In 2019, the Evaluation for Medium and Long Term Plans Committee was established, at the management level, chaired by the CEO with the goal of supporting the organic and sustainable development of Eni’s business identifying strategic and op-

erational guidelines and addressing the actions to ensure the achievement of the targets connected with the decarbonization process. The commitment to the reduction of the carbon footprint is also reflected in the short and long-term Variable Incentive Plans of the CEO and of the corporate management.

Risk Management

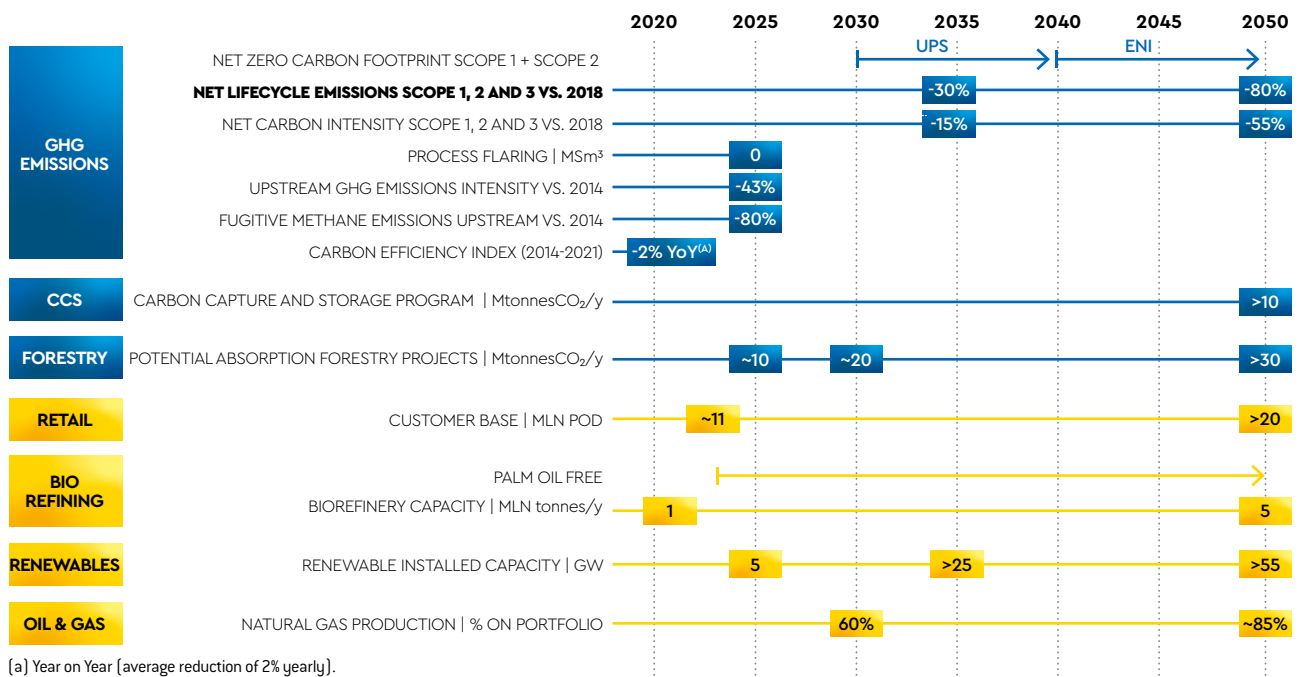
Climate change risk has been identified as one of Eni’s top strategic risks and it is analysed, assessed and monitored by the CEO within the Integrated Risk Management processes. The risks connected with climate change are analysed, assessed and managed considering 5 aspects relating both to energy transition (market scenario, regulatory and technology evolution, reputational matters), and to physical phenomena. The analysis is carried out with an integrated cross-cutting approach, involving specialist functions and business lines, including assessments of risks and related opportunities.

The climate change risk is one of Eni’s top strategic risk



Strategy, targets and commitments

The Plan defines strategies and operational objectives by 2035 and 2050, which outlines the evolution and integrated path of the individual businesses. This evolution will have a significant impact on the reduction of the company’s carbon footprint.



Eni’s commitments to reach these targets foresee a total spending in the 2020-2023 four-year time interval of approximately €4.9 billion for decarbonisation, circular economy and renewable energies, including the R&D activities on these matters and the forestry program. The details of the main items are as follows:

| Data in € bln | 2020-2023 |
|---|-----------|
| Investments in renewable source power generation plants | 2.6 |
| Investments to reduce GHG emissions | 0.6 |
| Investments in circular economy | 0.6 |
| Research expenditure for decarbonization and circular economy projects | 0.8 |
| Investments in forestry and other initiatives | 0.3 |

2



Operational excellence model

The operational excellence model underlines continuous commitment to enhance people's value, safeguarding their health and safety, and to protect the environment in which Eni works. Operational excellence also means conducting the business with the utmost attention to integrity, respecting and promoting human rights and always operating with transparency and honesty. These elements allow the company to exploit opportunities tied to the evolution of the energy market and to technological progress and to grow organically through efficient, resilient operations (accelerating the projects' time-to-market, reducing their break-even price) and to keep a solid financial discipline.

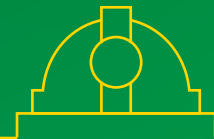
Each of us

ENI IS COMMITTED TO SUPPORTING THE TRANSITION PATH THROUGH THE CONSOLIDATION AND THE EVOLUTION OF COMPETENCIES, PROMOTING EVERY PSYCHO-PHYSICAL ASPECT OF ITS PEOPLE AND RECOGNISING DIVERSITY AS A RESOURCE



Safety

ENI CONSIDERS WORKPLACE SAFETY AN ESSENTIAL VALUE TO BE SHARED AMONG LOCAL EMPLOYEES, CONTRACTORS AND STAKEHOLDERS AND IS COMMITTED TO REDUCING INCIDENTS DOWN TO ZERO



Environment

ENI PROMOTES THE EFFICIENT USE OF NATURAL RESOURCES AND THE SAFEGUARD OF PROTECTED AREAS AND KEY BIODIVERSITY AREAS, IDENTIFYING POTENTIAL IMPACTS AND MITIGATION ACTIONS



Human rights

ENI IS COMMITTED TO RESPECTING HUMAN RIGHTS AS PART OF ITS ACTIVITIES AND TO PROMOTING THEIR RESPECT WITH PARTNERS AND STAKEHOLDERS



Transparency and anti-corruption

ENI CARRIES OUT ITS BUSINESS ACTIVITIES WITH FAIRNESS, CORRECTNESS, TRANSPARENCY, HONESTY, INTEGRITY AND IN COMPLIANCE WITH THE LAWS



Scenario elements

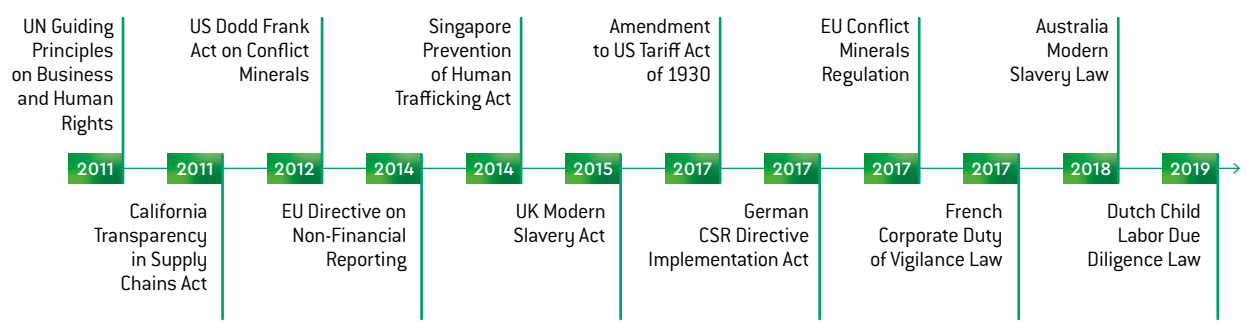
Urban solid waste production (billion tonnes)



In 2016, the production of urban solid waste on a global scale reached 2.01 billion tonnes. In Sub-Saharan African Countries, the daily production of waste per capita can drop even below 0.1 kg, while it reaches an average of 2.2 kg in OECD Countries which, overall, are responsible for 44% of production of waste globally. The trend of increasing waste globally is also related to the increase in population and growing urbanization, so it is estimated that the annual production of waste can increase by 70% in 2050 compared to 2016, reaching 3.40 billion tonnes.

Source: AA.VV., "What a Waste 2.0: A Global Snapshot of Solid Waste Management to 2050" (2018), World Bank.

New international references in the field of human rights

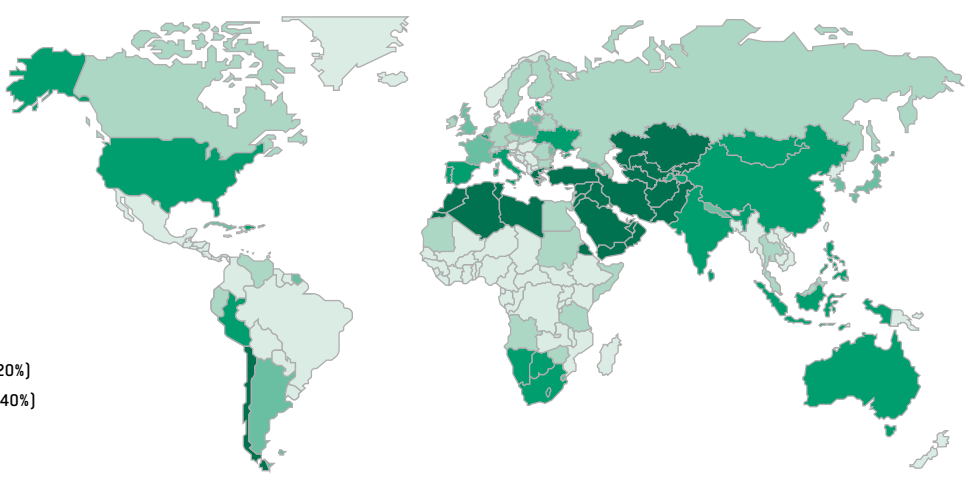


Since 2011, when the United Nations published its "Guiding Principles on Business and Human Rights", regulations and other initiatives on the issue have proliferated at international level. At international level, particularly at European level, there is also a constant and growing attention towards the introduction of regulatory provisions that provide for reporting obligations and the conduct of due diligence on human rights by businesses.

Source: CEO Guide to Human Rights, WBCSD 2019

Water stress level by Country by 2040

The increasing variability of the global water cycle leads to greater water stress with different time cycles in different geographical areas. In 2040, North Africa and Western Asia will be among the most impacted areas.



Source: WRI Aqueduct, accessed on April 2, 2020: www.wri.org.

(a) The projections are based on a business as usual scenario that uses SSP2 and RCP8.5. SSP2: Shared socio-economic pathways; for further information see: www.ipcc-data.org. RCP8.5: Representative Concentration Pathways, for further information see: www.ipcc-data.org.

Each of us



WHY IS IT IMPORTANT TO ENI?

People are the company's most important resource, since they are those who support and disseminate values and culture in the Countries where Eni operates. The successes achieved so far are the direct result of Eni's passion and competencies, a capital that Eni has built over time and that will allow to generate value in the short and the long term. For this purpose, Eni is focusing on the consolidation and on the development of competencies to support the company's transition path, giving value to every psycho-physical aspect of its people and recognizing diversity as a resource.

Policies and other regulatory tools

Policies entitled "Our People", "Integrity in Our Operations"; Eni's Statement on Respect for Human Rights

Management tools

Employment management and planning process to align skills to the technical and professional needs; **Human resources management and development tools**; **Quality management system for training**, in accordance with the ISO 9001:2015 standard; **Knowledge management system** for sharing know-how; National and international **industrial relations management system**; Integrated environmental, **health** and safety management system; **Welfare system** for the achievement of work-life balance and the enhancement of services for employees and their families

Progress in 2019 vs. 2018

- **Turnover of resources:** difference between entries and departures of +653 resources worldwide
- **Training and development:** mapped the competencies of approximately 12,000 people (approximately 38% of the entire population)
- **Gender diversity:** +3.2 percentage points (p.p.) women hired and +1 p.p. women in positions of responsibility (senior and middle managers)
- **Work-life balance:** wide adoption of smart working (SW) by employees in Italy
- **Health:** extension of the management system to all Eni companies, in Italy and abroad

Objectives

- **Turnover** in the 2019-2020 (hire/termination ratio) above 1.5 in support of the consolidation and evolution of competencies
- **Training and development:** continue the design and development of professional paths tied to digitalization and Energy Transition
- **Gender diversity:** continue with the positive turnover trend achieved in the last 3 years between women hired and women leaving the company ≥ 1.4
- **Work-life balance:** verify the possibility of further extensions of the SW, in particular in industrial fields
- **Health:** investments for approximately €205 million in 2023



FOR FURTHER INFORMATION:

[Eni for 2019 - Sustainability performance \(pp. 10-17\)](#); [eni.com website](#)

THE TEAM

31,321

People

21,078

In Italy

10,243

Abroad

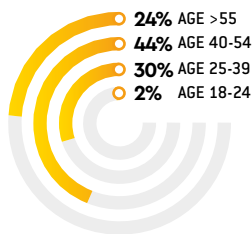
Trust, courage for the future and "novelty" are essential features of Eni, together with the ability to transform and adapt to the evolution of national and international scenarios. Unlike many competitors, Eni has always considered the development of competencies and the valorisation of resources, strategic elements for its own growth, paying particular attention to all employees and to the processes for the consolidation and evolution of the competencies. Management and development systems are based on consolidated tools for mapping and upgrading competencies, assessment of personal skills and motivation, in order to promote specific talents for the achievement of business objectives. In 2019, 2,373 more Eni people in the world were involved in the roll-out of the competencies model, raising to approximately 12,000 the number of role mappings in support of professional career paths carried out

to date. This work, as usual, was integrated with the development of performance assessment processes and feedback useful to orient Eni's resources towards a refreshment of their competencies, according to a "continuous improvement" logic. In 2019 the performance assessment process covered 93% of the target population in the world (senior, middle managers and young graduates). The need to operate in a scenario with marked discontinuity drove Eni to adopt an integrated and flexible organization, able to exploit the opportunities that derive from new digital solutions identified also thanks to a working group; this group aimed to define the impacts of Digital Transformation on the processes and on the organization and to identify new profiles and new competencies needed (e.g. forestry, circular economy, agile, data science). In parallel, the following initiatives were promoted: upskilling initiatives, through ad hoc training, also organized in collaboration with the academic world, change management initiatives, useful to drive change management and the participation in working groups organised by international bodies, both specific for the energy sector and cross-sectorial (e.g. with the World Economic Forum, the MIP of Politecnico of Milan, etc.).

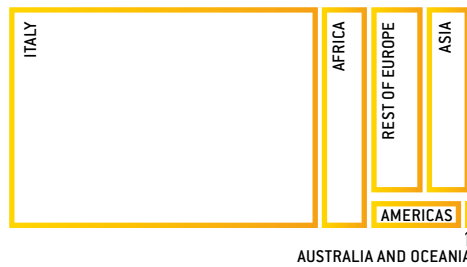
EMPLOYEES
(Number)



EMPLOYEES BY AGE GROUP IN 2019



EMPLOYEES BY GEOGRAPHIC AREA IN 2019



8,320
Local people abroad

+47%
Permanent employment hires
2019 vs. 2018

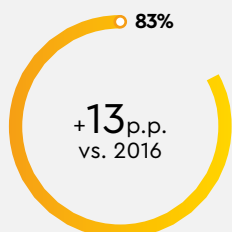
In 2019, total headcount was 31,321 employees (21,078 in Italy, i.e. 67.3% of employees, and 10,243 abroad) up by 371 (+1.2%) vs. 2018, +502 employees in Italy and -131 abroad, due mainly to new corporate organizations. Turnover of resources (difference between entries and departures), which does not consider corporate organisation changes amounted to 653 resources worldwide. In 2019, 1,855 personnel were hired with permanent employment contracts, of which 32.3% are women, and approximately 81% of employees are under 40.

Climate analysis

In 2019, Eni completed the fourth edition of the climate analysis - Eni Secondo te. This analysis represented a fully inclusive project to allow the broadest possible participation, with a survey in 11 languages. With respect to the 2016 edition, the levels of survey participation, satisfaction and engagement improved. The participation level grew from 80 to 86% with over 33,000 comments, essential to better interpret the quantitative results. 83% stated that they were satisfied with working for Eni, with a total number of satisfied employees, i.e. those who assigned a score from 8 to 10, which grew by 13 percentage points. The engagement level rose from 81 to 84%. This result indicates how much the people feel emotionally and rationally involved in the organization and motivated to strive for its success. The culture of plurality provides the levers to manage complexity, starting from listening to Eni's own people. An extensive internal communication strategy, in addition to carrying inclusion messages and stimulating the contribution of every Eni person, facilitated broad participation in the survey.

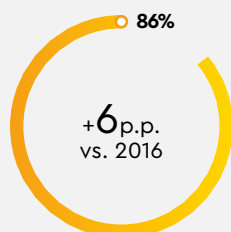
SATISFACTION

Overall how satisfied do you feel working for Eni?



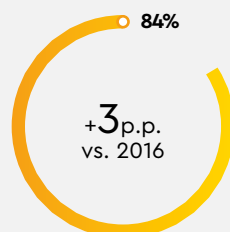
PARTICIPATION

How many people participated in the climate analysis?



ENGAGEMENT

Overall how emotionally and rationally involved do you feel in the company?



In 2019, Eni completed the fourth edition of the climate analysis - Your Eni

7,590

Women in Eni in 2019
+3.9% vs. 2018

98%

Remuneration
women vs. men

29%

Female presence in the BoD
of the subsidiaries

26%

Women in positions of
responsibility +1 p.p. vs. 2018

86%

Local employees in Countries
of historical presence

Diversity & Inclusion - The culture of plurality

Every person with his and her individual personality contributes to create value in support of Eni's objectives and major transformations. In 2019, Eni promoted a series of initiatives directed at increasing inclusion sensitivity, such as the internal communication formats entitled "D&I Matters", focusing on Unconscious Bias¹⁰ and the freely accessed courses in Eni's training platform to provide perspectives and tools to recognise the value of every type of diversity.

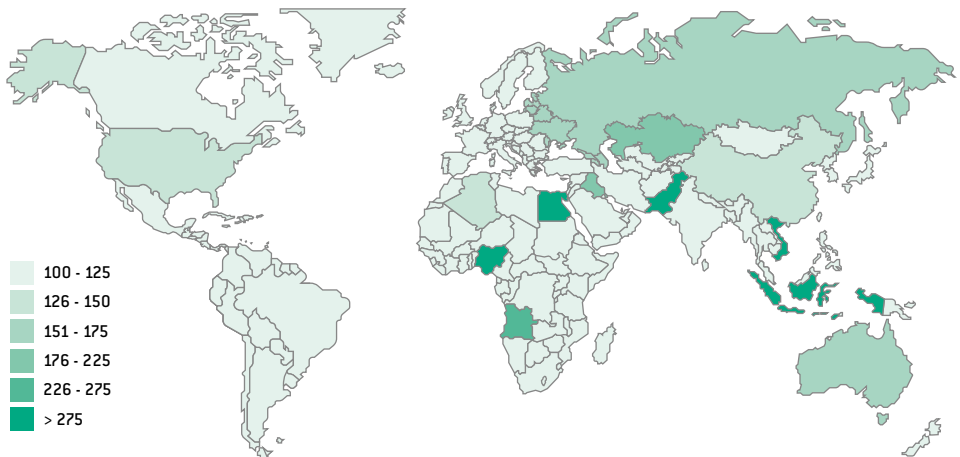
Eni's strong **international presence** has always been characterised by strong alliances with host Countries, with the goal of creating value also through the transfer of knowledge, while respecting local cultures. Confirming this in the upstream sector, the percentage of local employees out of the entire workforce increases markedly in the Countries of Eni's historical presence (86%) [e.g. Nigeria, Congo, Egypt, Libya and Kazakhstan] compared to Countries of recent entry [e.g. Mexico, United Arab Emirates and Myanmar], where the know-how transfer process is still ongoing. Moreover, in all Countries where it operates, Eni guarantees minimum remuneration levels for local personnel significantly above the market's.

LOCAL ENI PEOPLE IN THE UPSTREAM SECTOR [%]



RATIO BETWEEN ENI MINIMUM WAGE POLICY AND MARKET MINIMUM WAGE (1ST DECILE) (middle manager – senior staff – employee)

Eni defines reference wage levels in a minimum/maximum range in relation to the market data of each individual Country



The main diversity & inclusion actions carried out in 2019 are:

- collaborations with the academic world to promote "technical-professional" career paths with a focus on the **attraction of female talents** (such as Think About Tomorrow - paths for young women, Elis - School Enterprise system, InspirinGirls, WomENCourage) and workshops at universities, also involving corporate role models (over 100 colleagues);
- initiatives promoted by Italian and international associations, such as Valore D and ERT (European Round Table) to share best practices, identify common actions to **valorise female leadership**; the commitment continues to support the Manifesto of female employment signed in 2017 (Italy);
- **MAAM – Maternity as a Master** programs, to turn the parenting experience for mums and dads into an opportunity to discover and train soft skills, also essential on the job;
- initiatives to promote geographic mobility, approximately 7,000 persons in 2019, of which 56% for activities abroad;

10) "Diversity & Inclusion", with focus on Unconscious Bias.

- **distance learning** courses supporting expatriate and International personnel (Italian and otherwise) having their first experience abroad;
- first **international internal hackathon** “The Six-Legged Hack 2019, Worldwide Edition” - 9 international stages, presentation of over 100 projects, 400 colleagues of different nationalities of 38 Countries, divided in diverse teams in terms of professional and cultural background, by gender and by age;
- initiatives to promote **intergenerational exchanges**, such as the Mentoring project, in which experienced managers support the professional path of younger resources, and the Eni Faculty, with over 800 active trainers to valorise the internal capital of knowledge and develop the ability to transmit it.

Some of these initiatives contribute to consolidate female presence in the company, which in 2019 increased by 3.9% vs. 2018 for a total of 7,590 women in the workforce, accounting for 24.23% of all employees. In 2019, women accounted for 32.3% of total hires (+3.2 p.p. vs. 2018).

Welfare

Eni invests in welfare initiatives to promote engagement, the creation of a climate oriented to collaboration and to pursue diversity and inclusion goals. This is possible thanks to an offer of services, initiatives and tools directed at improving employees' well-being.

Main welfare initiatives in 2019

WORK-LIFE BALANCE

Extension of smart working to all workers in Italy in non-operational locations and to all employees who are new parents or disabled or have disabled family members.

2019 Beneficiaries: 5,358 (50% of the population in Italy, identified as the reference pool).

HEALTH AND WELL-BEING

Company cafeteria services based on a quality system to guarantee food safety and promote healthy nutrition.

PREVENTION CAMPAIGNS

Initiatives directed at promoting a culture of prevention with check-ups in excellent facilities and focused specialist visits (early diagnosis plan).

Over 4,000 participants

PARENTING (IN THE WORLD)

Allowance of 10 workdays at full pay, for both parents in all Countries of presence. Allowed worldwide are both 14 minimum weeks of leave for the primary carer as per ILO convention, and payment of an indemnity of at least 2/3 of the compensation received in the previous period.

FAMILY

Eni nursery schools for children up to 6 years, with the opening of the nursery school in Rome and expansion of the San Donato Milanese facility.

School / professional orientation courses to support boys and girls in selecting their post-diploma path and in preparing for entrance tests. “Fragibilità”: service for caregivers to provide support in the management of non self-sufficient family members. Also available are services for specific learning disabilities.

Over 3,000 participants in the programs, from nursery school to initiatives for children and caregivers

“Eni provides equal opportunities without any discrimination based on race, colour, gender, religion, nationality, political preferences, sexual orientation, social status, age or any other personal condition not relevant to the work requirements”

Policy: our people



Corporate Volunteering

In 2019 Eni began a corporate volunteering project with Fondazione Banco Alimentare. Employees who signed up to the initiative were followed internally by a multi-disciplinary working group. They got the chance to volunteer for a day at the Fondazione Banco Alimentare's warehouses, near their workplaces in different cities in Italy. In this project, Eni's goal is to encourage active and voluntary participation in the life of local communities by its employees, during working hours. This project is right in line with Eni's way of doing business, as defined in its new mission, which is concerned with respect for people and creating shared value. The corporate volunteering project is set to go on in 2020, also with other various potential forms of outreach volunteering. Through this kind of volunteering, Eni aims to encourage and support active and voluntary participation in the life of local communities by its employees, even during working hours, working with many local non-profit organisations to meet the needs of different local areas.

In 2020, the corporate volunteering project is set to continue, also with other various potential forms of outreach volunteering

“The professional knowledge of employees is a key factor for ensuring sustainable growth”
Policy: our people

Training

Consolidation and evolution of competencies are essential for operational excellence in a context of fast transformation of the company. Every year, training needs are mapped and assessed according to specific needs and subsequently, in all Countries, training courses disseminated across the board, projects for professional families and specialist initiatives for strategic activities with high technical content are planned and carried out. With reference to the global scenario and in particular to innovative and strategic matters, such as digitalization, energy transition and climate changes, Eni administers ad hoc training paths. In 2019, in addition to the training activities, involvement activities continued on matters connected with climate change, also under the auspices of the Chief Executive Officer, to enhance internal awareness on the relevance of these matters. In addition, the “Virtual Reality Training” method was consolidated; it allows training to be administered through immersive virtual reality systems both for HSE and for drilling.

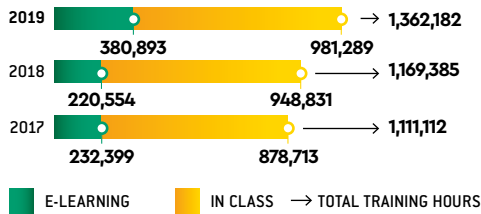
€33.4 MLN

Invested in training in 2019

+16.5%

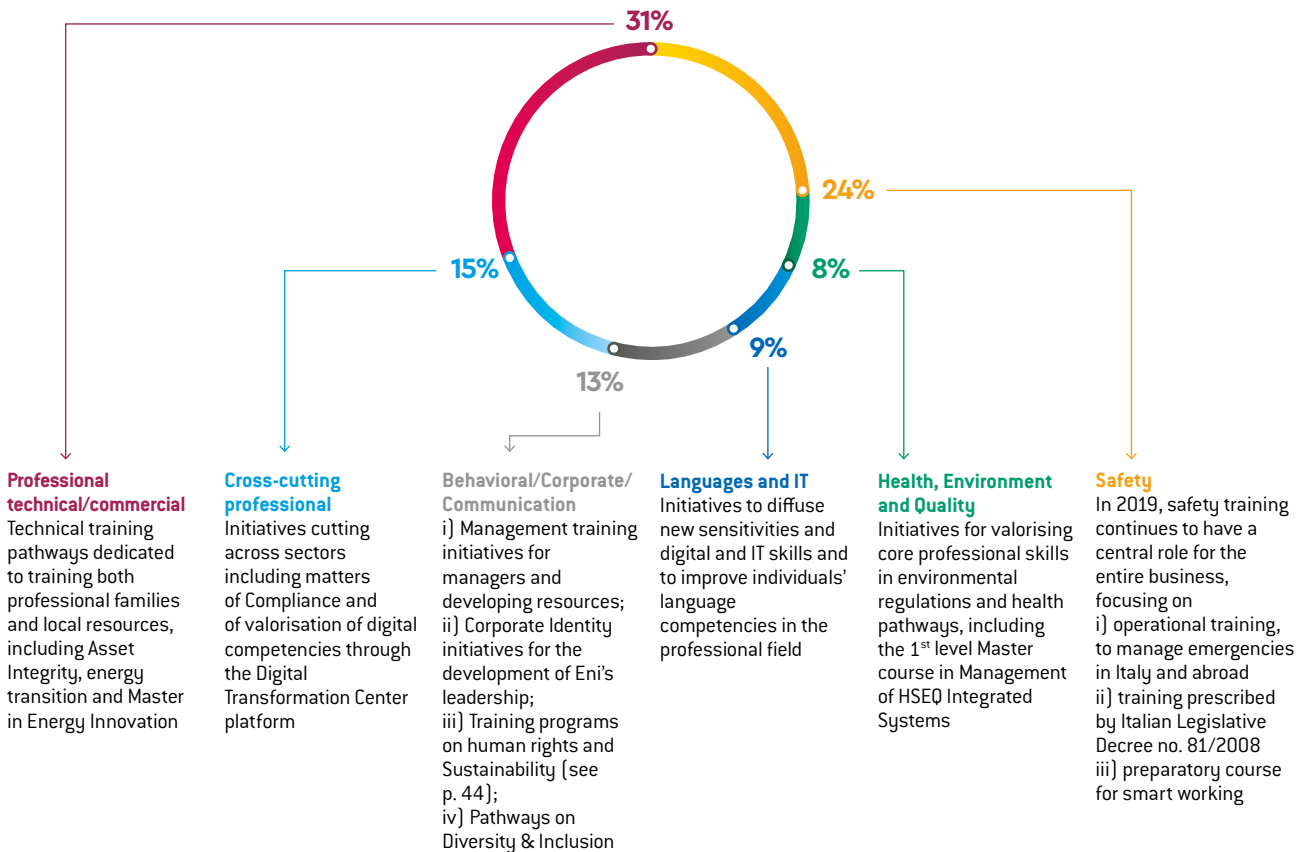
Training hours compared to 2018

TRAINING HOURS



In 2019, thanks to both technical and compliance courses administered in distance learning mode and to a resumption of classroom training, there was a significant increase in training hours, +16.5% compared to 2018, but without affecting total training expenses, which are substantially stable compared to the previous year.

MAIN TRAINING PATHWAYS OFFERED BY ENI
(Training hours by type)



People's health

Eni believes that health protection is essential and promotes the physical, psychological and social well-being of its own people, of the families and of the communities of the Countries in which it operates. The extreme variability of the business contexts in which Eni operates, from the geographic, climatic, epidemiologic, social, political and regulatory viewpoint, requires constantly revising health risk matrices and makes it particularly challenging to assure health in each phase of the life cycle of the business projects. To rise to this challenge, Eni developed a specific operating platform, ensuring services through workplace medicine, industrial hygiene, traveller medicine, health care assistance and medical emergency activities, and through initiatives promoting health for its own people and for communities.

€205 MLN

Health investments expected by 2023

Main objectives and initiatives in 2019

HEALTH PROMOTION

Identification and implementation of initiatives promoting health for the prevention of illnesses involving information, communication, awareness, prophylaxis through vaccination, screening of at-risk groups and prevention of complications of diagnosed diseases.

WORK-RELATED RISKS

There is an ongoing process to identify, monitor and control workplace risks, including not specifically regulated ones, such as travellers' medicine, in connection with the industrial and health surveillance process.

PROCESS DIGITALIZATION

Feasibility studies, functional design and launch of the development of management applications within the project for the digitalization of processes and of health services.

RESPONSE TO MEDICAL EMERGENCIES

Guaranteed access to services provided for health emergencies. In 2019, the application of the criteria for responding to health emergencies consistently with corporate policies was verified.

COMMUNITY HEALTH

Promoting the health of partner Countries' populations as a prerequisite for socio-economic development, through the implementation of specific programs [see p. 68].

ACCESS TO HEALTH CARE

In every operating context, assure the application of occupational medicine principles, and access to primary health care. In 2019, for all business units, stock-taking continued for in-sourced and outsourced health care facilities within the dedicated management application.

ENI IN THE FIGHT AGAINST THE CORONAVIRUS

Eni, in view of the coronavirus health emergency that hit Italy and the rest of the world in early 2020, has carried out a series of medical and social initiatives, thanks also to the experiences in health care projects accumulated throughout the world, with an expenditure of €35 million including international interventions with a focus mainly on Africa. Eni has supported several Italian hospitals dedicated to caring for coronavirus patients: Fondazione Policlinico Universitario Agostino Gemelli IRCCS for construction of the COVID 2 Hospital in Rome, with 130 beds of which 50 in ICU, setting up a dedicated ER, and for the supply of advanced diagnostic technologies; Ospedale IRCCS Luigi Sacco in Milan for the construction of a new ER dedicated to infectious diseases; IRCCS Policlinico San Matteo of Pavia for the construction of a unit with high isolation level in the infectious diseases ward; IRCCS Policlinico of San Donato with medical equipment; ASST Bergamo Est and Ospedale Giovanni XXIII with medical equipment (pulmonary ventilators) and PPE. Other hospitals were also supported in the Italian regions of Veneto, Emilia Romagna, Marche, Basilicata, Puglia, Sardinia and Sicily with the supply of medical equipment to strengthen intensive care capacity. Lastly, the company made available its super-computing infrastructure (HPC5, see p. 19) for coronavirus research, along with its molecular modelling knowledge, offering the contribution of high-level instruments and resources in the fight against the global emergency.

Eni has allocated €35 million for the coronavirus fight



FOR FURTHER INFORMATION:

for all the initiatives launched by Eni for the health emergency, see eni.com

Safety



WHY IS IT IMPORTANT TO ENI?

Eni is constantly engaged in research and development of all the actions necessary in order to pursue its commitment to eliminating the occurrence of incidents. Among those: organizational models for risk assessment, training, skill development and promotion of a culture of safety, focus on asset integrity and process safety and application of new digital safety technologies.

Policies and other regulatory tools

Policies entitled “Our People”, “Integrity in Our Operations”; Eni’s Statement on Respect for human rights

Management tools

Integrated health, **safety** and environment management system; **Process safety** management system; **Emergency** preparation and response plans; **Product safety** management system

Progress in 2019 vs. 2018

- **Injuries:** -3% total recordable injury rate (TRIR) vs. 2018
- **Consolidation of the safety culture:** dissemination of the “Safety starts @ office” campaign and implementation of the Safe 360° program
- **Occupational and process safety and asset integrity:** consolidation of the Safety Culture Program; revision of the process safety standards in line with international best practices and execution of audits in Italy and abroad; establishment of a pool of process safety auditors within Eni

Objectives

- **Consolidation of the safety culture:** development and implementation of an Eni model to analyse and control human barriers and coaching on behavioural safety
- **Occupational and process safety and asset integrity:** eliminating the occurrence of incidents; extension of Digital Safety initiatives, new digital technologies supporting workers’ health and safety; definition and dissemination of the golden rules on process safety and asset integrity that highlight the behaviours to prevent significant incidents



FOR FURTHER INFORMATION:

Eni for 2019 - Sustainability performance (p. 18); eni.com website; Eni Report on remuneration policy and remuneration paid 2020 (p. 10)

“It is vitally important to pay close attention to our behaviour in all our work, especially in routine jobs where nothing should ever be taken for granted, because we have learned that just one careless act might cancel out all of our previous efforts”

Claudio Descalzi, Eni CEO

Injury rates and intervention actions

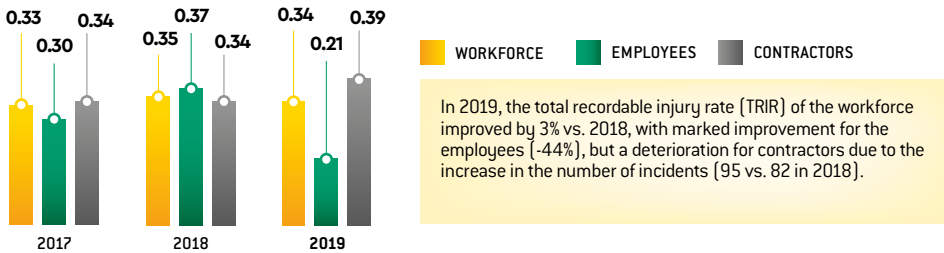
In 2019 the total recordable injury rate (TRIR) of the workforce improved by 3% vs. 2018, but there were 3 fatal injuries in the upstream, involving an employee in Italy in March 2019 that occurred on the Barbara F. platform off the coast of Ancona and two contractors hit by objects in Egypt. The identification and analysis of the causes that generated injury events in 2019 led to the identification of the following interventions to prevent the repetition of these events:

- strengthening the **management’s leadership and commitment** to HSE issues;
- implementing a **program to reinforce safe behaviours** by disseminating and sharing the lessons learned and implementing the “safe 360” program to act on workers’ behaviours;
- consolidating knowledge and enforcement of the **Eni Safety Golden Rules**;
- developing and implementing the **“Safety Pact”**, in particular abroad, to strengthen contractors’ commitment and involvement on safety issues.

In view of this, Eni also confirmed its commitment for the consolidation of the Severity Incident Rate (SIR), an internal indicator that takes into account the level of severity of injuries, and the Safety Cul-

ture Programme (SCP), an indicator of preventive safety management. In particular, the SIR is used in the short-term incentive plan of the CEO and of managers with strategic responsibilities, to focus Eni's commitment on the reduction of the most severe accidents (for further information refer to [Eni Report on remuneration policy and remuneration paid 2020](#)).

TOTAL RECORDABLE INJURY RATE (TRIR)
 (Recordable injuries/hours worked) X 1.000.000



Severity Incident Rate (SIR) in the short-term incentive plan of the CEO

TRIR OF THE WORKFORCE

0.34
 in 2019
 -3% vs. 2018 -52% vs. 2014

Safety culture

Eni is working hard on constantly spreading a safety culture as an essential part of the activities, through projects that promote safety behaviours in all work and, in general, life environments. The goal is to motivate to safety so that every person is a safety leader in the performance of his or her job, leading by example thanks to the management's commitment.

Main initiatives in 2019 to strengthen the safety culture between employees and contractors

WORKSHOP ON PRODUCT SAFETY

Workshop on Regulation REACH^(a) e CLP^(b) to increase knowledge of European laws on chemical substances, strengthening awareness of responsibilities and of fulfilments of organizational roles.

SAFETY STARTS @ OFFICE

New videos to sensitise on virtuous, safe behaviours to be maintained in the office and in head office sites.

WORKSHOP ON PROCESS SAFETY

Workshop on plant risks related to natural events for professional figures in the safety field and for Eni people working in technical, technological services and responsible of plants. Quarterly newsletter on process safety.

I LIVE SAFE

Days of sharing between employees and contractors, on the definition and experimentation of a modular curriculum on the topic of road safety, household safety and in leisure time.

INSIDE LESSON LEARNED

Dissemination of lessons learned following accidents, explaining the correct modus operandi according to Eni Safety Golden Rules.

a) Regulation (EC) 1907/2006 "Registration, Evaluation, Authorisation of Chemicals" published on December 30, 2006 in the field of product safety.
 b) Regulation (EC) No. 1272/2008 of the European Parliament and of the Council of December 16, 2008 on classification, labelling and packaging of substances and mixtures.

NEW DIGITAL TECHNOLOGIES FOR WORKER SAFETY

As part of the Smart Safety initiatives, Eni set up an information system comprising a series of sensorized Personal Protection Equipment that, through a smart network, can activate, in real time, notices to workers and a monitoring console, to point out potential danger or emergency situations. The new digital technologies in the safety field are the pillars of the strategy and of the entire company's commitment in the innovation process.

Lastly, training and instructions sessions for operators on safety scenarios are continuing, supported by immersive virtual reality systems that allow to reproduce the real environment with visual and sound effects, thus ensuring that the operations performed by the user are as faithful to reality as possible.



8.8 Protect labour rights and promote safe working environments

FOR FURTHER INFORMATION: watch the [Smart Operator Platform](#) video

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

Asset integrity

The asset integrity system ensures that the asset is operated effectively and efficiently to safeguard people, the environment and operational continuity. The Asset Integrity Management System develops throughout the lifetime of the asset, from the initial design stage (Design Integrity), to procurement, construction, installation and testing (Technical Integrity) through to operational and decommissioning (Operating Integrity). In 2019, Eni launched initiatives to further promote the Asset Integrity culture with a cross-sector, widespread approach. In this regard, in January the Asset Integrity Day was held, launching the training program entitled “The Culture of Asset Integrity” that reaches the entire Eni population involved in this set of topics. Furthermore, the involved Technical Units assured oversight of all Asset Integrity aspects through the entire value chain, also through the development of research projects aimed at the introduction of new technologies.



New sensor with GPS and GSM features developed by Eni within the set of e-splora technologies

MONITORING THE INTEGRITY OF OUR PIPELINES: E-SPLORA

Periodic verification of the internal integrity of the pipelines and their cleanliness are essential activities to ensure the safety and reliability of new or mature assets over time. However, use of inspection or cleaning instruments (known as PIGS) at times involves operational risks because there could be presence of major internal deposits. To ensure and optimise these maintenance activities, Eni has developed the e-splora set of technologies that, through the use of acoustic techniques and of miniaturised sensors, is able to detect the presence of anomalies inside the pipelines with minimal risk. The system, applicable to most commonly used PIGS, has now become a standard: in 2019 alone, over 600 kilometers of pipelines were inspected, both onshore and offshore in Italy (Val D'Agri, Sicily and Abruzzo), Congo, Mexico and Nigeria. By 2020, a new version will be available that will allow to verify the integrity of pipelines that currently could not be inspected, with the addition of new features such as GPS/GSM position reporting in case of any trespassing, and there will be a new tool that will allow to detect in closer detail any deformation inside the lines (deposits, cavings).

Process safety

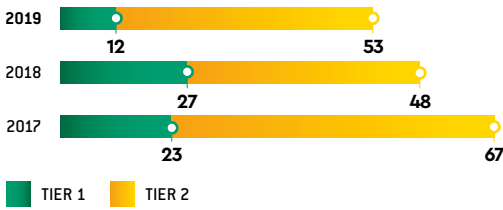
Eni has developed and implemented a **Process Safety Management System**, monitored through dedicated audits, to prevent and control uncontrolled releases of hazardous substances that may evolve into significant incidents, thus safeguarding people's safety, the environment and assets. Monitoring these releases (Process Safety Events Tier 1 and Tier 2) in the past few years, shows a decreasing, constantly improving trend.

In 2019, Eni participated in an EPSC (European Process Safety Center) working group through an internal technical roundtable which, led to the definition of the fundamental rules for Eni's Process Safety, the Process Safety Fundamentals (PSF), whose main objectives are:

- reduce over time the releases (containment losses) from process equipment;
- provide front-line personnel operating the plant with practical, easy to implement rules;
- incentivise a positive culture of attention to Process Safety and Asset Integrity matters;
- raise the operating personnel's awareness and competence on these matters.

The stage of disseminating the PSF at the first three pilot sites has started and in 2020 the dissemination campaign will be extended to all Eni sites in Italy and abroad.

NUMBER OF PROCESS SAFETY EVENTS



The trend of the number of process safety events is constantly improving both for tier 1 and tier 2. Tiers 1 and 2 indicate the severity of the consequences (from the most to the least severe) in terms of quantities of hazardous substances released and damages caused.

Emergency preparedness and response

Emergency reaction procedures are constantly tested in exercises, essential for preparedness in cases of emergency, testing the ability to respond in terms of plans, resources, means and materials and identifying appropriate corrective actions. The main centrally coordinated drills were carried out in the Livorno Refinery, the Versalis Porto Torres Plant and in the foreign affiliate Eni Congo. It was also strengthened the analysis of the reaction to real emergencies and pre-alarm events (events not generating emergencies but observable externally) and also to events deriving from natural causes. In this regard, the Natural Risk culture was strengthened, holding a themed workshop on meteo-hydro alerting.

over **4,500** drills managed in 2019



National drills for volcanic risk "ExeFlegrei19"

CAMPI FLEGREI NATIONAL DRILL

In 2019, collaboration continued with the Italian Civil Protection Department, through which Eni intends to further increase awareness of the natural hazards to which its people and assets are exposed, and to refine its own preparedness and reaction to emergencies triggered by natural phenomena. In October 2019, with a directive of the President of the Council of Ministers, the "National civil protection week" was established to spread civil protection awareness and culture throughout Italy and to promote citizens' adoption of aware behaviours and self-protection measures. On this occasion, "ExeFlegrei19", the national exercise for volcanic risk, was carried out to test civil protection planning activities for volcanic risk; to do this, the Civil Protection Department and the Campania Region, involved the municipalities of the Phlegraean Fields red zone, the regional sectors (health care, mobility and transports) and the Organizations and Institutions involved in national Planning. Eni actively participated in all phases of the test, with resources, means and equipment actually deployed in the field, since it has a strong presence with its activities in the Neapolitan area, both Phlegraean and Vesuvian.

In 2019, collaboration between Eni and the Civil Protection Department continued



11.5 Reduce the adverse effects of natural disasters

Environment



WHY IS IT IMPORTANT TO ENI?

Environmental protection, based on **prevention, protection, information and participation criteria**, is an essential component of Eni's modus operandi, in particular the **efficient use of natural resources**, oil spill reduction, waste management and the management of activities in consistent interaction with biodiversity and with ecosystem services. In strategic terms, there is an ever more active integration between the opportunities provided by remediation activities and those deriving from the execution of conversion and requalification projects. Moreover, Eni is engaged in stimulating environmental conscience throughout the supply chain, promoting decisions to reduce the environmental impact of its own activities also in the phases of procurement of goods and services of the entire business.

Policies and other regulatory tools

Policies: "Sustainability", "Integrity in our operations"; "Eni biodiversity and ecosystem services policy"; "Eni's commitment not to conduct oil and gas exploration and development activities within the boundaries of Natural Sites included in the UNESCO World Heritage List"; "Eni's positioning with regards to Green Sourcing"

Management tools

Integrated health, safety and **environment** management system: adopted in all plants and production units and certified in accordance with ISO 14001:2015 for environmental management

Progress in 2019 vs. 2018

- **Water:** 10% decrease in total water withdrawals vs. 2018 (+10% freshwater withdrawals)
- **Reinjected production water:** 58% vs. 60% 2018
- +7.5% of **groundwater treated** at TAF plants and used in the production cycle or reinjected vs. 2018 (5.1 million m³ in 2019)
- **Operational oil spills:** -61% of barrels spilled vs. 2018
- **Waste:** 15% decrease in waste produced vs. 2018
- **Biodiversity:** formalised commitment not to carry out exploration and development activities in UNESCO's World Heritage Natural Sites

Objectives

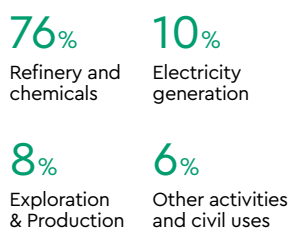
- **Reinjected production water:** the achievement of 71% reinjection is forecast by 2023
- Achievement of the share of 5.4 million m³ by 2020 of **groundwater treated** at TAF plants and used in the production cycle or reinjected
- **Oil Spill:** extension of the e-vpms system to detect activities near pipelines and TPI¹¹ "pilot" testing
- **Waste:** increase in the portion of waste to be recovered
- **Biodiversity:** extension of biodiversity risk mapping to R&M pipelines



FOR FURTHER INFORMATION:

Eni for 2019 - Sustainability performance (pp. 19-23); eni.com website; CDP Water Security Questionnaire 2019; Eni biodiversity and ecosystem services policy; Eni's commitment not to conduct oil and gas exploration and development activities within the boundaries of Natural Sites included in the UNESCO World Heritage List

USE OF FRESH WATER BY SECTOR



Efficient use of water

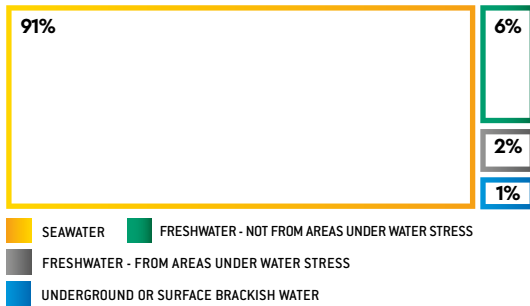
Eni promotes the efficient management of water with actions to mitigate water risk, especially in areas subject to water stress where, in 2019, initiatives continued to reduce freshwater withdrawals, along with water access projects in the upstream sector. In water stress areas, Eni carries out yearly mapping and monitoring of the water risk and drought scenarios to define long-term actions also directed at preventing and mitigating the effects of climate change¹².

In 2019, efforts continued to be made on reusing contaminated and treated groundwater for civil or industrial purposes and to provide access to drinking water for local communities, where in particular in Nigeria, an agreement was reached with the FAO for the construction of drinking water wells (for more information, please refer to pp. 57 and 60). Moreover, Eni requests information about water management process in the process for qualifying new suppliers.

11) e-vpms: Eni Vibroacoustic Pipeline Monitoring System; TPI: Third Party Intrusion.

12) The analysis is carried out using [Aquaduct](#), a tool developed by the World Resources Institute and recognised internationally as a reference for the identification of water stress conditions.

WATER WITHDRAWALS
(% by source)



Only a small share of the water extracted by Eni originates from freshwater sources (8%) and 76% of this is associated with refinery and chemical activities, 10% to electricity generation and only 8% to hydrocarbon exploration and production activities (other activities and civil uses 6%). Analysis of the stress level of hydrographic basins and further studies carried out locally shows that freshwater withdrawal from areas under stress accounts for less than 2% of Eni's total water withdrawals.

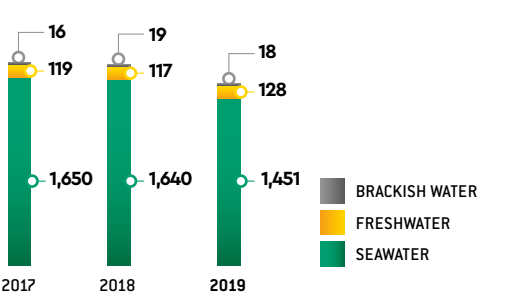
8%
Share of Eni's water withdrawals originating from freshwater

<2%
Share of Eni's water withdrawals in water stress areas

In April 2019 Eni, first in the Oil & Gas sector, chose to participate in the CEO Water Mandate, a special initiative of the United Nations, whereby it undertakes to improve water resource management in all aspects, both operational, and in the use of innovative technologies, in the integration with local communities and in transparency. In line with the objectives of the CEO Water Mandate, studies are ongoing and projects for integrated water management at the local level will be launched. In terms of transparency, in 2019 Eni publicly responded to the CDP Water Security questionnaire, achieving an A- score and being recognised as a leader in water management. This result is above the industry average score of B.



TOTAL WATER WITHDRAWALS
(mln m³)



In 2019, sea water withdrawals were reduced by 12% thanks to the reduction at the Gela refinery and at the petrochemical plants of Priolo, Brindisi and Porto Marghera, and to the cessation of the activities of the LNG Shipping fleet. Freshwater withdrawals increased by 10%, because of the set-up the Mantova petrochemical plant had to keep during the outage for the maintenance of the cooling towers and the tests on the fire-fighting systems of the Sannazzaro refinery.

10%
Reduction of total water withdrawals

89%
Freshwater reutilisation

PORTO TORRES AND WATER VALORISATION

Eni's strategy for the recovery and valorization of natural resources is also implemented through efficient water management. The environmental company Eni Rewind is active in water treatment through 43 plants in Italy, with a total capacity of 31 million m³/year, promoting water reutilization for industrial purposes. In 2019, 5.1 million m³ of treated waters have been destined mainly to reuse. The water treatment plants are aligned to the best available technologies and are subject to strict monitoring plans that guarantee full compliance with the quality of water discharges and emissions in the atmosphere, widely within the authorization limits required by law. For example at the Porto Torres site, a 10 km barrier was built to reclaim the groundwater, with 103 wells to extract the water that is then treated in 5 plants with a total capacity of 340 m³/hour (2.5 mln m³/year). A portion of it, i.e. 750,000 m³ in 2019, is subsequently sent to reverse osmosis for the production of demineralised water and then reused in Versalis plants, thus valorising the resource and reducing its extraction in nature. The e-hyrec technology, patented by Eni Rewind, is also applied in Porto Torres. The automatic device, located inside the wells, allows selective separation of the aqueous water from the oily water, recovering only the hydrocarbon portion without extracting water – while traditional systems withdraw a preponderant part of water (approximately 70-80%) – with the consequent improvement in terms of effectiveness and efficiency of the groundwater reclaiming operation.



In 2019, 5.1 million m³ of treated waters have been destined mainly to reuse



6.3 Improve water quality, wastewater treatment and safe reuse



FOR FURTHER INFORMATION:
see eni.com

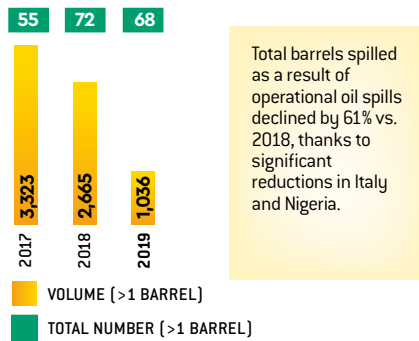
-61%

Operational oil spills vs. 2018

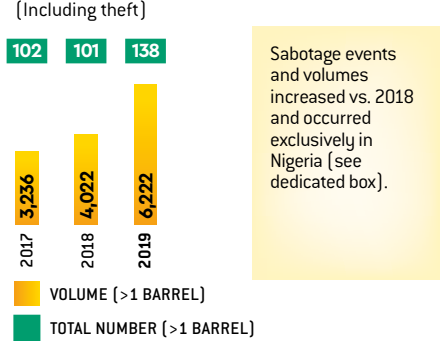
Oil spill management

Eni makes a daily effort to manage risks deriving from oil spills both in Italy and abroad, through actions that are always integrated at all levels, from the administrative to the technical areas of prevention, control and quality/rapidity/effectiveness. Environmental impacts from sabotage are defended against and contrasted through clean-up actions, preceded and followed by joint inspections with the appointed Authorities and by remediation and restoration projects. In Italy, the installation of e-vpms® (Eni Vibroacoustic Pipeline Monitoring System) and other initiatives of recent years have allowed to eliminate trespassing and reduce operational events; for two Italian pipelines, testing continues on the TPI (Third Party Intrusion) system to detect activities near pipelines (such as excavation work or vehicular traffic) and to allow to prevent the sabotage activities.

OPERATIONAL OIL SPILLS



OILS SPILLS DUE TO SABOTAGE



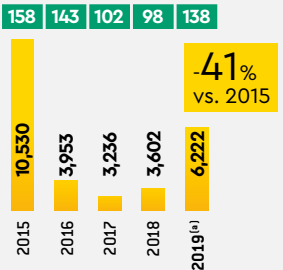
OIL SPILLS IN NIGERIA

In recent years, Eni facilities in Nigeria (wells, flow lines and pipelines covering approximately 3,000 km) were the targets of illegal activities leading to significant losses. In 2019, for example, compared to the previous year, an increase in the number of oil spills occurred, highlighting that well over 90% of the spills were caused by sabotage events. Presumably the cause of this increase is attributable to social tensions and the climate of greater insecurity during the 2019 election period. In response, Eni developed an integrated strategy to prevent, reduce, contain these events and clean up the impacts and in Nigeria it has set the "zero oil spill" objective for itself, to be achieved through a series of actions:

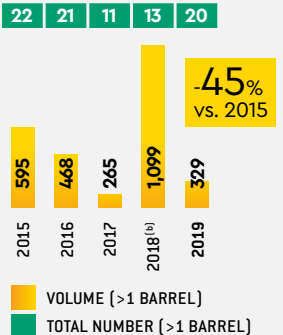
- prevention through asset integrity, maintenance and application of techniques for the early detection of losses, damages or break-in activities near pipelines, reducing reaction times and spills (e-vpms® and SSPS - Safety Security Pipeline System tools);
- increased surveillance activities, from the air and with the support of local communities;
- containment and recovery of spills with tracing systems with geo-referenced localisation of sabotage points, and customised technology for the prompt repair of the pipeline;
- promotion of projects for local development, with the involvement of the affected parties;
- awareness campaign directed at local communities and institutions, to increase awareness of the dangers deriving from sabotage on oil infrastructures.

These initiatives have allowed to plan actions and strategies aimed at recovering oil and reducing the number and especially the volume of spills over time. In particular, with respect to 2015, operational oil spill volumes were reduced by 45% and sabotage spills by 41%. In parallel, in 2019 36% of spills from sabotage and 70% of operational spills were recovered, recording an increase in the percentages recovered compared to 2018 (when 33% and 60% were recovered respectively) and also, especially, 2015 (with an increase compared to 2019 of 44% and 160% respectively).

OILS SPILLS DUE TO SABOTAGE (Including theft)



OPERATIONAL OIL SPILLS



(a) Sabotages increase during the electoral period.
 (b) 4 events caused a spill greater than 200 barrels each.



FOR FURTHER INFORMATION: Website of [NAOC](#), Eni's company in Nigeria, with constantly updated data. For this reason, small deviations may be noted from the figures provided herein, whose data refer to December 31, 2019

Circular economy and waste

The path to transition towards a circular economy is a response to current environmental challenges, replacing the classic linear economy model with a regenerative approach based on synergy and industrial symbiosis and associated with a version, through ecodesign, of the production processes and of asset management. This process unfolds by reducing the extraction of natural resources in favour of materials from renewable sources (or originating from the scraps from production processes), reducing and give value to scrap (waste, emissions, discharges) through recycling or recovery actions, and extending the useful life of products and assets with reuse or reconversion actions. In 2019, Eni designated certification third party Certiquality, which took advantage of cooperation with Scuola Superiore Sant'Anna di Pisa, for the development and validation of a quali-quantitative assessment model of the circularity of the operational site. Moreover, since 2017 Eni has been carrying out site-specific circularity analyses to map circularity elements already present and identify possible improvement actions, and 4 of them were carried out in 2019 at company sites.

In 2019, 4 circularity analyses were carried out at multi-company Eni sites

Virtuous actions identified through circularity analyses

BRINDISI MULTI-COMPANY SITE

Design work is ongoing on a floating photovoltaic power station; in addition, water from TAF^{a)} is expected to be used at the new membrane system for the production of demineralised water, which will allow an additional reduction of the seawater used so far.

BOLGIANO OFFICES

Energy saving technologies such as Smart Windows and Organic Solar Panels are used at these offices.

TARANTO REFINERY

Opportunity to optimize the Water Reuse plant to further reduce the extraction of well water and the sea discharge of process water and to send the sludge separated with waste water treatment to be recovered rather than disposed of.

RHO STORAGE FACILITY

Possibility of collecting rain water for reutilization in the fire-fighting line, thus replacing ground water extracted from a well.

a) TAF: groundwater treatment



New life to organic waste. The first Waste to Fuel pilot plant in Gela

WASTE-TO-FUEL: NEW LIFE FOR WASTE

Eni developed the Waste to Fuel (W2F) proprietary technology for the transformation of the OFMSW (Organic Fraction of Municipal Solid Waste) into bio-oil (up to 16% of the incoming charge) with recovery of the water contained in the wet waste (between 60 and 80%). Bio-oil can be destined to sea transportation, given the low sulphur content, or it can contribute to produce advanced biofuels and the recovered water can be destined to industrial uses. Eni Rewind is active in the development of plants, starting from the pilot plant operating in the area of the Gela Refinery which, in 2019, provide the necessary elements to apply the technology on an industrial scale. As provided in the MoU signed by Eni and Casa Depositi e Prestiti (CDP) on March 12, 2019, Eni Rewind in a joint venture with CDP will develop and operate the industrial plants in Italy. The first project is in Porto Marghera in collaboration with Veritas, multiutility in Venice, as per the Memorandum of Understanding (March 2019). The plant, to be built in a reclaimed area, will have a treatment capacity of up to 150 thousand tonnes per year.

The Waste to Fuel technology meets the requirements of circular economy, because it reduces the use of raw materials in energy generation and reuses urban society's waste



FOR FURTHER INFORMATION:

on innovative technology at the service of circular economy see eni.com



In 2019, Eni formalised its commitment not to perform oil and gas exploration and development activities within the boundaries of Natural Sites included in the UNESCO World Heritage List

Biodiversity

Eni operates in multiple environmental contexts in the world, characterised by different ecological sensitivities and different regulatory regimes. **The management of biodiversity and of ecosystem services (BES)** is a key component of the environmental strategies as well as of the operating management practices. As specified in the **BES Policy** Eni ensures that the interrelations between environmental aspects such as biodiversity, ecosystem 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, assesses the risks deriving from both the complexity of each project, the natural environment value and of the local social context. Through the application of the Mitigation Hierarchy, it prioritises preventive mitigation measures, monitoring their effectiveness and adapting the management approach on the basis of the observed results. In October 2019, Eni announced **the formal commitment not to perform oil and gas exploration and development activities within the boundaries of Natural Sites** included in the UNESCO World Heritage List (as at May 31, 2019; for more information, please refer to [eni.com](https://www.eni.com)). The announcement officially recognizes a policy that Eni is already pursuing in its own operations and it represents an additional step in the path to the company's transformation. Building on its business model Eni confirms both its own 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.



INTERVIEW WITH PIPPA HOWARD (FFI)

Fauna & Flora International (FFI) has worked with Eni since 2003 to identify biodiversity and ecosystem services (BES) risk across its global exploration and production operations, working directly with over 14 onshore and offshore subsidiaries across all geographies and contributing to company-wide BES management practices.



Pippa Howard

Director of Business & Biodiversity Programme at Fauna & Flora International. She has worked with the Eni team since joining FFI in 2008.

What is the value of the partnership between Eni and FFI? Why is it beneficial for both of them?

Time in the field has been invaluable, with extraordinary transfer and sharing of knowledge between the joint teams. FFI has learned a great deal about company HSE systems, lifecycle stages and activities of the Oil & Gas industry, whilst Eni has gained knowledge about the complexity of biodiversity and ecosystems, their relevance to the social and environmental sustainability of the contexts of its operations. Our partnership pre-empts and avoids risks associated with BES impacts and dependencies. We are proud that Eni is among the leading O&G companies in BES management and continue to value the work we undertake through our partnership.

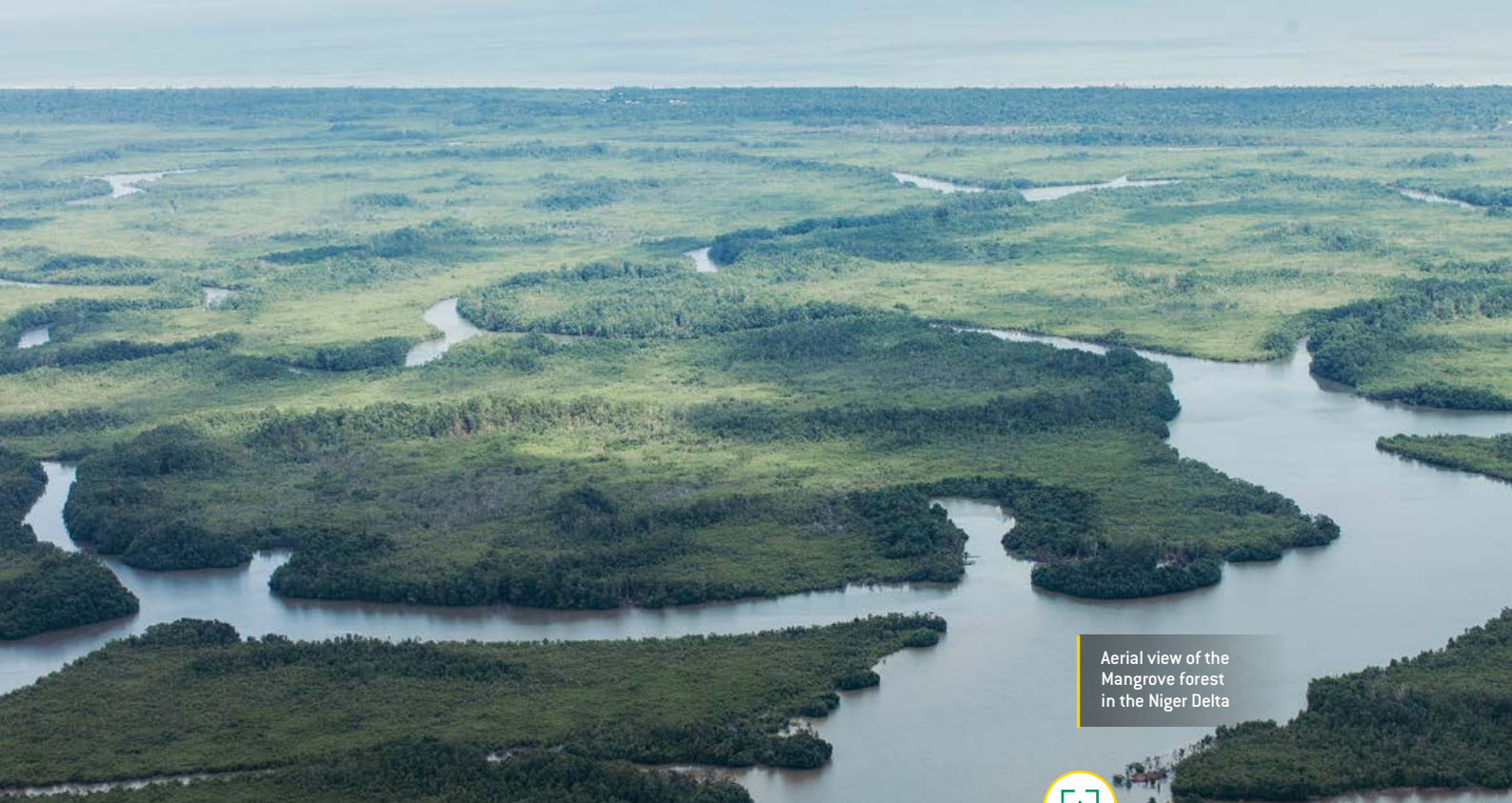
In your experience with Eni, what were the challenges in implementing biodiversity projects and the greatest satisfactions so far?

Our willingness to engage may implicitly endorse projects in areas that harbour globally important biodiversity, but FFI's overriding concern is to minimise their impact and ensure stringent application of appropriate mitigation measures, in situations where development is inevitable. We are on a very good path to net positive impact and success over the forthcoming decade will be rewarding. Among the latest activities, we delivered a ground-breaking, bespoke, GISweb-based tool for rapid screening of BES sensitivities for operations within the Gulf of Mexico and we supported Eni in Egypt in developing clear management plans across the Zohr and Nile Delta projects. We are proud to have been explicit in the development of Eni's commitment to biodiversity conservation and the full application of the mitigation hierarchy in decision making, and particularly Eni's commitment to "No Go" in natural World Heritage Sites.

FOR FURTHER INFORMATION:

for the full interview see [eni.com](https://www.eni.com)





Aerial view of the Mangrove forest in the Niger Delta



ECOLOGICAL MANGROVE FORESTS RESTORATION IN THE NIGER RIVER DELTA

Context

The Niger Delta, in the south of Nigeria, is the largest river delta in Africa and the third in the world and sustains artisanal fishery activities, a central source of livelihoods for the local communities. The Niger Delta mangroves have been affected over time by anthropogenic pressures and oil pollution mainly caused by sabotage and oil theft, making them unusable for community subsistence activities.

Project

In 2017 Eni decided to voluntarily invest in the restoration of the Niger Delta mangroves, identifying a 30 hectares area within the Akaguama forest (Nembe Local Government Area, Bayelsa State) where in 2013 and in 2014 some sabotage activities caused oil spill events. The area was selected for a pilot study preparatory to a mangrove restoration program that could also offer an economic opportunity for the local communities, through their involvement in restoration activities, in order to assure the long-term sustainability of the program. At the same time, the engagement of community members in the execution of the program, especially the youth, intends to inhibit the participation in oil theft activities.

Results

In 2019 following stages were concluded:

- Site assessment: more than 15 soil samples showed that the current residual levels of contamination are within the limits of the law thanks to the clean-up interventions carried out promptly in response to spills;
- Trials for the planting procedures with 90 seedlings in three different locations: 100% of survivorship and high growth rates.

These results confirmed the feasibility of the program itself and ensuring implementation without carrying out a preliminary soil reclamation.

These tests are the basis for the large-scale recovery program that will be launched in 2021. During these stages, the Okoroma clan community was engaged in the field work and a social context evaluation is ongoing to define an engagement plan with it since the early stages of the restoration program. The next phase of the project, planned for 2020, envisages the construction of a nursery facility, the seedlings production and their transplanting on a large-scale starting from 2021.

Eni's commitment to the conservation of biodiversity



15.5 Protect biodiversity and natural habitats



FOR FURTHER INFORMATION:
see eni.com

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 company's responsibility to contribute to the well-being of individuals and of local communities. The constant effort to assure respect for human rights is based on a due diligence process in line with the United Nations Guiding Principles on Business and Human Rights, guaranteeing access to remedial measures even in case of impacts deriving from the activities of its own affiliates. This approach, a prerequisite for a just 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 extends to those with local communities, governments, suppliers and commercial partners, as well as to security activities and workers' rights. This effort is also confirmed by the adoption of the 10 principles of the Global Compact and by the recognition among the Lead companies of the initiative.

Policies and other regulatory tools

Eni's statement on respect of human rights; Code of Ethics; Policy: "Sustainability", "Our People"; specific internal regulatory tools on human rights and whistleblowing reports, including a specific procedure referred to the human rights due diligence process

Management tools

Management process on human rights (due diligence) which includes, for example, the risk based industrial project prioritisation Model; **ESHIA** (Environmental, Social, and Health Impact Assessment) process application in projects, integrated with the analysis of impacts on human rights; **HRIA** (Human Rights Impact Assessments); **Security management** system to assure the protection of people in all Countries

Progress in 2019 vs. 2018

- **Communication:** the first "Eni for Human Rights" report was published
- Carried out an assessment of the **downstream activities** to identify the most significant human rights issues
- Application of the **risk-based prioritisation model** to 71 industrial projects, to verify the need to carry out specific deep dives on human rights
- **Training:** +143% hours of training on human rights
- **Security:** 97% security contracts containing clauses on human rights (vs. 90% 2018)

Objectives

- Assignment of **specific MBOs** on human rights to Eni management at all levels and on a continuous basis
- **Training:** continue the human rights training campaign
- **Suppliers:** dissemination of the Code of Conduct for Suppliers
- Extension of the scope of the **management model** for human rights to other business units (beyond upstream and downstream)



FOR FURTHER INFORMATION:

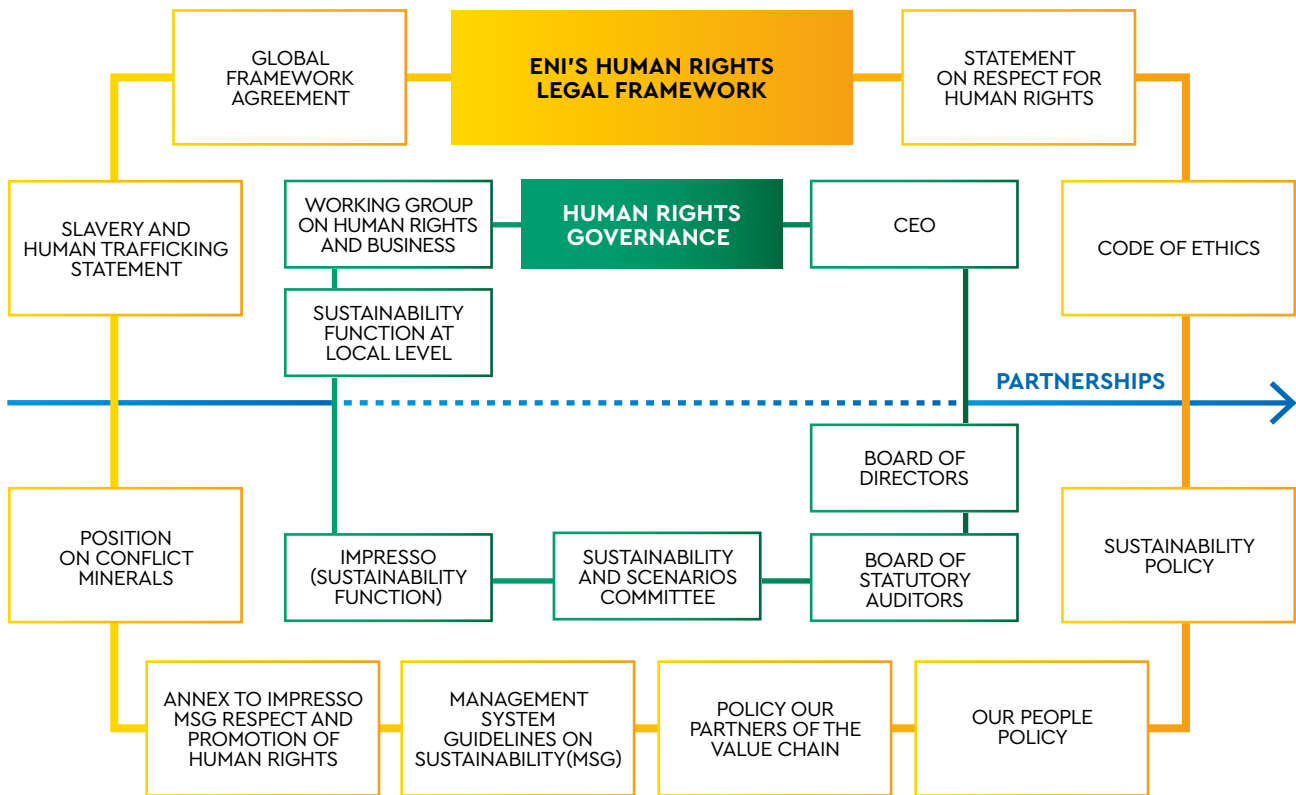
[Eni's statement on respect of human rights](#); [Eni for Human Rights](#); [Eni for 2019 - Sustainability performance \(pp. 24-25; 29\)](#); [Eni's Position on Conflict Minerals; Slavery and human trafficking statement](#); [Code of Ethics](#)

In 2019, Eni published "Eni For Human Rights"

In December 2019, Eni published "**Eni for Human Rights**", a report where the company discloses transparent and factual information on its commitment for the respect of human rights. The document – the first entirely dedicated to this topic – is based on the work carried out by Eni in the last few years, also through collaboration and contribution from international experts and sectorial organizations. The report describes how the respect of human rights is integrated in any Eni's activity, involving its people and defining relationships with partners and supplier, as well as with local communities hosting company's activities.

"The integration of the respect for human rights is a constantly evolving process: that's why we are committed to continuous improvement, and we believe that transparency and accountability support our efforts to safeguard and spread a human rights culture"

Claudio Descalzi, Eni CEO



Human rights governance

The commitment to respect and promote human rights is expressed in *Eni's statement on respect of human rights* approved in December 2018 by the Eni BoD. The document highlights the priority areas on which this commitment is focused and on which Eni carries out in-depth due diligence, according to an approach developed consistently with the United Nations Guiding Principles on Business and Human Rights and pursuing continuous improvement. Human rights are among the matters on which the **Sustainability and Scenarios Committee** (SSC) formulates proposals and provides advice to the BoD. In 2019 the SSC delved into the activities carried out during the year and analysed the results achieved in the third edition of the **Corporate Human Rights Benchmark - CHR** [see further discussion below]. Confirming the commitment on these matters, in 2019 Eni's CEO signed the **"CEO Guide to Human Rights"** published by the World Business Council for Sustainable Development and participated in a [video interview](#) as part of the campaign carried out by the WBCSD for the launch of this guide.

"Respect for human rights is a key priority in the way we work. It influences the way we manage our company activities"
Claudio Descalzi, Eni CEO

ENI IN THE CORPORATE HUMAN RIGHTS BENCHMARK ASSESSMENT (CHR)

In November 2019, the results of the third edition of the Corporate Human Rights Benchmark (CHR) were published. Eni took **eighth place among the 200 companies** analysed from different sectors and it is among the companies that most improved their score since the first edition in 2017. The total score improved in all six analysed categories and it was the **best performer in the section called "Company Human Rights Practices"**, which assesses the factors and processes for respect for rights and prevention and attenuation of risks and impacts on human rights. The significant improvement in Eni's performance, assessed by the CHR, reflects the continuous progress the company is making in the approach to human rights integrated in the business, started over ten years ago and considerably increased in the last four years.



Corporate Human Rights Benchmark (CHR) is an initiative resulting from the collaboration between investors and civil society organisations to create the first benchmark to assess companies' performance with respect to human rights

100%

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

Human rights salient issues

In 2019, moreover, the actions of the multi-year plan implemented by a Working Group launched in 2017 were completed; it identifies the main areas of improvement and the actions to be implemented, associated with the 4 macro areas into which are grouped the “Salient Issues¹³⁾” of Eni: human rights (i) on the **workplace**; (ii) in the **communities**; (iii) in the **supply chain**; (iv) in **security** operations. These actions were incorporated in specific managerial objectives directly connected with human rights performance, assigned to all 18 personnel directly reporting to the CEO and to over 50 second-level subordinates of the CEO and executives (please refer to [Eni for Human Rights](#) for additional information).



ACCESS TO REMEDIAL MEASURES

in any cases of violation: for the process of managing whistleblowing reports, including anonymous ones, by employees or third parties, see “Files of reports pertaining to respect for human rights”, [Eni for 2019 - Sustainability Performance](#); for grievance mechanisms, please see the Grievance paragraph on p. 63.

25,845

Hours of human rights training in 2019

Human rights training activities

Eni considers the training and awareness activities dedicated to its own employees and partners a key element of its own commitment in respect for human rights. In continuity with the awareness path started back in 2016, in 2019 human rights training continued to be administered to 97% of employees, to create a shared culture, a common language, and to improve the understanding of possible impacts of the business on human rights. In 2019, the human rights training program continued both with specific modules and with campaigns accessible via web by all employees (Security and Human Rights, Human Rights and relations with Communities, Human Rights in the Workplace and Human Rights in the Supply Chain). Moreover, in 2019 the new training campaigns were started for the entire Eni population: “Sustainability in terms of stakeholders, reporting and human rights” and “SDGs”.

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 durable relations. Eni’s Industrial Relations model is based on agreements that define the procedures for sharing information with the organisations representing the workers. These agreements were defined at the national and international level and among them two are European (the European Works Council and the European Observatory for Health, Safety and Environment in Eni) and one is global: the Global Framework Agreement (GFA), renewed in June 2019 at the end of the annual meeting held in Athens. This document, resulting from a collaboration with the main Italian unions and with IndustriALL Global Union, encloses a series of commitments to comply with the Universal Declaration of Human Rights, with the Declaration on the elimination of all forms of discrimination against women, with the Declaration of the rights of the child, with the International Covenant on Civil and Political Rights, and other ILO Conventions directly applicable to Eni’s activities, to OECD Guidelines for Multinational Enterprises, with the principles of the Global Compact of the United Nations, with the ILO Declaration on Multinational Enterprises revised in 2017 and with UNGPs. By this renewed four-year agreement, Eni and the general secretaries

13) Salient issues identify the main matters identified in Eni with respect to human rights.

of the signatory unions confirmed their joint commitment to promote sustainable development and sensitise direct and indirect employees on respect for human and labour rights. The Athens meeting also provided an important opportunity to exchange opinions and delve further into the different issues presented by the Unions and the workers' representatives in the Countries where Eni is active.

Human rights and security

Eni manages its own Security operations in compliance with international human rights principles and with the Voluntary Principles on Security & Human Rights. In line with its commitment, Eni has designed a coherent system of rules and instruments to assure that:

- contractual terms comprise provisions on respect for human rights;
- security force providers are selected, among others, on the basis of human rights criteria;
- security operators and supervisors receive adequate training on respect for human rights;
- events considered most at risk are managed according to international standards.

Moreover, Eni is developing a "human rights due diligence" process directed at identifying the risk of negative impact on human rights in relation to security activities and consider the use of preventive and/or mitigating measures. In 2019, the e-learning course "Security & Human Rights", addressed to the Security professional family, was addressed both to newly hired personnel and to resources who had not yet taken part before. The e-learning course has been produced in three languages (Italian, English and French) to extend its accessibility. The issue of Human Rights & Security is regularly addressed in all workshops dedicated to newly appointed Security Officers, which in 2019 reached their third edition.

97%

of security contracts contain clauses on human rights



"Security & Human Rights" course, administered in Nigeria from October 14 to 18, 2019

TRAINING AND INFORMATION PROGRAM ON SECURITY & HUMAN RIGHTS

On July 9 and 10, 2019, training seminars on Security and respect for human rights were carried out in Pakistan over three sessions: one addressed to Eni Pakistan managers, to managers of the companies that provide security services and to the private security operators performing their activities at this site and two sessions addressed to the private security operators who perform their activities at the operating site. In addition to the courses in Pakistan, from October 14 to 18, 2019, the second edition of the "Security & Human Rights" course was carried out in Nigeria for the Security Forces operating at the Eni sites of Abuja and Port Harcourt. The initiatives in Pakistan and Nigeria are included in the broader training project started in 2009 to promote corporate best practices, which integrate the international standards established by the "United Nations Guiding Principles on Business and Human Rights" (UN-GPs) and by the "Voluntary Principles on Security and Human Rights" (VPSHR), thus concretely realising Eni's commitment on respect for human rights. Confirming Eni's commitment to safeguard people's safety, respect for local communities and constant dialogue with the Authorities and with local security operators, from 2009 to the present, training sessions were carried out in Italy (Rome and San Donato Milanese in 2009), in Egypt and Nigeria (2010), in Pakistan and Iraq (2011), in the Republic of the Congo and in Angola (2012), in Indonesia and Algeria (2013), in Mozambique (2014) and Kenya (2015), in Venezuela and Ecuador (2016), in Nigeria (2017) and Tunisia (2018).

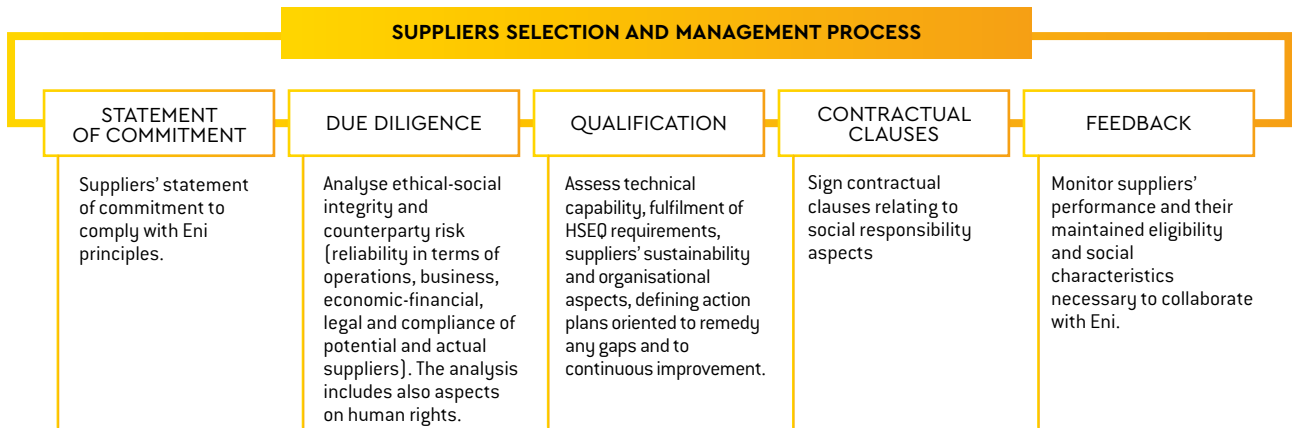
Eni carried out training programs in Pakistan and Nigeria in 2019

Human rights in the supply chain: management of suppliers and business partners

~6,000

Suppliers subject to screenings and assessment on sustainability issues in 2019

Eni, aware of the significant role of its supply chain in the fulfillment of its social responsibilities commitments, has implemented a management model aimed at promoting its own values with suppliers and to involve them in the risk prevention process. This model ensures that Eni **monitors its suppliers constantly**, and it may even suspend contracts if suppliers do not meet the minimum acceptability standards set by Eni. In 2019, approximately 6,000 suppliers were subjected to screening and assessment on sustainability issues: in 15% of the cases, potential critical issues/areas of improvement have been identified, but in 89% of them they did not compromise the possibility of working with them.



SUPPLIERS ARE REQUIRED TO FORMALLY COMMIT TO COMPLY WITH THE FOLLOWING PRINCIPLES:
 COMPLIANCE WITH LAWS; PROTECTION OF HUMAN RIGHTS; ANTI-CORRUPTION; HEALTH AND SAFETY; ENVIRONMENTAL PROTECTION; BUSINESS ETHICS.

Eni is also carrying out numerous engagement initiatives with suppliers, for example:

- **Local meetings** for local companies, organised in collaboration with trade associations and/or local authorities, during which Eni's sustainability values and principles are illustrated;
- **Individual meetings** with selected suppliers within the scope of assessments on human rights, to create awareness on the promotion and respect for human rights; in 2019, 9 suppliers were involved, of which 3 from Vietnam, 1 from Ecuador, 1 from Mexico and 4 from Tunisia;
- **Annual events** with the participation and recognition of suppliers with the best safety performance who also distinguished themselves by their coimmitment (Safety & Environment Day).

Eni, moreover, is finalising and subsequently diffusing a code of conduct for suppliers, which confirms the importance of respect for the cardinal principles of sustainability in the supply chain. Lastly, more generally referring to Eni's business partners, starting from 2018 specific human rights clauses were introduced in the agreements stipulated with the Countries and with the other companies in activities managed through Joint Ventures, to represent and bind the parties to behave in line with the main international standards and to exercise an appropriate form of leverage on them. Every business partner is also subjected to a preventive screening to identify the presence of any critical issues referred to respect for human rights and to provide the appropriate measures to manage them. In this area, over 70 new business partners were screened in 2019.

Additional actions to combat the forms of modern slavery and human trafficking and to prevent the exploitation of minerals associated with human rights violations in the supply chain are further discussed in the [Slavery and human trafficking statement](#) and in the [Position on "Conflict minerals"](#)¹⁴, both available on the eni.com website.

14) In compliance with US SEC regulations.



In 2019, Eni started the early production phase of the Miztón field, in Area 1, situated in the bay of Campeche, in the Mexican offshore



SOCIAL AUDITS TO CONTRACTORS IN MEXICO

Background

In line with the United Nations Guiding Principles for Businesses and Human Rights (UNGPs) and Eni's Statement on Respect for Human Rights, in 2019 Eni in Mexico commissioned the Danish Institute of Human Rights (DIHR) to carry out a Human Rights Impact Assessment (HRIA) on the activities of Area1 Development Project. Among the findings of the HRIA, it was highlighted the importance of monitoring the performance of contractors and subcontractors to ensure respect for human rights.

The pilot project

In August 2019, Eni designed and used a specific questionnaire, which covered human rights issues (conditions at work, collective bargaining, gender discrimination and child labor issues), during a technical audit carried out on a contractor responsible for logistics services. This experience has set the base for the implementation of regular social audits, included as such in the Human Rights Action Plan (2019-2021) in Mexico approved at the end of that year.

Main results

The contractor performance with regards to respect for human rights was considered generally satisfactory. Nevertheless, it was deemed appropriate to implement some actions to consolidate the level of satisfaction guaranteed, as well as to prevent the possible occurrence of problems in the future, concerning the following observations:

- some workers did not know about the presence of unions and some did not understand the principles and functions of unions even if they belong to one;
- differences between the Federal Labor Work and internal labor regulations in relation to the minimum age for work. However, through an employee registry analysis, it was detected that there were no underage workers employed at the site;
- the contractor did not have a grievance mechanism in place specifically for the workers, expressing however his willingness to establish its own grievance mechanism;
- there was no evidence of social responsibility reports, even when this element was part of contractor's internal policy;
- female staff did not have exclusive and dedicated restrooms;
- workers did not have an adequate lunchroom.

Among the good practices identified were: respect for work schedules and, according to the women interviewed, a workplace perceived as a place free from harassment.

Follow up: corrective and preventive actions

The contractor sent some evidences of the measures that they had implemented to attend the observations made during the social audit. These evidences are related to: i) the modifications to internal labor regulations for the correction of differences with the Federal Labor Work; ii) the implementation of grievance mechanism for workers; iii) the preparation of a Corporate Social Responsibility Report by 2019; iv) the enablement of female restrooms; v) access to an adequate lunchroom for workers.

Lessons Learnt & Next Steps

This initiative allowed to identify some opportunities for improvement regarding both how to provide support to contractors on human rights respect and how to monitor effectiveness of measures taken. About this aspect in particular it is crucial to sensitise the supplier to adopt a specific and formal commitment to carry out such social audits and to formalise in a specific document the planned improvement actions, in order to allow a more systematic monitoring mechanism, even in a mid-term perspective.

Eni with the Danish Institute for Human Rights (DIHR) carried out a Human Rights Impact Assessment (HRIA) in 2019 on the activities of Area 1 Development Project, in Mexico



FOR FURTHER INFORMATION:

[See the Human Rights Impact Assessment from the Danish Institute for Human Rights related to Area1 Development Project](#)

Transparency and anti-corruption



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 of 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

Policies entitled "The integrity of our operations", "Our partners of the value chain"; Code of Ethics and Anti-Corruption MSG

Management tools

"Anti-corruption" Management System; **Model 231; Anti-Corruption Compliance Program** certified in accordance with standard ISO 37001:2016

Progress in 2019 vs. 2018

- **EITI:** participation in the Board meeting of EITI (Extractive Industries Transparency Initiative)
- **Disclosure:** voluntary publication of the Country by Country report
- **Anti-corruption training:**
 - continuation of awareness program for some categories of Eni's Business Associates and
 - roll out of the method for the segmentation of Eni's personnel on the basis of the corruption risk

Objectives

- **EITI:** systematic interaction with affiliates in participating Countries and active promotion of participation in EITI in non-participating Countries
- **Control system:** continuous improvement of the Anti-Corruption Compliance Program
- **Anti-corruption training:** application of method to segment the population for anti-corruption training purposes



FOR FURTHER INFORMATION:

[Eni for 2019 - Sustainability performance \(pp. 26-27\)](#); [Country by Country report](#); [Report on payments to Government](#); [Code of ethics](#)

[Report on payments to Governments](#)

[EITI participation](#)

[Country by Country Report](#)

[Guidelines in the tax field](#)

[US Securities and Exchange Commission \(SEC\) CONSULTATION](#)

Eni, to improve the governance and transparency of the extraction sector and to increase the awareness of local communities, stimulating Governments to publish a more complete disclosure of the payments, investments and revenues generated by Oil & Gas activities:

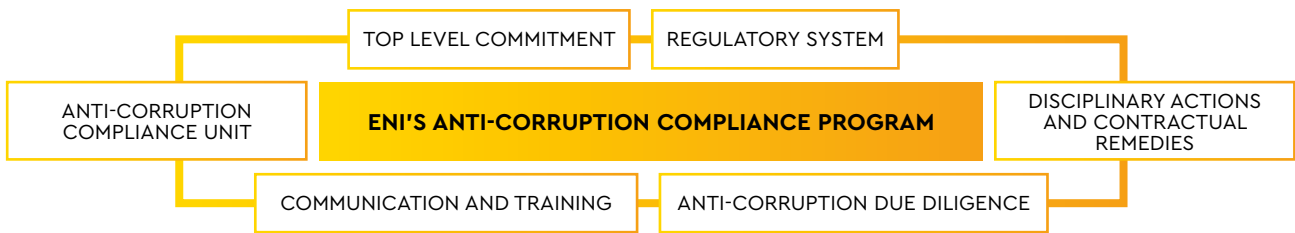
- annually publishes the "**Report on payments to Governments**" in compliance with the reporting obligations introduced by the Directive EU 2013/34 (Accounting Directive) and in line with the EITI standard;
- has participated in **EITI** since 2005, takes part in the initiatives of the international Board and, at the local level, contributes to the preparation of Reports in participating Countries and it contributes to the activities of the Multi Stakeholder Groups in 9 Countries;
- it annually prepares the "**Country-by-Country Report**"¹⁵ (CbC Report), a collection of data relating to turnover, profits and taxes aggregated with reference to the jurisdictions where Eni carries out its business, which constitutes an information obligation towards the Italian financial Administration. Although there are obligations to disclose this information to the market and to the public, to maximise its own transparency in the taxation field, Eni publishes the CbC Report every year;
- has prepared the **Guidelines in the Tax Field** (Tax strategy) that define the commitments pursued by Eni from the taxation viewpoint;
- 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".

15) In accordance with Italian Law no. 208/2015, and in line with the provisions of Action 13 of the "Base erosion and profit shifting - BEPS" project, developed by the OECD with G20 support to contrast "base erosion and profit shifting" by multinational enterprises.

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 core of this program resides in Eni's top management commitment and in the set of internal anti-corruption regulations that apply to Eni SpA and to all its subsidiaries. The implementation of the program has been assured, since 2010, by a dedicated organisational structure (Anti-Corruption Unit) whose task is to provide specialist anti-corruption assistance to Eni and to its subsidiaries. To prevent possible critical issues, the Compliance Program calls for the execution of anti-corruption due diligence on counterparties at risk aimed at assessing the integrity, professional reliability and reputation of the potential counterparty.

In December 2019, the recertification audit was successfully completed on the Anti-Corruption Compliance Program to the requirements of ISO 37001:2016 “Antibribery Management Systems”



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

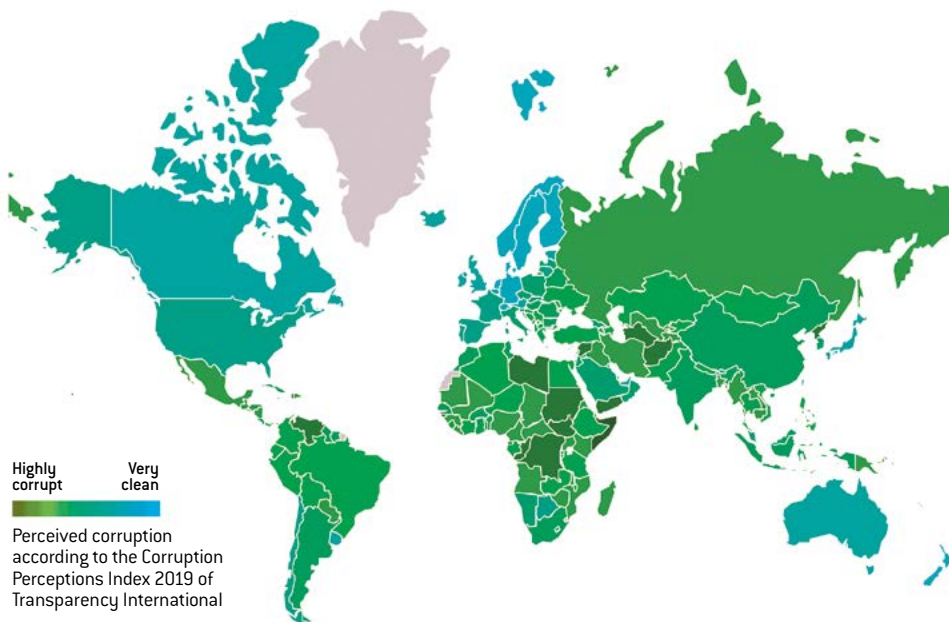
- **e-learning courses**, online courses for the entire corporate population;
- **general workshops**, interactive training sessions for resources in medium/high corruption risk context;
- **job specific training**, training sessions generally administered together with the general workshops and intended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

To optimize the identification of the recipients of the training initiatives, a methodology was defined in 2018 and applied in 2019, for the segmentation of employees on the basis of the corruption risk according to risk drivers such as: Country, qualification, professional family and number of employees of the site. In 2019, 23,347 employees were trained, of whom 59% were resources in medium/high corruption risk context. Moreover, in 2019 training activities continued online and in the classroom, for some categories of Eni's Business Associates to sensitise them on the issue of corruption (in particular how to recognise a corruptive behaviour and how to prevent the violation of anti-corruption laws in their professional activity).

1,237
Participants in general workshops

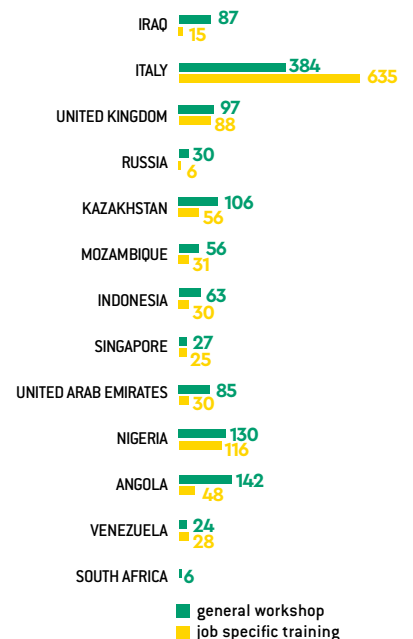
1,108
Participants in job specific training

CORRUPTION PERCEPTIONS INDEX 2019



COUNTRIES WHERE ENI ORGANISED ANTI-CORRUPTION TRAINING - 2019

(number of participants)



3



Alliances for the promotion of local development

The energy sector is experiencing a transition period and its fundamental role in pursuing sustainable development requires to make crucial decisions dictated by the decisive challenges of our time. On one hand, there is a need to address the climate emergency, while on the other hand it is still necessary to ensure access to energy to a growing population, with the goal of promoting development and reducing economic and social differences. One of the pillars of Eni's business model is in fact the pursuit of this just transition through the valorisation of energy resources, making them available both to the international and the domestic market, promoting the development of local markets with the awareness that growing together strengthens the credibility of the company, opens new business perspectives, and consolidates the relation with the Countries. The development of domestic markets also translates into promoting the socio-economic development of the Country through an inclusive growth, paying attention to the specific needs of the territories where Eni operates.

Eni as a local development player

ENI'S ACTIVITIES CONTRIBUTE TO THE SOCIO-ECONOMIC DEVELOPMENT OF THE HOST COUNTRIES BOTH THROUGH THE BUSINESS PROJECTS AND THROUGH INITIATIVES IN FAVOUR OF LOCAL DEVELOPMENT



Access to energy

ENI INVESTS IN THE CONSTRUCTION OF INFRASTRUCTURES FOR THE PRODUCTION AND TRANSPORT OF GAS FOR BOTH EXPORT AND FOR LOCAL CONSUMPTION TO GENERATE ELECTRICITY, PROMOTING THE DEVELOPMENT OF LOCAL MARKETS



Partnerships for local development

THE INITIATIVES CARRIED OUT IN HOST COUNTRIES LEVERAGE A PUBLIC-PRIVATE PARTNERSHIP APPROACH THAT ALLOWS MAXIMISATION OF ITS GENERATED BENEFITS



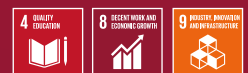
Local Development Programme

ENI PROMOTES INITIATIVES IN SUPPORT OF THE SOCIO-ECONOMIC DEVELOPMENT OF LOCAL COMMUNITIES, IN LINE WITH THE 2030 AGENDA OF THE UNITED NATIONS AND CONSISTENTLY WITH THE COMMITMENTS PROVIDED BY THE PARIS AGREEMENT AND NATIONAL DEVELOPMENT PLANS



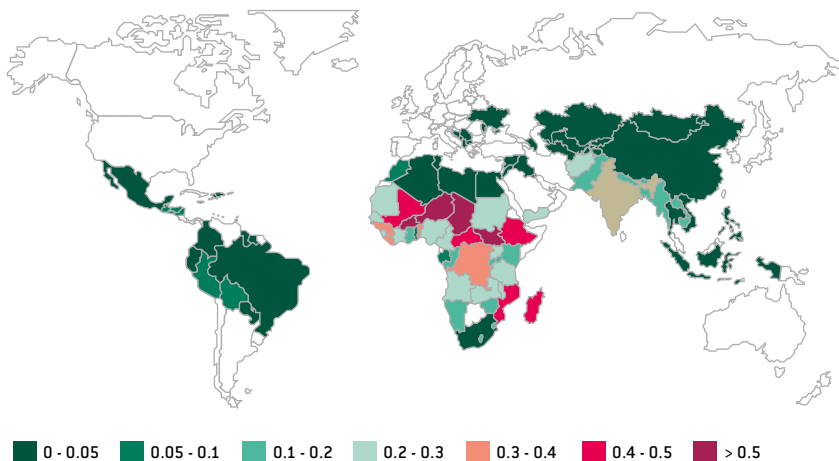
Tools and methods for local development

ENI HAS DEVELOPED AND APPLIED IMPACT ASSESSMENT TOOLS TO QUANTIFY THE BENEFITS GENERATED BY ITS INITIATIVES IN THE OPERATING CONTEXT THROUGH THE BUSINESS AND ITS OWN COOPERATION MODEL



Scenario elements

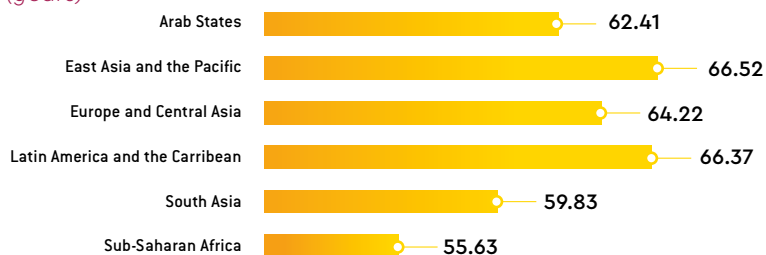
MPI – Global Multidimensional Poverty Index at Country level



The Global Multidimensional Poverty Index (MPI) is an international tool that measures progress compared to SDG 1 and compares acute multidimensional poverty for over 100 Countries and 5.7 billion people, relating to three dimensions: education, health and standards of living. The Global MPI, whose value is between 0 (absence of multidimensional poverty) and 1 (maximum multidimensional poverty), is calculated by multiplying the incidence by the intensity of poverty.

Source: Alkire, S., Karagaratnam, U. and Suppa, N. (2019). "The Global Multidimensional Poverty Index (MPI) 2019", OPHI MPI Methodological Note 47, Oxford Poverty and Human Development Initiative, University of Oxford

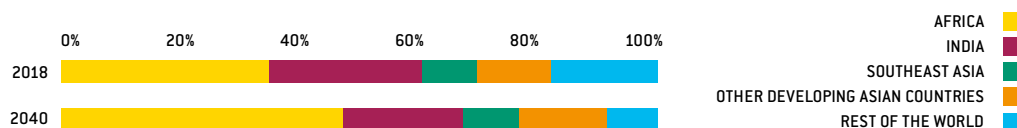
Healthy life expectancy (years)



According to the WHO, healthy life expectancy is a measure of the average length of life lived in good health and satisfactorily in a population, therefore in the absence of ailments, diseases and disabilities. The graph shows this value by macro geographical areas highlighting the highest values reached in Latin America and the Far East. Worldwide, the average value is 63.4 (2017 data).

Source: UNITED NATIONS DEVELOPMENT PROGRAMME, Human Development Reports

People without access to clean cooking (%)



In 2018, 2.6 billion people still do not have access to clean cooking and resort to the use of solid biomass for domestic use with harmful effects on health. Where the Sustainable Development Scenario (SDS) scenario aims to have full access to clean cooking as early as 2030, in the Stated Policies Scenario (STEPS) by 2040 1.8 billion people will still have no access to clean cooking. Today 1/3 of the world's population without access to clean cooking is concentrated in Africa. By 2040, failure to access clean cooking will continue to be prevalent mainly in Africa (approximately 47% of people without access).

Source: IEA (2019) World Energy Outlook. All rights reserved

Other challenges for sustainable development

The UN's 2030 Agenda for Sustainable Development, presented in New York in September 2015, identifies 17 Sustainable Development Goals (SDGs) which represent common goals for the current complex challenges and are an important reference for the international community. Although important progress has been made worldwide in helping to achieve SDGs, major challenges still remain.

Source: UNSTATS, The Sustainable Development Goals Report 2019

785 MILLION PEOPLE

without access to basic drinking water facilities

MORE THAN 50%

of schools in Sub-Saharan Africa do not have access to →

- DRINKING WATER
- WASHING FACILITIES
- INTERNET
- COMPUTERS

2/3

of the undernourished people in the world live in Sub-Saharan Africa and southern Asia

Eni as a player in local development



WHY IS IT IMPORTANT TO ENI?

Facilitating access to electricity while promoting initiatives in favour of communities – from economic diversification to projects for health, education, access to water and sanitation – is Eni's distinctive approach to host Countries, known as "Dual Flag" since Enrico Mattei's time. This approach identifies sustainability for Eni at the local level, which translates into the will to contribute to the development of the Countries where Eni is present with new business perspectives, but also supporting the primary needs of local populations. This is possible thanks to the definition of specific Local Development Programmes (LDPs) that follow the direction traced by the 2030 Agenda of the United Nations and by the Nationally Determined Contributions (NDCs), signed by each Country in the context of the Paris Agreement.

Policies and other regulatory tools

"The sustainability" policy, Eni's statement on respect for human rights

Management tools

ESHIA process in all business projects; Stakeholder Management System Platform for managing and monitoring stakeholder relations; System for detecting, mitigating and monitoring the risk tied to relations with local stakeholders; Process for managing sustainability in the business cycle and design specifications according to international methodologies

Progress in 2019 vs. 2018

- **Investments for local development:** €95.3 million
- **Access to energy:** more than 64 billion Sm³, of gas sold to the local markets; in 12 Countries Eni distributes 100% of the total gas sold
- **Signed partnerships:** FAO, UNDP (2018); UNIDO, Dom Bosco (2019); World Bank, E4Impact (2020)
- **New agreements:** MoUs signed with Angola, Mexico (2018) and Mozambique

Objectives

- **2020-2023 investments for local development:** €381 million, which will also allow, inter alia, to reach the following objectives in 2020:
 - Access to energy: 4,600 families benefiting from access to clean cooking technologies in the involved communities;
 - Education: 2,730 students attending schools that were renovated and with services improved by Eni



FOR FURTHER INFORMATION:

[Eni for 2019 - Sustainability performance](#); [Eni for Human Rights](#)

MoUs were signed with Angola and Mozambique, which couple the traditional business with the commitment for diversified, sustainable growth

The development of domestic markets, supported by important infrastructure investments, also activates a value chain through the creation of new business opportunities and the transfer of competencies and know-how to local partners and employees, and to the communities of the Countries where Eni is present. Eni's contribution to development is integrated in all business activities, starting from the knowledge of the operating context: anticipating and understanding any environmental and social impacts, Eni is able to define an action strategy that leads to the creation of value for the company and for the host Country. In this context, in 2019 Eni signed **two Memorandums of Understanding (MoU) with the Governments of Mozambique and Angola**, in the area of the Province of Cabinda, which couple traditional business with the commitment to the Countries' diversified, sustainable growth. The areas of cooperation include access to energy, economic diversification, the development of renewable energies, protection and expansion of forests, access to water and to public health services and to education. These are integrated development programs (Local Development Programme, LDP), designed considering the National Development Plans and the Nationally Determined Contributions to contribute to the Sustainable Development Goals (SDGs) of the 2030 Agenda.

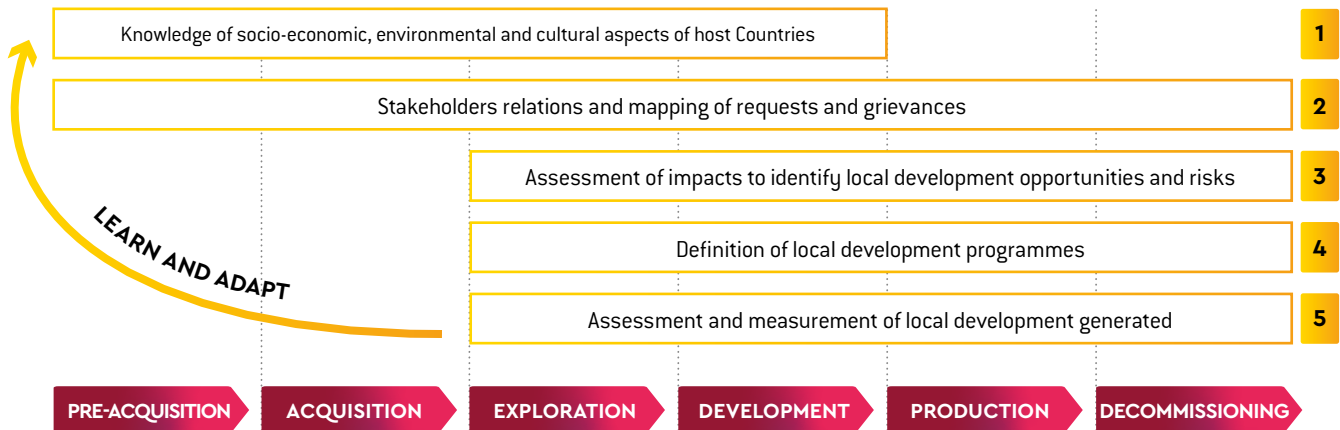
Sustainability throughout all business phases

From the time licenses are acquired, through to the exploration and the development of business projects, from production to decommissioning, instruments and methodologies have been adopted that are consistent with the main international standards, ensuring a more efficient and systematic approach to decision-making, in order to contribute to the development of the host Countries. The analysis of the socio-economic context, that accompanies in an ever deeper manner the business design stages, allows Eni to understand local needs and hence to define the priority sectors of intervention. These priorities translate into objectives in the four-year strategic Plan, aimed at directly or indirectly contributing to the achievement of the SDGs. This is obtained through analytical and managerial instruments that cover the entire cycle of the business and allow:

1. the knowledge of the Country context from the socio-economic, environmental and cultural viewpoint, with the use of internationally recognised tools like the Global Multidimensional Poverty Index (MPI);
2. the relationship with local stakeholders directly and/or indirectly involved to understand their requests, and any grievances, to strengthen mutual trust (see p. 63);
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 consistent with the Country Development Plans, the 2030 Agenda and the Nationally Determined Contributions (see pp. 61-69);
5. the assessment and measurement of local development generated (“learn and adapt”) through the use of instruments and methodologies recognised internationally and adopted by Eni, such as the logical framework approach and management of the project cycle, as well as tools developed by Eni in collaboration with academic institutions such as the Eni Impact Tool and the Eni Local Content Evaluation Model (see pp. 70-73).

This approach is based on collaborations with institutions, cooperation agencies and local stakeholders to identify the interventions necessary to meet communities’ needs in line with the National Development Plans and the 2030 Agenda of the United Nations.

The local approach responds to the needs of communities in line with the National Development Plans and the United Nations 2030 Agenda



MULTIDIMENSIONAL POVERTY INDEX (MPI)

The Global MPI is an internationally recognized measure of acute multidimensional poverty, available for over 100 Countries. The Global MPI examines the deprivation conditions of a person through 10 indicators across three dimensions: education, health and living standards. The index allows to compare the incidence and intensity of poverty between Countries but also within individual States, as disaggregated data are also available at the local level, as well as for urban and rural areas. The Global MPI, therefore, is a significant reference also to measure progress relative to the 1st goal of the 2030 Agenda. According to the “Global Multidimensional Poverty Index 2019”, 23.1% of the population covered by the global MPI 2019 – 1.3 billion people – are multidimensionally poor. The Global MPI is becoming an increasingly authoritative international reference methodology. The global MPI was included in the Human Development Report (HDR) in 2010 and has been published in the HDR and by OPHI ever since. The Global Sustainable Development Report of the United Nations encourages governments to use this multidimensional index in the development, implementation and control stages of its own policies against poverty and for social inclusion.

Use of the Multidimensional Poverty Index in Eni

Eni carries out poverty analyses both before starting its operations in a Country, and to improve its own understanding of the socio-economic context of the Countries where it is present. The Global MPI is one of the instruments used by Eni to ensure that its action is as effective as possible and directed at the most vulnerable people.

The Global Multidimensional Poverty Index was developed in 2010 by the Oxford Poverty and Human Development Initiative at the University of Oxford and by the Human Development Report Office of the United Nations Development Programme (UNDP)



Access to energy



"We are an energy company. We concretely support a just energy transition, with the objective of preserving our planet and promoting an efficient and sustainable access to energy for all" Beginning of Eni's mission

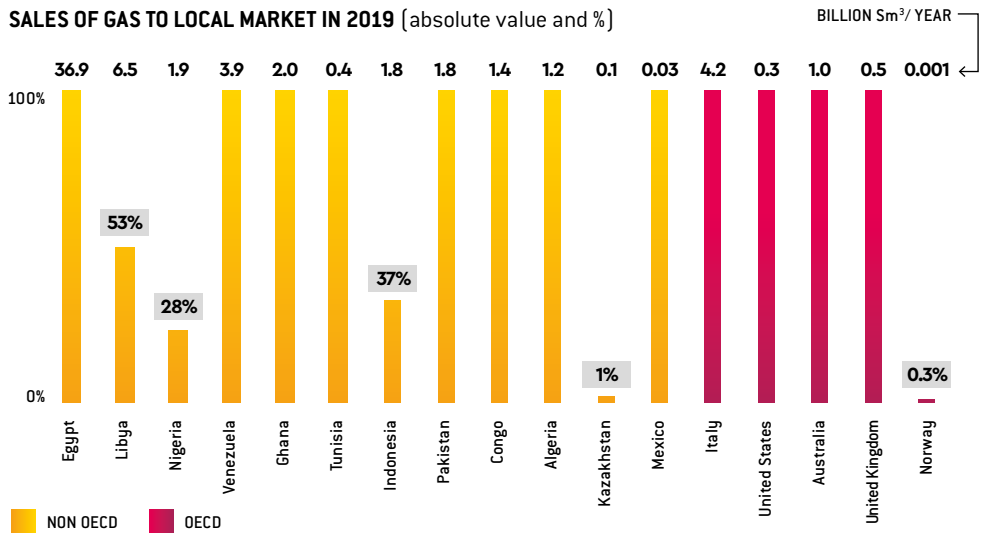
Ensuring universal access to energy efficiently and sustainably is the main challenge of the energy sector and it is at the centre of the process of transition towards a low carbon future, as also confirmed in the corporate mission. In this context, aware that the fight against energy poverty is the first step to meet the primary needs of education, health and economic diversification, Eni promotes the construction of infrastructure for the production and transport of gas and facilitates access to electricity, as integral parts of its business model.

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 through energy generation, promoting on one hand the development of markets where it is present and on the other hand the attainment of new ones. In 2019, the Takoradi-Tema Interconnection Project continued in Ghana with the goal of increasing gas use also in the Eastern part of the Country by increasing the flow rate towards the Takoradi hub and the WAPCo¹⁶ facilities by approximately 2.5 times; other initiatives were carried out in Indonesia, where the construction of a dedicated pipeline in East Borneo will allow to increase LPG production for the domestic market. Eni's approach also allows to ensure energy independence in several Countries, for example in Egypt where, thanks to the discovery of the Zohr reservoir, whose production already fully remains in the Country, the foundations for energy independence have been created and in Libya, where Eni continues to supply almost all of the gas needed to fuel its power stations.

64 BILLION Sm³ of gas sold to domestic markets in 17 Countries

100% of gas sold to the domestic markets of 12 out of 17 Countries



Eni provides energy to the local markets, having supplied them in 2019 with over 73% of the total gas sold, for an amount of more than 64 billion Sm³. In particular, in 12 Countries Eni distributes 100% of the total gas sold.

Construction of thermal power stations

In Sub-Saharan Africa, Eni makes investments for the construction of thermal power stations thanks to the valorisation of the associated gas which was disposed of by flaring. The objective is to diversify the energy mix, made up of 50% biomass and coal, introducing a cleaner source like natural gas. In 2019, the activities to increase the electricity generating capacity of the CEC power station in Congo through the construction of the third turbine were completed, as well as the revamping of 4 power stations in Libya that generate 2GW of power, enough to ensure more stable access to electricity to approximately two million people (about 1/3 of the entire Libyan population), threatened by continuous black-outs caused by the conditions of neglect of the power stations.

16) In addition, in early 2020 the second phase of the project was launched, with the goal of doubling the flow rate towards Tema as well.

In **Nigeria**, the Okpai power station, with a primary installed capacity of 480 MW, in 2019 generated approximately 1,400 GWh contributing to about 10% to the total energy fed into the national transmission grid of the available capacity in the Country and supplying energy to approximately 10 million people. Two additional generation trains with gas turbine, one of which is available for operation and the other in an advanced stage of completion, will further increase the available capacity of over 300 MW, thus placing Okpai in first place for capacity among power generation plants built by private operators in Nigeria. Also in Nigeria, since 2012, Eni through the Ob-Ob plant has supplied gas to third parties who, with a plant having an installed capacity of 150 MW, generate electricity for approximately 1 million beneficiaries.

Off-grid energy access projects

With the Promoting Energy Efficiency and Clean Cooking project, Eni in **Mozambique** contributes to the replacement, among vulnerable families, of 10,000 traditional stoves with the improved ones provided in the Plan, reducing deforestation caused by cutting wood used for the production of charcoal for domestic use. This project promotes a sustainable local production, creating jobs and new local entrepreneurship. Moreover, in 2020 Eni and the World Bank signed a memorandum of understanding in Ghana for the development of initiatives to promote the use of improved, more efficient wood-burning stoves, to reduce exposure to toxic wood fumes and prevent forest exploitation.

The Okpai plant was the first combined cycle plant built in Nigeria



The CEC supplies electricity to the city of Pointe-Noire with the installation of over 6,500 street lighting points.

THE THIRD TURBINE FOR THE CENTRALE ÉLECTRIQUE DU CONGO (CEC)

Following the acquisition, in 2007, of the M'Boundi onshore reservoir in Congo, Eni has developed in the Country an energy access model on a large scale. The "Projet intégré" (Integrated Project) was launched with the construction of the Centrale Électrique du Djéno (CED) and the Centrale Électrique du Congo (CEC) power stations, the requalification of the energy transport infrastructure and the expansion of the electricity distribution network to the city of Pointe-Noire. CEC and CED are fueled with gas from the M'Boundi and Marine XII reservoirs, contributing to the reduction of emissions from gas flaring. The CEC plant, commenced in 2010, is part of Eni's broader strategy to expand access to energy in the Country and promote the development of the local energy resources. With the commissioning of a third gas turbine in February 2020 (providing additional capacity of 170 MW for a total of 484 MW), the CEC contributes approximately to 60/70% of the total electricity generation in the Country. In addition, the CEC supplies electricity to the city of Pointe-Noire also through the installation of over 6,500 street lighting points, benefiting approximately 350,000 people. The energy access program also allowed the success of the Hinda Project, supplying electricity to 33 community structures powered with solar panels (11 medical centres and 22 drinking water wells).

With the commissioning of a third gas turbine in February 2020, the CEC contributes approximately to 60/70% of the total electricity generation in Congo



7.1 Universal access to modern energy **7.b** Expand and upgrade energy services for developing Countries



FOR FURTHER INFORMATION
see eni.com

Partnerships for sustainable development




"We must work side by side with the less developed Countries, know them, talk with the institutions, talk with local communities, understand from them what the obstacles to development are and help them remove them, not with a logic of pure assistance but sharing resources and competencies"

C. Descalzi, Mediterranean. La sfida è lo sviluppo, Avvenire, January 5, 2020

Faced with increasingly complex and global events – poverty and inequality, health emergency, climate and migration crisis, political instability – Eni has chosen to extend the range of the development initiatives, beyond the boundary of its own operating areas through alliances with respected partners active locally and recognised internationally. The synergic action and the sharing of know-how that derive from it are aimed at improving people's living conditions in the Countries of presence in line with the 2030 Agenda of the United Nations, the Country plans and the NDCs. With major challenges, it is absolutely essential to join forces and act together, valorizing shared factors with the different stakeholders engaged in the areas of interest: from the International Organizations to the private sector, from civil society to cooperation agencies that know the local region, the fragility and the primary needs of the people who live in the areas where Eni is present. Hence, the value of the individual and hence the need to identify partners able to ensure a long-term perspective to the actions. The financial and economic crisis of 2008 caused a severe reduction of public for development due to Governments' national budget needs. Thus the invitation – stressed in the "Third international conference on development funding" organised in Addis Abeba by the United Nations in July 2015 – to use new mechanisms and forms of collaboration able to put together the public and the private sector. Enrico Mattei's intuition and Eni's "vocation" in accompanying the growth of peoples and communities, which translates in the aforementioned Dual Flag approach, are once again present and find fertile ground in the role attributed with growing awareness by the international community to the private sector, as the recent health emergency demonstrates once again.

The value of working together

In this direction are moving, for example, Eni's partnerships with International Agencies and Organisations like the Food and Agriculture Organization (FAO), the United Nations Development Programme (UNDP), the United Nations Industrial Development Organization (UNIDO) and with a view to a broader collaboration the patronage of the United Nations Educational, Scientific and Cultural Organization (UNESCO) to the Musée du Cercle Africain built in Pointe-Noire in Congo and Eni's participation in the first Biennale of Luanda, in Angola - Pan-African forum for the Culture of Peace. It is also the direction of the relationships and collaborations with Italian and European institutions, financial entities and development banks, cooperation entities and agencies, faith based organisations, universities and research centres. These are broad collaborations that cut across sectors, in terms of action (access to energy, economic diversification, education, access to water and sanitation, health), of geographic areas and Countries where Eni is present. Eni was among the players of the energy and investment funds that participated in the dialogues promoted in the Vatican in June 2018 and 2019 by the Notre Dame University and by the Dicastery for Promoting Integral Human Development, "The Energy Transition and Care for Our Common Home".



The Promoting Energy Efficiency and Clean Cooking project promotes sustainable local production in the city of Pemba, in Mozambique, creating jobs and new local entrepreneurship. The improved stove made cooking faster and safer, while reducing negative consequences on health

UNIDO

On July 17, 2019, Eni and the United Nations Industrial Development Organization (UNIDO) signed a joint declaration to contribute to the achievement of the SDGs. The first planned activities concern the improvement of youth employment and the value chain of the agri-food chain in Mozambique and research activities on renewable energy and energy efficiency in Congo.

**FAO**

Since 2018, Eni has been working with the Food and Agriculture Organization of the United Nations (FAO) to promote access to water in Nigeria through the construction of water wells powered by photovoltaic systems, for domestic use and irrigation, in line with the SDGs.

**UNDP**

In 2018, Eni and the United Nations Development Program (UNDP) signed a Memorandum of Understanding aimed at promoting the achievement of the Sustainable Development Goals, in particular to improve access to sustainable energy in Africa.

**UNESCO**

Collaboration for the opening of the Musée du Cercle Africain (2018), the first Museum in Pointe-Noire in Congo, to promote and enhance African culture and art, with particular attention to the new generations. Participation in the first Biennale of Luanda, in Angola – Pan African Forum for the Culture of Peace (September 18-22, 2019) – aimed at stimulating dialogue and the encounter between cultures and promoting a common path of peace, a fundamental condition for human and economic development of Countries.

**WORLD BANK**

Eni Ghana and the World Bank signed a Memorandum of Understanding, the result of a dialogue that began in 2019, for the development of initiatives to promote access to improved domestic wood fuel cook stoves, to reduce exposure to unhealthy wood-smoke and decreased pressure on the depletion of forest resources. Built on an innovative cooperation model between a multilateral organization and the private sector, the actions planned contribute to the Government of Ghana's strategy for ensuring universal access to modern, clean and safe energy sources by 2030.

**E4IMPACT**

The Collaboration Agreement signed between Eni Kenya and E4Impact Foundation, launched during 2019, aims to develop a business incubator in Kenya (Nairobi). The initiative involves the Italian Agency for Development Cooperation (AICS) and the Catholic University of the Sacred Heart of Milan (UCSC) in promoting entrepreneurship (especially for women) and youth employment, stimulating the internationalization of new businesses.

**DOM BOSCO**

In 2019, Eni Mozambique and the Dom Bosco Institute of Maputo signed a collaboration agreement to implement a broad professional training plan at the industrial and commercial institute of Pemba. The four-year collaboration includes certified training of trainers and provision of scholarships for professional courses, degrees, masters and doctorates in technical-vocational disciplines.





Li Yong

Director General of the United Nations Industrial Development Organization (UNIDO) since June 2013. He has had an extensive career as a senior economic and financial policy-maker. He has been Vice-Minister of Finance of the People's Republic of China and member of the Monetary Policy Committee of the Central Bank for a decade. He played a key role in China's cooperation with multilateral development organizations, such as the World Bank Group and the Asian Development Bank.



Working in synergy

The Director General of UNIDO, Li Yong, tells the value of partnerships between international organizations and businesses. The strength of these collaborations comes from the alignment of corporate goals and development objectives.

The SDG no. 17 – Partnerships for the Goals – is of crucial importance as it can be a driver to help achieve the other SDGs. In what way do you think the private sector can contribute to the development of the Countries and create added value for a sustainable local development?

While adopting the 2030 Agenda and its 17 Sustainable Development Goals, the global development community also realized that traditional Official Development Assistance was wholly inadequate to fuel this ambitious plan: the 2015 Addis Ababa Action Agenda sees innovative partnerships – across Countries, amongst multilateral and bilateral development practitioners and, most importantly, between public and private actors – as key to the success of the 2030 Agenda. The November 5, 2019 was a defining moment for our Organization, because the UNIDO Member States have adopted the Abu Dhabi Declaration, which clearly highlights the important role of the private sector in achieving the Sustainable Development Goals. Private firms can bring about technological change, invest, share know-how, demonstrate sustainable practices, raise local skills, support vocational training, and facilitate market access through their supply chains. By virtue of its business-oriented mandate, UNIDO has a long tradition of partnerships with private firms, predicated not on charity or philanthropy, but on an alignment of corporate goals and development objectives: the approach is to define this common ground with the prospective partner, clearly articulate the shared objectives and the path to reach them, negotiate a fair distribution of the costs of the joint action, and set in place the metrics that will help both parties monitor the progress of their association.

What role does industrial development have in the growth and development of a Country? In what way are these factors connected to peace and migration issues?

Industrial development has a multiplier effect on labour productivity, innovation, economic growth and, most importantly, employment. That is particularly true in developing Countries where a large share of the labour force lives off low productivity agriculture, while the rapid demographic growth makes for a rapidly expanding, youthful labour force. Offering decent work and attractive employment opportunities in small and medium enterprises contributes to reduced migration pressures by stabilizing not only the one employed, but the extended family s/he typically support. In Countries marked by endemic unemployment, the youth are easy targets for various groups engaged in civil disturbances, criminality or terrorism. As part of its mandate of promoting Inclusive and Sustainable Industrial Development, UNIDO focuses in particular on the rural hinterland and on vulnerable segments of society, such as the youth and women.

Eni and UNIDO's joint declaration is a new, pioneering public-private cooperation model aimed at helping reach the UN's Sustainable Development Goals. What is the added value of such collaboration? How can this joint declaration become fruitful in a timely manner?

Eni and UNIDO signed in July 2019 a Joint Declaration, and I am very encouraged to see today, hardly six months later, a range of initiatives in the agro-processing sector to diversify local live-

lihoods and in the renewable energy space. Both partners will bring to these common enterprises the best of their respective resources: the vast corporate experience of a diversified group such as Eni SpA joining force with the field practice and development outreach of a UN partner such as UNIDO.

Access to energy is an indispensable prerequisite for development. How do you think energy can impact the growth of the communities and the Countries?

No economic activity, let alone industrialization, can thrive without access to reliable, affordable energy sources. The world has accumulated enormously valuable experience, science and technology bring every day new discoveries, new technologies that can help produce more, with less pressure on energy, water, resources and materials. The hindsight of decades of industrialization and the lessons learnt along the journey must be brought to bear on aspiring Countries keen to grow in an inclusive and sustainable way. This is the goal that Eni and UNIDO have set themselves when deciding to walk together towards the 2030 Agenda.



The Director General of the UNIDO and Eni's CEO during the signing of the Joint Declaration at Eni's Research centre for renewable energy and the environment in Novara



Water collection point supplied by the project for the community of Waru, Abuja



Eni and FAO to promote access to water in Nigeria



Duration
3 years
(Feb. 2018 - Feb. 2021)

Beneficiaries
Over 40,000

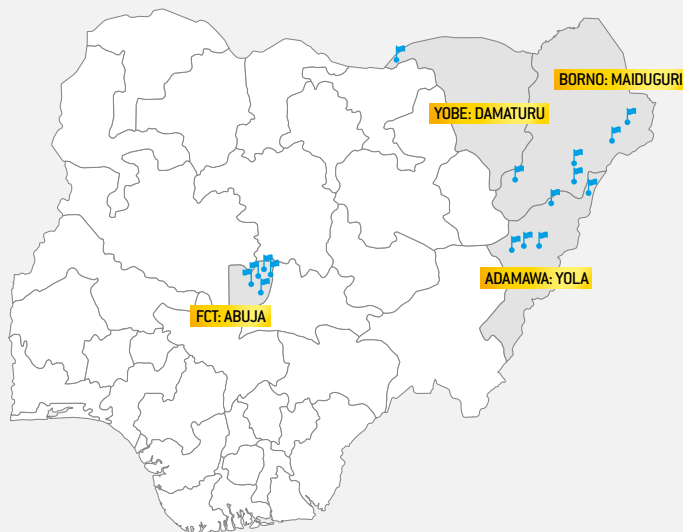
Results
16 wells completed

The context

To deal with the water crisis caused by the shrinking of Lake Chad and the humanitarian emergency triggered by the Boko Haram movement in northeastern Nigeria, in 2018 Eni and FAO signed a three-year collaboration agreement to promote access to clean and safe water in the Country by building water wells powered by photovoltaic systems, for domestic use and for irrigation.

The project

The partnership identifies, in collaboration with local authorities, the areas of intervention to support the IDPs (internally displaced persons) and host communities affected by the North East – Lake Chad crisis, through technical support and sharing of know-how by the United Nations agency and the construction of water wells by Eni.



The wells are equipped with water purification systems, **18 taps** for water supply and a storage capacity of **25,000-50,000 litres**. The map shows the wells distribution in Nigeria: **5** in the Federal Capital Territory (FCT), **11** in the North East (**5** in Borno State, **5** in Adamawa State, **1** in Yobe State).

FOR FURTHER INFORMATION:



Watch the interview to Suffyan Koroma, representative of the FAO in Nigeria and of the economic community of West African States (ECOWAS) on eni.com



6.a Expand water and sanitation support to developing Countries



13.1 Strengthen resilience and adaptive capacity to climate related disasters

Local Development Programme – LDP

The Local Development Programme provides an integrated view of the different initiatives and activities that Eni, as a local development player, carries out in the different areas where it has business projects to accompany the Countries in achieving the objectives set by the 2030 Agenda. These activities, defined in specific Local Development Programmes in line with the 2030 Agenda of the United Nations and consistently with National Development Plans (Nationally Determined Contributions - NDCs), comprise five lines of action: local content; land management; stakeholder engagement; human rights; local development projects.

Local Development Programmes are defined in line with the 2030 Agenda of the United Nations and consistently with National Development Plans



Eni supports national development plans, also through public - private partnerships and by adopting internationally recognized standards, methodologies and tools

Local Content

The Local Content is the added value generated by Eni to the socio-economic system in the Countries in which it operates through three main levers:

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 skill assets.

Eni considers local employment and the local supply of goods, works and services a priority in its integrated business model. Consequently, Local Content initiatives are favoured by Eni even in Countries without a specific local legislation or if it is not required by the conditions of the exploration and production agreements.

Local Content is the added value brought by Eni to the socio-economic system in the Countries in which operates

AN EXAMPLE OF PROMOTION OF LOCAL DEVELOPMENT IN MOZAMBIQUE

In Mozambique, for example, Eni has developed a dedicated Local Content strategy in support of the Coral South project that aims at enhancing the inclusion of the Mozambican workforce and of local small and medium enterprises also 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.



Land Management

Land Management activities are those connected with the assessment of the impacts deriving from the acquisition of lands in which Eni operates to define any alternatives and mitigation measures. Eni manages these activities according to the following principles: i) selection of design alternatives, to minimise consequences for local communities; ii) timely and transparent compensation and livelihood restoration, if dislocation is inevitable; iii) informed consultation and participation from the initial land identification stages; iv) non-discrimination and active participation, for vulnerable groups, v) access to the grievance management process. In 2019, Eni was engaged in land management activities in Mozambique, in Kazakhstan and in Ghana. In **Mozambique**, as part of the JV Area 4 of the Rovuma LNG project for the production of natural gas from the Mamba complex, activities continued for the relocation of the Afungi area populations. Several community infrastructures were completed along with approximately 500 dwellings, and compensation and livelihood restoration programs continued. In **Kazakhstan**, between 2018 and 2019, the KPO consortium carried out post-relocation monitoring (2015-2017) to respond to the suggestions and grievances received from residents. Activities included providing assistance to members of vulnerable communities living in isolation, land for 100 dwellings and fixing construction defects in the residents houses in Araltal and the two 9 storey apartment blocks built for resettled households in the city of Aksai. In **Ghana**, to manage the socio-economic changes on communities due to the construction of the natural gas processing plant of the OCTP Project, Eni launched the Livelihood Restoration Plan to restore the income-generating activities of the involved families and improve their living conditions, as defined by the IFC standards on land acquisition and involuntary relocation.



INTERVIEW WITH PAOLO LOMBARDO AND JOSE JUAN ZORRILLA



Paolo Lombardo

Lead Environmental and Social Specialist - International Finance Corporation

Jose Juan Zorrilla

Social Development Specialist - International Finance Corporation

Eni Ghana is implementing a land acquisition, involuntary resettlement and compensation process resulting in a Livelihood Restoration Plan (LRP) for the Offshore Cape Three Points (OCTP) project, in compliance with the International Finance Corporation's Environmental and Social Performance Standards. Share your thoughts on why implementation of the Standards is important to restoring livelihoods of the households impacted by the project.

The OCTP project is unusual in that the displacement is economic displacement only, not physical displacement, for a large percentage of the same community. This enables a reliable analysis of impact on livelihoods and an accurate assessment of the effectiveness of the livelihood restoration measures based on IFC's Performance Standard 5 (PS5) which requires clients to develop and implement an LRP when economic displacement occurs. This underscores the important objective of the IFC standard to improve or restore livelihoods of displaced persons, integrating what isn't matched by national standards in some legislation, which do not provide compensation for the economic displacement and/or livelihood restoration measures. Engaging affected community members and transparency are critical elements of PS5. Eni conducted early consultation with stakeholders, carried out a census, and collected socio-economic baseline to identify affected people – all necessary steps to formulate an effective LRP. Ongoing implementation monitoring indicates thorough application of PS5, providing affected households with adequate opportunities to re-establish their livelihoods.

The LRP was launched in 2016 and is planned to end in January 2021. How do you evaluate the capacity of restoring livelihood conditions at least to a pre-project level through the implementation of its three main components (Transitional Support Food Aid, Financial Management Training, Livelihood Restoration Support Services)? What are the synergies between the LRP and the Community Investment Strategy (CIS)?

Baseline information is key. Socio-economic indicators are used to determine if livelihoods and quality of life are comparable, better or worse than before. Data suggest that transitional support food aid helped maintain the livelihoods of affected people. Poultry and egg production, piggeries, and dressmaking workshops are some examples showing that livelihoods are improving through the implementation of the LRP. The CIS examines not only the project-affected community, but nearby communities as well, helping to maximize positive impact and avoid inequality. The activities of the LRP and CIS go hand in hand and establish a continuum of measure that starts from mitigation and tends to improve livelihoods and other aspects of quality of life (local employment opportunities, better health, education and of access to water).

FOR FURTHER INFORMATION:  on LRP project see eni.com

Stakeholder engagement at local level

Responsible business management must also meet the needs expressed by local communities, contributing to their medium and long term well-being. Eni considers the relationship with inhabitants of the host territories to be an important input. For this reason, Eni keeps track of all issues raised by stakeholders and analyses them in an integrated way for each territory, to identify the best actions to pursue sustainable development in synergy with local communities. In this perspective, managing grievances (the claims or complaints raised by an individual – or a group of individuals – pertaining to real or perceived impacts caused by the operations of the company) is a fundamental element to attention. Eni defined its own Grievance Mechanism (GM) to receive, recognise, classify, investigate, respond and resolve claims and complaints in a timely, planned and respectful manner. Eni’s GM, defined in 2014, is based on the international Guidelines on the matter, published by IPIECA, and it has been active in all affiliates since 2016. Grievances are monitored through a dedicated system called “Stakeholder Management System - SMS” (for more information, please see p. 17). A claim mechanism at the operational level allows to respond rapidly and effectively to possible critical situations, preventing their deterioration and the arising of conflicts. In 2019, Eni received 253 claims from 8 affiliates/districts/plants, of which 44%, i.e. 112 cases, were resolved and closed. Most grievances came from Sub-Saharan Africa (Congo, Ghana, Nigeria) and involved mainly: access to energy, employment development, education, land management.

GRIEVANCE 2019 MAIN ISSUES (%)



ENI'S GRIEVANCE MANAGEMENT IN GHANA

Listening to stakeholders and their needs is of fundamental importance to better contribute to create shared value with the host population.

In Ghana, Eni has constant relations with 79 local stakeholders. A responsible grievance management entails the need to introduce a new assessment approach and methods to accommodate different local contexts in which Eni operates, to ensure the best possible resolution of the critical issues raised. In May 2019, for example, one of the breeders who benefited from the “livelihood restoration programme initiative” complained that the breeding business did not allow to generate sufficient profits to purchase all of the animal feed and continue the activity and requested the company to supply additional feed. Eni sent experts to identify the reasons for the low yields of the breeder’s activity. The solution of problems with hygiene and sanitation and with transporting products and feed allowed to successfully solve the problems of this micro enterprise: these methods were also shared among the local breeders’ association, to improve their knowledge of the best management practices.



10.3 Ensure equal opportunities and end discrimination

From 2018 Eni has adopted a risk based model on human rights to classify business projects

Human rights in relations with 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. Based on this approach, the highest risk projects are specifically studied by carrying out dedicated “Human Rights Impact Assessments” (HRIA), that entail, inter alia, 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 impacts on human rights and to manage existing ones. In 2019, an HRIA study was performed in Mexico, in relation to the development project launched in Area 1 of the offshore (shallow waters) of the Gulf of Mexico, for which Eni was supported by the Danish Institute for Human Rights. In 2019, in Mozambique and in Angola, two Action Plans were defined in relation to human rights assessments carried out in 2018, whose Reports were issued during the year, and two more “deep dives” were performed on new areas (for further information see eni.com).



INTERVIEW WITH ARTURO GARRIDO MORA



Arturo Garrido Mora

Director of the Academic Division of Biological Sciences (DacBiol) of UJAT – Universidad Juarez Autonoma de Tabasco, in Mexico

From your perspective, which are the highlights of the relationship between the new players in the Oil & Gas industry and local communities?

Taking into account that the oil activity in the Gulf of Mexico area was the object of an energy reform, where a series of recommendations were made on how to carry out the extraction of oil and gas, which also indicated a series of considerations tending to avoid deterioration of the environment as well as to promote the protection of resources, the stimulation of economic activities and the addressing of social vulnerability in the area; I consider appropriate the set of activities that Eni develops in the state of Tabasco, which include a series of projects and plans – such as the Action Plan on Human Rights – in order to respond to the various aspects mentioned above.

According to the Human Rights Impact Assessment (HRIA) performed by the Danish Institute for Human Rights (DIHR), a great challenge for the local fishing communities is related to the possible cumulative impacts from the activities of all the Oil & Gas companies in the area. From your point of view, which would be the most appropriate way to manage these impacts?

The use of environmentally friendly technologies that reduce impacts; to identify and design strategies for dealing with impacts on land and impacts on the marine zone and wetlands.

Eni Mexico is introducing a Human Rights Action Plan for its activities in Contract Area 1, based on the recommendations provided in the assessment performed by the DIHR. Which is your impression of the activities concerning the relation with local fishing communities? Do you consider other important initiatives or steps that could help Eni México to guarantee respect for the human rights of communities in this specific context?

Eni México has shown a particular concern for the fishing communities, as well as for the productive activities, education, health and urban infrastructure of the community of Villa and Puerto Coronel Andres Sanchez Magallanes and of the other communities belonging to Area 1 Block, in the Municipality of Cárdenas, Tabasco. For this, it has set a series of initiatives aimed at improving the quality of life of the region, in the different aspects mentioned. Regarding initiatives, diversification of productive activities and innovative projects are an important option in the region, addressing problems related to the deterioration of the coastal environment and social vulnerability are an important aspect to address in the area, the inclusion of gender and opportunities for young people is an important task that must be promoted in the impact area of the Eni project.



AN EXAMPLE OF ENI'S COOPERATION WITH NON-JUDICIAL MECHANISMS

The case

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. "NCPs focus on problem solving - they offer good offices and facilitate access to consensual and non-adversarial procedures (ex. conciliation or mediation). Complaints handled by NCPs (known as specific instances) are not legal cases and NCPs are not judicial bodies". 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.

The results

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. As it is also reiterated in Eni's Statement on Respect for Human Rights, Eni upholds the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and the Ten Principles of the Global Compact of United Nations. In particular, Eni is committed to cooperating in good faith with non-judicial bodies as well. Therefore, 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. Eni actively participated in all the phases of the procedure, voluntarily complying with the terms of the conciliation procedure which included a joint visit to the site in Nigeria. Finally, Eni shared and accepted the terms of the agreement proposed by the Conciliator at the end of the procedure, namely the commitment to verify the need for additional drainage systems, in addition to the existing ones, under the road that connects the wells locations, and to proceed with their construction, which is aligned with the usual community relationships activities.

Transparency and next steps

With a view to transparency, Eni has agreed to the NCP's proposal to make the content of the agreement available on its website. Eni's commitment and participation in the conciliation procedure therefore contributed to the smooth functioning of the conciliation mechanism and the NCP congratulated the parties for the successful conclusion of the procedure. Following the signing of the Terms of Settlement, 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. Once the engineering design completed, NAOC activated the internal procurement procedures to assign the contract for the rebuilding of the culverts. The Italian NCP will be kept informed of the implementation of the agreement.

The Aggah community is located in the state of Rivers in Nigeria, in an area that is regularly subject to flooding, due to seasonal rains and flooding of the Niger River. NAOC, an Eni subsidiary, manages the operations in this area on behalf of the Joint Venture with the state company NNPC and Oando (NNPC 60%, NAOC 20% and Oando 20%). Since the planning phase, and in compliance with local regulations, NAOC ensured that the plant, access routes and pipes were all elevated and equipped with adequate drainage systems to ensure regular water flows, even during the rainy season.



The relations with indigenous populations

Considering the different Countries where Eni directly operates its industrial facilities, Eni has direct contacts with Indigenous Peoples (IP) and their representations only in Australia and Alaska (USA). In both cases, the relationships with IP are managed in compliance with the international and local rules that regulate their involvement and consultation. In the first case, Eni operates in the Northern Territory, near the Wadeye community, and regularly engages local administrative bodies (such as the Northern Land Council, NLC) which protect the rights of Aboriginal populations, developing participatory projects concerning local development and environmental conservation. 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. Relations with Indigenous Peoples in both Countries are recorded in the Stakeholder Management System (SMS).

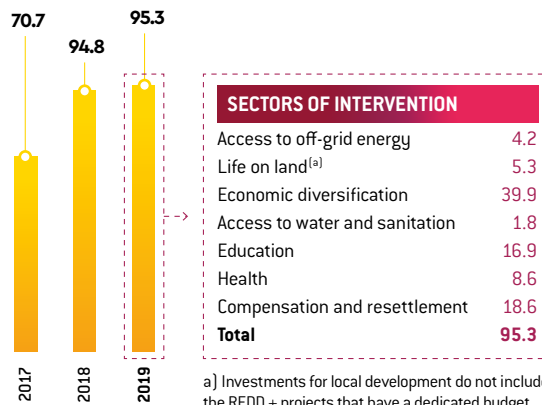
€381 MLN

Investments for local development planned in the 2020-2023 period

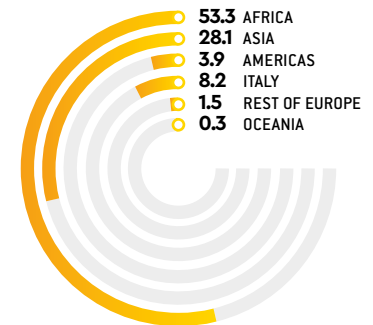
Local development project

Since its inception, Eni has operated in challenging contexts where oftentimes water, energy, work and health services are a privilege of a few people. The accumulated experience allows Eni to conceive and carry out focused initiatives, supporting the needs of local populations. 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). For this reason, Eni promotes plans for Local Development to contribute to improve access to off-grid energy and clean cooking technologies, economic diversification (e.g. farming projects, micro-credit, infrastructural initiatives), education and professional training, land protection, access to water and sanitation and to the improvement of health care services for communities. These initiatives are developed with a long-term perspective and they are carried out after assessing the local context.

INVESTMENTS FOR LOCAL DEVELOPMENT (€ mln)



2019 INVESTMENTS FOR LOCAL DEVELOPMENT BY GEOGRAPHIC AREA (€ mln)



Fred Ibrahim Zakaria Homiah, a shoemaker of the community of Sanzule, western region of Ghana, within the Livelihood Restoration Plan (LRP)



Local development project in Italy

Most of Eni's local development initiatives in Italy derived, in 2019, from Memorandums of Understanding with national/local agencies. Regarding access to energy, the Municipality of Ravenna carried out energy requalification work on public buildings, while in Val d'Agri more than €1 million was provided to the Municipalities of the valley to supply natural gas and perform energy efficiency-boosting works. Several economic diversification projects were implemented, both to promote innovation and local capabilities (e.g. the CoLABoRA incubator in Ravenna) and to boost local tourism. With Coldiretti Basilicata, the first implementing agreement in Italy was signed to promote the regional agri-food sector and in **Sicily**, an agreement was signed with the Sicilian Fondazione Banco Alimentare to reduce the social vulnerability of the Gela area, acting on the problem of access to food. In the field of education, the Eighth Agreement with the **Municipality of Ravenna** allowed to carry out educational activities on environmental and energy-related topics and to promote the activation of internships. In **Basilicata**, €750,000 were allocated to implement the activities of the local branch of Fondazione Eni Enrico Mattei. Regarding environmental protection, work was carried out for the preservation of the Ravenna coastline and coastal natural habitats, while in Basilicata the management of an environmental monitoring network and the implementation of the "Segni e Percorsi" (Signs and Routes) program were funded.

€8.2 MLN
Invested in 2019
in Italy



Energy Valley is an integrated, cross-cutting project that intends to create a new production model in Val d'Agri



AGRICULTURAL EXPERIMENTATION AND EDUCATION CENTRE PROJECT

The project consists of the construction of an "Agricultural Experimentation and Education Centre" that will become a hub to attract and develop talents, to promote economic activities and innovation, to stimulate development in the agri-food sector. This Centre is meant to be a development lever for the Basilicata region. The project is intended to be a crossroads between production system, education and research and it aims to establish closer synergies among the different systems, promoting technological transfer and innovations (process, product, management, organisational, supply chain) effectively, rapidly and generating a positive impact on business competitiveness.

Contents of the project

The project, carried out on the lands adjacent to the Cova on a surface area of approximately 25 hectares, comprises the following main activities: (i) agricultural experimentation, with technologically innovative and experimental processes on different crops; (ii) provision of technical assistance to the region's agri-food enterprises; (iii) administration of training and professionalising activities for farmers; (iv) informational events for the local public; (v) development of farming innovation projects, in partnership with the local players, using specific funds.

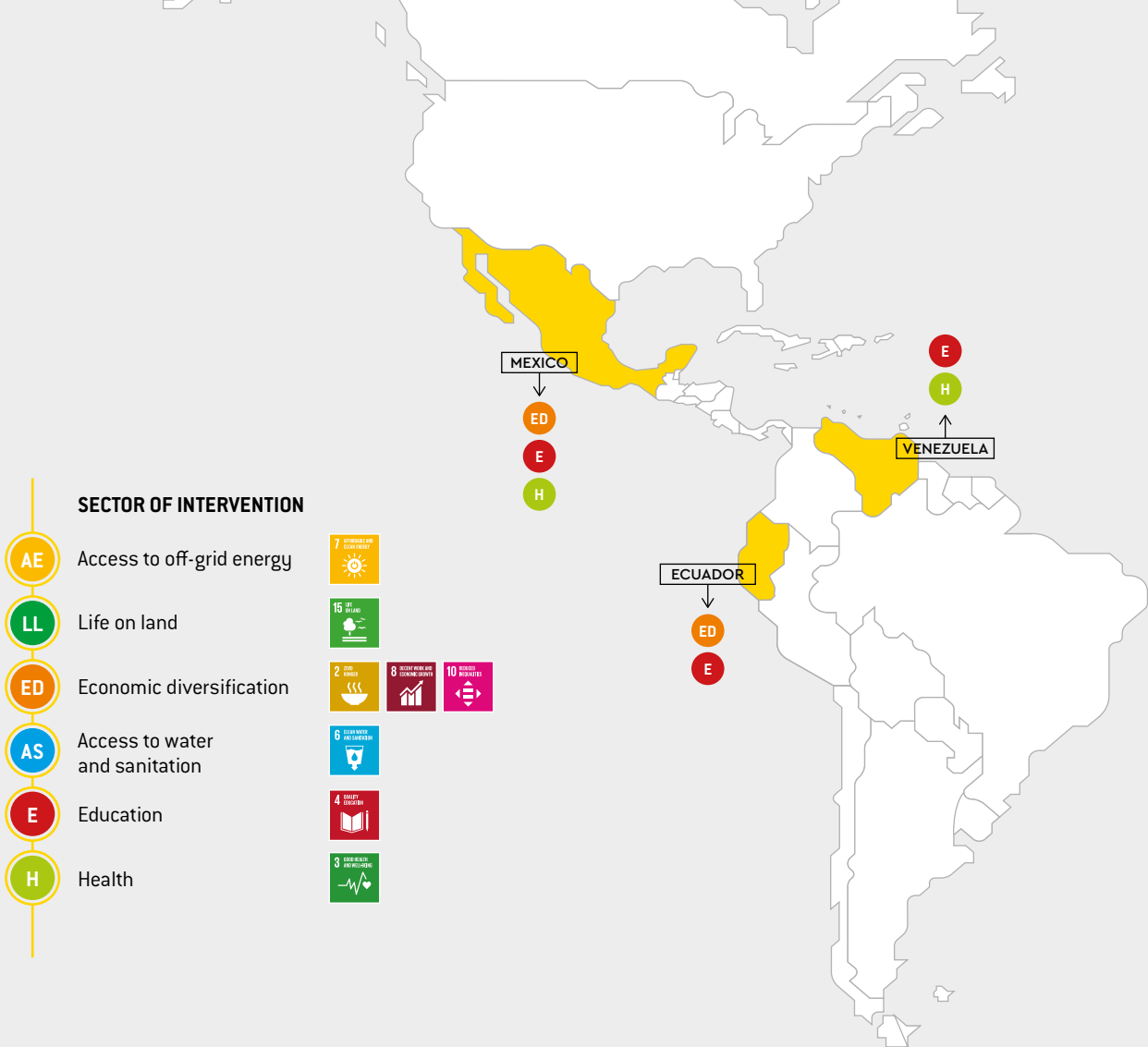
The project, fully funded by Eni with a commitment of approximately €3.5 million in the 2019-2023 time frame, is expected to generate a cumulative employment impact (direct and indirect) of over 100 people and a cumulative economic impact of over €7 million on connected businesses. The CO₂ absorption generated by the project is calculated to be approximately 50 tonnes per year.

Realization of an "Agricultural Experimentation and Education Centre" in Basilicata, Italy to promote economic activities and innovation and to generate development in the agri-food sector



| | |
|--|--|
| | <p>2.4 Sustainable food production and resilient agricultural practices</p> |
| | <p>4.4 Increase the number of people with relevant skill for financial success</p> |
| | <p>8.2 Diversify, innovate and upgrade for economic productivity</p> |

Local development projects in the world



AN EXAMPLE OF PROJECT BY SECTOR OF INTERVENTION

ACCESS TO OFF-GRID ENERGY

Mozambique
Promoting Energy Efficiency & Clean Cooking

Objectives: To promote local production and the selling of certified and quality cooking systems, creating employment and local micro-entrepreneurship opportunities and to replace traditional cooking systems with improved cooking systems in the city of Pemba, Cabo Delgado province.

2019 beneficiaries and results: 45 young traders, 1 production expert and 5 trained production technicians; Creation of 2 sales units; Production of 3,500 improved local cookers; Carrying out market research and developing strategies for local production.

LIFE ON LAND

Indonesia
Recycle for life cycle

Objectives: To increase the awareness of the local community of Samboja – in the province of Eastern Kalimantan – towards a clean and healthy lifestyle, through the recycling of household waste and maximizing the use of non-cultivated or non-productive land as a green area for fruit, vegetables or flowers.

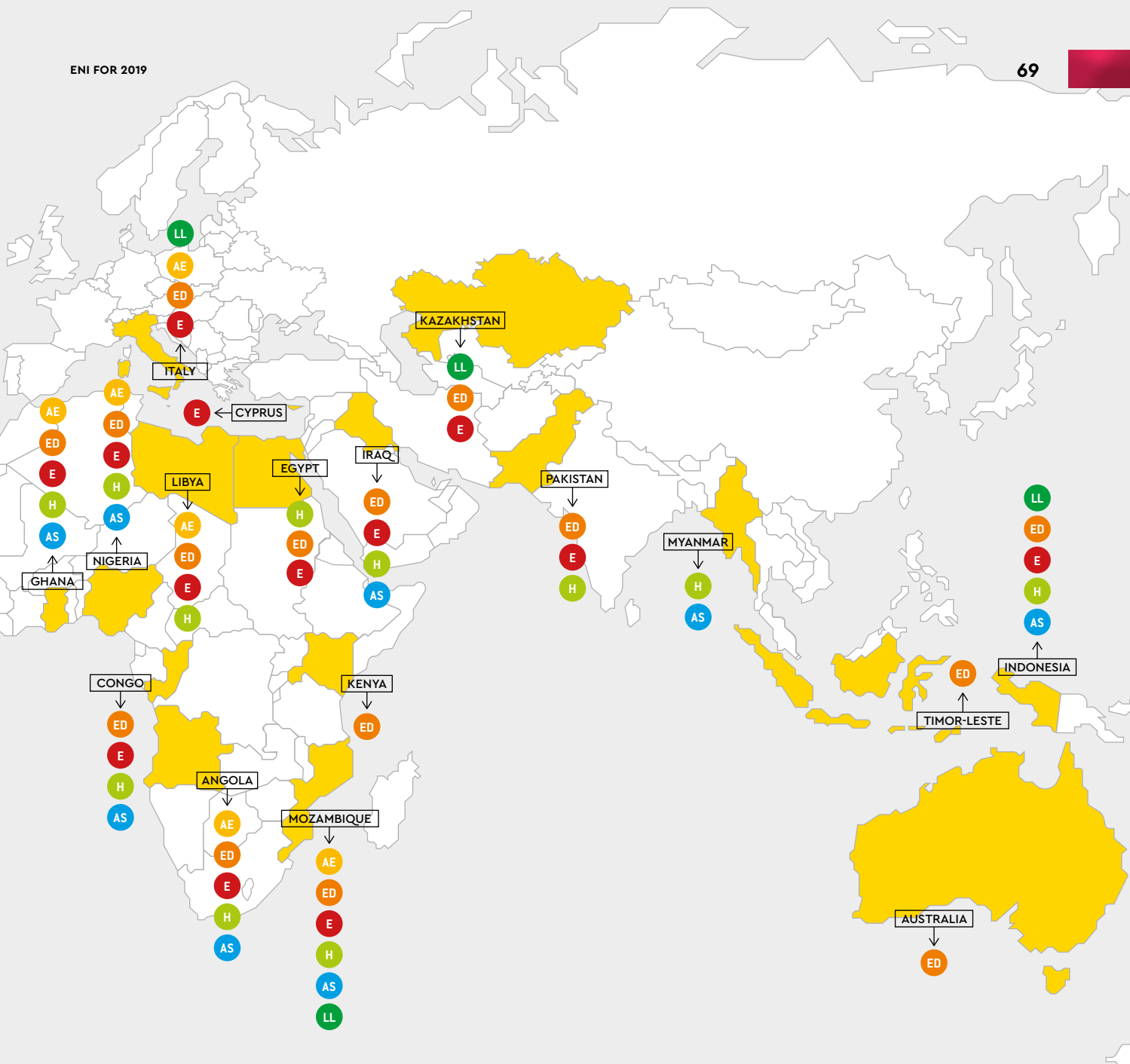
2019 beneficiaries and results: 23 villages (about 2,300 families) participated in the "Clean, Green, and Healthy Samboja" competition; Support and training activities by environmental experts to allow an in-depth knowledge of the complete life cycle of waste management for the community, but also an exemplary model of environmental sustainability applicable to other areas.

ECONOMIC DIVERSIFICATION

Angola
Integrated Social Project

Objectives: To contribute to the improvement of the quality of life of the communities of Gambos (Huila Province) and Bibala (Namibe Province), through interventions in the field of access to water, health, agriculture and access to energy. Through the establishment of 'Escolas de Campo Agro Pastoris' (ECAPS), the project aims to sustainably increase the living standards of the two communities by teaching innovative techniques for improving agricultural production, introducing greater diversity of crops and modern methods of raising cattle.

2019 beneficiaries and results: 9 villages, 11,162 families, of which 1,225 small farmers supported and organized in schools for farmers; 8 solar systems and 8 wells built.



ACCESS TO WATER

Congo
Access to Water (Progetto Integrato Hinda)

Objectives: To promote fair and sustainable access to drinking water and good hygiene practices for the inhabitants of urban centers located near the M'Boundi, Kouakouala, Zingali and Loufika fields.

2019 beneficiaries and results: 15 villages, about 13,000 people / direct beneficiaries who access drinking water supply systems (16 out of 22 operating with photovoltaic panels); 22 Local Water and Environment Management Committees created and strengthened.

EDUCATION

Iraq
Access to inclusive and equitable quality education

Objectives: To contribute to providing safe and inclusive learning environments for everyone in the Basra governorate and in the Zubair district, with particular attention to female young students.

2019 beneficiaries and results: Construction of the Al Burjesia secondary school (900 beneficiary girls); Renovation of the secondary school of Layla Al Akheeliya (1,430 beneficiary girls) and of the primary school Al Mawrid (770 beneficiary girls); Collaboration with the Ministry of Oil, Basra Oil Company, Basra General of Education, local authorities and Eni has been strengthened for the launch of educational projects throughout the region.

HEALTH

Mozambique
Project on the prevention of cervical cancer for Mozambican women

Objectives: To progressively guarantee the possibility of effective treatment of precancerous or neoplastic lesions of women in 21 Health Centers located in the city of Maputo and its province.

2019 beneficiaries and results: About 630,000 women between 25 and 50 years screened for the prevention of cervical cancer; Supply of equipment and materials to guarantee the complete functioning of the screening in 7 Health Centers; Training of 30 health technicians in the health centers of the city of Maputo.

Instruments and methodologies for local development



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

- understand the context and define local development projects through tools for context analysis (p. 53) and assessing any human rights impacts (e.g. Human Rights Impact Assessment, p. 64);
- map the relationship with stakeholders with the Stakeholder Management System (p. 63);
- monitor the progress of the projects and the results achieved through dedicated management tools (e.g. Logical Framework Approach, Monitoring and Evaluation and Learning);
- assess the impact and quantify the benefits generated by Eni in the business operating environment and through the cooperation model (e.g. Eni Local Content Evaluation Model and Eni Impact Tool).

More details of some tools not yet described in the chapter are provided below.

Eni Local Content Evaluation - ELCE Model

The ELCE model, developed by Eni in 2016 and validated by Politecnico di Milano, supports the measurement of the value generated by Eni through its business projects both locally and nationally. The total value emerges by the measurement of the benefits brought to the economy, to society and to communities in the project life-span by measuring three dimensions:

- **ECONOMIC IMPACT** generated by local purchases, wages paid to local employees and taxes paid to the local government;
- **EMPLOYMENT IMPACT** in terms of jobs generated by Eni's projects directly, along the supply chain and within the local economy affected by the project;
- **HUMAN CAPITAL DEVELOPMENT** promoted by the training activities performed by Eni for the local employees directly involved in the business project.

ELCE model: supports the measurement of the value generated by Eni through its business projects both locally and nationally



INTERVIEW WITH GIOVANNI AZZONE



Giovanni Azzone

Full professor at Politecnico di Milano, Department of management engineering specialised in impact assessment of strategic investments and public policies

What is the value of applying a replicable Model to calculate the value generated at local level?

A company's legitimacy in operating both in developed and in developing Countries also depends on its ability to demonstrate that it actively contributes to socio-economic development in the Country, creating wealth, offering employment opportunities and developing human capital. For this very purpose, Eni has developed a replicable model (ELCE) that establishes a conceptual framework to analyse the impacts generated by the company, providing useful indicators to quantify each of them. The model adopts a conservative approach, inasmuch as it focuses on local content components that can be measured more objectively and reliably.

Recognising complexity in analysing local content, which approach should be followed to properly manage it?

The process that led to the definition of the ELCE model was complex. From the conceptual standpoint, there is no unambiguous definition of local content and Countries adopt specific policies. This led to the need to define a shared framework, applicable in any context, that allows to integrate and consider specific local features. The choice to create an interfunctional project team between Eni and Politecnico di Milano was particularly important both to validate the model, and to have a constant conversation with Eni people living and working in host Countries. This has allowed to better understand the context, formulate the right hypotheses and critically interpret the results.

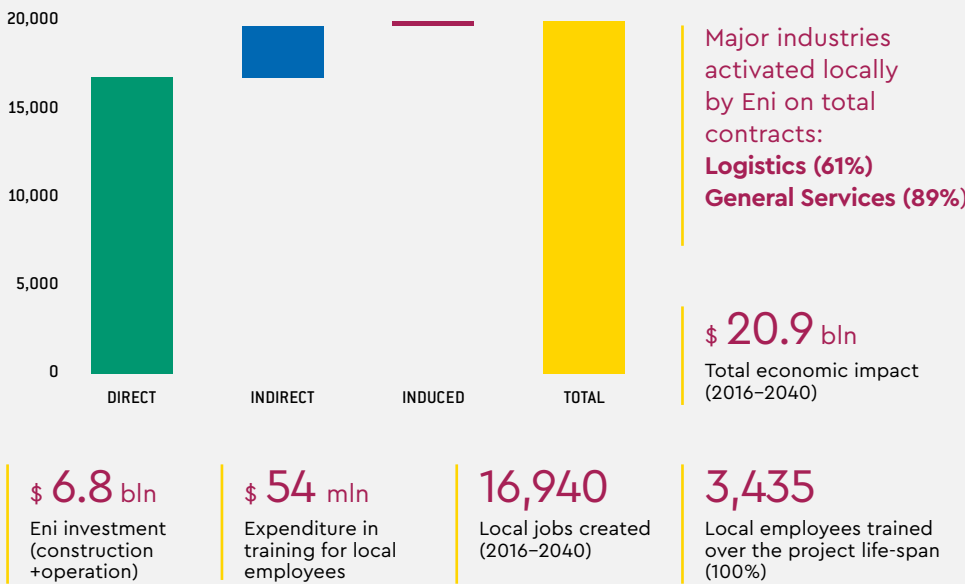
These three dimensions are measured according to three different levels of analysis: “direct” effects generated by Eni’s activities, “indirect” effects generated by the first level of the supply chain, “induced” effects referred to the macroeconomic sectors of the Country involved in the project.

The ELCE model is characterised by high adaptability to different contexts, which ensure that “local” impact will be considered in the way that is closest to the economic reality of each Country. Some examples are the alternative methods used to identify “local” purchasing expenses, such as payments in the local currency, or the percentage of participation of local companies in consortiums.

Application of the ELCE Model to the Area 1 project in Mexico

The offshore project, situated in the Campeche bay, has a 25-year duration (2016-2040) with production starting in 2019.

ECONOMIC IMPACT
(mln \$)



For the definition of “local” in Mexico, the “Country of company registration” criterion was used: a company is defined “local” when it is registered in Mexico but it is not part of any multinational company or megasupplier



Eni Impact Tool: evaluation of the benefits of local development projects

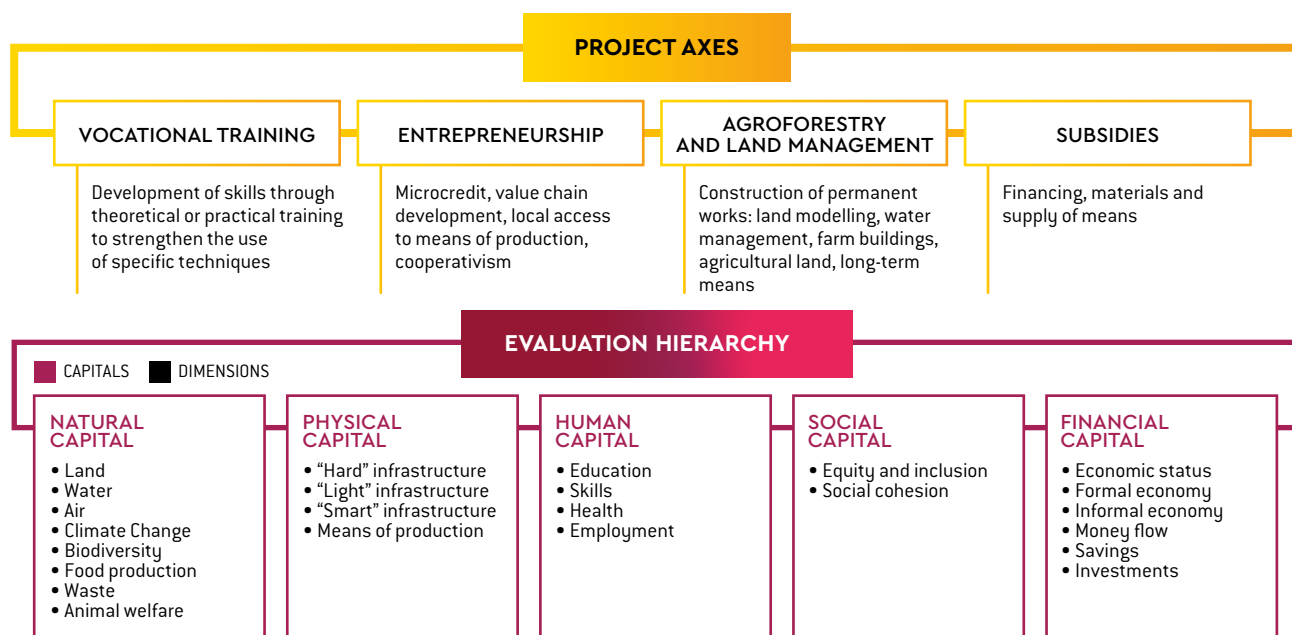
Eni has developed Eni Impact Tool, a model for assessing the changes generated by a local development project on the living conditions of the communities. Understanding the long term impact of the social, economic and environmental dimensions is essential to plan future investments and ensure they are adjusted over time. In 2019, in collaboration with the Agricultural Department of the University of Milan and thanks to what already developed for the **energy sector**¹⁷, the Eni Impact Tool was extended to the agricultural sector. This analysis involves a plurality of initiatives, such as training on agronomic practices, technical and financial support to entrepreneurs, pushing towards horizontal and vertical supply chain integration. In the frame of the local development project in **Ghana**, the collection of initial data to define the baseline is currently ongoing, which will be functional for a further assessment of the impact of the diversification of income sources on the population’s living standards. The model assesses the tangible and intangible resources of a community according to 5 “capitals” (natural, physical, human, social and financial), described by dimensions and indicators recognized at international level. An additional development of the model will refer directly to the SDGs of the 2030 Agenda.

Eni Impact Tool: model for assessing the changes generated by a local development project on the living conditions of the communities



FOR FURTHER INFORMATION:
see eni.com

17) In 2018, the Eni Impact Tool was applied to the energy access sector, with the main case study relating to the Centrale Électrique du Congo (CEC).



“The Logical Framework has the power to communicate clearly and succinctly the essential elements of a complex project throughout the project's life cycle”
World Bank, 2000

Logical Framework Approach and monitoring, evaluation and learning system

Similarly to the practice in the business activities, in local development projects, when possible, Eni adopts project management tools in line with international standards. In 2019, to enhance the effectiveness and efficiency of local development projects, Eni developed its own monitoring tool, tested in Congo, Ghana and Mozambique, based on the Logical Framework of the project. This method, also known as Result Based Management Approach, is able to support all phases of the project which is oriented towards measurable objectives and impacts through the identification of specific indicators. This approach is summarised through a schematic representation (Logical Frame Matrix) of the project's strategy that shows the causal relation of the actions to be developed (activities and inputs) and the effects produced by it (outcome, impact). A proper monitoring, evaluation and learning (MEL) system allows to manage the project with a view to continuous improvement and allows to identify lessons learned and/or recommendations for future projects.

Application of the monitoring tool in Catrep project in Congo

The MEL tool was applied in the testing phase to the Catrep 2 agricultural project (Centre d'Appui Technique et de Ressources Professionnelles – phase 2) in the Congo, whose general objective is to promote food and nutritional security and the economic growth and diversification of the area, contributing to the SDGs 1, 2, 5, 8 and 17. Some indicators referred to 3 specific objectives of the project for 2019 are provided below.

| | SPECIFIC OBJECTIVE | INDICATOR | FINAL TARGET (2020) ^(a) | RESULTS AS OF 2019 | TREND VS. PLANNED |
|---|--|---|---|--|-------------------|
| 1 | Creating sustainable jobs for young people and women in modern agriculture | no. of workers and gender | 125 (72 men and 53 women) | 122 (72 men and 50 women) | = |
| | | no. of cooperatives established | 10 | 22 | + |
| 2 | Increased income of small producers and agricultural cooperatives in the long term | Cultivated land area | 30 hectares | 22 hectares | = |
| | | Assisted farmers production quantities | 199,800 kg total for 30 ha | 9,307 kg tot from 2018 | - ^(b) |
| 3 | Promoting training, research and innovation | no. and type of innovative crops introduced and developed | 3 (cherry tomatoes, rocket, borlotti beans with dry product development) | 3 (cherry tomatoes, rocket, borlotti beans) | = |
| | | no. of national and international players involved | 5 FAO, WFP, University of Milan, École Nationale Supérieure d'Agronomie et de Forêtierie (ENSAF), Institute de Recherche Agronomique (IRA) | 3 FAO, WFP, University of Milan | = |

+ Better performance than planned = Trend in line with the planned - Trend behind schedule

(a) The project, which had an initial phase from May to December 2017, was expected to be concluded in November 2019 with phase two but was extended to December 2020.

(b) The 2019 result deviates from the expected estimate, as varieties of cultures with better yields were preferred, during the project, although with lower production in terms of kg produced, such as basil, rocket salad, compared to the estimated production of cassava root.

Independent auditors' report



Independent auditor's report on the limited assurance engagement of the Sustainability Report – Eni For 2019

To the board of directors of Eni SpA

We have been engaged to perform a limited assurance engagement on the Sustainability Report – Eni For of Eni Group (hereinafter the “Group”) for the year ended 31 December 2019 (hereinafter the “Report”).

Responsibility of the directors for the Report

The directors of Eni SpA are responsible for preparing the Report in compliance with “*Global Reporting Initiative Sustainability Reporting Standards*” defined in 2016 and later versions by GRI - *Global Reporting Initiative* (“GRI Standards”), as indicated in the paragraph “Reporting Criteria” of the Report.

The directors are also responsible for that part of internal control that they consider necessary to prepare a Report that is free from material misstatement due to fraud or unintentional behaviours or events.

Moreover, the directors are also responsible for defining the sustainability performance targets of Eni Group, as well as for identifying the stakeholders and the significant aspects to be reported.

Auditor's Independence and Quality Control

We are independent in accordance with the principles of ethics and independence set out in the *Code of Ethics for Professional Accountants* published by the *International Ethics Standards Board for Accountants*, which are based on the fundamental principles of integrity, objectivity, competence and professional diligence, confidentiality and professional behaviour.

Our audit firm adopts *International Standard on Quality Control 1 (ISQC Italy 1)* and, accordingly, maintains an overall quality control system which includes processes and procedures for compliance with ethical and professional principles and with applicable laws and regulations.

Auditor's responsibility

We are responsible for expressing a conclusion, on the basis of the work performed, regarding the compliance of the Report with the GRI Standards. We conducted our engagement in accordance with “*International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information*” (hereafter also “ISAE 3000 Revised”), issued by the *International Auditing and Assurance Standards Board* (IAASB)

PricewaterhouseCoopers Advisory SpA

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for limited assurance engagements. The standard requires that we plan and apply procedures in order to obtain limited assurance that the Report is free of material misstatement.

The procedures performed in a limited assurance engagement are less in scope than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised (*“reasonable assurance engagement”*) and, therefore, do not provide us with a sufficient level of assurance that we have become aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

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

In particular, we performed the following procedures:

- 1) analysing of the reasons for the coexistence of the NFS (consolidated Non-Financial Statement required under Articles 3, 4 and 7 of Legislative Decree 254/2016) and the Report and the profiles that differentiate the two documents;
- 2) analysing the process aimed at defining the significant reporting areas to be disclosed in the Report, with regard to the methods for their identification, in terms of priority for the various stakeholders, as well as the internal validation of the process findings;
- 3) comparing the financial information reported in the Report with the information included in the Group's Consolidated Financial Statements;
- 4) understanding of the processes underlying the preparation, collection and management of the significant qualitative and quantitative information included in the Report.

In particular, we held meetings and interviews with the management of Eni SpA and with the personnel of Eni Pakistan Ltd, Versalis SpA, Eni Muara Bakau BV, Agiba Petroleum Co., Eni Angola SpA and Société de Service du Gazoduc Transtunisien SA and we performed limited analysis of documentary evidence, to gather information about the processes and procedures for the collection, consolidation, processing and submission of the non-financial information to the function responsible for the preparation of the Report.

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

- at parent company level,
 - a) with reference to the qualitative information included in the Report, we carried out interviews and acquired supporting documentation to verify their consistency with available evidence;
 - b) with reference to quantitative information, we performed analytical procedures as well as limited tests, in order to assess, on a sample basis, the accuracy of consolidation of the information.
- for Eni Pakistan Ltd (Bhit Bhadra oil & gas field), Eni SpA (Centro Oli Val d'Agri – Distretto Meridionale and Sannazzaro refinery), Versalis SpA (Ravenna plant), Eni Muara Bakau BV (FPSO Jangkrik), Agiba Petroleum Co. (Meleiha oil & gas field), Eni Angola SpA (FPSO Ngoma and FPSO Olombendo) and Société de Service du Gazoduc Transtunisien SA (Feriana, Sbeitla, Sbikha, Korba and El Haouria stations), which were selected on the basis of their activities, their contribution to



the performance indicators at a consolidated level and their location we met local management and gathered supporting documentation regarding the correct application of the procedures and calculation methods used for the key performance indicators

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the Sustainability Report – Eni For of Eni Group as of 31 December 2019 has not been prepared, in all material respects, in compliance with the GRI Standards as disclosed in the paragraph “Reporting Criteria” of the Report.

Other aspects

The Sustainability Report – Eni For for the year ended 31 December 2018, which data are presented for comparative purposes, have been subject to limited assurance procedures by another auditor who, on 7 May 2019, expressed a conclusion without remarks on that Report.

Rome, 13 May 2020

PricewaterhouseCoopers AdvisorySpA

Signed by

Paolo Bersani
(Partner)

This report has been translated from the Italian original solely for the convenience of international readers. We have not performed any controls on the Report 2019 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.

ENI FOR 2019 – A JUST TRANSITION

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



ENI FOR 2019 CARBON NEUTRALITY IN THE LONG TERM

In-depth analysis of Governance, risk management activities, strategy and main Eni metrics and targets on climate change, in line with the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD) of the Financial Stability Board.

ENI FOR 2019 SUSTAINABILITY PERFORMANCE

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

PRINCIPLES AND REPORTING CRITERIA Eni for 2019 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. For more information, see the paragraph "Reporting criteria" of "Eni for 2019 - Sustainability performance", p. 31.

EXTERNAL ASSURANCE Eni for 2019 was also subjected to limited assurance this year by an external auditing firm (pp. 73-75). Furthermore, for the first time the GHG Scope 1 and Scope 2 emissions are also subjected to a reasonable assurance by the same external auditing firm (PwC), with the aim of guaranteeing an even greater solidity of these data having strategic relevance for Eni (see "Eni GHG Emissions Statement - 2019").

2019 CONSOLIDATED DISCLOSURE OF NON-FINANCIAL INFORMATION

Document prepared in accordance with the requirements of Legislative Decree 254/2016 (which transposed the European Directive 95/2014) and published in the 2019 Annual Report, providing integrated disclosure on the management model, the policies applied and the main risks and results related to the environment, social issues, personnel, respect for human rights and the fight against corruption.

REPORT ON RESPECT OF HUMAN RIGHTS

Report describing Eni's strategy on promoting and respecting human rights and reporting the main activities and performance indicators.

FEEDBACK

Your feedback is important to us. If you have comments, suggestions or questions, you can email the sustainability team at sostenibilita@eni.com



In addition to these documents, Eni publishes annual Local Sustainability Reports and Sustainability reports of subsidiaries in order to provide local stakeholders with more detailed information about non-financial commitments and performances, regarding specific geographical areas and business line. These reports, together with more information on sustainability at Eni, are available online at eni.com.



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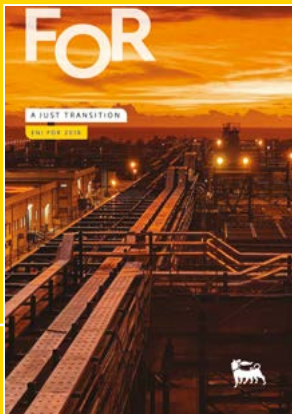
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