

Consolidated disclosure of non-financial information

in accordance with the Italian Legislative Decree 254/2016

Introduction

The Consolidated Disclosure of Non-Financial Information (NFI) is drafted in accordance with the Italian Legislative Decree 254/2016 and the “Sustainability Reporting Standards”, published by the Global Reporting Initiative (GRI)¹ and is structured on the three levers of Eni’s integrated business model (Carbon Neutrality in the Long Term, Operational Excellence Model, and Alliance for the promotion of Local Development) whose objective is to create long-term value for stakeholders.

As in previous years, on the occasion of the Shareholders’ Meeting, Eni will also publish Eni for, the voluntary sustainability report that aims to further enhance non-financial disclosure. The 2019 edition of Eni for will also include the annex “Carbon Neutrality in the Long Term”.

The NFI is included in the Management Report with the aim of making the Annual Report the reference document to meet the information needs of Eni’s stakeholders in a clear and concise manner, further favouring the integrated disclosure of financial and non-financial information.

In order to avoid duplication and ensure that disclosures are as concise as possible, the NFI provides an integrated view on the topics set out in the Italian Legislative Decree 254/2016, also by providing references to other sections of the Management Report or to the Corporate Governance Report, if the information is already contained therein or to provide further explanation. In particular, the Management Report illustrates:

- Eni’s business and governance model, at pages 4; 24-29;
- Risk management in the sections at pages 20-23: (i) “Integrated Risk Management”, which describes Eni’s Integrated Risk Management (IRM) model – including sustainability aspects –, the main activities carried out in 2019 as well as Eni’s Top Risks and the main mitigation actions; (ii) “Risk factors and uncertainties,” where the Groups main risks, their potential impacts and treatment actions, in line with the Italian legislation disclosure requirements, are described in greater detail.

The NFI illustrates in detail:

- Company policies in the section “Main regulatory and guiding instruments related to Legislative Decree 254/2016 topics”, which describes the regulatory system composed of direction, coordination and control instruments and others instruments which define the operating procedures;
- Eni’s “Organizational and Management Models” for the following topics: environment, climate, people, health and safety, human rights, suppliers, transparency and anti-corruption, local communities, innovation and digitalization;
- the strategy on the above topics with the most significant initiatives of the year and the main performance results with related comments;
- risk management, linked to the areas covered by the Decree, which are not dealt with in the Management Report, i.e., those risks that, though mapped and monitored as part of Eni’s Integrated Risk Management, are not considered top risks.

The contents of the “Carbon Neutrality in the Long Term” are drafted according to the voluntary recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) set out by the Financial Stability Board, of which Eni has been a member since its foundation, in order to provide even clearer and more in-depth disclosure on these issues.

Lastly, reference to the main United Nations Sustainable Development Goals (SDGs) has been included in the various sections. These goals are a valuable source of guidance for the international community and for Eni in conducting its activities in Italy and abroad².

Below is a table showing the correspondence between the information content required by the Decree and its position within the NFI, the Annual Report or the Corporate Governance Report.

AREAS OF THE ITALIAN LEGISLATIVE DECREE 254/2016

PARAGRAPHS INCLUDED IN THE NFI

THEMES AND FOCUSES IN THE ANNUAL REPORT (AR) AND IN THE CORPORATE GOVERNANCE AND SHAREHOLDING STRUCTURE REPORT (CGR)

COMPANY MANAGEMENT MODEL AND GOVERNANCE *Art. 3.1, paragraph a)*

- Organizational and management models, p. 110
- Carbon neutrality in the long-term, pp. 111-115
- Operational excellence model, pp. 116-127
- Alliances for the promotion of local development, pp. 127-128
- Sustainability material topics, p. 129

AR

- Business Model, p. 4
- Responsible and sustainable approach, p. 5
- Stakeholder engagement activities, pp. 14-15
- Strategy, pp. 16-19
- Governance, pp. 24-29

CGR

- ▶ Responsible and sustainable approach, pp. 8-11
- ▶ Corporate Governance Model, pp. 11-13
- ▶ Board of Directors: Composition pp. 35-40 and Board induction pp. 55-56
- ▶ Board committees pp. 56-66
- ▶ Board of Statutory Auditors, pp. 66-76
- ▶ Model 231, pp. 104-106

POLICIES *Art. 3.1, paragraph b)*

- Main regulatory and guiding instruments related to Legislative Decree 254/2016 topics, pp. 108-109

CGR

- ▶ Eni regulatory system, pp. 91-104

RISK MANAGEMENT MODEL *Art. 3.1, paragraph c)*











- Carbon neutrality in the long-term, pp. 111-115
- People, pp. 116-118
- Safety, p. 119
- Respect for the environment, pp. 120-122
- Human Rights, pp. 123-124
- Transparency and anti-corruption, pp. 126-127

AR

- Integrated Risk Management Model, p. 20; Integrated Risk Management Process, p. 21; Targets, risks and treatment measures pp. 22-23; Risk factors and uncertainties, pp. 88-104

[1] For more information, see: “REPORTING PRINCIPLES AND CRITERIA”.

[2] The UN’s 2030 Agenda for Sustainable Development, presented in September 2015, identifies 17 Sustainable Development Goals (SDGs), which represent common goals for the current complex social challenges.

 CARBON NEUTRALITY IN THE LONG-TERM	AREAS OF THE ITALIAN LEGISLATIVE DECREE 254/2016		THEMES AND FOCUSES IN THE ANNUAL REPORT (AR) AND IN THE CORPORATE GOVERNANCE AND SHAREHOLDING STRUCTURE REPORT (CGR)	
	 CLIMATE CHANGE <i>Art 3.2, paragraph a)</i> <i>Art 3.2, paragraph b)</i>	PARAGRAPHS INCLUDED IN THE NFI	AR	CGR
 OPERATIONAL EXCELLENCE MODEL	 PEOPLE <i>Art 3.2, paragraph d)</i> <i>Art 3.2, paragraph c)</i>	<ul style="list-style-type: none"> Main regulatory and guiding instruments related to Legislative Decree 254/2016 topics, pp. 108-109 Organizational and management models, p. 110 Carbon neutrality in the long-term (governance, risk management, strategy and objectives), pp. 111-115 	AR <ul style="list-style-type: none"> Responsible and sustainable approach, p. 5 Integrated Risk Management, pp. 20-23; Safety, security, environmental and other operational risks, pp. 91-92; Risks related to climate change, pp. 92-95 Strategy, pp. 16-19 	CGR <ul style="list-style-type: none"> Responsible and sustainable approach, pp. 8-11
	 RESPECT FOR THE ENVIRONMENT <i>Art. 3.2, paragraph a)</i> <i>Art. 3.2, paragraph b)</i> <i>Art. 3.2, paragraph c)</i>	<ul style="list-style-type: none"> Main regulatory and guiding instruments related to Legislative Decree 254/2016 topics, pp. 108-109 Organizational and management models, p. 110 Respect for the environment (circular economy, water, spills, waste, biodiversity), pp. 120-122 	AR <ul style="list-style-type: none"> Responsible and sustainable approach, p. 5 Integrated Risk Management, pp. 20-23; Risks associated with the exploration and production of oil and natural gas, pp. 95-98; Safety, security, environmental and other operational risks, pp. 91-92 	CGR <ul style="list-style-type: none"> Responsible and sustainable approach, p. 5 Integrated Risk Management, pp. 20-23; Risks associated with the exploration and production of oil and natural gas, pp. 95-98; Safety, security, environmental and other operational risks, pp. 91-92
	 HUMAN RIGHTS <i>Art 3.2, paragraph e)</i>	<ul style="list-style-type: none"> Main regulatory and guiding instruments related to Legislative Decree 254/2016 topics, pp. 108-109 Organizational and management models, p. 110 Human rights (risk management, security, training, whistleblowing), pp. 123-124 	AR <ul style="list-style-type: none"> Responsible and sustainable approach, p. 5 	CGR <ul style="list-style-type: none"> Responsible and sustainable approach, pp. 8-11
	 SUPPLIERS <i>Art 3.1, paragraph c)</i>	<ul style="list-style-type: none"> Main regulatory and guiding instruments related to Legislative Decree 254/2016 topics, pp. 108-109 Organizational and management models, p. 110 Suppliers (risk management), p. 125 	AR <ul style="list-style-type: none"> Responsible and sustainable approach, p. 5 	CGR <ul style="list-style-type: none"> Responsible and sustainable approach, p. 5
	 TRANSPARENCY AND ANTI-CORRUPTION <i>Art 3.2, paragraph f)</i>	<ul style="list-style-type: none"> Main regulatory and guiding instruments related to Legislative Decree 254/2016 topics, pp. 108-109 Organizational and management models, p. 110 Transparency and anti-corruption, pp. 126-127 	AR <ul style="list-style-type: none"> Responsible and sustainable approach, p. 5 Integrated Risk Management, pp. 20-23; Risks related to legal proceedings and compliance with anti-corruption legislation, p. 103 The internal control and risk management system, p. 29 	CGR <ul style="list-style-type: none"> Principles and values. Code of Ethics, p. 7; Anti-Corruption Compliance Programme, pp. 106-108
 ALLIANCES FOR LOCAL DEVELOPMENT	 LOCAL COMMUNITIES <i>Art 3.2, paragraph d)</i>	<ul style="list-style-type: none"> Main regulatory and guiding instruments related to Legislative Decree 254/2016 topics, pp. 108-109 Organizational and management models, p. 110 Alliances for the promotion of local development, pp. 127-128 	AR <ul style="list-style-type: none"> Responsible and sustainable approach, p. 5 Integrated Risk Management, pp. 20-23; Risks related to political considerations, pp. 98-100; Risks associated with the exploration and production of oil and natural gas, pp. 95-98 	CGR <ul style="list-style-type: none"> Responsible and sustainable approach, p. 5 Integrated Risk Management, pp. 20-23; Risks related to political considerations, pp. 98-100; Risks associated with the exploration and production of oil and natural gas, pp. 95-98

The new mission

Eni's new mission – approved by the Board of Directors in September 2019 – shows the path that the Company is taking to face the main challenge of the energy sector: ensuring access to efficient and sustainable energy for all, while reducing greenhouse gas emissions, in order to combat climate change in line with the objectives of the Paris Agreement. This mission completes and consolidates the previous one, confirming Eni's commitment to an energy transition that is also socially just and organically integrating the 17 SDGs to which Eni intends to contribute, seizing new business opportunities.

This is made possible by Eni's people, the Company's passion and the drive towards continuous innovation, the enhancement of diversity as a lever for development, respect for, and promotion of, human rights, integrity in business management and protection of the environment.

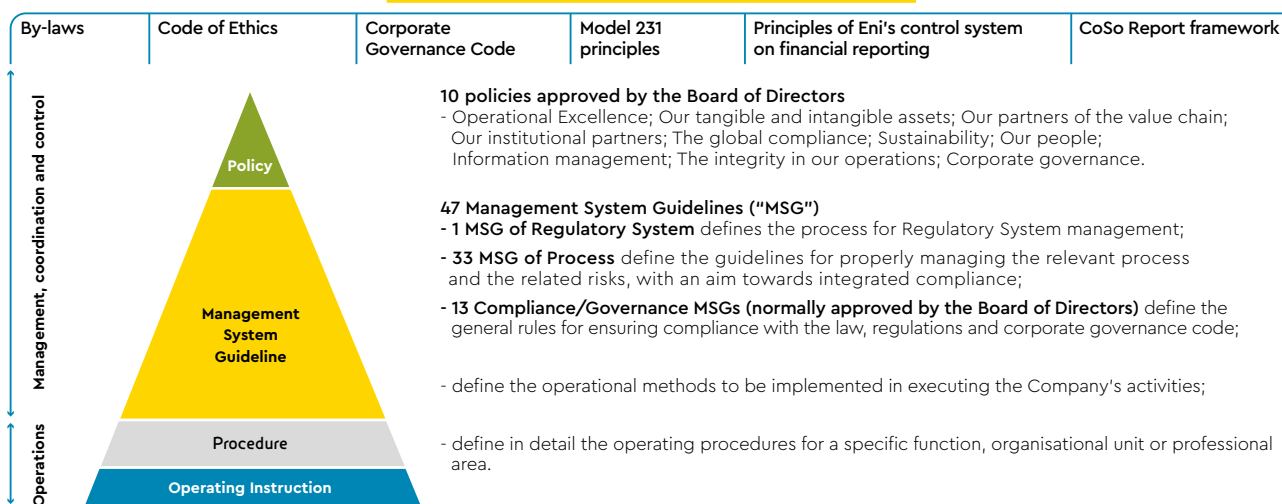
Furthermore, it must be borne in mind that achieving the SDGs requires unprecedented collaboration between the public and private sectors. Hence Eni's commitment in defining and building alliances (Public-Private Partnership) with partners committed locally and internationally recognised.

Main regulatory and guiding instruments related to Legislative Decree 254/2016 topics

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

All of Eni's operational activities can be grouped into a map of processes instrumental to the Company's activities and integrated with control requirements and principles set out in the compliance and governance models and based upon the Bylaws, the Code of Ethics, the Corporate Governance Code, the Model 231 principles, the Principles of Eni's control system on financial reporting, the CoSo Report framework⁴.

GENERAL OVERVIEW OF THE REGULATORY SYSTEM



The types of instruments that comprise the regulatory system are:

- **Policies**, approved by the Board of Directors, are mandatory documents that define the general principles and rules of conduct that must inspire all of Eni's activities, in order to achieve corporate objectives, having taken due account of risks and opportunities. Policies cut across processes and each one focuses on a key element of Company management. Eni Policies apply to Eni SpA and, subject to transposition, all Eni subsidiaries;
- **Management System Guidelines ("MSGs")** define the rules common to all Eni units and may regard either processes or compliance/governance (the latter usually approved by the Board of Directors) and include sustainability aspects. The individual MSGs issued by Eni SpA apply to subsidiaries, which take steps to ensure their transposition to their organisation,

except in cases where there is a need for an exemption;

- Procedures define the operational methods to be implemented in executing the activities of the individual companies or functional areas;
- Operating Instructions are an additional level of detail for representing the operating procedures for a specific function, organisational unit or professional area.

The regulatory instruments are published on the corporate intranet and, in some cases, on the Company's website. The Policies and MSGs have been disseminated to subsidiaries, including listed subsidiaries, for the subsequent phases for which they are responsible, such as formal transposition and amendment of their existing regulatory systems. In addition to the Policies, the table below also includes other Eni regulatory instruments approved by the CEO and/or the Board of Directors.

[3] US Sarbanes-Oxley Act of 2002.

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



CARBON NEUTRALITY IN THE LONG TERM



CLIMATE CHANGE

OBJECTIVE

Combat climate change

PUBLIC DOCUMENTS

"Sustainability" Policy, Eni's Position on biomass, Eni's responsible engagement on climate change within business associations

PRINCIPLES:

- reduce greenhouse gas emissions by improving the efficiency of plants and increasing the use of low carbon fuels
- develop and implement new technologies for the reduction of greenhouse gas emissions and more efficient energy production
- develop flexible mechanisms and instruments to reduce deforestation
- promote sustainable water resource management
- ensure sustainable biomass management throughout the supply chain
- ensure consistency and transparency in the activities of associations with Eni's strategy on climate change and energy transition, in line with stakeholders' expectations



OPERATIONAL EXCELLENCE MODEL



PEOPLE, HEALTH AND SAFETY

OBJECTIVE

Valorize Eni's people and protect their health and safety

PUBLIC DOCUMENTS

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

PRINCIPLES:

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



OPERATIONAL EXCELLENCE MODEL



RESPECT FOR THE ENVIRONMENT

OBJECTIVE

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

PUBLIC DOCUMENTS

"Sustainability" and "The integrity in Our Operations" policies, "Eni biodiversity and ecosystem services" policy, "Eni's commitment not to conduct 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"

PRINCIPLES:

- consider, in project assessments and during the operations, the presence of UNESCO World Heritage Natural Sites and other protected areas relevant to biodiversity, identifying potential impacts and mitigation actions (risk-based approach)
- establish links between environmental and social aspects including the sustainable development of local communities
- promote sustainable water resource management
- promote Green Sourcing principles
- optimise the control and reduction of emissions into the air, water and soil



OPERATIONAL EXCELLENCE MODEL



HUMAN RIGHTS

OBJECTIVE

Protect human rights

PUBLIC DOCUMENTS

"Sustainability", "Our people", "Our Partners of the Value Chain", "The integrity in our operations" policies, Code of Ethics; Eni's Statement on Respect for Human Rights, "Whistleblowing reports received, including anonymously, by Eni SpA and by its subsidiaries in Italy and abroad"

PRINCIPLES:

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



OPERATIONAL EXCELLENCE MODEL



TRANSPARENCY AND ANTI-CORRUPTION

OBJECTIVE

Combat active and passive corruption

PUBLIC DOCUMENTS

"Anti-Corruption" Management System Guideline, "Our partners of the value chain" policy, Tax Strategy Guideline

PRINCIPLES:

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



ALLIANCE FOR LOCAL DEVELOPMENT



LOCAL COMMUNITIES

OBJECTIVE










Promote relations with local communities and contribute to their development

PUBLIC DOCUMENTS

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

PRINCIPLES:

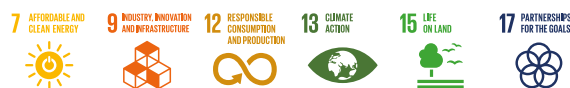
- create growth opportunities and enhance the skills of people and local companies in the territories where Eni operates
- involve local communities in order to consider their concerns on new projects, impact assessments and development initiatives, also with reference to human rights
- identify and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

DIMENSION	ORGANIZATIONAL AND MANAGEMENT MODELS
CARBON NEUTRALITY IN THE LONG-TERM	 CLIMATE CHANGE <ul style="list-style-type: none"> • Evaluation for Medium and Long Term Plans Committee, chaired by the CEO, which devised a Medium/ Long-Term plan for business sustainability to 2050 • Energy Solutions Department: dedicated to energy production from renewable sources • Central organizational function which oversees the strategy and positioning on climate change • Energy Transition Research and Development Program: it aims to develop technologies to promote the rapid spread of natural gas usage, decarbonizing the supply chain • Energy management systems coordinated with the ISO 50001 standard, included in the HSE regulatory system, for the improvement of energy performance and already implemented in all the main Mid-Downstream sites and extension to all Eni in progress
OPERATIONAL EXCELLENCE MODEL	 PEOPLE <ul style="list-style-type: none"> • Employment management and planning process to align skills to the technical and professional needs • Human resources management and development tools, aimed at professional growth and involvement, intergenerational exchange of experiences, building of cross-cutting managerial development pathways in core technical areas and valuing diversity • Working group to determine the impacts of Digital Transformation on Roles/Skills. Development of Innovative Tools to support HR Management processes • Quality management system for training, up-to-date and complying with the ISO 9001:2015 standard • Knowledge management system for integrating and sharing know-how and professional experiences • National and international industrial relations management system: participative model and platform of operating tools to motivate and engage employees in compliance with ILO^(a) conventions and the guidelines of the Institute for Human Rights and Business • Integrated environmental, health and safety management system based on an operating platform of qualified healthcare providers and partnerships with national and international university and governmental research centers and institutions • Welfare system for the achievement of work-life balance and the enhancement of services for employees and their families
 SAFETY	<ul style="list-style-type: none"> • Integrated environment, health and safety management system with the aim of eliminating or mitigating the risks to which workers are exposed during their work activities • Process safety management system aimed at preventing major accidents by applying high technical and management standards [application of best practices for asset design, operating management, maintenance and decommissioning] • Emergency preparation and response with plans that put the protection of people and the environment first • Product safety management system for the assessment of risks related to the production, import, sale, purchase and use of substances/mixtures to ensure human health and environmental protection throughout their life cycle
 RESPECT FOR THE ENVIRONMENT	<ul style="list-style-type: none"> • Integrated environment, health and safety management system: adopted in all plants and production units in accordance with the ISO 14001:2015 environmental management standard • Application of the Environmental, Social & Health Impact Assessment (ESHIA) process to all projects • Technical meetings for the analysis and sharing of experiences on specific environmental and energy issues • Green Sourcing: model to identify analysis methods and technical requirements for the selection of products and suppliers with the best environmental performances • Site-specific circularity analysis: mapping of circularity elements already in place and identification of possible improvements at site level • Biomasses Working Group: implementation of the commitments set out in Eni's Position on biomass and palm oil
 HUMAN RIGHTS	<ul style="list-style-type: none"> • Human rights management process regulated in a Management System Guideline • Inter-functional activities on Business and Human Rights to further align processes with key international standards and best practices • Application of the ESHIA process to all projects, integrated with the analysis of human rights impacts • Specific analyses of human rights impacts known as HRIA (Human Rights Impact Assessment) • Security management system aimed at ensuring protection for Eni's people in all the Countries in which Eni operates and particularly in high-risk Countries
 TRANSPARENCY AND ANTI-CORRUPTION	<ul style="list-style-type: none"> • Model 231: sets out responsibilities, sensitive activities and control protocols for crimes of corruption under Italian Legislative Decree 231/01 (including environmental crimes and crimes relating to workers' health and safety) • Anti-Corruption Compliance Program: system of rules and controls to prevent corruption crimes • Recognition for the Anti-Corruption Compliance Program: certified pursuant to the ISO 37001:2016 standard • "Anti-Corruption Compliance" organizational structure under the "Integrated Compliance" Dept. and reporting directly to the CEO
 SUPPLIERS	<ul style="list-style-type: none"> • Procurement Process designed to check compliance with Eni's requirements for ethical conduct and trustworthiness, health, safety, and environmental protection and human rights, through the qualification, selection, management and monitoring of suppliers, as well as through assessment using parameters set out by the Social Accountability Standard (SA8000)
ALLIANCE FOR LOCAL DEVELOPMENT	 LOCAL COMMUNITIES <ul style="list-style-type: none"> • Sustainability focal point at local level, who interfaces with the Company headquarters to define local community development programs in line with national development plans and integrated into the business processes • Application of the ESHIA process to all business projects • Stakeholder Management System Platform for the management and monitoring of the relations with local and other stakeholders and of grievances • Risk identification, mitigation and monitoring system linked to relations with local stakeholders • Sustainability management process in the business cycle and design specifications according to international methods (e.g. Logical Framework)
 INNOVATION AND DIGITALIZATION	<ul style="list-style-type: none"> • Centralized Research & Development Function for optimal sharing and valorisation of know-how • Management of Technological Innovation projects in line with R&D best practices (planning and control for the steps following the development of the technology) • Continuous updating of procedures relating to the protection of intellectual property and the identification of professional R&D service providers

[a] International Labour Organization.



CARBON NEUTRALITY IN THE LONG-TERM



Aware of the scientific evidences of climate change reported by the Intergovernmental Panel on Climate Change (IPCC), Eni intends to play a leadership role in the energy transition process, supporting the objectives of the Paris Agreement. Eni has long been committed to promoting comprehensive and effective climate change disclosure and in this respect confirms its commitment to implementing the recommendations of the **Task Force on Climate Related Financial Disclosure** (TCFD).

Leadership in disclosure - Eni is the only O&G company involved in the Financial Stability Board's **Task Force on Climate Related Financial Disclosure** (TCFD) since the beginning of its work and has contributed to the development of the voluntary recommendations for corporate climate change reporting. Transparency in climate change reporting and the strategy implemented by the Company have allowed Eni to be, once again in 2019, a **leading company** with an A- rating in the Climate Change disclosure program of the CDP [formerly Carbon Disclosure Project, recognised internationally as one of the reference institutions for assessing climate performance and strategies of listed companies]. The rating achieved by Eni was equalled by only a few other companies in the Oil & Gas industry and far exceeds the global average which has stabilised at a rating of C, in a rating scale ranging from D (minimum) to A (maximum). As further proof of its commitment and transparency, Eni's climate disclosure included in the NFI within the Annual Report 2018 has been commended as good practice with reference to governance, risk management, and

metrics and targets in the TCFD Good Practice Handbook by SASB [Sustainability Accounting Standards Board] and CDSB [Climate Disclosure Standards Board].

Commitment to partnerships - Among the many international climate initiatives that Eni participates in, Eni's CEO sits on the Steering Committee of the **Oil and Gas Climate Initiative** (OGCI). Established in 2014 by 5 O&G companies, among which Eni, the OGCI now numbers thirteen companies, representing about one third of global hydrocarbon production and supplying around 20% of the global demand for energy. In 2019, OGCI published the progress made towards the methane intensity reduction target announced in 2018 (collective target for reducing the intensity of methane emissions from upstream activities from 0.32% in 2017 to 0.25% by 2025), with a collective reduction of 9% in 2018. Furthermore, has continued the commitment to the joint investment of 1 billion dollars in 10 years, for the development of technologies designed to reduce GHG emissions in the global energy value chain, and in 2019 the CCUS KickStarter initiative was launched to promote wide-scale marketing at global level of CCUS (CO₂ Capture, Utilisation and Storage) technology.

Disclosure on long-term carbon neutrality is structured around the four thematic areas covered by TCFD recommendations: governance, risk management, strategy, and metrics and targets. The key elements of each area are presented below; please see the Eni For 2019 Report – Carbon neutrality in the long-term⁵ for the complete analysis.

TCFD RECOMMENDATIONS		2019 ANNUAL REPORT	2019 SUSTAINABILITY REPORT
		Consolidated Non-Financial Information	Eni for Addendum - Carbon neutrality in the long-term
GOVERNANCE			
Disclose the organization's governance around climate-related risks and opportunities.	a) Oversight by the BoD		✓
	b) Role of the management	✓ Key elements	✓
STRATEGY			
Disclose the current and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	a) Climate-related risks and opportunities		✓
	b) Incidence of climate-related risks and opportunities	✓	✓
	c) Resilience of the strategy	✓ Key elements	✓
RISK MANAGEMENT			
Disclose how the organization identifies, assesses, and manages risks related to climate change.	a) Identification and assessment processes		✓
	b) Management processes	✓	✓
	c) Integration into overall risk management	✓ Key elements	✓
METRICS & TARGETS			
Disclose the metrics and targets used to assess and manage risks and opportunities related to climate change where such information is material.	a) Metrics used		✓
	b) GHG emissions	✓	✓
	c) Targets	✓ Key elements	✓

[5] This report will be published on the same day as the Shareholders' Meeting.

GOVERNANCE

Role of the BoD - Eni's decarbonisation strategy is part of a structured system of Corporate Governance where the **BoD** and the CEO play a central role in managing the main issues related to climate change. Based on CEO's proposal, the BoD examines and approves the Strategic Plan, which sets out strategies and targets, including those related to climate change and energy transition. Since 2014, the BoD has been supported in performing its duties by the **Sustainability and Scenarios Committee (SSC)**, with whom it examines, on a periodic basis, integration between strategy, future scenarios and the medium/long-term sustainability of the business. During 2019, the SSC discussed climate change issues in detail at all meetings, including the decarbonisation strategy, energy scenarios, renewable energies, research and development to support the energy transition, partnerships on climate and issues related to water resources and biodiversity⁶. Since the second half of 2017, the BoD and the CEO are also supported by an **Advisory Board** composed of international experts, with the aim of analysing the main geopolitical, technological and economic trends, including issues related to the decarbonisation process⁷. Since 2018, Eni has pledged its contribution to the World Economic Forum (WEF) "Climate Governance" initiative⁸, by involving Eni's BoD, and during 2019 took part in other initiatives launched within the WEF, among which the definition of a model for assessing the governance processes used by the organization to manage risks and opportunities related to climate change. As from 2019, the BoD examines and approves Eni's Medium-Long Term Plan, aiming at guaranteeing sustainability of the business portfolio in a time frame up to 2050, in line with what is provided for in the Four-Year Strategic Plan.

Eni's economic and financial exposure to the risk deriving from the introduction of new carbon pricing mechanisms is examined by the BoD both in the approval phase leading of each investment and in the following semi-annual monitoring of the entire project portfolio. The BoD is also informed annually on the results of the impairment test carried out on the main Cash Generating Units in the E&P sector and elaborated with the introduction of a carbon tax value aligned with IEA⁹ Sustainable Development Scenario - SDS (see pages 92-95). Finally, the BoD is informed on a quarterly basis on the results of risk assessment and monitoring activities related to Eni's top risks, including climate change.

Role of management. In 2019, it has been established the Evaluation for Medium/Long-Term Plans Committee chaired by the CEO, with the aim of supporting the organic and sustainable development of Eni's business, identifying strategic and operating guidelines and directing actions to ensure achievement of decarbonisation-related targets. The strategic commitment to carbon footprint reduction is part of the company's essential goals and is also reflected in the Variable Incentive Plans for the CEO and company management. In particular, the new 2020-2022 Long-Term Stock Incentive Plan supports the implementation of the Strategic Plan by introducing new parameters related to decarbonisation, energy transition and circular economy, in line both with the targets announced to the market and all stakeholders' interests. The overall weighting for these targets is 35%, both for the CEO and for all Eni managers involved in the Plan. The

Short-Term deferral Incentive Plan includes, in continuity with the past years, the upstream GHG emissions intensity reduction, in line with 2025 target. This target is assigned to the CEO with a weighting of 12.5% and to all company managers according to percentages in line with their responsibilities.

RISK MANAGEMENT

Eni has developed and adopted an Integrated Risk Management (IRM) Model to ensure that management takes risk-informed decisions, by assessing and analysing risks, including in the medium and long-term, within an integrated, comprehensive and prospective vision.

The IRM process ensures detection, consolidation and analysis of all Eni risks and supports the BoD in checking the compatibility of risk profiles with strategic targets, including those in the medium to long-term.

The IRM process begins with the contribution to define Eni's medium, long-term and Strategic Plan (e.g. definition of de-risking targets and strategic treatment actions), and continues by supporting the implementation of such plans through periodic cycles of risk assessment and monitoring.

Risks are:

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

With a view to improving process effectiveness and efficiency and data quality, during 2019 the following actions were taken: (i) strengthening of risk assessment methodologies with adoption of new tools to assess the effectiveness of mitigation actions and the economic-financial impacts; (ii) implementation of the Integrated Country Risk (ICR) model designed for an integrated analysis of the risks relevant to Countries where Eni is present or those of potential interest; (iii) execution of a pilot project for the ICR model digitalisation, which will be extended to the main Countries with upstream activities during 2020.

The risk of climate change is identified as one of Eni's top strategic risks and is analysed, assessed and monitored by the CEO as part of the IRM process.

Main risks and opportunities

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

Market scenario. In the International Energy Agency (IEA) Sustainable Development Scenario (SDS¹⁰), taken as reference to assess energy transition risks, fossil fuels are expected to continue playing a central role in the energy mix (Oil & Gas equal to 47% of the mix in 2040), although by 2040, the global energy demand is expected to fall slightly compared to today (-7.2% vs. 2018, CAGR

[6] For more information, please see the "Sustainability and Scenarios Committee" section of the 2019 Corporate Governance Report.

[7] For more information, please see the "Governance" chapter on pages 24-29.

[8] The initiative aims to raise the Boards' level of awareness on climate-related issues, also in response to recommendations by the Task Force on Climate-related Financial Disclosures (TCFD).

[9] International Energy Agency.

[10] World Energy Outlook (WEO) 2019.

2018-40 -0.3%). Natural gas is expected to increase its share of the mix (24% in 2040 vs. 23% in 2018) even in the SDS. In fact, due to its lower carbon intensity and better environmental performance, natural gas is the fossil fuel with the higher future perspectives, both by integration with renewable sources and substituting sources with higher environmental impacts, especially in emerging Countries. Moreover, in the future, natural gas will play an important role within a growing hydrogen production and the implementation of CO₂ capture, utilisation and storage (CCUS) projects. Renewables will become increasingly important in the path to decarbonisation, succeeding in supplying 34% of primary consumption (vs. 14% in 2018), mostly due to development of wind and solar power. Oil demand is expected to increase in the other IEA scenarios (Current Policies Scenario and Stated Policies Scenario), while in the SDS scenario an immediate peak is expected globally within the next two years, followed by a progressive drop in consumption in almost all Countries (except India and Sub-Saharan Africa). Nonetheless, even considering the SDS scenario, there is still a need for significant investments in the upstream sector to compensate for the drop in production from existing fields. There is residual uncertainty linked to the effect that regulatory developments and breakthrough technologies could have in this scenario. Eni performs an assessment of the potential costs associated with GHG emissions, according to the SDS, as detailed in the section on Risk factors and uncertainties (pages 88-104).

Regulatory developments. Adoption of policies designed to support the energy transition to low carbon sources could have significant impacts on the business. Although COP25 in Madrid hasn't defined the rules for implementing the Paris Agreement market mechanisms, a growing number of governments, including the EU, are announcing the revision of targets for 2030 and setting new long-term net-zero emission targets, showing greater commitment in facing the exceptional challenges in the development of low-carbon energy solutions. In particular, with the presentation of the new "European Climate Law", the European Union has set itself the target of reaching carbon neutrality by 2050, as enactment of the proposal for the new European Green Deal, presented in December 2019. Also in light of this development, Eni has defined a medium to long-term plan to take full advantage of the opportunities offered by the energy transition and progressively reduce the carbon footprint of its activities, as explained in more detail in the Strategy and Objectives section.

Technological developments. The need to build a final energy consumption model with a low carbon footprint, will incentivize technologies aimed at capturing and reducing GHG emissions, producing hydrogen from gas as well as technologies for minimization of methane emissions along the Oil & Gas production value chain. These elements will support the role of hydrocarbons in the global energy mix. On the other hand, technological development in the field of renewable energy production and storage and efficiency of electric vehicles may impact the demand for hydrocarbons and therefore the business. Scientific and technological research is hence one of the levers of Eni's decarbonisation strategy; main areas of action are described in the Strategy and Objectives section.

Reputation. Awareness-raising campaigns by NGOs and other environmentalist organisations, media campaigns, shareholder resolutions during meetings, disinvestments by some investors and class action by groups of stakeholders are more and more oriented towards greater transparency on the tangible efforts made by Oil & Gas companies for energy transition. Furthermore, some public and private parties have brought proceedings, both legal and otherwise, against the major Oil & Gas companies, including Eni Group companies, claiming their responsibility for impacts related to climate change and human rights. Eni has long been committed to promoting a constant, open and transparent dialogue on climate change and human rights issues which are an integral part of its strategy and therefore subject of communications to all stakeholders. This commitment is part of a wider relationship that Eni has established with its stakeholders on important sustainability issues, with initiatives focused on governance, dialogue with investors and targeted communication campaigns, as well as participation in international initiatives and partnerships. In the early months of 2020, upholding requests from a number of investors, Eni published a Policy on Responsible Engagement on climate change within business associations, in which it commits to check periodically on consistency between its climate and energy advocacy positions and those of the trade associations in which is involved.

Physical risks. Increasingly intense extreme/chronic climate phenomena in the medium to long term could damage plants and infrastructures, resulting in an interruption of industrial activities and increased recovery and maintenance costs. In relation to extreme phenomena, such as hurricanes or typhoons, Eni's current portfolio of assets, designed in accordance with current regulations to withstand extreme environmental conditions, has a geographical distribution that does not lead to concentrations of risk. The vulnerability of Eni assets to more gradual phenomena, such as rising sea levels or coastal erosion, is limited and it is therefore possible to identify and implement preventive mitigation measures. In addition to its commitment to ensure integrity of its operations, Eni is active on the issues of climate change adaptation, including aspects related to social and environmental impacts, with particular focus on assessing major vulnerabilities linked to physical risks and developing suitable guidelines for the implementation of adaptation actions in Countries where Eni has interests.

STRATEGY AND OBJECTIVES

Eni's strategy combines objectives of continuous growth in a fast developing energy market with a significant reduction of the Group's carbon footprint. In the future, Eni will be even more sustainable, it will have a stronger role as a global player in the energy scenario and will benefit from the progressive development of business areas such as renewables and circular economy.

The result of its industrial strategy will lead to an 80% reduction in net-absolute¹¹ emissions by 2050, well above the 70% target indicated by IEA in the SDS compatible with the Paris Agreement, and to a 55% reduction in the emission intensity¹².

[11] Net-absolute GHG Lifecycle emissions: these are all the Scope 1, 2 and 3 emissions associated with our operations and products, throughout their value chain, net of carbon sinks.

[12] Ratio between net-absolute GHG emissions (Scopes 1, 2 and 3) throughout the lifecycle of energy products and the quantity of energy included in them.

In order to monitor these targets, Eni has developed a rigorous method inclusive of all GHG emissions. This method includes all scope 1, 2 and 3 emissions, in absolute and relative terms, linked to the energy products sold, whether from our own production or purchased from third parties. This distinctive approach exceeds current standards for detection of emissions and provides a complete representation of the Group's carbon footprint. The method has been reviewed by independent experts at the Imperial College London (through Imperial Consultants), while the result of its application has been audited by RINA, an independent certification company.

Actions that will help to achieve these targets include:

- progressive reduction of hydrocarbon production and a growing incidence of gas production;
- focus on equity gas sales combined with projects for the capture and storage of CO₂ and a progressive reduction of non-equity gas sales;
- conversion of European refineries into plants for production of hydrogen and recycling of waste materials;
- creation of primary and secondary forest preservation projects to compensate for around 30 million tonnes/year of CO₂ by 2050;
- development of projects for capture and storage of 10 million tonnes/year of CO₂ by 2050, with an initial project under study for the Ravenna hub in Italy, where it will be possible to channel the CO₂ captured from neighbouring industrial facilities and power plants into gas fields that are now depleted;
- achieving a capacity for energy production from renewable sources over 55 GW by 2050;
- expansion of retail operations with the aim of reaching over 20 million supply contracts by 2050.

Furthermore, Eni has confirmed and further extended its intermediate decarbonisation targets: net-zero carbon footprint by 2030 for scope 1 and 2 emissions from upstream operations and net-zero carbon footprint for scope 1 and 2 emissions from all Group operations by 2040.

Overall spending in the four-year period 2020-23 for decarbonisation, circular economy and renewables is forecast at approximately €4.9 billion, including scientific and technological research activities designed to support these areas.

PERFORMANCE METRICS AND COMMENTS

Eni has defined indicators that show the progress achieved so far in the reduction of GHG emissions into the atmosphere, the use and consumption of energy from primary sources and the production of energy from renewable sources. With specific reference to short-term decarbonisation targets, defined on operated assets and accounted on a 100% basis, the following is a summary of the results achieved in 2019 and of the progress towards the targets:

Reduction of the upstream GHG emissions intensity index of 43% by 2025 against 2014:

the upstream GHG intensity index, expressed as a ratio between direct emissions in tonnes of CO₂eq and gross production in thousands of barrels of oil equivalent, in 2019 improved by 9% over 2018, with a value of 19.58 tonnesCO₂eq/kboe. The overall reduction against 2014 is 27% in line with the 2025 target. This index improvement is linked to the increase in production at new low emissions intensity plants (e.g. Zohr in Egypt and OCTP - Offshore Cape Three Points in Ghana), consolidation of the contribution to reduction of process flaring linked to projects launched during 2018,

as well as to completion of methane fugitive emissions monitoring campaigns and planned leak repairs in 2019.

Zero process gas flaring by 2025: in 2019, the volumes of hydrocarbons sent to process flaring, equal to 1.2 billion Sm³, decreased by 15% against 2018 and by 29% against 2014, in relation to the contribution of specific flaring down projects (Libya, Nigeria, Turkmenistan) and the decrease of production that involved a number of fields with associated gas flaring. In 2019, Eni invested €31 million in flaring down projects, in particular in Libya and in Nigeria.

Reduction of upstream fugitive methane emissions of 80% by 2025 against 2014: in 2019, upstream fugitive methane emissions were 21.9 kton CH₄, decreasing by 44% against 2018, due to Leak Detection and Repair (LDAR) campaigns carried out in the assets at Zohr (Egypt) and Jangkrik (Indonesia) and improved accounting approach for El Feel and Bouri (Libya). The reduction achieved has made it possible to attain the 2025 target six years in advance. The LDAR campaigns also involved the midstream sector (Sergaz), where they led to a reduction of 35% in fugitive emissions compared to 2018.

Average improvement of 2% per year in 2021 compared to 2014 of carbon efficiency index: the target has extended the commitment to reducing GHG emissions intensity to all business areas. This objective refers to an overall Eni index, maintaining the appropriate flexibility in the trends of the individual businesses. In 2019, the index was 31.41 tonnesCO₂eq/kboe, a 7.4% decrease against 2018 (33.90 tonnes of CO₂eq/kboe) due to the contribution to reduction of the upstream sector and an improvement of around 2% of the EniPower and Refining & Marketing performance indexes. Although the target for reduction set for 2021 has already been achieved, Eni will continue to strive towards progressive improvement over the coming years.

In 2019, Eni has proceeded with the investment plan both in projects aiming directly at increasing energy efficiency of assets (over €8 million) and in development and revamping projects with significant impacts on the energy performance of businesses. The actions taken during the year, when fully operational, will allow fuel savings of 303 ktoe/year (mainly in the upstream sector), to which 25 GWh/year of savings on purchases of electricity and steam must be added. The benefit in terms of lower emissions will be around 0.8 million tonnes of CO₂eq.

Overall, direct GHG emissions deriving from Eni operated activities were, in 2019, 41.20 mln tonnes CO₂eq, a reduction of 5% against 2018 and 29% against 2010. Such reduction is mainly due to the drop in emissions from combustion and process as a result of energy efficiency projects, and to reduced fugitive and venting methane emissions (also due to improvement of estimates following census and detailed estimation of sources of emissions). Total emissions due to flaring, despite reduced volumes of gases sent to process flaring, have increased by 3.7% due to extraordinary maintenance on gas injection compressors (in Nigeria and Congo), temporary shut-down of plants in Libya and increase of emergency flaring in Angola (start-up of the Agogo field), as well as actions to depressurise lines in Nigeria following acts of sabotage.

With regard to development of electricity generated from photovoltaic, in 2019 there was a marked increase in production compared to 2018 (66.9 GWh vs. 19.3 GWh in 2018), while the quantity of biofuels produced in 2019 has stabilised at 256 thousand tonnes, increasing by 17%.

For 2019, Eni's financial commitment in scientific research and technological development amounted to €194 million, of which approximately €102 million was spent on investments for decarbonisation and circular economy projects. This investment

refers to efforts for energy transition, bio-refinement, green chemistry, renewable sources, reduction of emissions and energy efficiency.

Key Performance Indicators

		2019		2018	2017
		Total	of which fully consolidated entities	Total	Total
Direct GHG emissions (Scope 1)	(million tonnes CO ₂ eq)	41.20	26.55	43.35	43.15
of which: CO ₂ equivalent from combustion and process		32.27	23.11	33.89	33.03
of which: CO ₂ equivalent from flaring		6.49	2.83	6.26	6.83
of which: CO ₂ equivalent from venting		1.88	0.33	2.12	2.15
of which: CO ₂ equivalent from methane fugitive emissions		0.56	0.28	1.08	1.14
Carbon efficiency index	(tonnes CO ₂ eq/kboe)	31.41	43.63	33.90	36.01
GHG emissions/100% operated hydrocarbon gross production (upstream)		19.58	21.32	21.44	22.75
GHG emissions/Equivalent electricity produced (EniPower)	(gCO ₂ eq/kWheq)	394	397	402	395
GHG emissions/Refinery throughputs (raw and semi-finished materials)	(tonnes CO ₂ eq/kt tonnes)	248	248	253	258
Methane fugitive emissions (upstream)	(kt tonnes CH ₄)	21.9	10.8	38.8	38.8
Volumes of hydrocarbon sent to flaring	(billion Sm ³)	1.9	1.0	1.9	2.3
of which: sent to process flaring		1.2	0.5	1.4	1.6
Indirect GHG emissions (Scope 2)	(million tonnes CO ₂ eq)	0.69	0.57	0.67	0.65
Primary sources consumption	(million toe)	13.6	10.0	13.0	13.0
Primary energy purchased from other companies		0.4	0.3	0.4	0.4
Electricity produced from renewable sources	(GWh)	66.9	57.8	19.3	16.1
Energy consumption from production activities/ 100% operated hydrocarbon gross production (upstream)	(GJ/toe)	1.39	n.a.	1.42	1.49
Net consumption of primary resources/ Equivalent electricity produced (EniPower)	(toe/MWheq)	0.17	0.17	0.17	0.16
Energy Intensity Index (refineries)	(%)	112.7	112.7	112.2	109.2
R&D expenditures	(€ million)	194	194	197.2	185
of which: related to decarbonization		102	102	74	72
First patent filing applications	(number)	34	34	43	27
of which: filed on renewable sources		15	15	13	11
Production of biofuels*	(kt tonnes)	256	256	219	206
Capacity of biorefineries *	(kt tonnes/year)	660	660	360	360

(*) Includes the pro-rata of installed capacity of Gela's biorefinery (720,000 tonnes/y) started in August 2019.



OPERATIONAL EXCELLENCE MODEL

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

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



People



Eni's business model is based on internal expertise, an asset that Eni has built over time with dedication and commitment and that allows generating value in both the short and long term. In the next few years, Eni will continue the important transformation process started about six years ago, which combines the development of new strategic guidelines¹³, from the circular economy to activities related to decarbonization, also seizing the opportunities offered by Digital Transformation.

A culture of plurality and the development of people. Eni operates on an international scale. Its people are citizens of the world who live alongside the communities with which they work, which is why plurality is an essential value. Diversity is a value-creating resource that must be safeguarded and promoted both within the Company and in all relationships with its stakeholders. For this reason, Eni promotes the development of local people through selection and professional development processes and relies on geographical mobility as an important experience in their professional and personal growth, ensuring uniform management at a global level. With regard to gender diversity, Eni pays particular attention to the promotion of initiatives to attract female talents at a national and international level, and to the development of managerial and professional growth paths for the women in the Company. In this context, Eni organizes initiatives for high school students in STEM (Science, Technology, Engineering and Mathematics) subjects, with a focus on gender equality (Think About Tomorrow) and participates in national and international initiatives¹⁴ with the aim of constantly enhancing its processes and operating practices with a view to gender equality. Eni also regularly monitors the pay gap between the female and male population for the same position and seniority and has found that wages are substantially aligned. Pursuant to International Labour Organization (ILO) standards, Eni also carries out statistical analyses on the remuneration of local employees. The results show that the minimum levels set by Eni are significantly higher than the local market minimums. Eni has also implemented managerial development and excellence pathways aimed at the core professional areas, which it supports through training activities, mobility initiatives, job rotation and development tools. In particular, mobility initiatives are offered to the managerial and non-managerial population, in order to maximise opportunities for cross-cutting enhancement and growth. Eni uses various assessment tools to support these pathways, including the annual review and the performance

and feedback process with a focus on senior managers, middle managers and young graduates. In 2019, 93% of the target population was covered by the performance assessment process.

Training. Training is given to Eni's people around the world to create shared values and a common culture. Considering its people's skills which are essential to operational excellence, Eni plans and implements training courses for delivery in a universal and cross-cutting manner, projects for professional families and specialist initiatives for strategic activities with a high technical content. The training campaign aimed at spreading the culture of asset integrity and increasing the level of commitment and awareness of each person was particularly significant. Training needs are mapped and evaluated annually according to specific needs. With reference to the global scenario and the ongoing digitalisation process, initiatives aimed at developing, using and updating the most innovative technological solutions in the operational processes continued in 2019. The development and enhancement of digital skills continued through the expansion and increased use of the in-house platform "Digital Transformation Center". To facilitate the training and education of operators and emergency teams on safety scenarios, in addition to the training normally carried out in the classroom and in the field, the "Virtual Reality Training" methodology has been consolidated, which allows delivering training through immersive virtual reality systems both in HSE and drilling.

Industrial relations. Eni maintains ongoing relations with national and international trade union organizations for the conclusion and renewal of agreements with its counterparts. At international level, the model of trade union relations is based on three pillars: two in Europe (the European Works Council and the European Observatory for the Health and Safety of Workers at Eni) and a global one, namely the Global Framework Agreement on International Industrial Relations and Corporate Social Responsibility, which was renewed in 2019. As regards international labour law, a mapping of the state of ratification of the main ILO Conventions in the Countries where Eni operates was completed and disseminated internally, thus confirming Eni's commitment to the fundamental principles set out therein. Furthermore, with regard to the fundamental principle of freedom of association, in 2019, a review of existing legislation in the main Countries where the Company operates was carried out to ensure that local legislations, while protecting such a principle, allow the establishment of trade unions and workers' representatives and

[13] For more information on the strategy, see pages 16-19; 113-114.

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

collective bargaining. Where local regulations do not provide for express prohibitions, Eni always recognizes the best favourable conditions from among those established by the ILO and local regulations.

Parenthood, Welfare and Inclusion. Eni has continued to develop policies to foster parenthood and families in order to ensure increasingly greater attention to inclusion and support in cases of disability and to consolidate services for work-life balance. In addition to the maternity and paternity support policy promoted in 2018 at international level, which granted 10 days of leave paid 100%, in 2019 smart working in Italy was extended to all workers at non-operational sites, as well as to all new parents, disabled people and caregivers. In addition, during 2019, the prevention program continued to be extended to new sites by providing employees with specialist visits and check-up protocols.

Health. Eni considers health protection an essential requirement and promotes the physical, psychological and social well-being of Eni's people, their families and the communities of the Countries of presence. The extreme variability of working contexts requires a constant effort to update health risk matrices and makes it particularly challenging to guarantee health at every stage of the business cycle. To rise to this challenge, Eni has developed an operational platform that ensures services to its people, covering occupational health, industrial hygiene, traveller health, healthcare and medical emergency, as well as health promotion initiatives for Eni's people and the communities in which it operates. In 2019, all of the Group companies continued the implementation of health management systems with the objective of promoting and maintaining the health and well-being of Eni's people and ensuring adequate risk management in the workplace.

METRICS AND COMMENTS

Overall employment amounts to 31,321 people, of whom 21,078 in Italy (67.3% of Eni employees) and 10,243 abroad (32.7% of Eni employees). In 2019, employment at global level increased by 371 people compared to 2018, equal to +1.2%, with an increase in Italy (+502 employees) and a reduction abroad (-131 employees) due mainly to corporate reorganizations¹⁵. Overall, in 2019, 2,199 hires were made, of which 1,855 with permanent contracts. Of these, 32.3% covered female staff and about 81% regarded employees under 40 years of age. Of the total number of hires, approximately 32% were in the upstream business area (total 709, of which 547 were with permanent contracts and 162 with fixed-term contracts), 22% in the Support Function area, 12% in the R&M&C area and 34% in the other business areas. Overall, 1,546 contracts were terminated, 1,198 of which were permanent contracts¹⁶, and 23.2% regarded female employees. In 2019, 24.1% of the permanent contracts terminated involved employees under the age of 40. In 2019, the percentage of women in positions of responsibility rose to 26.05%, compared to 25.28% in 2018; overall, women accounted for 24.23% of Eni's total workforce. In 2019, the percentage of female employees stood at: 15.6% senior managers, 27.2% middle managers, 29.8% white collars,

2% blue collars. Compared to the past, the overall percentage of women on the boards of directors and statutory auditors of subsidiaries fell slightly in 2019 to 29% and 37%, respectively. In Italy, 1,300 people were hired, of whom 1,254 with permanent contracts (32.7% women, up about 4 percentage points compared to 2018); there was an increase in the younger age group (18-29) as a result of the recruitment plan implemented to ensure a structure consistent with business and innovation objectives, as well as to seize the opportunities offered by new technologies. In 2019, the number of terminations in Italy amounted to 831, of which 707 permanent contracts (of which 18.1% were women). Abroad, in 2019, there were 899 hires, of which 601 were with permanent contracts (31.4% women) and 68.1% were employees under 40 years of age. About 50% of permanent hires were in the upstream (mainly in the United States, United Kingdom, Mexico, Angola) and R&M business areas (Ecuador, Germany, France), with the aim of both developing and supporting new initiatives and managing turnover to support the consolidation and evolution of skills. As regards terminations, 715 contracts were terminated, of which 491 were permanent. Of these, 40.1% regarded employees under the age of 40, and 30.5% were women. The balance between hires and terminations abroad at year-end was +184 (+899 new hires and -715 terminations) and this trend is mainly due to the consolidation of the upstream business, as well as widespread recruitment to support the activities of the other business areas. Outside of Italy, as a result of the sale of Agip Oil Ecuador, the number of local employees decreased by 252 people compared with the previous year, resulting in a drop in the percentage of local staff out of total employment abroad from 82.6% in 2018 to 81.2% in 2019. A total of 1,923 expatriates (of whom 1,360 are Italian) work abroad, slightly up from 2018 (+99 Italians). The average age of Eni's people in the world is 45.4 years (unchanged compared to 2018; 46.4 in Italy and 43.3 abroad): 49.4 years (50.3 in Italy and 47.0 abroad) for senior and middle managers, 44.1 years (45.4 in Italy and 41.3 abroad) for white collars, and 41.3 years (40.0 in Italy and 43.0 abroad) for blue collars.

In 2019, distance learning (also through the Digital Transformation Center platform) and a resumption of classroom training gave a significant boost to the number of training hours delivered, equal to +16.5% compared to 2018.

In the field of health, the number of health services delivered by Eni in 2019 amounted to 487,360, of which 312,490 for employees, 72,268 for family members, 94,130 for contractors and 8,472 for others (e.g., visitors and external patients). The number of participants in health promotion initiatives in 2019 was 205,373, of whom 97,493 were employees, 78,330 contractors and 29,550 family members. As concerns occupational illnesses, claims fell during 2019 from 81 to 73, with an overall reduction of 10%, due to the reduction of illnesses reported, both by former employees (from 71 to 64 claims) and current employees (from 10 to 9 claims). Of the 73 occupational disease claims submitted in 2019, 16 were submitted by heirs (all relating to former employees).

[15] In particular, it is noteworthy the sale of Agip Oil Ecuador.

[16] Of which about 50% for retirement and 37% for resignation.

Key Performance Indicators

		2019	2018	2017
Employees as of December 31 ^(a)	(number)	31,321	30,950	32,195
Women		7,590	7,307	7,580
Italy		21,078	20,576	20,468
Abroad		10,243	10,374	11,727
Africa		3,371	3,374	3,303
Americas		1,005	1,257	1,216
Asia		2,662	2,505	2,418
Australia and Oceania		88	90	114
Rest of Europe		3,117	3,148	4,676
Employees aged 18-24		564	437	364
Employees aged 25-39		9,289	9,224	9,761
Employees aged 40-54		13,824	14,058	15,022
Employees aged over 55		7,644	7,231	7,048
Local employees abroad		8,320	8,572	10,010
Employees by professional category:				
Senior managers		1,021	1,008	990
Middle managers		9,387	9,147	9,043
White collars		16,050	15,839	16,600
Blue collars		4,863	4,956	5,562
Employees by educational qualification:				
Degree		15,375	14,603	14,802
Secondary school diploma		13,184	13,348	14,300
Less than secondary school diploma		2,762	2,999	3,093
Employees with permanent contracts ^(b)		30,571	30,183	31,609
Employees with fixed term contracts ^(b)		750	767	586
Employees with full-time contracts		30,785	30,390	31,612
Employees with part-time contracts ^(c)		536	560	583
Number of new hires with permanent contracts		1,855	1,264	992
Number of terminations of permanent contracts		1,198	1,270	1,312
Local senior managers & middle managers abroad	(%)	16.65	16.70	15.68
Seniority	(years)			
Senior managers		22.78	22.12	22.08
Middle managers		20.00	20.02	20.01
White collars		16.73	17.03	17.02
Blue collars		13.55	13.05	13.05
Presence of women on the Boards of Directors	(%)	29	33	32
Presence of women on the Boards of Statutory Auditors ^(d)		37	39	37
Training hours	(number)	1,362,182	1,169,385	1,111,112
Average hours of training per employee by employee category		43.6	36.9	34.2
Senior managers		51.0	41.7	31.7
Middle managers		42.0	37.2	35.7
White collars		43.9	36.2	34.5
Blue collars		44.3	37.7	31.6
Employees covered by collective bargaining	(%)	83.03	80.89	81.96
Italy		100	100	100
Abroad		40.91	35.33	44.54
Occupational illnesses allegations received	(number)	73	81	120
Employees		9	10	12
Previously employed		64	71	108

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

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

(c) There is a higher percentage of women (7% of total women) on part-time contracts, compared to men who are round 0.2% of total men.

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

Safety



Eni is constantly engaged in research and development for all the necessary actions to be taken to ensure safety at work, in particular in the development of organisational models for risk assessment and management and in the promotion of a culture of safety, in order to pursue its commitment to eliminating the occurrence of incidents. To this end, in 2019, initiatives continued for both Eni and contract staff to spread a culture of safety and in particular to encourage correct and safe behaviours to be implemented in every aspect of life. The “Safety starts @ office” campaign, which followed on from the 2018 “Safety starts @ home” campaign, was launched to promote safety in offices and headquarters starting from the “Safety Golden Rules”¹⁷ (the 10 golden rules for safety at work, which came into force in 2018). The “I Live Safe” initiatives, days dedicated to research and the implementation of practical tools for creating healthy and safe habits, continued at operational sites; this year a modular training course was experimented in the following thematic areas: road safety, home safety and leisure safety with the active involvement of Company representatives.

In the upstream foreign subsidiaries, the “HSE Personal Commitment Program” initiative was implemented; it pursues Eni’s commitments in the field of safety and is aimed at consolidating the leadership and commitment, at all levels, of the management of both Eni and its contractors, in order to spread the culture of safety and engage partners. In particular, as regards the management of contractors at Eni’s industrial sites, in 2019 control activities in the field were further strengthened through the more than 130 members of the Safety Competence Center (SCC)¹⁸, assigned to the coordination and supervision of the safety of work sites and contract works. More than 2,800 companies, accounting for 70% of suppliers with potential HSE criticalities in Italy, are constantly called upon to raise awareness to build their safety culture and are monitored and evaluated through tools set out and implemented by the SCC. Non-conformities found are immediately redressed with corrective actions and good practices are recognized, shared and disseminated. In 2019, work continued on the implementation of SCC tools and methodologies abroad in Pakistan and Tunisia.

Process safety¹⁹ is a fundamental commitment for Eni and it is pursued through the implementation of a specific management system, in line with international standards, and monitored with dedicated audits.

As regards emergency preparedness and response, in addition to continuous drills, particular attention has been paid to natural risk scenarios, consolidating innovative and centralised methods for weather and hydrologic alerts.

The main corporate objectives for safety in 2020 are: (i) the improvement of the Severity Incident Rate (SIR), an internal weighted internal index that measures the level of incident severity and is used in the short-term incentive plan of the CEO and senior managers with strategic responsibilities in order to focus Eni’s commitment on reducing the most serious accidents; (ii) the consolidation of the Safety Culture Program, which monitors the level of proactivity through aspects of preventive safety management; (iii) the definition and dissemination of the 10 Process Safety Fundamentals, the operational rules relevant to process safety; and (iv) the extension to Italian sites of projects that apply new digital technologies to boost safety.

METRICS AND COMMENTS

In 2019, the Total Recordable Injuries Rate (TRIR) of the workforce improved by 3% compared to 2018. The improvement was particularly significant for the employees’ indicator (-44%), while the contractors’ indicator worsened due to the increase in the number of accidents (95 vs. 82 in 2018). There were 3 fatal accidents in the upstream sector: one employee in Italy in March 2019 registered on the Barbara F. platform off the coast of Ancona and two contractors hit by objects in Egypt. The indicator for injuries at work with serious consequences was affected by two injuries to two contractors in Italy (the same event that caused the death of the Eni employee) and an accident in which a contractor suffered a hand injury in Egypt. In Italy, the number of total recordable injuries decreased (37 events vs. 40 in 2018), and the total recordable injury rate (TRIR) improved by 14%; however, the number of accidents abroad increased slightly (77 events vs. 76 in 2018) as did the total recordable injury rate (+2%).

Key Performance Indicators

		2019		2018	2017
		Total	of which fully consolidated entities	Total	Total
TRIR (Total Recordable Injury Rate)	(total recordable injuries/hours worked) x 1,000,000	0.34	0.38	0.35	0.33
Employees		0.21	0.27	0.37	0.30
Contractors		0.39	0.43	0.34	0.34
Number of fatalities as a result of work-related injury	(number)	3	1	4	1
Employees		1	1	0	0
Contractors		2	0	4	1
High-consequence work-related injuries rate (excluding fatalities)	(high-consequence work-related injuries/hours worked) x 1,000,000	0.01	0.01	0.01	0.00
Employees		0.00	0.00	0.00	0.01
Contractors		0.01	0.01	0.01	0.00
Near miss	(number)	1,159	929	1,431	1,550
Worked hours	(million of hours)	334.2	206.3	330.6	306.3
Employees		92.1	56.1	91.6	93.1
Contractors		242.1	150.2	239.0	213.3

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

(18) Eni Center of Excellence on Safety, which supports Eni’s industrial sites in Italy and abroad in the coordination and supervision of contract works.

(19) Process Safety aims at preventing and controlling, throughout the life cycle of its assets, uncontrolled releases of hazardous substances that can become major accidents, protecting the safety of people, environment, productivity, Company assets and reputation.



Respect for the environment



Eni operates in very different geographical contexts, which require specific assessments of the environmental aspects, and is committed to strengthening control and monitoring of its activities in order to mitigate their impacts on the environment by adopting constantly up-to-date international technical and management good practices and Best Available Technology. Particular attention is paid to the efficient use of natural resources, like water; to reducing operational oil spills and oil spills caused by sabotage; to managing waste through process traceability and control of the entire supply chain; to managing the interaction with biodiversity and ecosystem services, from the first exploration stages up to the end of the project cycle.

In this scenario, the transition to a **circular economy** is, for Eni, one of the main answers to the current environmental challenges, offering, as an alternative to the traditional linear economy model, a regenerative approach based on industrial synergy and symbiosis, associated with a revision, through ecodesign, of the Company's production processes and of the management of its assets by reducing the exploitation of natural resources and increasing the use of materials from renewable sources (or from production scraps), by reducing and enhancing scraps (waste, emissions, discharges) through recycling or recovery actions, and by extending the useful life of products and assets through reuse or reconversion actions. In this regard, since 2017 Eni has been carrying out site-specific circularity analyses to identify elements of circularity and improvement measures: in 2019, Eni carried out analyses at the multi-company sites of Bolgiano and Brindisi, at the Taranto refinery and at the Rho depot. Interventions have therefore been identified, some of which are already being implemented and others are in the process of further investigation, both within the site (such as energy or water efficiency or waste recovery) and through integration and exchange with the surrounding area.

Eni promotes **efficient water management** through water risk mitigation actions, especially in water-stressed areas, where initiatives to reduce fresh water withdrawals and projects in the upstream sector to give access to water are still ongoing in 2019. In Italy, Eni is committed to increasing, over the period of the four-year plan, the amount of groundwater reclaimed and reused for civil or industrial purposes, to launching initiatives and assessments for the use of poor quality water (waste water or water from polluted groundwater, as well as rainwater and desalinated sea water) replacing fresh water, and reducing the water use in production. At the Val d'Agri Oil Centre (COVA) the detailed executive design of the Mini Blue Water process was completed; it offers a treatment capacity of about 70 m³/h, based on a proprietary technology. The authorization process for the construction of the plant is currently underway. Blue Water consists in an innovative process for the treatment water used in production, which allows its reuse for industrial purposes. Only a small proportion of Eni's water withdrawals comes from fresh-water sources (about 8%). The analysis of river basin stress levels^[20] and in-depth studies carried

out at local level have shown that freshwater from water-stressed areas account for less than 2% of Eni's total water withdrawals. In April 2019, Eni was the first company in the Oil & Gas sector to join the CEO Water Mandate, a special United Nations initiative, committing itself to improve the water resource management in all its aspects, both in operations and with reference to the use of innovative technologies, integration with the territory and transparency. With specific regard to transparency, also in 2019 Eni made public its answers to the CDP Water Security questionnaire, obtaining a score of A-, which was obtained by only two other Oil & Gas companies in the world.

As regards the **management of the risk of oil spills**, Eni is committed to covering each and every aspect of its management, from preparedness to prevention and mitigation, in line with international best practices. As part of preparedness, i.e., to ensure the quality/speed/effectiveness of intervention in the entire pipeline network in Italy, a hazard analysis of natural events such as landslides and river flooding, has been started. The objective is to identify, also using the results of the socio-environmental sensitivity analyses, the critical sections and the related priorities for defence interventions.

In 2019, the coating with resin/replacement of single-wall underground tanks continued in the retail sector in Italy and will be completed in 2020. In addition, in Egypt (JV Agiba), Eni started a program of interventions to replace some piping and production line sections, while in Nigeria, the installation of the e-vpms® (Eni Vibroacoustic Pipeline Monitoring System - Proprietary Patent) instrument continued. In 2019, the experimental installation of the TPI (Third Party Intrusion) system, an extension of the e-vpms® instrument to two pipelines of the Italian downstream pipeline, was started and completed, with the aim of detecting sabotage attempts and thus making it possible to take action before a break-in takes place. Testing of this system will continue in 2020 and, in the event of positive results, it will be extended to other finished product pipelines in Italy and subsequently in other Countries.

Eni's commitment to Biodiversity and Ecosystem Services (BES) is an integral part of the Integrated HSE Management System, confirming its awareness of the risks for the natural environment resulting from its sites and activities. Operating on a global scale in environmental contexts with different ecological sensitivities and regulatory systems, Eni manages BES through a specific management model that has evolved over time thanks also to long-term collaborations with recognised international organizations that are leaders in biodiversity conservation. Eni's BES management model^[21] is aligned with the strategic objectives of the Convention on Biological Diversity (CBD)^[22] and ensures that the interactions between environmental and social aspects are correctly identified and managed from the earliest project stages. Eni's biodiversity risk exposure is periodically assessed by mapping the geographical proximity to protected areas and areas important for biodiversity conservation. This mapping allows

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

[21] Eni's BES management model is described in detail in the BES Policy published on the Eni website https://www.eni.com/docs/en_IT/enicom/sustainability/Eni-Biodiversity-and-Ecosystem-Services-Policy.pdf.

[22] Rio de Janeiro, 1992.

identifying priority sites where to take action with more detailed surveys to characterize the operational and environmental context and assess potential impacts to be mitigated through Action Plans, thus ensuring effective management of risk exposure. Moreover, in October 2019, Eni communicated the formal commitment not to conduct oil and gas exploration and development activities within the boundaries of Natural Sites included in the UNESCO World Heritage List²³. This commitment confirms the policy that Eni has been following for some time in its operations, in line with the new corporate mission, and reaffirms both its approach to nature conservation in every area with a high biodiversity value and the spread of good management practices in joint ventures where Eni is not an operator.

METRICS AND COMMENTS

In 2019, seawater withdrawals dropped by 12% as a result of a decrease of over 93 million cubic metres at the Gela refinery²⁴ and of reductions recorded at the Priolo, Brindisi and Porto Marghera petrochemical plants for maintenance stops (reduction in withdrawals of over 56 million cubic metres in total). The decline in seawater withdrawals was also affected by the cessation of the activities of LNG Shipping's vessels (which contributed with over 60 million cubic metres in 2018). Fresh water withdrawals, more than 76% of which can be attributed to the R&M&C sector, increased by 10%, due to the set-up that the Mantua petrochemical plant had to use during the shutdown for the maintenance of the cooling towers and the tests on the fire-fighting systems at the Sannazzaro refinery. The percentage of freshwater reuse at Eni has risen to 89%. In the E&P sector, the percentage of production water re-injected stood at 58%, down from 2018 due to maintenance work in Nigeria (Ebocha) and technical issues in Congo (Zatchi and Loango). The number of barrels spilled as a result of operational oil spills was more than halved compared to 2018, particularly in Italy and Nigeria (in the latter Country through structural interventions such as preventive maintenance or revision of the integrated anti-corrosion plan and replacement of pipeline sections crossing rivers or canals). The two most significant events were recorded in Egypt (200 barrels spilled following the tipping of a truck during a manoeuvre) and Nigeria (198 barrels spilled due to overfilling of a tank). As regards to sabotage events, in 2019 there was an increase in both the number and quantity of spills; all the events concerned upstream activities in Nigeria, where the increase in spills could be partly linked to heightened social tensions due to the general elections. Barrels spilled as a result of chemical spills are down considerably and are mainly attributable to upstream activities in the UK and USA. Waste from production activities generated by Eni in

2019 decreased by 15% from 2018, due in particular to the contribution of non-hazardous waste (78% of the total), while hazardous waste recorded an increase. The decrease in non-hazardous waste was recorded mainly in the E&P sector, thanks to the reduction in waste from the development of the Zohr project in Egypt and the lower production of onshore aquifer water in the Central-Northern District disposed of as waste. The increase in hazardous waste, on the other hand, was the result of drilling campaigns in Nigeria, Kazakhstan, Angola and Pakistan. The share of recovered and recycled waste was 7% of total disposed waste²⁵, down from 2018, when the Zohr project ramp-up generated large quantities of recovered waste. In 2019, a total of 4.1 million tonnes of waste was generated by reclamation activities (of which 3.9 million tonnes by Eni Rewind), of which about 66% was groundwater. In 2019, €367 million was spent on reclamation activities. Emissions of pollutants into the atmosphere are decreasing, except for NMVOC emissions, which increased by 4% compared to 2018, particularly in the upstream sector where the gas composition of the Bouri field in Libya was updated, resulting in an increase in the percentage of non-methane compounds sent to the torch.

In 2019, Eni extended the assessment of exposure to biodiversity risk to the R&M, Versalis and EniPower operational sites, in addition to concessions under development or exploitation in the upstream sector, in order to identify where Eni's activities fall, even only partially, within protected areas²⁶ or key biodiversity areas (KBAs²⁷). An analysis of the mapping of the R&M, Versalis and EniPower operational sites showed that there is overlap, even partial, with protected areas or KBAs at 11 sites, all located in Italy; another 15 sites in 6 Countries (Italy, Austria, Hungary, France, Germany and the United Kingdom) border with protected areas or KBAs, i.e., located at a distance of less than 1 km. As regards the upstream sector, 75 concessions overlap partially with protected areas or KBAs (17 more than in 2018), but of these only 31 concessions (4 more than in 2018) located in 6 Countries (Italy, Nigeria, Pakistan, Alaska, Egypt and the United Kingdom) have operations in the overlapping area. The increase in the number of concessions compared to last year is due to the acquisition of fields already in production in the Beaufort Sea near the coast of Alaska. In general, for all the business lines, the greatest exposure in Italy is to the protected areas of the Natura 2000 Network²⁸, which is widespread across the Country. In no case, in Italy or abroad, there is any overlapping of operational activities with natural sites belonging to the UNESCO (WHS²⁹); only one upstream site³⁰ is located near a WHS natural site (Mount Etna) but there are no operational activities within this protected area.

[23] Natural Sites included in the UNESCO World Heritage List as of May 31, 2019. For further details see Eni.com: <https://www.eni.com/en-IT/media/press-release/2019/10/eni-makes-no-go-commitment-for-unesco-natural-world-heritage-sites.html>.

[24] The system for conveying the cooling water to the user plants was modified with the creation of a closed circuit network and resizing of the seawater lifting pump, adapting its flow rate to the actual use.

[25] Specifically, in 2019, 10% of hazardous waste disposed of by Eni was recovered/recycled, 8% was subjected to chemical/physical/biological treatment, 19% was incinerated, 1% was disposed of in waste dumps and the remaining 62% was sent for other types of disposal (including transfer to temporary storage plants prior to final disposal). With regard to non-hazardous waste, 6% was recovered/recycled, 1% was subjected to chemical/ physical/biological treatment, 6% was disposed of in waste dumps and the remaining 87% was sent for other types of disposal (including transfer to temporary storage plants prior to final disposal and incineration of small quantity).

[26] Source: World Database of Protected Areas, analysis carried out in December 2019.

[27] Source: World Database of Key Biodiversity Areas, analysis carried out in December 2019. KBAs (Key Biodiversity Areas) are sites that contribute significantly to the global persistence of biodiversity, on land, in freshwater or in the seas. These are identified through national processes by local stakeholders using a set of globally agreed scientific criteria. The KBAs analysed consist of two subsets: 1) Important Bird and Biodiversity Areas; 2) Alliance for Zero Extinction Sites.

[28] Natura 2000 is the main tool of European Union policy for biodiversity conservation. It is an ecological network spread in the territory of the European Union, established under Directive 79/409/EEC of 2 April 1979 on the conservation of wild birds and Directive 92/43/EEC "Habitat".

[29] WHS, World Heritage Site.

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

Key Performance Indicators

		2019		2018	2017
		Total	of which fully consolidated entities	Total	Total
Total water withdrawals	(Million m ³)	1,597	1,549	1,776	1,786
of which sea water		1,451	1,433	1,640	1,650
of which freshwater		128	114	117	119
of which freshwater from superficial water bodies		90	81	81	79
of which freshwater from subsoil		20	16	19	20
of which freshwater from urban net or tanker		8	7	6	10
of which polluted groundwater treated at TAF ^(a) plants and used in the production cycle		3	3	4	4
of which freshwater withdrawal from other streams		7	7	7	6
of which brackish water from subsoil or superficial water bodies		18	2	19	16
Fresh water reused	(%)	89	90	87	86
Re-injected production water		58	54	60	59
Operational oil spills					
Total number of oil spills (> 1 barrel)	(number)	68	34	72	55
Volumes of oil spills (> 1 barrel)	(barrels)	1,036	422	2,665	3,323
Oil spills due to sabotage (including theft) ^(b)					
Total number of oil spills (> 1 barrel)	(number)	138	138	101	102
Volumes of oil spills (> 1 barrel)	(barrels)	6,222	6,222	4,022	3,236
Chemical spills					
Total number of oil spills	(number)	21	21	34	17
Volumes of oil spills	(barrels)	4	4	61	63
Total waste from production activities	(million of tonnes)	2.2	1.8	2.6	1.4
of which hazardous waste		0.5	0.4	0.3	0.7
of which non-hazardous waste		1.7	1.4	2.3	0.7
NO _x (nitrogen oxides) emissions	(ktonnes NO ₂ eq)	52.0	30.5	53.1	55.6
SO _x (sulphur oxides) emissions	(ktonnes SO ₂ eq)	15.2	4.8	16.5	8.4
NM VOC (Non Methan Volatile Organic Compounds) emissions	(ktonnes)	24.1	13.5	23.1	21.5
TSP (Total Suspended Particulate) emissions		1.4	0.7	1.5	1.5

(a) TAF: groundwater treatment facilities.

(b) The 2018 figure was updated following the closure of some investigations after the publication of the 2018 NFI. This circumstance could also occur for the 2019 data.

Number of Protected areas and KBAs in overlapping with R&M, Versalis, EniPower operational sites and UPS concessions -2019^(a)

		R&M, Versalis, EniPower Operational sites		UPS Concessions
		Overlapping with operational sites	Adjacent to operational sites (<1km) ^(b)	With operating activities in the overlapping area
ENI Operational sites/ Concessions ^(c)	(number)	11	15	31
UNESCO World Heritage Natural Sites	(number)	0	0	0
Natura 2000		5	21	15
IUCN ^(d)		4	11	3
Ramsar ^(e)		0	3	2
Other Protected Areas		2	3	12
KBAs		6	11	13

(a) The reporting boundary, in addition to fully consolidated entities, includes also 4 UPS concessions belonging to operated companies in Egypt and 1 coastal deposit of R&M, belonging to an operated company.

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

(c) An Eni operational site / concession may result in overlap/ adjacent to more protected areas or KBAs.

(d) Protected areas to which a IUCN (International Union for Conservation of Nature) management category is assigned.

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

Human rights



Eni is committed to conducting its activities with respect for human rights and expects its Business Partners to do the same in carrying out the assigned activities or those done in collaboration with and/or on behalf of Eni. This commitment, based on the dignity of each human being and on the responsibility of the Company to contribute to the well-being of individuals and communities in the Countries in which it operates, is set out in the Eni's Statement on Respect for Human Rights approved in December 2018 by the Eni Board of Directors. The document highlights the priority areas on which this commitment is focused and on which Eni exercises in-depth due diligence, according to an approach developed in line with the United Nations Guiding Principles on Business and Human Rights (UNGPs) and pursuing continuous improvement. Eni has consolidated this commitment in a dedicated report, Eni for Human Rights, published for the first time in December 2019³¹.

Human rights is one of the areas in which the Sustainability and Scenario Committee (SSC) performs consultative and advisory functions for the BoD. In 2019, the SSC further expanded the activities carried out during the year and analysed the result achieved in the third edition of the Corporate Human Rights Benchmark (CHRB), in which Eni is among the companies that recorded the greatest increase in their score compared to the first edition, confirming its standing as best performer in the section "Company Human Rights Practices."

In 2019, Eni's CEO confirmed the Company's commitment to the topic, both by signing the "CEO Guide to Human Rights" of the WBCSD [World Business Council for Sustainable Development], which includes a statement on the importance of the respect for human rights and improving Eni's business and human rights standards, and by participating in a video interview for the WBCSD³² campaign to launch this guide.

With regard to training, following on with the internal human rights awareness process launched in 2016, specific e-learning courses dedicated to the functions most involved were provided in 2019 in order to create a common and shared language and culture on human rights throughout the Company and to improve the understanding of the possible impacts of the business on human rights.

In 2019, the actions set out by the Working Group launched in 2017 in the multi-year plan identifying the main areas for improvement and illustrating the actions necessary for the continuous progress of performance were also completed. These actions, associated with the 4 macro areas in which Eni's so-called "Salient Issues"³³ are grouped together, i.e., human rights (i) **in the workplace**³⁴, (ii) in the community, (iii) in the supply chain and (iv) in security operations, have been incorporated into specific managerial objectives directly linked to human rights performances, assigned to all the 18 top managers who report directly to the CEO.

Eni is committed to preventing possible negative impacts on the **human rights of individuals and host communities resulting from the implementation of industrial projects**. To this end, in 2018 Eni adopted a risk-based model that makes use of several elements related to the reference context, such as Verisk Maplecroft, in order to classify upstream business projects according to potential human rights risks and to identify appropriate management measures. According to this approach, higher risk projects are specifically investigated through the dedicated "Human Rights Impact Assessment" (HRIA). In 2019, an HRIA study, with the support of the Danish Institute for Human Rights, was carried out in Mexico on the development project launched in Area 1 of the offshore shallow waters of the Gulf of Mexico. In Mozambique and Angola, also in 2019 the Action Plan relating to two human rights analyses carried out in 2018 was finalised (and the related Reports issued during the year), and two further analyses of new areas were carried out.

In 2019, an in-depth assessment was also carried out for downstream activities, aimed at identifying the most relevant human rights issues in Refining & Marketing processes, following which a specific action plan was prepared.

The promotion and protection of **human rights in the supply chain** is ensured through assessment activities and the application of criteria based on international standards, such as SA 8000 standards. In 2019, 9 suppliers were assessed, of which 1 from Ecuador, 3 from Vietnam, 1 from Mexico and 4 from Tunisia. Eni is also committed to disseminating a code of conduct for suppliers, which reaffirms the importance of respecting the key principles of sustainability in the supply chain. Further actions to counter modern forms of slavery and human trafficking and to prevent the exploitation of minerals associated with human rights violations in the supply chain are discussed respectively in the "Slavery and Human Trafficking Statement"³⁵ and in the "Eni's position on conflict minerals"³⁶.

Eni manages its **security operations** in accordance with international principles, including the Voluntary Principles on Security & Human Rights. In line with its commitment, Eni has designed a coherent set of rules and tools to ensure that: (i) contractual terms comprise provisions on the respect for human rights; (ii) the suppliers of security forces are selected according to human rights criteria; (iii) security operators and supervisors receive adequate training on the respect for human rights; and (iv) the events considered most at risk are managed in accordance with international standards. In addition, Eni is developing a human rights due diligence process aimed at identifying the risk of negative impact on human rights due to security activities and evaluating the use of possible preventive and/or mitigation measures.

As a complement to all the actions taken to ensure respect for human rights, since 2006 an Eni procedure has been in place,

[31] See: <https://www.eni.com/assets/documents/eni-for-human-rights.pdf>.

[32] See: https://www.youtube.com/watch?v=xFgmRtYHn4s&feature=emb_logo

[33] The salient issues are the main issues identified at Eni on Human Rights.

[34] See the section "People" on pages 116-118.

[35] In accordance with the UK Modern Slavery Act 2015.

[36] In accordance with US SEC regulations.

also included in the Anti-Corruption Regulatory Instruments, which regulates the process for receiving, analysing and processing any whistleblowing reports sent by or transmitted from stakeholders, even confidentially or anonymously, including employees, stakeholders, Eni's people or third parties.

METRICS AND COMMENTS

In 2019, the Human Rights training programme continued both with specific training modules and awareness campaigns made available online to all employees (Security and Human Rights, Human Rights and relations with Communities, Human Rights in the Workplace and Human rights in the Supply Chain). In addition, new training campaigns for the entire Eni population were launched in 2019: "Stakeholder Sustainability, Reporting and Human Rights" and "SDGs".

The issue of human rights & security is also regularly addressed in all training courses for security personnel, including the workshops dedicated to newly appointed Security Officers, of which a third edition was held in 2019. In 2019, the e-learning course "Security & Human Rights" was also provided, aimed both at new people joining the Security Function and resources who had not yet completed the course. E-learning was delivered in three languages (Italian, English and French) in order to increase fruition. Thanks also to the courses mentioned above, the staff

belonging to the Security professional area trained in human rights reached 92%.

In addition, since 2009 Eni has been conducting a training program for public and private security forces at its subsidiaries, which was recognized as a best practice in the 2013 joint publication Global Compact and Principles for Responsible Investment (PRI) of the United Nations. In 2019, the training session was held in Pakistan and Nigeria and was addressed to the Public and Private Security Forces, which provide their services at Eni's management and operational sites.

With regard to whistleblowing reports, in 2019 investigations were completed on 74 files³⁷, of which 20³⁸ included human rights aspects, mainly concerning potential impacts on workers' rights. Among these, 26 assertions were verified with the following results: for 7 of them, the reported facts were confirmed, at least in part, and corrective actions were taken to mitigate and/or minimise their impact, including: (i) actions on the Internal Control and Risk Management System, relating to the implementation and strengthening of controls in place, and training activities for employees; (ii) actions for suppliers and (iii) actions against employees, including disciplinary measures, in accordance with the 231 Model, the collective labour agreement and other national laws applicable. At the end of the year, 15 files were still open, 8 of which referred to human rights aspects, in particular potential impacts on workers' rights.

Key Performance Indicators

		2019	2018	2017
Hours of training on human rights	(number)	25,845	10,653	7,805
In class		108	164	52
Distance		25,737	10,489	7,753
Employees trained on human rights ^(a)	(%)	97	91	74
Security personnel trained on human rights ^(b)	(number)	696	73	308
Security personnel (professional area) trained on human rights ^(c)	(%)	92	96	88
Security contracts containing clauses on human rights		97	90	88
Whistleblowing reports (assertions) on human rights violations closed during the year ^(d) , of which:	(number)	20 (26)	31 (34)	29 (32)
Founded reports (assertions)		7	9	3
Unfounded reports (assertions), with the adoption of corrective/improvement measures		8	9	9
Unfounded/Not applicable ^(e) (assertions)		11	16	20

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

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

(c) This data is a percentage of a cumulated value. The change compared to 2018 (96%) is due to a change in the scope of consolidation, due to the inclusion of new resources to be trained and the exit of resources already trained.

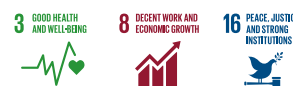
(d) 2017 data includes 1 report with 1 unfounded/not applicable assertion related to not fully consolidated entities.

(e) Classification introduced in 2019. They are classified as such whistleblowing/assertions in which the facts reported: (i) contain facts already covered in past specific investigations; (ii) that do not qualify as Verifiable Detailed Reports as it is not possible to start the investigation phase; (iii) Verifiable Detailed Reports for which, in light of the outcome of preliminary checks, it not being considered necessary to start the next investigation phase referred.

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

[38] All relating to fully consolidated entities.

Suppliers



Eni adopts qualification and selection criteria for suppliers to assess their capacity to meet Company standards in terms of ethical reliability, health, safety, environmental protection and human rights. Eni meets this commitment by promoting its own values with its suppliers and involving them in the risk prevention process. For this purpose, as part of its procurement process, Eni: (i) subjects all its suppliers to a qualification and due diligence process to check their professionalism, technical capacity, ethical, economic and financial reliability and to minimize the inherent risks of operating with third parties; (ii) requires from all its suppliers a formal commitment to respect the principles in its Code of Ethics (such as protection and promotion of human rights³⁹, high standards of safety at work, environmental protection, anti-corruption, compliance with laws and regulations, ethical integrity and correctness in relations, respect for antitrust laws and fair competition); (iii) monitors observance of this commitment, to ensure the maintenance by Eni suppliers of the qualification requirements over time; (iv) if criticalities emerge, requires the implementation of improvement actions in their operating models or, if they fail to satisfy the minimum standards of acceptability, limits or inhibits their access to tenders.

METRICS AND COMMENTS

During 2019, about 6,000 suppliers (including all the new ones) were subject to checks and assessment with reference

to environmental and social sustainability aspects (e.g., health, safety, environment, human rights, anti-corruption and compliance). This figure is significantly higher than the previous year as a result of the inclusion of data relating to two additional foreign subsidiaries (Eni US and Eni Angola) and to improvements in the reporting system, which also made it possible to fully take into account the update of expired qualifications. For 15% of these suppliers, potential criticalities and/or possible areas for improvement were identified; in 89% of cases these were not serious enough to compromise the possibility of working with them, while for the remaining 11% of suppliers checked, the criticalities revealed led to the temporary suspension of relations with Eni. In 2019, critical issues and/or areas for improvement were identified for 898 suppliers, and 96 of them received a negative score during the qualification phase or were subject to a new preventive measure (state of attention with clearance, suspension or revocation of qualification) or a confirmation of the pre-existing preventive measure, issued by Eni often as a precaution even towards suppliers not directly contracted. The identified criticalities (resulting in the request for the implementation of improvement plans) during the qualification process or Human Rights assessment are related to HSE issues or violations of Human Rights, such as health and safety regulations, violation of the code of ethics, corruption, environmental crimes.

Key Performance Indicators

		2019	2018	2017
Suppliers subjected to assessment regarding social responsibility aspects	(number)	5,906	5,184	5,055
of which: suppliers with criticalities/areas for improvement		898	1,008	1,248
of which: suppliers with whom Eni has terminated the relations		96	95	65
New suppliers that were screened using social criteria	(%)	100	100	100

[39] A video is available on Eni's supplier portal in which 4 Eni testimonials illustrate the main contents of the Eni Statement on Respect for Human Rights [for more details see: https://esupplier.eni.com/PFU_en_US/formazioneiniziative.page].

Transparency and anti-corruption



Eni takes part in the Global Compact, which encourages member companies to align their activities with ten universally recognized principles in terms of human rights, labour, the environment, transparency, and anti-corruption and to contribute to the achievement of the SDGs. As proof of its continued commitment to the United Nations Principles for Responsible Business, in 2019, Eni was confirmed at the Global Compact (GC) LEAD and recognised as one of the most active participants in this initiative on Corporate Sustainability.

The GC principles are reflected in Eni's Code of Ethics; in particular, the repudiation of corruption is one of the core principles of Eni's Code of Ethics, which is distributed to all employees in the recruitment phase, and of Model 231. Moreover, since 2009, Eni has designed and developed the Anti-Corruption Compliance Program, in compliance with the applicable provisions in force and international conventions and taking into account guidance and best practices, as well as the policies adopted by leading international organizations. It is an organic system of rules and controls to prevent corrupt practices. All Eni's subsidiaries, in Italy and abroad, are required to adopt, by resolution of their own Board of Directors⁴⁰, both the Management System Guideline (MSG)⁴¹ and all the other anti-corruption regulatory instruments issued by Eni SpA.

Eni's Anti-Corruption Compliance Program has evolved over the years with the aim of continuous improvement; in January 2017, Eni SpA was the first Italian company to achieve the ISO 37001:2016 "Antibribery Management Systems" certification. In order to maintain this certification, Eni SpA is subject to annual surveillance audits by the certifying body and the first recertification audit was successfully completed in December 2019.

To guarantee the effectiveness of Eni's Anti-Corruption Compliance Program, in 2010 the anti-corruption unit was formed. It is tasked with providing specialist support to business lines and subsidiaries in Italy and abroad in the assessment of the reliability of at-risk partners (so-called due diligence) and in drawing up the related contractual controls in areas at risk of corruption. In particular, specific anti-corruption clauses are included in contracts with partners, which provide, inter alia, for a commitment to view and abide by the principles contained in Eni's Anti-Corruption MSG. The anti-corruption unit also implements an anti-corruption training program, both through e-learning and with classroom events, general workshops and job specific training. The workshops offer an overview of the anti-corruption laws applicable to Eni, the risks that could result from their infringement for natural and legal persons and the Anti-Corruption Compliance Program adopted to address these risks. Generally the workshops are accompanied by job specific training, or training for professional areas particularly at risk in terms of corruption. In order to optimize the identification

of the recipients of the various training initiatives, a methodology has been defined for the systematic segmentation of Eni's people based on the level of corruption risk according to specific risk drivers such as Country, qualification, and professional family. The methodology was rolled out in March 2019.

The anti-corruption unit also submits a periodic report on the activities of the anti-corruption compliance function and quarterly reports summarising the regulatory instruments issued during the period to the control bodies and the Chief Financial Officer of Eni SpA⁴².

In addition, in 2019, the anti-corruption unit continued the anti-corruption training program, both online and in the classroom, for some categories of Eni partners. The aim of this program is to raise awareness among third parties about corruption and in particular on how to recognise corrupt behaviour and to prevent the violation of anti-corruption laws in their professional activity.

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

True to its commitment to better governance and greater transparency in the extraction sector, which is crucial to foster a proper use of resources and prevent corruption, Eni takes part in the Extractive Industries Transparency Initiative (EITI) since 2005⁴³. In this context, Eni actively participates both at local level, through the Multi-Stakeholder Groups in the member Countries, and in the Board's initiatives at international level.

Finally, Eni publishes an annual "Report on payments to governments" from 2015 on a voluntary basis and, as of 2017, in compliance with the reporting requirements introduced by EU Directive 2013/34 (Accounting Directive). In addition, in compliance with Italian Law No. 208/2015, Eni draws up the "Country-by-Country Report" required by Action 13 of the "Base erosion and profit shifting - BEPS" project⁴⁴. Again with a view to promoting fiscal transparency, this report is published by Eni although there is no regulatory obligation to do so.

METRICS AND COMMENTS

During 2019, 27 audits were carried out in 20 Countries, with anti-corruption checks that confirmed the overall adequacy and effective operation of the Anti-Corruption Compliance Program. In 2019, a new online training campaign on anti-corruption issues was launched for the entire Company population. In particular,

[40] Or alternatively the equivalent body depending on the governance of the subsidiary.

[41] The MSGs are common guidelines for all Eni units for the management of operating and business support processes and cross-cutting compliance and governance processes.

[42] In 2017, a board induction was carried out for the Board of Statutory Auditors and new directors on the integrated compliance and Internal Audit processes, with a focus on whistleblowing reports and additional checks on anti-corruption regulatory instruments.

[43] Global initiative to promote responsible and transparent use of the financial resources generated in the extraction sector.

[44] The BEPS is the action plan drawn up by the G20 and the OECD which sets out internationally transparent and shared rules on tax matters in order to combat tax base erosion and profit shifting strategies by multinational enterprises. The plan is divided into 15 Actions of which #13 (Transfer Pricing Documentation and Country-by-Country reporting) provides for the drafting of the Country by Country Report which collects aggregated data on turnover, profits and taxes with reference to the jurisdictions in which a company conducts business.

in 2019, 23,347 employees were trained, of whom 59% were resources in medium/high corruption risk context. As part of its commitment in the EITI, Eni follows its international activities and, in the member Countries, it contributes annually to drafting the Reports; as a member, moreover, it participates

in the activities of the Multi Stakeholder Group in Congo, Ghana, East Timor, and the United Kingdom. In Kazakhstan, Indonesia, Mozambique, Nigeria and Mexico, Eni's subsidiaries interface with EITI's local Multi Stakeholder Groups through trade associations in the Countries.

Key Performance Indicators

		2019		2018	2017
		Total	of which fully consolidated entities	Total	Total
Audit actions on risk of corruption activities ^(a)	(number)	27	27	32	36
E-learning for resources in medium/high corruption risk context	(number of participants)	13,886	13,564	951	493
E-learning for resources in low corruption risk context		9,461	9,179	1,950	1,857
General Workshops		1,237	1,211	1,765	1,434
Job specific training		1,108	1,090	1,461	1,539
Countries where Eni supports EITI's local Multi Stakeholder Groups	(number)	9	9	8	9

(a) 2017 and 2018 data refer to fully consolidated entities only.

ALLIANCES FOR THE PROMOTION OF LOCAL DEVELOPMENT

In the new Company mission, Eni has charted out even more clearly the path it has been following for several years now to address global challenges, to contribute to the achievement of the SDGs and to create long-term value in the Countries where it operates through business activities that aim to increase access to energy resources while contributing to socio-economic development. In this regard, Eni invests in the construction of infrastructure for the production and transport of gas for both export and domestic consumption, recognizing that the fight against energy poverty is the first step to meeting basic needs related to education, health and economic diversification. These areas are part of an integrated business cooperation model, named dual flag, that is a distinctive feature of Eni and supports Countries in achieving their development goals. The analysis of the local socio-economic context, which accompanies the various business planning phases in an increasingly in-depth manner, allows Eni to know the needs of the people living in the areas where it operates and therefore identify the sectors of intervention and possible solutions that are translated into objectives in the four-year Strategic Plan. Therefore, Eni integrates sustainability from the moment the licenses are acquired, through the development of business projects, to decommissioning by adopting tools and methodologies, consistent with the main international standards, in order to ensure greater efficiency and a systematic approach to decision-making. In this way, business activities go hand in hand, from the very first stages of negotiations with governments, with those supporting the basic



needs of local populations. These activities, which are set out in specific Local Development Programmes (LDPs) in line with the UN Agenda 2030 and with the Nationally Determined Contributions (NDCs⁴⁵), provide for five lines of action:

- **Local Content:** generation of added value through the transfer of skills and know-how, activation of labour along the local supply chain and the launch of development projects;
- **Land management:** optimal land management starting from the assessment of the impacts deriving from the acquisition of land on which Eni's activities are carried out in order to find possible alternatives and mitigation measures; Eni undertakes to evaluate possible project alternatives with the aim of minimising the consequences for local communities;
- **Stakeholder engagement:** enhancement of the relationship with stakeholders based on the sharing of values, mutual understanding and attention;
- **Human Rights Impact Assessment:** assessment of the impacts, whether potential or actual, on human rights caused by Eni's activities, either directly or indirectly, and determination of related prevention or mitigation measures, including through "human rights due diligence", in line with the guiding principles of the United Nations Guiding Principles (UNGPs);
- **Local development projects:** contribution to the socio-economic development of local communities, in accordance with national legislation and development plans, also based on the knowledge acquired.

[45] Presented at the Paris COP21.

Local Development Programs (LDPs) also aim to contribute to the improvement of access to off-grid energy and clean cooking technologies, economic diversification (e.g., agricultural projects, micro-credit, infrastructure interventions), education and vocational training, forest protection and conservation and land preservation, access to water and sanitation, and improvement of health services for communities.

The initiatives carried out in the Countries where Eni operates are based on an integrated approach through partnerships which, by pooling economic, human and knowledge resources, make it possible to maximise results. Examples of this approach are the agreements signed with the governments of Angola, Mexico and Mozambique, a symbol of a model that integrates local development, renewable energy, health and hydrocarbon exploration, as well as the partnership signed in 2019 with the United Nations Industrial Development Organization (UNIDO) for the improvement of youth employment, the enhancement of the agriculture value chains, renewable energy and energy efficiency, particularly in Africa. Collaborations like these are part of Eni's long-term development strategy.

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

- Analysis tools to better understand the reference context and properly address local development projects (e.g., Context analysis, Human Rights Impact Assessment - HRIA);
- Management tools to map the relationship with stakeholders and monitor the progress of projects and the results achieved (e.g., Stakeholder Management System - SMS, Logical Framework Approach - LFA, Monitoring, Evaluation and Learning - MEL);

- Impact assessment tools, useful to quantify the benefits generated by Eni in the context of business operations and through the cooperation model (e.g., Eni Local Content Evaluation - ELCE, Eni Impact Tool⁴⁶);
- Analyses to measure the percentage spent on local suppliers at some relevant foreign upstream subsidiaries, which in 2019 amounted to about 35%.

METRICS AND COMMENTS

In 2019, investments in local development amounted to approximately €95.3 million⁴⁷ (Eni's share), of which approximately 98% in the upstream sector. In Asia, approximately €28.1 million was spent, mainly on economic diversification, in particular for the maintenance of road infrastructure (bridges and roads). In Africa a total of €53.3 million was spent, of which €48.6 million was on Sub-Saharan Africa, mainly in the area of road infrastructure maintenance and the construction of school infrastructure. Overall, about €43.4 million was invested in infrastructure development activities, of which €20.8 million in Africa and €21.2 million in Asia. In the field of health, in 2019, in order to assess the potential impact of projects on the health of the communities involved, Eni completed 14 HIA (Health Impact Assessment) studies, of which 9 were integrated ESHIA studies (Environmental, Social and Health Impact Assessment). In addition, 1 comprehensive Human Rights Impact Assessment (HRIA) and 2 additional human rights studies were carried out on new projects⁴⁸. In 2019, 253 grievances⁴⁹ were received, the main topics being local labour, land management and energy development and access projects.

Key Performance Indicators

	2019		2018	2017
	Total	of which fully consolidated entities	Total	Total
(€ million)				
Local development investment	95.3	73.6	94.8	70.7
of which: infrastructure	43.4	43.3	32.4	22.1

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

[47] The figure includes expenses for resettlement activities which in 2019 amounted to €18.6 million, of which: €18.1 million in Mozambique, €0.4 million in Ghana and €0.1 million in Kazakhstan.

[48] See the section "Human rights" on pages 123-124 for more information.

[49] Complaints made by an individual or a group of individuals relating to actual or perceived impacts caused by the Company's operational activities.

SUSTAINABILITY MATERIAL TOPICS

Each year, to identify non-financial content for the Strategic Plan and sustainability report, the materiality analysis is updated. The material aspects include the priority topics to all of Eni's relevant stakeholders, whether external or internal, and identify the key challenges and opportunities of the entire cycle of activities for creating value in the long term.

Identification of relevant aspects

The stances of relevant stakeholders are mapped both through a dedicated platform (Stakeholder Management System - SMS), that supports the management of local stakeholders, and through interviews with the departments responsible for managing relationships on an ongoing basis throughout the year. In addition, the main ESG risks identified through the integrated risk management model and the results of the scenario analyses carried out by Eni were also considered in determining the relevant aspects.

Analysis of internal and external priorities

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

- of the relevance of the stakeholders and their stances;
- of the main ESG risks resulting from the Integrated Risk Management (IRM) process, which also takes into account the evidences provided by external providers, including RepRisk⁵⁰. These risks are assessed considering also potential environmental, social, health and safety and reputational impacts;
- of the scenario elements - determined based on the topics that were addressed during the Sustainability and Scenario Committee (SSC) meetings in 2019.

The combination of these analyses, including priority topics of all relevant stakeholders, makes it possible to take into consideration a view that looks at the Company both from within and without.

Sharing and validation with the governing body

The material aspects and the related analysis were presented to the SCC and to the Board of Directors.

Below are the 2019 material topics associated with the SDGs on which Eni's activities have a direct or indirect impact.

2019 MATERIAL TOPICS



CARBON NEUTRALITY IN THE LONG TERM

COMBATING CLIMATE CHANGE

GHG emissions, Promotion of natural gas, Renewables, Biofuels and green chemistry

SDGs: **7 - 9 - 12 - 13 - 15 - 17**



OPERATIONAL EXCELLENCE MODEL

PEOPLE

Employment, Diversity and Inclusion
Training
Occupational health and local communities health

SDGs: **3 - 4 - 5 - 8 - 10**

SAFETY

People safety and asset integrity

SDGs: **3 - 8**

REDUCTION OF ENVIRONMENTAL IMPACTS

Water resources, biodiversity and oil spills

SDGs: **3 - 6 - 9 - 11 - 12 - 14 - 15**

HUMAN RIGHTS

Rights of workers and local communities,
Supply chain and Security

SDGs: **1 - 4 - 8 - 10 - 16 - 17**

INTEGRITY IN BUSINESS MANAGEMENT

Transparency and Anti-Corruption

SDGs: **16 - 17**



ALLIANCE FOR THE PROMOTION OF LOCAL DEVELOPMENT

ACCESS TO ENERGY

SDGs: **7 - 17**

LOCAL DEVELOPMENT THROUGH PUBLIC-PRIVATE PARTNERSHIPS

Economic diversification, Education and Training, Access to water and hygiene, Health

SDGs: **1 - 2 - 3 - 4 - 6 - 7 - 8 - 9 - 10 - 15 - 17**

LOCAL CONTENT

SDGs: **4 - 8 - 9**

DIGITALIZATION, TECHNOLOGICAL INNOVATION AND RESEARCH

SDGs: **7 - 9 - 12 - 13 - 17**

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

REPORTING PRINCIPLES AND CRITERIA

The Consolidated Disclosure of Non-Financial Information is prepared in accordance with the Italian Legislative Decree 254/2016 and the "Sustainability Reporting Standards", published by the Global Reporting Initiative (GRI Standards), according to the "core" option and was subject to limited assurance by an independent company, auditor of the Eni Group's Annual Report as of December 31, 2019.

The boundary of the safety, environment, climate, whistleblowing reports, audit actions on risk of corruption activities, anti-corruption training and local development investment and number of Countries where Eni, directly or indirectly, supports EITI's local Multi Stakeholder Groups data is in line with other corporate documents and, in some cases, in continuity with the past. In addition to providing consistency with the set objectives, the aim is to represent the potential impacts of the activities managed by Eni. In these cases, comments on performance relate to this scope. In addition to all these data, there is an additional view only for 2019 where the data of the fully consolidated companies are presented.

In particular, for safety, environment and climate data the boundary is made up of companies that are significant from the point of view of HSE impacts and includes companies under joint operation or joint control or associates in which Eni has control of operations⁵¹. With regard to health, the data consider the companies significant from the point of view of health impacts and companies under joint operation or joint control or associates in which Eni has control of operations (with the sole exception of data relating to occupational disease reports, which refer to fully consolidated companies only).

The boundary of data referred to anti-corruption training, local development investments and number of Countries where Eni,


directly or indirectly, supports EITI's local Multi Stakeholder Groups relate to all the companies where anti-corruption training activities/ local development/support to EITI's local Multi Stakeholder Groups investments are envisaged.

The boundary of data referred to whistleblowing reports relate to Eni SpA and its subsidiaries. The boundary of data referred to audit actions on risk of corruption activities relate to: Eni SpA, subsidiaries controlled directly and indirectly, excluding listed subsidiaries that have their own internal audit department, associated companies, based on specific agreements, third parties deemed to have a higher risk, as provided for under the contracts entered with Eni. The data of the fully consolidated companies as of December, 31 2019 are shown for the HR indicators.



The performance indicators, selected based on the topics identified as most significant, are collected on an annual basis according to the consolidation boundary of the reference year and relate to the 2017-2019 period. In general, trends in data and performance indicators are also calculated using decimal places not shown in the document.

The data for the year 2019 are the best possible estimate with the data available at the time of preparation of this report. In addition, some data published in previous years may be subject to restatement in this edition for one of the following reasons: refinement/change in estimation or calculation methods, significant changes in the consolidation boundary, nature of the data. If a restatement is made, the reasons for it are appropriately disclosed in the text.

All GRI indicators in the Content Index refer to the version of the GRI Standards published in 2016, with the exception of those in Standard 403: Occupational Health and Safety, which refer to the 2018 edition.

KPI	METHOD
 CLIMATE CHANGE	
GHG EMISSIONS	<p>Scope 1: direct GHG emissions comprise CO₂, CH₄ and N₂O emissions; the Global Warming Potential used is 25 for CH₄ and 298 for N₂O. The emission factors used for the calculations are, where possible, site-specific or, alternatively, derived from available international literature.</p> <p>Scope 2: indirect GHG emissions relate to the generation of electricity, steam and heat purchased from third parties and comprise CO₂, CH₄ and N₂O contributions.</p> <p>There are no contributions of biogenic CO₂ emissions.</p>
EMISSION INTENSITY	<p>Numerator: direct GHG emissions (Scope 1) including CO₂, CH₄ and N₂O.</p> <p>Denominator:</p> <ul style="list-style-type: none"> • UPS: 100% operated hydrocarbon gross production • R&M: incoming processed quantities (raw materials and semi-finished products) from own refineries • EniPower: equivalent electrical energy produced
OPERATING EFFICIENCY	<p>It expresses the GHG emissions intensity (scope 1 and scope 2 calculated on an operated basis expressed in tonCO₂eq) of Eni's main industrial productions compared to operated production (converted by homogeneity into barrels of oil equivalent using the Eni average conversion factors) in the individual businesses of reference, thus measuring their degree of operating efficiency in a decarbonization scenario.</p>
ENERGY CONSUMPTION	<p>Primary sources consumption: sum of consumption of fuel gas, natural gas, refinery/process gas, LPG, light distillates/ petrol, diesel, kerosene, fuel oil, FOK and coke from FCC. Primary energy purchased from other companies: sum of purchases of electricity, heat and steam from third parties. Consumption from renewable sources depends on the national electric mix because consumption from photovoltaic panels installed by Eni on its assets is currently negligible.</p>
ENERGY INTENSITY	<p>The refining energy intensity index represents the total value of energy actually used in a given year in the various refinery processing plants, divided by the corresponding value determined on the basis of predefined standard consumption values for each processing plant. In order to compare the data over the years, the data for 2009 was taken as a reference (100%). For the other sectors, the index represents the ratio between significant energy consumption associated to operated plants and the related production.</p>

[51] In addition to fully consolidated companies, the boundary includes the following non fully consolidated companies: Agiba Petroleum Co, CARDÓN IV SA, Eni Denmark BV, Eni India Ltd, Eni Iran BV, Eni Liverpool Bay Operating Co Ltd, Eni Portugal BV, Eni RD Congo SA, Eni Ukraine LLC, Eni Yemen Ltd, EniProgetti Egypt Ltd, Groupment Sonatrach-Agip, Karachaganak Petroleum Operating BV, Mellitah Oil & Gas BV, Mozambique Rovuma Venture SpA, Petrobel Belajim Petroleum Co, PetroJunín SA, PetroSucre SA, United Gas Derivatives Co, Vår Energi AS, Servizi Fondo Bombole Metano SpA, Eni USA R&M Co Inc, Esacontrol SA, Oléoduc du Rhône SA, 000 "Eni-Nefto", Tecnoesa SA, Costiero Gas Livorno SpA, Eni Gas Transport Services Srl, Società EniPower Ferrara Srl, Versalis Kimya Ticaret Limited Sirketi, Versalis Pacific (India) Private Ltd, Société Energies Renouvelables Eni-ETAP SA, Industria Siciliana Acido Fosforico - ISAF - SpA (in liquidation), Oleodotto del Reno SA.

KPI	METHOD
 PEOPLE, HEALTH AND SAFETY	
INDUSTRIAL RELATIONS	<p>Regarding industrial relations, the minimum notice period for operational changes is in line with the provisions of the laws in force and the trade union agreements signed in the Countries in which Eni operates.</p> <p>Employees covered by collective bargaining: are those employees whose employment relationship is governed by collective agreements or contracts, whether national, industry, company or site.</p>
SENIORITY	Average number of years worked by employees at Eni and its subsidiaries.
TRAINING HOURS	Hours delivered to Eni employees through training courses managed and carried out by Eni Corporate University (classroom and distance) and through activities carried out by the organisational units of Eni Business areas/Companies independently, also through on-the-job training. Average training hours are calculated as total training hours divided by the average number of employees in the year.
LOCAL SENIOR AND MIDDLE MANAGERS ABROAD	Number of local senior + middle managers (employees born in the Country in which their main working activity is based) divided by total employment abroad.
SAFETY	<p>Eni uses a large number of contractors to carry out the activities within its own sites.</p> <p>TRIR: total recordable injuries rate (injuries leading to days of absence, medical treatments and cases of work limitations). Numerator: number of total recordable injuries; denominator: hours worked in the same period. Result of the ratio multiplied by 1,000,000.</p> <p>High-consequence work-related injuries rate (excluding fatalities): injuries at work with days of absence exceeding 180 days or resulting in total or permanent disability. Numerator: number of injuries at work with serious consequences; denominator: hours worked in the same period. Result of the ratio multiplied by 1,000,000.</p> <p>Near miss: an incidental event, the origin, execution and potential effect of which is accidental in nature, but which is however different from an accident only in that the result has not proved damaging, due to luck or favourable circumstances, or to the mitigating intervention of technical and/or organizational protection systems. Accidental events that do not turn into accidents or injuries are therefore considered to be near misses.</p> <p>The main hazards identified in 2019 at Eni were found in the following types of activities:</p> <ul style="list-style-type: none"> load handling: events related to lifting or moving loads on the same plane; energized systems: events connected to equipment under pressure or containing high/low temperature fluids, exposed electrical parts or moving mechanical parts, most often associated with accidents occurring during the use of moving mechanical parts, in particular cutting and grinding tools.
HEALTH	<p>Number of occupational disease reports filed by heirs: indicator used as a proxy for the number of deaths due to occupational diseases.</p> <p>Recordable cases of occupational diseases: number of occupational disease reports.</p> <p>Main types of diseases: reports of suspected occupational disease made known to the employer concern pathologies that may have a causal connection with the risk at work, as they may have been contracted in the course of work and due to prolonged exposure to risk agents present in the workplace. The risk may be caused by the processing carried out, or by the environment in which the processing takes place. The main risk agents whose prolonged exposure may lead to an occupational disease are: (i) chemical agents (example of disease: neoplasms, respiratory system diseases, blood diseases); (ii) biological agents (example of disease: malaria); (iii) physical agents (example of disease: hypoacusia).</p>
 ENVIRONMENT	
WATER WITHDRAWALS	Sum of sea water, freshwater, and brackish water from subsoil or surface withdrawn. TAF (groundwater treatment plant) water represents the amount of polluted groundwater treated and reused in the production cycle.
BIODIVERSITY	<p>Number of sites overlapping with protected areas and Key Biodiversity Areas (KBAs): R&M, Versalis and EniPower operational sites in Italy and abroad, which are located within (or partially within) the boundaries of one or more protected areas or KBAs (as of December 2019).</p> <p>Number of sites "adjacent" to protected areas or Key Biodiversity Areas (KBAs): R&M, Versalis and EniPower operational sites in Italy and abroad which, although outside the boundaries of protected areas or KBAs, are less than 1 km away (as of December 2019).</p> <p>Number of upstream concessions overlapping protected areas and Key Biodiversity Areas (KBAs), with activities in the overlapping area: active national and international concessions, whether operated, under development or in production, present in the Company's databases (last updated in June 2019) that overlap one or more protected areas or KBAs, where development/production operations (wells, sealines, pipelines and onshore and offshore installations as documented in the Company's GIS geodatabase) are located within the intersection area.</p> <p>Number of upstream concessions overlapping protected areas and Key Biodiversity Areas (KBAs), without activities in the overlapping area: active national and international concessions, whether operated, under development or in production, present in the Company's databases (last updated in June 2019) that overlap one or more protected areas or KBAs, where development/production operations (wells, sealines, pipelines and onshore and offshore installations as documented in the Company's GIS geodatabase) are located outside the intersection area.</p> <p>The sources used for the census of protected areas and KBAs are the "World Database on Protected Areas" and the "World Database of Key Biodiversity Areas" (last updated in December 2019), respectively; the data was made available to Eni in the framework of its membership in the UNEP-WCMC Proteus Partnership. There are some limitations to consider when interpreting the results of this analysis:</p> <ul style="list-style-type: none"> it is globally recognised that there is an overlap between the different databases of protected areas and KBAs, which may have led to a certain degree of duplication in the analysis (some protected areas/KBAs could be counted several times); the databases of protected or key biodiversity areas used for the analysis, while representing the most up-to-date information available at global level, may not be complete for each Country.

KPI	METHOD
OIL SPILLS	Spills from primary or secondary containment into the environment of oil or petroleum derivative from refining or oil waste occurring during operation or as a result of sabotage, theft or vandalism.
WASTE	Waste from production: waste from production activities, including waste from drilling activities and construction sites. Waste from remediation activities: this includes waste from soil securing and remediation activities, demolition and groundwater classified as waste. The waste disposal method is communicated to Eni by the subject authorised for disposal.
AIR PROTECTION	NO_x: total direct emissions of nitrogen oxide due to combustion processes with air. It includes emissions of NO _x from flaring activities, sulphur recovery processes, FCC regeneration, etc. It includes emissions of NO and NO ₂ , excludes N ₂ O. SO_x: total direct emissions of sulphur oxides, including emissions of SO ₂ and SO ₃ . NM VOC: total direct emissions of hydrocarbons, hydrocarbon substitutes and oxygenated hydrocarbons that evaporate at normal temperature. They include LPG and exclude methane. TSP: direct emissions of Total Suspended Particulates, finely divided solid or liquid material suspended in gaseous flows. Standard emission factors.

HUMAN RIGHTS

SECURITY CONTRACTS WITH HUMAN RIGHTS CLAUSES	The indicator "percentage of security contracts with human rights clauses" is obtained by calculating the ratio between the "Number of security and security concierge contracts with human rights clauses" and the "Total number of security and security concierge contracts".
WHISTLEBLOWING REPORTS	The indicator refers to the reporting files relating to Eni SpA and its subsidiaries, closed during the year and relating to Human Rights; of the files thus identified, the number of separate claims is reported as a result of the investigation conducted on the facts reported [founded, not founded with actions, not founded].

SUPPLIERS

SUPPLIERS SUBJECTED TO ASSESSMENT	This indicator relates to processes managed by Eni SpA, Eni Ghana, Eni Pakistan, Eni US and Eni Angola and represents all suppliers subjected to Due Diligence, a qualification process, HSE areas, compliance or business conduct performance assessment, feedback process, or human rights assessment (SA8000). It relates to all suppliers for which Vendor Management activities are centralized in Eni SpA (i.e. all Italian suppliers, mega-suppliers and international suppliers) and to local suppliers of Eni Ghana, Eni Pakistan, Eni US and Eni Angola.
NEW SUPPLIERS ASSESSED ACCORDING TO SOCIAL CRITERIA	The indicator is included in that dedicated to "suppliers subjected to assessment", as this assessment also applies to new suppliers (in addition to those with which a relationship is already in place).

ANTI-CORRUPTION

ANTI-CORRUPTION TRAINING	E-learning for resources in a medium/high risk context. E-learning for resources in a low risk context. General workshop: classroom training events for staff in a context at high risk of corruption. Job specific training: in-class training events for professional areas at risk of corruption.
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LOCAL DEVELOPMENT

LOCAL DEVELOPMENT INVESTMENTS	The indicator refers to Eni's share of spending in local development projects carried out by Eni in favour of local communities to promote the improvement of the quality of life and sustainable socio-economic development of communities in operational contexts.
SPENDING TO LOCAL SUPPLIERS	The indicator refers to the 2019 share of expenditure to local suppliers. "Spending to local suppliers" has been defined according to the following alternative methods on the basis of the specific characteristics of the Countries analysed: 1) "Equity Method" (Ghana): the share of spending to local suppliers is determined on the basis of the percentage of ownership of the corporate structure (e.g., for a JV with 60% local component, 60% of total spending to the JV is considered as spending to local suppliers); 2) "Local Currency Method" (Angola and UK): the portion paid in local currency is identified as spending to local suppliers; 3) "Country registration method" (Iraq and Nigeria): spending to suppliers registered in the Country and not belonging to international/megasupplier groups (e.g., drilling service/drilling support service providers) is identified as local; 4) "Country registration + Local Currency Method": (Congo): spending to suppliers registered in the Country and not belonging to international/megasupplier groups (e.g., drilling service/drilling support service providers) is identified as local. For the latter, spending in local currency is considered to be local. The Countries selected are those where a higher expenditure component was recorded compared to the Eni Group overall expenditure.

GRI Content Index

DISCLOSURE	INDICATOR DESCRIPTION	SECTION AND/OR PAGE NUMBER
Organizational profile		
102-1	Name of the organization	Annual Report 2019, p. 1
102-2	Activities, brands, products, and services	Annual Report 2019, p. 3
102-3	Location of headquarters	Annual Report 2019, inside back cover
102-4	Location of operations	Annual Report 2019, p. 3
102-5	Ownership and legal form	Annual Report 2019, inside back cover https://www.eni.com/en_IT/company/governance/shareholders.page
102-6	Markets served	Annual Report 2019, p. 3
102-7	Scale of the organization	Annual Report 2019, pp. 12-13 NFI, pp. 118; 131
102-8	Information on employees and other workers	NFI, pp. 118; 131
102-9	Supply chain	NFI, p. 125
102-10	Significant changes to the organization and its supply chain	Annual Report 2019, pp. 152-155; 295
102-11	Precautionary Principle or approach	Annual Report 2019, pp. 20-23
102-12	External initiatives	Annual Report 2019, p. 15
102-13	Membership of associations	Annual Report 2019, p. 15
Strategy		
102-14	Statement from senior decision-maker	Annual Report 2019, pp. 6-11
102-15	Key impacts, risks, and opportunities	Annual Report 2019, pp. 20-23; 88-104
Ethics and integrity		
102-16	Values, principles, standards, and norms of behavior	Annual Report 2019, pp. 2; 4-5; 29 NFI, p. 109
Governance		
102-18	Governance structure	Annual Report 2019, pp. 24-29
Stakeholder engagement		
102-40	List of stakeholder groups	Annual Report 2019, pp. 14-15
102-41	Collective bargaining agreements	NFI, pp. 118; 131
102-42	Identifying and selecting stakeholders	Annual Report 2019, pp. 14-15
102-43	Approach to stakeholder engagement	Annual Report 2019, pp. 14-15
102-44	Key topics and concerns raised	Annual Report 2019, pp. 14-15
Reporting practice		
102-45	Entities included in the consolidated financial statements	Annual Report 2019, p. 272-295 NFI, p. 130
102-46	Defining report content and topic Boundaries	NFI, pp. 130; 134-135
102-47	List of material topics	NFI, pp. 130; 133-135
102-48	Restatements of information	NFI, pp. 122; 130
102-49	Changes in reporting	NFI, pp. 130; 134-135
102-50	Reporting period	NFI, p. 130
102-51	Date of most recent report	https://www.eni.com/en-IT/publications.html
102-52	Reporting cycle	NFI, p. 130
102-53	Contact point for questions regarding the report	https://www.eni.com/en_IT/sustainability/contacts-sustainability.page
102-54 / 102-55	Claims of reporting in accordance with the GRI Standards and content index	NFI, pp. 130; 133-135
102-56	External assurance	NFI, p. 136-139

Specific Standard disclosures

Material Aspect/ GRI Disclosure	GRI DISCLOSURE DESCRIPTION	SECTION AND/ OR PAGE NUMBER	OMISSION
COMBATING CLIMATE CHANGE			
GHG emissions, promotion of natural gas, renewables, biofuels and green chemistry			
Economic performance - Management Approach (103-1; 103-2; 103-3)		Boundary: External and Internal (Suppliers - RNES ¹ , customers RNEC ²) NFI, pp. 109-111; 129; 134	
201-2	Financial implications and other risks and opportunities due to climate change	Annual Report 2019, pp.22-23; 92-95 NFI, pp. 111-115	
Emissions - Management Approach (103-1; 103-2; 103-3)		Boundary: External and Internal (Suppliers - RNES ¹ , customers RNEC ²) NFI, pp.109-110; 111-115; 129-130; 134	
305-1	Direct (Scope 1) GHG emissions	NFI, pp. 114-115; 130	
305-4	GHG emissions intensity	NFI, pp. 114-115; 130	
Energy - Management Approach (103-1; 103-2; 103-3)		Boundary: Internal NFI, pp. 109-110; 111-115; 129-130; 134	
302-3	Energy intensity	NFI, pp. 114-115; 130	
PEOPLE			
Employment, diversity and inclusion, Training, Occupational health and local communities health			
Market presence - Management Approach (103-1; 103-2; 103-3)		Boundary: Internal NFI, pp. 109-110; 116-118; 129; 132; 134	
202-2	Proportion of senior management hired from the local community	NFI, pp. 117-118; 131	
Employment - Management Approach (103-1; 103-2; 103-3)		Boundary: Internal NFI, pp. 109-110; 116-118; 129; 132; 134	
401-1	New employee hires and employee turnover	NFI, pp. 117-118; 131	
Occupational health and safety - Management Approach (103-1; 103-2; 103-3; 403-1; 403-2; 403-3; 403-4; 403-5; 403-6; 403-7)		Boundary: Internal NFI, pp. 109-110; 116-119; 131; 134	
403-10	Work-related ill health	NFI, pp. 117-118; 131	
Training and education - Management Approach (103-1; 103-2; 103-3)		Boundary: Internal NFI, pp. 109-110; 116-118; 129; 132; 134	
404-1	Average hours of training per year per employee	NFI, pp. 117-118; 131	
Diversity and equal opportunity - Management Approach (103-1; 103-2; 103-3)		Boundary: Internal NFI, pp. 109-110; 116-118; 129; 134	
405-1	Diversity of governance bodies and employees	NFI, pp. 117-118	
SAFETY			
People safety and asset integrity			
Occupational health and safety - Management Approach (103-1; 103-2; 103-3; 403-1; 403-2; 403-3; 403-4; 403-5; 403-6; 403-7)		Boundary: External and Internal (Suppliers) NFI, pp. 109-110; 116-119; 131; 134	
403-9	Work-related injuries	NFI, pp. 119; 131	
REDUCTION OF ENVIRONMENTAL			
Impacts Water resources, Biodiversity Oil spill			
Water - Management Approach (103-1; 103-2; 103-3)		Boundary: Internal NFI, pp. 109-110; 120-122; 129; 131-132; 134	
303-1	Water withdrawal by source	NFI, pp. 121-122; 131-132	
Biodiversity - Management Approach (103-1; 103-2; 103-3)		Boundary: Internal NFI, pp. 109-110; 120-122; 129; 131-132; 134	
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	NFI, pp. 121-122; 131-132	
Effluents and waste - Management Approach (103-1; 103-2; 103-3)		Boundary: Internal NFI, pp. 109-110; 120-122; 129; 131-132; 134	
306-2	Waste by type and disposal method	NFI, pp. 121-122; 131-132	

Material Aspect/ GRI Disclosure	GRI DISCLOSURE DESCRIPTION	SECTION AND/ OR PAGE NUMBER	OMISSION
306-3	Significant spills	NFI, pp. 121-122; 131-132	
Environmental compliance - Management Approach (103-1; 103-2; 103-3)		Boundary: Internal NFI, pp. 109-110; 120-122; 129; 131-132; 135	
307-1	Environmental compliance	Annual Report 2019, p. 214-219	
HUMAN RIGHTS Rights of workers and local communities, Supply chain, Security			
Non-discrimination - Management Approach (103-1; 103-2; 103-3)		Boundary: External and Internal (Local security forces, Suppliers - RNES¹) NFI, pp. 109-110; 123-124; 129; 135	
406-1	Incidents of discrimination and corrective actions taken	NFI, pp. 123-124	
Security practices - Management Approach (103-1; 103-2; 103-3)		Boundary: External and Internal (Local security forces, Suppliers - RNES¹) NFI, pp. 109-110; 123-124; 129; 135	
410-1	Security personnel trained in human rights policies or procedures	NFI, pp. 123-124	
Human rights assessment - Management Approach (103-1; 103-2; 103-3)		Boundary: External and Internal (Local security forces, Suppliers - RNES¹) NFI, pp. 109-110; 123-124; 129; 135	
412-2	Employee training on human rights policies or procedures	NFI, pp. 123-124	
Supplier social assessment - Management Approach (103-1; 103-2; 103-3)		Boundary: External and Internal (Local security forces, Suppliers - RNES¹) NFI, pp. 109-110; 125; 129; 132; 135	
414-1	New suppliers that were screened using social criteria	NFI, pp. 125; 132	
INTEGRITY IN BUSINESS MANAGEMENT Transparency and anti-corruption			
Anti-corruption - Management Approach (103-1; 103-2; 103-3)		Boundary: External and Internal (Suppliers - RNES³) NFI, pp. 109-110; 126-129; 135	
205-2	Communication and training about anti-corruption policies and procedures	NFI, pp. 126-127; 135	
ACCESS TO ENERGY, LOCAL DEVELOPMENT THROUGH PUBLIC-PRIVATE PARTNERSHIPS Economic diversification, Education and training, Access to water and hygiene, Health			
Indirect economic impacts - Management Approach (103-1; 103-2; 103-3)		Boundary: Internal NFI, pp. 109-110; 127-129; 135	
203-1	Infrastructure investments and services supported	NFI, p. 128; 132	
Local communities - Management Approach (103-1; 103-2; 103-3)		Boundary: Internal NFI, pp. 109-110; 127-129; 135	
413-1	Operations with local community engagement, impact assessments, and development programs	NFI, pp. 127-128	
LOCAL CONTENT			
Procurement practices - Management Approach (103-1; 103-2; 103-3)		Boundary: External and Internal (Suppliers - RNES¹) NFI, pp. 109-110; 127-129; 135	
204-1	Proportion of spending on local suppliers	NFI, pp. 127-128; 135	
TECHNOLOGICAL INNOVATION			
Innovation - Management Approach (103-1; 103-2; 103-3)		Boundary: Internal NFI, pp. 109-115; 129; 135	

(1) RNES: Reporting not extended to suppliers.

(2) RNEC: Reporting not extended to customers.

(3) RPES: Reporting partially extended to suppliers.

Independent auditors' report



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

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

To the Board of Directors of Eni SpA

Pursuant to article 3, paragraph 10, of Legislative Decree No. 254 of 30 December 2016 (the "Decree") and article 5 of CONSOB Regulation No. 20267/2018, we have performed a limited assurance engagement on the consolidated non-financial statement of Eni SpA and its subsidiaries (hereafter the "Group") for the year ended 31 December 2019 prepared in accordance with article 4 of the Decree, presented in a specific section of the Management report and approved by the Board of Directors on 27 February 2020 (hereafter the "NFS").

Responsibility of Management and those charged with Governance for the NFS

The Directors are responsible for the preparation of the NFS in accordance with article 3 and 4 of the Decree and with the "GRI-Sustainability Reporting Standards" defined in 2016 and subsequent versions (hereafter the "GRI Standards"), disclosed in the chapter "Reporting principles and criteria" of the NFS, identified by them as the reporting standards.

The Directors are responsible, in accordance with the law, for the implementation of internal controls necessary to ensure that the NFS is free from material misstatement, whether due to fraud or unintentional errors.

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

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

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

PricewaterhouseCoopers SpA

Sede legale e amministrativa: Milano 20149 Via Monte Rosa 91 Tel. 0277851 Fax 027785240 Cap. Soc. Euro 6.890.000,00 i.v., C.F. e P.IVA e Reg. Imp. Milano 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 0712132311 - **Bari** 70122 Via Abate Giumma 72 Tel. 0805640211 - **Bergamo** 24121 Largo Belotti 5 Tel. 035229691 - **Bologna** 40126 Via Angelo Finelli 8 Tel. 0516186211 - **Brescia** 25121 Viale Duca d'Aosta 28 Tel. 0303697501 - **Catania** 95129 Corso Italia 302 Tel. 0957532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 0552482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 01029041 - **Napoli** 80121 Via dei Mille 16 Tel. 08136181 - **Padova** 35138 Via Vicenza 4 Tel. 049873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 0854545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06570251 - **Torino** 10122 Corso Palestro 10 Tel. 011556771 - **Trento** 38122 Viale della Costituzione 33 Tel. 0461237004 - **Treviso** 31100 Viale Felissanti 90 Tel. 0422696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 043480781 - **Udine** 33100 Via Poscolle 43 Tel. 043225789 - **Varese** 21100 Via Albuzzi 43 Tel. 0332289039 - **Verona** 37135 Via Francia 21/C Tel. 0458263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444393311

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Auditor's Independence and Quality Control

We are independent in accordance with the principles of ethics and independence set out in the *Code of Ethics for Professional Accountants* published by the *International Ethics Standards Board for Accountants*, which are based on the fundamental principles of integrity, objectivity, competence and professional diligence, confidentiality and professional behaviour. Our audit firm adopts *International Standard on Quality Control 1 (ISQC 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 responsibilities

We are responsible for expressing a conclusion, on the basis of the work performed, regarding the compliance of the NFS with the Decree and 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 "*ISAE 3000 Revised*"), issued by the *International Auditing and Assurance Standards Board* (IAASB) for limited assurance engagements. The standard requires that we plan and apply procedures in order to obtain limited assurance that the NFS is free of material misstatement. The procedures performed in a limited assurance engagement are less in scope than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised ("*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 NFS were based on our professional judgement and consisted in interviews, primarily with company personnel responsible for the preparation of the information presented in the NFS, analysis of documents, recalculations and other procedures designed to obtain evidence considered useful.

In particular, we performed the following procedures:

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

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



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

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

- at holding level,
 - a) with reference to the qualitative information included in the NFS, and in particular to the business model, the policies adopted and the main risks, we carried out interviews and acquired supporting documentation to verify 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. (Meleilha 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 carried out site visits during which we met local management and gathered supporting documentation regarding the correct application of the procedures and calculation methods used for the key performance indicators.

Conclusions

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of Eni Group as of 31 December 2019 has not been prepared, in all material respects, in compliance with articles 3 and 4 of the Decree and with the GRI Standards.



Other aspects

The NFS 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 5 April 2019, expressed a conclusion without any remarks on that NFS.

Milan, 2 April 2020

PricewaterhouseCoopers SpA

Signed by

Giovanni Andrea Toselli
(Partner)

Signed by

Paolo Bersani
(Authorised signatory)

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