

Eni for 2020

Carbon neutrality
by 2050





Mission

We are an energy company.

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

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

Global goals for a sustainable development

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



Disclaimer

Eni for 2020 is a document published on a yearly basis which contains certain forward-looking statements related to the different topics covered therein.

Forward-looking statements are based on Eni management's reasonable assumptions and belief in light of the information available to them at the time the statements are made. Nevertheless, by their nature, forward-looking statements involve a component of uncertainty as they relate to events and depend on circumstances that may or may not occur in the future and which are, in whole or in part, out of Eni's control. Actual results, also with reference to the targets and objectives identified in the strategic planning or those of Corporate Governance, may differ from those expressed in such statements, depending on a variety of factors, including without limitation: the impact of the pandemic disease (COVID-19); the fluctuation of the demand, the offer and the pricing of oil and natural gas and other oil products; the actual operational performances; the general macroeconomic conditions; geopolitical factors and changes in the economic and regulatory framework in many of the Countries in which Eni operates; the achievements reached in the development and use of new technologies; changes in the stakeholders' expectations and other changes to the business conditions.

The readers of the document are therefore invited to take into account a possible discrepancy between the estimates reported and the results that may be achieved as a consequence of the occurrence of the above.

Eni for 2020 also contains terms such as, for instance, "partnership" or "public/private partnership" used for convenience only, without a technical-legal implication.

"Eni" means the parent company Eni SpA and its consolidated subsidiaries.

On the cover: The wind farm in Badamsha, Kazakhstan, operating since march 2020, with an overall capacity of 48 MW. The plant is located in the north-west region of Aktobe, and will allow production of 198 GWh for 25 years.

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

Contents

Why read Eni for 2020?

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

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

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

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

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

➤ External links

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Message to our stakeholders

The past year has shown that the fight against climate change and the commitment to a sustainable and just development have now become clear guidelines for the global agenda, and shall be top priorities for governments, civil society, investors and companies.

Year 2021 has already shown positive signs in this direction with the renewal of decarbonization pledges by many countries globally. The next COP26 will be a further key milestone on the path towards achieving the objectives of the Paris Agreement, which aim to limit the temperature increase to 1.5°C.

Eni wants to play an active role in this virtuous path and its transition strategy to becoming an integrated energy company that offers a wide range of fully decarbonized products to customers goes precisely in this direction. Our commitment to decarbonizing all our products and processes by 2050 is in line with these challenging objectives. In addition, to ensure full visibility of our path, we set intermediate targets for 2030 and 2040, both in terms of absolute emission reductions and carbon intensity.

Our strategy, presented last February, is concrete, detailed and economically sustainable. It leverages proprietary technologies, integration, diversification and expansion of our gas & power and renewable retail businesses, bio-products, circular economy and a growing share of gas in the production portfolio. The merger of our retail gas&power and renewables businesses is a cornerstone of our strategy which will enable us, by exploiting the synergies between the two businesses, to accelerate the growth of our customer base and installed capacity from renewables, to reach 15 million customers and 15 GW installed by 2030 respectively, while making a key contribution to reducing our customers' emissions. Furthermore, we have planned numerous investments in circular economy initiatives and expect to double our biorefining capacity over the next 4 years, while fulfilling our commitment to make our biorefineries palm oil free by 2023. We are committed to decarbonizing all businesses, both by continuing investments in energy efficiency and, for "hard-to-abate" emissions, by deploying CO₂ capture and storage or utilization technologies (CCS, CCUS). In addition, we will offset through REDD+ forest conservation projects over 6 million tons/year of CO₂ by 2024.

The robustness of our strategy has been recognized in a number of areas, including the first Net-Zero Company Benchmark by CA100+, one of the world's most influential investor engagement initiatives, which ranked Eni among the companies most aligned with investor demands, confirming our leadership role on climate reporting and ambition.

All this has been possible thanks to the progress we made in recent years, where we started a transformation path by integrating sustainability principles into each of our activities, inspired by the United Nations Sustainable Development Goals (SDGs), which are reflected in our mission.

To define and monitor the achievement of our reduction targets, we developed, with the support of academia experts, a rigorous methodology for the estimation of GHG Scope 1+2+3 emissions, along the entire value chain of the energy products sold, which results are annually verified by an independent auditor.

In line with our targets, in the last year we almost doubled the installed capacity of our renewable electricity generation plants and have been awarded a license by the UK Oil & Gas Authority to implement a CO₂ storage project in the Liverpool Bay area, a recognition of our distinctive expertise in these processes and technologies. Through investments in REDD+ projects, we have already compensated our carbon footprint by 1.5 million tons of CO₂eq. In addition, in early 2021 we reached an agreement to acquire a leading company in the biogas production sector, setting the stage to become the leading producer of bio-methane in Italy. Notwithstanding the enormous challenges related to the pandemic, the investments envisaged in the 2021-2024 plan confirm Eni's commitment towards carbon neutrality, providing for an increase in the component linked to decarbonization and the development of green and retail activities, which now make up 20% of the entire capital expenditure plan, in a context of general reduction in investments.

Throughout this path, the support of our robust governance is fundamental. The Board of Directors, with the assistance of the Committees, has a central role in managing the main issues related to climate change and sustainability. Over the last year, Eni has further strengthened the link between energy transition and remuneration policy, by raising the weight of objectives related to decarbonization and the development of renewable energy in top management incentive plans.

The commitments we are undertaking today reflect the continuous dialogue with our stakeholders, with whom we engage year after year to align our strategy with the objectives of the Paris Agreement and to improve climate disclosure, in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) of the Financial Stability Board, of which Eni is a member since its foundation. Participation in initiatives and partnerships represents an opportunity for Eni to build synergies and promote shared solutions in response to climate challenges.

In this perspective, to leverage sustainability experiences and best practices throughout the supply chain, in 2020 we launched Open-ES, an innovative digital platform aimed at strengthening the involvement of all our suppliers in the energy transition path through the sharing of sustainability data.

Only a joint response and a long-term view can ensure a just transition and, as Eni, today more than ever, we confirm our commitment to this objective.

For the fourth consecutive year, we are publishing this report in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), showing the milestones of our journey towards carbon neutrality and the robustness of our commitment and actions, according to the requests of our stakeholders to whom it is addressed.

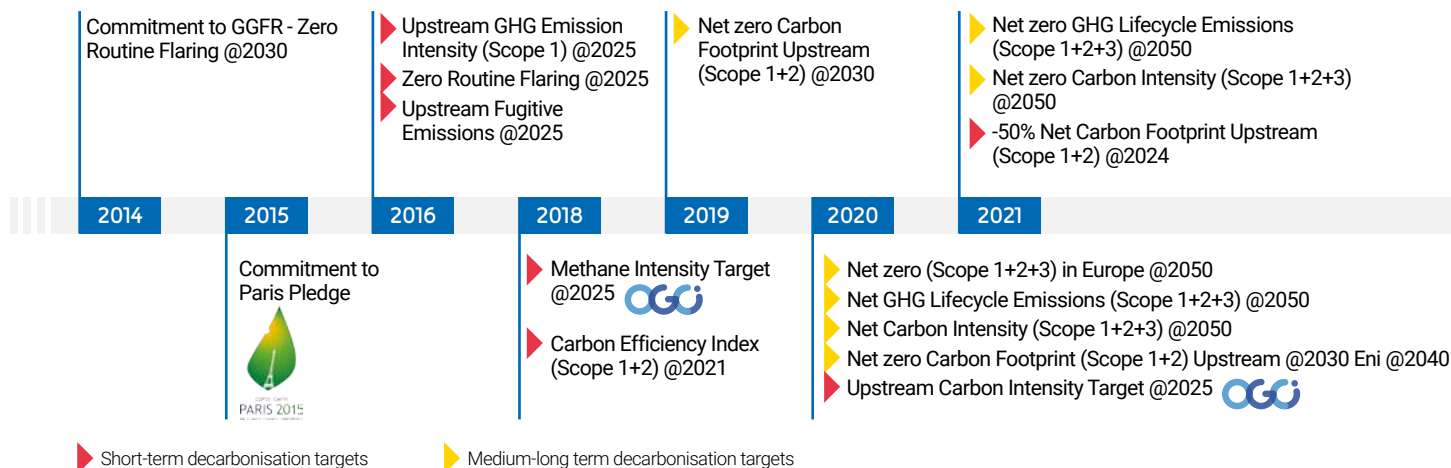
Some steps on the path towards a decarbonized world have already been taken and many are still ahead of us. As Eni we intend to pursue our path to achieve carbon neutrality and we are ready to seize the opportunities of the energy transition, creating long-term value for all our stakeholders.

Claudio Descalzi
Chief Executive Officer

A panel from the Gela pilot plant within Eni CSP - Concentrated Solar Power project



The path of Eni's climate commitments



GLOSSARY

GHG Emissions	Scope 1	These are the emissions from sources attributable to the company's assets (e.g., combustion, flaring, fugitive, venting).
	Scope 2	These are the emissions resulting from the generation of electricity, heat and steam purchased from third parties and consumed in the company's assets.
	Scope 3	These are the emissions produced along the upstream and downstream value chain of the company's activity (e.g. suppliers and customers).
	GHG Lifecycle Emissions	Scope 1+2+3 emissions related to the supply chain of energy products sold in accordance with the reporting methodology defined by Eni.
Main GHG indicators	Net Carbon Footprint Upstream	This metric considers GHG Scope 1+2 emissions from Eni's hydrocarbon development and production assets, both operated and non-operated, accounted for on an equity basis (revenue interest) and net of cancellations of forestry credits during the reporting year.
	Net GHG Lifecycle Emissions	This metric refers to GHG Lifecycle emissions (Scope 1+2+3) associated with the supply chain of energy products sold by Eni, including both those deriving from its own production and those purchased from third parties accounted for on an equity basis and net of carbon sinks.
	Net Carbon Intensity	This metric, accounted for on an equity basis, is expressed as the ratio between Net GHG Lifecycle Emissions and the energy content of products sold by Eni.
	Emission intensity	Indicators include direct GHG emissions (Scope 1) which are derived from assets operated by Eni, include CO ₂ , CH ₄ and N ₂ O and are accounted for on a 100% basis. <ul style="list-style-type: none"> • Upstream: indicator focused on emissions from hydrocarbon development and production activities. The denominator refers to operated hydrocarbon gross production. • R&M: indicator focusing on emissions from conventional refineries and biorefineries. The denominator refers to incoming processed quantities (raw materials and semi-finished products). • EniPower: indicator focused on emissions from production of electricity and steam from thermoelectric power plants. The denominator refers to the equivalent electricity produced (excluding the Bolgiano cogeneration plant).
	Carbon Efficiency Index	It expresses the GHG emissions intensity (Scope 1+2 expressed in tonCO ₂ eq) of the main industrial assets operated by Eni divided by the productions (for homogeneity converted into barrels of oil equivalent using Eni average conversion factors) in each relevant business, thus measuring their degree of operating efficiency in a decarbonisation scenario.

Main results

INDICATOR	UNIT OF MEASUREMENT	2018	2019	2020
Net Carbon Footprint Upstream (GHG emissions, Scope 1+2)	Mton CO ₂ eq	14.8	14.8	11.4
Net GHG Lifecycle Emissions (Scope 1+2+3) ^(a)	Mton CO ₂ eq	505	501	439
Net Carbon Intensity (Scope 1+2+3) ^(a)	gCO ₂ eq/MJ	68	68	68
Installed capacity from renewable sources	MW	40	174	307
Biorefining capacity ^(b)	Mton	0.36	1.11	1.11
Incidence of gas production on total equity production	%	52	52	51

(a) The methodology for determining Scope 1+2+3 emissions associated with the supply chain of energy products sold has been refined to better represent Scope 3 end-use emissions. 2019 and 2018 data updated consistently.

(b) The value of the installed capacity of the Gela biorefinery has been updated to 750 thousand tonnes/year following a revision of the indicator calculation method (thus also updating the 2019 value).

Indicators accounted for on equity basis.

UPS GHG emission intensity Upstream GHG emissions (Scope 1)/gross hydrocarbon production 100% operated (UPS)	tCO ₂ eq/kboe	21.44	19.58	19.98
Upstream fugitive methane emissions	ktonCH ₄	38.8	21.9	11.2
Total volume of hydrocarbons sent to routine flaring	Billion Sm ³	1.4	1.2	1.0
Carbon efficiency index (Scope 1+2)	tCO ₂ eq/kboe	33.90	31.41	31.64

Indicators calculated on 100% of data for operated assets.

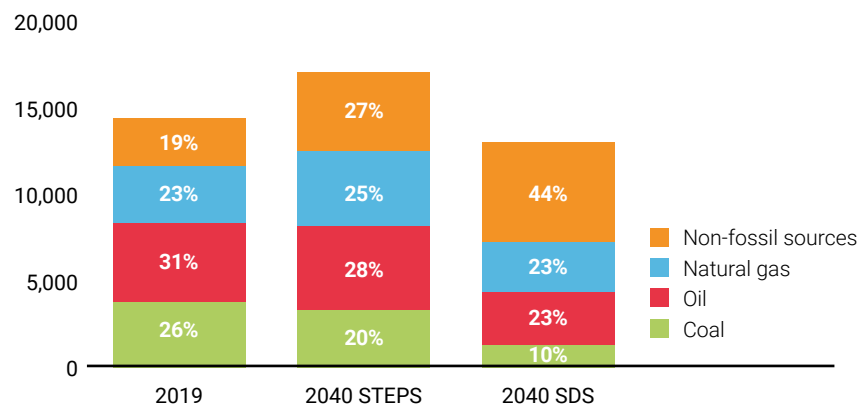
R&D expenditure	€ Mln	197.2	194	157
of which related to carbon neutrality (including circular economy)	€ Mln	74	102	74

The energy sector is called to respond to growing energy needs while limiting greenhouse gas emissions in order to contribute to the global decarbonisation process

Reference scenario

The energy sector is called to respond to a dual challenge: satisfying the growing energy needs of an ever more numerous population, guaranteeing sufficient access to energy, and limiting greenhouse gas emissions into the atmosphere, in order to contribute to the decarbonisation process. The International Energy Agency (IEA) has identified two main paths on the evolution of the energy mix: a scenario in line with current and planned policies (STEPS¹ - Stated Policies Scenario) and a decarbonised scenario (SDS² - Sustainable Development Scenario). In the first one, global energy demand is forecast to grow by 19% in 2040 from the 2019 levels, driven mainly by non-OECD Countries (+34%), while in the SDS consumption will decline compared to 2019 (-10%), sustained mostly by efficiency and energy savings measures concentrated in the OECD area. At a global level, non-fossil sources (including nuclear) will account for 44% of primary energy consumption by 2040 (vs. 19% today and 27% in the STEPS scenario by 2040). In terms of emissions, in 2040, the emission profile is expected to remain substantially stable in the STEPS scenario while it is expected to halve from current levels in the decarbonised scenario. The increasing use of renewables is identified by the IEA as one of the main drivers for moving from STEPS to the decarbonisation pathway represented in the SDS scenario, covering, together with energy efficiency, about 70% of the emissions gap between the two scenarios by 2050.

Energy demand by source (Mtoe)



Evolution of the energy mix. Source: IEA (2020) World Energy Outlook. All rights reserved.

Natural gas will continue to play a central role

The next few decades will also see a gradual evolution of the global electricity mix, with the share of fossil sources decreasing from 63% today to 44% by 2040 in the STEPS scenario and to 17% in the SDS scenario, as electricity production levels rise. Among fossil sources, gas will continue to play a central role also in the energy transition, acting as a bridging solution to compensate for intermittent renewables and ensure the security and balance of electricity systems on a global scale. The high plant efficiency, the reduced lead time of power stations, and the lower emissions impact compared to other sources, make gas a suitable solution for integrating renewables, awaiting for batteries to reach technological maturity and electricity systems to adapt to the new balances, and for replacing coal, at least in the medium term. Oil demand, on the other hand, is expected to peak immediately within the next 23 years and then gradually decline in almost all Countries (with the exception of India and Sub-Saharan Africa). Nevertheless, significant upstream investments are still needed to offset the decline in production from existing fields, although uncertainty remains related to the influence that regulatory changes and technological

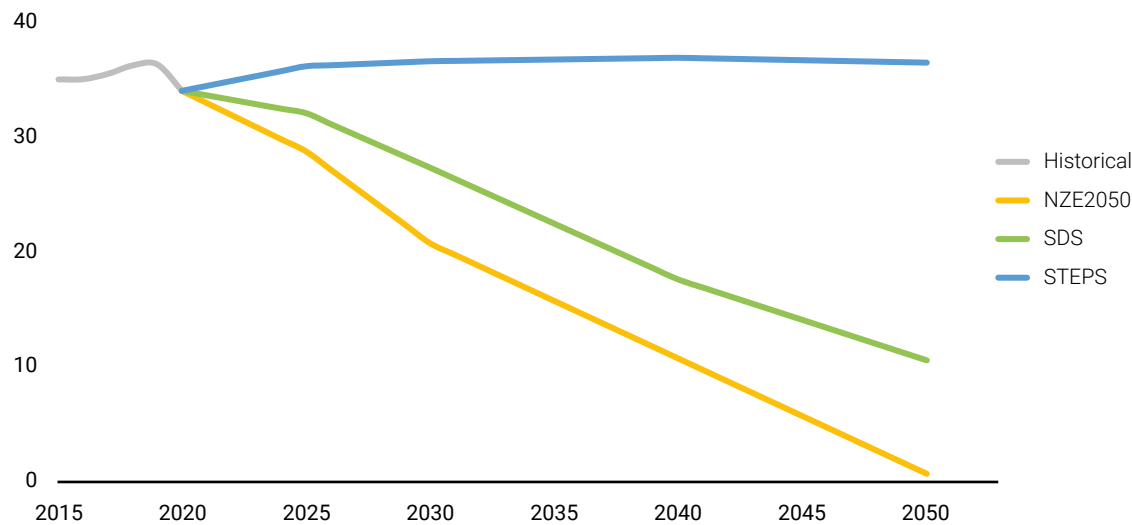
1) This is the IEA baseline scenario and reflects all existing and announced government policies, although it does not meet the temperature limitation target within 2°C.
 2) It is a backcasting scenario, incorporating a series of measures needed to reach net zero by 2070 and limit the global temperature increase over pre-industrial levels to 1.65°C with a 50% probability. It ensures universal access to energy by 2030, reduction of local pollution and implementation of actions to combat climate change, limiting the increase in global temperature well below 2°C.

breakthroughs could have on the scenario. In its World Energy Outlook 2020 (WEO), the IEA introduced a scenario called NZE2050 (Net Zero Emissions) which builds on the SDS scenario and calls for much stronger measures than SDS to achieve net zero emissions by 2050 in order to limit the temperature increase to 1.5°C by 2100 compared to pre-industrial levels. Energy demand in the NZE2050 decreases by 17% as early as 2030 (-7% compared to SDS), reaching a level similar to 2006, but with an economy twice the size.

This is made possible through an even more pronounced recourse (compared to what is foreseen in the SDS) to electrification, efficiency and changing of consumer behaviours. Currently, around two-thirds of global greenhouse gas emissions come from the energy sector; of these, more than 40% are from the power generation sector, with coal accounting for more than 70% of the sector’s emissions. According to the IEA, a trajectory compatible with the Paris Agreement’s goals of limiting global temperature rise to well below 2°C would require emissions from the energy sector to halve by 2040, to reach about 1/3 of the current level by 2050, and then target net zero emissions by 2070. In the STEPS scenario, global energy demand is projected to return to pre-COVID-19 levels in 2023. However, in the case of a prolonged pandemic (DRS - Delayed Recovery Scenario), realignment to pre-COVID-19 levels will only occur in 2025. The deepest effects of the crisis will be most evident among non-OECD Countries.

In IEA STEPS scenario, global energy demand is projected to return to pre-COVID-19 levels in 2023

Energy and industrial process CO₂ emissions (GtCO₂)



Eni reprocessing of IEA (2020) World Energy Outlook data. All rights reserved.

HEALTH EMERGENCY

Health emergency connected with COVID-19

2020 was marked by the worldwide spread of the health crisis due to COVID-19, which triggered a series of containment measures, such as shutting down productive activities, social distancing and mobility restrictions, with severe negative impacts on the economic environment and consequently on energy demand. Against this background, the energy sector has succeeded in ensuring business continuity, given its strategic importance, while confirming its commitment to achieve the decarbonisation process, seizing the opportunities emerging from the energy transition.

The energy sector has succeeded in ensuring business continuity during the health crisis

Governance

The Board of Directors of Eni plays a central role in managing the main aspects linked to climate change

For more information, see [Eni for 2020 - Sustainability performance \(pagg. 3-4\)](#)

Role of the board

The Board of Directors³ (BoD) plays a central role in managing the main aspects linked to climate change. In particular, based on a proposal by the Chief Executive Officer (CEO) or by the competent bodies, the BoD examines and/or approves:

- **goals** related to **climate change** and energy transition, integral part of business strategies;
- the portfolio of **Eni's top risks**, including climate change;
- Eni's **medium-long term plan**, aiming to guarantee the sustainability of the business portfolio over a thirty-year period;
- the **Short-Term Incentive (STI) and Long-Term Incentive (LTI) Equity Plan** with targets linked to reduction of GHG emissions and to energy transition for the CEO and the managers with strategic responsibilities⁴;
- **annual sustainability** results, the sustainability report (**Eni for**), the **HSE review**, and including the decarbonization performances;
- **institutional reporting**, which includes the Interim Consolidated Report and the Annual Report (including the Consolidated Disclosure of Non-Financial information);
- the relevant projects and their progress, on a semiannual basis, with sensitivity Eni and IEA SDS carbon pricing⁵ sensitivities;
- within the Annual Report, resilience tests on all upstream cash generating units (CGUs) applying the IEA SDS scenario;
- **strategic agreements**, including climate change-related initiatives.

Committees of the Board of Directors

Sustainability and Scenarios Committee (SSC)	It addresses integration issues among strategy, future scenarios and business sustainability over the medium-long term and examines the scenarios for the Strategic Plan definition. During 2020, the SSC explored climate change issues at all meetings, including the outcomes of the 2019 United Nations Climate Change Conference (COP25), energy scenarios, the state of the art in research and development for energy transition, Eni's decarbonisation strategy, forestry activities and climate partnerships, Eni's responsible engagement on climate change within business associations, climate resolutions and assembly's disclosure of reference peers.
Control and Risk Committee	It supports the BoD in its quarterly review of the main risks, including climate change, in the review of periodic financial and non-financial reports and in the HSE review.
Remuneration Committee	It proposes to the BoD the general criteria for the annual incentives for the CEO and managers with strategic responsibilities including specific targets associated with reduction of GHG emissions.
Nomination Committee	It supports the Board of Directors in the appointments for which it is responsible, in the self-assessment process and in the formulation of guidelines for the shareholders, formulating opinions on the criteria and related designations also in relation to the necessary competencies.

The BoD has assigned a central role to the Chairman, in the internal control system in particular regarding the Internal Audit function. The chosen model establishes a clear separation between the functions of Chairman and Chief Executive Officer. For what concerns the BoD in charge since May 13, 2020, several members have experience with ESG issues⁶. Immediately after the appointment of the Board of Directors and the Board of Statutory Auditors, a board induction programme was implemented for directors and statutory auditors, which covered, among other topics, issues related to the decarbonisation process and the environmental and social sustainability of Eni's activities.

3) Board of Directors: <https://www.eni.com/it-IT/chi-siamo/governance/consiglio-amministrazione.html>. To learn more about Eni's organisational structure, please refer to the section "Company" of the corporate website (www.eni.com) and to the Corporate Governance Report and 2020 ownership structure.

4) Managers with strategic responsibilities: Managers reporting directly to Eni's Chief Executive Officer and Chairman and members of the Management Committee of Eni SpA.

5) Sustainable Development Scenario (SDS) from the World Energy Outlook 2020 of the International Energy Agency (IEA).

6) In particular, in addition to the Chief Executive Officer, Director Litvack and Director Guindani, current and former Chair of the Sustainability and Scenarios Committee respectively, as well as Directors Piccinno and Vermeir.

Role of management

Issues connected with the management of risks and opportunities related to climate change and energy transition are considered and integrated in all the stages of the business cycle, starting from negotiations for acquisition of mining rights up to decommissioning. In order to facilitate the energy transition path, in 2020 Eni adopted a new organisational structure with two Business Groups, Natural Resources and Energy Evolution, and central structures to support the CEO in the compliance and risk management control functions and the Business Groups in achieving their objectives. The strategic commitment to the energy transition is part of the company's essential goals and is therefore also reflected in the Variable Incentive Plans for the CEO and company management⁷.

The strategic commitment to the energy transition is part of the company's essential goals and is therefore also reflected in the Variable Incentive Plans

Short-term Incentive Plan	<p>As in previous years, the Short-Term Incentive Plan with deferral 2021 (STI) includes, as part of the environmental sustainability and human capital objectives, an objective to reduce the intensity of Upstream GHG emissions (weight 12.5%), that this year has been extended to indirect emissions (Scope 2) and non-operated activities. Moreover, within the framework of operating results, the incremental installed capacity of renewable sources (weight 12.5%) replaces the indicator relating to exploration of resources, to support of the energy transition strategy. Considering both objectives, the weight related to decarbonisation is 25% for the CEO, while for company management, according to weights coherent with the responsibilities assigned, in addition to specific objectives according to their role.</p>
Long-term Incentive Plan	<p>The 2020-2022 Long-Term Equity Incentive Plan (LTI) supports the implementation of the Strategic Plan through parameters related to the objectives of decarbonisation, energy transition and circular economy, consistently with the targets communicated to the market and with a view to aligning with the interests of all stakeholders. The total weight of these targets is equivalent to 35% both for the CEO and for all Eni managers involved in the Plan.</p>

From 2019, issues related to climate change, energy transition and medium-long term plan are managed through dedicated structures reporting to the CFO with the aim of supervising the process of defining Eni's climate strategy and the related portfolio of initiatives as part of long-term planning in line with the commitments made by the company with respect to the decarbonisation of all products and processes by 2050.

The management, and more generally all Eni's personnel, is constantly informed on the progress towards carbon neutrality through various sharing opportunities, for example: **Live streaming** in which the CEO explains the strategies and objectives of the Strategic Plan to the entire corporate population; **Business review**: a quarterly meeting between the Chairman, the CEO and its direct reports, to monitor progress on the objectives and implementation of strategic lines; **HSE review**; **Annual and interim results**; **Quarterly report on top risks**; **The CEO blog** in which the CEO comments on the main events on the corporate intranet and creates a direct communication channel with all employees.

The management, and more generally all Eni's personnel, is constantly informed on the progress towards carbon neutrality



Eni's new organization

In 2020, Eni adopted a new organisational structure with two General Business Groups:

- **Natural Resources**, which focuses on the sustainable valorization of the upstream oil and gas portfolio, wholesale gas marketing, and projects related to forest conservation (REDD+) and CO₂ capture and storage projects;
- **Energy Evolution**, dealing with the evolution of the generation businesses and the transformation and sale of products from fossil to bio, blue and green, also through the merger of the retail and renewable businesses.

The two Business Groups maintain a close relationship in the management of the hydrocarbons chain with the aim of optimising the energy transition phases and jointly developing decarbonisation processes to generate green, blue and bio products. Finally, with regard to central structures, the new Technology, R&D, Digital unit has been set up, highlighting the great strategic importance that Research and Development and technological innovation have for Eni as essential drivers for creating value and growth, thanks to the development of new technologies and their rapid implementation in the field on an industrial scale.

In June 2020, Eni adopted a new organisational structure with two Business Groups: Natural Resources and Energy Evolution

⁷) For further details see the 2021 Report on remuneration policy and remuneration paid.

Risk Management

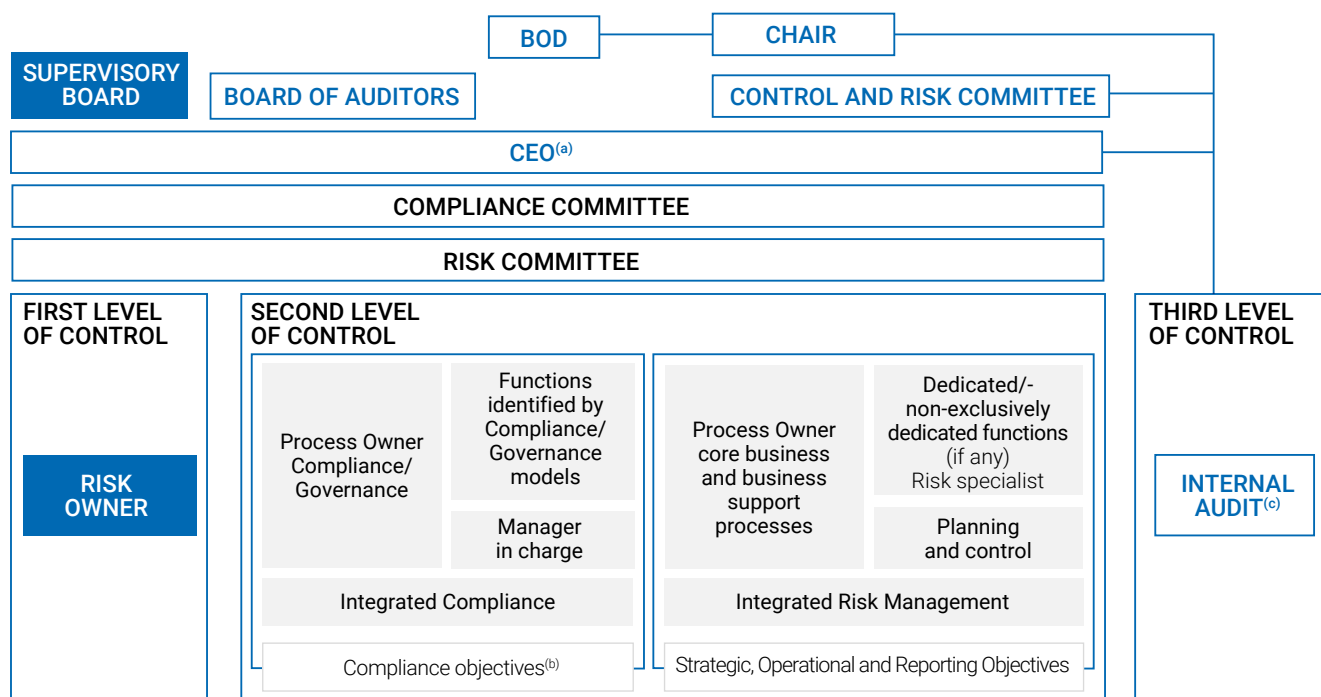
The Integrated Risk Management Model has the aim of supporting the management in the decision-making process by strengthening awareness of the risk profile and related mitigations

Integrated climate risk management model

The risk and opportunity management process connected with climate change is part of the Integrated Risk Management (IRM) Model, developed by Eni with the aim of supporting the management in the decision-making process by strengthening awareness of the risk profile and related mitigations. Roles and responsibilities relevant for the IRM process:

- the **BoD** defines the nature and level of risk compatible with the strategic objectives also with a view to business sustainability in the medium-long term, and it outlines the guidelines for identifying, assessing, managing and monitoring risks;
- the **Control and Risk Committee** supports the BoD in defining the guidelines for risk management. The Board of Statutory Auditors monitors the effectiveness of the IRM process;
- the **Chief Executive Officer** implements the BoD guidance; in particular, using the IRM process, he ensures the identification, assessment, management and monitoring of the main risks, which he submits to the BoD on a quarterly basis, taking into account the operations and specific risk profiles of each business line and individual processes, for an integrated risk management policy; he also ensures that the RMI process evolves in line with the dynamics of the business and the regulatory context;
- the **Risk Committee**, chaired by the CEO, advises the CEO on the main risks: for this purpose, it examines and expresses opinions, at the request of the CEO, on the main findings of the IRM process.

The IRM model ensures detection, consolidation and analysis of all of Eni's risks and supports the BoD in verifying compatibility of the risk profile with the strategic objectives, also in the medium-long term. The process is continuous and dynamic and provides for the following sub-



(a) Director in charge of the internal control and risk management system.

(b) Including financial reporting reliability objectives.

(c) The Internal Audit Director reports hierarchically to the Board of Directors, and on its behalf, to the Chairman, without prejudice to his/her functional reporting to the Control and Risk Committee and to the CEO, as Director in charge of the Internal Control and Risk Management System.

processes: (i) risk governance, methodologies and tools, (ii) risk strategy, (iii) integrated risk management, (iv) risk knowledge, training and communication. The IRM process starts from the contribution to the definition of Eni’s medium- long-term plans and Four-Year Plan (risk strategy) through the analysis of the risk profile and business opportunities that are the basis of the plan and long-term development, as well as the identification of proposals for de-risking objectives and strategic treatment actions. The risks are assessed with quantitative and qualitative tools considering both the probability of occurrence and the impacts that will be determined in a given time frame if a risk event were to occur. The assessment is expressed at both inherent and residual level (taking into account the effectiveness of mitigation actions) and allows the impact to be measured against the achievement of strategic and whole life objectives for business projects. Risks are represented, based on probability of occurrence and impact, on matrices that allow comparison and classification according to relevance.

IRM - Integrated Risk Management

Risk-based process

<p>1 Risk Governance, methodologies and tools</p>	<p>Definition of criteria, procedures and tools for integrated risk management.</p>
<p>2 Risk Strategy</p>	<p>Contribution to defining Eni’s medium and long-term plans and Four-Year Plan by identifying proposals for de-risking objectives and strategic treatment actions.</p>
<p>3 Integrated Risk Management</p> <ul style="list-style-type: none"> > INTEGRATED RISK ASSESSMENT > INTEGRATED COUNTRY RISK > CONTRACT RISK MANAGEMENT > INTEGRATED PROJECT RISK MANAGEMENT & M&A 	<p>Periodic cycles of risk assessment and monitoring (Integrated Risk Assessment); analysis and management of contract risks (Contract Risk Management); integrated analysis of existing risks in countries where Eni operates or countries of potential interest (ICR); support to the decision-making process for authorising investment projects and more important operations (Integrated Project Risk Management and M&A).</p>
<p>4 Risk Knowledge, training and communication</p>	<p>Dissemination of risk culture, strengthening of a common language and sharing of information and experiences through the development of a Community of Practice.</p>

During 2020:

- two cycles of assessment were carried out: the Annual Risk Profile Assessment that involved 121 subsidiaries in 43 Countries in the first half, and the Interim Top Risk Assessment in the second half;
- approximately 170 risks were identified, 20 of which were top risks, grouped into strategic, external and operational risks⁸; **climate change is one of Eni’s top strategic risks** analysed, assessed and monitored by the CEO as part of the IRM process;
- three monitoring cycles were performed on the top risks in order to analyse risk trends and the implementation status of treatment actions put in place by the management.

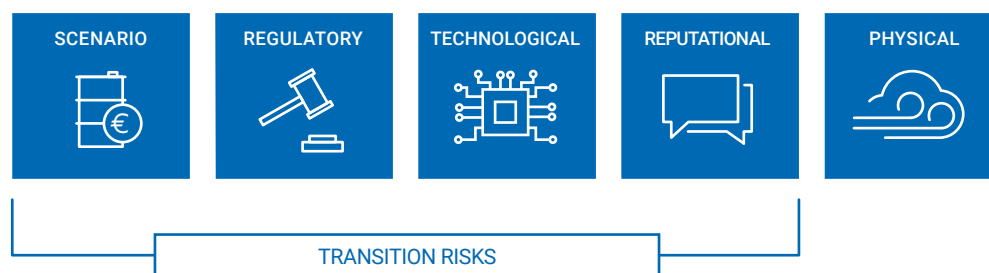
Results from the assessment and monitoring cycles are presented to the Board of Directors and the Board of Statutory Auditors on a quarterly basis.

Risks assessed as top risks are those that impact on one or more strategic objectives and can lead to a broad review of business strategies

8) For more information see Eni for 2020 - A just transition (page 24).

Risks and opportunities related to climate change

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



Natural gas will be able to play an important role in the future also in terms of growing production of hydrogen or implementation of CO₂ capture, use and storage

Market scenario. In the International Energy Agency (IEA) Sustainable Development Scenario (SDS), used as a benchmark for assessing energy transition risks, fossil sources maintain a central role in the energy mix (Oil & Gas equal to 46% of the mix in 2040) and global energy demand in 2040 is expected to fall compared to today (-9.6% vs. 2019, CAGR 2019-2040 -0.5%). Natural gas maintains its portion of the energy mix (23%) in the SDS scenario, and appears as the fossil fuel with the best future prospects both for integration with renewable sources and for replacement of other sources with higher environmental impacts, especially in emerging Countries. In the future, moreover, natural gas will be able to play an important role also in terms of growing production of hydrogen or implementation of CO₂ capture, use and storage (CCUS) projects. Oil demand, on the other hand, is expected to peak immediately within the next two years and then gradually decline in almost all Countries (with the exception of India and Sub-Saharan Africa). Renewable sources will instead take on a growing importance in the progress towards decarbonisation, meeting up to 36% of primary consumption in 2040 (vs. 14% in 2019), above all thanks to wind and solar energy.

All Parties to the Paris Agreement are called upon to review and strengthen their National Emission Reduction Plans by COP26

Regulatory developments. The adoption of policies aimed at sustaining the energy transition towards low carbon sources could have significant impacts on the evolution of Eni's business portfolio. In particular, all Parties to the Paris Agreement are called upon to review and strengthen their National Emission Reduction Plans (NDCs⁹) by COP26, to be held in November 2021 in Glasgow. At the same time, an increasing number of governments are announcing carbon neutrality targets by 2050 and some of them, including the EU, have already transposed this into law. In fact, EU published in December 2019 the European Green Deal, a set of initiatives aimed at achieving carbon neutrality by 2050, a goal transposed into law with the Climate Law. In this context, the EU revised its 2030 emissions reduction target upwards setting a reduction target of -55% (vs. 1990), and it is updating much of the relevant legislation accordingly; among the most significant regulatory issues in the current European debate include, in particular, the extension of the EU Emissions Trading System to other sectors, the introduction of a carbon duty on imported goods (the so-called carbon border adjustment mechanism) and the Green Taxonomy.

Technological developments. The need to build a final consumption model for low carbon impact energy will favour technologies for GHG emissions capture and reduction, production of hydrogen from gas as well as technologies that support methane emissions

9) NDCs = Nationally determined contributions.

control along the Oil & Gas production chain. These elements will contribute to sustaining the role of hydrocarbons in the global energy mix. Furthermore, technological evolution in the field of energy production and storage from renewable sources and in bio-based activities represents a key driver for the industrial transformation of Eni's business.

Reputation. Awareness-raising campaigns by NGOs and other environmentalist organisations, media campaigns, initiatives to ban plastic, shareholder resolutions during meetings, disinvestments by some investors and class action by groups of stakeholders are increasingly oriented towards greater transparency on the tangible efforts of Oil & Gas companies towards energy transition. Additionally, some public and private parties have begun proceedings, legal or otherwise, against the major Oil & Gas companies, including companies belonging to Eni Group, deeming them responsible for the impacts related to climate change and human rights. Eni has long been committed to promoting a constant, open and transparent exchange of views on climate change and human rights issues as an integral part of its strategy and therefore as a subject of communications to all stakeholders. This commitment is part of a broader relationship that Eni has been building with its stakeholders on relevant sustainability issues through initiatives on governance, dialogue with investors and targeted communication campaigns, participation in initiatives and international partnerships.

Eni has long been committed to promoting a constant, open and transparent exchange of views on climate change and human rights issues





Luangwa Community
Forests Project
(LCFP), Zambia



Eni is addressing the issue of adaptation to Climate Change also in terms of socio-economic and environmental impacts in the countries where it operates

Physical risk

Intensification of extreme/chronic weather phenomena in the medium-long term could cause damage to plants and infrastructures, resulting in an interruption to industrial operations and increased recovery and maintenance costs. With regard to **extreme phenomena**, such as hurricanes or typhoons, Eni's current portfolio of assets, designed in accordance with current regulations to withstand extreme environmental conditions, has a geographical distribution that does not result in high-risk concentrations. For Eni, the most vulnerable area is the Gulf of Mexico, where an Emergency Plan has been drawn up that can lead to the temporary interruption of operations, if necessary. With regard to **chronic phenomena** that occur more slowly over time, such as sea level rise or coastal erosion, vulnerability of Eni's assets is assessed through specific analyses, as in the Nile Delta area, where impact is limited and preventive mitigation actions can be envisioned and implemented. In parallel with its commitment to ensuring the integrity of its operations, Eni is addressing the issue of adaptation to Climate Change also in terms of socio-economic and environmental impacts in the Countries where it operates. To this end, Eni has launched a project in collaboration with FEEM (Fondazione Eni Enrico Mattei) and IDM (Management Institute) of Pisa, to assess the main risks/opportunities related to Climate Change. In this context, a methodological framework for the identification of specific adaptation measures/actions has been developed and is currently being tested in a pilot Country.

RISKS



OPPORTUNITIES

ENI RESPONSE ACTIONS
(MORE DETAILS IN THE NEXT SECTIONS OF THIS DOCUMENT)

SCENARIO LOW CARBON

- Decline in global hydrocarbon demand
- Loss of results and cash flow
- "Stranded asset" risk
- Impacts on shareholders' returns

- Growth in gas demand and opening up of new market opportunities (such as LNG - Liquefied Natural Gas)
- Development of renewable energies
- Growing demand for hydrogen
- Diversification of raw materials for biorefineries and the chemical industry and development of new products
- CCS development

- Resilient and flexible Oil & Gas portfolio
- Renewable energy projects and Eni gas e luce retail business development
- Circular economy and sustainable mobility
- Hydrogen
- CCUS - Carbon Capture Utilisation and Storage
- REDD+ projects

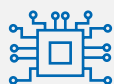


POLICY AND LEGAL

- Increase in operating and investment costs
- Declining demand for oil products
- Climate change proceedings

- Development of renewable energies
- Diversification of raw materials for biorefineries and the chemical industry and development of new products
- Reassessment of assets in a circular long term perspective
- Replacement of the demand for coal with gas
- Energy efficiency interventions with the adoption of BAT

- Resilient and flexible Oil & Gas portfolio
- Renewable energy projects and Eni gas e luce retail business development
- Circular economy and sustainable mobility
- Commitment to energy efficiency
- Climate disclosure and positioning



TECHNOLOGICAL DEVELOPMENTS

- Reduction in hydrocarbon demand through technological breakthroughs

- Development of renewable energies
- Development of technologies for recovery and reuse of waste
- Partnerships for the development of technological solutions to cut emissions

- Role of research and development in the energy transition
- Renewable energy projects and Eni gas e luce retail business development
- Circular economy and sustainable mobility
- CCUS - Carbon Capture Utilisation and Storage



REPUTATION

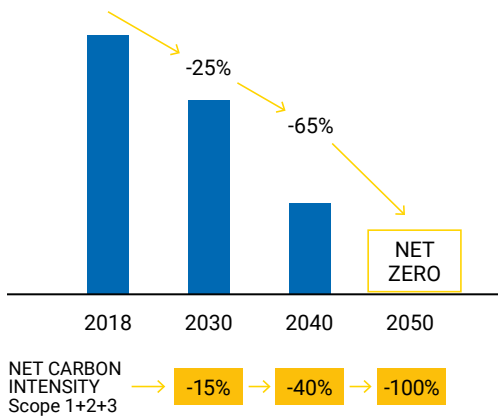
- Impacts on stakeholders' perception
- Impacts on share price
- Proceedings on climate change

- Continued leadership in disclosure
- Partnerships

- Research and development in the energy transition
- Climate disclosure and positioning
- Partnerships for carbon neutrality in the long term

Strategy

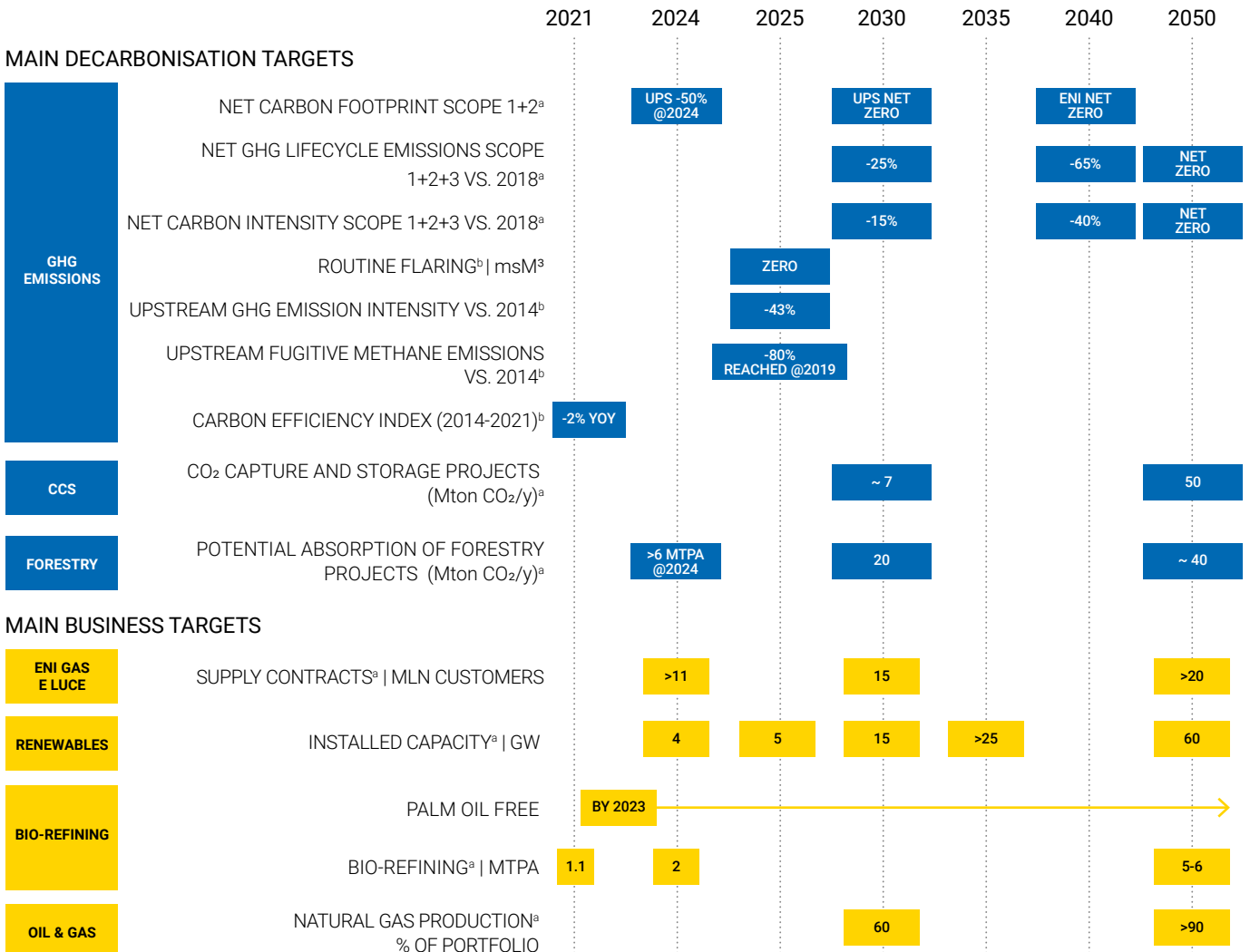
NET GHG LIFECYCLE EMISSIONS (SCOPE 1+2+3)



Eni's strategy

Following a phase of great transformation that allowed the group to grow and diversify its portfolio, while strengthening its financial organisation, Eni initiated a new phase in the development of its business model, strongly oriented towards the creation of long-term value, combining economic/financial and environmental sustainability.

Based on these principles, the new strategy was defined in 2021 to relaunch short, medium and long-term operational objectives, which outline the integrated and evolutionary path of individual businesses and which will lead Eni to carbon neutrality in 2050, in line with the scenarios compatible with keeping global warming within 1.5°C. The speed of evolution and the related contribution of businesses may be influenced by market trends, technological scenario and reference regulations.



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

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

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

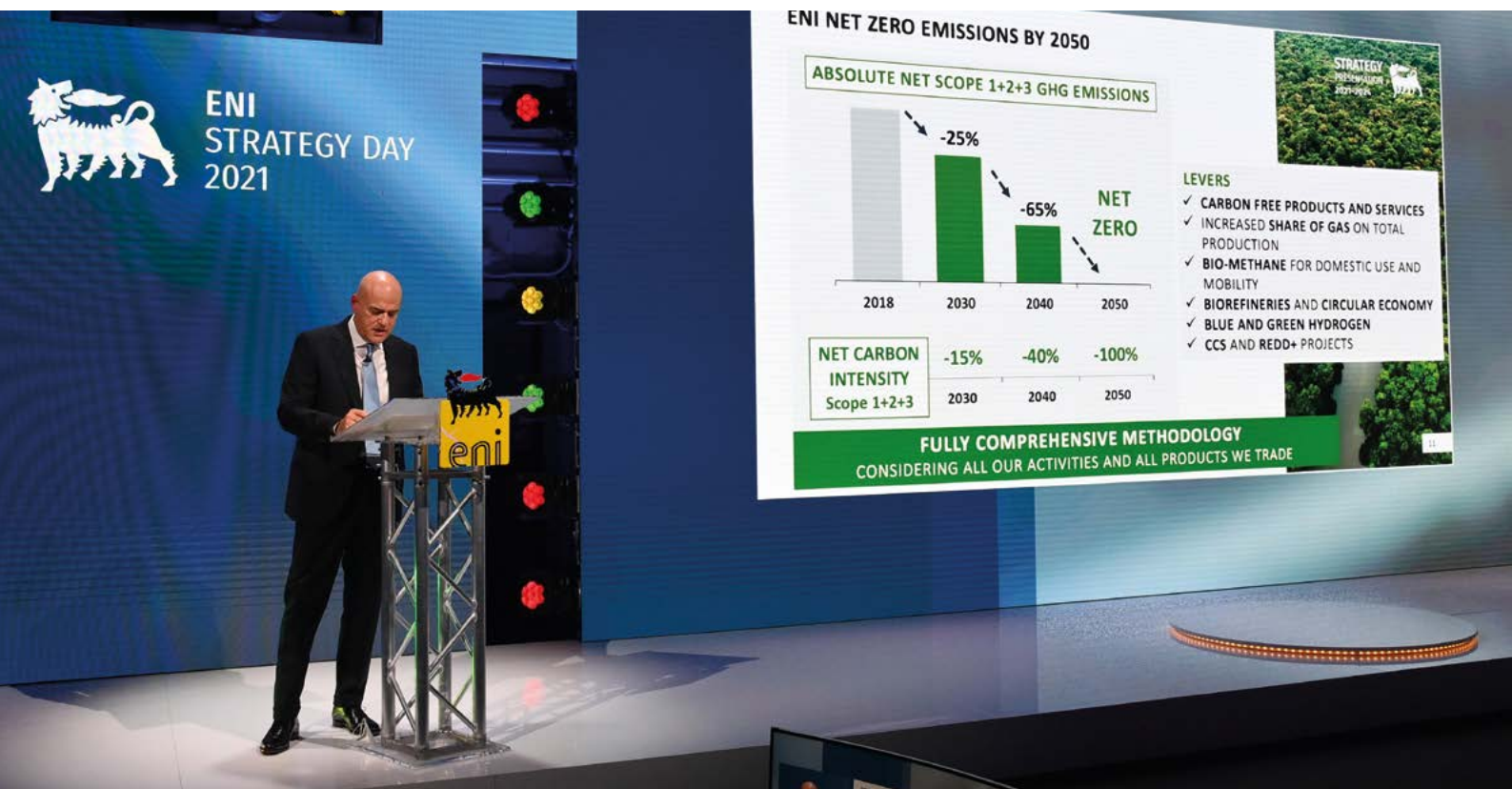
Appropriate accounting of GHG emissions is guaranteed by the application of a reporting model based on a rigorous methodology for evaluating Scope 1+2+3 emissions associated with the supply chain of the energy products sold.

Actions, most of which already in place, that will contribute in achieving the decarbonization targets include:

- reduction of hydrocarbon production in the medium term, with progressive growth of the gas share, which will exceed 90% by 2050;
- gradual conversion of traditional refining using new technologies to valorize decarbonised products and recycled waste materials;
- increase of "bio" refining capacity to 5-6 million tonnes by 2050, palm oil free starting from 2023;
- circular economy: increasing the use of biomethane, waste and recycling of end products;
- efficiency and digitalisation in operations and customer services;
- growth in renewable energy capacity to 60 GW by 2050;
- progressive increase in the production of blue energy carriers (electricity and hydrogen) from gas, combined with CO₂ capture and storage projects;
- blue and green hydrogen to power Eni biorefineries and other highly energy-intensive industrial activities;
- increase in Eni gas e luce retail customers, with more than 20 million by 2050;
- forest conservation projects for a total CO₂ offset of about 40 million tonnes/year by 2050.

Overall spending in the four-year period 2021-24 for decarbonisation, circular economy and renewables investments is €5.7 billion, including R&D expenditures. [see p. 41](#)

Eni will pursue a strategy that aims to achieve by 2050 the net zero target on GHG Scope 1, 2 and 3 emissions, and the associated emission intensity referred to the entire life cycle of the energy products sold

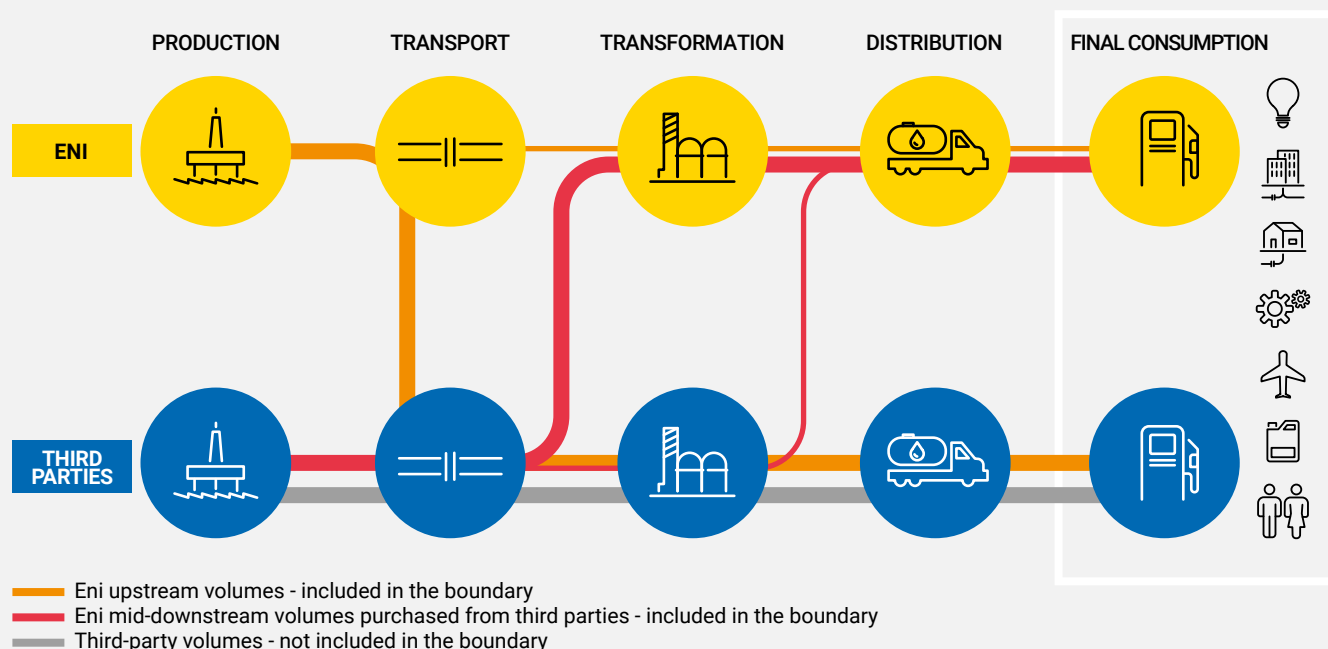




Eni has adopted an approach that includes all GHG scope 1, 2 and 3 emissions, in absolute and intensity terms, linked to the energy products sold by Eni and includes all energy products managed by the various Eni businesses and all the emissions that they generate across the entire value chain

The value chain approach

Eni's medium-long term decarbonization targets refer to a distinctive accounting methodology for GHG emissions along the entire value chain of energy products sold. Most GHG emissions associated with the Oil & Gas value chain are due to activities not directly managed by the companies of this sector (known as Scope 3). Of these, the largest part is related to **end use of energy products**, for which reference international protocols do not provide a univocal estimation methodology that allows concise and comparable representation of GHG emissions. In this context, Eni has adopted an approach inspired by **life cycle** analysis as the most suitable and representative tool for tracing progress towards carbon neutrality. This methodology includes all GHG Scope 1, 2 and 3 emissions, in absolute and intensity terms, linked to the energy products sold by Eni, whether they derive from own productions or purchased from third parties. This approach, therefore, includes **all energy products managed by the various Eni businesses** and all the emissions that they generate across the entire value chain. For each of these products, the methodology includes all significant sources of GHG emissions, following a well-to-wheel approach. The volumes of energy products considered are quantified based on an **extended boundary**, which includes both equity productions and volumes purchased from third parties. The methodology was developed in 2020 with the collaboration of independent experts, the resulting indicators are published annually and certified by the financial auditor and is being progressively improved to reflect the latest developments in emissions reporting standards. In 2021, the reporting model was further refined to better represent the actual use of the volumes sold to the market, including non-energy uses (e.g. petrochemicals) or those associated with decarbonised products (e.g. blue hydrogen, power with CCS).



All the emissions generated along the value chain of the products, produced by Eni and by third-party plants are included.

Products purchased from third-parties and the emissions they generate in the production, transport and transformation phases at Eni and third-party plants are also included.

Climate disclosure: a game-changer to boost corporate ambitions for GHG emissions reduction

CDP has worked for over 20 years with investors, companies, cities, States, and regions to improve disclosure of environmental impacts. How has disclosure changed?

In 2001, CDP introduced the link between environmental and financial data, when 35 investors backed our request to companies to report. It has now grown to 590 institutions with assets of €110 trillion. What began as a small initiative to improve transparency by companies, cities, States, and regions has today become mainstream. CDP has played the integral role. 10,000 organizations report to us – 80% of Europe's market value. And we've seen more action across the value chain, with 200 corporates with \$5.5 trillion buying budgets now requesting suppliers to disclose. The growth in transparency has been encouraging – though we have a way to go. Governments are now starting to play their role by making higher quality disclosure mandatory, a process CDP supports worldwide.

To decarbonize our economy fast enough to cap global warming at 1.5°C, we must reach net zero emissions by 2050. CDP supports companies in measuring their environmental impacts and improving their understanding of climate-related risks and opportunities. Is the private sector moving in the right direction, and at the appropriate path, to achieve the most ambitious international climate goals?

From the pandemic we have an historic opportunity to recover in the right way. We must build forward better and radically transform all parts of our economy.

I see progress. More financial institutions and companies committing to net-zero. Over 500 companies worth \$13 trillion part of the Business Ambition for 1.5°C, to set a net zero target in line with 1.5°C. These targets work: over 5 years, companies with science-based targets reduced emissions by 25%, as global emissions rose 3.4%. And it's encouraging to see momentum increasing during the pandemic. There is now huge attention on the need for a green recovery, supported by governments.

However, the pace is too slow. Our report shows European companies on a 2.7°C warming path. Science-based targets cover a fraction of the market. Finance portfolios must align to a 1.5°C path, but there are too few Paris-aligned companies or assets on the market. More needs to be done to invest now and decarbonize industrial processes in hard-to-abate sectors. Policy advancements should propel us. Major economies are upping emissions targets before COP26. Europe has a roadmap and law for climate neutrality with the European Green Deal – keeping us on track with the Paris Agreement.

Last year saw an unprecedented increase in the climate ambitions of major integrated energy companies. In February, Eni announced its strategy and a detailed roadmap towards carbon neutrality by 2050. What do you think are the essential characteristics of a successful decarbonization strategy for energy companies?

Disclosure is of course the first step. You cannot manage without measuring. This must be the basis of a sustainability strategy so stakeholders can see the trajectory and progress. Companies need ambitious targets in line with the Paris Agreement, and commit to a science-based net zero strategy through the Business Ambition for 1.5°C. This requires interim targets and provides a clear roadmap for decarbonization in line with science.

To make the investments in lower carbon assets at the scale required, companies must have strong environmental governance. Board governance is key to transforming targets to reality – embedding sustainability in the overall strategy and ensuring the direction of travel is led from the C-suite. Huge investments into lower carbon technologies and assets are needed to put hard-to-abate sectors on a Paris-aligned path. Investment decisions must therefore include the impact on emissions – supported by detailed scenario analysis and internal carbon pricing mechanisms. The environmental crisis is urgent.

The key question for all businesses and investors is: does your target and strategy cover all relevant value chain emissions? And are these in line with 1.5°C across all scopes?



Interview with **Maxfield Weiss** who leads all CDP's activities in Europe as Executive Director. Outside CDP, he oversaw the environmental supply chain responsibility program at Hewlett Packard Enterprise. Maxfield graduated from Columbia University with a Master of Public Administration in Environmental Science & Policy.

Resilience of the investments portfolio is also measured through a monitoring process aimed at identifying and assessing potential risks deriving from the market scenario and legislative and technological evolution

Resilient and flexible Oil & Gas portfolio

PORTFOLIO RESILIENCE

Eni's decarbonisation path includes, in the short term, a progressive growth of hydrocarbon production until a plateau is reached in 2025, followed by a downward trend mainly in the oil component. With the adoption of a model of operational excellence based on successful exploration at competitive costs, reduction of time-to-market of reserves, a phase-based approach to project development and continuous control of operating expenditure, Eni has built a resilient Oil & Gas portfolio. Today, in fact, the main upstream projects in progress feature a break even price of 23 \$/bl and an overall internal rate of return (IRR) of about 18% at the Eni price scenario. Projects remain competitive even under less favourable scenarios; specifically, at a 20% price reduction, the internal rate of return (IRR) drops by approximately 2 percentage points. Resilience of the investments portfolio is also measured through a monitoring process aimed at identifying and assessing potential risks deriving from the market scenario and legislative and technological evolution. In this respect, profitability of the most important new investment projects is subject to a sensitivity to carbon pricing using two sets of assumptions:

- hydrocarbon price and CO₂ cost from Eni scenario;
- hydrocarbon price and CO₂ cost from IEA SDS scenario.

In particular, by adopting the IEA SDS scenario, which envisages the global application of a strongly increasing cost for direct CO₂ emissions, the internal rate of return would decrease by 1.3 percentage points assuming that the cost is not recoverable contractually and for tax purposes. In order to verify the resilience of Eni's asset portfolio, a sensitivity analysis was also carried out on all CGUs (Cash Generating Units) in the upstream sector. The stress test, performed under the IEA SDS scenario, showed that the overall book values of the assets were stable with a reduction in fair value of around 11%, or around 5% in the event of contractual and fiscal recoverability of the costs of direct CO₂ emissions. Analyses carried out on the 3P¹⁰ reserves of the current upstream portfolio confirmed their resilience and flexibility.

Resilience	In terms of resilience, the average Brent break even price, meaning the price that guarantees a return on investment equal to the cost of capital, is around 20 \$/bl, with values ranging from around 10 \$/bl to 35 \$/bl for the most costly reserve.
Flexibility	In terms of flexibility, adopting a sensitivity scenario with a constant Brent equal to 50 \$/bl and a constant gas price (PSV) equal to 5 \$/mmbtu, the result is that 93% of the value and 81% of the volumes of 3P reserves ¹¹ could be produced by 2035. This leaves broad freedom to plan exploration and development campaigns to support future production and to adapt to sudden market changes without incurring in the stranded assets risk.

Gas will play an increasingly important role in the evolution of Eni's hydrocarbons productive mix

THE ROLE OF GAS

As the hydrocarbon production mix evolves, gas will play an increasingly important role with the aim of achieving a 60% share by 2030 and more than 90% by 2050. LNG also plays a crucial role in the growth of gas and Eni is developing a new model which guarantees a leading position in the market. Over the next few years, the portfolio is expected to grow with a forecast for traded volumes of 14 MTPA¹² by 2024, a significant increase (+45%) with respect to 2020 traded volumes. This growth will mainly come from new projects in Indonesia, Nigeria, Angola, Mozambique and Egypt, where the Damietta start-up has been completed. These actions contribute to make the Group's portfolio more sustainable and enhance the value of natural gas as a fossil fuel with lower GHG emissions. The use of technological solutions such as Carbon, Capture, Utilization and Storage applied to power generation plants, LNG plants and

10) 3P reserves include: proven reserves (P1), probable reserves (P2), possible reserves (P3).

11) Properly risked, considered 70% (P2) and 30% (P3).

12) Million Tonnes per year.

blue hydrogen production, will allow a further reduction in the carbon footprint of gas from equity production. To this end, recognising the importance of maximising the benefit to the climate deriving from using gas, Eni is a partner in various initiatives (see p. 38) that provide for implementation of voluntary actions to reduce methane emissions throughout the Oil & Gas production process and that promote the implementation of regulations and targets for reducing methane emissions along the natural gas supply chain. Eni also supports actions for the introduction of mechanisms that encourage the use of less emission-intensive fuels such as natural gas. The progressive mitigation of its carbon impact makes gas a fundamental energy source for accompanying the transition towards a low carbon content energy mix, also thanks to substitution of more polluting fossil fuels in electricity generation and in energy-intensive industries. It will also contribute to electric systems balancing by integrating intermittence of renewable sources. Another important aspect connected with promotion of gas in Eni's strategy is linked to the development of projects in emerging Countries and with growing energy needs, in particular in Sub-Saharan Africa where over half a billion people today, do not have access to electricity, despite the large availability of energy sources. Eni is committed to researching and developing energy resources for local markets, and in projects for energy access and energy mix diversification towards lower impact sources such as gas and renewables.

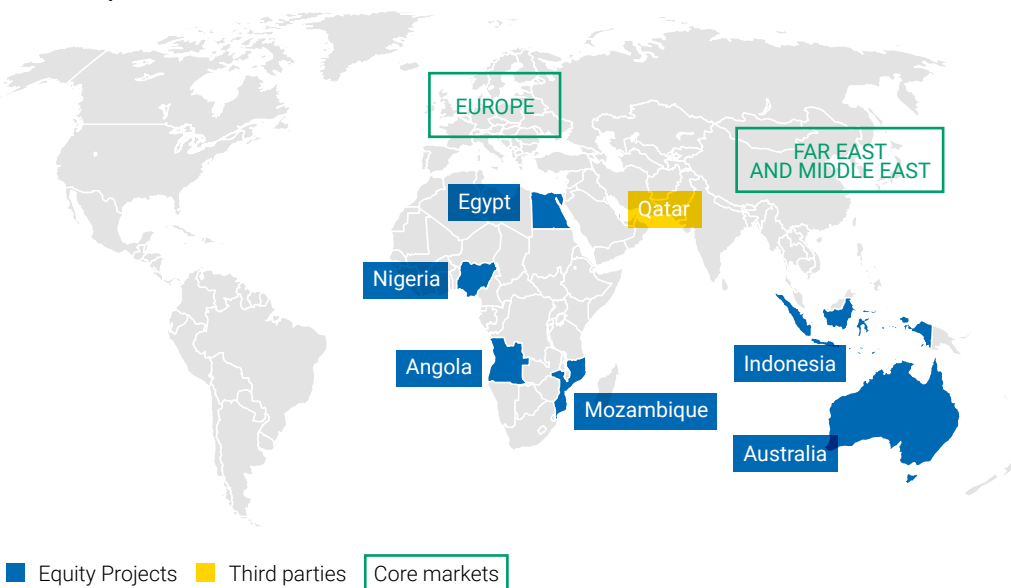
For more information: [Eni for 2020 - A just transition \(p. 78\)](#)

GAS SHARE

60%
@2030

>90%
@2050

The LNG portfolio



LNG GROWTH

14 MTPA

in 2024
CONTRACTED VOLUMES

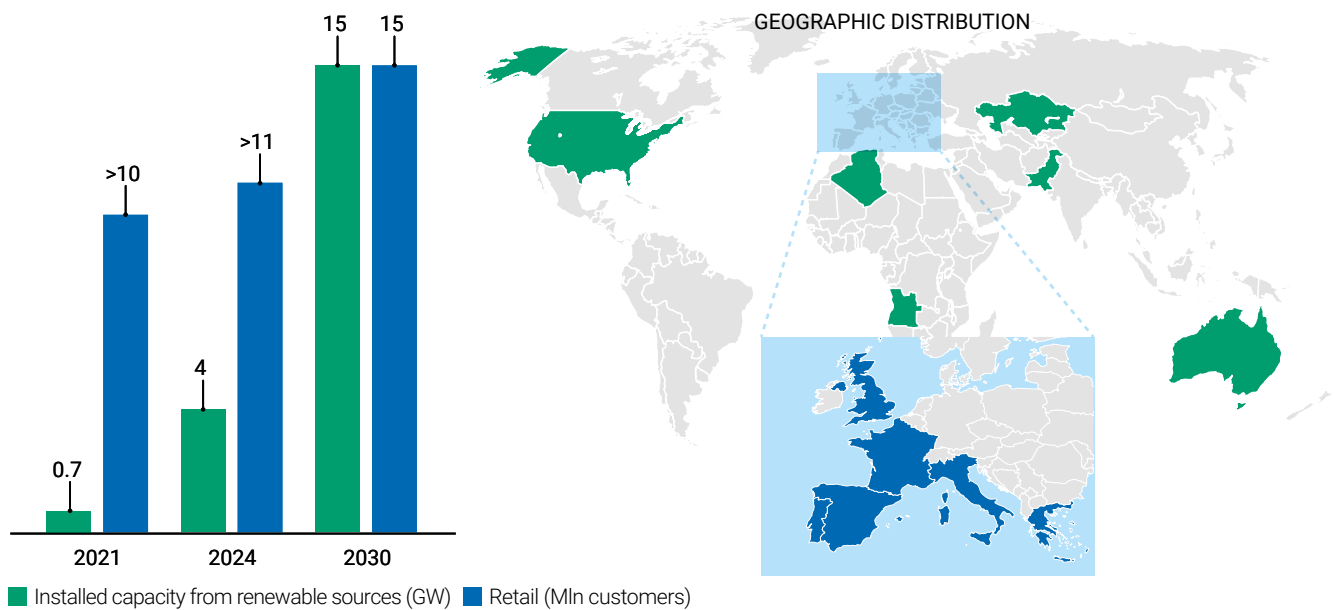
EQUITY SHARE

>70%
in 2024

Renewable energy projects and Eni gas e luce retail business development

In February 2021, the merger of the renewables business with the retail of Eni gas e luce was announced, to further strengthen integration, synergies, diversification and expansion of the two businesses and to maximise value generation across the entire green energy value chain. This merger will leverage the yet large customer base of Eni gas e luce and the increased supply of energy from renewables. Eni gas e luce will also provide its customers with an increasing share of bioproducts and products from circular economy projects.

Increased integration across the green power value chain



In 2020, the electricity production from renewable sources more than quintupled

RENEWABLE ENERGY PROJECTS

Eni confirms its medium-long term strategy that includes the progressive global growth of the renewables business, up to an installed capacity of 60 GW by 2050, through the selection of expansion areas linked to the presence of Eni's customers and the maximization of synergies deriving from the integration with the retail business. In 2020, the commitment to the development of the renewable energy business continued on the path of steady growth in terms of installed capacity and, consequently, electricity production. Installed capacity at the end of 2020 exceeded 300 MWp, almost doubling compared to the end of 2019 (around 170 MWp, +76%), while electricity production more than quintupled from around 61 GWh in 2019 to around 340 GWh at the end of 2020 (+460%).

In particular, the growth in **installed capacity** is due to:

- results of the strategic partnership with Falck Renewables, thanks to which Eni entered the US market by acquiring operating photovoltaic and wind power plants for about 90 MWp in Eni's share;
- completion of two Australian photovoltaic plants, Batchelor and Manton, totalling 25 MWp.

The solid increase in **electricity production** is due not only to the acquisition of the North American plants already in operation (84 GWh), but also to the production of the plants completed in 2019 and commissioned between the end of 2019 and the beginning of 2020, in particular the Badamsha wind farm in Kazakhstan (111 GWh) and the Porto Torres photovoltaic plant (49 GWh). The initiatives completed in 2020 confirm the validity of Eni's distinctive model based on:

- integration with other business lines and existing assets, generating value through industrial, logistical, contractual and commercial synergies;
- a progressive international geographical expansion with a focus on Countries where Eni has

a consolidated presence, solid commercial relationships, knowledge of energy markets and local needs;

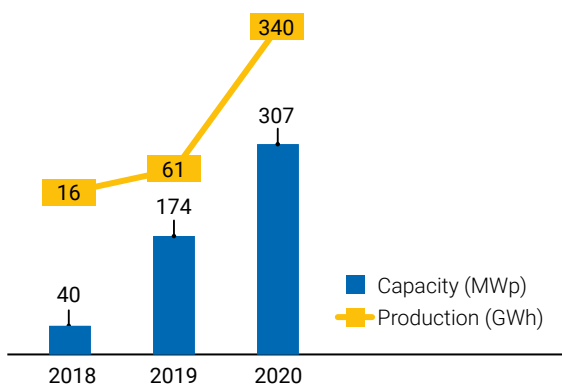
- a technology neutral approach due to the close cooperation with the R&D function, which will enable the introduction of innovative technological solutions that are currently being studied.

For future years, Eni confirms the strategic importance of the renewable energy business in the path towards decarbonisation, also thanks to the integration with the Eni gas e luce retail business. Over the next four years, plans are to reach 4 GW of installed electrical power from renewable sources, with further long-term targets of 5 GW in 2025, 15 GW in 2030 and 60 GW in 2050.

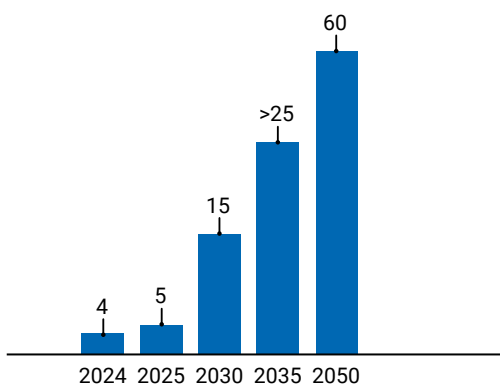
An important contribution to the development of the sector and the achievement of these objectives will come from the reinforced position in Italy and the United States thanks to the partnerships with CDP and Falck Renewables and from entering into new markets in southern Europe, in particular thanks to the recent partnership with X-Elio, following which Eni acquired the first three photovoltaic projects in Spain for a total of 140 MW and which envisages the development of projects up to 1 GW in the four-year period. At the beginning of 2021, Eni gas e luce also entered the Iberian energy market through the acquisition of Aldro Energía, a company that sells gas and electricity to residential customers, small and medium enterprises and large companies.

An important contribution to the achievement of Eni's objectives related to renewable resources will come from its partnerships as well as Eni's entering in new markets

Installed capacity and electricity production by renewable sources



Installed capacity by renewable sources (GW)



Wind power projects

Growth in the renewables business over the four-year period will also be driven by the significant contribution of wind technology, which is expected to account for up to 40% of electricity production from renewable sources by 2024. In addition to the first wind farm already in operation in Badamsha in Kazakhstan (48 MWp) and the one recently acquired in the United States (15 MWp, Eni's share), in 2021 the second wind farm in Kazakhstan (Badamsha-2, 48 MWp) and three wind farms in Italy totalling 35 MWp are expected to be completed and start production. Worthy of note is Eni's entry into the **offshore wind power** sector with the acquisition of 20%, from Equinor and SSE Renewables, of the *Dogger Bank project (A and B)* in Great Britain, which envisages the installation of 190 latest-generation turbines of 13 MW each at a distance of over 130 km from the British coast, for a total capacity of 2.4 GWp (at 100%). The project will consist of two phases, the first of which will be completed by 2023 and the second by the end of 2024. When fully operational, the project (3.6 GWp, 100%) will be the largest offshore wind farm in the world.



View of wind farm in Badamsha, Kazakhstan

The business expansion of Eni gas e luce foresees a goal of achieving more than 20 million supply contracts by 2050

For more information:
[Eni for 2020 - Sustainability performance \(pp. 3-4\)](#)

Eni gas e luce retail business development

The 2050 carbon neutrality strategy envisages an important role for Eni gas e luce activities, with a business expansion with the goal of achieving more than 20 million supply contracts by 2050. This expansion will go hand in hand with the expected growth in energy generation from renewable sources and biomethane and with the target, again by 2050, of distributing fully decarbonised products. In order to make an increasingly tangible contribution to the energy transition, in recent years Eni gas e luce has undertaken a growth strategy aimed at expanding its services to customers beyond the commodity offering.

In 2019, the acquisition of the majority stake in SEA SpA, an energy service company operating in the energy efficiency services and solutions sector, was completed, confirming the strategy aimed at a stronger presence in the value-added services market. An example in this area is CappottoMio: the Eni gas e luce service for energy upgrading of buildings, devised to satisfy the energy needs of privately-owned apartments, from both the technical and financial points of view, increasing their comfort and reducing wastage. Thermal cladding consists in insulating walls with thermal insulation panels for interiors and exteriors, thus reducing heat dispersion and improving energy efficiency of houses.

In 2020, Eni gas e luce completed the agreement for the acquisition of 70% of Evolvere SpA, a company operating in the sale, installation and maintenance of small-scale photovoltaic and storage systems for residential and business customers with power up to 20 kW, thus becoming the Italian market leader for distributed generation from renewable sources. At the end of 2020, Evolvere managed 11,000 systems, of which 8,000 are owned by domestic and



In order to achieve long-term objectives, Eni deems it necessary to involve all stakeholders, including end consumers in order to make them more energy-conscious

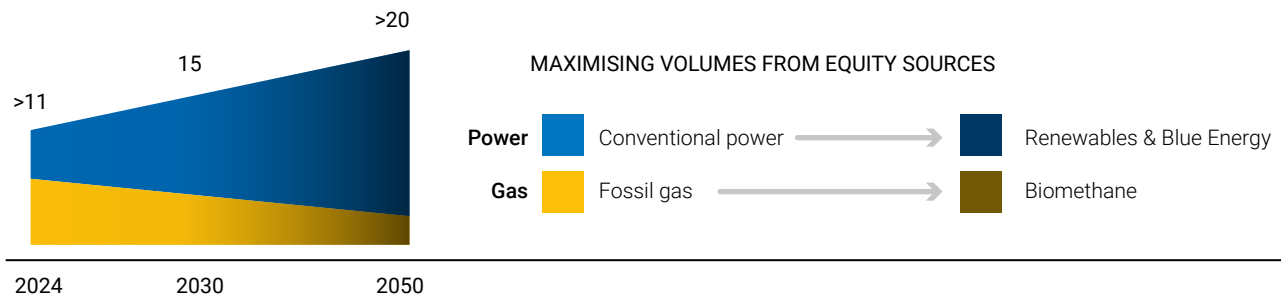
Raising awareness among customers for a conscious use of energy

In order to achieve long-term objectives, it is necessary to involve all stakeholders, including end consumers, and with this aim, in 2020 there were numerous activities aimed at making consumers more energy-conscious. In particular, in the French market, a strategic partnership between Eni gas e luce and OVO Energy was started for the launch of Kaluza, a platform already used by OVO Energy in the UK, dedicated to raising awareness among retail customers regarding the conscious use of energy and the access to zero emission technologies. In Italy, Eni gas e luce launched a digital communication campaign (Smart Conversation) in the final months of 2020 with the aim of encouraging virtuous behaviour by consumers to contribute to a more rational use of energy, towards the common goal of a more sustainable future. Finally, as part of the partnership with Eataly "Sentieri Sostenibili per una Nuova Energia" (Sustainable Paths for a New Energy), activities are planned to promote the culture of energy efficiency, as well as energy requalification of Eataly shops.



business customers. In 2020, 20% of Tate Srl was acquired, a start-up company operating in the activation and management of electricity and gas contracts through digital services that now has more than 6,000 customers.

Customers (mln)



Hydrogen

For Eni it is crucial to follow a technologically neutral approach, developing and applying all available and sustainable decarbonization technologies, without excluding any of them. In this view, Eni is developing different solutions for the production of low carbon and from renewable sources hydrogen: from natural gas reforming combined with emission capture (blue hydrogen) to electrolysis by means of renewable sources (green hydrogen) and, following a circular economy approach, to technologies for the production of hydrogen from waste. In particular, low carbon hydrogen, produced by steam reforming of methane with CO₂ capture (CCS), is an enabling and already available solution for an emerging hydrogen economy. Deploying CCS technologies for hydrogen production represents the most cost-effective solution in the short-to-medium term to reduce the carbon footprint of existing and new facilities by ensuring continuous production (a necessary requirement to decarbonise hard-to-abate industries).

Promoting the use of hydrogen in the decarbonisation process can make an important contribution to reducing emissions, it represents a solution to decarbonising energy-intensive industries, where electrification is not a currently viable or decisive option

Pathways to low carbon and from renewable sources hydrogen production

Decarbonisation of existing plants and hydrogen production with CCS systems	Through natural gas steam reforming plants combined with the capture of CO ₂ generated by its industrial processes, Eni intends to produce blue hydrogen, to reduce the carbon footprint of hydrogen used as feedstock for its plants, therefore guaranteeing the progressive decarbonization of the energy products.
kGas	Eni is developing kGas, a technology to convert natural gas into synthesis gas (a mixture of hydrogen and carbon monoxide that is a valuable source of H ₂) through catalytic partial oxidation of natural gas. kGas can produce synthesis gas and hydrogen with a strong reduction in CO ₂ emissions by also using biomethane as a feedstock. This process may become the technology of choice for blue hydrogen production, as it allows to capture CO ₂ efficiently.
Waste-to-Hydrogen	Eni is considering the implementation of the Waste-to-Hydrogen project, based on an innovative gasification technology: a process for the production of sustainable hydrogen through gasification of non-recyclable waste, i.e. Plasmix and CSS (secondary solid fuel), waste that is currently used in waste-to-energy plants or sent to landfills, with associated atmospheric emissions. This process enables the production of sustainable H ₂ in synergy with refining plants, helping to reduce emissions associated with conventional waste treatment and conventional hydrogen production.
Hydrogen from water electrolysis	Eni is developing projects to produce hydrogen from renewable sources through water electrolysis (so-called green hydrogen). In this perspective, Eni has developed a collaboration with Enel for joint projects (initially in the vicinity of two of Eni's refineries, with two pilot projects with electrolyzers of about 10 MW that will begin to generate green hydrogen by 2023) and a collaboration with Cassa Depositi e Prestiti and Snam for the decarbonisation of the energy system through joint initiatives aimed at developing production, transport and marketing of green hydrogen.

Circular economy

Eni's circular economy model is based on a regenerative approach whereby business and production processes are reconsidered in a new perspective to maximise the efficiency of resources, products and assets while preserving natural capital. In this way withdrawal of virgin natural resources is minimized in favour of sustainable inputs resorting to solutions aimed at reusing, recycling and recovering circulating matter, existing assets and CO₂; this is done with a view to minimising waste, by recovering and reusing it, and, in the case of CO₂, by removing and balancing the residual part in the atmosphere. The circular economy model adopted by Eni is based on **six pillars**, i.e. the approaches that contribute to the creation of a circular model, and **three drivers**, representing the tools that support their application.

The **six pillars** are:

1. Eco-design: designing innovative and integrated solutions aimed at improving the efficiency of processes and products to optimise resources across their life cycle and recyclability of manufactured goods;
2. Sustainable inputs: reducing use of exhaustable and virgin inputs, in favour of renewable and alternative sources including secondary raw materials;
3. Reduction, Reuse, Recycling and Recovery: maximising the efficiency of resource utilization (including water and land) and reducing and minimising waste valorising it as a new sustainable input, promoting its regenerative capacity;
4. Extension of useful life: valuing assets, land and products by repurposing them and giving them a new life;
5. Product as a service: meeting user needs by reducing production of new goods, maximising their lifetime and promoting their more effective and efficient use;
6. CO₂ circularity: CO₂ emissions are interpreted as a flow of matter to be reduced, reused, recycled, removed and balanced for the residual part in the atmosphere.

PILLARS

- Eco-design
- Sustainable inputs
- Reduction, Reuse, Recycling and Recovery
- Extension of useful life
- Product as a service
- CO₂ circularity

DRIVERS

- Life Cycle Perspective
- Research and technological innovation
- Collaborations

The three drivers of Eni's circular economy model

Life Cycle Perspective	Analysing innovative circular economy processes and products throughout their life cycle, from design to final destination, using analysis tools such as <i>Life Cycle Assessment</i> (LCA).
Research and technological innovation	Rethinking the classic business model in a circular perspective by leveraging both internal research, focusing on Eni's skills and proprietary technologies, and external research, including identification of new solutions through <i>open innovation</i> actions to support the business and production ecosystem.
Collaborations	<p>Operating in synergy and (industrial) symbiosis with stakeholders in order to optimise the use of resources and energy and to share experiences and best practices, thereby enhancing the circular economy culture:</p> <ul style="list-style-type: none"> • Working in synergy: developing joint projects and initiatives with local areas and communities and also between the Group's different business units. • Industrial Symbiosis: pooling resources (usually by-products) between traditionally separate industries in order to create a new tool of closing the resources loop through an integrated approach. • Sharing experiences: identifying new opportunities and needs for innovation and proposing new cultural models, which are crucial for ensuring sustainable development.

Biorefineries

Biorefineries play a central role in Eni's energy transition because they contribute to achieving total decarbonisation of all products and processes by 2050. Advanced biofuels are key to reducing greenhouse gas emissions in the transport sector. Thanks to the development of proprietary technologies, patented in its own Research Centres, Eni has converted the Venice and Gela refineries to allow processing of raw materials of organic origin such as vegetable oils, but also animal fats, used cooking oils or extracted from algae. Eni has a total processing capacity of 1.1 million tonnes per year and has set a target of doubling the total capacity by

2024 reaching 5-6 million tonnes by 2050. Furthermore, by 2023, biorefineries will be palm oil free, i.e. they will not use palm oil in their production cycles. Alternative feedstocks (e.g. used cooking and frying oils, animal fats and vegetable oil processing waste) and advanced feedstocks (e.g. lignocellulosic material and bio-oils) will be used. During 2020, biorefineries obtained ISCC-PLUS certification, which allows them to be integrated into the circular economy products value chain.

VENICE BIOREFINERY

Venice was the world's first example of a traditional refinery converted into a biorefinery. Launched in 2014 with a capacity of 360 kton/year, by 2024, thanks to further plant upgrades, a processing capacity of 560 kton/year is planned, with an increasing share of feedstock coming from food production waste, such as waste oils, animal fats and other advanced by-products.

GELA BIOREFINERY

Gela started its activities in 2019. The plant has a capacity to process 750 kton/year of used vegetable oils, frying fats, animal fats, algae and waste by-products from leftover or energy crops in desert or pre-desert lands to produce quality biofuels. In addition, in March 2021, the new BTU (Biomass Treatment Unit) plant was started up and tested, which will make it possible to use up to 100% of biomass that is not in competition with the food chain, i.e., used cooking oils, and fats derived from fish and meat processing in Sicily. The aim is to create a circular economy model for the production of HVO (hydrotreated vegetable oil) biofuel, HVO naphtha, HVO LPG and HVO jet fuel.



Biomass transparency and traceability

As part of its responsible approach to biomass, Eni is committed to transparency and disclosure of information relating to the biomasses used and the country of origin, providing this information at least once a year [For more information: Eni for 2020 - Sustainability performance \(p. 11\)](#) and during 2021 will extend the CDP disclosure to the Forests questionnaires as well. In 2020, Eni traced 100% of the mills and plantations from which its palm oil was sourced for the Venice and Gela biorefineries. 100% of the palm oil used is ISCC certified and over 80% of the volumes used come from RSPO certified mills. [For more information: eni.com](#)

Biomethane

Biomethane production is part of the circular economy, allowing the use of agricultural and livestock waste and effluents, thus strengthening the relationship between the worlds of agriculture and energy with a view to long-term sustainability. Eni wants to play a key role in this important energy transition process, becoming a major player in the development of the biomethane sector, giving a concrete response to the demand for decarbonisation of the energy mix. Eni intends to promote the entire biomethane supply chain and this is why it has reached cooperation agreements with Consorzio Italiano Biogas, Coldiretti and Confagricoltura and is negotiating with biogas production companies to promote production of biomethane deriving from anaerobic digestion of biomasses, livestock manure and OFMSW (organic fraction of municipal solid waste).

In early 2021, Eni reached an agreement to acquire FRI-EL Biogas Holding, an Italian leader in biogas production with 21 plants for electricity generation from biogas and a plant for OFMSW treatment, which Eni intends to convert to the production of biomethane. The objective is to feed more than 50 million cubic metres per year into the grid when fully operational. With this acquisition, Eni reinforces its growth by laying the foundations to become the leading producer of biomethane in Italy.

Eni intends to promote the entire biomethane supply chain and this is why it has reached cooperation agreements and is negotiating with biogas production companies to promote production of biomethane

Waste to fuel

Eni's R&D has developed the Waste to Fuel technology for the transformation of organic biomass waste through thermoliquefaction process, in particular OFMSW, into bio-oil and biomethane with recovering of water naturally contained in wet waste. Resulting bio-oil, which

Waste to Fuel technology meets the requirements of the circular economy because it reduces the use of raw materials in the energy production and reuses the waste from society

varies according to feedstock composition and has a high energy yield, can be used directly in blending as a low sulphur fuel for maritime transport or refined into biofuels, while recovered water can be used for industrial purposes. A Waste to Fuel pilot plant was launched in 2018 in the area of the Gela refinery by Eni Rewind, Eni's environmental company that will be developing the technology on an industrial scale. The pilot plant treats municipal waste (100 kg/day) and aims to provide useful insights to optimise and further develop the Waste to Fuel technology. To successfully pursue this path, Eni has promoted public-private partnerships to promote circular economy and value resources. An important milestone is the collaboration agreement between Eni Rewind and Cassa Depositi e Prestiti Equity, signed in March 2020, for the development and industrial-scale management of Waste to Fuel plants by establishing the CircularIT Joint Venture. The first industrial plant is planned in Porto Marghera, in areas owned by Eni Rewind within the petrochemical site, and will have a treatment capacity of up to 150,000 tonnes per year, equivalent to the OFMSW produced by about 1.5 million inhabitants. The project envisages collaborating with local industrial and manufacturing businesses, in a perspective of synergy with the territory, with the start-up planned in 2024.

Chemicals from renewables and feedstock diversification

To contribute to long-term carbon neutrality goals, Versalis (Eni's chemical company) has implemented numerous initiatives and projects, designed to apply the principles of circular economy and develop chemicals from renewable sources. Versalis considers circularity as a strategic driver applied to processes and products throughout their life cycle.

■ [For more information: Eni for 2020 - A just transition \(p. 59\)](#)

In the midst of the health emergency, Versalis has started up a new line in Crescentino for the production of liquid and gel hand sanitiser. This disinfectant, marketed under the Invix® brand name, has bioethanol as its active ingredient and is a Medical Product, and aims to meet the growing demand for this now strategic product. The Invix® range will soon be expanded to include a liquid specific for surfaces

CHEMICAL PLATFORMS FROM RENEWABLE SOURCES

Versalis is pursuing its commitment to strengthening its competitive positioning in chemicals from renewable sources, creating synergies between its own research projects and developing integrated technological platforms in line with the development strategy undertaken in recent years.

- In Crescentino, Versalis is engaged in restarting production of bioethanol from second-generation sugars using a system of full recycling of process water and making the site completely independent from an energy point of view, thanks to the exploitation of lignin (the part of biomass not intended for the production of second-generation sugars) in the thermoelectric plant. In addition, the necessary raw material (residual biomass not in competition with the food chain) comes from a short supply chain, i.e. from suppliers within a 70 km radius, and from production waste from wood industries. Crescentino's production process is based on Proesa® technology for the conversion of biomass into second-generation sugars. With the research and know-how developed by Versalis, this technology will enable further developments in the production of a full range of fermentatively renewable products such as bio-oils for biorefinery, polyhydroxyalkanoate (PHA) polymers, intermediates for biopolymers and biochemicals.



Renewable feedstock

In early 2021 Versalis obtained ISCC PLUS certification for monomers, intermediates, polymers and elastomers produced with sustainable raw materials from bionaphtha and chemical recycling, at the Brindisi, Porto Marghera, Mantua, Ferrara and Ravenna sites. Thanks to this certification, Versalis can bring to the market new decarbonised and circular products such as "bio-attributed" and "bio-circular attributed" made with bionaphtha, and "circular attributed" products, when the raw material is a "recycled oil", i.e. pyrolysis oil obtained from the chemical recycling process of mixed plastic waste. Availability of bionaphthas depends on the availability of Eni's biorefineries, which guarantee the supply of sustainable raw materials.

In early 2021 Versalis obtained ISCC PLUS certification

- In Porto Torres (Sardinia), with the Matrica Joint Venture, Versalis has set up an innovative platform for chemicals from renewable sources to produce biointermediates for high added value applications (e.g. paints and inks, bioplastics, biolubricants and bioherbicides), in line with the circular economy model. Versalis will also enter in the market of agricultural protection products from renewable sources, using the production of active ingredients from the Porto Torres renewable chemical platform, in Sardinia. Thanks to an agreement with AlphaBio Control, a research and development company specialising in natural crop protection formulations, it will develop herbicides as well as plant-based, biodegradable surface disinfection biocides.
- Versalis has signed an agreement with Bridgestone to create synergies and accelerate development of a technology platform based on guayule (a plant native to the Mexican desert/Arizona) for the production of natural rubber and resins from the guayule shrub, as a sustainable alternative for production from Hevea Brasiliensis.

Eni promotes a holistic approach to sustainable mobility, with a mix of innovative solutions to minimize environmental impact and to increase efficiency for consumers.

Sustainable mobility

Within the roadmap towards carbon neutrality, Eni plays a key role in promoting a holistic approach, technologically neutral, to sustainable mobility, with a focus on promoting a synergistic mix of innovative solutions to guarantee minimisation of the environmental impact and increased efficiency for consumers.

Expanding public transport	Electricity from renewable sources	Low carbon fuels with low environmental impact	Collaborations with car makers	Multiservice points of sale and infrastructures	Research and technology	Reducing the demand for mobility
Increased car sharing and carpooling, intermodality	Associated with ultra-fast electric charging at service stations	Biofuels from biomass and waste, biomethane, hydrogen, and methanol	To encourage the use of alternative fuels as well as vehicle optimisation ^(a)	Promoting the distribution of all types of sources ^(b) and developing innovative services	Projects for the development of new fuels ^(c)	Increased smart working and home working

(a) For example, collaboration with FCA.

(b) Fossil fuels, biofuels, biomethane, CNG (Compressed Natural Gas), LNG (Liquefied Natural Gas), LPG (Liquefied Petroleum Gas), electricity, hydrogen, and infrastructures for distribution of liquid compressed methane and hydrogen and electricity production from renewable sources.

(c) For example, the new fuel for A20 petrol with lower emissions.



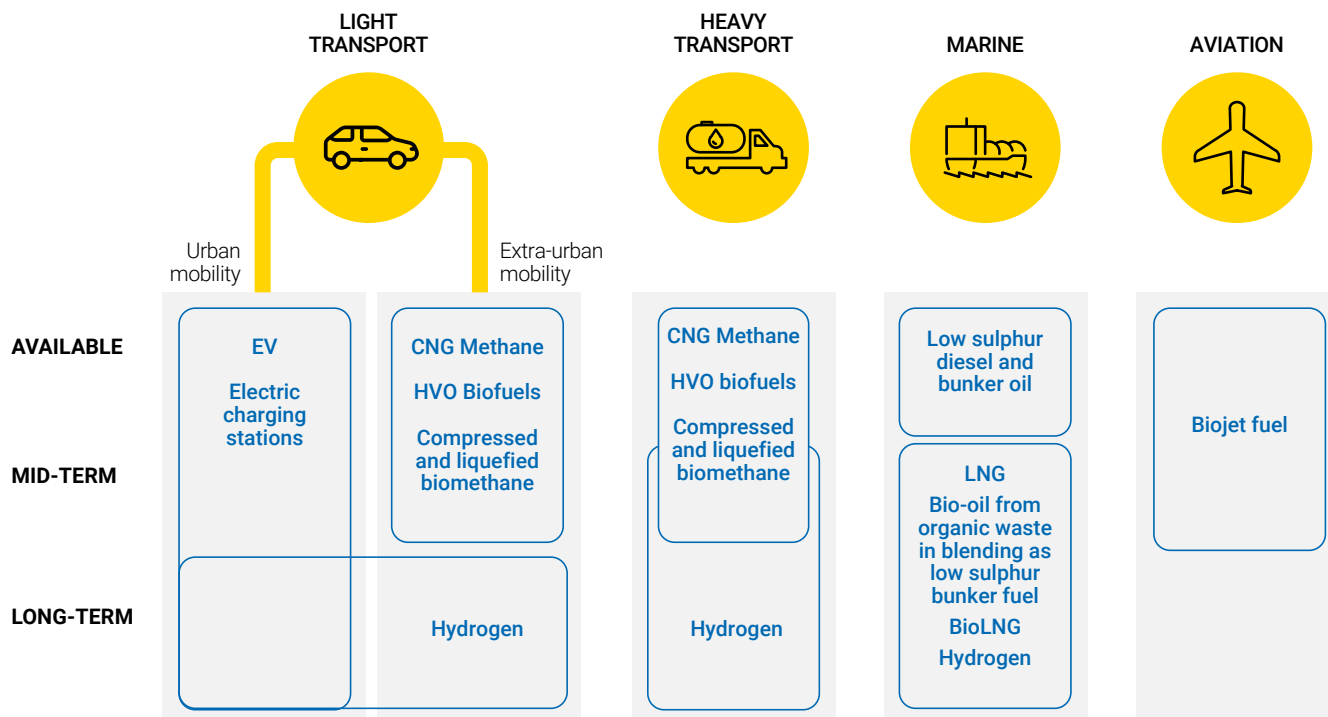
Eni gas e luce and Be Charge: an agreement to accelerate the transition to electric mobility

In accordance with Eni's decarbonisation and energy transition strategy, which it aims to become a leader in the sale of decarbonised products by 2050, Eni gas e luce has announced in February 2021 the signing of an agreement with Be Charge, a company of the Be Power SpA Group dedicated to the diffusion of charging infrastructures for electric mobility. The agreement with Be Charge provides for the installation, throughout the country, of co-branded public charging stations.

The charging stations will be powered by renewable energy, supplied by Eni gas e luce, certified by guarantees of European origin, fed into the grid and produced by plants powered 100% by renewable sources. The joint commitment, the growth of the charging network and the increasingly cutting-edge services aim to accelerate the transition to increasingly sustainable and electric mobility.

The agreement with Be Charge provides for the installation of charging stations for electric vehicles, that will be powered by renewable energy, supplied by Eni gas e luce and produced by plants powered 100% by renewable sources

A mix of Eni's solutions for sustainable mobility



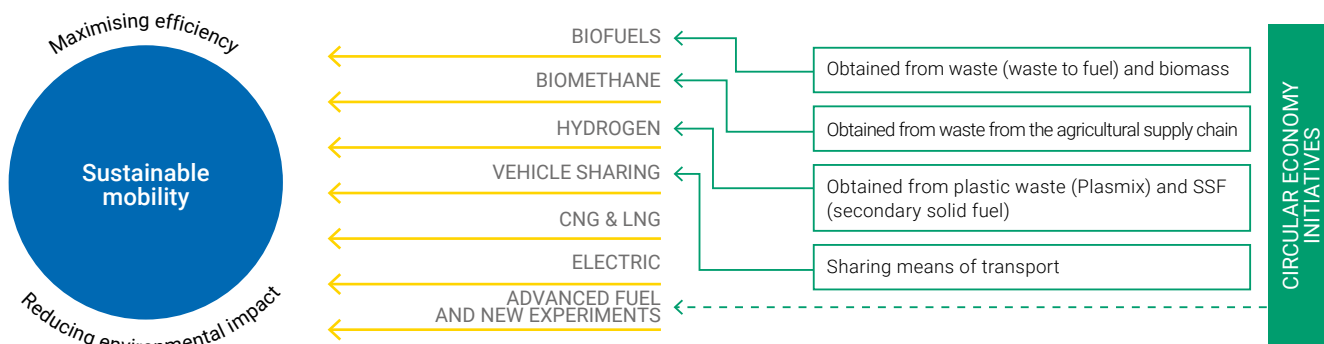
Eni service stations will increasingly be at the heart of the transport decarbonisation strategy, thanks to a wide range of products for sustainable mobility, such as biofuels, biomethane and bioLNG and solutions for electric recharging, and will be complemented by innovative services (e.g. Eni Emporium).



Eni's position on transport decarbonisation

Innovation and efficiency for decarbonisation characterise Eni's approach, with targeted responses for each sector

The transport sector is still predominantly powered by fossil sources and is responsible for 25% of global GHG emissions. Innovation and efficiency for decarbonisation characterise Eni's approach, a vision that looks at the entire transport system with targeted responses for each sector. Thanks to technology neutrality, Eni considers all useful technologies to achieve decarbonisation of the sector with a synergistic approach. In urban areas, Eni believes that electrification is the main option for new vehicles. However, considering the slow renewal of the fleet, biofuels and biomethane will contribute to the decarbonisation of conventionally powered vehicles. In addition, vehicle sharing services reduce congestion in city centres and thus city pollution. Long-distance and suburban transport, which falls within the so-called hard-to-abate segments, can immediately benefit from biofuels, such as Hydrotreated Vegetable Oil (HVO), which is already compatible with the vehicle fleet, or compressed and liquefied biomethane. One long-term solution in this area is fuel cell engines powered by hydrogen. In the maritime sector, LNG and biofuels are the technological solutions that can be applied on a large scale in the medium term, with room for hydrogen in the long term. Finally, for the aviation sector, Eni believes that a contribution to decarbonisation can come from the development of sustainable aviation fuel or Saf, i.e. a traditional fuel blended with percentages of HVO jetfuel.



The new Eni Station: from a service station to Eni Mobility Point

The transformation of Eni stations into Eni Mobility Points is the result of an innovative approach by Eni in the strategy on sustainable mobility, which enhances the assets, evolving their role, to guarantee, in addition to traditional fuels integrated with new energy carriers, the supply of services able to meet the different needs of customers on the go. The evolution required by the mobility of the future finds full correspondence in Eni Station, thanks to the integration of the offer with alternative energy carriers, which will also play a central role in the energy transition thanks to the widespread presence of the Stations network. In the Eni Stations it will be possible to refuel the cars with hydrogen, BioGNC, BioLNG and electricity and in the future also with the HVO biofuel, today blended at 15% with diesel in the Eni Diesel+ premium product, that will be available 100% pure. To concretely contribute to the objectives of sustainable mobility, Eni Stations also offer services ranging from long-distance to urban mobility, including very short distances. In support of long-distance journeys, thanks to partnership agreements with rental companies and road passenger transport companies, at the Eni Stations there will be the chance to collect and deliver rental cars, as well as a dedicated area used as a terminal/parking buses, and it will be possible to continue the journey with an Enjoy or a rental car. The new Eni Parking car parks will be built in some Eni Stations and in disused Eni sites and they will be redeveloped and upgraded, offering parking spaces equipped with smart parking and electric recharging, that can be accessed with a fully digital subscription, paying by credit card and debit card. The car parks can be used by both private customers and Enjoy cars, thus transforming them into real intermodal hubs.

At the Eni Stations it will be possible to refuel the cars with hydrogen, BioGNC, BioLNG and electricity and in the future also the HVO biofuel will be available 100% pure

For more information:
[Eni for 2020 - Sustainability performance \(p. 39\)](#)

BIOFUELS	<p>Biofuels are not derived from fossil fuels, but from biomass and waste and can make an immediate contribution to the decarbonisation of transport sector, as they are already compatible with existing with current motorizations and distribution infrastructures. Since 2014, alongside its traditional business, Eni has been producing biofuels by turning vegetable oils, waste and refuse into an innovative biofuel, HVO (Hydrotreated Vegetable Oil), which – when added to diesel fuel – gives rise to Eni Diesel+, Eni's premium fuel. Used cooking oils (UCO) are an example of how the circular economy can help develop solutions for sustainable mobility starting from urban waste. Properly collected UCOs can be used as an alternative feedstock to vegetable oils processed in biorefineries, and about 50% of the UCOs collected in Italy is treated in Eni's biorefineries, also thanks to the partnerships signed by Eni with the CONOE, RenOils and Utilitalia consortia and the agreements signed with several multi-utility companies in charge of waste collection and treatment. Waste, in this case organic waste from separated urban waste collection, can be used to produce (see p. 27) a low sulphur bio-oil that can be used either directly in blending as a low sulphur fuel for shipping or refined into biofuels.</p>
HYDROGEN	<p>Hydrogen is an energy carrier with great development potential and represents a viable option for sustainable mobility of heavy goods vehicles in the medium-long term. Hydrogen vehicles only emit exhaust steam and provide range and recharging/refuelling times similar to internal combustion vehicles, thus offering a decarbonisation solution especially in "hard-to-abate" transport sectors, such as heavy and long-haul road transport, where electric mobility is not technologically feasible. In the long term, hydrogen could be a solution for maritime mobility or aviation. To date, the development of European hydrogen-based mobility is hampered by high production, storage and distribution costs and the lack of an adequate infrastructure network. With this perspective, Eni is working on the construction of two hydrogen refuelling stations: one in San Donato Milanese, where hydrogen will be produced on site using an electrolyser, and the second in the municipality of Venice.</p>
GAS (CNG and LNG) and BIOMETHANE	<p>Methane, among the alternative fuels with the lowest environmental impact, is the most technologically mature and is already available thanks to a distribution network of about 1,392 points of sale (in Italy) and a consolidated market. In early 2021, Eni reached an agreement to acquire 21 plants for electricity generation from biogas and a plant for OFMSW treatment, which Eni will convert into the production of biomethane with the aim of marketing it for automotive use at its points of sale. By expanding its distribution network, Eni will play an important role in facilitating the spread of gas mobility. To date, Eni's network has around 200 Eni's branded points of sale delivering gaseous methane and 12 points of sale delivering liquid methane (LNG). In the next four years, 40 new methane outlets (in partnership with Snam) and 10 for LNG sale (for development in the heavy transport sector) will be created. Moreover, all the methane sold will be biomethane.</p>
ADVANCED FUEL AND NEW EXPERIMENTS	<p>In addition to the research projects already mentioned on biofuels and hydrogen, Eni is investing in new fuels produced from waste, such as hydrogen or methanol from non-recyclable plastic waste (Plasmix, a mix of currently non-recyclable plastics and SSF, Secondary Solid Fuel). The process is based on production of synthetic gas from carbon-based material. The resulting synthetic gas is first purified so that it can be used to synthesise methanol or produce pure hydrogen. Methanol produced using waste as a raw material could be considered as a Recycled Carbon Fuel, as provided for by the RED II European directive on renewable energy, and therefore comparable to a biofuel. It can be used in petrol by transformation into MTBE or mixed with experimental high alcohol content petrol together with bioethanol (A20 petrol). A new fuel, A20, based on a mix containing 15% methanol and 5% bioethanol, has been developed with FCA Group and tested for 13 months, during which five Fiat 500s of the Enjoy fleet travelled about 50,000 km, when rented out for a total of 9,000 times, without encountering any problems.</p>



New collaboration agreement signed with ASSTRA, the national association of Italian local public transport companies

Eni-ASSTRA agreement to support sustainable and decarbonised mobility

In August 2020, Eni and ASSTRA, the national association of local public transport companies in Italy, signed a collaboration agreement to implement a series of initiatives and trial tests aimed at decarbonising the public transport sector and reducing the emission of atmospheric pollutants, following a holistic and technologically neutral approach aimed at identifying the right solution for each use. With this aim, the agreement provides for the promotion of innovative solutions such as the integration between public transport and forms of sharing mobility, the use of biolubricants and biofuels in public transport and the application of the Life Cycle Assessment (LCA) and "Well to Wheel" approach in assessing the emission impact of each mobility solutions. Hydrogen mobility is also on the horizon of the agreement. Eni and ASSTRA will evaluate the opportunity to start experimentation of hydrogen utilization as an alternative fuel.

VEHICLE SHARING	<p>Enjoy is Eni's vehicle sharing service that aims to reduce the private vehicle fleet, relieving traffic congestion and improving the quality of life of those who live and work in cities. Enjoy was set up in Milan in December 2013 and is now operating in Milan, Rome, Florence, Turin and Bologna with around 2,500 Fiat 500s (Euro 6) and over 100 Fiat Doblò vans (some of them methane-fuelled). In 2021, the fleet will also include Fiat 500 hybrid vehicles. Service operation is entirely app-based and uses the "free floating" model with pick up and drop off anywhere within the area covered by the service (as of 2021, the service is also intended for B2B). Furthermore, to meet the need for greater security, all vehicles are automatically sanitized at the end of each rental, thanks to an innovative technology developed in collaboration with highly qualified industry partners. At the end of 2020, Enjoy counts over one million members.</p>
ELECTRIC MOBILITY	<p>Eni has a four-year programme for installation of electric charging points in about 350 service stations and hydrogen in 2 service stations. The plan to develop electric charging points foresees the installation on roads with high vehicle traffic, of ultra-fast charging stations (350 kW) able to deliver up to 100km of range in 5 minutes, thanks to an agreement with Ionity (a JV between some of the major car manufacturers), while in urban centres the plan provides for the installation of fast charging points (50 kW). Moreover, Eni gas e luce (with E-start) offers customisable electric mobility solutions based on customer needs: from wallboxes for the residential segment to charging stations for business customers.</p>

CCUS - Carbon Capture Utilisation and Storage

In Italy, a project has been launched to create a hub for CO₂ capture and storage in the depleted offshore reservoirs in Ravenna, which have a total storage potential of more than 500 million tonnes. The development plan includes the implementation of a pilot project, with activities scheduled to start by 2022, following all necessary authorisations. The industrial phase will follow, with expected start of operations in 2026. The initial storage capacity of the industrial phase is 2.5 million tonnes/year, of which 2 million from Eni's industrial activities and the remaining half million from third parties. In the UK, in October 2020, the UK Oil & Gas Authority (OGA) awarded Eni a licence for a CO₂ storage project in the Liverpool Bay area. The CCS project envisages the reuse of Eni's depleted offshore fields in the area with an initial storage potential of up to 3 million tonnes/year and start-up of operations in 2025. Eni will be the operator of the project both in the storage and transport phase of the CO₂ captured by existing industrial plants and future hydrogen production sites in the area. The project will make a significant contribution to achieving the UK's carbon neutrality targets by 2050. Eni has also signed a cooperation agreement with other partners in the Oil & Gas sector, entering the Net Zero Teesside (Eni 20%) and North Endurance Partnership (Eni 16.7%) projects. Integration of these two projects will enable the decarbonisation of the Teesside industrial estate in the north east of the UK through the capture, transport and storage of carbon dioxide. Start-up is planned for 2026 with an initial capture and storage capacity of 4 million tonnes/year of CO₂. Eni is also assessing the feasibility of a CO₂ capture project in the United Arab Emirates at Ghasha and is studying a CCS application in Libya, for the Bahr Essalam project. Finally, thanks to its considerable experience in numerical modelling for reconstruction of subsoil and fluid dynamics of oil fields, Eni is defining innovative algorithms for controlled management of the phases of CO₂ storage and related monitoring, with the fundamental support of Eni's Green Data Center. Leveraging the development of its CCS project portfolio, Eni is targeting total storage of around 7 MTPA by 2030, with a total gross capacity of 15 MTPA. The long-term goal is progressive growth to a total CO₂ storage capacity of about 50 million tonnes per year by 2050. As regards the capture and use of carbon dioxide, Eni is researching and developing two technologies: the first with a pilot project in Ravenna to mineralise CO₂ for the formulation of cement to be used in the building industry; the second with a pilot project in the Gela biorefinery to bio-fix CO₂ with microalgae to produce value-added products.

In the UK, in October 2020 Eni obtained a licence for a CO₂ storage project that envisages the reuse of depleted offshore fields in the Liverpool Bay

Eni is researching and developing innovative technologies for the capture and use of carbon dioxide

Eni considers as crucial the inclusion of Natural Climate Solutions (NCS) in its strategy to achieve global carbon neutrality goals in the long term

REDD+ Projects guarantee important positive effects in terms of social and economic development of local populations, in addition to the climatic and environmental benefits

Eni has made a 20-year commitment to purchase carbon credits generated by the project ensuring its long-term success

REDD+ projects

Acknowledging the important role of Natural Climate Solutions (NCS) in limiting global warming to 1.5°C, as envisaged by the more ambitious goals of the Paris Agreement, Eni considers as crucial the inclusion of such solutions in its strategy to achieve global carbon neutrality goals in the long term. In order to offset part of its residual direct emissions that are difficult to abate with current technologies (so-called hard-to-abate), Eni has envisaged the possibility of using, starting in the short-medium term, carbon credits generated mainly by REDD+ (*Reducing Emissions from Deforestation and Forest Degradation*) projects. In addition to the climate and environmental benefits (such as reducing deforestation, increasing forest carbon stocks, and preserving and restoring biodiversity), projects developed under the REDD+ scheme also ensure significant positive impacts in terms of the social and economic development of local populations. In fact, these projects include economic development alternatives that also allow for the creation of new jobs and economic diversification, as part of the Countries' growth path. Over recent years, Eni has built strong partnerships with recognized international developers such as BioCarbon Partners, Peace Parks Foundation, First Climate, Carbonsink and Terra Global, which will allow to oversee every phase of REDD+ project design and development, from planning to implementation up to verification of emission reductions, with an active role in project governance. Direct participation in the projects is essential to ensure adherence to the REDD+ scheme and thus alignment with the highest international standards for certification of carbon reduction such as the Verified Carbon Standard (VCS) and the Climate Community and Biodiversity Standard (CCB), issued by the international body VERRA, which certifies the impacts. In this context, in full respect of local communities and with their active participation, Eni works to reduce the causes of deforestation and degradation of forests and biodiversity, proposing local development alternatives compatible with the territorial context. The main activities proposed are initiatives of economic diversification, such as sustainable agricultural projects, initiatives intended to increase access to energy and to Clean Cooking, as well as education and professional



Eni and the REDD+ project in Zambia

In November 2019, Eni signed an agreement with BioCarbon Partners (BCP), a leading African company operating in long-term forestry conservation, to become an active member in the governance of the Luangwa Community Forests Project (LCFP), the largest REDD+ project in Africa as regards the area involved (944,000 hectares). Cooperation has begun with the government and now involves 12 Chiefdoms and 173,000 beneficiaries. The LCFP also achieved CCB Standard, "Triple gold" level validation in 2019 for its exceptional impact on communities, climate, and biodiversity. With a long-term perspective, Eni has made a 20-year commitment to purchase carbon credits generated by the project and certified according to Verified Carbon Standards, ensuring its long-term success. Through the sale of carbon credits as part of the REDD+ Luangwa Community Forests Project (LCFP) and based on work plans determined through the involvement of BCP, communities and relevant government bodies, payments to local communities or "conservation fees" are reinvested in activities to promote local development, for example, ensuring access to markets for new products such as honey, the adoption of sustainable agricultural practices on a target of over 3,000 hectares, the construction of schools, clinics and water wells in the 12 chiefdoms, and the training of over 50 full-time local community scouts to protect biodiversity. This virtuous circle underlines the importance of environmental and social benefits in achieving the overall long-term sustainability of REDD+ projects. The signing of the agreement by Eni to purchase carbon credits led to the distribution in 2020 of a share derived from "conservation fees" of approximately 50 million Kwacha (equal to approximately \$2.3 million) in the 12 jurisdictions.

training programmes. Eni is considering several initiatives in various Countries and, at present, has begun the first partnerships with governments and international developers in Zambia, Mozambique, Vietnam, Mexico, Ghana, Republic of Congo, Malawi and Angola. In particular in Zambia Eni has become an active member in the governance of the REDD+ Luangwa Community Forests Project (LCFP) and is committed to purchasing carbon credits until 2038, thus ensuring the success of this long-term REDD+ project. This path, already started, is meant to ensure a steady growth of Eni's contribution to the overall CO₂ abatement, which should reach a minimum of 20 million tons per year by 2030 and about 40 million tons per year by 2050. In 2020, Eni benefited from offsetting through forestry credits amounting to 1.5 million tonnes of CO₂eq.

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In 2020, about half of total R&D expenditure was dedicated to decarbonisation and circular economy

In the 2021-2024 four-year period, 70% of R&D expenditure will be for projects related to carbon neutrality and circular economy

For more information:
[Eni for 2020 - Sustainability performance \(pp. 6-7\)](#)

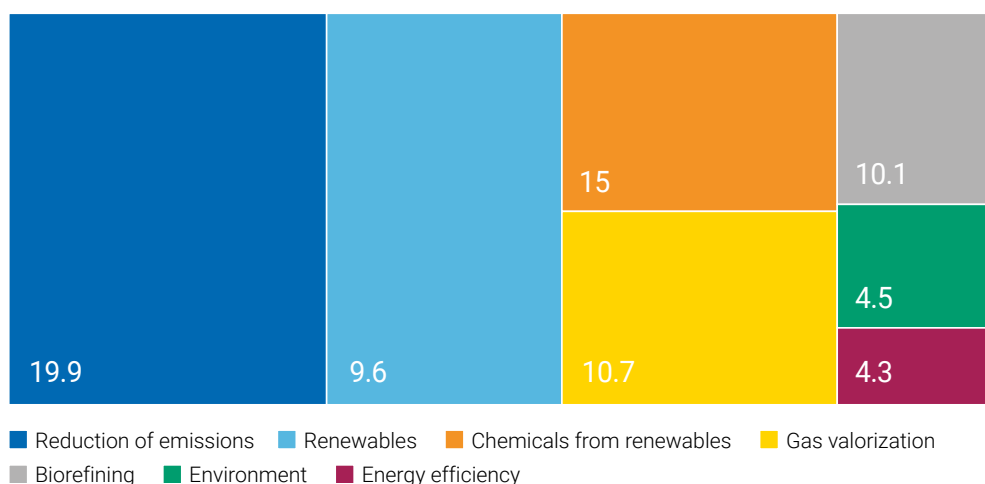
In 2020 Eni's commitment to scientific research and technological development activities aimed at carbon neutrality and the circular economy amounted to €74 million

Research and development in the energy transition

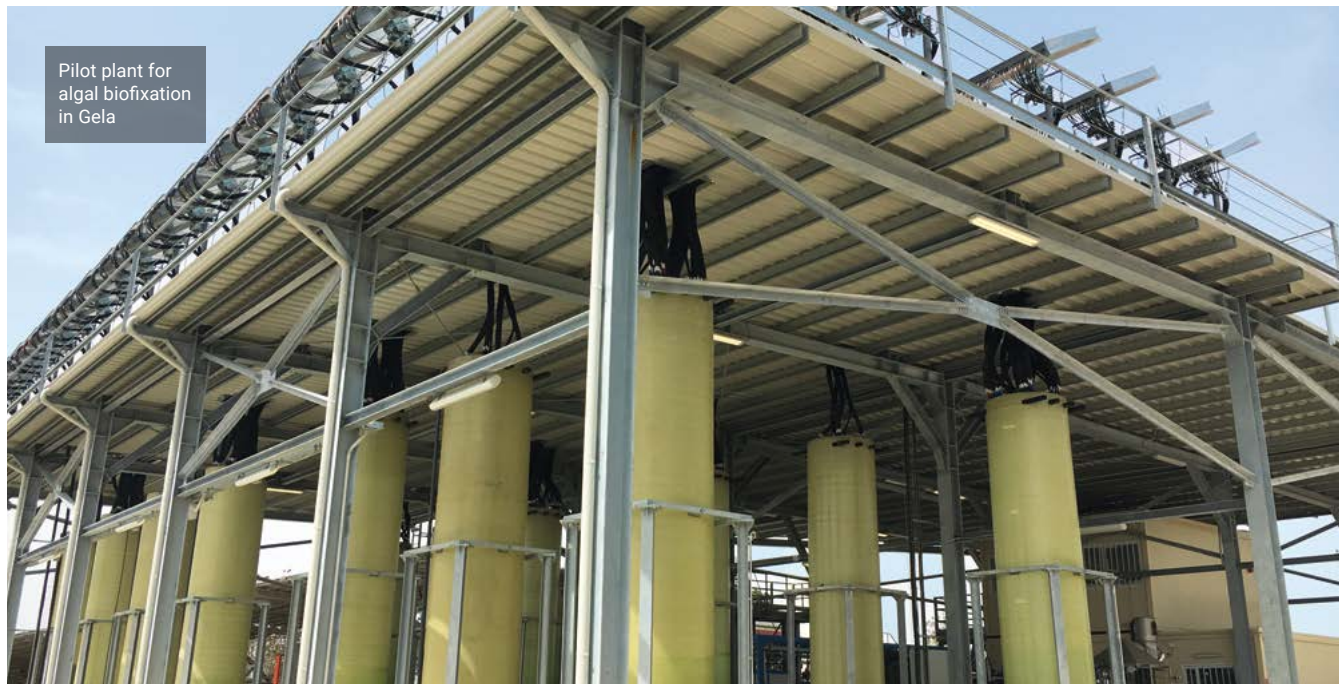
Producing energy with the lowest carbon footprint is the goal that drives Eni's investment in scientific and technological research. In 2020, about half of total R&D expenditure was dedicated to decarbonisation and circular economy. R&D projects have used the skills of at least 1,500 people of Eni at the 7 proprietary Research Centres and the collaborations with more than 70 of the most important universities and Research Centres in Italy and the rest of the world. Eni's commitment to decarbonisation and energy transition is also reflected in its partnerships with the Oil and Gas Climate Initiative (OGCI), Commonwealth Fusion Systems LLC (CFS), Divertor Tokamak Test (DTT) and leading universities and research institutions, including ENEA, CNR and MIT. To multiply access to high-impact emerging technologies, Eni adopts an Open Innovation approach through Eni Next and OGCI-Climate Investments. Thanks to these collaborations, Eni wants to continue to develop its network with universities, research centres, start-ups, hi-tech companies and all the entities that are preparing the low carbon energy future. At the same time, Eni continues to invest in venture capital initiatives and in the development and implementation of frontier technologies, with a focus on Circular Economy, Decarbonisation and Renewable Energies. In the 2021-2024 four-year period, 70% of R&D expenditure will be for projects related to carbon neutrality and circular economy.

The focus here is not only on technologies, but also on their implementation: Eni is committed to speeding up technological "time-to-market" by developing the pilot, pre-commercial demonstration and first industrial application phases in parallel. In order to reduce time risks, Eni's research focuses on the growth of internal skills, but also on collaborations with the academic and technological worlds through a series of framework agreements, alliances with major technological and industrial players, the creation of large interdisciplinary and multi-business programmes and an R&D structure to support the business. In the **decarbonisation path**, Carbon Capture Utilisation and Storage (CCUS) represents an important driver, where technologies, skills and innovation are and will be key to success. Innovative solutions are being studied in terms of capture technologies as well as new energy generation systems with integrated capture. Hub solutions, transport networks and offshore injection networks in depleted reservoirs are also being explored, taking advantage of expertise acquired on gas developments through an incremental innovation approach. Eni's research is engaged in Carbon Utilization initiatives. In particular, technologies for reducing CO₂ into methane or methanol (e-fuels) and for mineralisation and biofixation are being developed. Equally important is the typical **circular economy** approach, i.e. a focus on research and development that looks at the entire life cycle of technologies, with the aim of developing new and creative solutions across the value chain, enabling significant savings in resources and energy, with considerable benefits for the environment. Finally, scientific research and **digitisation** will make it possible to do even

Breakdown of R&D expenditure for carbon neutrality and circular economy - year 2020 (mln €)



more: smart digital solutions in all areas can, on their own, make a substantial contribution to reducing CO₂ emissions by 2030. The digitalisation process has the potential to accelerate the energy transition path, generating important benefits in terms of efficiency and environmental impact. Numerous projects have been launched at Eni: for example, for each physical asset a “digital twin” will be created through which it will be possible to predict and control operations in advance; with the widespread application of sensors and the use of advanced algorithms, Eni expects to be able to improve the performance and reduce the emissions of its activities.



CO₂ valorisation

CO₂ capture and utilisation is progressively becoming one of the significant challenges in the field of energy resources, and CO₂ biofixation and mineralisation technologies are being developed in this area. With regard to CO₂ biofixation with microalgae, Eni has developed, in collaboration with the Politecnico di Torino and a network of Italian start-ups, a multilayer photobioreactor in which the algae are fed with artificial light using wavelengths optimised for photosynthesis. The plant biomass that is produced, harvested and dried, is an algal meal that can be used as a product or component for agro-industrial, food and nutraceutical markets. The process is capable of fixing a high amount of CO₂ per unit area occupied and has characteristics that make it attractive for the production of highly pure compounds with high added value (such as pharmaceuticals and nutraceuticals), and the final product can be sent to biorefineries for the production of advanced biofuels. Another very interesting technology that Eni is developing enables the storage of significant amounts of CO₂ on a permanent basis with the production of special products for the construction industry. The mineralisation of CO₂ with materials widely available in nature makes it possible to permanently fix a considerable amount of CO₂ in the final product, an inert, stable and non-toxic phase. The distinctive and innovative feature of Eni's technology is the development of properties that allow the product to be used in the formulation of cements, thus opening up a potentially huge market. In addition, the formulation of this material with pozzolanic properties also avoids a significant production of CO₂ that would result from the production of normal Portland cement, which is replaced by the new product.

CO₂ capture and utilisation is progressively becoming one of the significant challenges in the field of energy resources, and biofixation and mineralisation technologies are being developed in this area by Eni

Eni promotes the need to use consistent methodologies for GHG reporting to make the sector performance and decarbonisation targets comparable

Partnerships for carbon neutrality in the long term

Among the many international climate initiatives that Eni participates in, Eni's CEO sits on the Steering Committee of the Oil and Gas Climate Initiative (OGCI). Established in 2014 by 5 Oil & Gas companies, including Eni, the OGCI now counts twelve companies, representing about one-third of global hydrocarbon production. To reinforce its commitment to reducing operational emissions, the OGCI has communicated a new collective target in 2020 for the reduction of the GHG emission intensity (Scope 1+2) of upstream operated assets, consistent with scenarios in line with the Paris Agreement. This target is in addition to the methane emission intensity reduction target announced in 2018. Furthermore, the commitment to the joint investment in a 1 billion dollar fund for development of technologies to reduce GHG emissions in the whole global energy chain has continued, as well as the initiative launched in 2019 (CCUS KickStarter) to promote global wide-scale marketing of CCUS (CO₂ Capture, Utilisation and Storage) technology. Furthermore, Eni promotes the need to use consistent methodologies for GHG reporting to make the Oil & Gas sector performance and decarbonisation targets comparable. In this respect, Eni cooperated with the Science Based Target Initiative (SBTi), which is working on the definition of guidelines and standards applicable to the sector to define decarbonisation targets in line with the objectives of the Paris Agreement. Moreover, in December 2020, together with 7



During 2020, Eni launched several initiatives to involve the entire value chain in the path of decarbonisation

Engagement with suppliers

During 2020, Eni launched several initiatives to involve the entire value chain in the virtuous path of decarbonisation undertaken by the company.

JUST (Join Us in a Sustainable Transition): Initiative addressed to all suppliers with the aim of involving them in Eni's fair and sustainable energy transition process, enhancing the environmental protection aspects of environmental protection, economic development and social growth in the procurement process. In the qualification phase, sustainability criteria have been introduced to assess supplier performance and in the tender phase, rewarding mechanisms have been adopted to encourage suppliers' best practices. In addition, as part of the JUST initiative, workshops with qualified Eni suppliers were launched, with the aim of discussing the spaces for the adoption of circular economy models and/or sustainability initiatives and lay the foundations for a common sustainable development path.

Open-es: digital platform, developed in partnership with Google and BCG, open and dedicated to all suppliers interested in undertaking a just and sustainable energy transition, with the aim of sharing and exploiting information, best practices and sustainability models throughout the supply chain. This platform is based on a standard ESG data model, according to the core metrics defined in the WEF initiative "Measuring Stakeholder Capitalism", with a simple, flexible approach suitable for all players across the energy industry chain, from SMEs to big players. By using this platform, Eni will promote adoption of Stakeholder Capitalism Metrics by its suppliers, involving them in a path of growth and development based on the values of sustainability, for greater awareness throughout the value chain.

Engagement with the Value Chain

Joule: an initiative launched in 2019 dedicated to the entrepreneurs of the future, with which Eni wants to share the company's objectives and commitment to finding solutions for the transition to a sustainable energy model, renewable sources and circular economy. The project aims to train the entrepreneurial class of tomorrow by providing training tools, skills and keys to understanding for those who want to do business in the circular economy, with climate change and decarbonisation as their compass. Two programmes coexist: i) the Human Knowledge Program, which offers aspiring women entrepreneurs who want to grow sustainably an in-person training plan, supplemented by online distance learning; ii) the "equity free" business accelerator Energizer, which promotes incubation and acceleration programmes for start-ups and small and medium-sized enterprises, providing methodological, logistical and financial support.

other companies, Eni joined the Energy Transition Principles initiative, committing to increasing transparency and consistency in reporting on GHG emissions and Net Carbon Intensity targets.

PARTNERSHIP	OBJECTIVE AND MAIN ACTIONS
OIL & GAS CLIMATE INITIATIVE (OGCI)	A Business Partnership between 12 among the major O&G companies, representing over a third of world hydrocarbon production, with the aim of demonstrating leadership in the fight against climate change by investing in technologies to reduce GHG emissions across the O&G supply chain. In addition to investing in technologies, OGCI is promoting scientific studies (Methane Science Studies) to close the gap in knowledge of methane emissions across the Oil & Gas supply chain in collaboration with the UN Environment Programme. Using the expertise of the Environment Defense Fund and Imperial College, Oil & Gas assets measurement campaigns and LCA (Life Cycle Assessment) studies on the entire natural gas supply chain are underway.
CLIMATE AND CLEAN AIR COALITION - OIL & GAS METHANE PARTNERSHIP 2.0 (CCAC OGMP 2.0)	A Public-Private Partnership coordinated by UNEP focused on fostering an improved understanding of methane emissions across all Oil & Gas segments, which then leads to strategic action for civil society and governments for reducing methane emissions. To encourage more solid and transparent reporting, it sets stringent reporting and monitoring requirements for the main methane sources. Eni holds the role of co-chair of the Steering Committee (together with the European Commission).
GLOBAL METHANE ALLIANCE	An initiative coordinated by UNEP which, by involving the O&G sector and governments, international organisations and NGOs, aims to promote the adoption of targets for reduction of methane emissions in the O&G sector. The Countries that agree to the initiative undertake to include these targets for reduction in their respective NDCs.
GLOBAL GAS FLARING REDUCTION (GGFR)	A Public-Private Partnership led by the World Bank which aims to reduce the practice of flaring at a global level, including through the launch of the zero routines flaring initiative, whereby participating parties undertake to eliminate gas sent to routine flaring by 2030.
INTERNATIONAL EMISSIONS TRADING ASSOCIATION	IETA is the main association supporting the implementation of market-based trading schemes for GHG emissions, involving businesses in the pursuit of climate actions in line with the objectives supported by the UNFCCC.
METHANE GUIDING PRINCIPLES	An initiative that currently groups 42 Oil & Gas companies with the aim of reducing methane emissions across the Oil & Gas supply chain, by involving major main supply chain stakeholders.
TCFD (TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES)	A Task Force launched by the Financial Stability Board with the aim of establishing recommendations and guidelines to improve corporate disclosure on financial aspects related to climate change. Eni is also part of the TCFD Oil & Gas Preparers' Forum for development of sector-specific guidelines.
IPIECA	IPIECA is the main association of the Oil & Gas industry active on the most important environmental and social issues.
WBCSD (World Business Council for Sustainable Development)	An association of companies committed to sustainability issues. The WBCSD coordinates the Oil & Gas focus group for the implementation of the TCFD recommendations.
MIT CSF	A partnership with the Massachusetts Institute of Technology and Commonwealth Fusion Systems for industrial development of technologies for the production of energy by magnetic confinement fusion.
ERCST (European Roundtable on Climate Change and Sustainable Transition)	It is an independent non-profit organisation working on European and global climate change policies.
SCIENCE BASED TARGET INITIATIVE (SBTi)	The Science Based Target Initiative is an initiative promoted by CDP, WWF Global Compact and WRI to establish shared target setting and disclosure methodologies on low carbon transition issues. The Oil & Gas transition project is part of this process, which involves various O&G companies and other stakeholders in the development of a shared methodology for the sector that will allow tracing of emission performances by the companies and their level of alignment to the goals of the Paris Agreement.
ENERGY TRANSITION PRINCIPLES	An initiative set up by 8 of the world's leading energy companies (bp, Eni, Equinor, Galp, Occidental, Repsol, Royal Dutch Shell, Total) with the aim of defining shared principles to guide Energy Transition and improve the transparency and comparability of reporting on climate-related issues.
ITALIAN CIRCULAR ECONOMY STAKEHOLDER PLATFORM (ICESP)	An ENEA platform to bring together initiatives, experiences, issues and perspectives relating to circular economy and to promote circular economy in Italy through specific actions.



Eni was the only Oil & Gas company involved from the very start in the work of the Task Force on Climate-related Financial Disclosure (TCFD)

In March 2021, the first CA100+ Net-Zero Company Benchmark showed Eni as one of the companies most closely aligned with the coalition's requirements, confirming its leadership role on climate reporting and ambition

Climate disclosure and positioning

Eni was the only Oil & Gas company involved from the very start in the work of the TCFD and has contributed to developing the voluntary recommendations for corporate reporting on climate change issues. Transparency in climate change-related reporting and the strategy implemented by the company have enabled Eni to be confirmed, again in 2020 in the leadership group of the CDP Climate Change Program¹⁵. The A- rating achieved by Eni was equalled by only a handful of others in the Oil & Gas industry and far exceeds the global rating average C, in a rating scale ranging from D (minimum) to A (maximum). In addition, in 2020, the TPI¹⁶ assessment awarded Eni, for the first time, the highest rating in the area of management quality, due to the completeness of the decarbonisation strategy, and a high ranking on the emission performance of the products sold (carbon performance). In the same period, Carbon Tracker¹⁷ published an analysis of the potential investment risk of the upstream sector of the main Oil & Gas companies in transition scenarios, in which Eni ranked first, distinguishing itself for the ambition of its GHG emission reduction targets, the competitiveness of future projects and for a medium-long term hydrocarbons price scenario among the most conservative in the sector.

In March 2021, the first CA100+ Net-Zero Company Benchmark¹⁸ showed Eni as one of the companies most closely aligned with the coalition's requirements, confirming its leadership role on climate reporting and ambition.

Eni participates in several industry associations at national and international level; these participations allow to (i) develop, share and promote best practices and standards with peers in the sector; (ii) contribute to drafting advocacy positions on climate policies and regulations; (iii) identify new approaches to satisfy stakeholders' expectations; and (iv) take part in joint actions in the industry to mitigate the risks related to climate change and in support of the energy transition. As an energy company, Eni has a clear and coherent position on all issues related to climate, with a clear positioning on issues of climate policy and sound internal guidelines for a responsible commitment within the associations to which Eni belongs. In this context and with the aim of satisfying the expectations of all our stakeholders, including investors, in the early months of 2020, Eni decided to publish its guidelines on responsible engagement on climate change within the industry associations. These guidelines clearly set the key issues that Eni considers to be essential for defending the climate, in line with its own strategy.

➔ [For more information: eni.com](https://www.eni.com)

15) CDP (formerly the Carbon Disclosure Project) is an internationally recognised organisation among the leading institutions in assessing the climate performance and strategy of listed companies.

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

17) Think tank financial initiative that for years has been conducting analyses to assess the impact of energy transition on financial markets.

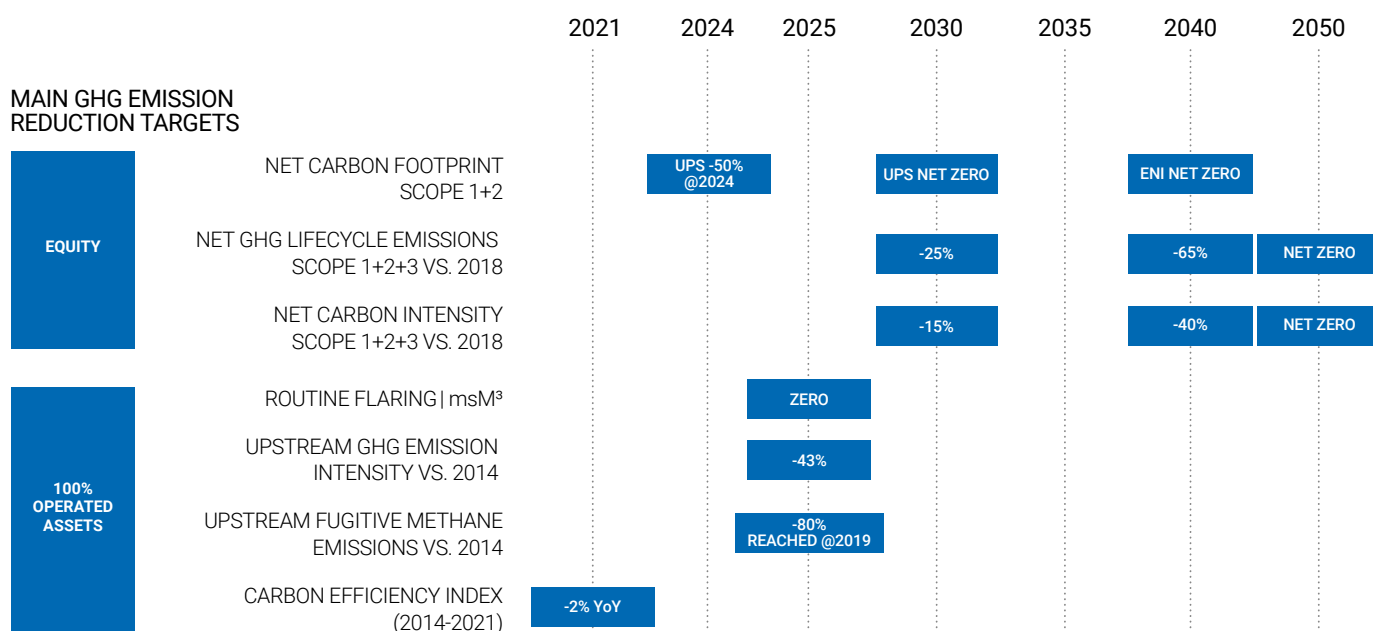
18) Climate Action 100+ is the largest shareholder engagement initiative on climate change issues with more than 570 investors to date. CA100+ objectives include increasing ambition on emission reduction targets, improving climate governance and strengthening climate-related financial disclosure.

Metrics & Targets

GHG emission reduction targets and commitments

Starting in 2016, among the first in the industry, Eni committed to targets aimed at improving the performance related to GHG emissions of the assets it operates, with specific indicators illustrating the progress achieved so far in terms of reduction of GHG emissions into the atmosphere, use and consumption of energy resources from primary sources and production of energy from renewable sources. In addition to these, in 2020 further medium- and long-term targets were added, accounted for on an equity basis, which were relaunched during the presentation of the strategy in 2021, in which Eni announced the target of net zero Scope 1, 2 and 3 emissions by 2050.

In 2021 Eni defined a new net zero target of Scope 1, 2 and 3 emissions by 2050



The total spending planned in the 2021-24 four-year time interval for decarbonisation, circular economy and renewable energies amounts to approximately €5.7¹⁹ billion and includes relevant R&D activities and the forestry programme. The details of the main items are as follows:

Figures in billion €	2021-2024
Investments in power generation plants from renewable sources	3.2
Investments for the reduction of GHG emissions	0.5
Investments in circular economy	1.1
Expenditure on research for decarbonisation and circular economy projects	0.6
Expenditure on forestry and other initiatives	0.3

19) This amount includes organic capex, acquisitions and R&D and forestry expenditures.

GHG indicators for carbon neutrality in the medium-long term

The pathway towards Eni's carbon neutrality in 2050 includes a series of steps that foresee reaching net zero emissions (Scope 1 + 2) for the upstream business by 2030 and for Eni's group by 2040, then achieving net zero emissions of all GHG Scope 1, 2 and 3 emissions associated with the portfolio of products sold in 2050

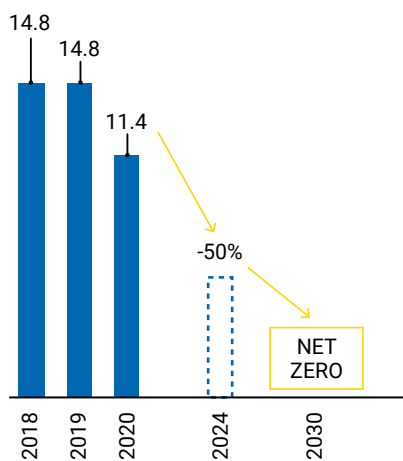
The pathway towards Eni's carbon neutrality in 2050 includes a series of steps that foresee reaching net zero emissions (Scope 1+2) for the upstream business by 2030 and for Eni's group by 2040, then achieving net zero emissions by 2050 of all GHG Scope 1, 2 and 3 emissions associated with the portfolio of products sold. The accounting of emissions is guaranteed by the application of a reporting model that considers all GHG emissions, direct and indirect, associated with the value chain of the energy products sold, including both those deriving from own production and those purchased from third parties. Below are Eni's key medium long-term GHG emissions targets and the performance of the associated indicators, accounted for on an equity basis.

Net Zero Carbon Footprint Upstream by 2030: this indicator considers Scope 1+2 emissions from upstream assets operated by Eni and third parties, net of carbon sinks. In 2020, it was down 23% compared to 2019 due to production declines related to the health emergency and to offsetting through forestry credits of 1.5 million tonnes of CO₂eq.

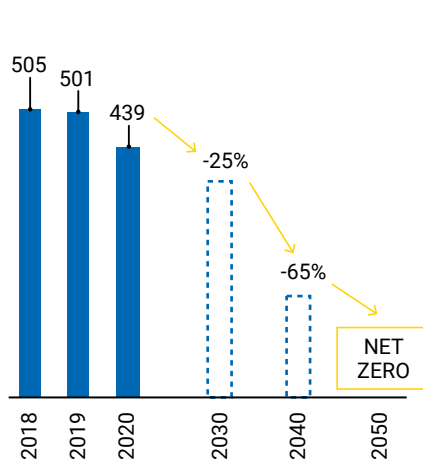
Net Zero GHG Lifecycle Emissions by 2050: this indicator refers to Scope 1+2+3 emissions associated with Eni activities and products, across their value chain, net of carbon sinks. In 2020, it was down by 13% mainly due to the decrease in production and sales in all sectors related to the health emergency.

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

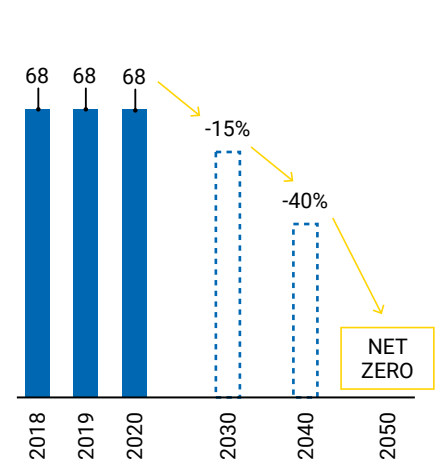
Net Carbon Footprint Upstream
(MtCO₂eq)



Net GHG Lifecycle Emissions
(MtCO₂eq)



Net Carbon Intensity
(gCO₂eq/MJ)



GHG performance from operated assets

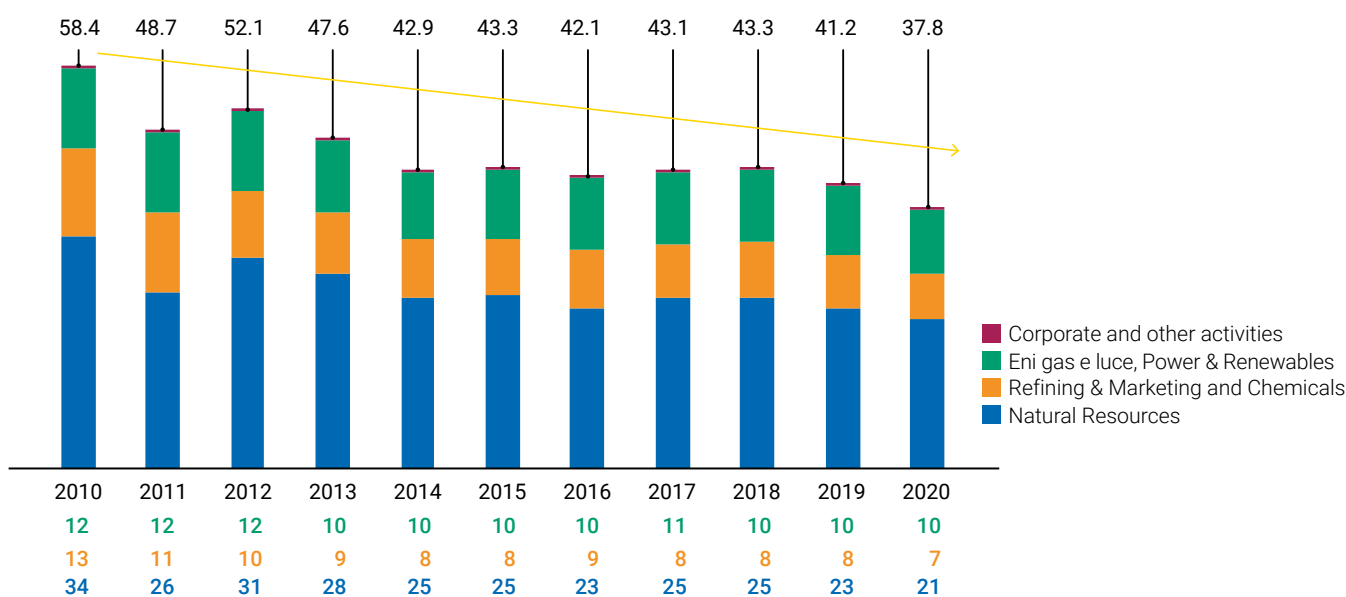
With specific reference to the short-term decarbonisation objectives and related indicators, defined for operated assets and accounted for at 100%, the following paragraphs provide a summary of the results achieved in 2020 and the state of progress compared to the targets. Scope 1 and Scope 2 GHG emissions are accounted according to the operator criteria (activities carried out by Eni globally accounted for on a 100% basis), in all relevant businesses. Since 2019, these emissions are subject to a “reasonable assurance” verification by the auditing firm.

Direct GHG emissions in 2020 are down 8% compared to 2019 and 35% compared to 2010

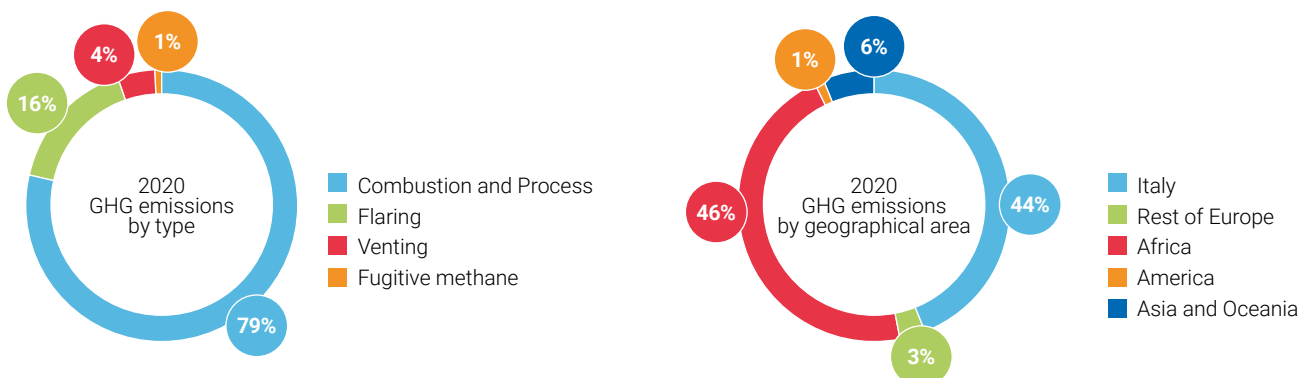
SCOPE 1 GHG EMISSIONS

Direct GHG emissions in 2020 are down 8% compared to 2019 and 35% compared to 2010. This reduction is mainly due to the decline in activities related to the health emergency, in the upstream, power and refining sectors. Approximately 50% of GHG emissions are subject to carbon pricing schemes, mainly the European Emission Trading Scheme, which covers all major mid-downstream facilities, and 56% of direct emissions come from Hydrocarbon Exploration & Production activities. The largest emission contribution is from combustion and process, linked to the energy consumption of production assets. GHG emissions are mainly linked to activities in Italy and Africa. The remaining amounts are located in Asia, Oceania, Rest of Europe and America.

Eni direct GHG emissions (MtCO₂eq)

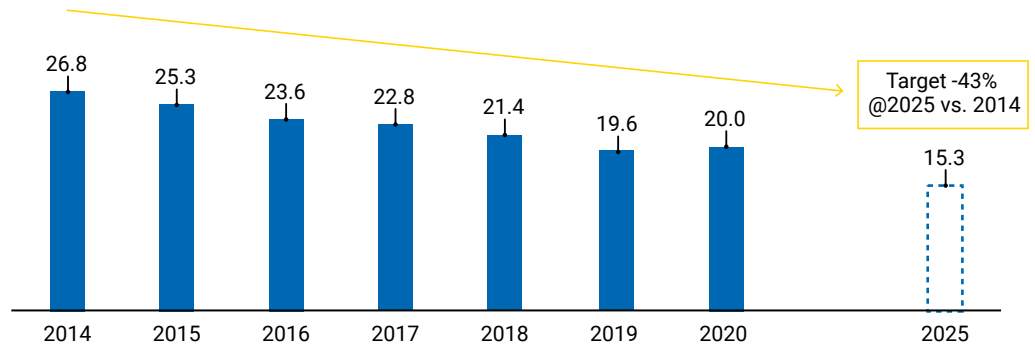


GHG direct emissions 2020 by type and geographical area



The upstream GHG intensity index, expressed as the ratio between direct emissions in tonnes of CO₂eq and hydrocarbons gross production in thousands of barrels of oil equivalent, was 20.0 tonCO₂eq/kboe in 2020. The trend of gradual improvement has been interrupted by a drop in production due largely to the health emergency, which has mainly affected some fields whose production is associated with low emission impact. The overall reduction compared to 2014 was 26%.

Upstream GHG intensity (tCO₂eq/kboe)



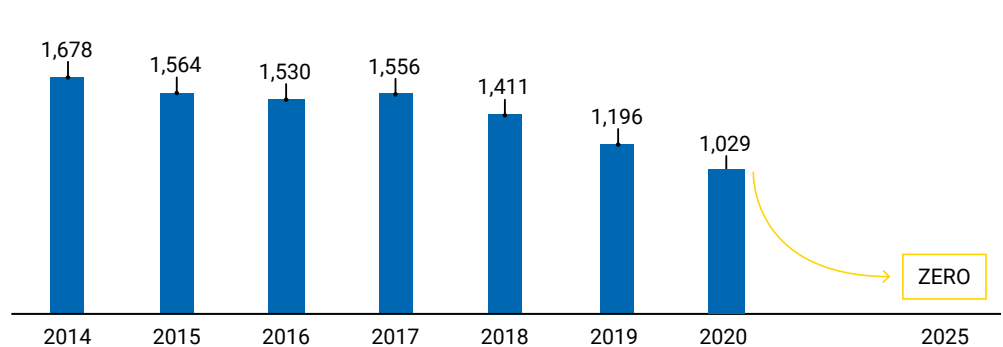
Eni remains committed to the progressive reduction of Upstream emission intensity in line with achieving the target of -43% by 2025 compared to 2014.

ZERO ROUTINE FLARING

One of the drivers for reducing the emission intensity of the upstream sector is the progressive reduction of routine flaring (so-called process flaring). As part of this, Eni joined in 2014 the “Zero Routine Flaring” initiative promoted by the Global Gas Flaring Reduction Partnership (GGFR), of the World Bank, that brings together governments, oil companies and international development organisations. The Zero Routine Flaring initiative aims to phase out process flaring by 2030. Eni, which has decided to anticipate the objectives of the initiative to 2025, is active in specific programmes for gas valorisation through the production of electricity for local populations, distribution for domestic consumption or export. Where these procedures are not possible, Eni has built facilities for natural gas re-injection in the field.

Eni has confirmed its commitment to anticipate to 2025 the “Zero Routine Flaring” objective as part of the Global Gas Flaring Reduction (GGFR) partnership promoted by the World Bank

Volumes of hydrocarbon sent to routine flaring (MSm³)

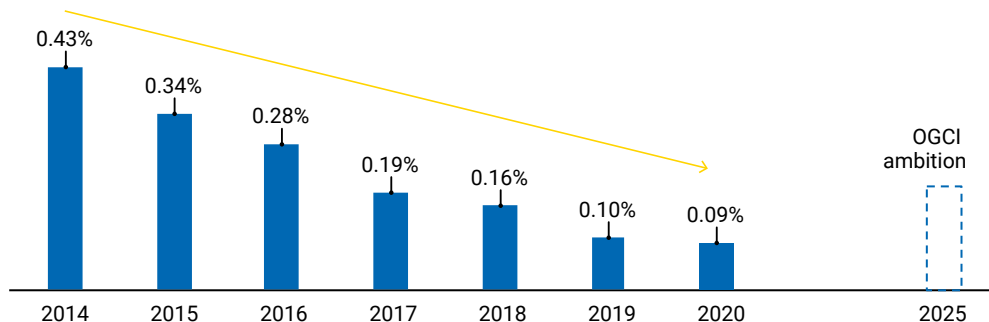


In 2020, hydrocarbon volumes sent to routine flaring, amounted to 1.03 billion Sm³, decreased by 14% compared to 2019 and by nearly 40% compared to 2014, as a result of specific flaring reduction projects (Angola) and the production drop attributable to the health emergency, which affected some fields with associated gas flaring during 2020.

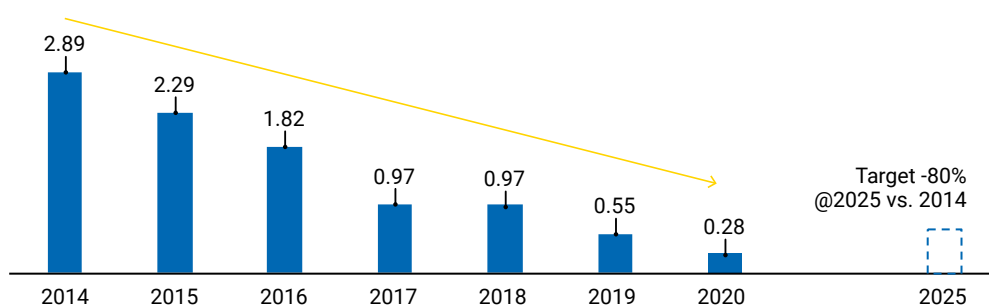
METHANE EMISSIONS

Eni continues its commitment to optimising its monitoring and reporting processes to reduce methane emissions from operated assets. Methane emissions are essentially concentrated in the upstream value chain (51 kton CH₄, equal to 92% of Eni’s total) and are due to fugitive emissions, unburnt methane from flaring and consumption and process venting. The upstream methane emissions intensity (0.09% in 2020) decreased by 16% vs. 2019. Eni contributes to the OGCI collective target of reducing the upstream methane intensity from 0.32% in 2017 to 0.25% in 2025, with an ambition of 0.20%.

Upstream methane intensity (m³CH₄/m³ gas sold)



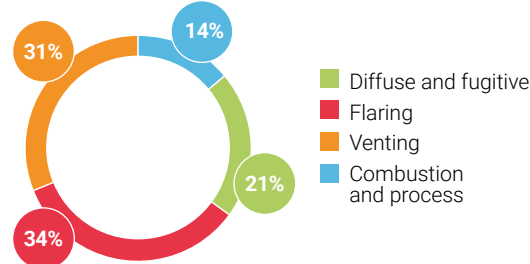
Upstream fugitive methane emissions (MtCO₂eq)



In absolute terms, Eni achieved a reduction of more than 2.61 MtCO₂eq of upstream fugitive methane emissions in 2020 vs. 2014, reaching the 80% reduction target in 2019, 6 years before the planned objective for 2025.

In 2020, upstream fugitive methane emissions were 0.28 MtCO₂eq, down by around 50% from 2019, partly as a result of production drops attributable to the health emergency. Monitoring and maintenance campaigns (Leak Detection And Repair - LDAR) continued during the year and contributed to maintaining the reduction trend. To date, 95% of the upstream operated production is covered by LDAR programmes (corresponding to about 60 sites). The overall reduction compared to 2014 was 90%, confirming achievement – as early as 2019 – of the 80% reduction target set for 2025.

CH₄ emissions by type



Fugitive emission monitoring

In 2015, Eni Upstream began progressive monitoring of its plants with the aim of identifying, quantifying and minimising fugitive emissions by implementing **Leak Detection And Repair (LDAR)** programmes. LDAR campaigns consist of detecting methane leaks in the field and scheduling appropriate maintenance work. Where possible, leaks are immediately repaired by site maintenance teams, helping to minimise fugitive emissions. A proper and frequent LDAR programme can **reduce up to 85%** of the fugitive emissions quantified by standard approaches based solely on analysis of technical documentation. The instrument most commonly used in Eni sites for LDAR programmes is the **OGI (Optical Gas Imaging)** camera, a highly specialised version of an infrared camera that can detect a gaseous compound based on its wavelength. To further improve LDAR programmes at Upstream sites, thermal imaging cameras have been purchased by the operating sites since 2020, and a training programme has begun for local teams to train them in the correct use of these instruments and the monitoring methodology, in accordance with the best international standards such as **OGMP-CCAC and EPA**, which are incorporated into the company's operating instructions. The availability of the thermal imaging camera on site ensures the possibility of more frequent monitoring, at least annually, for each site and in conjunction with maintenance activities.

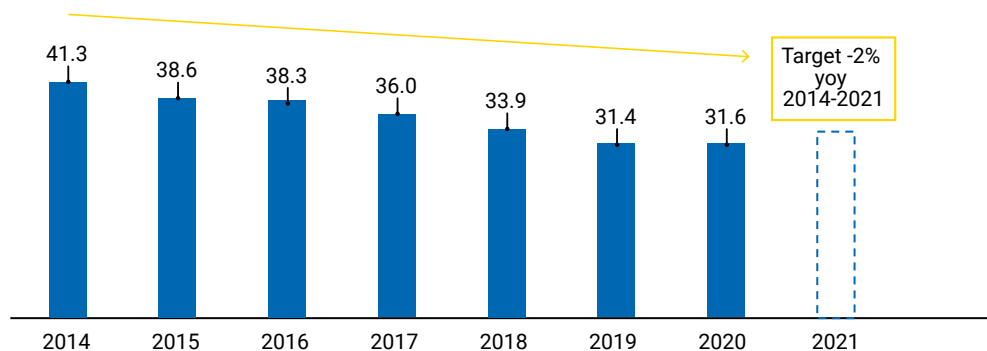
Eni Upstream began progressive monitoring of its plants with the aim of identifying, quantifying and minimising fugitive emissions by implementing "Leak Detection And Repair" (LDAR) programmes

COMMITMENT TO ENERGY EFFICIENCY

Since 2018, Eni has been monitoring the emission intensity of its industrial activities through a specific index, which expresses the intensity of GHG Scope 1 and Scope 2 emissions per unit of energy production, thus measuring their degree of efficiency in a decarbonisation context. An incremental improvement target of 2% per year was imposed on this index compared to the 2014 index value. This objective refers to the overall Eni index, maintaining an appropriate flexibility in the trends of individual businesses.

In 2020, the index was 31.6 tCO₂eq/kboe, essentially stable compared to 2019 (31.4 tCO₂eq/kboe) mainly due to the decrease in production attributable to the health emergency. This effect was partially offset by the energy efficiency projects launched or completed during the year. Although the target for reduction set for 2021 has already been achieved, Eni will continue to strive towards progressive 2% improvement over the coming years.

Carbon Efficiency Index (tCO₂eq/kboe)



In 2020 Eni went ahead with its investment plan both in projects aiming directly at increasing energy efficiency of assets and in development and revamping projects

In 2020, in fact, Eni went ahead with its investment plan both in projects aiming directly at increasing energy efficiency of assets (€10M) and in development and revamping projects with effects on the energy performance of operations. When fully operational, the interventions carried out during the year will allow fuel savings of 287 ktoe/year (mostly upstream), with a benefit in terms of emissions reduction of approximately 0.7 million tonnes of CO₂eq. The commitment to improving energy performance is also demonstrated by the inclusion in Eni's HSE regulatory system of management tools coordinated with the ISO 50001 certification schemes. The programme of energy assessments aimed at identifying opportunities for improvement in the upstream area has been complemented since the end of 2019 by a gap analysis programme for the deployment of energy management systems, which involved some of the most energy intensive assets not yet certified in 2020, and will continue in 2021. In the other businesses, whose most important sites in terms of energy consumption have already been certified for some time, certification was transitioned to the new revision of the ISO 50001:2018 standard during 2020.



Upstream energy efficiency

Energy efficiency interventions concerned the revamping of compressors, the optimization of equipment operating condition and production networks, thermal integration between neighbouring plants and importing electricity from the national grid

The improvement in energy performance in the upstream business was made possible by revamping compressors, optimising equipment operating conditions, optimising production networks, thermal integration between neighbouring plants and importing electricity from the national grid. The initiatives launched during 2020 included the project for the new electrical compressor station at the Rubicone gas treatment plant (DICS, Italy). The project involved shutting down the compressor system on the Cervia K offshore platform and installing two reconditioned electric reciprocating compressors recovered from the Candela power plant at the Rubicone onshore power plant. The two compressors use electricity drawn from the national grid. When fully operational, the project is expected to deliver annual energy savings of around 8000 toe, corresponding to annual net emission savings (Scope 1+2) of around 20 kton.



Indirect emissions (Scope 2 and 3)

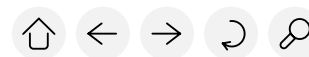
In line with the main reporting standards, Eni also reports indirect emissions associated with its activities across the entire value chain, applying consolidated methodologies (GHG Protocol, IPIECA). Indirect emissions from purchases of electricity, steam and heat from third parties (so-called Scope 2) are quantitatively negligible in Eni (about 0.7 million tonnes CO₂eq), since in most cases electricity generation takes place through its own installations and related associated GHG emissions are accounted for as direct emissions. Nonetheless, Eni has included Scope 2 emissions within the scope of the target of improving carbon efficiency (see the Energy Efficiency section). As regards all the other emissions in the value chain (so-called Scope 3), Eni reports them using internationally recognised standards (IPIECA), which provide for an analysis by category of activity.

2020 data (MtCO₂eq)

- Use of sold products: 185
- Processing of sold products: 11.6
- Electricity (marketed): 6.0
- Purchased goods and services (supply chain): 1.3
- Products transport and distribution: 1.3
- Employee business travel and commuting: 0.2
- Others: 0.4

For more information on GHG emissions methodology please see “Statement on GHG accounting and reporting - year 2020”.

Eni reports indirect emissions associated with its activities across the entire value chain, applying international consolidated methodologies (GHG Protocol, IPIECA)



Metrics

Below are the metrics used to evaluate and manage risks and opportunities related to climate change.

GHG indicators for carbon neutrality in the medium-long term ^(a)		2017	2018	2019	2020
Net Carbon Footprint (Upstream) (GHG emissions, Scope 1+2)	(million tonnes of CO ₂ eq)	n/a	14.8	14.8	11.4
Net GHG Lifecycle Emissions (Scope 1+2+3) ^(b)			505	501	439
Net Carbon Intensity (Scope 1+2+3) ^(b)	(gCO ₂ eq/MJ)		68	68	68
Installed capacity from renewable sources	(GW)	0.01	0.04	0.17	0.31
Biorefining capacity ^(c)	(kton/year)	360	360	1,110	1,110
- of which: Venice	(kton/year)	360	360	360	360
- of which: Gela	(kton/year)			750	750

(a) Indicators accounted for on equity basis.

(b) The methodology for determining Scope 1+2+3 emissions associated with the supply chain of energy products sold has been refined in order to better represent Scope 3 end-use emissions, consistently updating the 2019 and 2018 data.

(c) The value of the installed capacity of the Gela biorefinery has been updated to 750 thousand tonnes/year following a revision of the indicator calculation method (thus also updating the 2019 value).

Other key performance indicators ^(d)		2017	2018	2019	2020
Eni direct GHG emissions (Scope 1)	(million tonnes of CO ₂ eq)	43.15	43.35	41.20	37.76
- of which: CO ₂ eq from combustion and process		33.03	33.89	32.27	29.70
- of which: CO ₂ eq from flaring ^(e)		6.83	6.26	6.49	6.13
- of which: CO ₂ eq from fugitive methane emissions		1.14	1.08	0.56	0.29
- of which: CO ₂ eq from venting		2.15	2.12	1.88	1.64
Indirect GHG Emissions (Scope 2)		0.65	0.67	0.69	0.73
Indirect GHG emissions (Scope 3) from use of sold products ^(f)		229	203	204	185
Carbon efficiency index (Scope 1+2)	(tonCO ₂ eq/kboe)	36.01	33.90	31.41	31.64
Upstream GHG emissions (Scope 1)/100% operated hydrocarbon gross production (UPS)	(tonCO ₂ eq/kboe)	22.75	21.44	19.58	19.98
GHG emissions from refineries (Scope 1)/input processed quantities (raw materials and semi-finished products) (R&M)	(tonCO ₂ eq/kt)	258	253	248	248
GHG emissions (Scope 1)/Equivalent electricity produced (EniPower)	(gCO ₂ eq/kWheq)	395	402	394	391
Upstream methane emissions	(thousands of tonnes CH ₄)	105.2	97.8	63.6	51.4
- of which fugitive		38.8	38.8	21.9	11.2
Upstream methane intensity (m ³ CH ₄ /m ³ marketed gas)	%	0.19	0.16	0.10	0.09
Total volume of hydrocarbon sent to flaring	(million Sm ³)	2,291	1,945	1,913	1,799
- of which: routine		1,556	1,411	1,196	1,028
Equity hydrocarbon production	(kboe/day)	1,816	1,851	1,871	1,733
100% operated hydrocarbon gross production	million boe	998	1,067	1,114	1,009
R&D expenditure	(€ mln)	185	197	194	157
- of which: for decarbonisation and circular economy	(€ mln)	72	74	102	74

(d) Unless otherwise stated, emissions and consumption KPIs refer to 100% data of operated assets.

(e) From 2020, the indicator includes all Eni emissions from flaring, also aggregating the contributions from Refining & Marketing and Chemicals, which were accounted for in the combustion and process category until 2019.

(f) Category 11 of the GHG Protocol - Corporate Value Chain (Scope 3) Standard. Estimated based on Eni's share of upstream production in line with IPIECA methodologies. As from 2018, the Scope 3 emissions calculation methodology has been refined to better represent emissions from the use of products sold (Scope 3 end-use).

Additional metrics	
Hydrocarbon resources (3P+Contingent) at 31/12/2020: % gas on total	(%) >50%
Total break even price of new upstream projects in progress	Brent@23 \$/bl
Internal rate of return (IRR) of new upstream projects in progress	18% @Eni scenario
Incidence of Eni's uncommitted investments	(%) 2023-2024 equal to 55%
Carbon pricing - Eni scenario	(\$/ton) 40 in 2015 corrected by inflation
Stress test: resilience of upstream portfolio (100% cash generating unit) based on IEA SDS low carbon scenario	Impact on fair value of assets: 2% ≤ X ≤ 7%
2021 Sensitivity: Brent (+1 \$/bbl)	(bln €) Adjusted operating profit: 0.21 Adjusted net profit: 0.14 Free cash flow: 0.15

Reference table of TCFD recommendations - Eni Reporting

		CONSOLIDATED DISCLOSURE OF NON-FINANCIAL INFORMATION	ENI FOR - CARBON NEUTRALITY BY 2050
GOVERNANCE			
Disclose the organization's governance around climate-related risks and opportunities.	a) Oversight by the BoD b) Role of the management	✓ Key elements	a) Ch. Role of the Board, p. 8 b) Ch. Role of management, p. 9
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	a) Ch. Risks and opportunities related to climate change, pp. 12-15 b) Ch. Risks and opportunities related to climate change, pp. 12-15 and Ch. Strategy, pp. 16-41 c) Ch. Strategy, pp. 16-41 For a summary of the financial commitments, see table on p. 41
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	a) Ch. Integrated climate risk management model, pp. 10-11 b) Ch. Integrated climate risk management model, pp. 10-11 c) Ch. Integrated climate risk management model, pp. 10-11
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	a) Ch. Metrics, p. 48 b) Ch. Metrics, p. 48 c) Ch. Targets and commitments, p. 41

In addition, Scope 1 and Scope 2 GHG emissions are subject to a reasonable assurance by PwC with the aim of ensuring even greater solidity of these data of strategic importance for Eni (for further information, see the "Statement on GHG accounting and reporting - year 2020" attached to this document).

Statement on GHG accounting and reporting - year 2020

This section contains details on Eni Group GHG performance and emissions accounting methodologies and processes, relating to direct Scope 1 GHG emissions, indirect Scope 2, and indirect Scope 3 GHG emissions from own and value chain operations and activities of Eni SpA and its subsidiaries. The report states also the medium-long term Emissions Indicators, namely the Net Carbon Footprint Upstream, Net GHG Lifecycle Emissions, and Net Carbon Intensity, associated with the long-term decarbonization targets. Figures are aligned with the ones stated in Eni's institutional publication, namely the Annual Report 2020 (Consolidated disclosure of Non-Financial information).

Level of assurance: Reasonable (Scope 1, Scope 2); Limited (Scope 3, medium-long term Emissions Indicators). Assurance Standard: ISAE 3410.

Organizational Boundaries

Scope 1, Scope 2, Scope 3

Eni applies the operational control approach to set GHG organizational reporting boundary for Scope 1 and Scope 2 emissions. According to this approach, Eni reports 100% of GHG emissions from assets over which it has operational control, that is where Eni can enforce its own policies and procedures, even when it holds less than 100% of the value (for example in a joint venture). The organizational boundary includes all companies in joint operations, with combined control or connected, where Eni owns the operational control. The inclusion is based on risk a-based clusterization process to define the impact and the materiality of each company in terms of HSE issues, including GHG emissions. Scope 3 emissions boundary is more heterogeneous, given the variability of emissions categories and the methodology applied, and it is better explained in the dedicated section (see p. 52). For the category 11, (use of sold products), which is the most relevant one, the reference boundary is the upstream equity hydrocarbons production sold.

Medium-Long Term Emissions Indicators

Regarding the Lifecycle GHG Emissions Indicators, the reference boundary includes lifecycle GHG emissions for all the energy products businesses of Eni (Scope 1+2+3), accounted for on an equity basis in line with financial

reporting, net of carbon sinks. For the Net Carbon Footprint Upstream indicator, the accounting boundary includes GHG Scope 1 and 2 emissions related to hydrocarbon exploration and development activities both operated by Eni and third parties, accounted for on an equity basis (Revenue Interest) net of annulments from forestry credits occurred in the reference reporting year.

Operational Boundaries

Regarding the Operational Boundaries, both Scope 1 and Scope 2 direct and indirect GHG emissions reporting encompasses the operations of all Eni business lines, its Italian and abroad subsidiaries, sites and facilities as listed in the 2020 Annual Report.

Some categories (as per GHG Protocol classification) of Scope 3 indirect emissions are not within the scope of the Statement/Scope 3 calculation, in detail: Category n.8 - Upstream leased assets, Category n.9 - Downstream transportation and distribution, Category n.13 - Downstream leased assets and Category n.15 - Investments.

GHG emissions sources tracked/monitored/reported are classified according to WBCSD/WRI GHG Protocol Initiative Standard and technical standard ISO 14064-1 in direct emissions (Scope 1) and indirect emissions (Scope 2 and Scope 3). In the following paragraph, every GHG emission Scope is defined and some sources relevant to Eni are identified. GHG gases considered are CO₂, CH₄ and N₂O¹. GWP over 100 years as set by the 4th Assessment Report by IPCC are applied² to convert emissions in CO₂eq.

GHG Emissions Accounting and Reporting Process

Eni has implemented a process to collect, account and report GHG emissions based on the following pillars:

- Internal procedures have been implemented for the identification of material GHG emission sources and for the identification of common methodologies to calculate GHG emissions at the bottom-up level. Methodologies are broadly inspired by WBCSD GHG Protocol, IPIECA O&G Guidance and API Compendium;
- Centralized tools have been implemented to ensure a proper calculation of GHG Emissions at the bottom-up level.

1) Eni has carried out an analysis to assess materiality of others GHG gases (HFCs, PFCs and SF6) based on available reported data. The analysis showed that these are not material for Eni as well as for the Oil & Gas industry, as they contribute for about 0,1% of the total CO₂+CH₄+N₂O, as stated in the Kyoto protocol.

2) As communicated by the European Environment Agency, GWP used in calculations since 2015 are: 25 for Methane and 298 for Nitrous Oxide.

Informative tools are managed by centralized units and 3rd party verified, to ensure that emissions are estimated with homogenous approaches between subsidiaries, minimizing the risk of error;

- Specific procedures for data collection are applied, consistently with the organizational structure of the Company, identifying clearly role and responsibility and the reporting timeline. Data are collected with a bottom-up approach: GHG operators of sites and facilities within Eni’s operational boundary insert data into Eni’s database. Then such inserted data are handled by Central Unit and it is filed on Eni servers, through rules and procedures internal to Eni.
- Quality Assurance/Quality control procedures are applied to ensure the accuracy and consistency of emissions data. Additional information is collected to ensure data consistency, to track performance and to better explain potential changes in trends and objectives. Finally, Internal

auditing is also planned at the subsidiary level, covering also GHG emissions data.

GHG Accounting Methodologies

Direct GHG Emissions - Scope 1

Stated Scope 1 GHG emissions come from sources owned or controlled by Eni Group, including:

- Emissions from “core” and support operations owned or controlled by Eni, including GHG emissions connected with energy generation export to both Eni’s and out of boundary sites;
- Emissions from leased assets/operations (leased vehicles fleet).

Scope 1 GHG emissions are classified in the following categories:

Combustion and Process	GHG Emissions from stationary combustion, mobile sources and industrial process operations (e.g. Steam reforming, catalytic cracking).
GHG Emissions from Flaring	GHG emissions from the controlled combustion of hydrocarbons. This type of source includes emissions deriving from: routine flaring, non-routine and emergency flaring.
GHG Emissions from venting	GHG emissions from venting in Oil & Gas exploration and production operations, power generation and gas transportation operations. In detail: CO ₂ and CH ₄ within unburned gases discharged through venting openings.
Fugitives CH₄ Emissions	Unintentional leaks from plant’s equipment like pumps, valves, compressor seals, open end lines, etc.

GHG emissions are estimated from measured Activity data and expressed in metric ton of CO₂ equivalent, using Global Warming Potential (IPCC, 4AR) as the conversion factor.

Activity data (e.g. burned fuel, electrical energy, traveled distance) according to their physical origin, are taken from: i) fuel gauge meters’ records; ii) utility bills, e.g. for electric energy consumption; iii) direct measurement (for fugitive emissions as LDAR); iv) other methods arranged in some Eni’s sites and facilities.

Emission Factors used are mostly calculated using fuel gas composition³ or taken by literature, consistently with:

- EU-ETS Regulation 601/2012, Table of national standard parameters for the year 2020, reviewed and published by Italian Minister for environment sea and land protection,

applied to: natural gas, LPG, refinery fuel gas, gas derived from oil, flared gas;

- API Compendium of Greenhouse Gas Emissions Methodologies for the Oil and Natural Gas Industry 2009 for CO₂, CH₄ e N₂O.

In Eni’s sites and facilities where a Leak detection and repair program (LDAR) is in place, fugitive GHG emissions are estimated, reported and monitored through periodic measurement and mostly applying emissions factors from API or EPA standards (e.g. EPA protocol n. 453) and expressed as [tCO₂eq/year]. Whereas the LDAR program is not yet in place, fugitive emissions are estimated through emissions factors, achieved starting from oil and gas production (API Compendium 2009).

3) In Eni’s facilities which are within scope of European Trading Scheme, if mandatory and chemical composition of fuel gas or flare gas are known, a source specific emission factor is calculated; otherwise emissions factors from references above is used. In Eni’s facilities of Upstream BU line, if chemical composition of fuel gas, flare and vented gas are known, a specific emission factor is calculated, otherwise emissions factors from API Compendium are used.



Scope 2 Emissions

Stated Scope 2 GHG emission from the generation of electricity, steam, heating and cooling purchased externally and consumed by Eni are included in this category. The general criteria to estimate emissions is the same used for Scope 1 (see eq.1). Emissions are estimated by applying a *location-based* approach, considering the average energy mix in countries where 3rd party purchases occur.

The references for Scope 2 Emissions factors from electricity purchases are: IEA 2019 CO₂ emissions from fuel combustion for CO₂ and API Compendium 2009 for CH₄ e N₂O. Emissions factors used to calculate indirect emissions from steam

purchases are derived from API Compendium 2009.

The trading of electric energy carried out by Eni and their relevant GHG emissions are accounted for as Scope 3, Category n.3 "Fuel and Energy-related activities".

Scope 3 Emissions

Stated Scope 3 GHG emissions are those connected with the Eni value chain and not accounted for as either Scope 1 or Scope 2 GHG emissions. Scope 3 indirect GHG emissions are classified in the following categories, according to the WBCSD/ WRI GHG Protocol Initiative, Corporate Value Chain (Scope 3) accounting and reporting Standard, and the IPIECA standard:

Id.	Categoria	Descrizione
1	Purchased goods and services	GHG emissions associated with goods and services purchased from the first level supply chain, through purchase contracts managed by Eni's procurement department, that provides information on the type of purchases and associated expenditure. The boundary covers Eni and all controlled subsidiaries; some goods and services not managed by the procurement department may be included in other categories (e.g. transportation, sold products).
2	Capital goods	GHG emissions from purchased capital goods from tier 1 supply chain and purchases' contracts issued by Eni Procurement department. Purchased capital goods are those identified as Capex in Eni 2020 Annual Report. The boundary covers Eni and all controlled subsidiaries; some goods and services not managed by the procurement department may be included in other categories (e.g. transportation, sold products).
3	Fuel and energy-related activities (not included in Scope 1 or Scope 2)	GHG emissions from fuel and energy are not accounted for either in Scope 1 or Scope 2, purchased by Eni and sold to end-users in 2020. It includes Gas & Power sales of Electricity (GGP and Eni gas e luce SpA).
4	Upstream transportation and distribution	GHG emissions from purchased transportation and distribution services paid by Eni and carried out with vehicles not owned by Eni, including: i) Crude Oil and Petroleum Product maritime transportation, based on the fuel consumed in direct transportation (laden shipping); ii) Petroleum Products road transportation; iii) Equipment and materials transportation by vessels (Upstream).
5	Waste generated in operations	GHG Emissions from waste management carried out by third parties, occurred during disposal and treatment of waste generated in Eni's operations (100% operated). GHG Emissions of wastes sent to landfills include those from both transportation and disposal operations; GHG emissions from waste that undergo incineration, recycling or biological/chemical/physical treatment are limited to their transportation only.
6	Business travels	GHG emissions generated by vehicles not owned by Eni used by Eni's employees for business travel in 2020. GHG emissions of leased vehicles operated by Eni are included in Category n. 7. It includes emissions from cars, planes and trains, calculated from the tickets provided by Eni Travel Management Support Services.
7	Employee commuting	GHG emissions from commuting travels home-workplace and back, carried out by Eni's employees in 2020. Travels by helicopter or by car from/to Eni's offshore facilities with leased or 3rd party vehicles are included in this category. Commuting travels of Eni Joint Ventures Employees are not included.
8	Upstream leased assets	GHG emissions from assets not owned but leased by Eni. Whenever an asset leased by Eni fall within its organizational boundary, their GHG emissions are accounted for as Scope 1 and those from electric energy consumptions as Scope 2 emissions. GHG emissions in this category have not been estimated in 2020 because relevant activity data is not easily collected and a hypothesis on it is not simple to make.
9	Downstream transportation and distribution	GHG emissions due to transportation and distribution services of sold products (not paid for by Eni). GHG emissions from transportation and distribution services purchased by Eni are accounted for in Category 4, because the transportation occurs before they are sold to final customers. Indeed, most of Eni's products are fuels, so when they are sold to final customers they are not transported or distributed. Moreover, this category is not expected to be material, also according to the recent IPIECA/API overview of methodologies for estimating Scope 3 emissions from the O&G Industry.
10	Processing of sold products	GHG emissions from processing carried out by a third party of crude oil and natural gas sold by Eni. It includes equity production of crude oil and natural gas not sent to Eni refineries or sold internally to Eni's Group.

Id.	Categoria	Descrizione
11	Use of sold products	GHG emissions associated with end use of energy products sold by Eni, calculated according to sectorial guidelines (IPIECA), based on the Upstream hydrocarbon production sold and considering average destination of use based on literature data (IEA).
12	End-of-life treatment of sold products	GHG emissions associated with the end-of-life treatment of products not burned during their use. Eni's products with the relevant end of life treatments are: i) Asphalts and lubricants – Refining; ii) olefins, aromatics, intermediates, styrenics, polyethylene and elastomers – Petrochemical.
13	Downstream leased assets	GHG emissions from assets owned by Eni but leased to third parties. Emissions from this category are not expected to be material and relevant for the Oil & Gas industry. Eni doesn't account for Scope 3 emissions related to facilities and buildings not owned and not operated by Eni. The reason is that, besides the data difficult to retrieve, Eni cannot control the emissions and hasn't the opportunity to implement a reduction project, so this source should be assumed as not relevant.
14	Franchises	GHG emissions from fuel stations in franchising not included in the Scope 1 and 2 emissions.
15	Investments	GHG emissions from operations of investments (as such classified in the financial report) carried out in the reporting year. Investment emissions are potentially material only for those companies with significant joint ventures that are not included in their Scope 1 and 2 inventory. In the case of Eni, GHG inventory is based on the operational approach and also includes 100% emissions of joint venture investments in which Eni is the operator. This leads to an already conservative estimation because operated production is far higher than equity production.

Indirect Scope 3 GHG emissions from: "Upstream leased assets", "Downstream transportation and distribution", "Downstream leased assets" and "Investments" are out of scope.

For the Oil & Gas Sector, the most relevant category is the Use of sold products (cat. 11), for which GHG emissions are estimated as if all oil and natural gas production sold were consumed in 2020. To set the activity data, the net volume accounting method⁴ has been applied, considering only upstream equity

hydrocarbons production, which is the greatest hydrocarbon volumes along the O&G value chain. Internal elaborations, based on the IEA refining conversion rates from the standard oil barrel, have been used to calculate the final products sold.

GHG Emissions Data

Below are reported **Scope 1** GHG emissions categorized by gas and Business Units:

Scope 1 GHG Emissions [t]	Upstream	GGP	GTR&M	Versalis	Enipower	Other	Eni
CO ₂	19,660,014	290,925	3,851,111	2,747,169	9,553,636	16,193	36,119,049
CH ₄	51,390	2,938	109	395	942	87	55,862
N ₂ O	524	1	61	75	168	0	828
tCO₂eq	21,100,954	364,608	3,872,099	2,779,283	9,627,116	18,400	37,762,458

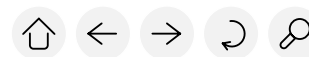
Emissions reported as Upstream also include contributions of some power plants generating electricity not linked with hydrocarbon production, excluding them, Upstream GHG emissions related to hydrocarbons production in 2020 are equal to 20,214,102 tCO₂eq.

This figure is used to calculate the Upstream GHG intensity Indicator.

The following table displays 2020 **Scope 2** indirect Emissions from the use of purchased electricity, steam, heating and cooling disaggregated by business line:

Scope 2 GHG Emissions [t]	Upstream	GGP	GTR&M	Versalis	Enipower	Other	Eni
CO ₂	187,083	3,270	41,273	350,410	44,571	70,901	697,508
CH ₄	15	0	2	13	2	4	37
N ₂ O	33	1	9	43	8	17	111
tCO₂eq	197,429	3,440	44,012	363,690	46,926	76,108	731,606

4) Reference: *Estimating petroleum industry value chain (Scope 3) greenhouse gas emissions. Overview of methodologies*, IPIECA – 2016.



Scope 2 GHG emissions broken down by type of energy purchased are:

GHG Emissions Sources	[tCO ₂ eq]
Electric energy purchases	549,596
Heat and steam purchases	182,010
Overall GHG Scope 2	731,606

In the following table are displayed 2020 **Scope 3** GHG emissions per category:

Id	Emissions sources	[tCO ₂ eq]
1	Purchased goods and services	894,899
2	Capital goods	408,971
3	Fuel and energy - related activities	5,991,346
4	Upstream transportation and distribution	1,297,937
5	Waste generated in operations	53,904
6	Business travels	6,301
7	Employee commuting	171,612
8	Upstream leased assets	Out of Scope
9	Downstream transportation and distribution	Out of Scope
10	Processing of sold products	11,609,637
11	Use of sold products	185,095,217
12	End-of-life treatment of sold products	181,872
13	Downstream leased assets	Out of Scope
14	Franchises	214,060
15	Investments	Out of Scope

In the following table is displayed 2020 data of the **Medium-Long term GHG Emissions Indicators**:

Medium-long term Indicators	2020
Net carbon footprint UPS (MtCO ₂ eq)	11.4
Net GHG Lifecycle Emissions (MtCO ₂ eq)	439
Net Carbon Intensity (grCO ₂ eq/MJ)	68

Annex - References

Data and information included are consistent with best practices for inventory development and is derived from the guidance provided by:

- WBCSD/WRI GHG Protocol Initiative, A Corporate Accounting and Reporting Standard.
- UNI EN ISO 14064-1:2012 Italian adoption of EN ISO standard on Specification with guidance at the Organization level for quantification and reporting of Greenhouse gas emissions and removals.
- Intergovernmental Panel on Climate Change (IPCC), Guidelines for National Greenhouse Gas Inventories, 2006.
- American Petroleum Institute (API), Compendium of Greenhouse Gas Emissions Methodologies for the Oil and Natural Gas Industry, 2009.
- IPIECA/API, Estimating petroleum industry value chain (Scope 3) Greenhouse Gas Emissions – Overview of methodologies, 2016.
- WBCSD/WRI GHG Protocol Initiative, Corporate Value Chain (Scope 3) accounting and reporting Standard.
- WBCSD/WRI GHG Protocol Initiative, Technical Guidance for calculating Scope 3 emissions (supplement to the Corporate Value Chain (Scope 3) accounting and reporting Standard).
- Intergovernmental Panel on Climate Change (IPCC), 4th IPCC Assessment Report Climate Change, 2007.
- EU ETS Regulation 601/2012, Table of national standard parameters for the year 2020, reviewed and published by Italian Minister for environment sea and land protection.
- UK Government GHG Conversion Factors for Company Reporting, published by the Department for Environment, Food & Rural Affairs (DEFRA) for the year 2018.

Furthermore, Eni Group's protocols and procedures on GHG emissions are applied. For the Net GHG Lifecycle emissions and the Net Carbon Intensity indicators, the reference is the *"Methodology for the assessment of GHG emissions along the value chains of Eni products 2020 revision – abstract"*.

Independent Auditors' Report



Independent auditor's report on the reasonable assurance engagement of direct (Scope 1) and indirect (Scope 2) GHG emissions and on the limited assurance of indirect (Scope 3) GHG emissions, Lifecycle GHG Emissions Indicators and Net Zero Carbon Footprint Upstream (Scope 1 and 2) on an equity basis disclosed in Eni's Statement on GHG Accounting and Reporting – Year 2020.

To the Board of Directors of Eni SpA

We have been engaged to perform a reasonable assurance engagement on the direct (Scope 1) and indirect (Scope 2) Greenhouse Gases (hereinafter "GHG") emissions and a limited assurance engagement on the indirect (Scope 3) GHG emissions, on the Lifecycle GHG Emissions Indicators and on the Net Carbon Footprint Upstream (Scope 1 and 2) on an equity basis disclosed in the Statement on GHG Accounting and Reporting – Year 2020 of Eni Group (hereinafter the "Group") for the year ended 31 December 2020 (hereinafter the "GHG Statement").

Responsibility of the Directors for the GHG Statement

The Directors of Eni SpA are responsible for preparing the GHG Statement in accordance with the applicable criteria, as indicated in the Annex "References" of the GHG Statement.

The Directors are responsible for that part of internal control that they consider necessary to prepare a GHG Statement that is free from material misstatements due to fraud or unintentional behaviors or events.

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

Auditor's Independence and Quality Control

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

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

PricewaterhouseCoopers SpA

Sede legale: **Milano** 20145 Piazza Tre Torri 2 Tel. 02 77851 Fax 02 7785240 Capitale Sociale Euro 6.890.000,00 i.v. C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 071 2132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 080 5640211 - **Bergamo** 24121 Largo Belotti 5 Tel. 035 229691 - **Bologna** 40126 Via Angelo Finelli 8 Tel. 051 6186211 - **Brescia** 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - **Catania** 95129 Corso Italia 302 Tel. 095 7532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 055 2482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 010 29041 - **Napoli** 80121 Via dei Mille 16 Tel. 081 36181 - **Padova** 35138 Via Vicenza 4 Tel. 049 873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091 349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521 275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 085 4545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06 570251 - **Torino** 10122 Corso Palestro 10 Tel. 011 556771 - **Trento** 38122 Viale della Costituzione 33 Tel. 0461 237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422 696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 040 3480781 - **Udine** 33100 Via Poscolle 43 Tel. 0432 25789 - **Varese** 21100 Via Albuzzi 43 Tel. 0332 285039 - **Verona** 37135 Via Francia 21/C Tel. 045 8263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444 393311

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Auditor's responsibility

We are responsible for expressing a conclusion, on the basis of the work performed, regarding the compliance of the GHG Statement with the applicable criteria applied as indicated in the Annex "References" of the GHG Statement. We conducted our engagement in accordance with the with "International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (hereafter "ISAE 3000 Revised") and "International Standard on Assurance Engagements 3410 – Assurance Engagements on Greenhouse Gas Statement" (hereafter also "ISAE 3410"), issued by the *International Auditing and Assurance Standards Board* (IAASB) for reasonable assurance (Scope 1 and Scope 2 GHG Emissions) or limited assurance (Scope 3 GHG emissions, Lifecycle GHG Emissions Indicators and Net Zero Carbon Footprint Upstream (Scope 1 and 2) on an equity basis) engagements. The standard requires that we plan and perform procedures to obtain reasonable or limited assurance about whether the GHG Statement is free from material misstatement; it also indicates that a "GHG quantification is subject to inherent uncertainty" because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

A reasonable engagement in accordance with ISAE 3410 (carried out with regard to Scope 1 and Scope 2 GHG emissions) involves performing procedures to obtain evidence about the quantification of emissions and related information in the GHG Statement. The nature, timing and extent of procedures selected depend on the practitioner's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error, in the GHG Statement. In making those risk assessments, we considered internal control relevant to Eni Group's preparation of the GHG Statement. A reasonable assurance engagement also includes interviews, primarily with company personnel responsible for the preparation of the information presented in the GHG Statement, analysis of documents, recalculations and the following activities aimed at:

1. understanding of the process and the risks underlying the generation, detection and management of the Scope 1 and Scope 2 GHG emissions data and information reported in the GHG Statement. In order to assess the above-mentioned risks of the subject matter information we have conducted interviews and discussions with the management of Eni Group;
2. performing control testing activities to respond to a set of identified risks; in particular, we have conducted interviews and discussions with the management of Eni Group in order to:
 - select controls to test focusing on those controls deemed relevant for the scope of the assurance activity;
 - assess and consider the risk associated with each control selected for testing, in order to determine the nature, timing, and extent of evidence to be obtained about the control's operating effectiveness;
 - based on the above, evaluate and obtain evidence whether the controls selected for testing have operated effectively;
 - comment and discuss any deviation and understand its materiality.
3. performing substantive testing activities to respond to a set of identified risks; in particular, we have conducted interviews and discussions with the management of Eni Group in order to:
 - understand the processes underlying the preparation, collection and management of the significant qualitative and quantitative information included in the GHG Statement;
 - test the subject matter information for mathematical accuracy, consistency and cross-referencing with relevant documentation acquired;
 - comment and discuss any deviation and understand its materiality.



We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

A limited assurance engagement (carried out with regard to Scope 3 GHG emissions, Lifecycle GHG Emissions Indicators and Net Zero Carbon Footprint Upstream (Scope 1 and 2) on an equity basis) undertaken in accordance with ISAE 3000 Revised and ISAE 3410 involves assessing the suitability in the circumstances of Eni Group's use of applicable criteria applied as indicated in the Annex "References" of the GHG Statement as the basis for the preparation of the GHG statement, assessing the risks of material misstatement of the GHG statement whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the GHG statement. A limited assurance is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we have performed the following activities:

- a) understanding of the processes that lead to the generation, detection and management of the Scope 3 GHG emissions, Group's Lifecycle GHG Emissions Indicators and Net Zero Carbon Footprint Upstream (Scope 1 and 2) data and information reported in the GHG Statement;
- b) performing of limited verification procedures to ascertain the correct calculation and aggregation of data, by means of interviews and discussions with the management of Eni Group and of limited documentary evidence procedures.

The procedure performed in a limited assurance engagement vary in nature and timing form, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether Eni Group's GHG Scope 3 GHG emissions, Lifecycle GHG Emissions Indicators and Net Zero Carbon Footprint Upstream (Scope 1 and 2) on an equity basis have been prepared, in all material respects, in accordance with the criteria applied as indicated in the Annex "References" of the GHG Statement as the basis for the preparation of the GHG statement.

Conclusion

In our opinion, Eni Group's direct (Scope 1) and indirect (Scope 2) GHG emissions for the year ended 31 December 2020 disclosed in the GHG Statement are prepared, in all material respects, in accordance with the applicable criteria, as indicated in the Annex "References" of the GHG Statement.

Based on the limited assurance procedure we have performed, nothing has come to our attention that causes us to believe that Eni Group's:

- indirect (Scope 3) GHG emissions for the year ended 31 December 2020,
- Lifecycle GHG Emissions Indicators for the year ended 31 December 2020,



- Net Zero Carbon Footprint Upstream (Scope 1 and 2) on an equity basis for the year ended 31 December 2020,

disclosed in the GHG Statement are not prepared, in all material respects, in accordance with the applicable criteria, as indicated in the Annex “References” of the GHG Statement.

Other aspects

We have verified that Eni Group owns plants subject to the *European Union Emissions Trading Scheme* - EU ETS, which are ISO 14064 certified by a third-party certification body. We have carefully analysed the activities performed by the third-party certification body and we have evaluated the sufficiency and appropriateness of the evidence obtained. Therefore, we have deemed it not necessary to perform additional assurance activities on the certified GHG emissions subject to the EU ETS scheme.

Milano, 12 May 2021

PricewaterhouseCoopers SpA

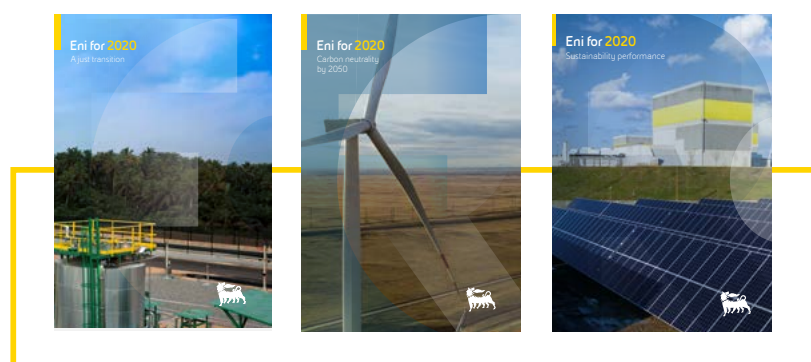
Paolo Bersani
(Authorised signatory)

Eni's non-financial reporting

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

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

📌 **For more information: Annual Report 2020**



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

Eni for 2020 - A just transition

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

Eni For 2020 - Carbon neutrality by 2050

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

Eni for 2020 - Sustainability performance

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

Other reports

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

REPORTING PRINCIPLES AND CRITERIA

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

EXTERNAL ASSURANCE

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



Eni SpA

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

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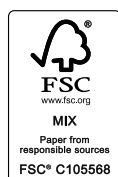
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Layout and supervision

K-Change - Rome

Printing

Tipografia Facciotti - Rome - Italy



Printed on Fedrigoni Arena paper



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Eni for 2020 - Sustainability Report



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