

TOGETHER - INSIEME

Industrial relations model to support
the energy transition process

Eni
Filctem CGIL
Femca CISL
Uiltec UIL

3rd December 2020

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Eni
and

The general secretariats of Filctem CGIL, Femca CISL and Uiltec
UIL endorse the new industrial relations model to support the
energy transition process

On 03/12/2020 a meeting took place in Rome between Eni S.p.A., also representing its subsidiaries, and the General and National Secretariats of Filctem Cgil, Femca Cisl and Uiltec Uil (unions representing workers from the Energy, Fashion, Textile, Manufacturing, Chemical and Allied Industries).

Objectives

Eni and the Trade Unions consider that the economic scenario and imposing current and future challenges facing the energy sector will call for deep collective commitment. Of essential importance will be the ability to seize the opportunities of an advancement that, driven by technological innovation and in-house skills and competencies, allows short, medium and long-term value creation, combining, in a structured manner, the business plan's economic and financial sustainability with the principles of environmental and social sustainability.

Within the framework of a highly volatile energy scenario, whose instability has been magnified by the effects of the Covid-19 pandemic, Eni and the trade unions recognise the growing need to speed up the energy transition process, also by means of a suitable contribution from the Recovery Fund in support of the investments that Eni has made for Italy, in order to assure the continuing existence of current industrial sites, including through conversion, new project development, industrial plant management and revamping, growth of operations and new domestic supply chains, professional development and retraining of Eni staff and promotion and creation of new jobs in the medium/long term.

This process will require open sharing of information, objectives set, projects implemented and the result of such actions.

Therefore, the Parties acknowledge the need for an increasingly effective and participatory industrial relations system to accompany transformation processes and, with this in mind, have agreed to define a new relational strategy that can support the changes taking place and, at the same time, facilitate the achievement and sharing of challenging business objectives.

Intergenerational Agreement

Structurally speaking, Italy is characterised by very low employment rates amongst young people and so a real change of course is essential, this being triggered by the right mix of incentives, tools and services designed to facilitate entry into the job market. Therefore, action needs to be taken to increase employability by strengthening the link between education and employment, in the knowledge that it will be, above all, the youngest resources of today who will witness the

achievement of the important innovation, transformation and transition objectives that Eni started some time ago and will continue over the coming decades.

To this end, in order to encourage staff turnover, boost employment and promote skill swapping, the parties agree on the need to promote, including by contacting the competent government agencies, the use of tools capable of allowing generational renewal as part of the corporate transformation processes aimed at energy transition and technological development of operations, as well as the consequent need to adapt employee professional skills, including through a more rational use that reconciles the need for business transformation with worker protection requirements.

Diversity and Inclusion - Cultural Pluralism

Eni and the trade unions consider pluralism to be a resource, a source of enrichment and an asset that makes the company stronger and better able to tackle complex global challenges. The values of diversity and pluralism are spread and consolidated by the commitment of Eni management and staff as a whole with dedicated events and programmes designed to strengthen the in-house culture and achieve the aim for inclusion of diversity. Eni's international presence has always been marked by alliances with the countries in which it operates, aiming to create value by transferring know-how whilst respecting local cultures.

Eni energy transition strategy

The strategy that Eni has drawn up with a view to becoming a leader in the decarbonisation sector will enable it to obtain a more balanced portfolio, reducing the exposure to volatile oil and gas prices, whilst achieving the targets it has set for both earnings and sustainability.

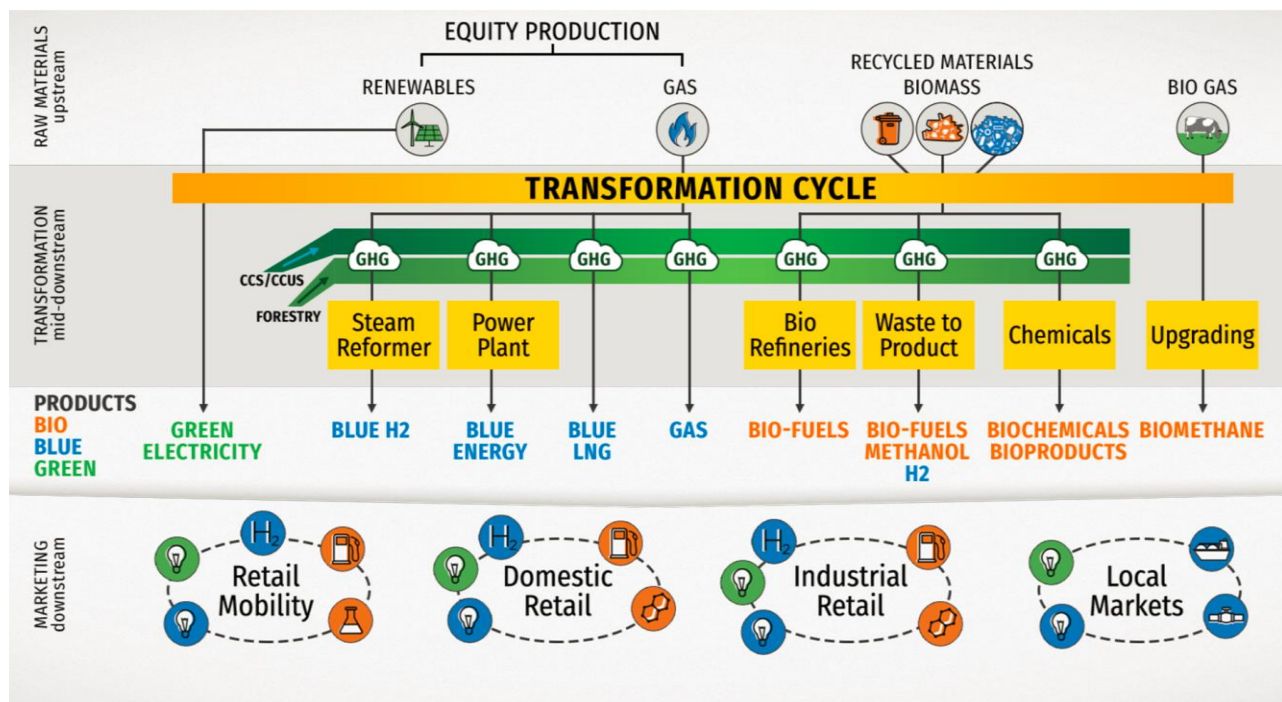
This strategy continues the Eni transformation process implemented over the last 6 years so that it is now a company offering more integrated, faster and more resilient energy.

The important results achieved stem from a process focusing on people, their skills and technology and, although part of a complex scenario, this centrality has managed not to waste human capital.

Therefore, by leveraging its skills and technology and the flexibility and resilience of its assets, Eni has mapped out the course of its business interests for the next 30 years, managing to combine its development targets in a constantly-changing energy market with a significant reduction in the carbon footprint.

The New Eni

The new Eni will be the result of development of its businesses and new energy supply chains.



Starting with low-carbon, bio and renewable feedstocks, the company will be able to obtain fully decarbonised products—bio, blue (i.e. plants with CO₂ capture and storage systems) and green—designed for sustainable mobility and the industrial and residential sectors, as well as local markets in countries where Eni is established.

Upstream, significant focus will be placed on the equity production of:

- renewable electricity, with the aim of achieving installed capacity exceeding 55 GW by 2050, bound for the end market through an integrated power chain with a growing retail market.
- gas, that will become an increasingly important part of the Upstream portfolio, eventually accounting for about 85% of the portfolio by 2050. In particular, the gas produced will be utilised:
 - in the steam reforming process of conventional refineries having CO₂ capture and storage systems for blue hydrogen production;
 - in gas-fired power stations having CO₂ capture and storage systems for blue energy production”;
 - marketed and increased in value, also by means of “blue LNG” (LNG decarbonised by CO₂ capture using standard amine cycles).

Alternatively, the gas produced will be sent to local markets and used to generate electricity in non-EU countries.

Starting with recycling materials and biomass, Eni has already implemented and is developing circular economy processes in order to obtain new energy products:

- through the biorefining process, Eni produces biofuels with the aim of achieving a biorefining capacity of 5 MTPA by 2050 and will gradually diversify the feedstock by using advanced materials so that it is palm oil free by 2023;

- using Waste to Product technology, Eni will utilise organic and inorganic waste:
 - starting with OFMSW (Organic Fraction of Municipal Solid Waste), using proprietary Waste to Fuel technology, it will produce bio-oil on an industrial scale for use directly in maritime transport or, after refining, as advanced biofuel, and will recover the water contained in the wet waste;
 - starting with Plasmix (non-recyclable plastic waste) and SRF (solid recovered fuel), Eni will develop Waste to Hydrogen and Waste to Methanol technology to obtain, respectively, hydrogen and methanol;
- biochemicals and bioproducts obtained from biomass and recycled materials will be produced in the renewable chemical platforms, with a focus on specialties, i.e. chemical substances designed and manufactured for a specific field of application.
- Starting with biogas, Eni will produce advanced biomethane, partly by building anaerobic digestion plants with upgrading to biomethane, partly by upgrading the biogas produced at third party plants. Therefore, the biomethane produced will be used mainly for sustainable mobility.

The processes described will help to make Eni gradually carbon neutral, including through reduction and offsetting of the emissions generated, both through CO₂ capture, storage and reuse systems and through forest conservation schemes, making a total of more than 40 Mton/year of CO₂ captured and stored by 2050.

Eni's industrial conversion will make the company's overall energy supply highly sustainable. Eni will be able to supply the market with decarbonised products, more specifically, to a retail customer base that will grow to beyond 20 million by 2050. Finally, Eni strategy will be increasingly customer focused, in both the gas & power retail and sustainable mobility sectors, the latter benefiting from an integrated supply also offering next generation services.

Emission reduction targets

As a result of its long-term strategy, Eni will achieve an important reduction in GHG scope 1+2+3 emissions relating to the entire life cycle of the energy products sold, i.e. both direct and indirect emissions from company production processes (scope 1 and scope 2) and indirect emissions associated with the Eni product value chain (scope 3).

Indeed, compared to 2018, there will be an 80% reduction in the company's lifetime absolute emissions by 2050, going beyond the IEA's Sustainable Development Scenario that the company considers a benchmark for achieving the objectives of the Paris Agreement, and a 55% reduction in net carbon intensity by 2050.

Finally, Eni's strategy means that the Eni Group will achieve net zero scope 1 and 2 carbon emissions by 2040.

The new business structure

Development of the Eni business structure aims to implement and, if possible, accelerate the commitment to achieve carbon neutrality, making full use of Eni's integrated position along the

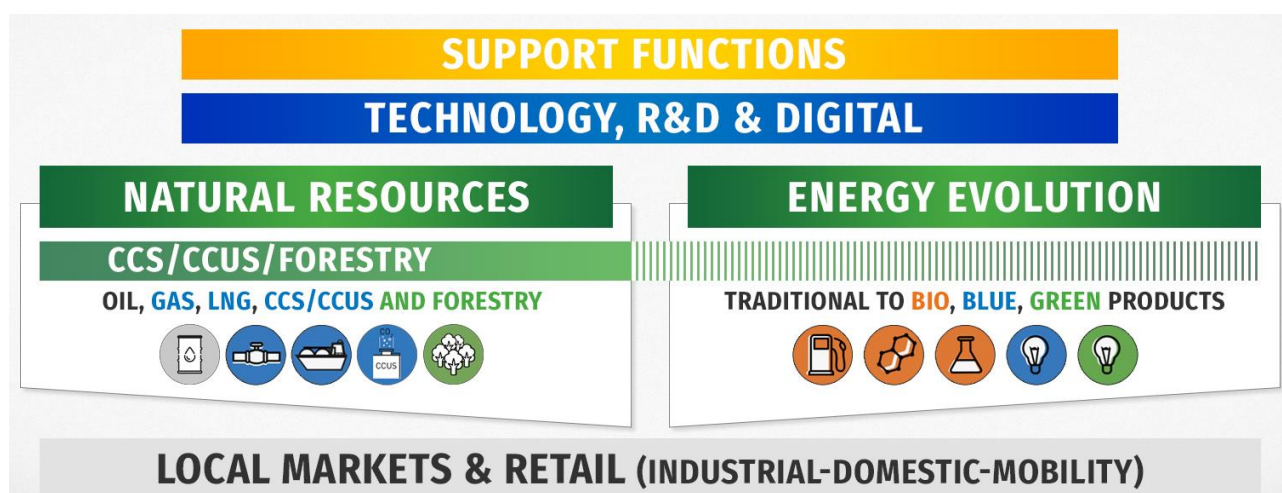
energy value chain. More specifically, business processes will be based on two development drivers (Business Groups) for an integrated and synergetic approach to the energy transition challenge:

- Natural Resources, to develop the upstream oil & gas portfolio sustainably, promoting energy efficiency and carbon capture.
- Energy Evolution, to support the conversion of the power generation, product transformation and marketing businesses from fossil to bio, blue and green.

A new Technology, R&D and Digital function has also been set up in order to underline the strategic importance that Research and Development and technological innovation represent for Eni as a key driver for creating value and growth through technology.

Finally, the reorganisation brings support functions into line with the new business model and corporate strategies with a strong focus on efficiency and performance targets in handling shared services and specialisation of support processes in order to better understand the specific requirements of the two business groups and manage the various priorities.

The effects of the new business structure on human resources are to be discussed with the trade unions at various levels, starting locally, with particular reference to professional skills and employment levels.



Industrial Relations

The scenario in question and the opportunities offered by energy transition require an industrial relations system capable of establishing a good rapport between the parties with the aim of developing a social dialogue model suitable for the new requirements and characterised by preliminary consultation in order to set out those solutions that can be used during the change in scenario of the transition that will affect the process in the coming years.

The memorandum of understanding that the Parties have agreed to sign will be marked by a mutual desire to begin a process that develops at all levels of negotiation, whether national, local or unified union representation, in order to encourage the culture of the ongoing, continuous and inclusive bilateral relationship based on the quest for the best ways of achieving business growth and employee active participation.

In this scenario, the Parties share the culture of ongoing dialogue and making the most of worker knowledge, competence and professional skills.

With a view to developing ever increasing knowledge and awareness of Eni's business based on mutual reliability and responsibility with regard to the matters under discussion, the Parties agree on the setting up of the following events and participatory bodies:

CEO/GENERAL SECRETARIAT ANNUAL MEETING: BUSINESS PLAN

By the end of the first four-month period of each year, the four-year business plan will be illustrated with details of main projects/activities and investments and their results and actions will be set out in the appendix to the following Memorandum of Understanding.

STRATEGY COMMITTEE

In order to monitor the progress of the energy business, meetings will be held, usually, every six months and in any event when important information needs to be shared, in order to analyse the national and international scenarios and deal with any economic, production and occupational repercussions. The joint committee will be formed by 3 company representatives and union representatives from the General and National Secretariats and shall take office by the end of 2020.

The discussion will revolve mainly around the following matters:

- Engineering and environmental protection;
- Research, development and technological innovation;
- Circular Economy;
- Renewable energy development;
- Work and employment organisation

Joint projects to support energy transition

The huge investments required by energy transition are essential for company strategies, their environmental benefits and their considerable impact on human capital protection and development.

The parties undertake to identify joint projects, also through the use of joint press releases, aimed at bringing issues to the attention of stakeholders, including both local and national government contacts, in order to establish a favourable investment climate and clear regulatory framework offering tangible support to the ambitious objectives of industrial transformation and development of new energy supply chains capable of combining the business plan's economic and financial sustainability with the principles of environmental and social sustainability.

HSE COMMITTEE

With a view to continuous improvement of the culture relating to matters of considerable importance for the parties such as health, safety and the environment, the HSE Committee is reappointed and will meet, usually, four times a year in order to discuss policies, targets and projects, including of an innovative nature.

In accordance with the provisions of the 2017 Memorandum of Understanding on Health, Safety and the Environment, an annual day will be organised to be attended by HSE Management, Human Resource and Organisation Management, the Health Department, Trade Union General and National Secretariats, HSE Managers, Worker Health, Safety and the Environment Representatives and Worker Health And Safety Representatives of local on-site union organisations. The day will take place during the second half of the year.

WELFARE COMMITTEE

The Parties agree to maintain an ongoing dialogue relating to all matters concerning corporate welfare and work-life balance with the setting up of a Welfare Committee comprising 3 company representatives and 3 union representatives in order to discuss and promote the possibility of additional measures to support and assist workers and their families. This committee shall take office by the end of 2020.

INTERNATIONAL INDUSTRIAL RELATIONS

In keeping with its status as a global player and in accordance with the provisions of current agreements, in order to continue meaningful disclosure and consultation regarding the current status of its activities, Eni has arranged to maintain and update the international agreements with the unions on matters regarding Health, Safety and the Environment and, more generally speaking, those concerning the protection of workers' rights guaranteed by specific ILO Conventions.

The political, economic and social scenario, main stakeholder issues and the course of the international institutional and regulatory framework have led both Eni and the Trade Unions to identify the essential elements towards which to direct sustainability policies and define common strategies based on the principles of integrity and transparency, fighting corruption and respecting human and worker rights and occupational health and safety.

All these principles and actions must be followed and performed in full compliance with national collective and company agreements relating to international labour standards, signed by Eni and Trade Unions recognised by IndustriALL G.U., also with a view to restricting social and contractual dumping.

To this end, the following will continue:

GLOBAL MONITORING COMMITTEE AND EUROPEAN WORKS COUNCIL (EWC)

An annual meeting will continue to be held as specified by the Global Framework Agreement on International Industrial Relations and Corporate Social Responsibility dated 21st June 2019.

In line with the provisions of current agreements, in order to continue meaningful disclosure and consultation regarding the current status of Eni's activities, an annual meeting of the EWC will

continue to be held, along with at least three annual meetings between the EWC Select Committee and relevant Eni departments. The members of the European Works Council and Select Committee as specified in the agreement dated 4th July 2018 shall remain in office.

EUROPEAN OBSERVATORY FOR HEALTH, SAFETY AND ENVIRONMENT

The usefulness is confirmed of the meeting enabling Eni and the unions to discuss and exchange information about HSE issues. The HSE Observatory's main tasks include promoting safety culture, environmental protection and mitigating HSE risk factors. As of 2018, every 6 months, the HSE Observatory publishes a newsletter for all its members produced by Eni and the Trade Unions (HSEQ Management, Industrial Relations Department and Monitoring Centre Coordinator) regarding matters under discussion and/or future projects.

Furthermore, in order to guarantee proper representation/disclosure, in accordance with the contractual provisions in question, the Parties confirm the need to arrange regular meetings where, in agreement with the business concerned, impact issues can be discussed regarding staff working in foreign facilities.

In view of the confidential nature of information that could be provided during meetings of all the above-mentioned Committees, the Parties agree that this shall not be disclosed to third parties without express prior written consent.

In order to assist the integration of new business sectors/activities, in the case of acquisitions or other company transactions, subject to the economic sustainability of such transactions, Eni will consider the possibility of extending the application of its main in-house National Collective Agreements by way of specific harmonisation agreements to be concluded with the trade unions laying down schedule, method and substance of the transition.

Health, Safety and the Environment

Health, Safety and the Environment are a priority for Eni and the Trade Unions. We can only talk about development and growth when having full control over the health and safety conditions of staff and the environment in which they operate, as well as corporate assets.

As regards Health, Eni has embraced the definition of the World Health Organization which states that "Health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity". Besides the usual occupational medicine and industrial hygiene and health emergency management, special attention is also paid to the provision of healthcare services to Eni staff and their families, both in Italy and abroad. Numerous steps have been taken for the benefit of employee health with several primary, secondary and tertiary prevention schemes and the implementation of several awareness and training programmes designed to prevent the diseases most prevalent in the population. As regards the status of the healthcare situation, special attention will be paid to both local assistance and support for the National

Health Service. Of particular significance with regard to the health emergency has been the parties' deep commitment to drawing up measures and actions to prepare for and tackle the COVID-19 epidemic.

Occupational safety is an essential value to be shared amongst employees, contractors and local communities. With this in mind, all necessary actions shall be taken to prevent the occurrence of accidents including: compliance programmes for risk assessment and management, training programmes, skills development, promotion of safety culture and application of innovative digital systems able to monitor and prevent the hazardous situations that can occur in the workplace.

Over the years, the Parties have always agreed that health, safety and environmental protection represent indispensable primary values for Eni and its staff for the development of production and working activities.

Thanks to an effective industrial relations system, the Parties have worked together to define, implement and spread a culture of prevention in the workplace, regarding it as an absolute priority and considering the issues of health, safety and the environment to be a prerequisite for operations.

This joint belief has made it possible to develop a culture of health, safety and the environment throughout the company that with the signing of the Memorandum of Understanding on Health, Safety and the Environment has once again demonstrated the Parties' common aims as regards these issues.

Exceptional in-house know-how and the acquisition of cutting-edge skills have enabled daily working activities to be improved still further, contributing to an increase in personal safety.

New digital safety technology is the cornerstone of the entire company strategy for and commitment to the innovation process. The introduction of new digital technology and state-of-the-art tools has enabled us to achieve an increase in the level of safety, efficiency and effectiveness of staff activities.

As part of the Company's digital transformation, the Smart Safety project and agreements have led to the implementation of an IT system to assist occupational safety management, comprising a set of Personal Protective Equipment fitted with sensors that, through a smart network, can enable in real time worker notifications and a monitoring console to warn of potentially hazardous or emergency situations.

With the same objective of increasing operator safety and facilitating operations and maintenance, mobile applications have been developed that site staff can use on ATEX devices, such as smartphones or tablets, in order to report abnormal situations, collect and consult data whilst doing their rounds or receive remote assistance. On our sites, both in Italy and abroad, we have implemented the Electronic Permit to Work (e-WP), a desktop and mobile app designed to help with the filling in and filing of permits to work, thus increasing the safety of operations, whilst enabling improved traceability of the process, more reliable authorisation workflow and reduced use of paper, producing time savings and increased efficiency.

Furthermore, to facilitate the education and training of operators and emergency teams on matters of safety, in addition to normal classroom or field training, we have introduced Virtual Reality Training, i.e. training sessions backed by immersive virtual reality systems that can replicate the real world with visual and sound effects, thus guaranteeing that user operations are as close to reality as possible.

Further confirmation of the importance that Eni and the Trade Unions place on safety has been the agreement to set up the Safety Competence and HSE Training Center in Gela that manages an

in-house pool of professional people who, after suitable training, become veritable safety experts used to coordinate and supervise safety for all activities at Eni industrial sites.

In addition, as of 2020, the Parties have begun piloting the new position of Production Site Worker HSE Representative at the sites in Livorno, Viggiano and Priolo.

The introduction of this position aims to increase prevention and safety culture still further and promote good HSE practices, also by having an active link between all Worker Safety and Environment Representatives and Worker Health and Safety Representatives, including those of site contractors. The Parties aim to extend the experiment to other sites in the near future and to all Eni Italian facilities in the medium term.

The environment ranks alongside personal safety. Eni has specified a clear decarbonisation process, structurally integrated into corporate strategies, that has produced continuous improvement of all indicators.

Environmental protection is an essential part of Eni's modus operandi and it conducts its business in compliance with international agreements and standards, statutory legislation, regulations and national policies. Environmental management policies are based on prevention, protection, disclosure and participation and their fundamental aims are to determine environmental aspects and implement best technology, mitigate environmental impacts and manage a system to prevent adverse environmental events, both direct and indirect, linked to specific activities of the various production units, as well as adopt specific methods based on the seriousness of the local biodiversity situation. To this end, the Parties reiterate that energy efficiency is an absolute priority, also with regard to sustainable development. In particular, Eni is committed to reducing its consumption and minimising the impact of its activities: lower atmospheric emissions, optimisation of the waste and water-resource management process and biodiversity protection.

The Parties firmly believe in training as a means of increasing health, safety and environmental culture. In this respect, around 1.5 million training hours on HSE issues are scheduled for the current four-year period. Planning of the events will make use of the contributions that emerge from the discussions of the ad hoc Committees and from the Health, Safety and the Environment Day that is scheduled to continue on an annual basis under the terms of the Memorandum of Understanding on Health, Safety and the Environment signed in October 2017.

Remaining on the subject of HSE Training, of essential importance is the scheme to provide Basic Training and Refresher Courses for Worker Safety and Environment Representatives and Worker Health, Safety and Environment Representatives with a view to continual improvement of the role of the Worker Representative with regard to HSE issues.

In addition, with a view to making teamwork and synergy between safety players more effective, consideration needs to be given to testing HSE training with groups of Worker Safety and Environment Representatives, managers and workers, not only as regards specific safety issues, but also team building designed to improve safety performance.

Asset Integrity

Protection for Health, Safety and the Environment is provided by Asset Integrity upon which Eni is constantly focused.

Asset Integrity is an area of crucial importance to the Company because it is designed to ensure business continuity and the safety of activities and, as a result, of people and the environment, throughout the asset lifetime.

Eni has numerous assets throughout the world including platforms, pipelines, conventional refineries and biorefineries, depots, thermal power stations, petrochemical and green chemical sites, solar power plants and a wind farm.

In all business lines, around 2,300 people work in support of the various stages of Asset Integrity on which Eni spends on average more than EUR 2 billion per annum.

Digital transformation is a key driver to improving results, also in terms of asset management and integrity. It is a human-centred process that makes use of skills and stimulates growth. The Eni digital transformation process started with the production sites at the heart of activities. The Val d'Agri Oil Centre has been chosen as the first (fully-digitised) Digital Lighthouse in order to demonstrate the abilities of the new digital systems, models and methods under complex operating conditions.

The implementation of these schemes has been flanked by a Change Management programme, essential to promoting a new approach to work, that has scheduled targeted information disclosure and participation events, along with training courses to develop and obtain the most from personal skills and competencies. In 2019, with a view to continuous promotion of Eni's culture in this sector, additional training was provided with a worker training and information programme that, in the initial stage completed in October 2019, involved around 3,700 colleagues, both from departments directly involved in Asset Integrity and support functions, and, once fully operative, will involve all staff right across the board using either distance learning or site cascading.

Change Management activities will continue in the future to assist complete digital transformation.

Contracts

The parties recognise the need to commission businesses that act ethically and within the law, paying fair wages, taxes and national insurance contributions as required.

To this end, Eni and the Trade Unions consider essential in dealing with contractors the respect and protection of human rights, commitment to promote and ensure conditions of health and safety in the workplace, ban on forced labour, trade union freedom, freedom of association and collective bargaining. Compliance with these principles is requested of both contractors and subcontractors.

In this respect, the parties agree on the need to promote recognition of the national collective bargaining agreements signed by the most representative national trade unions for the sector in question.

Energy Transition Research and Innovation

Research and technological development have always been the cornerstone of Eni's sustainable development strategy and are an essential means of acquiring and maintaining the competitive advantages forming the basis of all organic industrial growth strategies.

In-house skills and competencies, the excellence of Eni research centres and consolidation of the network of partnerships with the most important national and international scientific entities are the cornerstone of innovation and represent a key energy transformation driver, helping with the move towards a low carbon future.

Natural gas remains at the centre of the energy-transition support strategy. With its low carbon impact, it can replace the sources that cause greater pollution during the period in which conversion of the energy system to renewables is taking place.

Against this backdrop, a material contribution to decarbonisation of European and international energy systems can be supplied by the CCUS (Carbon Capture, Utilisation and Storage) process, a cornerstone of Eni's strategy designed to reduce the carbon impact in hard-to-abate industrial sectors, decarbonisation of end products and consolidation of the role of gas as a back-up to renewables in electricity generation.

As regards carbon capture and storage, Eni had identified two geographical hubs, in the Adriatic Sea and in the UK, where it is developing, respectively, the projects Adriatic Blue, off the coast of Ravenna, and Liverpool Bay and Net Zero Teesside, in North East England.

Turning to the capture of carbon and its use in new products, Eni is developing innovative technology such as biofixation, that allows CO₂ to be captured using microalgae by increasing the rate of photosynthesis, and mineralisation, that, on the other hand, allows formulation of cements through a process that accelerates the natural reaction of CO₂ to certain natural mineral phases.

In the renewable energy field, Eni is developing state-of-the-art solar power plants, based on concentrated solar power (CSP) technology and innovative organic photovoltaic (OPV) technology that, by using semiconducting polymers as the photoactive element instead of the usual silicon and other inorganic semiconductors, are characteristically light, flexible, easy to install and highly recyclable. For this technology in particular a deployment plan has been drawn up providing for field installations as an addition to solar power in natural parks and buildings, energy efficiency and off-grid systems for use in remote areas.

Remaining in the renewables sector, Eni is investing in wave power generation using its ISWEC (Inertial Sea Wave Energy Converter) technology, a floating system that converts the movement of sea waves into electricity. A pilot plant is already operating in Ravenna and, thanks to our partnership with CDP, Terna and Fincantieri, we aim to install 118 industrial plants by 2025 having a total installed capacity of 12 MW.

As regards Eni's downstream transition process, its chemical industry and refining are currently undergoing radical changes so that processes and products embrace the principles of sustainability and the circular economy.

Eni considers this changeover to be absolutely strategic and has redesigned its industrial cycles, focusing on products of an organic and biological origin. An important example of its commitment in this field is the Waste-to-Fuel pilot plant at the Gela biorefinery built by Eni Rewind, an example of Waste-to-Fuel technology that, by means of a hydrothermal liquefaction process, converts the organic fraction of municipal solid waste (OFMSW) to bio-oil, also offering the possibility of recovering 70% of the water contained in the biomass feedstock in order to make it available for industrial and agricultural use. The pilot plant is operative in the areas of the biorefinery that already produce biofuel from biomass feedstock using the Ecofining technology. Eni is planning to produce other examples of Waste-to-Fuel technology on an industrial scale both in Italy and abroad. The project's implementation marks a significant step towards the production of advanced biofuel to be used for maritime transport and, after refining, for road transport. By implementing sustainable processes and technology associated with the reuse of resources, a lower environmental impact is achieved.

Eni research and technological innovation can rely on 7 of its own research centres and ongoing consolidation of its network of partnerships with the most important national and international scientific entities.

For example, in 2018 a Memorandum of Understanding (MOU) was signed with the National Research Council (CNR) to conduct research in four areas of great scientific and strategic interest: magnetic fusion, water, agriculture and the Arctic ecosystem. Research will be carried out at 4 joint research centres in Southern Italy: Gela, Metaponto, Portici and Lecce, with a total investment of more than 20 million euro over a period of five years.

In particular, in the field of magnetic fusion, a source of safe, sustainable energy with no emission of pollutants or waste requiring long-term storage, Eni is actively involved in international projects designed to accelerate its technological progress. In March 2018, agreements were signed with Commonwealth Fusion Systems (CFS) and Massachusetts Institute of Technology (MIT) to strengthen the development of magnetic fusion for industrial application and at the beginning of 2020 a joint venture agreement was signed with ENEA to develop the Divertor Tokamak Test (DTT) project. Finally, research has been started at the Eni-CNR Centre in Gela into the characteristics of plasma and the development of high-temperature superconductors and special high-performance materials.

With a view to obtaining an ongoing increase in the information flow and involvement of National Secretariats along with a delegation of unified/local union representatives, the Parties will monitor the progress and implementation of their undertakings by means of a special annual meeting.

It is agreed that consolidation of in-house know-how and the excellence of Eni's in-house research centres are the key factor of the growth and development strategy.

Digital transformation

In order to draw up the digital strategy and achieve the transformation in an integrated manner in all of Eni's areas of activity, at the end of 2018, the Digital Business Unit was established in order to set out the digital projects, whilst also promoting open innovation channels to utilise contributions received from Italian and foreign entities possessing academic and entrepreneurial excellence.

Technology plays a key role in enabling Eni's energy transformation programme: with this in mind, the company recently underwent reorganisation with the establishment of a Technology, R&D and Digital function alongside the two new business groups Energy Evolution and Natural Resources. Under these circumstances, it was considered opportune to place the Digital and ICT areas under the sole responsibility of the Digital & Information Technology (D&IT) function. This new arrangement is designed to provide Eni's business with increasingly efficient and effective support in achieving output and sustainability targets with an integrated, across-the-board approach, from the promotion of innovation and introduction of new technological solutions right through to their engineering and deployment with particular focus on the resilience of ICT infrastructures, operational excellence, project delivery and cyber security. In other words, D&IT is available to all Eni Businesses in the role of technological partner, focusing on people and their skills and guaranteeing the technological platforms and solutions most suited to guiding the company through the digital transformation process.

This process was started in 2018 and aims to make Eni activities increasingly integrated, efficient and sustainable. Indeed, digital transformation within Eni increases personal safety, guarantees asset integrity, boosts energy and operating efficiency, strengthens financial performance, aids access to energy and expands business opportunities, at all times leveraging the analysis and use of internal data.

The Parties agree that digital transformation must be human-centred, giving people a leading role in the switch to a new way of working. Indeed, through its Digital function, Eni has encouraged widespread circulation of Change Management projects to develop the digital awareness of its employees.

Furthermore, the digital transformation process is supported by extraordinary computational power. Brought into service in February 2020 at the Green Data Center (GDC) in Ferrera Erbognone, the HPC5 supercomputer is the latest in a line of state-of-the-art systems whose industrial computing power makes Eni a world leader, but it can also assist research, whilst offering the best possible tools for the post-pandemic recovery. Indeed, supercomputers provide strategic support to corporate transformation processes along the entire value chain, from exploration and development of oil & gas fields to management of the big data generated during operations by all production assets (upstream, refining and chemicals) and are of fundamental importance if Eni is to realise its future energy vision.

Furthermore, with the Coronavirus emergency at its height, digital transformation has allowed us to protect our staff, whilst guaranteeing the integrity of all assets. Indeed, at the end February

2020 with the Covid-19 emergency causing great concern, Eni managed in just a few hours to switch over to smart working about 21,000 workstations located around the world.

The Parties believe that the use of new digital technology for detecting hazardous conditions, emergency management and performance improvement, as well as complying with statutory provisions requiring that the business implement “all measures that, depending on the nature of the work, experience and technique, are necessary to protect workers’ physical safety and ethical wellbeing”, will also lead to significant improvement in the HSE results already obtained; to this end, in full agreement with the Trade Unions, Eni is developing and testing Internet of things technology, including in the HSE sector.

New work organisation techniques

The jobs market and work organisation are changing ever more rapidly. Increasingly, businesses are forced to deal with unexpected outside situations that from a technological and business viewpoint appear increasingly complex, competitive and changeable. The sizes traditionally adopted for corporate structures and processes therefore need to be carefully analysed and updated, also in the light of these changes.

The challenge for a company with a structure like Eni, is to be able to implement innovative organisational models compatible with corporate strategies and fully integrated with more traditional structures and mechanisms.

Under such circumstances, the parties have set themselves the objective of managing to reconcile efficient and innovative business models and high levels of productivity and financial and environmental sustainability with employee satisfaction and wellbeing and a positive, collaborative corporate climate.

Clearly this process needs to include new professional skills with professional training mechanisms that allow retraining and enhancement of the company’s existing human capital.

The parties agree to adopt measures most capable of providing the best possible assistance to the changes that will be required by the transformation process and the change in the energy scenario.

Agile Working

For many years, Eni and the trade unions have demonstrated their commitment to the promotion and implementation of agile working, starting with the agreement for a pilot scheme beginning in February 2017. The scheme offered new parents the possibility of working in this manner for up to two days a week and in April 2018 this opportunity was extended to three subsidiaries for a maximum of 1 day a week, as well as to employees with certain illnesses for up to 2 days a week, in keeping with welfare and organisational requirements.

Also as a result of the positive feedback received from the surveys carried out amongst Smart Working employees and their superiors, as of 1st October 2019, following a new agreement with the trade unions, the company has added an important additional step to this process: the extension of smart working to office workers throughout the country for one day a week and to

parents with disabled children for up to two days a week, without affecting the arrangements already implemented for new parents and employees with serious illnesses.

Under the terms of this agreement and in accordance with the provisions of section 19, subsection 1, of Act No. 81/2017 regarding rest periods and the technical and organisational and measures needed to guarantee a worker's right to disconnect from technological work equipment, the parties have agreed that employees engaged in smart working shall follow the working hours specified by the union agreements applicable to their workplace and that on smart working days there shall be no overtime or holiday and/or night work. At the present time, around 4,500 employees have elected to join the smart working scheme.

Implementation some time ago of this agile working model based on trust, technology and innovation and strictly connected with the process of transformation towards an increasingly sustainable business model has facilitated staff management during the recent delicate stage of the Covid 19 pandemic. Following positive experiences in the past, this has allowed rapid extension of such work method to all staff from managerial headquarters and a high percentage of staff from industrial sites.

Also in the light of the most recent experiences that, leaving aside the obvious effects of the emergency situation, have improved understanding on the matter, the parties will meet by the end of 2020 for a joint assessment of new ways of extending and applying the scheme, along with any occupational and organisational repercussions that might arise.

To this end, the Parties agree to the setting up of a special commission that will begin work by the end of 2020 and assess new ways of extending and applying agile working.

Training

Eni and the trade unions consider training a key driver for professional development in line with the development of Eni's business and its organisational models.

Training programmes will continue as part of a planned resource management and development process designed to target vocational training and reskilling requirements.

By taking specialist advice from the Eni Corporate University and with the valuable assistance of in-house lecturers, Eni will continue to provide training that meets the requirements of its various businesses/companies in accordance with possible developments arising from changes in business scenarios and plans and with a special focus on issues relating to energy transition, circular economy and technological innovation.

In partnership with the most important Italian institutions such as the Milan and Turin Institutes of Technology and the Universities of Pisa and Perugia, Eni will continue to focus on university and postgraduate training as a means of developing young talent. It has introduced the Level 2 Master's Degree in Energy Engineering and Operations in partnership with the Turin Institute of Technology and in Energy Innovation in partnership with the Milan Institute of Technology. In addition to these courses, it has also introduced MEDEA (Master in Energy and Environmental Management and Economics), run by the Enrico Mattei Institute, offering engineers and economists the technical and practical skills needed to work for businesses in the energy/environmental sector with a genuine chance of joining the Eni team at the end of the course.

Furthermore, Eni was the first Italian company to sign a Memorandum of Understanding with the Ministries of Education and Employment to invest in work-based learning and first level apprenticeship. At the Venice biorefineries, Gela site, Bolgiano laboratories, Val d'Agri and Ravenna extraction facilities, corporate offices in San Donato Milanese and Rome and various other sites secondary school students have been given the chance to follow a vocational pathway for the energy sector.

Eni will continue to promote numerous training activities in order to supplement the essential primary role of educational institutions with the ability of business to impart skills and corporate know-how, as well as work ethic. The competencies and awareness of individual abilities that the students acquire by means of these pathways will also be useful when choosing their university subjects and future occupations.

Conscious that contact between industry and the education system is essential, also as a result of changes in the business following energy transition, the parties recognise the importance of continuing their dialogue with a view to identifying innovative ways of steering the education system towards the new skills and competencies required by the energy sector.

In addition, the Parties once again stress the importance of the resources allocated by Fondimpresa (Continuous Professional Development Fund) based on training programmes agreed by the steering committee.

Eni Values and Business School

Eni recently opened Joule, the new Business School for aspiring entrepreneurs and circular-economy startup incubation and acceleration, also by making significant use of in-house skills and facilities. As the Joule is the unit of measurement for energy, in Eni's case people are the unit of measurement for doing business: that is why Eni has chosen this name for its new school.

Joule is an educational project designed to share with tomorrow's key players the objectives adopted by the company in recent years: lower emissions to keep global warming well below 2°C; energy access; assistance with the exploitation of energy resources for local development of countries through investments; skills and technology; commitment to finding solutions that ensure the transition to a low-carbon energy model.

Joule, the Eni Business School, makes company values and know-how available to students. Joule's perimeter of inclusion is not energy, but circular economy, climate change and decarbonisation. Through Joule, Eni creates courses for aspiring entrepreneurs of both genders designed to assess and develop their business vocation, whilst also acting as a business incubator and accelerator for startups whose business values and objectives place them within the above-mentioned perimeter.

With a view to achieving these objectives, the new Eni Business School is divided into two departments: Human Knowledge and Energizer.

- Human Knowledge: a proactive training workshop preparing entrepreneurs for the early stage of a new venture most of whose lecturers are Eni managers; a permanent training

workshop that develops courses in the classroom, at Eni facilities, and remotely using state-of-the-art distance learning plans.

- Energizer: a system of business incubation and acceleration programmes for startups, scale-ups and SMEs capable of contributing to the energy transition process; programmes designed and customised on each occasion to fit in perfectly with the locality question

For the first two years, Joule will be mainly Italian, having headquarters in the Ostiense district of Rome and branches all over the country as a result of partnerships with local universities and institutions, with the aim of creating an educational archipelago that acts as a supporting ecosystem for early stage businesses. Subsequently, it will assume an international dimension starting with the Mediterranean Basin.

Corporate welfare and workplace wellness

Consideration for the mental and physical wellbeing and improving the quality of life of workers and their families is perceived as a determining factor for healthy corporate growth since it provides support for motivation, productivity, quality of relations and atmosphere within the workplace in accordance with business objectives and dynamics.

Corporate welfare, whose cornerstone is human centricity, is an essential part of Eni history and its employer identity, promoting an ongoing commitment to look after its staff in order to create a shared value chain.

Historically, the parties' commitment to welfare is considered a best practice, confirmed by the signing of the 2017 Memorandum of Understanding on Welfare and implemented using methods and tools sustainable for the company in terms of cost and feasibility, that leads to the provision of a wide range of miscellaneous services:

- Healthcare

In placing increasingly greater emphasis on tools and activities designed to improve still further the company/worker relationship, the Parties have confirmed their desire to implement a system of additional benefits that will allow all Eni workers to receive supplementary healthcare. Starting from 1st January 2018, all workers are granted automatic membership at the company's expense of the Fasie (standard option) (energy sector) and Faschim (chemical sector) supplementary healthcare schemes. At the same time, Eni guaranteed that workers already belonging to sector schemes under the terms of their employment contract would receive, at its expense, a sum equal to the Fasie standard membership cost or, in the case of chemical workers, the Faschim membership cost. Furthermore, supplementary healthcare services are provided subject to payment of a variable additional amount that is proportional to the standard fee that the worker pays for his or her chosen option. The parties are to meet in 2020 when the memorandum of understanding expires in order to consider results and discuss new schemes.

- Health promotion and disease prevention

In partnership with qualified facilities throughout the country, Eni has always promoted schemes to create a widespread culture of prevention. All employees are given the chance to join preventive screening schemes on a voluntary basis: Early Detection Plan (annual programme of cancer prevention tests according to age group and gender, operative throughout the country in association with the Italian League for the Fight Against Cancer), “Previeni con Eni” (check-up every two years to prevent the most common forms of cancer and heart disease, split according to gender). The latter scheme is operative at the sites in Rome, Brindisi, Cagliari, Ferrara, Ravenna and Priolo and will gradually be extended across the entire country.

- Everyday wellbeing

Eni has made a special investment in promoting behavioural models and styles that favour everyday wellbeing. Such consideration produces, for example, carefully-run, high-quality staff canteen services promoting a safe and healthy diet, with preference for domestic produce, focus on environmental sustainability and comfortable dining areas. The menus offered concentrate on well-balanced meals obtained with cooking systems that retain the nutritional properties of the raw materials and guarantee compliance with current food safety and hygiene regulations.

- Parenting

A guide is available to all Eni employees providing all necessary information about compulsory and optional leave, rest days and time off. Since 2015, all workers worldwide have been guaranteed application of the minimum maternity standards specified by the International Labour Organization (ILO). Furthermore, in addition to existing rights, since 2017, paternity leave of 10 working days on full pay has been granted in order to promote the shared responsibilities of looking after children and equal opportunities.

- Eni 0-6 day nursery:

The Eni day nursery was established in 2010 in San Donato Milanese and as of 2019 there is another in Rome designed to provide families with meaningful support in reconciling work and private life.

The service’s organisational and operational model provides maximum coverage and flexibility of working hours. This pedagogical approach is based on important founding principles such as the stability of the educational team, support for parents, learning continuity for the 0-6 age range and the centrality of the child in the education path in order to make the most of his or her individual characteristics.

- Summer breaks and camps

Summer breaks and camps are extremely popular with families and children. They represent one of the Eni welfare plan’s most important activities. They are organised in seaside and mountain locations for children and young adults of between 6 and 16 years and offer the chance to have a holiday that includes games, sport, discovering new places and meeting new friends. They are organised and run by qualified expert teachers and offer a full programme of different activities for various age groups. Besides arranging workshops, sport, games and recreational activities, the

breaks also include English lessons, vocational guidance and workshops dealing with social and environmental issues.

- Vocational guidance

In order to assist families who find themselves having to face the difficult task of choosing an academic or career path for their children, numerous schemes are available to facilitate the making of an informed decision and increase child skill sets. Recent schemes include: Push to open and Push to open junior (intercompany vocational guidance services for students in the final two years and 2nd and 3rd years of secondary school), FitYourFuture (online platform designed to help students prepare for the entrance examinations to the most prestigious universities, offering coaching to improve the basic skills needed for the various tests), Think about tomorrow (vocational guidance scheme with classroom lessons held at the Eni managerial headquarters in San Donato Milanese and Rome).

- Support for emerging needs: caregiving

In order to meet the emerging needs of families, based on continuous attention to listening, inclusion and daily support, new lines of services have been implemented aimed at specific groups of the population needing special attention such as caregivers of elderly parents and family members with disabilities. 2017 witnessed the implementation of the Fragibilità scheme, a contact centre providing support and guidance on all caregiving issues backed by a nationwide network of healthcare workers. The service also provides assistance for children and young people with learning difficulties.

Over the last three years, holiday breaks for parents of our employees who are aged over 65 have been organised at seaside and mountain resorts with a full programme of social activities and entertainment.

- Flexible Benefits

In 2017, the Parties agreed it would be opportune to convert part of the performance bonus into welfare benefits and services, thus taking advantage of the tax breaks offered by the legislation in question. The personal basket of flexible benefits can be freely selected to suit individual and family needs using a dedicated web platform granting access to a wide range of offers to purchase goods and services at special prices.

- Mobility Management Services

The role of Mobility Manager has been introduced. His task is to devise ways of assisting home-to-work travel by encouraging the use of public transport and the corporate carpooling service, thus helping to reduce pollutant emissions. Thanks to special agreements, workers are granted free or subsidised use of services such as corporate shuttles, bike sharing, public transport season tickets, purchase of ex-fleet vehicles and car hire from leading companies.

- Corporate volunteering

Using the corporate volunteering method, the Parties wish to continue to promote, during working hours, different ways of encouraging and supporting employees' voluntary, active participation in the life of local *communities*. To this end, volunteering schemes have been set up and agreement reached on considering additional forms of support for community schemes promoted by voluntary associations. All workers who have voluntarily taken part or are going to take part in these schemes receive one day's paid leave to cover their absence from work.

Duration of and amendments to the Memorandum of Understanding:

The Parties confirm that this agreement shall last for three years as from date of signature. Furthermore, should contract renewals or changes to legislation affect the business environment of the company or sector, the Parties shall arrange to meet at an early date in order to make any necessary changes to this Memorandum of Understanding.