Versalis FOR 2023

A Just Transition

versalis

Versalis' Mission

To lead sustainable chemistry,
driving change to create value for people.

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.

Global goals for a sustainable development

The UN's 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.

Versalis FOR 2023

A JUST TRANSITION

Disclaimer

Versalis for 2023 is a document published on a yearly basis that contains forward-looking statements related to the different topics covered therein. Forward-looking statements are founded on Versalis management's reasonable assumptions and beliefs given the information available to them at the time the statements are made. Nevertheless, by their nature, forward-looking statements involve an element 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, beyond Versalis' control and reasonable prediction. Actual results may differ from those expressed in such statements, depending on a variety of factors, including, without limitation: the impact of the Covid-19 pandemic; the fluctuation of demand, the offer and pricing of raw materials; the current operating performances, the general macroeconomic conditions, geopolitical factors and changes to the economic and regulatory framework in many of the Countries in which Versalis operates, the achievements reached in the development and use of new technologies, development of scientific research, changes in the stakeholders' expectations and other changes to business conditions. The readers of the document are therefore invited to take into account a possible discrepancy between the forward-looking statements included and the results that may be achieved as a consequence of the events or factors indicated above. Versalis for 2023 also contains terms such as, for instance, "partnership" or "public-private partnership" used for convenience only, without a technical-legal implication. "Versalis" means Versalis S.p.A. and its consolidated subsidiaries (for further details please see ▶ Versalis Financial Statement 2023). The reporting of GHG Scope 3 emissions and related targets is not to be understood as the assumption of any legal responsibility in relation to the actual and/or potential impacts of said GHG emissions.

Photos

All the photos of the covers and the Versalis for 2023 Report come from Versalis photographic archive.

Translations

The original text of Versalis for – unless otherwise indicated – is in Italian. The English translation is taken from the original text.

Why read Versalis for 2023?

In this document, Versalis describes its ongoing commitment to develop increasingly sustainable and circular models, in line with Eni strategy and values. Versalis for 2023 illustrates the progress of a company that continues to look to the future and its transformation into a more sustainable and diversified chemical company, capable of integrating circularity and sustainability principles into processes and product management throughout the entire life cycle and generating value for all stakeholders.
The document delves into the commitments, actions and projects undertaken by Versalis to address this challenge, demonstrating its continuous commitment to achieve the goal of Carbon neutrality by 2050, by developing Operational Excellence and enhancing Alliances for Development, the three levers of Eni's integrated business model.

LEGEND

▶ External links Internal links GLOSSARY
JT Versalis' approach to Just Transition

Message to our stakeholders

Dear Stakeholders,
the last few years have been extremely challenging for the European chemical industry that, already penalised by high energy costs, in 2023 suffered the consequences of a sharp drop in demand. Although also affected by this complex context, Italy's leadership in specialty chemicals and cutting-edge technology has enabled it to maintain a relatively stable position.

Despite such a complex scenario, as Versalis we have continued to firmly believe in our strategy, sticking to our priorities with an ongoing commitment to protecting the health and safety of our employees and ensuring a safe workplace with the best environmental quality standards for each one of us and those assisting us day by day in the transition process that has now been running for several years.

As it has already been done with the partial reconfiguration of the production system, we decided to also upgrade our organizational structure to better align it with strategy and market needs in order to accomplish even more effectively the goal of transforming our company into an increasingly sustainable and specialized business with an increasingly circular portfolio and a leadership position in the chemistry from renewable raw materials sector.

The year 2023, in particular, marked another important step forward that allowed it to assume a leadership position in chemistry from alternative raw materials following the acquisition of Novamont, a leading player in the circular bioeconomy and in the production of bioplastics, obtained partly or completely from renewable, biodegradable and compostable raw materials. Through the integration of the respective portfolios, the business plan will leverage a unique technological platform and an increasingly low carbon product portfolio, consistent with Eni's energy transition path.

Similarly, we are creating the conditions to achieve Carbon neutrality by 2050, through the intermediate targets to 2025 and 2035 previously announced. We are working to reduce emissions along the entire value chain, implementing circular models and placing great faith in the complementarity of solutions by developing an extensive technology portfolio and investing in research and innovation.

One example is the Hoop® project for the chemical recycling of plastics that in recent years has witnessed the great commitment and enthusiasm of our staff. At the end of October 2023, we started the construction of the first demonstration plant in Mantua where we will soon see materialize a project to increase plastic sustainability and circularity whose worth has also been recognized by industry strategic partners and the European Commission in particular, who selected it as the sole Italian winner, in the "large-scale category projects", for the Third Call 2023 of EU Innovation Fund, dedicated to low carbon technology.

Alongside chemical recycling, 2023 also witnessed an important progress on the mechanical recycling front; in Porto Marghera, we are building an advanced hub for the transformation of plastic from sorted waste collection where circular solutions are tested to offer increasingly sustainable products to the market, including special applications such as food packaging.

As polymer producers, we believe that synergies with downstream market operators are key to reach portfolio specialisation, one of the pillars of our strategy. With this in mind, following the acquisition of Finproject, we have continued to invest in the specialty polymer platform and completed the 100% acquisition of Tecnofilm S.p.A. in April 2024.

We look at sustainability comprehensively, embracing environmental, economic and social aspects. Indeed, to create long-term value for our stakeholders, we cannot refrain from developing projects in our areas of operation. We have developed an extensive partnership network with more than 30 universities and research centres to catalyse ideas, skills and innovation, strengthening and accelerating our strategy to promote an increasingly sustainable future.

So, once again, a big thank you to all those who every day, with their own contributions and passion, continue to strongly support the future of our industry.

Marco Petracchini
Chairman

Adriano Alfani
Chief Executive Officer

Versalis in the world

7,771
Versalis employees
(considering on-duty employees)

37
Countries of operation

Versalis is Eni's chemical company operating at a national and international level in the basic and **INTERMEDIATE** chemicals, plastic, rubber and biochemistry sectors and also engaged in developing **POLYMER**-recycling technology. As part of Eni's broader commitment to energy transition, the transformation of Versalis into a sustainable and specialised chemical company, capable of generating value for all stakeholders and contributing to achieve Carbon neutrality by 2050, is underway.
During 2023, Versalis acquired the entire share capital of Novamont, of which it already owned 36%, strengthening its ties with the world's leading bioplastics manufacturer and developer of biochemicals and bioproducts through the integration of chemistry, greater environmental protection and agriculture, further increasing Versalis' ability to innovate in the circular bioeconomy field.
Versalis is a constantly-evolving company, historically present in Italy and Europe with several production sites, that, following the recent acquisition of Finproject and Novamont, has extended its European manufacturing operations to include Romania and Estonia. Worldwide, Versalis has premises in the Asia-Pacific region, with manufacturing sites in India and Vietnam, whilst, in South Korea, it has established a joint venture with Lotte Chemical for the production of **ELASTOMERS**.
The company also has production sites in North America, particularly in Canada and Mexico, and holds interests in the African Oilfield Chemicals[1] market in Angola, Congo, Ivory Coast, Ghana and Mozambique.
A global sales network enables a widespread and effective customer care service, thanks to an integrated system capable of meeting the needs of the market with its own offering.

1 Innovative solutions for design, manufacture and supply of chemicals for the petroleum industry.

HIGHLIGHTS 2023

26 Plants (including 1 joint venture)

7 research centres
2 laboratories[(a)]
3 technology hubs[(b)]

68% employees under 50 years of age

255 patent families, including 136 patent families for circular products or processes

50% of Research and Development portfolio focusing on sustainability, in particular on circular economy and decarbonisation projects

73% recovered and/or recycled production waste

a) Laboratories here stands for research units with less than 10 staff.
b) Experimentation and analysis area within industrial plant.

ON-DUTY EMPLOYEES

2023	7,771
2022	7,123
2021	5,129

TOTAL TRAINING HOURS

2023	247,301
2022	201,213
2021	183,766

EMISSIONS (million tonnes CO_2eq.)

	Scope 1 emissions	Scope 2 emissions
2023	1.99	1.54
2022	2.37	1.64
2021	2.91	1.72

Please note that waste from production activities for recovery and/or recycling, total training hours and emissions reported above do not include Novamont.

MAIN EVENTS OF 2023

APRIL

Announcement of new investments in Ravenna to produce highly specialised elastomers, in particular thermoplastic rubbers, polybutadiene and SBR intended for the fast developing and transforming tyre and automotive sector.

Following negotiations, announcement of an agreement with Mater-Bi to purchase the remaining 64% stake in Novamont, the leading circular bioeconomy company. The transaction is subject to the approval of the competent authorities.

MAY

Announcement of a partnership with the Boero Group, a leading manufacturer of coatings for the building and yachting industrys, to develop products from renewable raw materials for the yachting sector.

JULY

Following publication of the Sustainability report, Versalis announces the decarbonisation targets it has set itself to achieve Carbon neutrality by 2050. Being an energy-intensive industry, the challenge of decarbonisation reserves a role of great responsibility to chemical companies considered "hard-to-abate", i.e. difficult to decarbonise.

SEPTEMBER

Announcement of a partnership with Technip Energies (T. EN), a leading Engineering & Technology company for the energy transition, aiming at integrating Versalis Hoop® technology with T. EN Pure.rOil™ and Pure.rGas™ purification technology to develop a technological platform for advanced chemical recycling of plastic waste.

In partnership with the FLO Group, a long-established tableware and food container brand, R-Hybrid, the first vending cup made from post-consumer recycled polystyrene debuts at the PLAST trade show, this containing an inner layer of Versalis Revive® PS and a virgin polystyrene functional barrier.

OCTOBER

Announcement of the acquisition of the remaing 64% of Novamont's share capital, in which Versalis already held a 36% stake, from Mater-Bi, a company controlled by Investitori Associati II and NB Renaissance.

Announcement of a construction site to build Hoop® demonstration plant in Mantua. This is a proprietary technology for chemical recycling to value mixed plastic waste into feedstock used to produce new virgin polymers.

EUROPE

	HQ	PROD	R&D	COMM
AUSTRIA				■
BELGIUM				■
CZECH REPUBLIC				■
DENMARK				■
ESTONIA		■		■
FINLAND				■
FRANCE		■		■
GERMANY		■		■
GREECE				■
HUNGARY		■		■
IRELAND				■
ITALY	■	■	■	■
NORWAY				■
POLAND				■
ROMANIA		■		■
SLOVAK REPUBLIC				■
SPAIN				■
SWEDEN				■
SWITZERLAND				■
TURKEY				■
UNITED KINGDOM		■		■

ASIA

	HQ	PROD	R&D	COMM
CHINA				■
INDIA		■		■
KAZAKHSTAN				■
SINGAPORE				■
SOUTH KOREA (LVE JV)		■		
UNITED ARAB EMIRATES				■
VIETNAM		■		

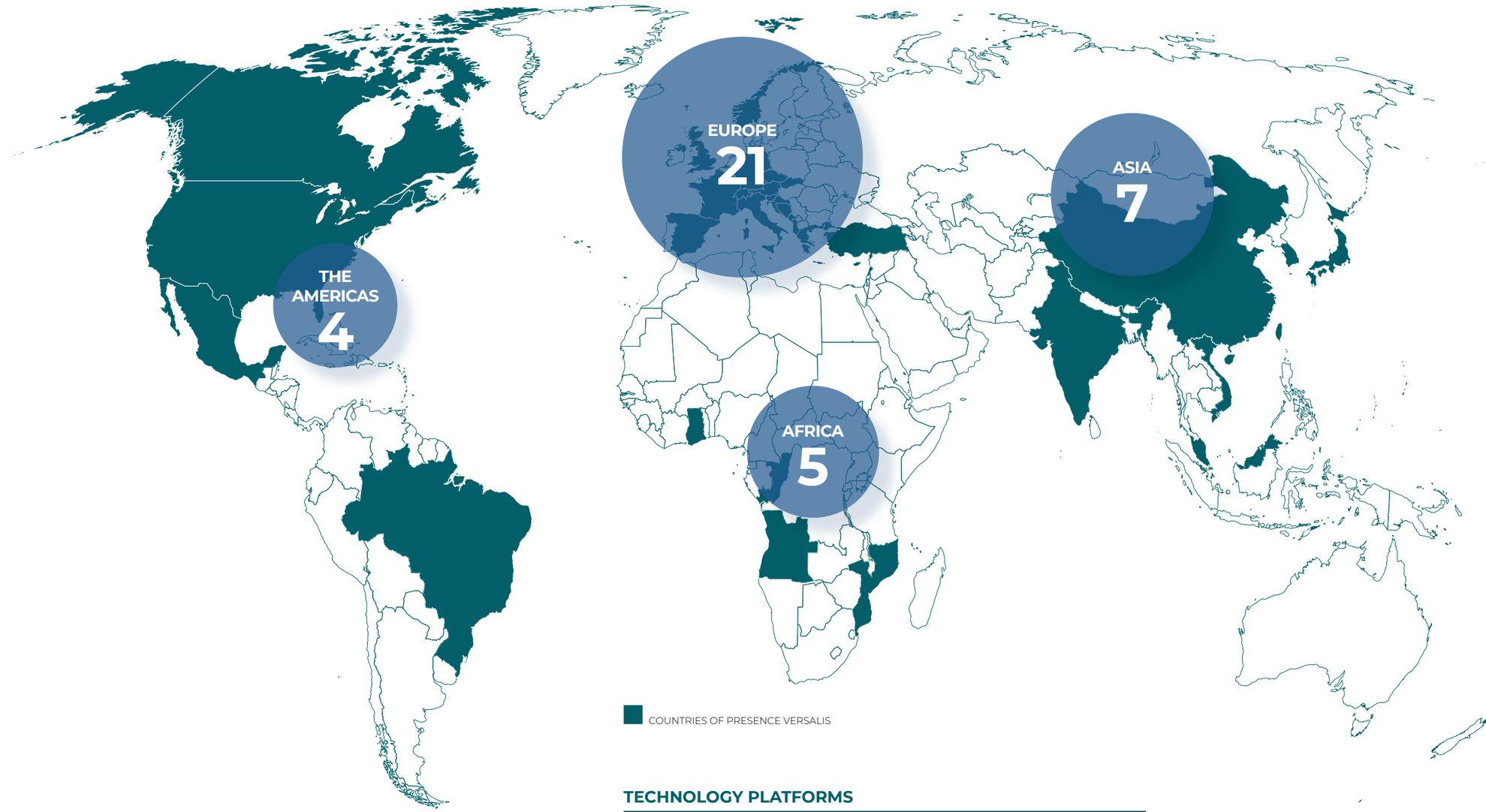
AFRICA

	HQ	PROD	R&D	COMM
ANGOLA				■
DEM. REP. OF CONGO				■
GHANA				■
IVORY COAST				■
MOZAMBIQUE				■

THE AMERICAS

	HQ	PROD	R&D	COMM
BRAZIL				■
CANADA		■		■
MEXICO		■		■
USA				■

■ HEADQUARTERS ■ PRODUCTION SITE ■ R&D ■ COMMERCIAL NETWORK



■ COUNTRIES OF PRESENCE VERSALIS

TECHNOLOGY PLATFORMS

	ELA	INT	PE	STY	BIO	PMR	MAC
CANADA							■
ESTONIA					■		
FRANCE		■	■				
GERMANY			■				
HUNGARY				■			
INDIA							■
ITALY	■	■	■	■	■	■	■
MEXICO							■
ROMANIA							■
SOUTH KOREA	■						
UNITED KINGDOM	■						
VIETNAM		■					■

■ ELASTOMERS ■ INTERMEDIATES ■ POLYETHYLENE ■ STYRENICS
■ BIOCHEM ■ POLYMERS FROM RECYCLING ■ MOULDING AND COMPOUNDING

VERSALIS IN ITALY

VERSALIS PRODUCTION PLANTS IN ITALY

1	ADRIA - BOTTRIGHE	Novamont site, the world's first plant to produce 100% biobased butanediol (BDO) obtained directly from sugars through fermentation processes.
2	ANCARANO - CASTORANO	Finproject site specialising in injection moulding of expandable and cross-linkable materials. It manufactures ultralight products under the XL EXTRALIGHT® brand name for footwear/fashion manufacturers and other industries. There is also an in-house moulding facility that handles engineering, design, production and assembly of the aluminium moulds used for the manufacturing process.
3	ASCOLI PICENO	Finproject site for the production of rigid and plasticised PVC compounds, polymer alloys and polyolefin-based materials. Over time, its production range has been expanded with cross-linkable and expandable compounds under the Levirex® brand name (compounding).
4	BRINDISI	Versalis site home to one of the most important and energy-efficient steam-crackers in Europe, integrated with on-site polyethylene and butadiene production.
5	CRESCENTINO	Versalis site specialised in the production of ethanol from waste plant-based feedstock (lignocellulosic biomass), the facility is energy self-sufficient, producing renewable electricity and steam with a thermal power station fuelled with biomass from a short supply chain.
6	FERRARA	Versalis site for polyethylene and elastomer production. In particular, rubber for, among others, the automotive component industry.
7	MANTUA	Versalis site for intermediate, styrene and styrenic polymer production. In 2023, work began on the construction of Hoop® demo plant, proprietary technology for chemical recycling of mixed plastic waste, capable of processing 6.000 tonnes of recycled feedstock.
8	PATRICA	Novamont site producing biobased polyesters and compostable Origo-Bi using proprietary technology on two fully-modified lines. The facility is also equipped with a system to recover tetrahydrofuran (THF), a by-product of the process that is sold on the market. The site is also involved in developing new biopolymers.
9	PORTO MARGHERA	Versalis site where a new hub for advanced mechanical recycling of post-consumer plastics (styrenic polymers and polyolefins) is under construction.
10	PORTO TORRES	The site is home to Matrìca's platform of chemistry, partially or wholly, from alternative raw materials, to produce chemical intermediates for use in the production of, for example, bioplastics, biolubricants and bioherbicides. The site also includes an elastomer production plant.
11	PRIOLO	Versalis site, home to a steam-cracker; it works in synergy with the Ragusa site.
12	RAGUSA	Versalis site for the production of polyethylene; it is integrated with the Priolo steam-cracker.
13	RAVENNA	Versalis butadiene and elastomer production site. Portfolio development actions are underway, with new products at a higher added value and improved environmental sustainability, and for the continuous development of products containing recycled feedstock for the Versalis Revive® range. Indeed, in 2023, new investments were launched (approximately 80 million euro) to further develop the industrial site, strategic in the elastomer value chain, by increasing its capacity for high-added-value products.
14	ROCCABIANCA	Finproject site specialising in innovative silane cross-linkable polyolefin materials via silane technology and HFFR (Halogen Free Flame Retardant) materials. These find numerous applications, particularly in the wire & cable, pipes & fittings, e-mobility and photovoltaic sectors. Research activities are also carried out at these sites, with the aim of creating an all-Italian platform of expertise on new-generation materials.
15	TERNI	Novamont production site for Mater-Bi, biobased polyesters and compostable Origo-Bi. It hosts process engineering and quality control laboratories and has expertise in the fields of compounding technology, oil treatment and pilot-scale polymer synthesis.

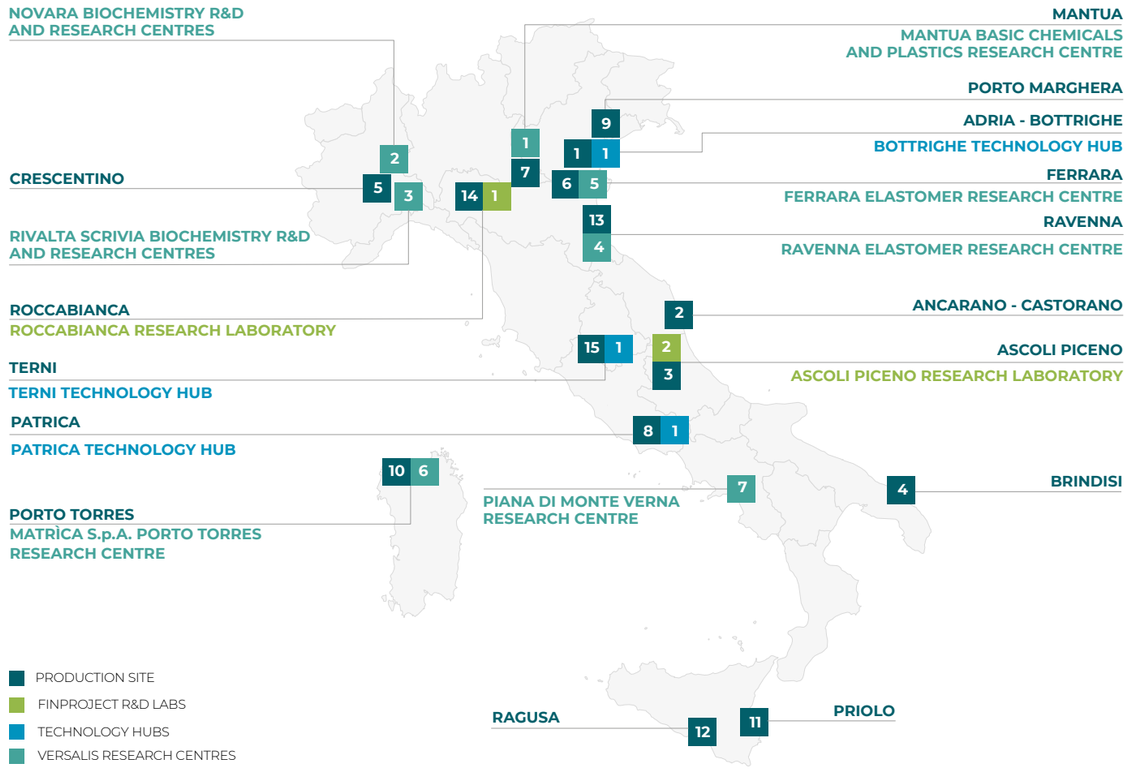
For further details about product types Versalis business model.

RESEARCH LABORATORIES

1	ROCCABIANCA R&D LAB	Research and development of silanic-based technology is carried out at the Finproject Roccabianca laboratory, whilst peroxide cross-linking technology takes place at the Finproject Ascoli Piceno laboratory. In association with the Mantua and Ravenna research centres, in 2023, innovative research was carried out to develop increasingly sustainable compounds.
2	ASCOLI PICENO & ANCARANO R&D LAB	

TECHNOLOGY HUBS

1	TERNI, BOTTRIGHE AND PATRICA TECHNOLOGY HUB	Testing labs, located within the Terni, Bottrighe and Patrica industrial plants, based on innovative technologies that, with an open innovation perspective, is meant to attract new technologies (auxiliary and/or complementary to the main ones) for a first validation on an industrial scale.



RESEARCH CENTRES

1	MANTOVA BASIC CHEMICALS AND PLASTICS RESEARCH CENTRE	Versalis research centre focusing on proprietary technology development and cross-cutting development of projects related to the development of advanced materials and energy transition. In recent years, numerous circular economy projects have been implemented at the centre, such as chemical and mechanical recycling of end-of-life plastics, development of advanced materials polyolefin-based and study of decarbonisation issues.
2	NOVARA BIOCHEMISTRY R&D AND RESEARCH CENTRES	Versalis research centre mainly engaged in studying chemistry from renewable raw materials. Activities focus on issues like, for example, producing sugar from lignocellulosic biomass, bioethanol and biopolymers by fermentation and synthetic intermediates from alternative feedstocks.
	NOVAMONT RESEARCH CENTRE	Novamont research centre engaged in research and development covering a wide range of skills and specialisations such as: bioplastics, agronomy, biotechnology, organic chemistry and ecology of products.
3	RIVALTA SCRIVIA BIOCHEMISTRY R&D AND RESEARCH CENTRES	Versalis research centre performing pioneering work in the chemistry from renewable raw materials sector in synergy with the Novara Biochemistry R&D and Research Centre.
4	RAVENNA ELASTOMER RESEARCH CENTRE	Versalis research centres specialised in developing elastomeric polymers derived from both conventional and renewable, circular raw materials, studying their physicochemical properties and performance in major applications and developing technology platforms to produce high-performance, low carbon rubbers.
5	FERRARA ELASTOMER RESEARCH CENTRE	
6	MATRÌCA RESEARCH CENTRE AT PORTO TORRES	Matrìca S.p.A. research centre aiming to optimise the various stages of the production process of plants, providing specialist analytical assistance and supporting activities related to plant-based process and product development.
7	PIANA DI MONTE VERNA RESEARCH CENTRE	Novamont research centre engaged in industrial biotechnology development.

Versalis in the Eni value chain

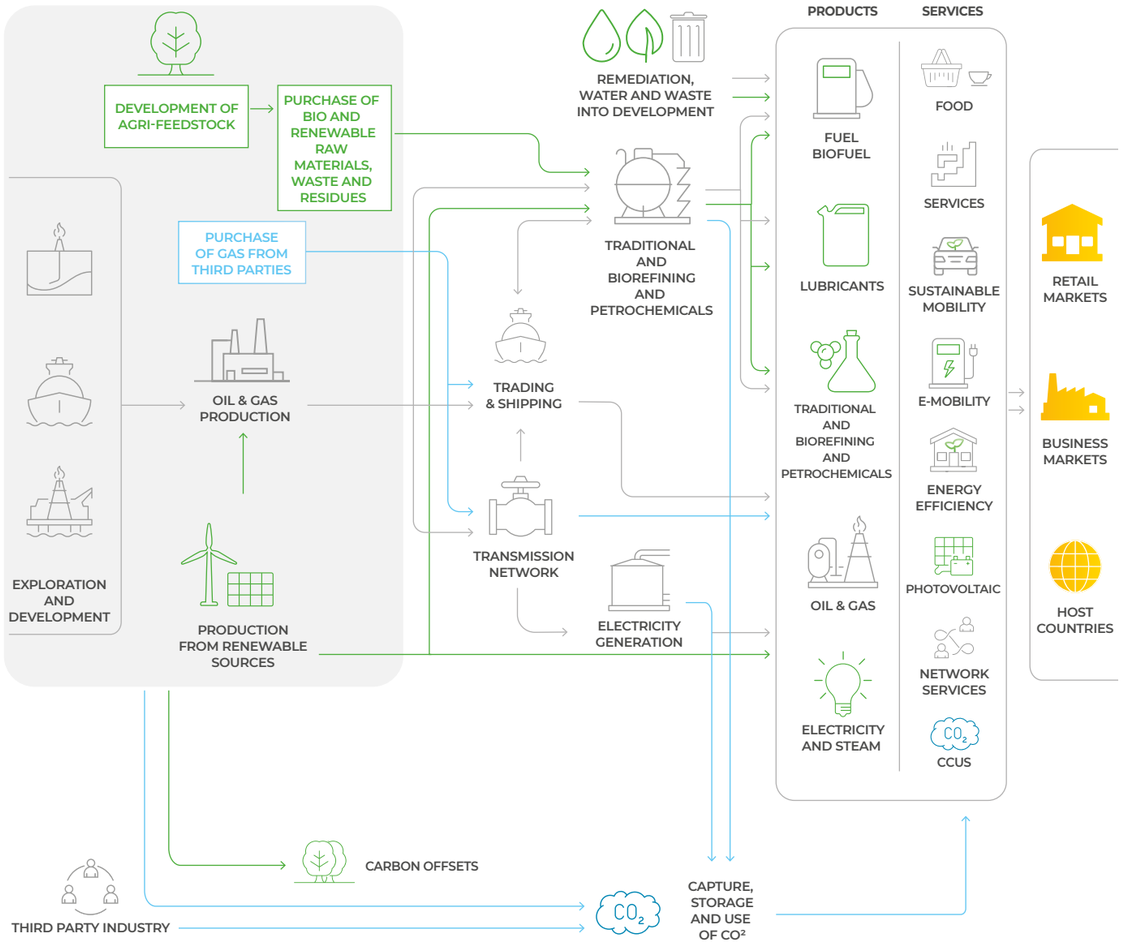
Eni is an energy tech company engaged in the entire value chain: from the exploration, development and extraction of oil and natural gas to the generation of electricity from natural gas and renewable sources, traditional and bio refining and chemical activities, and the development of circular-economy processes. Eni extends its reach to end markets, marketing gas, power and products to local markets and to retail and business customers also offering services of energy efficiency and sustainable-mobility. **Consolidated expertise, technologies, geographical and energy sources diversification, alliances for development, as well as new business and financial models** are Eni levers to effectively meet the challenge of the energy trilemma (environmental sustainability, energy security and affordability). Along this path, Eni is committed to become a leading company in the production and sale of progressively decarbonized energy products, increasingly customer-orientated. Within this context, Versalis operates both nationally and internationally in the base and **INTERMEDIATE** chemical, plastic, rubber and bio-based-chemical sectors and is actively involved in developing technologies for the mechanical, chemical and biological recycling of **POLYMERS**.

Versalis offers customised solutions worldwide in order to meet customers' needs and a dynamic, cutting-edge product portfolio characterized by increasing circularity (Circular Economy) and renewability (Towards net Zero by 2050). Elements such as the use of innovative proprietary technology, cutting-edge research and development and a well-established distribution and customer service network, enable the company to foresee market needs and constantly innovate its offering.

With total production of around 5.7 million tonnes in 2023, Versalis handles production and marketing through its main business units. The Company aims to supply products and solutions meeting customer needs and expectations, whilst respecting the environment, workers and local communities. Conscious of the role it plays in its areas of operation and its impact on these local socio-economic situations, Versalis promotes ongoing proactive engagement with local stakeholders, such as public authorities, agencies, businesses and citizens.

▶ Eni For 2023 - Eni's Activities: the value chain

OUR VALUE CHAIN



VERSALIS BUSINESS MODEL

INTERMEDIATES	Basic chemicals (basic monomers) mainly obtained by the cracking process* and used extensively in downstream industrial supply chains such as plastics, rubber, solvents and lubricants.
POLYETHYLENE	Polymer used for numerous products such as packaging (industrial, food or agricultural), bottles, containers and compounds** for civil, agricultural, medical and automotive applications.
STYRENICS	Highly-versatile, lightweight plastic material with good mechanical properties and high insulating power used to produce, amongst other, industrial and food packaging, household appliances, insulation, electrical and electronic equipment and automotive components.
ELASTOMERS	Polymers with elastic properties used in a variety of applications such as tyres, footwear, adhesives, building components and the automotive industry.
BIOCHEM	Leveraging of the molecular complexity of biological/plant-based feedstocks to develop low carbon, circular solutions for supply chains, technology and innovative products. Following the acquisition of Novamont, Versalis strengthens its position in the fully or partially bio-based chemical industry, in particular, in the bioplastics sector and in the development of bioproducts and biochemicals, by creating a both vertically and horizontally integrated platform.
SPECIALITY OILFIELD CHEMICALS	Innovative solutions in the field of design, production and supply of chemicals for the oil & gas industry with applications focusing on research and production plant processes.
MOULDING & COMPOUDING	Downstream company expansion in the value chain, enabled by the acquisition of Finproject through the production of rigid and plasticised PVC compounds, polymer alloys, special polyolefin blends (Levirex® polyolefin compound) and moulding of the XL EXTRALIGHT® ingredient Brand, Finproject's flagship material and technology. Padanaplast also plays an important role in the wire & cable sector with its Polidan®, Polidiemme® and Cogegum® brands.

NEW VERSALIS BUSINESS AND STRATEGY PLATFORMS

	CHEMICALS	POLYMERS	ADVANCED MATERIALS	BIOCHEM
BUSINESS	• Olefins and aromatics • Phenol and derivatives • Chemical recycling	• Polyethylene • Styrenics • Mechanical recycling	• Elastomers • EVA • Finproject • Compounding	• Novamont • Matrica • Crescentino
STRATEGY	Industrial structure transformation By chemical-recycling and new-technology development, optimisation of production structures, efficiency and reliability	Product and application specialisation Increased growth in higher-value market sectors, also through developing mechanical recycling, efficiency and productivity	Local-market growth Through high-value-product development, portfolio creation and downstream integration (specialty polymers with compounding)	Leadership in biochemistry Through the development of more sustainable, differentiated and complementary technologies and the integration of the entire value chain from feedstock to final product

* In chemistry, cracking is the process used to produce light hydrocarbons through the thermal and/or catalytic breakdown of heavy hydrocarbon molecules.
** Mixture of polymers and/or polymers and additives enabling a manufactured product to achieve specific properties.

Business model

Eni is an integrated energy company supporting a socially fair energy transition that through concrete and economically sustainable solutions, aims to face the crucial challenges of our time: combating climate change and giving access to energy in an efficient and sustainable way for all.

The **business model** is aimed at creating long-term value for all stakeholders through a consolidated presence along the entire energy value chain. The Company's mission integrates the Sustainable Development Goals (SDGs) by the United Nations 2030 Agenda and the **distinctive approach** permeates all corporate activities.

Eni continues its commitment to energy security, continuing to ensure value creation while advancing its transition strategy with a technologically neutral and pragmatic approach, aimed at maintaining the competitiveness of the production system and social sustainability. These objectives are based on a diversified geographical presence and a portfolio of technological solutions that will enable the creation of an increasingly low carbon energy mix. Essential to the achievement of these objectives are **partnerships and alliances with stakeholders** to ensure and active involvement in shaping Eni's activities and in transforming the energy system.

The model combines the use of **proprietary technology** with the development of an **innovative satellite model**. This involves the creation of dedicated companies capable of independently accessing the capital market independently in order to finance their own growth and at the same time bring out the true value of every business. Supporting this integrated model are the ▶ Corporate Governance System, based on the principles of transparency and integrity, the ▶ Integrated Risk Management process, essential for ensuring informed and strategic decisions, through the assessment and analysis of the reference framework's risks and opportunities, and the ▶ materiality assessment that delves into the most significant impacts Eni has generated on the economy, environment and people, including impacts on human rights.

The operation of the business model is focused on the best possible use of all the resources (inputs) available to the organisation and on their transformation into outcomes, through the implementation of its ▶ strategy. Eni also organically integrates its business plan with the principles of environmental and social sustainability, deploying its actions along three levers:

1. Carbon neutrality by 2050;
2. Operational excellence;
3. Alliances for development.

Versalis conducts its business according to the three Eni strategic guidelines:

CARBON NEUTRALITY BY 2050

In line with Eni's commitment to achieve Carbon neutrality by 2050, Versalis has defined its own carbon reduction strategy, also taking steps aimed at combating climate change, energy efficiency and developing a new chemistry model from renewable raw materials.

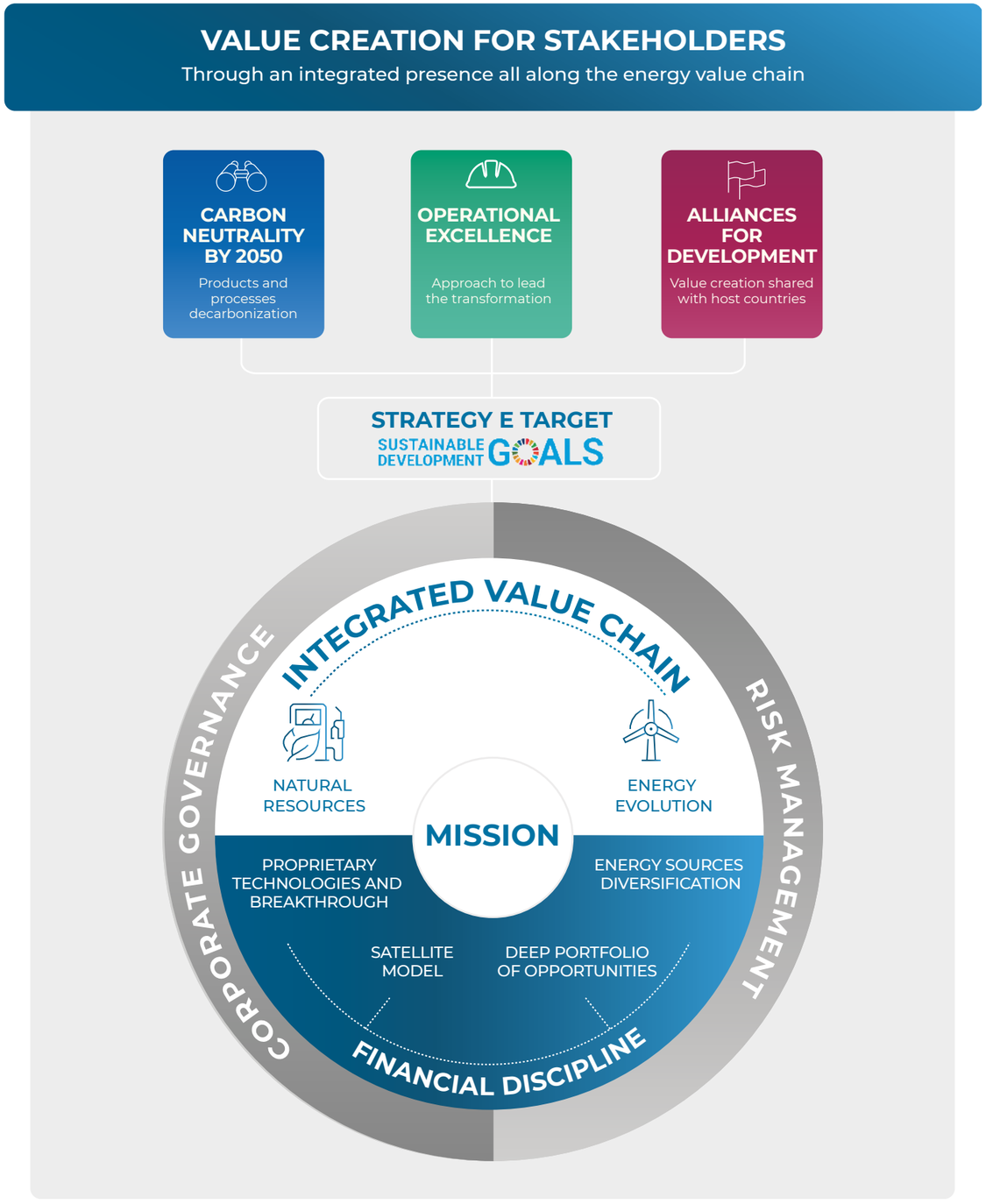
OPERATIONAL EXCELLENCE

The operational excellence model is based on employee centricity and personal and professional enhancement, safeguarding health and safety in the workplace and respecting the principles of equality and non-discrimination. This also regards environmental protection, development of circular-economy models, including through partnerships and alliances with associations dealing with such issues, commitment to responsible management of products (so called "product stewardship") and asset integrity management and synergetic engagement with other supply-chain stakeholders.

ALLIANCES FOR DEVELOPMENT

For Versalis, local development means both stakeholder cooperation and engagement in its areas of operation and establishing an ongoing relationship of trust with its customers designed to promote creating-shared-value schemes whose benefits are also social and environmental.

▶ Eni for 2023 - Business model



Scenario and global challenges

In order to play its key role in supporting energy transition and achieving Europe's targets, the European chemical industry needs the right conditions to consolidate its position, to increase global competitiveness and to lead the transformation towards more sustainable models

Structurally speaking, the European basic chemical industry bears higher raw material and energy costs than its competitors in other geographical areas and was one of the most impacted sectors by the energy crisis, an aspect which, despite energy prices being significantly lower than 2022 levels, keeps affecting its competitiveness.
2023 also witnessed a sharp market slowdown which has led in Europe to a drop by 8% in production in by compared to 2022, particularly affecting the basic chemical and POLYMER segment where a decrease of more than 10% occurred.
Meanwhile, the construction of new production capacity in the basic chemical industry continues, mainly concentrated in Asia and Middle East, growing twice the market demand and severely affecting the plant operating rate, fallen below 80%.

During 2023, this weak economic scenario led to a large number of public announcements from the chemical industry's major players concerning major rationalization plans of capacity and plant shutdowns, reducing costs and cutting resources, especially in Europe.
2023 has also been a decisive year for the regulatory framework with reference to the packaging sector, with an intensification of discussions regarding the Packaging and Packaging Waste Regulation, whose procedures are expected to conclude in 2024, designed to bring significant changes to the value chain to promote the transition towards a circular economy.
To play its key supporting role in energy transition and achieve Europe's targets, the European chemical industry needs enabling conditions to consolidate its position, to increase global competitiveness and to lead the transformation towards more sustainable models.
In this especially-challenging scenario, Versalis, whose footprint is mainly Europe-based, has focused on becoming an increasingly-specialised chemical company, aiming at strategic supply chains and utilising fully or partially circular and bio-based feedstock, in line with the ambition to develop increasingly-circular and lower-emission technology and products.
This strategy will allow Versalis to transform itself and achieve its circularity and decarbonisation targets, gain a larger position in end markets (less exposed to volatility and with a higher added value) and take a leadership in the chemistry from renewable raw materials.

Towards Net Zero by 2050
Circular Economy

Focus on

CRISTINA PEDOTE
Head of Communication and Institutional Relations

The importance of institutional relations

"We believe in an ongoing, constructive dialogue with all stakeholders involved: from the communities of the areas in which we operate to public authorities, from schools to the academic world. For this reason, we have a daily commitment to support, either directly or through our membership in industry associations, our strategy based on circularity, specialisation and biochemistry. All this is an essential dialogue to develop new ideas, synergies and proposals designed to create positive shared value".

Versalis's objective is to create social and environmental longlasting value shared with all its stakeholders. To achieve this objective, its action is focused on promoting the engagement of all stakeholders, establishing solid relationships based on principles of transparency, integrity and mutual trust. Within this overall framework, Versalis has developed a systemic approach aimed at the communities in which it operates, identifying their needs, grasping their empowering aspects and, consequently, implementing targeted solutions in the areas of intervention.

Just Transition for Versalis

Eni is working to ensure that the decarbonization process offers opportunities to convert existing activities and develop new production supply chains, which will create significant opportunities in the Countries where it operates and for all parties that work within the value chain. At the same time, Eni is committed to managing any potential negative impact on workers, communities, consumers and business partners in both "transition-out" and "transition-in" activities, leveraging an approach that respects human rights, diversity and inclusion, and women empowerment.
In line with this principle, Versalis continues its transformation process by seeking a just transition model to support the chemical industry supply chain in an inclusive manner. Concretely, Versalis strongly encourages all those initiatives that can give life to specific businesses in the field of circularity and chemistry from renewable raw materials while managing responsibly the impacts related to the company's productive assets. Stakeholder engagement is essential to achieving a truly fair, shared transition. In this regard, through the update of in-house technological and engineering skills, dialogue and cooperation with social partners along the entire value chain and the creation of synergetic projects to support local areas, Versalis shares a joint transformation process with all stakeholders.
The initiatives with a strong connotation of "Just Transition" are those that, in addition to encouraging the growth of an integrated platform for chemistry from renewable raw materials and the spread of increasingly circular solutions and lower emissions, have allowed and will allow the conversion of professional profiles, the creation of new jobs and the development of new activities in the contexts in which Versalis operates.

▶ Eni for 2023:The Just Transition for Eni

"PEOPLE-CENTRED" TRANSITION

WORKERS

Promoting skills development and upskilling in line with the transformation process.

Ensuring a working environment in which diversity represents added value.

Guaranteeing worker health and safety and ongoing dialogue with social partners.

- Each of us
- Versalis' Management Systems
- Circular Economy

PARTNERS

Fostering the creation of synergetic partnerships with other value chain players to develop a shared transition pathway.

- Innovation, Research and Development
- Chemistry from renewable raw materials
- Safety, people's health and Environment
- Circular Economy

COMMUNITIES AND TERRITORIES

Addressing the economic and social challenges that local communities have to manage by supporting their resilient development.

- Chemistry from renewable raw materials
- Circular Economy
- Relationships with the local communities and clients

SUPPLIERS AND CUSTOMERS

Understanding the challenges posed by the external context and increasing market needs, focusing on the effects on our own value chain and the affordability of the proposed solutions.

- Chemistry from renewable raw materials
- Circular Economy
- Relationships with the local communities and clients

Governance and risk management

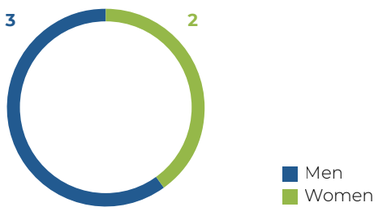
Why is it important to Versalis?

Creating a culture of Compliance, through the implementation of risk management models, training initiatives, monitoring and advisory activities, as well as with the support of specialised units, is an essential condition for ensuring the growth of a company in a sustainable manner. Compliance and Sustainability are strictly related, in a way that gives rise to integrated organizational and business models and acts as a driver for the achievement of ESG goals. In addition, an appropriate Compliance culture forms the foundation for improving stakeholder trust, minimizing risk and ensuring compliance with regulations, contributing to efficient and sustainable management, which is essential for long-term success.

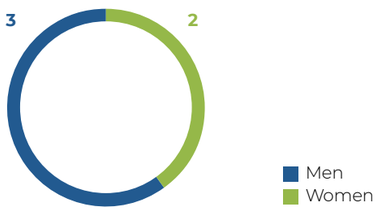
CARLO AMOROSO HEAD OF COMPLIANCE BUSINESS SUPPORT

The Corporate Governance system of Versalis, based on the principles of integrity, transparency and proper management of the business, assigns the responsibility of the latter to the Board of Directors, in line with the ▶ provisions of the Parent Company and in compliance with the tasks of the Shareholders' Meeting of Versalis. The Board of Statutory Auditors performs supervisory functions, whilst the appointed firm of external auditors is responsible for the statutory audit. All members of the Board of Directors meet independence requirements in conformity with applicable legislation and Corporate Governance Code recommendations. The measures are employed to promote company interests, in order to make objective decisions and avoiding potential conflicts of interest, in line with the Eni Code of Ethics that Versalis totally follows. Furthermore, Directors are selected based on proposals from the Human Resources Department, along with the pertinent Corporate Affairs Manager, where possible, whilst respecting diversity and considering each candidate's vocational and educational background, nationality, gender, age and length of service. In this regard, 40% of the Directors and 40% of the members of the Board of Statutory Auditors are women.

COMPOSITION OF THE BOARD OF DIRECTORS



COMPOSITION OF THE BOARD OF STATUTORY AUDITORS

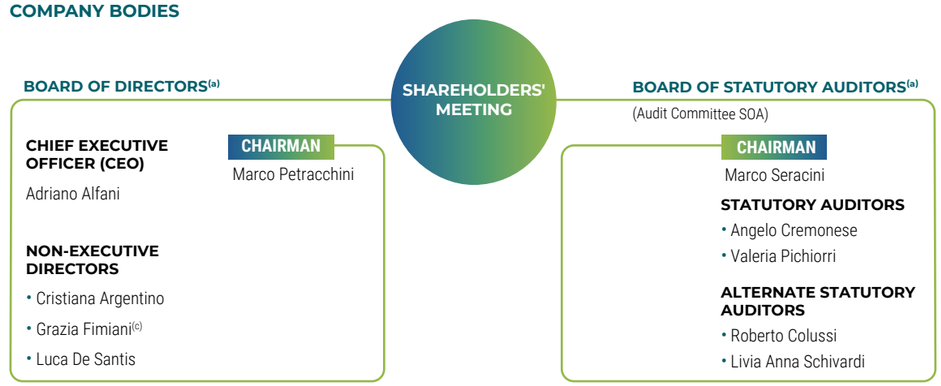


In order to ensure transparency in conducting company business, Versalis implements all anti-corruption regulatory instruments issued by Eni, in line with Eni's regulatory system, including Anti-Corruption Management System Guidelines (MSG) and all constituent documents of the Anti-Corruption Compliance Programme. The latter comprises a system of rules, checks and organisational safeguards to prevent corruption offences and is also instrumental to prevent the phenomenon of money laundering. As regards reporting management, since 2006, Eni has had whistleblowing regulations in place covering the receipt, examination and processing of the reports submitted to Eni SpA and its subsidiaries. These allow anyone, whether employee or third party, to report the conduct or behaviour of management and supervisory board members and Eni employees, i.e. anyone who acts or has acted in Italy and abroad for or on behalf of Eni, breaching laws and regulations, rulings or orders issued by the Authorities, Code of Ethics, Corporate Compliance Programmes and in-house regulations.

In 2023, 11 whistleblowing cases were closed; in 2 of these, the allegations were substantiated, and appropriate corrective actions taken.

As regards risk management, Versalis applies the ▶ Integrated Risk Management Model developed by Eni. This Model is aimed at ensuring informed decision-making by company management, through the assessment and analysis of short, medium and long-term risks implemented with an overall, integrated and forward-looking vision. More specifically, in 2023 Versalis was involved in two risk assessment cycles and three principal risk monitoring cycles. The Versalis risk portfolio, revised to include the Interim Risk Profile Assessment performed in second half 2023, comprises 7 Top Risks and 23 Tier 3 Risks of an external, strategic and operational nature.

COMPANY BODIES



(a) Appointed by the Shareholders' Meeting on 26th April 2022.
(b) Appointment made by the Shareholders' Meeting on 11th July 2018 and renewed by the Shareholders' Meeting on 26th April 2022 for a three-year term to expire following approval of the 2024 financial statements.
(c) Appointed by the Shareholder's Meeting on 22 April 2024.
(d) Appointed by Board of Directors on 19th June 2023.
(e) Appointed by Board of Directors on 6th December 2023.

SUSTAINABILITY GOVERNANCE

Over the last few years, a gradual process has begun to integrate sustainability into company operations and strategic direction (▶ Towards Net Zero by 2050) in order to achieve the defined targets. The various corporate structures are involved in defining and implementing such direction and this is reflected in the Versalis organisational structure. This structure comprises five support functions reporting to the Chairman, four Business Units and a further six support functions reporting directly to the Chief Executive Officer, all involved in monitoring sustainability issues.

As confirmation of the progressively higher integration of circularity and sustainability issues into the corporate strategic direction, including drafting of the respective disclosure, Versalis has established a Circular Economy and Sustainability function. The latter is responsible for keeping in line with Eni on circular economy and sustainability issues and helping to specify, develop and implement the Versalis positioning strategy, working together with the Business Units and other corporate functions involved. Furthermore, during meetings of the Steering Team, the Chief Executive Officer and Chairman together with first line managers, validate and approve the results of the materiality assessment and the sustainability disclosure.

Over the next few years, Versalis plans to consolidate integration of materiality assessment with business management, organising an internal monitoring system for the Company's most significant topics and impacts by specifying objectives and the roles and responsibilities needed to achieve them. In addition, as part of its strategy for Net Zero by 2050, the Company has set up a Decarbonisation Committee comprising members of Top Management to manage and monitor its decarbonisation targets.

Variable incentive plans applicable to corporate management also reflects this strategic commitment. More specifically, the 2023 Short-Term Deferred and 2022-2024 Long-Term Incentive Plans are designed to verify achievement of annual targets in line with the decarbonisation strategy and company progress about circular economy issues.

Versalis' management systems

In order to run its business properly and contribute to both combating climate change and achieving operational excellence, Versalis has implemented management systems certified to international standards. More specifically, Versalis is a member of Responsible Care®, a voluntary programme designed to promote sustainable development in the global chemical industry, based on values and behaviour designed to benefit health, safety and environment, within the more general framework of corporate social responsibility. The programme involves implementing procedures and practices at chemical facilities that go beyond regulatory requirements. Indeed, one of the guiding principles is to cooperate with competent authorities and bodies in promoting ways to improve corporate social responsibility performance.

- ISO 45001 AND ISO 14001* INTEGRATED HEALTH, SAFETY AND ENVIRONMENT MANAGEMENT SYSTEM
- ISO 9001 QUALITY MANAGEMENT SYSTEM
- ISO 50001** ENERGY MANAGEMENT SYSTEM
- SA 8000*** SOCIAL ACCOUNTABILITY MANAGEMENT SYSTEM
- ASSET INTEGRITY MANAGEMENT SYSTEM

Through these management systems, Versalis aims to ensure proper management of people, environment and all corporate activities, processes and services, in compliance with the requirements of health and safety, environmental, asset-integrity, social-responsibility, quality and energy standards.
These systems are implemented at all Versalis and Finproject manufacturing facilities, both in Italy and abroad, and the headquarters in San Donato Milanese.

* During 2023, Finproject manufacturing facilities located in Italy obtained certification for their management systems to standards ISO 14001 and 45001. This will be extended to foreign sites by 2025.
** The Crescentino site obtained certification in 2023.
*** Excluding the Rivalta Scrivia and Crescentino sites where it will be implemented, respectively, by 2024 and in 2025.

Focus on

Summary of actions taken under the terms of the Operation Clean Sweep (OCS) Programme

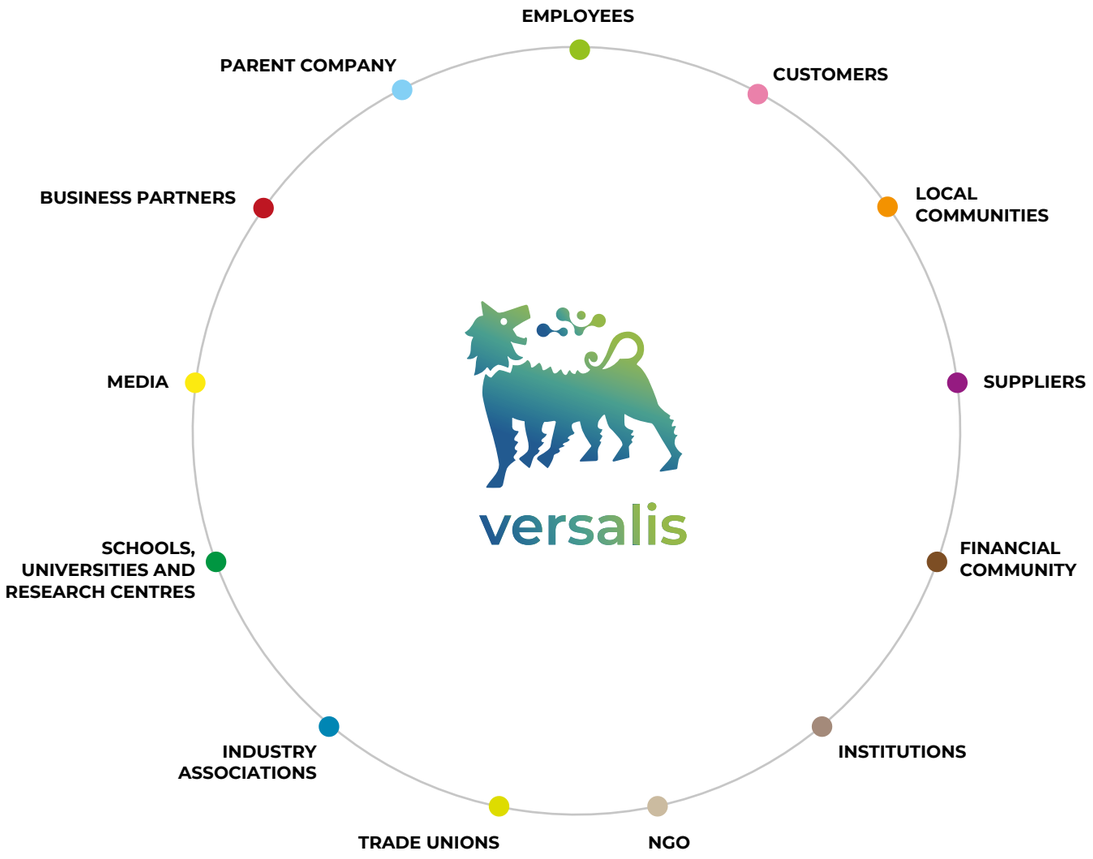
CONTEXT: to preserve and protect marine resources, Versalis voluntarily joined the Operation Clean Sweep (OCS) programme in 2015. Operated in Europe by Plastics Europe, this scheme aims at combating littering, i.e. leakage of plastic into the environment, including the sea. Over time, membership of the programme has increased, both amongst members of the Plastics Europe association and players along the entire value chain. This has recently led to the launch of the OCS Europe certification scheme that can be audited by accredited certification bodies.

ACTIVITY: actions taken under the terms of the Operation Clean Sweep (OCS) programme:
- At the sites involved, mapping of potential release points, leak detection, planning preventive and mitigating actions to keep risks to a minimum;
- Updating of existing procedures with additional guidance on specific issues;
- Regular monitoring and auditing of the effectiveness of the measures taken and possible corrective actions;
- Programme dissemination and promotion throughout the company, starting from top management and reaching all employees at all sites where the issue applies;
- Regular, specific staff training;
- Awareness raising of business partners, including customers and suppliers, through information and promotional campaigns.

OBJECTIVE: the main aim is to prevent and reduce the loss of plastic pellets, granules and powder, considered one of the largest sources of microplastics in the marine environment. In this regard, it should be noted that certification of the HSE management system is scheduled for 2024 at all sites involved in accordance with programme criteria.

Stakeholder engagement activities

Operating in countries with different social, economic and cultural contexts, Versalis considers stakeholder dialogue and engagement essential to creating shared value. Willingness to listen and to establish mutual exchange, inclusion, understanding of stakeholder views and expectations, along with decision sharing, are key elements for the Company to build lasting relationships based on mutual trust, transparency and integrity. To assist stakeholder management, Versalis has implemented the Stakeholder Management System (SMS) tool at all Italian and foreign sites[2]. Employed throughout ▶ Eni, this corporate web app is designed to map stakeholder relationships with a unified approach, track and handle their requests effectively, monitor the progress of projects and any possible grievance, claim or complaint regarding incidents or damage or other environmental or social impacts, whether real or perceived, caused by the activities of Versalis, its contractors or suppliers. The main stakeholders have been identified among those categories considered key for Versalis and with which the Company is cultivating an ongoing transparent relationship, in order to increase their trust, consensus and consequently improve decision-making processes in pursuit of development and enhancement objectives.



MAIN STAKEHOLDER ENGAGEMENT ACTIVITIES

INDUSTRY ASSOCIATIONS
- Active involvement in the main national and international trade associations (Confindustria, Federchimica, Cefic[3] and Plastics Europe, PlasticsEurope Italia, Italian Expanded Polystyrene Association, Italian Chemical Engineering Association, Italian Rheology Association, Italian Chemical Society, Rubber and Plastics Association, Italian Plastic Standards Institute - UNIPLAST), sharing a joint vision and engaging at the highest levels in promoting excellence and innovation in the chemical and polymer industry;
- Siracusa: Confindustria Public Meeting, Siracusa, 12th May 2023 "Energy Security and Energy Transition at the Industrial Development Centre".
- Dunkirk, France: in November 2023, Versalis France signed a decarbonisation agreement, before the French public authorities, resulting in a carbon reduction plan.

BUSINESS PARTNERS
- Continuous networking of contacts in the scientific world with outstanding international research groups in the field of plastics and elastomers (e.g. attending Horizon Europe and LIFE meetings, publication of articles in trade magazines).

CUSTOMERS
- Meetings to discuss sustainability, circularity, specialisation and decarbonisation issues continue, in particular about ISCC certification;
- Customer event organised by the Polyethylene Business Unit - Lecce, June 2023;
- Attendance at primary trade shows (PLAST, EPCA, Assorimap, ADIPEC, TyreTech, Ecomondo).

LOCAL COMMUNITIES
- Organisation of meetings at the Crescentino site with local universities and secondary school students;
- Eni Open Days at manufacturing facilities and at San Donato headquarters involving employees and their friends and family;
- Partnership with the Crescentino branch of Red Cross for Easter and Christmas solidarity sales and children's events during the Eni Open Day;
- Kick-off ceremony for Hoop® facility construction site - Mantua, October 2023;
- Sponsorship of Brindisi-Valona Regatta;
- Sponsorship of Renaissance Exhibition in Ferrara;
- In Ravenna, following the May floods, Versalis and other operators from the hub supported the emergency and reconstruction stage, offering its services to the emergency operations centre coordinated by the Ravenna Prefecture;
- Porto Torres: donation, together with Eni Rewind and EniScuola, to the Eni Service-Learning scheme for secondary schools to reduce early school leaving.

EMPLOYEES
- "A coffee with" meetings for Versalis staff from the San Donato headquarters with the Versalis Chairman and Chief Executive Officer, an informal opportunity to get to meet in person, share ideas and grab the chance to ask questions about business activities;
- Eni Open Days, Eni event welcoming employees' families to a few Versalis plants where children's entertainment, product news and facility tours were provided;
- Versalis R&D Day. In-house communication and training day regarding research projects and how they fit into the context of corporate strategy and market scenarios.

SUPPLIERS
- Security Day at Crescentino and Ferrara;
- Renewal of Safety and Environment Agreement at the Priolo site including special meetings with the employers of contractors working at the facility;
- Assistance in beginning the ISCC-EU certification process for 3 new bioethanol feedstock suppliers;
- Signed Safety Agreement (Patto per la Sicurezza) with companies working at the Rivalta Scrivia research centre.

INSTITUTIONS
- Partnership with Crescentino City Council that attended the event hosted at the facility entitled "Our history: the archive explains the identity of the six-legged dog" using material from the Eni Historical Archive.

SCHOOLS, UNIVERSITIES AND RESEARCH CENTRES
- Partnership with universities such as the Polytechnic University of Turin and Polytechnic University of Milan, Piemonte Orientale University, Pavia University, Bologna University, Naples University and Milan University to launch curricular internships and thesis development projects;
- Completed a thesis internship at the Crescentino site in association with the Polytechnic University of Turin faculty of engineering and two other thesis internship at Ferrara site with Universities of Bologna and Ferrara;
- Agreements with local high schools for on-site visits to the Crescentino and Ferrara facilities;
- Completed alternating work-study programmes at the Crescentino facility in partnership with the Sobrero di Casale Monferrato and Martinetti di Caluso Technical high school and at the Ferrara facility in partnership with the Ferrara Technical high school;
- In partnership with Eni, joined the ELIS School4Life 2.0 Project, a scheme to assist Italian schools in contrasting dropout by transferring skills and company values to students at NEET (Not in Education, Employment or Training) risk.

TRADE UNIONS
- Meeting with National Secretariats, local trade union branches and unified on-site trade union representatives, during which the Versalis Chairman and Chief Executive Officer presented the corporate development strategy;
- Meetings with local trade unions and area representative offices for detailed discussion of Company activities at various facilities;
- Union paths for on-going initiatives of industrial transformation (as Porto Marghera) and launching of new ones including the implementation of proprietary technology (e.g. Hoop) in accordance with the corporate strategy to develop new state-of-the-art chemicals;
- Signing of specific agreements at facilities covering downtime and reorganisation processes with specification of relevant topics.

2 Excluding Finproject sites.

3 European Chemical Industry Council.

Materiality assessment

Versalis conducted and published in last year's report a materiality assessment aimed at identifying **priority sustainability issues** for the Company and its stakeholders based on the most significant **impacts** (positive and negative, actual and potential) it generates on the economy, environment and people, including impacts on human rights. In particular, in accordance with the provisions of GRI Universal Standard 2021, this impact perspective has been included in the materiality assessment for the first time. With reference to the 2023 reporting year, the results of the previous assessment are confirmed.
Firstly, the materiality assessment identifies potentially relevant topics and their respective impacts through benchmarking and analysis of internal documentation, industry best practices and global macrotrends. Secondly, these impacts underwent top management assessment by submitting a questionnaire to evaluate their relevance according to significance of impacts and likelihood of occurrence. During this stage, internal and external stakeholders were involved, including representatives of trade associations, business partners, employees, etc. The result of this evaluation, along with specification of a minimum value (or threshold), has enabled drafting a list of priority topics on which reporting will concentrate. Finally, the results of the materiality assessment were shared with and validated by the Steering Team, based on the impacts affecting the specific topics.

MATERIAL TOPIC DETERMINATION PROCESS

IMPACT IDENTIFICATION
19 topics and their impacts emerged from the preliminary analysis.

ASSESSMENT OF IMPACTS
16 members of Top Management involved.
Over 600 internal and external stakeholders.

DEFINITION OF MATERIAL TOPICS FOR VERSALIS AND ITS STAKEHOLDERS
17 material topics identified.

SHARING AND VALIDATION
Steering Team validation of material topics.

MANAGEMENT
Involvement of Top Management by submitting a questionnaire to take into account business perspective.

STAKEHOLDERS
Involvement of various stakeholder categories including: industry associations, trade unions, business partners, customers, employees, suppliers, institutions*, media*, NGOs*, universities.

* For the compilation of the questionnaires pertaining to these categories, the people in charge of handling relations with these stakeholder groups, were involved.

VERSALIS MATERIAL TOPICS

CARBON NEUTRALITY BY 2050
- Contrasting climate change and managing energy resources — 9 12 13 17

OPERATIONAL EXCELLENCE
- Employment and well-being
- Diversity, equal opportunities and inclusion
- Training and professional growth — 3 4 5 8

- Health and safety in the workplace
- Product stewardship
- Asset Integrity — 3 8 9

- Circular economy — 9 12 13 17

- Air quality
- Waste management
- Water resource management
- Biodiversity — 3 6 9 11 12 13 14 15

- Responsible procurement — 8 9 17

- Human rights — 3 8 10 16

ALLIANCES FOR DEVELOPMENT
- Relationship with local communities
- Customer relationship management — 8 17

TRANSVERSAL THEMES
- Innovation and R&D — 9 12 13 17

Versalis' commitment to sustainability

In order to tackle the challenges and seize the opportunities characterising the context in which it operates, Versalis takes inspiration from the 17 Sustainable Development Goals in the evolution of its mission, governance and business activities, as well as when planning local stakeholder engagement projects and research projects.
In fact, Versalis pursues the following strategic directions:

- Industrial transformation, also by developing new complementary technologies for mechanical and chemical recycling and optimisation of production schemes and existing technology, for improved efficiency and reliability and for progressive reduction in greenhouse gas emissions;
- product specialisation in order to increasingly grow in higher-value market sectors;
- end-market growth through the development of high-value-product with consequent portfolio optimization and downstream integration (specialty POLYMERS with compounding);
- leadership in biochemistry industry through the development of more sustainable, differentiated, complementary and integrated along the entire value chain.

VERSALIS MANIFESTO

WE ARE VERSALIS, LEADER IN MORE SUSTAINABLE CHEMISTRY, MADE BY PEOPLE FOR PEOPLE	WE PROMOTE DIVERSITY, DIALOGUE, INNOVATION	WE ACT WITH PRIDE AND RESPONSIBILITY. WE ARE RELIABLE AND SOLID	CHEMISTRY IS OUR WORLD	WE CREATE VALUE TODAY, AND WILL CONTINUE TO DO SO TOMORROW

Versalis decarbonisation targets

In line with the Eni long-term Carbon neutrality strategy, Versalis has targeted Net Zero by 2050 for direct and indirect activities that generates emissions. Intermediate emission-reduction targets have been specified as part of this decarbonisation process. More specifically, compared to the 2018 base year, for Scope 1 and 2:
- **15% reduction in emissions by 2025;**
- **30% reduction in emissions by 2035.**

These short and medium-term targets are key to achieve the milestone of the 2050 target.

SDGs: 9, 12, 13, 17
Towards Net Zero by 2050

Versalis circular economy pledges

In compliance with the most recent disclosure standards and coherently with the Eni transparency model, Versalis renews the commitments made in 2020 by joining the Circular Plastic Alliance (CPA), reformulating its voluntary pledges as follows:
- By 2025, offer on the market up to **50,000 ton/y** of circular plastics obtained using secondary raw material feedstock from mechanical and chemical recycling and bio-waste feedstock;
- develop a **chemical recycling** technology to recycle mixed plastic waste allowing to produce new POLYMERS through the implementation of a 6 kton/y demo plant including an industrial scale up beyond 2025;
- develop the Versalis' hub for **advanced mechanical recycling** by 2025 a recycled plastic input capacity of 20 kton/y and beyond 2025 of additional 50 kton/y.

The decision to review the commitments made in 2020 is closely connected with the development of the Company's technology platforms and takes also into account the changing context, including, for example, the plastic sector's regulatory framework.

SDGs: 9, 12, 13, 17
Circular Economy

Innovation, Research and Development

Why is it important to Versalis?

We work to build the chemistry of tomorrow, creating new solutions for an ever-changing world. In our strategy, research plays a fundamental role that allows us to anticipate market needs by developing innovative solutions and supporting the transition path.

NICOLA FIOROTTO HEAD OF RESEARCH, DEVELOPMENT AND TECHNOLOGICAL INNOVATION

Along with its subsidiary Finproject, Versalis relies on the skills of around 370 professionals, comprising researchers and technologists, to conduct daily activities at its research centres. They can count on a wide network of external contacts and partnerships with important institutes, such as Italian and foreign universities, as well as private research institutes. In order to value skills and in line with D&I principles, Versalis makes diversity a factor for growth and stimulation: an example of this is the percentage of female managers or executives that exceeds 30% in the R&D units. Research and technological innovation activities aim to develop proprietary technology capable of strengthening the Company's competitive advantage and deliver solutions to its business partners. This year's main research and technological innovation activities regard the development of new technology platforms and cutting-edge materials with a focus on sustainability, the ongoing decarbonisation process and circularity of the entire value chain. To this end, it should be noted, with an upward trend compared to the previous year and also thanks to the inclusion of Novamont within the scope, that more than 50%[4] of research and development activities are linked to sustainability issues, in particular circular economy, biochemicals and decarbonisation.

CARBON CAPTURE AND UTILIZATION (CCU) PROJECT

During 2023, numerous research projects were launched aiming to develop new technology capable of **capturing** and **utilising** CO_2 as a feedstock to produce chemicals used in the chemistry industry. The various projects, also conducted in partnership with university research institutes, aim to create a system of technology platforms that, along with other schemes, will help to consolidate the decarbonisation pathway for industrial processes.

Approx. **370** employees, more than **30%** of whom are female managers or executives in the R&D units

More than **50%** of the R&D portfolio concerns sustainability projects, in particular, circular economy and decarbonisation

Focus on

Versalis R&D Day

CONTEXT: the Versalis R&D Day is an internal communication and training day dedicated to all and attended by top management and focused on research projects and how they fit into the context of corporate strategy and market scenarios.

ACTIVITY: in October 2023, R&D Day was held, an all-day event in which R&D researchers and their colleagues from the business units present at the event, were able to discuss and share the results obtained over the last few years and short-term goals. Plenty of time was allocated to decarbonisation and circular economy issues.

PILATUS project

CONTEXT: PILATUS is a 3-year project aiming to implement cutting-edge technology in order to establish a competitive "made in Europe"[5] photovoltaic industry with the entire value chain remaining in Europe, whilst meeting the latest environmental standards.

OBJECTIVE: construct by 2025 three pilot lines to produce specific components (silicon wafers, solar cells and modules) with the exclusive use of European resources and know-how. The project has 19 partners, a mix of businesses and research institutes, each with great experience in its particular field, be it solar module design and manufacture, measurement and characterisation or component manufacture.

ACTIVITY: Finproject is participating in the project in the development and supply of specials polymeric materials used to construct the module, providing its expertise gained in the field of modified POLYOLEFINS.

4 The percentage is calculated on the basis of an internal classification system for research projects. Each project line is linked to one or more SDGs.
5 For further details: https://cordis.europa.eu/project/id/101084046/en.

Intellectual property protection and enhancement

Why is it important to Versalis?

The continuous development and enhancement of our IP heritage, through technological partnerships and licensing activities, allows the creation of value for Versalis and its partners in a way that is transversal to the supply chain, and global from a geographical point of view. It is also a way to accelerate the implementation of new initiatives that ensure the transition to a more sustainable business and lower carbon footprint, leveraging on continuous innovation and research and application of the best technological solutions.

FABIO ASSANDRI HEAD OF STRATEGY, BUSINESS DEVELOPMENT AND LICENSING

424 patent families, **5** of which belong to Finproject and **135** to Novamont[6]

255 patent families for circular/more sustainable products and/or processes **1** of which belongs to Finproject and **135** to Novamont

PATENTS, TRADEMARKS AND LICENSING

The pool of proprietary technological, product and process know-how, protected by patents and trademarks in both Italy and abroad, consists of around 30 types of technology including a wide variety of chemical **INTERMEDIATES**, **POLYMERS** and **ELASTOMERS** family of products. Recently, the traditional portfolio has been enriched by new technologies applied to chemicals from renewable raw materials and plastic recycling to support the transition to new processes and models with a lower environmental impact.

Following this direction at the end of 2023 Versalis completed the acquisition of Novamont S.p.A., confirming its commitment to sustainability issues, in particular, expanding its patent portfolio relating to the development of innovative materials and processes for the circular bioeconomy, with an important contribution (approximately 1,600 active patents and patent applications aimed at protecting in multiple fields of application) to the decarbonisation of its product portfolio.

Versalis continues to develop proprietary technology, both at its own in-house research and development centres and through third-party partnerships with the aim of building today the foundations for a greater sustainability of its business in the future.

The company remains competitive in the markets of operation by protecting innovation and intellectual property. This is achieved by applying a diversified patent strategy that covers all its businesses, making the Versalis patent portfolio constantly evolving, as it adapts to market requirements and to technological progress in both processes and products.

In recent years, in pursuing the aim of providing a proactive response to the challenges of the industrial context, activities have undergone an evolution and optimization, increasing the focus on innovation and sustainability. Versalis has therefore expanded its portfolio by acquiring and developing new products, technology and processes relating to chemistry from renewable raw materials, mechanical and chemical plastic recycling and compounding. With respect to mechanical and chemical plastic recycling, to further enhance its business, Versalis has developed a distinctive, strategic proprietary know-how, also through strategic partnerships.

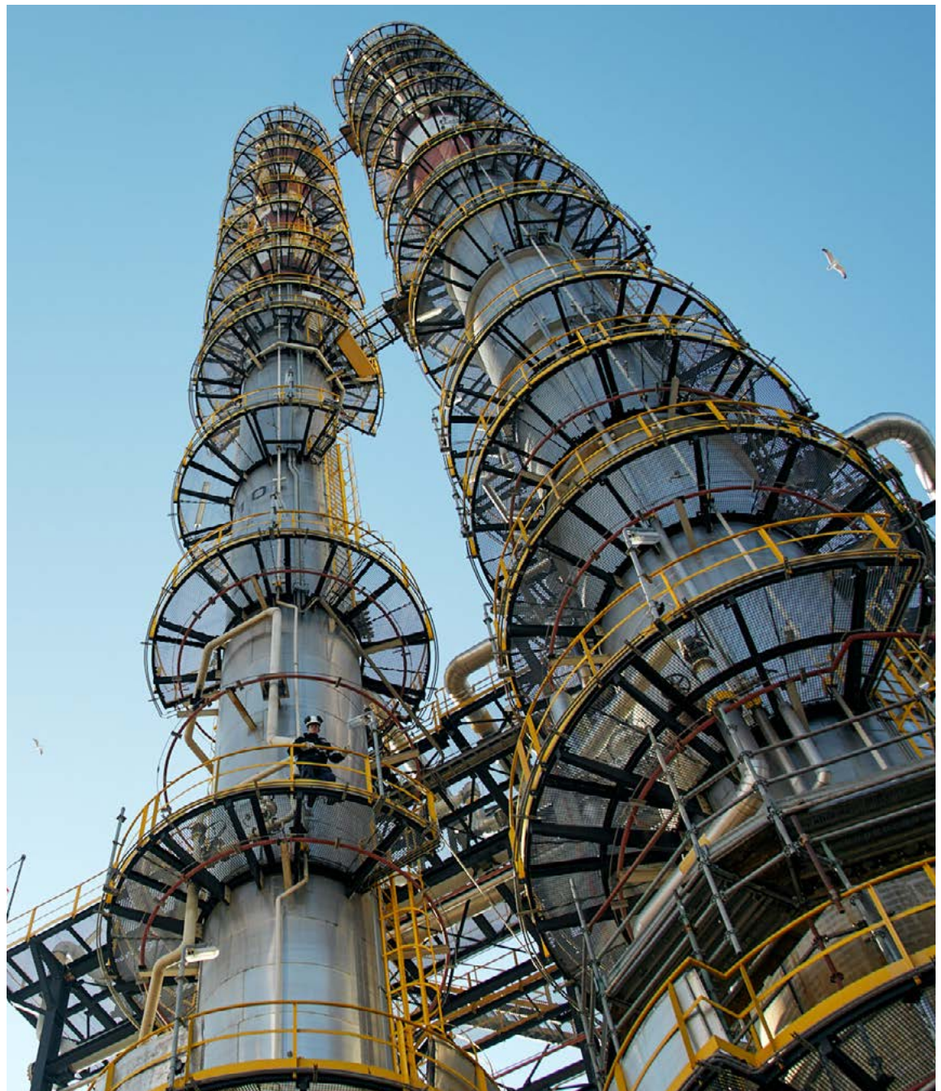
With reference to all lines of business, the portfolio's trademarks are characterised by increasingly greater protection for sustainable Brands, like, for example, Hoop® with reference to Versalis technology for chemical recycling, and Versalis Revive® with reference to the products obtained from mechanical recycling, as well as Mater-Bi with reference to bio-based, biodegradable and compostable bioplastics. For Versalis, technology licensing is a matter of great strategic importance in order to maximise the value of its intellectual property and of the know-how acquired while developing new business opportunities. The licensed-technology portfolio that, as in the case of patents, covers all business areas, enables Versalis to offer its licensees performance and reliability guarantees, ensuring they can benefit from not only state-of-the-art technology, but also additional sales and technical support.

Furthermore, licensing activities strengthens Versalis' reputation as technological excellence and, thanks to targeted partnerships, acts as a lever for international development. From a technological standpoint, competition with the best available solutions on the market represents a continuous incentive for process and product innovation, thus having a positive effect on the long-term sustainability of the entire product range.

82 trademarks, **15** of which belong to Finproject and **18** to Novamont. Of this total, **34** trademarks, **1** of which belongs to Finproject and **18** to Novamont, protect products for circular and more sustainable processes

60 licences granted as of 2023, in **19** countries around the world:
- **25** Advanced Materials
- **12** Chemicals
- **23** Polymers

6 135 patent families in the field of natural and synthetic polymers, processing of renewable raw materials and for products in many application areas (e.g. packaging, agriculture, lubricants, herbicides, cosmetics).



Carbon neutrality by 2050

Why is it important to Versalis?

As part of Eni's strategy towards Net Zero by 2050, we are on the front line to make our contribution. This takes form in the actions we take daily to reduce our emission impact, involving the entire supply chain: we are committed to the search for new solutions for energy efficiency, the increasing use of renewable energy, and the research of innovative technologies for decarbonisation. But that is not all: an example is also the growing commitment to the development of chemistry from renewable raw materials, now further strengthened with Novamont.

ADRIANO ALFANI CHIEF EXECUTIVE OFFICER

Towards Net Zero by 2050

Chemistry from renewable raw materials

GHG emissions and energy efficiency

Towards Net Zero by 2050

Why is it important to Versalis?

The transition towards decarbonisation assigns a significant responsibility to the chemical industry, also accentuated by regulatory evolution, due to its high energy-intensive activities. Decarbonization is a challenge for the industry, which is considered hard-to-abate, also due to the high capital investment required. Versalis, together with the entire European chemical industry, supports the EU's ambition to achieve Carbon neutrality by 2050. However, a coherent and supportive regulatory framework is essential to ensure the necessary investments to disseminate and expand existing technologies.

ALESSANDRA COLOMBO HEAD OF CIRCULAR ECONOMY AND SUSTAINABILITY

For more information

POLICY/POSITIONING/OTHER DOCUMENTS

▶ Strategic Plan 2024-2027; ▶ Eni's responsible engagement on climate change within business association; ▶ Eni's position on biomass; ▶ Eni Code of Ethics; ▶ Eni for 2023 - Sustainability performance; ▶ eni.com; ▶ Assessment of industry associations' climate policy positions

Versalis has embarked on a decarbonisation path in line with Eni global strategy and aims to achieve Net Zero by 2050. Versalis commitment is embodied in a decarbonisation plan with short/medium and long-term emission reduction targets, supported by a series of decarbonisation levers and a solid dedicated governance structure.

Compared to the 2018 base year, interim targets set an emission reduction for GHG Scope 1 and 2 of 15% by 2025 and 30% by 2035.

Decarbonisation is a big challenge for the chemical industry, but also an opportunity for technological innovation. In this scenario, Versalis is actively assisting the industry's transition towards Net Zero by 2050, encouraging the ongoing decarbonisation process within its value chain. The pursuit of this ambitious goal is supported by committed research and development activities with a view to rethinking its processes and products and thus cutting emissions along the entire value chain.

VERSALIS' CARBON FOOTPRINT

Versalis has been monitoring Scope 1, 2 and 3 emissions linked to its processes and activities for some time: the assessment of its carbon footprint is essential to effectively manage and reduce it over time. In particular, Scope 3 indirect emissions are important when calculating the impact of the organisation's total emissions: the Corporate Carbon Footprint (CCF). This year, Versalis has once again quantified its CCF in accordance with the international ▶ GHG Protocol and ▶ WBCSD guidelines for the chemical industry and have it verified by an independent third-party auditor.

It should be noted that, in line with industry values, Scope 3 emissions (60%) are significantly higher than Scope 1 and 2 emissions (40%) associated with Versalis processes. With reference to the categorisation defined by the GHG Protocol, the emissions that contribute the most to Scope 3 are those in Category 1 Purchased Goods and Services and Category 10 Processing of Sold Goods which together account for 84% of the total.

Interim targets (Scope 1+2)

base year 2018

-15% by 2025

-30% by 2035

Emissions from purchased goods and services (Scope 3, Category 1) and processing of sold goods (Scope 3, Category 10) account for **84%** of Scope 3

VERSALIS 2023 CORPORATE CARBON FOOTPRINT ($MtCO_2eq.$)

Corporate Carbon Footprint Scope 1[a]+2+3

Scope 3 Upstream	Scope 1+2	Scope 3 Downstream	
2.7 (31%)	3.5 (40%)	2.5 (29%)	**8,7**

a) GHG Scope 1 emissions considered are those related to CO_2, CH_4 and N_2O.

International GHG Protocol Standards specify the reporting method for GHG emissions:

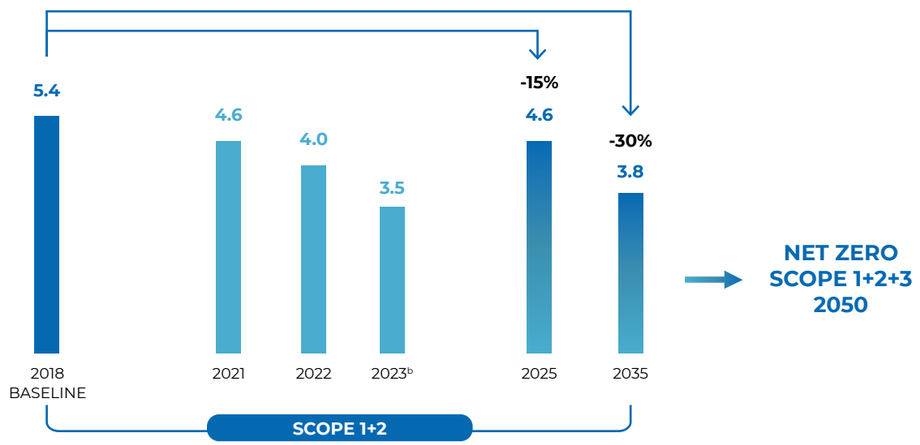
Scope 1: direct emissions from company activities;
Scope 2: indirect emissions from energy purchases;
Scope 3: indirect emissions associated with activities along the entire value chain.

For further details regarding Scope 3 emission calculation methods and reporting scope Methodology note.

THE DECARBONISATION ROADMAP AND VERSALIS' TARGETS

Versalis commitment to the progressive reduction of greenhouse gas emissions is based on a reduced-emission business model and the development of complementary business solutions. In line with Eni's strategy of achieving Carbon neutrality by 2050 for Scope 1, 2 and 3, Versalis has set interim targets to be achieved along the path, setting itself the goal of reducing Scope 1+2 emissions by 15% by 2025 and 30% by 2035, compared to the 2018 base year. With reference to indirect emissions (Scope 3) generated along the value chain, Versalis has identified the decarbonisation levers needed to achieve Carbon neutrality by 2050. These levers require cooperation and synergy among the players involved to effectively reduce emissions along the value chain. Versalis is an active participant in the search for increasingly innovative, synergistic and complementary solutions.

GHG SCOPE 1[a] AND 2 EMISSION REDUCTION TARGETS ($MtCO_2eq.$)



a) GHG Scope 1 emissions considered are those related to CO_2, CH_4 and N_2O.
b) The 2023 emission level is also affected by lower production rate.

Interview

The importance of validating the decarbonisation pathway

LAURA SEVERINO
Head of Decarb & Chain of Custody Product Management at ▶ RINA

Why is it important for an organisation to measure its greenhouse gas emissions impact using the Corporate Carbon Footprint?

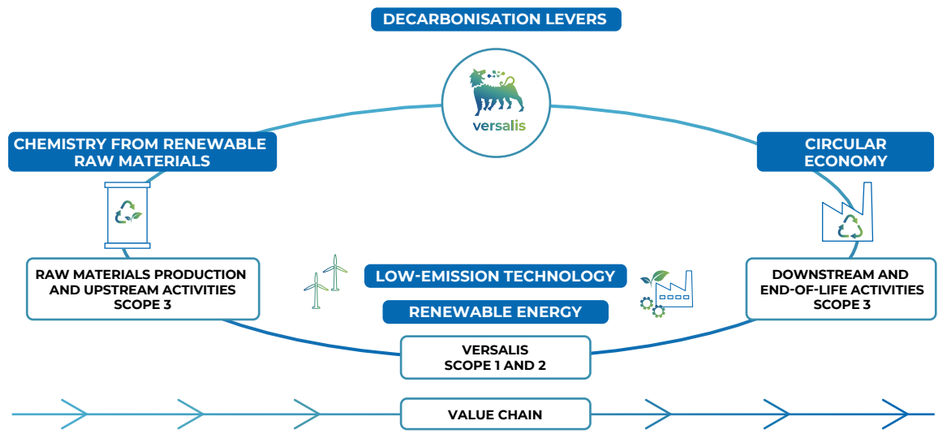
The Corporate Carbon Footprint (CCF) is a measure that expresses, in tonnes of CO_2 equivalent, the total greenhouse gas emissions associated, both directly and indirectly, with an organisation activities. Indeed, the complete CCF (which considers not only greenhouse gas sources within the boundaries of the organisation, but also sources across its value chain) represents the starting point for an organisation to develop an appropriate and effective decarbonisation strategy and plan. Thanks to the CCF, the organisation is able to quantify GHG reductions associated with possible strategies and, therefore, is also able to support the decision-making processes. Furthermore, the organization can understand what the activities with the biggest impact and what actions are to prioritise.

In this context, what is the role of a third-party certification body?

A third-party body verifies and certifies that the CCF is not only complete, consistent and accurate, but that it is also the result of verifiable and objective evidence. In practical terms, relying on a third-party allows one to demonstrate that the methodology used complies with applicable international guidelines, such as the GHG or WBCSD Protocol. But that is not all: in addition to the CCF, the third-party body also validates the soundness of the decarbonisation pathway and the commitments made.
As regards Versalis, RINA has verified the full CCF (Scope 1, 2 and 3) according to the GHG Protocol and has validated the reasonable nature of the assumptions and methodologies used to define the decarbonisation levers that are planned to meet the reduction targets.
For further information, visit ▶ versalis.com

DECARBONISATION LEVERS

Versalis' decarbonisation strategy is based on the development of complementary products and solutions that, in a synergetic manner, work to achieve its targets. In this regard, the main levers supporting the Versalis strategy are circular economy, chemistry from renewable raw materials, renewable energy, and low-emission technology.



Circular Economy

Versalis contributes to the goal of full plastic circularity by continuing to develop and implement complementary recycling processes. On the one hand, the Company has developed proprietary technology Hoop® for chemical recycling of plastics, giving rise to new virgin POLYMERS suitable for any application and with characteristics identical to those obtained from fossil feedstocks. In 2023, construction of the Hoop® demonstration plant was started at Mantua. On the other hand, at Porto Marghera, the construction of the first hub for advanced mechanical recycling of post-consumer plastics continues (Focus on: Transformation activities at Porto Marghera). The development of complementary circular solutions, such as Versalis Revive range of products, means that emissions linked to the use of virgin raw materials can be avoided by reusing resources already present in the value chain, as can be the emissions associated with conventional disposal processes.

Versalis also enhances the use of raw materials of organic origin fossil raw materials. One example is the Balance® product range, obtained by adopting the Mass Balance approach. This methodology is a recognised chain of custody that, through clearly-defined rules, allows the sustainability-characteristics of alternative raw materials to be attributed to end products in a controlled and verifiable manner, even when physical separation between alternative and conventional raw materials is not possible during the process. The production of chemicals, rubbers and POLYMERS is performed in plants that have renewed ISCC PLUS certification with Voluntary Add-on 205-01 GHG emission requirements, for the assessment of greenhouse gas emissions released by the supply chain to produce Balance® grades.

ISCC PLUS certification has also been renewed at Finproject's 3 Italian sites and 4 European and non-European sites for the production of COMPOUNDS and articles made from raw materials alternative to traditional ones using the Mass Balance approach (Circular Economy).

Chemistry from renewable raw materials

Versalis is committed to strengthening its competitive positioning in the chemistry from renewable raw materials by developing integrated technology platforms that include the use of lignocellulosic biomasses, vegetable oil and/or sugars as raw materials. Chemistry from renewable raw materials, in fact, refers to those processes and technologies that can turn renewable raw materials into chemical products. In addition to those activities, that are already on-going within the company's technological platforms of chemistry from renewable raw materials at Crescentino and Porto Torres sites, in 2023 the acquisition of Novamont was completed. Novamont is a leading company in the development and production of compostable plastics and chemicals obtained, wholly or partially, from biomass (Chemistry from renewable raw materials).

Renewable energy

The importance of renewable energy in contrasting climate change was also affirmed at the latest Conference of the Parties (COP28) held in Dubai at the end of 2023. In addition, the President of the European Commission together with over 130 world Heads of State, signed the ▶ Global Renewables and Energy Efficiency Pledge that recognises the importance of renewable energy to the energy transition and defines a commitment to tripling the global installed capacity of renewable energy sources by 2030.

Through synergies with Eni and other business partners, Versalis is aimingat increasing the share of renewable electricity used to run production processes, thus reducing emissions from energy consumption.

Low-emission technology

Versalis is committed to improving existing technologies and developing new ones to reduce direct process emissions through energy efficiency. It is also working with other industry players to develop an innovative technology to electrify steam-CRACKING plants, which are at the heart of the petrochemical industry and where most of the sector's direct emissions are concentrated.

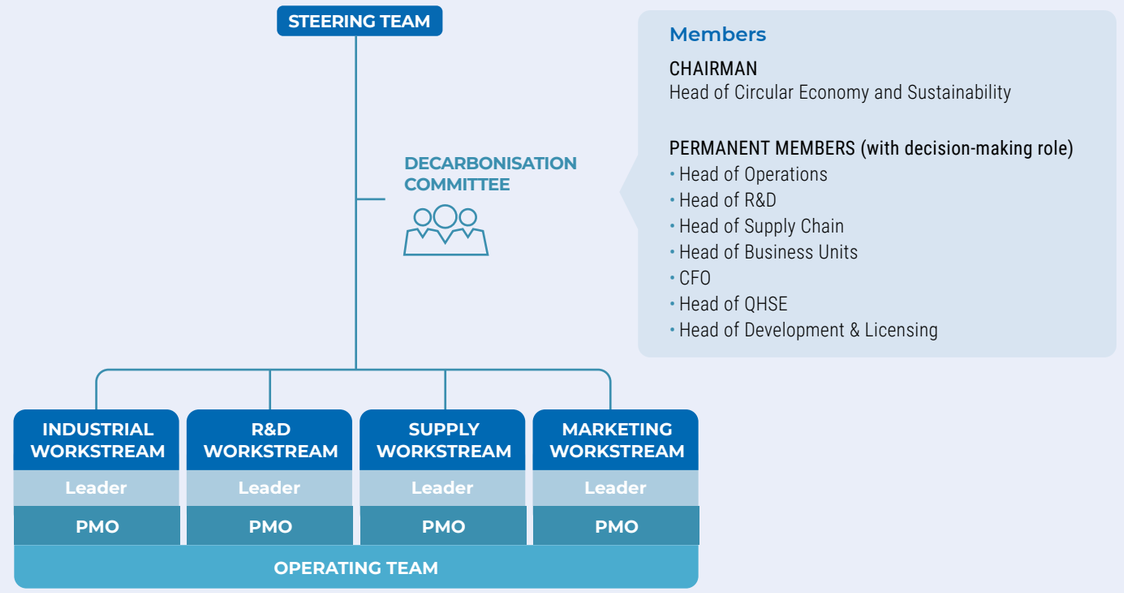
In synergy with the above levers, the possible use of high-quality carbon credits will offset residual emissions that are hard-to-abate or whose reduction is not yet feasible with the current state of the art. The commitment to only using carbon credits that meet the highest, independently-audited international standards will help mitigate climate change and contribute to Sustainable Development Goals (SDGs).

Focus on

Decarbonisation plan: a dedicated Governance

CONTEXT: Versalis has established a specific governance to manage the complexity of the decarbonisation path. In fact, the Company considers it essential to have the support of a structured system that not only has a specific focus on short and medium-term targets, but also monitors the achievement of the ambitious objectives for 2050. The system calls for ongoing involvement of Top Management, which monitor and lead the decarbonisation plan: to this end, it has set up a special Decarbonisation Committee that meets up regularly.

STRUCTURE: the Committee is made up of members with a decision-making role together with members with an operational role: the former (so-called leaders) are responsible for the plan's projects, each one for his or her workstream, and their task is to manage and steer activities so as to meet targets, provide updates on their progress and report periodically to the Steering Team[7]. On the other hand, the latter are project managers, once again split according to their specialist workstreams, responsible for involving the various competent functions at operational level and for implementing the activities. They also report to the workstream leaders to ensure ongoing dialogue. The following chart shows Committee members and their relationships with the Steering Team.



ACTIVITY: during 2023, the Committee met every six months to examine the state and progress of current and scheduled projects, discussing the most significant issues in detail and specifying the actions needed to ensure that reduction targets remain on track.

7 Periodic meeting between Company Chairman, Chief Executive Officer and front-line managers.

Interview

The main challenges and opportunities for achieving decarbonisation targets

GABRIELE LA BARBERA
Versalis Marketing PMO

What are the main challenges you tackle when collaborating to drafting and reviewing the decarbonisation plan?

In the context of a decarbonisation plan, the biggest challenge concerns the definition and constant monitoring of the actions planned for the long-term, by 2050. More specifically, realising the contribution of growing production and sale of our increasingly sustainable products in a short timeframe is complex in a market that is not yet fully mature and struggles to recognise their full economic value. Therefore, the biggest challenge is customer and market engagement, partnership and awareness raising to share our objectives and identify opportunities for synergy.

What were the main activities during 2023?

The last few years have been very challenging for the European chemical industry and our country has also been affected. Nevertheless, we have managed to keep sales of sustainable products fairly stable.
Against this complex scenario, Versalis remains strongly committed to reducing the organisation's carbon footprint and improving process efficiency. The need to decarbonise products and processes is even stronger today, due to the extremely uncertain and volatile scenario that the European industry is facing.
With the aim of continuing what has already been done, the committee's main activities during 2023 regarded:

- The validation of Balance® and Versalis Revive® business plan in relation to sales volumes with the aim of anticipating market trends for lower-emission products.
- The definition of the commercial policy for the next two-year period 2024/2025.
- The sourcing and purchase of sustainable raw materials in line with Balance® and Versalis Revive® production plans and customer needs.

Chemistry from renewable raw materials

Why is it important to Versalis?

The aim is to create a circular bio-economy capable of regenerating those geographical areas that have been impoverished by globalisation indifferent to any human and environmental cost. Bioeconomy infrastructure integrated agricultural supply chains and product development understood as solutions to environmental and community problems are essential to ensure a reduction in waste and to contrast pollution and climate change impacts.

CATIA BASTIOLI HEAD OF BIOCHEMISTRY BUSINESS UNIT & NOVAMONT CEO

A strategic line of great relevance, based on innovation, consists in developing production chains capable of reducing the consumption of fossil feedstocks. The use of raw materials from renewable sources, together with the development of materials and ecodesign solutions, is key to increasing the circularity of economic systems and to concretely addressing the challenges posed by global climate change, thus contributing to a **progressive reduction of the long-term carbon footprint.**
Versalis aims to consolidate its competitiveness in this field through the continuous **development of integrated technological platforms** that use raw materials such as lignocellulosic biomasses, vegetable oils, sugars and agro-food chain waste through collaboration with all the players in the value chain: from agriculture to research, from industry to the waste sector, from local institutions to civil society. Research and development activities in this field are conducted at the Novara and Rivalta Scrivia (AL) research centres. Here, for example, activities are aimed at improving industrial proprietary technology PROESA® designed to convert biomass into second-generation sugars for subsequent fermentation into **BIOETHANOL** and making the most of the lignin obtained as a coproduct. The Novamont research centres boost Versalis' ability to innovate in the fields of chemistry from renewable raw materials and biotechnology.
In 2023 campaigns continued to produce **BIOETHANOL** defined as "advanced" in accordance with Directive (EU) 2018/2001 (RED II), obtained from lignocellulosic biomass such as poplar wood chips and straw, with the aim of optimising the process parameters and refining the operational management of the plant.
In addition, an experimental production campaign using dairy permeate was successfully conducted. These activities are planned to continue in the coming years, including the use of further different biomasses in order to continuously improve the yield through technology fine-tuning.

Focus on

Versalis consolidates its position in the chemistry from renewable raw materials sector: Novamont acquisition agreement signed

CONTEXT: during 2023, Versalis **acquired the entire share capital of** ▶ Novamont, in which it already held a 36% stake, strengthening its ties with the world's leading bioplastics manufacturer and developer of biochemicals and bioproducts through integration of chemistry with greater environmental safeguard and agriculture. The acquisition substantially strengthens and integrates the Versalis' dedicated bioproduct business unit, creating a highly integrated technological platform capable of expressing potential in terms of innovation and industrial scale of absolute importance. In fact, the technologies for the transformation of biomass into **MONOMERS** and **INTERMEDIATES** with downstream applications, ranging from biodegradable and compostable plastics to pesticides and biolubricants, are now brought together under a single umbrella.

ACTIVITY: the acquisition, announced on 28th April 2023 and authorised by the competent authorities, was completed on October 18th with the acquisition of the remaining 64% share. Novamont, whose CEO remains Catia Bastioli, is also a Benefit Corporation certified B Corporation. It has 650 employees, with headquarters in Novara and production plants in Terni, Bottrighe (Rovigo) and Patrica (Frosinone) and research centres in Novara and Piana di Monte Verna (Caserta) and technological hub in Terni, Bottrighe (Rovigo) and Patrica (Frosinone). It is also involved in a 50/50 joint venture with Versalis at the Matrìca site in Porto Torres (SS) to produce fully or partially bio-based products and at the newco Mater-Agro, a partnership with Coldiretti to develop and distribute solutions for agriculture. It holds around 1,500 patents and patent applications, has branches in Germany, France, Spain and the United States and a distributor network in more than 40 countries around the world (Patents, trademarks and Licensing).

A RAPIDLY EXPANDING PRODUCT RANGE

Processes in the field of chemistry from renewable raw materials are constantly evolving and developing synergically. Examples include:

- **Bioethanol**, produced at the Crescentino (Vercelli) site using residual plant-based raw materials from residual waste of the agrifood industry. This process employs proprietary technology PROESA® to produce BIOETHANOL by fermenting sugars obtained from lignocellulosic biomass without the use of chemical reagents. BIOETHANOL, obtained from renewable raw materials, is just a starting point for the development of new technological platforms designed to produce lant-basedachemical substances such as biopolymers, biocide formulations, bases and additives for biolubricants. BIOETHANOL is also used as a renewable component in automotive fuel;
- **biogas** is obtained from wastewater treatment of the Crescentino plant. After purification, the effluent is reused as process water to meet the needs of the plant;
- in partnership with AlphaBio Control, an English-Italian company that developed and registered the formulation, Versalis produces and markets a **herbicide** whose active ingredient is a molecule commonly found in nature, pelargonic acid. It is a readily biodegradable fatty acid according to ▶ OECD TG 301B, produced at the Porto Torres site from renewable raw materials using an innovative technology;
- a plasticiser obtained from plant-based **azelaic acid** roduced and marketed for alternative uses to currently used fossil products, such as phthalates. It offers excellent performance, especially in low-temperature applications.

Following the acquisition of Novamont, Versalis has expanded its portfolio with new bioproducts (e.g. bioplastics, biopharmaceuticals, biolubricants, cosmetic ingredients from renewables[8] raw materials), whilst maximising synergies thanks to the possibility tooversee the various levels across the supply chain. For example, the integration of two important MONOMERS[9] used to manufacture plastics that is biodegradables and compostables in different environments and with high renewable content enables the company to offer different solutions that combine product quality and performance with efficient use of resources.

EXAMPLES OF APPLICATIONS OF BIODEGRADABLE AND COMPOSTABLE PRODUCTS MADE, IN WHOLE OR IN PART, FROM BIOMASS

BIODEGRADABLE	Biolubricants, disinfectants, bioherbicides, bioproducts for cosmetic and pharmaceuticals, phytoproducts, animal feed components.
COMPOSTABLE	Food packaging, coffee capsules, bags for organic waste collection, shopping bags, fruit and vegetable bags, compostable tableware, biofillers for the automotive industry, personal hygiene and care products, giftware, mulching cloths.

Business case

Biomass: a raw material to be handled with awareness

CONTEXT: biomass is a possible alternative to the use of fossil-based raw materials and can contribute to decouple development and the use of resources. Biomass is a broad term and can cover any biological material (excluding materials embedded in geological formations). Exemplary use of biomass to produce bioproducts calls for a responsible approach that ensures sustainable management of the entire supply chain. For example, it is essential to work on the use of agrifood waste and residues and to ensure sources of supply that respect natural regenerative cycles, conserve areas rich in biodiversity and carbon reservoirs, follow good agricultural practices and respect human rights. In terms of biomass sourcing, it is also important to consider its geographical location, favouring sources of raw materials close to the facilities where they are used. This is not only for obvious environmental reasons, but also to support local communities.

ACTIVITY: an example of biomass use at Versalis is the Crescentino plant, capable of processing 200 thousand tons of lignocellulosic material annually, for the production of advanced BIOETHANOL. The poplar wood chips used at the facility to produce BIOETHANOL and the biomasses used to generate renewable electricity are locally sourced. In addition, the sustainability of the biomasses used for BIOETHANOL is certified according to the voluntary International Sustainability and Carbon Certification (ISCC-EU) scheme and the traceability of the biomass for the boiler is verified annually by the Italian Ministry of Agriculture and Food sovereignty and Forestry - ▶ MASAF. The site uses it for its production energy sources of renewable origin obtained also from the valorisation of co-products deriving from its activities. In fact, to produce electricity and steam, the thermal power plant is fuelled with lignin co-produced with BIOETHANOL. In addition, the biogas produced from the treatment of process waters with a high organic content is used in auxiliary boilers as a replacement for methane.

8 Wholly or partially.
9 Azelaic acid and biobutanediol produced at the Novamont plant in Bottrighe.

GHG emissions and energy efficiency

The chemical industry is characterised by the use of fossil fuels, not only as an energy source, but also as raw materials. As a result, the progressive reduction of their use is a crucial aspect and a priority for the sector. In this context, the constant commitment to **research and development** continues with the aim of identifying and implementing new solutions increasingly capable of reducing the environmental impacts and optimising the use of natural resources.

The chemical industry is an energy intensive sector, which means that it requires a considerable amount of electrical and thermal energy: in this regard, Versalis obtains part of this energy from high-efficiency cogeneration plants fuelled by renewable sources such as biomass. To this end, most of the Versalis production sites are supported by cogeneration plants that generate heat and power simultaneously, thus reducing the amount of necessary fuel. Indeed, these systems enable recovery of the heat produced during electricity generation and its use for heating purposes, thus reducing the environmental impact and guaranteeing a continuous energy supply. Versalis also utilises exchange grids to optimize energy recovery, not only in-house, but also intragroup. This approach favours maximum energy recovery, enabling both import and export of the surplus by reusing recovered sources: in this case, there is thermal energy recovery whose numerous benefits also include lower use of primary sources and a reduction in CO_2 emissions.

In 2023, Versalis' energy consumption decreased by 13% compared to the previous year, in line with the industry's drop in production.

Compared to 2022, the biomass power plant at Crescentino recorded a slight increase in renewable energy output that totalled 77 GWh (+1%).

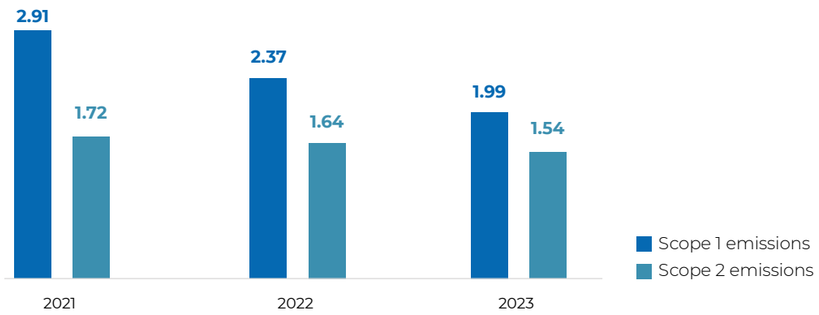
With regards to GHG emissions, in 2023, Versalis generated direct and indirect[10] emissions amounting to **3.53 million tonnes of CO_2eq. 56%** of these are attributable to direct emissions (Scope 1), whilst the remainder regard indirect GHG emissions arising from heat and electricity consumption (Scope 2).

More than **77** GWh of renewable energy produced

Overview of Crescentino plant, specializing in the production of chemicals from vegetable and waste raw materials

10 Excludes Scope 3 indirect GHG emissions.

SCOPE 1[a] AND 2 GHG EMISSIONS (million tonnes CO_2eq.)



a) GHG Scope 1 emissions considered are those related to CO_2, CH_4 and N_2O.

During 2023, the company continued with its undertaking to organise in-house meetings involving Top Management with a view to identifying new decarbonisation solutions. In this regard the meeting on CRACKING and Aromatics Processes Technology held at Castelgandolfo was noteworthy as the numerous presentations focused on technological solutions to reduce energy consumption in production process.
For several years, Versalis has been committed to investments aimed at continuous improvement of its own production processes in line with Eni's policies, which have allowed and continue to allow the achievement of important results in relation to the reduction of consumption. In 2023, the energy-saving projects active and started up in previous years resulted in energy savings of about 30,000 toe: this figure, due to the reduction in production assets, is lower than the savings achieved in 2022 (46,000 toe). In 2023, these savings represented 2.5% of Versalis total energy consumption and 67% of this savings is due to a reduction in primary sources, resulting in a total of 60 kt of saved direct CO_2 emissions (-36% compared to emissions saved in 2022). The indirect saved CO_2 emissions, which also decreased due to the reduction of production assets, amounted to 24 kt. For further details, please see the tables in the section Key sustainability indicators.

Audience at the meeting "ASSET MANAGEMENT TOWARDS 2030" in Castel Gandolfo

Focus on

The chemical industry at the service of energy efficiency

CONTEXT: within the context of energy efficiency, the chemical industry plays the dual role of consumer (about one-third of the secondary energy sources consumed by the Italian industry goes to the chemical sector, including non-energy uses)[11] and provider of efficiency solutions for other sectors or end consumers (e.g. thermal insulation for buildings, refrigerant for air conditioning, lightweight composite materials for the automotive industry). Versalis chemical production fits into this context with a longstanding commitment to promoting energy efficiency, also thanks to investments in renewables and the circular economy.

BENEFITS: due to its expertise and upstream position in numerous supply chains, the sector plays a key role in developing enabling-technology solutions to promote circularity and sustainability throughout the entire economic system. Suffice to mention, for example, recycling technology, biotechnology, ecodesign, alternative fuel and innovative technology for environmentally sustainable mobility and solutions for building energy efficiency and carbon capture, use and storage (CCUS).

Finproject site in Morrovalle

11 ▶ Source.

Operational excellence

Why is it important to Versalis?

In line with Eni's values, our main target is to ensure maximum operational excellence in our business activities. For this reason, we pursue with great commitment an approach based on the empowerment of people, safeguarding health, safety and the environment and respecting human rights. We also promote sustainability initiatives and solutions throughout the value chain in full compliance with the principles of asset integrity.

MARCO PETRACCHINI CHAIRMAN

Each of us

Why is it important to Versalis?

Our people play a key role in the ongoing transformation process; they are the ones who drive innovation, adapting strategies and keeping the corporate culture alive. Investing on training and on a right balance between career and personal life is essential to successfully coping with change. We continue to promote an open dialogue with our people, in order to value their uniqueness and create an environment where they all feel respected and can actively contribute to the change taking place.

ANGELO CRESCENZI HEAD OF HR BUSINESS PARTNER

For more information

POLICY/POSITIONING/OTHER DOCUMENTS

▶ Respect for Human Rights at Eni; ▶ Zero Tolerance: Eni against violence and harassment in the workplace; ▶ Diversity & Inclusion; ▶ Eni's Code of Ethics; ▶ Eni for 2023 - Sustainability performance; ▶Social accountability management system complying with SA8000; ▶ eni.com

Finproject colleagues

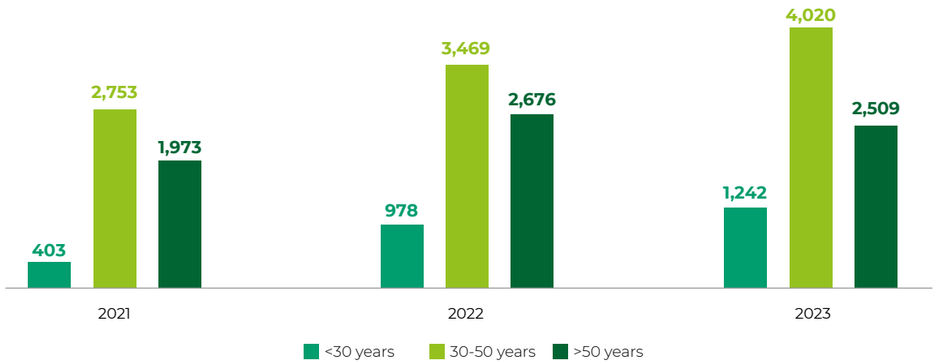
7,771
employees* from 36 nations

*considering current employees

EMPLOYMENT

Versalis' people are a **key resource** for successfully pursuing the transformation path undertaken and achieving the objectives set. At 31 December 2023, the Company's total workforce, including the recently acquired **Novamont**, stands at **7,771**: 5,114 of them are employed in Italy (66% compared to 64% in 2022), while the remaining **2,657** resources are employed abroad (34% compared to 36% in 2022). In 2023, **190** new permanent resources were hired in Italy, of which **21% female staff** and **59% resources under 30**. Abroad, on the other hand, **173** new resources were hired, with **32%** women and **34%** under 30.

COMPANY EMPLOYEES BY AGE GROUP

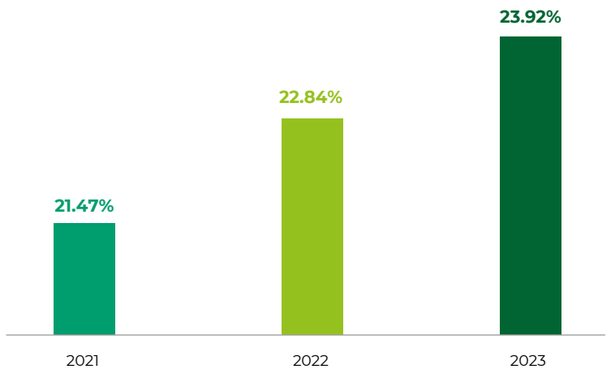


DIVERSITY, EQUAL OPPORTUNITY AND INCLUSION

Enhancing the diversity of Versalis staff is an essential, indispensable element, as emphasised by Eni's **mission** and **Code of Ethics**, to which Versalis adheres. This translates into a continuous commitment to promoting the principles of non-discrimination, equal opportunities and inclusion, both within the corporate context and in relations with external stakeholders. With reference to the distribution by gender, the percentage of women in service is around 23%, in line with the previous year. In particular, there has been a **slight increase in the number of women in positions of responsibility**: indeed, in 2023, in fact, this figure is around 24%, compared to about 23% in 2022.

Versalis is committed to creating a working environment that respects the needs of its people, favouring a healthy work-life balance.

WOMEN IN POSITIONS OF RESPONSIBILITY (%)



Versalis undertakes to promote discrimination-free employment, including in its relations with **external stakeholders**, and encourages both third parties with whom it comes into contact and its own people to report any breach of the principles of the Code of Ethics. To this end, special reporting channels have been established in accordance with the provisions of applicable legislation. (▶ Management system guideline Annex C).

Case Study

Training on D&I topics

CONTEXT: in line with Eni principles, the Versalis approach to **Diversity & Inclusion (D&I)** issues is based on the following principles:
- **INCLUSIVENESS**: promote a culture of plurality for a participatory working environment and foster an inclusive, collaborative mindset;
- **UNIQUENESS**: allowing expression of distinctiveness within various workgroups by recognising and including different languages, attitudes and propensities;
- **ENHANCEMENT OF DIVERSITY**: acknowledging the right to express individual traits, considering people as unique and distinct identities;
- **EQUITY**: providing each individual with the tools needed to guarantee equal access to company resources and opportunities.

OBJECTIVE: to understand and manage any potential unconscious bias concerning **D&I issues, learning to appreciate** one's own and others', **uniqueness**.

ACTIVITY: **D&I Matters** is a modular and interactive course delivered transversally to all Eni employees, to promote awareness of the issue in all its complexity and facets. Providing the tools and supporting a greater knowledge of D&I issues is a key element for Versalis in enhancing different viewpoints, in all work contexts, and developing constructive relationships with colleagues.
The course involved 2,048 enrolled resources in Italy and abroad, and was structured to cover a wide range of D&I issues, tackling the most relevant aspects within a working environment, in particular:
- inclusive language
- teamwork
- inclusive leadership skills
- understanding parenthood
- recognising womens' value
- disabilities
- gender identity and sexual orientation
- intergenerationality
- interculturality

WELFARE AND WORK-LIFE BALANCE

As regards **employee services**, Versalis periodically updates its offer to propose solutions that are always in line with constantly evolving needs. The Company, in fact, intends to propose initiatives capable of responding more and more effectively to the **needs** of its **employees**, with the aim of fostering their personal and family **well-being** and work-life balance, whilst promoting a **positive corporate atmosphere**.

In November 2023, Eni granted all employees in Italy – including those at Versalis – a one-off bonus worth 3,000 euro gross and a 200 euro fuel voucher, as a measure to support them in view of the current economic climate.

HEALTH AND WORK-LIFE BALANCE PROMOTION SCHEMES

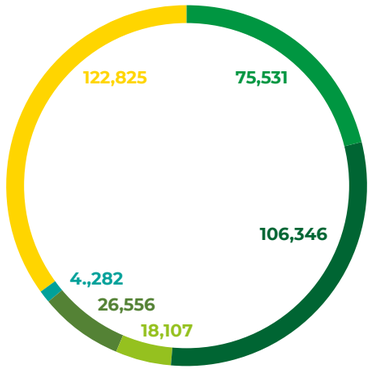
HEALTH	Strengthening HEALTHCARE to supplement and improve the benefits already provided by industry funds. In addition, voluntary prevention schemes continue, including Eni's annual programme of oncological prevention visits "Piano Diagnosi Precoce" (**Early Diagnosis Plan**), in collaboration with the Italian League for the Fight against Cancer and carried out in partnership with centres of excellence. Starting this year, the range of services has been extended with the inclusion of home care and telemedicine.
BENEFITS	Supplementary pension scheme including contributions from Eni and the possibility of converting up to 70% of the annual profit-sharing bonus into welfare products and services, yielding tax benefits for the employee. There are also various agreements that include discounts of various kinds such as nursery and kindergarten fees and low-interest loans.
CARING AND WORK-LIFE BALANCE	School guidance tools, parenting paths, summer holidays, support services for caregivers.

TRAINING AND PROFESSIONAL GROWTH

In line with Eni's approach, skills development at Versalis is a key element to supporting change. Indeed, the Company offers various types of training course to its personnel with both lessons in the classroom and distance learning. In 2023, since the Covid-19 health emergency has ended, training activities gradually returned to the in-person mode. In fact, about 80% of the training hours were delivered in presence during the year (74% in 2022), with an increase in total training hours delivered compared to the previous year of about 23%.

The **training courses** offered cover the following area:

TRAINING HOURS BY TYPE



PROFESSIONAL TECHNICAL COMMERCIAL
Technical paths for specific business areas and professional areas, commercial projects and energy transition.

SAFETY
Mandatory safety courses for employees, delivered by both e-learning and in-person at Eni plants or certified training centres.

CROSS-CUTTING PROFESSIONAL
Professional cross-cutting: compliance, professional courses required by business units and training on new approaches to work and to the digital world.

BEHAVIOURAL/COMMUNICATION/CORPORATE IDENTITY
Behavioural paths on corporate identity, human rights/sustainability and leadership.

LANGUAGE AND IT
New computer and language skills.

ENVIRONMENT, HEALTH, QUALITY AND HSEQ BEHAVIOUR
Enhancement of professional skills in environmental regulations, health pathways and HSE behavioural pathways.

In order to support the need for enrichment and reorientation of the skill set of company resources, specific projects have been launched: for example, during the year, a workshop entitled "Asset management towards 2030" was conducted with the aim of creating shared and homogeneous know-how on technical-operational aspects related to steam CRACKING processes.
On the other hand, employee development systems are based on tools for mapping and updating skills, evaluating abilities and analysing personal motivations, and aim to enhance talent. In this sense, it should be noted that in 2023, **100%** of the total target population (senior managers, middle managers and young graduates) were subject to **performance assessment and feedback tools** aimed at orienting resources toward upskilling.

247,301
training hours delivered to Versalis employees in 2023 (+23% compared to 2022)

Case Study

Main soft-skills training conducted in 2023

Versalis considers training a mean of supporting change and ensures its delivery through both classroom and distance learning. The goal is to have an impact on technical skills, while supporting development of the behavioural and leadership soft skills needed to accompany individuals in a solid process of development and change. With reference to the latter, numerous training courses were delivered during the year; a few examples, broken down into topics, are set out here below.

Management and development
Training designed for managers of human resources, both junior and senior, aimed at supporting their professional growth and skills in the field of people management and people development.

Team building
Activities aimed at promoting a culture of sharing and teamwork, while also developing greater awareness of an individual's role within the group.

Multicultural teams
Training for young colleagues (both in Italy and abroad) with the aim of providing tools to work effectively in a multicultural team.

Networking, motivation, and trust
Feeding our Future event, designed for young newly hired graduates to improve networking amongst young employees from Italian different departments/units; activate integration on the topics of effectiveness, motivation, and trust.

Safety, People's health, and Environment

Why is it important to Versalis?

Safety has always been our top priority. We are committed to protecting the health and safety of all workers in every work environment. To achieve this goal, we use rigorous models, combined with innovation and education, fundamental pillars for spreading a conscious and aware safety culture. We also believe that environmental protection is another issue of primary importance in all its various aspects: the continuous development of virtuous practices for the management of waste, water resources, air quality and biodiversity is a fundamental practice for carrying out our activities responsibly.

MARCELLO PERRA HEAD OF QUALITY, HEALTH, SAFETY AND ENVIRONMENT MANAGER

For more information

POLICY/POSITIONING/OTHER DOCUMENTS

▶ Respect for Human Rights in Eni; ▶ Eni's Code of Ethics; ▶ Eni Biodiversity and Ecosystem Services Policy; ▶ Eni makes "No Go" Commitment for UNESCO Natural World Heritage Sites; ▶ Eni Position on Water; ▶ Eni position on biomass; ▶ CDP Water Security 2023 Questionnaire; ▶ Eni for 2023 - Sustainability performance; ▶ eni.com

SAFETY IN THE WORKPLACE

Versalis adopts a strict safety policy and uses past and potential event analysis to ensure a continuous improvement process. The process involves the allocation of suitable human and technical resources and the implementation of management systems in line with industry best practices, thus guaranteeing the highest safety standards. These systems are also adopted through a detailed body of continuously-updated documents, which is integrated into the operations of the Group's industrial and commercial units. In addition, a constant effort is devoted to benchmarking to identify best practices in safety, environmental protection, and personal health.

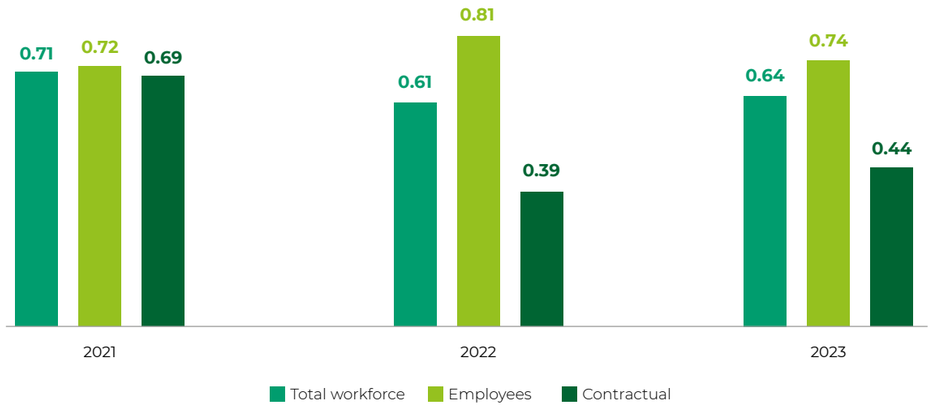
Furthermore, implementation of **knowledge management tools** and information systems is supervised to ensure a standard approach to the key aspects of HSE activity.

Versalis safety culture places great importance to the promotion of initiatives aimed at raising employee awareness and enhancing the dissemination of safety best practices, encouraging everyone to become active and proactive players in this area. To this end, in 2023, Versalis delivered **106,346** hours of safety training, a year-on-year rise of 7%.

Regarding occupational safety, Versalis is strongly committed to achieving its zero-injury target. In 2023, the **Total Recordable Injury Rate** (TRIR) of the workforce (employees and contractors) was **0.64**, with the number of recordable injuries slightly up from the previous year (13 injuries in 2023 and 10 in 2022). The events giving rise to these incidents are primarily related to incorrect behaviour, for which a parameter, called **Global Site Performance (GSP)** was introduced in 2021 and confirmed both in 2022 and 2023. The GSP is used to strengthen surveillance in the field of activities, including through cross-checks between different departments, face-to-face meetings between Versalis and company employers, filed audits of employers and safety delegates, and other initiatives to promote safety culture. During the year, Versalis also completed a training **update** on the Golden Safety Rules, with a focus on compliance with the "Line of Fire" and the exercise of the "Stop Work Authority".

Workforce TRIR = **0.64** (+5% compared to 2022)

TRIR TREND (total recordable injuries/hours worked) x 1,000,000



Focus on

Golden Safety Rules and the principles of Stop Work Authority and Line of Fire

CONTEXT: the **Golden Safety Rules** are behavioural principles, transversal to all types of activities, that must be followed to ensure maximum safety of workers, both employees and contractors. Providing the information tools to adopt conscious behaviour in all work situations is the basis for effective safety prevention.

The **Golden Rules** are applicable:
- To every Eni worker, whether an employee or contractor;
- in all workplaces;
- in every Country, regardless of local regulations;
- under all operating conditions.

ACTIVITY: during 2023, the communication and awareness-raising campaign on **The Golden Safety Rules** was re-launched, one of the main innovations being the integration of **two new principles**:

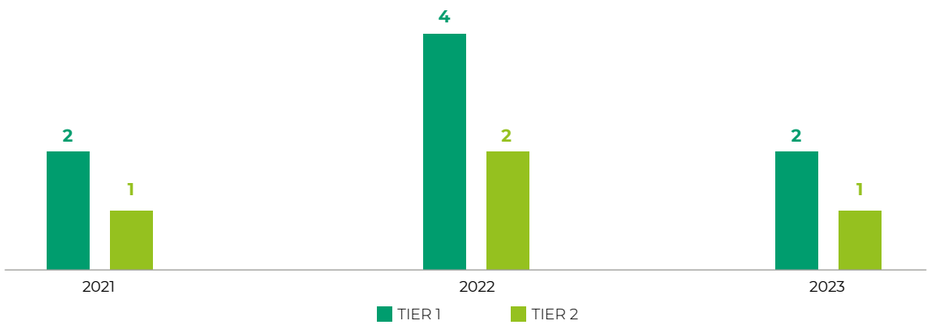
Authority for each worker, regardless of their position and role, to stop an activity when they perceive an unsafe condition or behaviour.

Necessity for each worker to monitor their surroundings, positioning themselves appropriately and staying out of the line of action of operations in progress (the so-called Line of Fire) to verify that this principle is also respected by all other workers.

As a complement to this campaign, as an example in Priolo, Eni launched an initiative called **"Your Safety Is My Goal"**, involving the workers of third-party companies through a multiple-choice questionnaire. The questionnaire, containing **26 questions on the Stop Work Authority** principle and general safety issues, was aimed at monitoring the degree of awareness of each worker as an active participant in the exercise of this authority (▶ Eni for 2023 - Occupational and Process safety).

In the area of process safety, on the other hand, the main objective is to **reduce process safety events**. In 2023, such events, the severity of which is associated with levels (or tiers)[12] that refer to the severity of the consequences of the incident, from the most serious to the lest serious, in terms of the quantity of hazardous substances released and the damage caused to people or assets, decreased from the previous year.

PROCESS SAFETY EVENTS

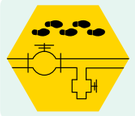


12 Process safety incidents are classified according to severity as Tier 1 (most severe) and Tier 2.

During the year, the document on the identification of critical elements, assessment and control of accident scenarios arising from NATECH[13] events, introduced for the first time in 2021 and integrated as part of the updating of safety reports (Seveso) at the Versalis Italian sites, was also confirmed. With regard to the control of accident-scenario, both the analyses of the possible domino effects[14] connected to them and the consequent Emergy Response activities and related mitigation measures are to be considered concluded. (▶ Eni for 2023 - Emergency preparedness and response).

As regards process safety, back in 2019 Eni introduced 10 essential operating rules known as Process Safety Fundamentals (PSTs) whose aim is to prevent adverse events by involving both its own staff and external contractors. The campaign was launched in 2020 and continued and extended in subsequent years to cover 14 Versalis sites. As part of this, a working group was set up in 2023 to issue a detailed guide to the 10 PSTs.

THE 10 PROCESS SAFETY FUNDAMENTALS

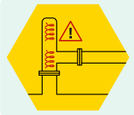


PSF #1
Verify process line-up condition before start-up

PSF #6
Stay within operating limits

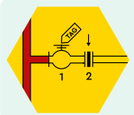
PSF #2
Verify connections tightness before returning to service

PSF #7
Monitor open draining operations



PSF #3
Report & take interim mitigating measures for impaired SECEs

PSF #8
Control loading & uploading operations of hazardous fluids



PSF #4
Provide safe isolation before starting a maintenance jog

PSF #9
Empty & de-energize process equipmente before opening

PSF #5
Operate override and bypass of safeguards only with autorization

PSF #10
Report & manage any loss of containment on site

13 Technological accidents, such as fires, explosions and toxic releases that may occur within industrial complexes and along power grids, pipelines, etc. following natural disasters.
14 A sequence of significant, even unrelated, events, causally linked and involving, due to exceeding damage threshold values, facilities at different sites (external domino effect, i.e. inter-site), producing direct or indirect, immediate or delayed effects.

Product Stewardship means protecting all stakeholders, promoting safe product use for people and the environment

PRODUCT STEWARDSHIP

In Versalis' corporate strategy, care and protection of people, processes and the environment also extend to product safety.

Product Stewardship plays a key role, guaranteeing the responsible care of products throughout their life cycle and protecting all stakeholders.
The promotion of safe product use is ensured by a communication strategy involving the entire supply chain. In addition, in-depth risk assessment of uses provides timely guidance on safer use for people and the environment.

GOALS

- Manage product safety, considering the main applications for which they are designed;
- Consider safety elements at all stages of the product life cycle (from production to transport, use to disposal);
- Ensure product compliance with constantly-evolving legislation in countries of destination;
- Improve product application efficiently and effectively along the entire value chain;
- Evaluate the updating of materials, in coordination with other functions, for a continuous search for possible alternatives.

METHODOLOGIES

- Support all stakeholders, both internal and external, by providing compliance information throughout the entire production cycle: from raw materials to INTERMEDIATES and the finished product;
- Define communication flows that are clear and structured;
- Organise training activities for all stakeholders, both internal and external, aimed at promoting best practices to ensure safe use of product;
- Promote knowledge and skills regarding chemical management to develop greater awareness of the risks to human health and the environment.

As part of product stewardship, Versalis has implemented specific IT tools to monitor chemicals of concern, facilitating the identification of critical issues, in terms of both applying legislation (for example, REACH[15] Regulation) and safety (for example substances classified according to their hazardous properties, so-called Substances of Concern - SOC).
In addition, to ensure sound management of chemicals, Versalis has set up a centralised task force comprising representatives of the corporate functions involved: the aim is to ensure it tracks constantly-evolving regulations, both European and non-European, so as to anticipate developments and ensure the market can always rely on up-to-date products.

15 Regulation (EC) No. 1907/2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH).

ASSET INTEGRITY

The organisation and control of assets at Versalis is done through a well-structured ASSET INTEGRITY Management System. This term refers to an asset's ability to perform its function effectively and efficiently with the aim of guaranteeing the safety of people, greater environmental protection and the preservation of the company's reputation throughout the asset's entire life cycle. This process starts right from the initial stages of asset design and management, which consider the operational needs of the asset and continues throughout its operational life. Assets, characterised by their long life, are subject to continuous improvement to keep them aligned with the best available technologies: in cases of structural and substantial changes, ASSET INTEGRITY is managed through a rigorous change management policy. Process management is also ensured using IT tools that monitor crucial indicators.
During the year, the audit programme – which is carried out annually – was conducted on Versalis[16] sites, both in Italy and abroad, aimed at monitoring the proper functioning of the management system and identifying strengths and possible areas for improvement. A plan was launched to strengthen the ASSET INTEGRITY Management System at the Dunkirk site.
The security of industrial processes also includes measures to mitigate the risk of cyber-attacks that could have consequences not only on security, but also on the environment, corporate reputation, and not least, cause potential economic losses. In this sense, the enhancement of the management of Industrial Control Systems (ICS) launched in 2020 continues, with a focus on this aspect. Specifically, the programme, which envisaged the progressive involvement of all Italian and foreign production sites, involved the Crescentino, Grangemouth and Dunastyr sites in 2023, completing the perimeter of the Versalis industrial sites for which the risk assessment was carried out. As a result of this assessment, an action plan was defined to implement, where necessary, remedial solutions planned largely by 2025.

In 2023, annual auditing was once again performed at Versalis sites to verify proper operation of the Asset Integrity Management System

Focus on

Scheduled downtime for maintenance and new investments

CONTEXT: all plants are subject to progressive, natural deterioration that can affect performance as far as both operating efficiency and the environment are concerned. For this reason, regular downtime is scheduled, during which the maintenance needed to restore efficiency is performed. During 2023, scheduled shutdown maintenance was performed at various Versalis facilities.

ACTIVITIES ABROAD: the Oberhausen site, the maintenance activities carried out involved a production line and, at the same time, technological improvement investments were also made to improve the efficiency of some process phases.

ACTIVITIES IN ITALY: maintenance activities in Italy concerned the general shutdown of the Ferrara ELASTOMER production plant.

16 Steps are being taken to include Finproject and Novamont sites in the auditing programme.

Case Study

Energy Evolution Full Potential maintenance model

CONTEXT: in 2023 Versalis started implementing the initiatives of the Energy Evolution Full Potential Programme - New Maintenance Model, defined in 2022 together with the other Eni Energy Evolution business lines.

OBJECTIVE: the objective of the project is the optimisation and standardisation of processes related to plant maintenance and technical materials inventory management.

ACTIVITIES: the initiatives were launched in 2023 and involved about one hundred resources belonging to the Energy Evolution technical lines at headquarters and site level.
Regarding the adoption of new digital technologies, initiatives were launched to optimise and automate processes using barcode technology for warehouse management and the use of artificial intelligence (so-called machine learning) for asset management and maintenance.
At the same time, from an organisational point of view, the skills required by the new professional maintenance model were identified.
Lastly, activities were launched to simplify procurement strategies both in the area of services (revision of specifications and price lists for the main maintenance disciplines; new strategy for the management of general shutdown contracts) and for technical materials (smart procurement).

PEOPLE'S HEALTH

Through the definition and planning of health surveillance and ASSISTANCE initiatives, Versalis manages all activities aimed at protecting the health of its people, also guaranteeing effective management of health emergencies. In addition, the Company carries out awareness campaigns, both in Italy and abroad, on the importance of prevention and the adoption of a healthy lifestyle, in line with Eni's corporate body of regulations.

NUMBER OF HEALTHCARE SERVICES PROVIDED

Healthcare

Versalis intends to ensure a workplace that is attentive to the health of workers, guaranteeing an adequate level of HEALTHCARE that takes into account the peculiarities of the Country of operation. In particular, the aim is to promote and disseminate a HEALTHCARE model based on the healthcare systems of the Countries of reference and which effectively integrates them in order to develop a comprehensive HEALTHCARE model capable of responding to different needs.
In order to inform and involve employees in the Company's HEALTHCARE initiatives, targeted information and engagement campaigns are organised every year. For example, as part of the "più Salute" HEALTHCARE programme, aimed at all Eni Group employees in Italy and already active for several years, an information day at the Ravenna site was organised in October 2023. The day was dedicated to personnel at the Ravenna site and had the objective of raising awareness of the opportunities offered by the service and involving all employees, also giving them the chance to interact directly with their colleagues at headquarters.

Health monitoring programmes

Versalis runs a HEALTH SURVEILLANCE scheme for employees, considering workplace, professional risk factors and nature of the job performed, thus ensuring protection of their health and safety and fitness for the assigned task. In Italy, HEALTH SURVEILLANCE is managed using a computerised occupational medicine and industrial hygiene system. The results of these activities are analysed and managed in order to prepare health documentation, as well as for possible sharing with the bodies envisaged by current legislation.
In addition to these initiatives, always with a view to protecting people's health, there are also occupational medicine and industrial hygiene projects. In 2023, 2,991 occupational hygiene investigations were carried out, of which 80% were for chemical and carcinogenic agents, 13% biological agents, 5% physical agents, 1% ergonomic and office environment assessments, 1% microclimate and lighting. In addition, laboratory examinations included approximately 15,000 monitoring of biological indicators (IBEs[17]). Once again this year, the exposure levels detected confirm values below the reference limits for occupational exposure and, with reference to the biological indicators of exposure, are almost superimposable on those of the non-exposed general population.
The main industrial hygiene initiatives conducted during the year include:

- The completion and sharing with the employer lines, of a method for the statistical analysis of exposure data, pursuant to the UNI EN 689:2019 standard;
- the conclusion, at the Porto Marghera site, of the experimentation of techniques for sanitising the air of indoor work environments, and the related installation and implementation of such a system;
- the connection of the internal database to the INAIL[18] portal for direct transmission of exposure to carcinogens registers.

123,229 health surveillance and healthcare services provided in 2023

Health promotion

Health promotion schemes aim to go beyond statutory minimum healthcare standards like, for example, primary and secondary prevention schemes.

13,257 enrolments in **116** health promotion schemes during 2023

Programmes to promote a healthy lifestyle, prevention campaigns for cancer (e.g. Early Detection Plan), cardiovascular and thyroid disease, including specific screening to assess various health risks.

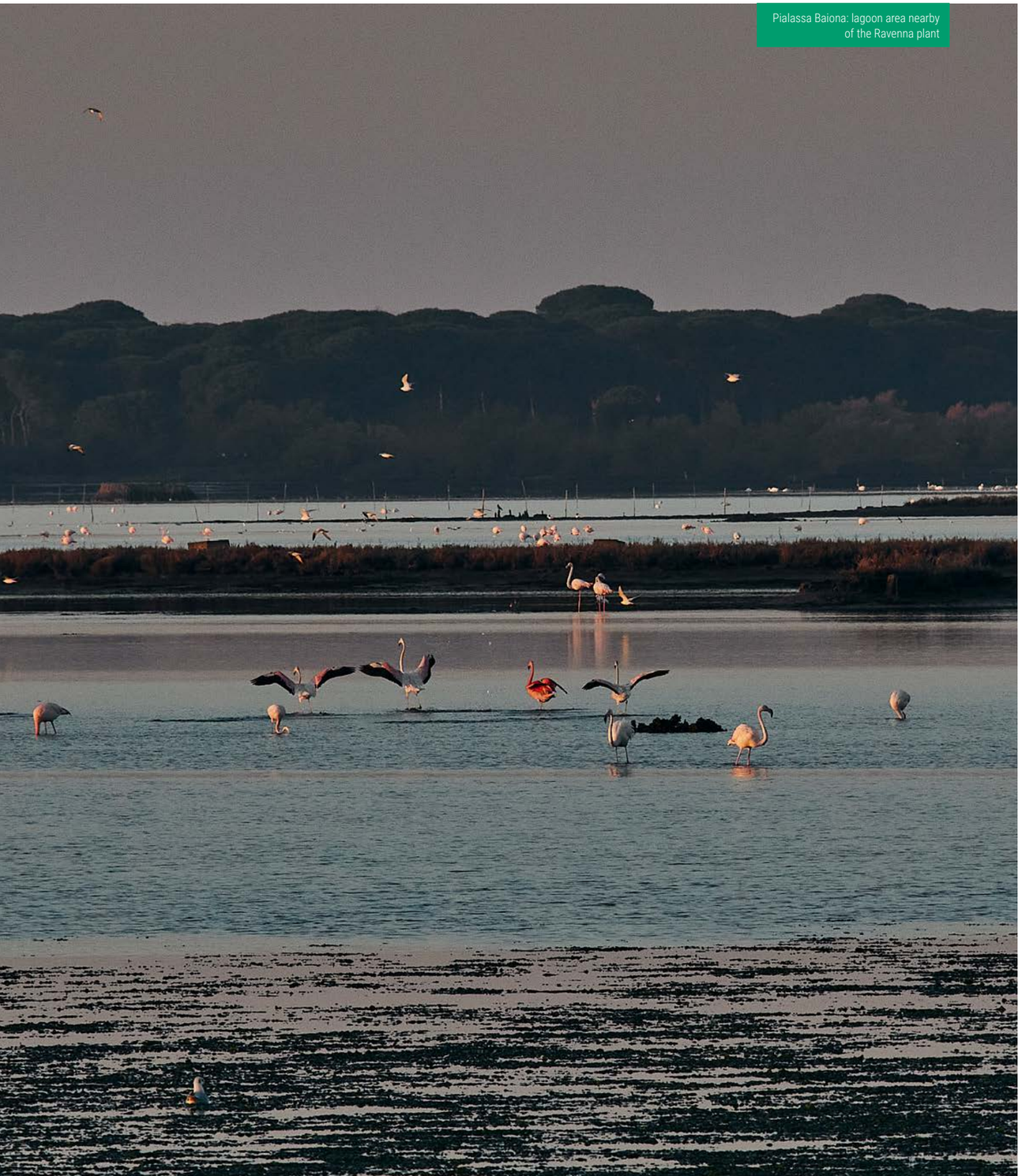
Employee awareness campaigns to stress the importance of flu vaccination and facilitate its administration.

Screening to assess staff tetanus immunisation coverage. Vaccination campaigns where coverage is insufficient.

Information campaigns on Covid-19 and the importance of vaccination.

Vitamin D blood tests in the working population.

17 The BEI determinant can be the chemical itself and/or its metabolite measured in biological fluids in order to assess the worker's actual uptake.
18 Istituto Nazionale Assicurazione Infortuni sul Lavoro.



Pialassa Baiona: lagoon area nearby of the Ravenna plant

ENVIRONMENT

Air quality

Versalis constantly monitors air pollutant emissions, including emissions of odorous substances that may have impacts on local communities, with a commitment to continuously improve environmental performance. Monitoring and management of these emissions follow Eni's strict model of corporate policy and regulatory tools. During 2023, Versalis activities generated the emission of 1.39 thousand tonnes of NO_2eq., showing a decrease of 16% compared to the previous year, and 0.05 thousand tonnes of SO_2eq., in line with the figure recorded in 2022. The decrease in missions of local pollutants (nitrogen oxides, sulphur oxides, etc.) is mainly attributable to the operational shutdowns of the Porto Marghera site and the steam-cracker at the Dunkirk site, as well as the shutdown of one of the Mantua plants.

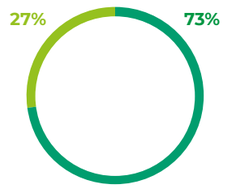
INITIATIVES TO IMPROVE AIR QUALITY AND HEALTH IMPACT ON LOCAL COMMUNITIES

LEAK DETECTION AND REPAIR PROGRAMME	The Leak Detection and Repair (LDAR) programmes implemented by Versalis make it possible to optimise maintenance operations on plants, ensuring that they are carried out in a timely manner. In particular, the collection of detailed information makes it possible not only to define intervention thresholds, but also to take targeted action on the causes that generate malfunctions. Efficient maintenance interventions are essential in order to reduce environmental impacts and optimise the use of raw materials.
SITE-SPECIFIC MONITORING PROTOCOLS OF ODOROUS SUBSTANCES	In partnership with the Polytechnic of Milan, Versalis implements specific protocols for monitoring odorous substances, adapted to the characteristics of each site. These protocols make it possible to accurately assess impacts on sensitive receptors, identifying effective and timely containment measures.

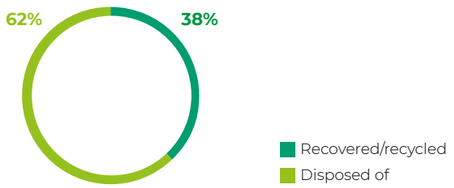
Waste management

The waste produced by Versalis can be divided into waste from production activities and waste from remediation activities. The former are related to the production of goods and the operation of plants, while the latter are generated by reclamation activities which, by their nature, produce waste such as soil and rocks from excavation or groundwater, scraps from demolition activities, other excavation debris and/or sludge, oils and waste from equipment reclamation.
Versalis has commissioned Eni Rewind to manage the waste generated at its Italian sites; for the management of registers, forms and, in general, the detailed data of individual movements required by regulations, the Company has implemented the transversal management software in use throughout Eni. The latter makes it possible to obtain customised reporting on the monitoring of waste production.
In 2023, Versalis produced approximately 98.8 thousand tonnes of waste (-9% compared to 2022), of which approximately 54% was attributable to production activities and the remaining 46% to remediation activities.
In line with its circular economy strategy, the Company has been committed since 2015 to a process of continuous improvement of the share of waste generated in the context of production activities, sent for recovery and/or recycled. Specifically, during the year, about 73% of the total waste total production was destined for recovery and/or recycling (vs. 79% in 2022). Although overall production in 2023 is lower than in 2022, the share of waste sent for recovery in 2023 is lower than in 2022 due to the lower contribution of the Mantua site (a plant that weighs more in terms of both waste produced and recovered).

WASTE FROM PRODUCTION ACTIVITIES (%)



WASTE FROM REMEDIATION ACTIVITIES (%)



Water resource management

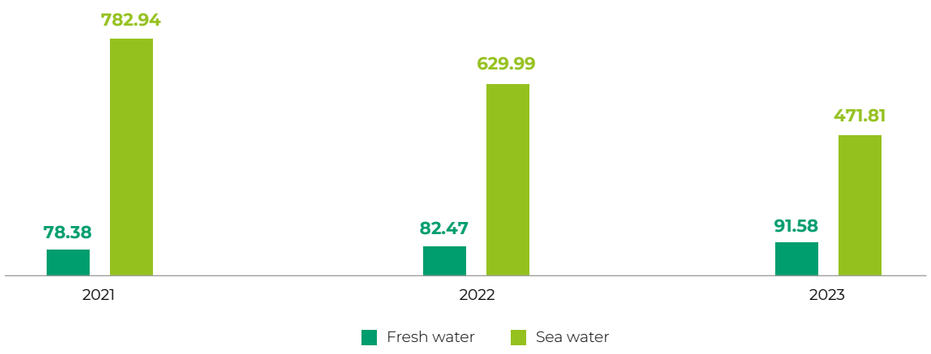
The current global context is characterised by increasing pressure on water resources; with this in mind, Versalis has been continuously searching for new ways of using water more responsibly and solutions for its conservation. In the process, the Company uses both fresh water – supplied from surface sources, wells and/or aqueducts/tankers – and sea water – in the case of plants located near the coast. Alongside these sources, Versalis also receives steam or demineralised water supplied by third-party companies, Eni Group companies and external companies co-located in the production plants.

In 2023, Versalis withdrew approximately 563 million m^3 of water (-21% vs. 2022). Of the latter, 84% was seawater while the remainder was freshwater. During the year, sea water withdrawals decreased compared to the previous year, consistent with maintenance shutdowns at the Porto Marghera and Porto Torres sites. Freshwater withdrawals, on the other hand, increased compared to 2022, mainly due to activities in Mantua.

The Company sites are subject to environmental authorisations, so the quality of water discharges is constantly monitored in compliance with the authorisations issued to them. During 2023, approximately 86% of discharges were released into the sea and the remainder into surface water and the sewerage system.

With reference to demineralised water, it should be noted that in Priolo during the year, 26% of requirements were met through the use of water recovered from the aquifer; specifically, this is suitably pre-treated by Eni Rewind and fed by a third-party company co-located on the site to a demineralised water production plant. This water treatment plant was accompanied by the construction of a collector to send the treated water to the sea[19]. A further example of water recovery and saving takes place at the Porto Torres plant: here the demineralised water production plant is fed by groundwater, previously treated in the Eni Rewind plants, and supplemented, if necessary, with industrial water. Thanks to this process, in 2023 the demineralised water withdrawal at Porto Torres amounted to around 85% of the site's consumption.

WATER WITHDRAWAL (millions of m^3)



19 Parameters below the limits for discharge into marine surface waters of Table 3 of Annex 5 to Legislative Decree No. 152/06 (Consolidated Environmental Act).

Biodiversity

Versalis adopts Eni's Biodiversity and Ecosystem Services (BES) Management Model and the ▶ BES Policy with the aim of avoiding or minimising the impact of its activities on nature. The model uses a risk-based approach that aims to ensure that relationships existing between environmental aspects (such as biodiversity, ecosystem services, climate change and water management) and social issues are identified and managed throughout the entire life cycle of a project. The biodiversity risk exposure of its portfolio is regularly assessed by mapping operational sites against their geographical proximity to protected areas and key biodiversity areas (KBAs). The results of the screening identify priority sites with a potential risk of biodiversity loss on which to perform in-depth analyses of the operational and environmental context and identify potential impacts. When significant residual impacts are assessed, these are managed and monitored using specific action plans (BAP - Biodiversity Action Plan). The biodiversity impact management model is based upon application of the Mitigation Hierarchy, through which priority is given to preventive actions over corrective ones, with the primary objective of avoiding net loss of biodiversity (no net loss) and, where possible, improve its condition (net gain), depending on the risks and the specific project context.

Specimens of fallow deer at the management building of the Ravenna site

Circular economy

Why is it important to Versalis?

We are committed, along with important evolutions of the European regulatory landscape, to the continuous development of new solutions, expanding, for example, the polymer grades available in the Versalis Revive® range, with recycled content. To achieve fully circularity of the supply chain, we believe it is essential to have continuous collaboration with all the stakeholders in the supply chain, a commitment to optimising the use of resources and the search for new market opportunities, even in new applications.

FRANCO MEROPIALI HEAD OF POLYMER BUSINESS UNIT

Why is it important to Versalis?

Applying a circular model to the whole life cycle of plastics means extracting value from this material even once it has become waste. In this context, recycling takes the leading role, as it allows these materials to be diverted from disposal and reintroduced into the production cycle. Versalis has been on this path for several years now: building a business model based on circular economy focuses on the development of innovative technologies for polymer recycling – through complementary mechanical and chemical processes – and on the use of alternative feedstocks within the supply chain.

ALBERTO NAVARRETTA HEAD OF CHEMICAL BUSINESS UNIT

For more information

POLICY/POSITIONING/OTHER DOCUMENTS

▶ Social accountability management system complying with SA8000; ▶ Eni Code of Ethics; ▶ Management practices for PSV (Plastic Second Life) product certification; ▶ Management practices for International Sustainability & Carbon Certification of manufacturing sites (ISCC PLUS and ISCC EU); ▶ Management practices for GRS Global Recycled Standard Certification (Finproject)

OUR CIRCULAR ECONOMY PATHWAY

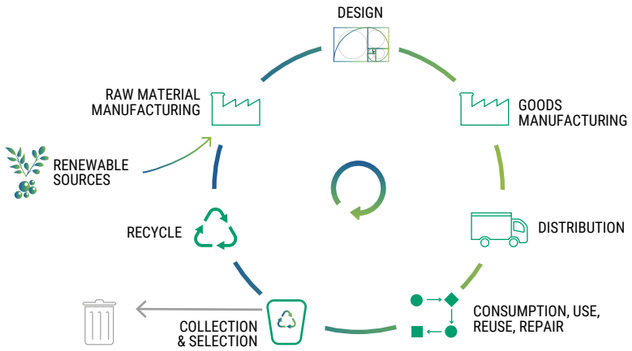
The circular economy plays an essential role in Versalis transition strategy. The company invests in the development of innovative solutions for INTERMEDIATES, chemicals, plastics, rubber, biochemicals and bioplastics in order to boost the creation of an increasingly circular and sustainable feedstock market.

More specifically, Versalis is developing complementary recycling technologies and uses alternative feedstocks to create increasingly low carbon and sustainable products. Furthermore, Versalis supports the circular transition with research projects aimed at developing technology platforms and partnerships with various stakeholders, strengthening the commitment to diversify its portfolio.
In its transformation pathway towards an increasingly sustainable and specialised chemistry, Versalis considers every stage of the life cycle including diversification of resources with alternatives that preserve those that are virgin and depletable; with this in mind, it is committed to production-process optimisation and ongoing technological development, developing POLYMER recycling technology and delivering increasingly innovative and sustainable solutions to downstream users.

CIRCULAR VALUE CHAIN

Versalis operates over the entire polymer life cycle, related to:
- feedstock diversification and optimization of resources
- recycling technologies

THE CREATION OF COLLABORATIONS AND PARTNERSHIPS ALONG THE VALUE CHAIN IS THE MOST EFFECTIVE WAY TO ADDRESS THE CHALLENGES TOWARDS A MORE SUSTAINABLE TRANSITION AND TO ACHIEVE THE AMBITIOUS DECARBONISATION TARGETS



Interview

Plastic packaging collection, recovery and recycling

GIOVANNI BELLOMI
General Manager
▶ COREPLA

Who is COREPLA?

COREPLA is a National Consortium for the Collection, Recycling and Recovery of Plastic Packaging, a non-profit organisation that brings together Companies of the packaging value chain. Through its activity, it is committed to ensuring that packaging collected separately are sent for recycling and recovery with efficiency, effectiveness and affordability: although it is a private consortium, its purpose is in the public interest with a view to shared responsibility between companies, public administration and citizens.

What are the recycling figures for Italy?

COREPLA celebrates its 25th anniversary in 2023 and in this quarter of a century has witnessed and been part of the change in the plastic packaging collection, which now counts the participation of 99% of citizens and 97% of Italian municipalities. In these 25 years, in fact, the collection of plastic packaging has increased from 114,000 tonnes to 1,500,000 tonnes (+1,216%). As regards materials sent for recycling, Italy went from 228,000 tonnes to over 1,050,000 tonnes: a brilliant result of a capillary network that currently counts 32 sorting facilities and 84 recycling plants. Italy claims a system of excellence at European level, for the separate packaging collection and recycling, and a complex industrial supply chain that delivers great results.

What will be the future challenges in recycling?

As part of its activities, the Consortium will continue to increase citizens awareness providing them timely information to foster the daily practice of recycling and continue to improve the quality of collection. However, the most important challenge is to keep working together with the whole supply chain to organise an increasingly efficient and effective network with the aim of further consolidating the excellence of the Italian model. It's through collaboration with players like Versalis that we are able to study and implement practical and effective circular solutions.

FEEDSTOCK DIVERSIFICATION AND RESOURCE OPTIMISATION

Versalis is committed to seeking new opportunities for feedstock diversification by using raw materials from renewable sources, such as biomass, and secondary raw materials. More specifically, for the use of raw materials from renewable sources, Versalis implements integrated technology platforms also creating synergies between its own and Eni Group projects.

During 2023, Versalis acquired the entire share capital of Novamont, in which it already held a 36% stake, strengthening its relation with the world's leading – fully or partially – bio-based plastics manufacturer and developer of chemicals and products by promoting an increasingly circular and sustainable economy (Chemicals from renewable raw materials).

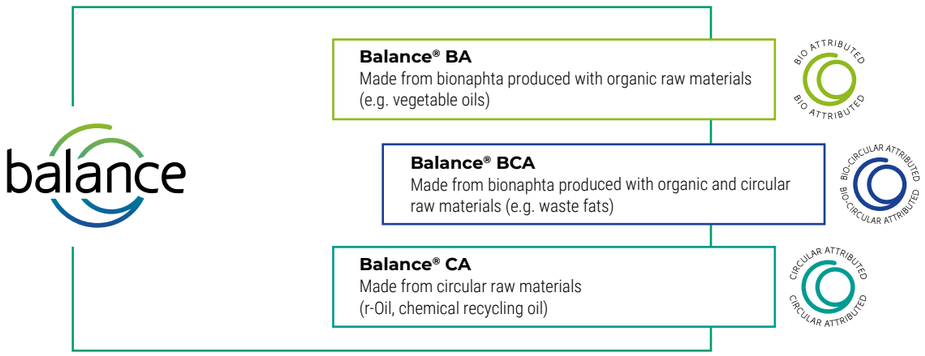
Furthermore, with its Balance® range, Versalis has developed a range of products made from raw materials from chemically recycled biomass, which are used alongside with traditional raw materials as feedstock to the plants. The range comprises bio-attributed (BA) and bio-circular attributed (BCA) products obtained from bionaphtha and circular-attributed (CA) when the secondary raw material originates from chemical recycling of mixed plastic waste. The availability of bionaphtha stems from the merger with Eni that has converted two refineries in Porto Marghera and Gela to biorefineries, ensuring a supply of more sustainable feedstock originating from vegetable oil (BA), used cooking oil or other types of organic waste (BCA).

The products in this range are ISCC PLUS (International Sustainability & Carbon Certification) certified, a certification scheme that ensures sustainability and traceability of feedstock using the Mass Balance approach. Finally, to supplement this certification, Voluntary Add-on 205-01, GHG emission requirements has been obtained for Versalis chemical, POLYMER and rubber manufacturing sites in order to assess greenhouse gas emissions released by the supply chain for the production of Balance® grades. The method of calculation, audited by an independent third party, enables assessment of greenhouse gas emissions for Balance® products released by the entire value chain right up to the Versalis gate.

ISCC PLUS certification has also been renewed at 3 Italian sites and 4 European and non-European sites belonging to Finproject for the production of COMPOUNDS and items obtained from alternative raw materials thanks to the Mass Balance approach.

With its Versalis Revive® range, the company has developed products with different base polymers containing secondary feedstock obtained from mechanical recycling, including: compact and expandable polystyrene, polyethylene and ELASTOMERS that can be used in numerous high-end sectors and applications. Recycled-content within the products is PSV (Plastica Seconda Vita) certified: in 2023, the planned certification renewal audits were carried out and the number of certified products was further increased.

FEEDSTOCK DIVERSIFICATION



RECYCLING TECHNOLOGY

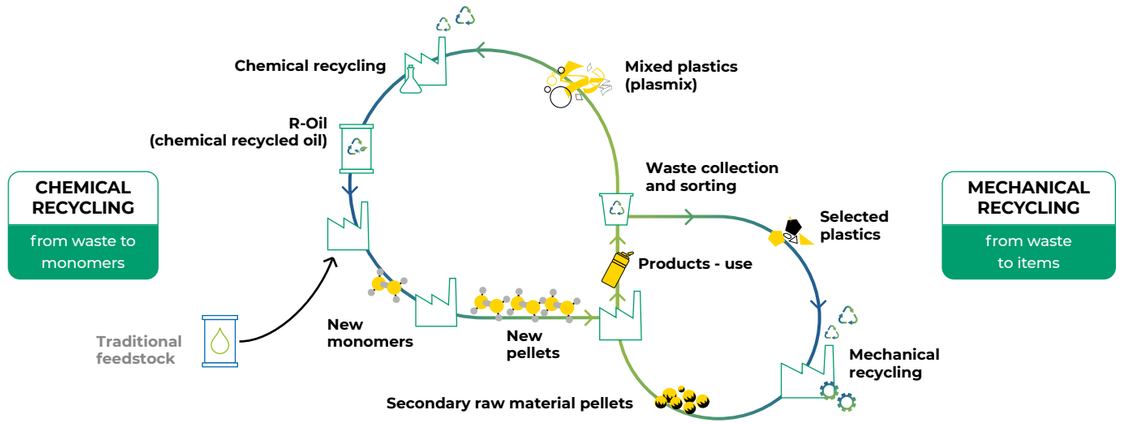
JT

Through research activity and partnership with value-chain players, Versalis is committed to developing advanced mechanical and chemical recycling technology for plastics and rubbers.

- **Mechanical recycling** to recover pre-sorted plastic waste is the most established technology in Italy and around the world thanks to the presence of developed collection and pretreatment facilities developed over time. This kind of technology does not alter the nature of the material that can then be directly reused to make new products, usually mixed with virgin POLYMERS;
- **Chemical recycling** comprises different types of recovery technology where plastic waste is decomposed by chemical processes into new feedstock. The properties and quality of the feedstock obtained from these processes are identical to those of virgin raw materials. One of the benefits of these types of technology is that they can process plastic waste streams for which mechanical recycling is unfeasible or inefficient. In this way it is possible to recover resources that today, in the absence of these technologies, are sent to waste-to-energy.

As regards mechanical recycling, continues the realization in the Porto Marghera industrial facility of the hub for the advanced mechanical recycling selected plastic waste obtained from the collection of differentiated waste. Secondary feedstocks can also be used in high-value applications, such as food packaging, and will enable Versalis to expand the portfolio of the Revive® range.

Alongside and in a complementary manner to advanced mechanical recycling, Versalis is working on the development of chemical recycling. To this end, in 2023, the Company began the construction in Mantova of its first demonstration plant employing Hoop® technology for chemical recycling of mixed plastic waste.



Focus on

Transformation of the Porto Marghera site

JT

CONTEXT: as part of the ongoing decarbonisation process and in line with Eni strategy, Versalis continues with the transformation of its industrial site in Porto Marghera.

ACTIVITY: through the agreement with Forever Plast[20], integrating the previous agreement with Ecoplastic[21], continues the building of the first hub for advanced mechanical recycling of post-consumer plastics for the production of grades belonging to the Versalis Revive® range.
This conversion will also be supported by important employee reskilling schemes through technical training activities that will enhance and enrich the professional know-how.

OBJECTIVE: the objective is, on the one hand, to accelerate the development of increasingly circular chemistry and, on the other hand, to reduce the Company's carbon footprint: indeed, following conversion, it will be possible to avoid CO_2 emissions of more than 600,000 tonnes per annum.

20 Forever Plast, an Italian company and European leader in the recycling of post-consumer plastics.
21 Ecoplastic, an Italian company belonging to the De Berg Group specialising in the recovery, recycling and conversion of styrenic polymers.

versalis revive®

PLASTICS	RECYCLED CONTENT	MAIN APPLICATIONS
VERSALIS REVIVE® PE	Up to 100%	Film, packaging, agriculture
VERSALIS REVIVE® PS	Up to 100%	Thermal insulation, food and non-food packaging, household articles
VERSALIS REVIVE® EPS	Up to 80%	Insulation panels, protective packaging for furniture and appliances
ELASTOMERS		
VERSALIS REVIVE® ESBR	Up to 17%	Production of tyres, footwear, sheets, paving, pre-cured treads, conveyor belts
VERSALIS REVIVE® DVC	100%	Different grades for different applications

ALL VERSALIS REVIVE® PE, PS AND EPS PRODUCTS ARE CERTIFIED SECOND LIFE PLASTIC (PSV)

PRODUCT SUSTAINABILITY

With an ever-changing portfolio characterised by improved performance in terms of renewability, circularity and low carbon footprint, product sustainability management plays an increasingly crucial role. More specifically, product sustainability refers to those activities designed to, on the one hand, assist value-chain stakeholders so that they use products in compliance with the highest standards, and on the other hand, to manage and reduce a product's environmental impact throughout its entire life cycle.

In this regard, Versalis has been working with the aim of developing a solid product certification system (such as ▶ Plastica Seconda Vita and International Sustainability and ▶ Carbon Certification ISCC) enabling it to offer its customers a transparent system for traceability of raw materials and their specifications.
Furthermore, LIFE CYCLE ASSESSMENT (LCA) is a key tool to measure and reduce a product's impact. It is therefore useful in the design phase and also to be able to communicate in a clear and transparent manner the performance of products. In fact, such a tool makes it possible to analyse some environmental impacts of products and processes by considering all stages of their life cycle: from extraction of raw materials to product use and disposal. In-house LCAs conducted, in accordance with leading international standards, are then subjected to the critical review of an independent, external certification body. LCAs certified in this manner are therefore an effective tool, both for disclosing the performance of products and during innovative-product design and research. Currently, more than 73.6%[23] of the volume of Versalis products placed on the market are covered by an LCA.

Focus on

Versalis begins the construction of the demo plant for chemical recycling using Hoop® technology

"Hoop® represents an important step in Versalis' strategy to develop chemical recycling, because by offering a complementary approach to mechanical recycling, it contributes to the goal of full circularity of all plastics. The project represents a significant boost for the complete valorisation of plastic waste, which, once transformed into new raw material, will contribute to achieving the recycling targets defined by the European Commission, also at national level".

MARCO RIVA
Plant Manager Versalis Mantua

CONTEXT: Hoop® is the result of a joint development project with the Italian company Servizio di Ricerca e Sviluppo (SRS), owner of pyrolysis technology that was later further developed in Versalis laboratories. Hoop® technology is designed to convert mixed plastic into feedstock to produce new polymers, serving as a complement to mechanical recycling. The result of this technology enables the manufacture of chemicals, plastics and rubbers belonging to the Balance© CA range, having the same characteristics as virgin products and suitable for high-value applications such as food contact and pharma.

Funded by the European Union
Emissions Trading System Innovation Fund

The contents of this publication are the sole responsibility of Versalis and do not necessarily reflect the opinion of the European Union.

ACTIVITY: in 2023 the construction began at the Mantua facility of the demonstration plant based on Hoop® proprietary technology that will have an input capacity of 6,000 metric tons per year with the goal of a subsequent and progressive scale transition.
The development of the project for chemical recycling of plastics with Hoop® technology is strategic for achieving full circularity of plastics and its relevance has also been recognized at the European level: was, in fact, the only project to be awarded for the "large-scale" category against 239 projects submitted and 41 total winners of the Third Call for 2023 under the EU Innovation Fund[22] a European fund dedicated to innovative low carbon technologies.

Focus on

Starting the LCA of the HOOP® demonstration plant

In 2023, a cradle-to-gate LIFE CYCLE ASSESSMENT (LCA) began of the demonstration plant based on Hoop® proprietary technology, in compliance with international standards ISO 14040 and ISO 14044. Cradle-to-gate means an LCA of a product from the raw material extraction phase, until it is manufactured and leaves the Versalis factory gate. The analysis will be completed in 2024 with subsequent assessment by an external, independent certification body.

First stone Hoop® implant

22 22 Funded by the European Union.

23 The calculation includes Finproject compound sales.

ALLIANCES AND PARTNERSHIPS FOR THE CIRCULAR ECONOMY AND POLYMER RECYCLING

Versalis is an active member of the major national and international circular-economy associations, alliances and platforms. Thanks to the discussion and consultation among various players sharing the same objectives, it is possible to develop circular projects, in-depth activities and dissemination in order to spread greater awareness among stakeholders on the topic of circular economy. In this way, it is possible to create partnerships, opportunities for growth and networking with finest technical and scientific experts.

VERSALIS' MAIN PARTICIPATION IN INTERNATIONAL PROGRAMMES, ALLIANCES AND PLATFORMS

omec (Organisation Méditerranéenne de l'Energie et du Climat)

Platform for dialogue, cooperation and confrontation in the **Mediterranean** area of the energy industry, operating in the fields of:
- Energy transition, sustainability and climate change;
- investment needs and financing of infrastructure;
- hydrocarbons and energy security;
- international strategy and cooperation.

ACTIVE AT MEDITERRANEAN LEVEL

ALLIANCE TO END PLASTIC WASTE

Non-profit organization focused on improving the capacity for waste management and collection, sorting, treatment and recycling, particulary of marine litter.

GLOBALLY ACTIVE

European Commission – CIRCULAR PLASTICS ALLIANCE

Alliance promoted by the European Commission, it encourages plastic recycling and the development of the market for secondary raw materials, with the aim of reacing **10 million** tonnes of recycled plastics returned into the European market **by 2025**.

ACTIVE AT EUROPEAN LEVEL

ICESP

Italian platform of actors for the Circular Economy (**ICESP**) aims to create a single national voice to promote the italian way of doing circular economy in Europe.

ACTIVE AT EUROPEAN LEVEL

MAIN PARTICIPATION IN INDUSTRY ASSOCIATIONS AT EUROPEAN LEVEL

cefic

European Chemical Industry Council, founded in 1972, is the forum of large, medium and small chemical companies across Europe, which provide 1.2 million jobs and account for approximately about 14% of world chemical production.

PLASTICS EUROPE

Pan-European association of plastics manufacturers with offices across Europe. With close to 100 members producing over 90% of all polymers across Europe, it is the catalyst for the industry with a responsibility to openly engage with stakeholders and deliver solutions which are safe, circular and sustainable.

vinyl plus – COMMITTED TO SUSTAINABLE DEVELOPMENT

Association committed to driving the European PVC value chain towards an increasingly circular and sustainable economy.

eumeps

Association of European Manufacturers of Expanded Polystyrene (EUMEPS) is the voice of the expanded polystyrene (EPS) industry in Europe. Its members cover the entire EPS value chain, from raw material suppliers to EPS converter and recyclers as well as supporting industries including machinery and additive suppliers.

PCEP POLYOLEFIN Circular Economy Platform – **Styrenics Circular Solutions**

Dialogue platforms, the first for polyolefins and the second for styrenics.
Polyolefins Circular Economy Platform (PCEP) and Styrenics Circular Solution (SCS).

In recent years, there has also been a rise in the number of events, including, but not limited to, trade shows, that see the circular economy at the centre of the topics discussed. In this context, Versalis meets with stakeholders, by attending events as a speaker with an active role in the activities and workshops that take place during such events. It is therefore possible to seize these important opportunities to engage with different stakeholders and promote cross-cuttingly the principles and culture of circularity. Below are some examples.

MAIN PARTICIPATIONS IN TRADE FAIRS

ECOMONDO – The green technology expo.

International trade fair of reference in Europe and the Mediterranean basin for technologies, services and industrial solution in the Green and Circular Economy sector.

Highlights:
participation in **thematic conferences**. Among them, some on the **topics of circularity and its measurement**, and others, in synergy with Enilive, on the future of HVO in the **development of chemistry from renewable raw materials**.

ROME Maker Faire – THE EUROPEAN EDITION

Annual trade fair dedicated to innovation, technology and creativity.

Highlights:
organization of **experiential activities** dedicated to an audience of very young people, and thanks to the live intervention with prof. Vincenzo Schettini (La fisica che ci piace), Versalis was able to highlight the advantages of recycling plastics **starting from the daily gestures of correct waste collection**.

plasti – PLASTONLINE.ORG

International exhibition for the plastics and rubber industry.

Highlights:
presentation of **R-Hybrid**, the first vending machine cup with recycled polystyrene.

MAIN PARTICIPATIONS IN EVENTS

COP28 UAE

COP28 UAE - Conference of the parties - 28th United Nation conference on climate change

Highlights:
presentation of a **project proposal** to be developed in Tunisia, in partnership with Etap[a], Ademe[b] and Omec, on **improving the waste management system of high-density polyethylene**.

Joule – LA SCUOLA DI ENI PER L'IMPRESA

Joule, Eni's think-thank, for the development and growth of companies in the field of sustainability

Highlights:
Versalis took part in the **process of valorising ideas** and projects with a view to energy transition and the circular economy by confronting a number of start-ups and providing its expertise.

OMC MED ENERGY CONFERENCE & EXHIBITION

Hub for the energy confront in the Mediterranean region

Highlights:
participation in the round table on **hard-to-abate sectors** and presentation of the **company's path** towards full circularity and progressive decarbonisation.

Circular Economy forum

An open-door discussion between experts, scholars, companies, start-ups and institutions on the topics of innovation and sustainability

Highlights:
participation as a speaker **to tell your own path** to circularity

GIFLEX – GRUPPO IMBALLAGGIO FLESSIBILE

Flexible packaging manufacturers' conference

Highlights:
participation as speaker to **explore the topic of advanced recycling** in support of the circular economy.

a) French ecological transition agency.
b) Tunisian national agency for waste management.

Focus on

Partnerships and cooperation along the supply chain, a strategy for increasingly low carbon, sustainable solutions

CONTEXT: from the market need for increasingly sustainable solutions, Versalis seizes the opportunity to enhance its know-how through the continuous search for collaborations and partnerships with players in the supply chain. More specifically, Versalis is actively involved in the promotion and joint development with partners of items manufactured from alternative raw materials.

ACTIVITIES: examples of these new partnerships are the ones with **Vesta**[24] and the **FLO Group**[25]. With Vesta it was designed **Duse**, a small table lamp with a minimalist design. It is made using a **Bio-Circular Attributed** product from the **Balance® range**, obtained through Mass Balance approach originated from wastes or biological wastes and characterised by a reduced carbon footprint.

Of a different nature is the partnership with the **Flo Group** to produce **R-Hybrid**. The project has made it possible to take an important step toward reducing the waste of virgin raw material, without affecting the quality of the final product. R-Hybrid is a thermoformed product designed for food-contact applications, with a **multilayer A-B-A structure**, inside of which **Versalis Revive® PS** is used in the inner layer "B", whilst in the outer layers "A", in contact with the beverages, virgin polystyrene is used to ensure a safe functional barrier.

24 Manufacturer of home furnishings and accessories with premises in the Ancona province.
25 Group with 5 tableware and food packaging manufacturing facilities in Europe and the UK.

Responsible procurement

Why is it important to Versalis?

Transition cannot be done alone and that is why we are committed, in line with Eni's strategy, to promote virtuous behaviour along our supply chain, for example in the environmental and social impacts. We actively involve the supply chain through engagement initiatives, sharing support tools and best practices. This approach fosters transparency and accountability, already promoting from the most upstream stages, compliance with ethical and environmental criteria.

ANTONIO BUONOMINI HEAD OF PROCUREMENT AND CONTRACT SERVICES

Why is it important to Versalis?

As Versalis, we are committed to constantly striving for maximum efficiency of the entire supply chain, from logistics to raw material procurement, generating maximum value from synergies with Eni. In this context, we are developing initiatives to directly involve suppliers and support them in their journey to reduce emissions.

FRANCESCO DE FRANCESCO SUPPLY CHAIN MANAGER

For more information

POLICY/POSITIONING/OTHER DOCUMENTS

▶ Eni's Code of Ethics; ▶ Supplier Code of Conduct; ▶ Respect for Human Rights in Eni; ▶ Eni's position on Conflict Minerals; ▶ Privacy and data protection; ▶ Eni's Slavery and Human Trafficking Statement; ▶ Eni for 2023 - Sustainability performance

THE VERSALIS SUPPLY CHAIN

Versalis is committed to developing its supply chain by using a procurement model whereby supplier ESG characteristics are considered at every stage, from supplier selection and assessment to tendering procedures and contractual management and feedback.

The pervasive nature of ESG in the procurement process is demonstrated by the fact that it is embedded with the principles of environmental focus, social growth, safety and economic development at every stage. With this approach, Versalis has implemented the Eni Sustainable Supply Chain Framework, a governance mechanism combining corporate objectives with regulatory requirements, leading to specific targets and action plans that protect against supply chain risks. Such framework provides across-the-board monitoring of the various sustainability dimensions, focusing on priority ESG issues that are regularly identified based on the corporate strategic plan and developments in the regulatory framework. More specifically, across-the-board monitoring involves: (i) signing by suppliers of the Supplier Code of Conduct as a mutual commitment to recognise and protect the value of all people, tackle climate change and its effects, operate with integrity and protect company assets, encouraging staff and supply chain to embrace these principles; (ii) periodic requalification and due diligence to assess ESG positioning, ethical standing, reputation, financial performance, technical and operational reliability and implementation of compliance monitoring as regards health, safety, environment, governance, cyber security and protection of human rights, whilst minimising risks along the supply chain; (iii) assignment of contracts also on the basis of ESG characteristics relevant for the subject matter of the contract (e.g. incentive schemes are in place covering both environmental aspects, such as energy efficiency or the use of renewable sources, and social aspects, such as gender equality or maintaining employment levels); (iv) periodic monitoring of the supplier's fulfilment of obligations and its behaviour through performance feedback management; (v) should critical issues emerge at any stage of the relationship, asking suppliers for improvement actions and, when failing to meet the minimum standards of acceptability, restricting or excluding their eligibility to take part in the tender process (▶ Eni for 2023 - Sustainable procurement).

Alongside across-the-board monitoring, in 2023, as regards certain ESG dimensions of significant importance to Eni (such as climate change, supply-chain governance, human rights, dignity and equality, cyber security and safety), audits and in-depth analysis of ESG Relevant Players were conducted and specific minimum bid-assessment criteria introduced, along with special standard contractual clauses, also implemented by Versalis. In order to promote more sustainable supply-chain development, Eni has also consolidated its Sustainable Supply Chain programme with schemes designed to involve suppliers and businesses in a just, more sustainable energy-transition process. To promote widespread awareness of sustainability along the entire value chain and to offer tangible solutions and business opportunities, Versalis teamed up with Eni to provide various tools designed to support suppliers. These include: the Open-es platform (tool to engage and assist businesses in increasing their degree of sustainability), free events and training schemes covering ESG issues and financial instruments to support supply-chain sustainable growth (such as the Basket Bond - Sustainable Energy Programme and the Sustainable Supply Chain Finance programme that allows suppliers to request early payment of invoices) and the possibility to use products and services on favourable terms such as the use of HVOlution biofuel in the transport sector.

On this basis, for Versalis, respecting human rights within the supply chain is an essential aspect that is protected by a procurement process based on a dedicated assessment model focusing on the risks associated with forced/compulsory labour and the right to freedom of association and collective bargaining. In order to promote awareness of the protections on human rights, many monitoring activities, remote training programmes and workshops have been organised dedicated to colleagues who deal with supplier management of foreign companies and procurement managers of these companies and their suppliers have been granted free access to the "IPIECA: Online Labour Rights training" course.

Wharf of the Brindisi factory

Human Rights

For more information

POLICY/POSITIONING/OTHER DOCUMENTS

▶ Eni's Code of Ethics; ▶ Respect for Human Rights in Eni; ▶ Whistleblowing reports received by Eni SpA and by its subsidiaries; ▶ Eni for 2023 - Sustainability performance; ▶ eni.com; ▶ Position on "Conflict Minerals"; ▶ Slavery and Human Trafficking Statement; ▶ Eni for 2022 - Human Rights

Versalis adheres to the ▶ Respect for Human Rights Policy, developed in line with the United Nations Guiding Principles on Business and Human Rights (UNGP) and OECD Guidelines for Multinational Enterprises and approved in September 2023. At Eni, the dignity of every human being is at the centre: therefore, it is committed to ensure respect for human rights indefining its responsibilities, to contribute to the well-being of people and local communities.

This commitment is also reaffirmed in the Code of Ethics of Eni, to which Versalis adheres, and supported by the commitments required to its suppliers in the Supplier Code of Conduct adopted in 2020. In addition, human rights are incorporated in policies and governance processes and is therefore guaranteed ongoing training.

ENI HUMAN RIGHTS APPROACH

GOVERNANCE AND COMMITMENT	DUE DILIGENCE	ACCESS TO REMEDY
Human rights have been incorporated into governance policies and processes, including through the structuring of appropriate training frameworks.	Eni has adopted a management system which includes a set of processes and tools to assess the most relevant issues, risks and impacts related to respect for human rights.	Eni ensures adequate management of complaints through its grievance mechanism and the whistleblowing process.

Focus on

The new "Respect for human rights in Eni" policy

CONTEXT: by implementing the Respect for human rights in Eni Policy in 2023, the Eni approach to this issue has been consolidated and its core objectives wereapproved by the Eni Board of Directors in September 2023, replacing the Eni Statement on Respect for Human Rights.

OBJECTIVE: a single, cross-functional model is specified to ensure respect for Human Rights in all corporate regulatory processes, also considering the principles contained in the Corporate Sustainability Reporting Directive and ongoing regulatory developments. The objective is to gather, in a single document, the entire body of regulations developed by Eni over time, ensuring uniformity and consistency by promoting a methodological approach to compliance.

STRUCTURE: the document highlights the priority areas where Eni conducts an in-depth Due Diligence, following a compliance approach developed in line with highest applicable international guidelines. It is arranged in two sections: the first defines the underlying principles of Eni's commitment in respecting human rights, particularly so-called "salient human rights issues" (issues that stand out when considering the company's activities and business locations), and the roles and responsibilities in relation to these principles; the second provides a detailed description of the Due Diligence model implemented. For further details ▶ Eni for 2023 - Human Rights.

Event at the Foam factory Creations in Mexico (Finproject)

Alliances for development

Why is it important to Versalis?

Versalis recognises the importance of promoting alliances for development and supporting a fair and accessible transformation path. With this aim it is committed to establishing a collaboration system with customers and local communities, based on transparency, trust and dialogue, and to developing lasting partnerships with all the players in its value chain, also contributing to the development of the territories in which it operates. It is also committed to creating job opportunities and transferring its know-how and skills to local partners.

GIOVANNI CASSUTI HEAD OF BUSINESS UNIT ADVANCED MATERIALS

Relationships with the local communities and customers

Why is it important to Versalis?

I am convinced that there can be no success, and therefore no wealth creation by a company, without sharing these values with its territory, thus contributing to strengthening the social fabric. A model that also applies to the relationship with customers, with whom the paradigm of collaboration can only accelerate the ability to create new market opportunities.

MAURIZIO VECCHIOLA FINPROJECT CHAIRMAN AND CEO

Why is it important to Versalis?

The ability to generate virtuous alliances and feed our strategy for ever greater proximity to the end market is in the furrow of technical-commercial relations, consolidated by our deep knowledge of customers and its value in the market, of the territory, and of the relevance of these in contributing to the wealth of the country. Moreover, the local dimension of a company surely represents a special interest for both the company and the workers, but also an opportunity for all-round sustainability. Our current vocation is the result of our long-standing culture, which is necessary for the construction of Versalis' evolving identity.

STEFANO FABRIS TECNOFILM CHAIRMAN AND CEO

For more information

POLICY/POSITIONING/OTHER DOCUMENTS

▶ Eni Code of Ethics; ▶ Respect for Human Rights in Eni; ▶ Alaska Indigenous Peoples; ▶ Eni for 2023 - Sustainability performance; ▶ eni.com; ▶ Seeds for Energy; ▶ Energy for Development; ▶ Energy for Education

RELATIONSHIPS WITH THE LOCAL COMMUNITIES

Versalis supports the construction of strong relations with the local communities in which it operates, promoting concrete initiatives that meet the needs of stakeholders, with the aim of exploring synergies with local operators. Understanding the context in which the Company operates and addressing the economic and social challenges of the territory are therefore essential aspects to achieve real shared local development. In this regard, in order to strengthen and consolidate relations with local stakeholders over time, Versalis also uses Eni's Stakeholder Management System (SMS) application: thanks to this tool, it is possible to map interactions with stakeholders and respond quickly and punctually to any critical issues reported (Stakeholder engagement activities). To conclude the activities launched in the previous year, in 2023 local sustainability contact persons were also appointed for Versalis sites abroad. These figures play a key role in the development of initiatives in the territories: on the one hand, they are in charge of ensuring the management of the activities related to sustainability and circular economy in the territory, while on the other they become promoters of local needs, reporting possible areas of intervention, proposing projects and initiatives to implement.

The activities pursued by Versalis in recent years to build value for communities, environment and territories include:

Focus on

Macerata Opera Festival 2023

CONTEXT: the Macerata Opera Festival is a review of the most important Italian opera performances held every year at the historic Sferisterio in Macerata, a monumental open-air theatre. The festival promotes itself internationally as an attractor for cultural tourism by relaunching the city's natural and historic attractions, also thanks to the quality of the productions and by establishing collaborations with theatres in Europe and non-European countries and with internationally acclaimed performers.

OBJECTIVE: the festival not only settles value and awareness for the territory through music, but also broadens and diversifies its audience through accessible paths and promotes the inclusion of uniqueness through targeted training projects.

ACTIVITIES: in 2023 Finproject was the main sponsor of the festival with its participation in the InclusivOpera project, coordinated since 2009 by the University of Macerata. In fact, thanks to this project, all operas are accessible to blind and visually impaired audiences with audio descriptions and audio introductions in both Italian and English. In addition, in conjunction with each opera, participatory, inclusive and multisensory paths are offered to the deaf and hard-of-hearing audience in Italian sign language (LIS), guided by young people with sensory disabilities. An assistive listening as well as surtitles in Italian and English is also offered for all festival performances. **InclusivOpera** won the Italian "Inclusione 3.0" award in March 2024 and was evaluated and included among the best practices within the European project ▶ REACH (RE-designing Access to Cultural Heritage) for wider participation in the preservation, reuse, and management of European culture. A PhD program, co-financed by the "Arena Sferisterio" association, was also launched in 2021 with the title: "Inclusive Theatres: analysis of the inclusion strategies and practices of performing arts organizations for communities and territories".

Focus on

Female empowerment activities in Ghana

CONTEXT: a further training program under the local cooperation with the Sekondi-Takoradi Diocese, launched in 2020, has been completed. During the period 2020-2023, 120 women and young girls from the western region of Ghana (Nyankrom village and surroundings) were involved.

OBJECTIVE: the educational programme is aimed at making women and young girls economically self-sufficient and, therefore, independent in order to bring a lasting and sustainable improvement in the living conditions of both their families and the community as a whole.

ACTIVITIES: the educational programme is focused on enhancing technical skills and abilities, including tailoring and crocheting, beauty and decorative art, with the aim of encouraging the start-up of income-generating economic activities. The results are confirmed to be positive, and the continuation of the initiative is already under consideration for next year.

Interview

Finproject India: innovation that respects the life around it

LORENZO VERRUCCI
Finproject India Plant Manager

What does "make oneself available for the community" mean for Finproject India?

First of all, extending our activities to India means interacting in an environment that is starkly different to Europe. Above all, we decided to create moments of exchange, including cultural ones, with our employees and their families with the aim of creating a bridge between our different identities and to establish an open dialogue aimed at understanding and being understood.

How do you develop projects to build shared value in the territory?

Over the years, we have designed a system of initiatives with the territory, structuring them on three basic pillars: initiatives to **support** our people, host community **give-back** projects, and local NGO **collaborations**.

- For the first pillar, it was important to extend access to a well-articulated system of initiatives customed to local needs and conditions. For example, we organize twice-a-year cultural events involving all employees and staff in celebration days, open to families, to promote connection between colleagues and the development of a sense of community and belonging. As part of the events, we ensure that our people can enjoy a variety of delicious, healthy, and carefully prepared foods.
- In the give-back area, we develop projects in cooperation with local entities such as schools, orphanages and religious institutions. Footwear donations reflect our commitment to supporting education and well-being among economically challenged communities and guaranteeing protection and support in their daily life.
- Finally, we have identified several experienced NGOs in the territory with which, develop projects for donation of footwear to orphans and students from different schools and colleges, as we do with local institutions.

Among the various projects and initiatives you are carrying out, which one represents a special source of pride for you?

For example, an initiative we launch every year, is the celebration of Diwali, or "Festival of Lights". It is one of India's most popular and well-attended traditional festivals, and involves the lighting of traditional lamps, called "dipas".
Every year, we give our employees a "dipa" made by children who cooperate with the NGO **"Smile Foundation"**, a non-profit organization dedicated to supporting the underprivileged. Thanks to this operation, we are able to make a significant contribution to the Foundation, that uses the proceeds to ensure that children have access to education. But that is not all. On the one hand, this operation is an example of virtuous collaboration with numerous local parties such as NGO, schools and employees themselves. On the other hand, by giving "dipas" also to non-Indian employees, we manage to foster a sense of closeness and exchange among the different cultures of Finproject.

Focus on

School4Life, tackling early school leaving with Joule

CONTEXT: "School4life 2.0", a project created by Elis[26] in partnership also with Eni Joule[27], to tackle early school dropout and support young people classified as NEET[28]. Energy transition, climate change and circular economy were core topics treated in the project, a useful opportunity also to create educational communities, thanks to the involvement of teachers, managers schools and families.

ACTIVITY: the "Experts", colleagues from the Joule Expert Academy with specific expertise in the treated topics, made themselves available to around 1,000 students of middle and high school, from all over Italy, supporting the teachers. A total of 12 schools were involved, where the Experts provided support in strategic activities, thanks to their specialized skill sets, in developing the teaching program and encouraging students to have an active role in the learning process.

RESULTS: at the end of the experience, each group presented their works realised after some challenges were launched by the Experts in the different thematic areas. Among participants, the winner was the team of the "A. Pacinotti" Istituto Tecnico Tecnologico of Taranto, on the topic of energy transition, with the precious assistance of Expert Eni Systems Engineer, Robotics & Innovative Automation Systems Specialist Luigi Miozza.

Focus on

Regatta of "Grande Salento" - Brindisi

CONTEXT: in June 2023 was presented the 12th edition of the Grande Salento Brindisi-Valona Regatta, held in collaboration with the Brindisi Lega Navale Italiana (LNI) and the Okirum Marina (Valona), in memory of the hospitality of the Brindisi area during the Albanian exodus of 1991.

ACTIVITY: the start was on July 6th – in proximity of Cala Materdomini – and the events took places over four days (July 6th-9th) with a comprehensive programme aimed at strengthening relations between the two shores in the fields of sports, tourism, culture and the economy.
The Regatta, ended with an award ceremony at Okirum Marina, was held under the patronage of Regione Puglia, Brindisi Municipal Authorities, and University of Salento. Both civil and military authorities and institutional representatives of the Italian Sailing Federation and the LNI itself, took part in the event. Versalis was among the partners in this edition, alongside Unisalento, aware of the relevance of an event such this one: the value of these days, in fact, is not only related to the sporting event, but it is also a very heartfelt occasion for the Brindisi territory to remember and celebrate the values that have characterized on that occasion.

26 Non-profit organisation working in the field of guidance and training, in synergy with schools and companies.
27 Eni School that supports the growth of more sustainable start-ups through skills development and the use of key acceleration tools.
28 NEET: Not in Education, Employment or Training.

CUSTOMER RELATIONSHIP MANAGEMENT

In conducting its activities, Versalis interacts with a diversified group of customers, mainly business-to-business (b2b), ranging from large multinational companies to small national enterprises. Each Business Unit (BU) independently manages its customer portfolio, which varies in accordance with the products and services offered. For Versalis, dialogue and direct involvement of customers are essential elements to promote actions in favour of a just transition, which is also realized through the promotion of responsible production and consumption models.
In addition to the traditional aspects related to commercial and market development, dialogue with customers is increasingly focusing on sustainability and Versalis initiatives to face climate change and circular economy challenges. During the year, some of the BU's customers took part in dedicated events where Versalis' corporate strategy was presented, with a particular focus on valorization of the product portfolio, circular economy, and projects to increase business sustainability.
Versalis' strategy is strongly committed to promoting and supporting value chain projects in collaboration with leading companies in the sector. Information[29] is shared via specific questionnaires and a growing number of international platforms, such as EcoVadis, an independent international body specialized in assessing sustainability of organizations: this facilitates the sharing of transparent and comparable data and information on the company's sustainability strategy, the commitments made, and the results achieved. In May 2024, in this regard, Versalis achieved a "Gold" rating, placing the Company in the TOP 5% of the sector. This result, although slightly in decrease compared to last year, confirms Versalis' position among the best performing companies in the sector. Participating in the EcoVadis platform facilitates the sharing of information and best practices along the entire value chain. To meet the needs of customers who are increasingly attentive to circularity and decarbonization, Versalis offers a wide range of products with high quality and performance standards, nationally and internationally certified for traceability and sustainability elements (e.g. recycled content, alternative feedstocks, etc.), e.g. Plastica Seconda Vita (PSV) and ISCC PLUS.

- Circular Economy
- Product sustainability

Stand Versalis at the PLAST fair in 2023

29 Which can cover different elements of sustainability, such as environmental, labour, human rights and sustainable procurement approaches.

CUSTOMER SATISFACTION

For Versalis, understanding and meeting customers' needs by offering competitive, more sustainable and innovative solutions is crucial to achieve the company's objectives in its target markets. In this sense, the company promotes continuous dialogue with its customers to ensure their satisfaction and maximize retention, spreading the culture of quality as an operating philosophy, considering it a business management tool and an essential element for more sustainable development. All organizational units are actively involved in the customer care process and in the management and resolution of complaints, with the definition of specific indicators to monitor performance and establish procedures for collecting and analysing data relating to the products and services offered. In addition, Versalis conducts regular customer satisfaction surveys, aimed at gathering feedback from customers regarding the responsible management, quality and performance of products and services, as well as the effectiveness of communication channels with the company.

Meeting with Versalis' clients

Interview

How the collaboration with XL EXTRALIGHT® came about

MATTEO RAGNI
Creative Director for XL EXTRALIGHT®

What is the role of a designer withing a compounding company?

A designer, through his or her vision and skills, is responsible for enhancing the potential of a product by developing innovative and original solutions to bring to market. They act as a synthesis between the company and the customer's needs, with the intention of finding answers to customer's needs, with creative and aesthetically interesting solutions.

How did the collaboration with Finproject come up?

I have always been interested in finding creative solutions using innovative materials. The collaboration with Finproject was the result of this approach, and it started up in 2019. I was happy to take up the challenge of revealing the product's full personality and pioneering spirits. In facts, thanks to its exceptional versatility, was ideal for the creation of innovative and unique products, with high performance from various perspectives, for either daily or other uses. I quickly saw the importance of exploring new trends and finding new and more creative methods to use XL EXTRALIGHT® line. Thanks to the characteristics of an innovative and multi-faceted ingredient brand like XL EXTRALIGHT®, we have found avant-garde solutions to enhance the product's potential in terms of lightness, versatility, durability and increased sustainability.

Focus on

The fusion of design and innovative, highly specialised materials gives rise to "Libra"

CONTEXT: Wanderlust Vision is a 360° brand aimed at engaging multiple online and offline communities, through the combination of music and a conscious approach to the world around us. The project was born in 2020 as a response to the geographical and social limits imposed by the contingent situation of that year.
The brand values summarize a renewed desire to travel on the one hand, together with a need for creativity on the other: the latter, being in constant motion and evolving according to the needs and challenges encountered while traveling, seeks for dynamic, contemporary, and more sustainable solutions for people and the environment.

ACTIVITIES: the collaboration between XL EXTRALIGHT® and Wanderlust Vision started at the beginning of 2023 with the idea of merging the Wanderlust collective's exploratory mission with the pioneering spirit of XL EXTRALIGHT® and of Finproject, in relation to innovative, high performance, ultralight and increasingly sustainable materials.
This shared intent resulted in "Libra", ultralight versatile footwear, able to accompany the traveler in each moment of their journey, whether on water or on dry land, from urban environments to the natural world, making versatility, low weight, and greater sustainability its key points.

Key performance indicators

Carbon neutrality by 2050

EMISSIONS

		2021	2022	2023
Direct GHG emissions (Scope 1)	(million tonnes of CO_2eq.)	**2.91**	**2.37**	**1.99**
of which: CO_2 equivalent from combustion and processes		2.85	2.32	**1.93**
of which: CO_2 equivalent from flaring		0.06	0.05	**0.06**
of which: CO_2 equivalent from fugitive methane emissions		0.003	0.001	**0.002**
Direct GHG emissions (Scope 1) by gas:	(million tonnes of CO_2eq.)			
CO_2		2.88	2.35	**1.97**
CH_4		0.01	0.01	**0.01**
N_2O		0.02	0.02	**0.02**
CO_2 emissions from plants subject to EU ETS[a]	(million tonnes of CO_2eq.)	2.85	2.32	**1.93**
Quotas allocated to plants subject to EU ETS	(million tonnes of CO_2eq.)	2.48	2.50	**2.15**
Indirect GHG emissions (Scope 2)[b]	(million tonnes of CO_2eq.)	**1.72**	**1.64**	**1.54**

(a) 2023 also includes the UK contribution.
(b) Versalis Scope 2 GHG emissions are the result of energy purchases from both Eni sites/companies and third parties not connected with Eni.

ENERGY CONSUMPTION

		2021	2022	2023
Electricity produced by type of source	(GWh)	71.01	76.49	**77.06**
of which: from natural gas		2.06	0.00	**0.00**
of which: from other sources[a]		68.95	76.49	**77.06**
Primary source consumption	(millions of toe)	1.28	0.98	**0.79**
of which: natural/fuel gas		1.21	0.96	**0.78**
of which: other petroleum products		0.04	0.02	**0.01**
Renewable sources consumption	(millions of toe)	0.03	0.03	**0.03**
of which: biomass		0.03	0.03	**0.03**
Energy purchased from other companies	(millions of toe)	0.86	0.80	**0.75**
Electricity		0.42	0.40	**0.38**
Other sources[b]		0.45	0.40	**0.37**
Total energy consumption	(millions of toe)	2.14	1.81	**1.58**
Fuel savings resulting from energy-saving projects	(ktoe/year)	39.23	31.94	**19.50[c]**

(a) Includes electricity generated by other petroleum products and biomass.
(b) Includes heat, steam and hydrogen.
(c) Total 2023 savings are around 30 ktoe of which 67% regard fuel savings at full capacity.

Operational Excellence

EACH OF US

EMPLOYMENT

		2021	2022	2023
Employees as of 31st December	(number)	**5,129**	**7,123**	**7,771**
Men		4,455	5,484	**5,948**
Women		674	1,639	**1,823**
Italy		4,115	4,527	**5,114**
Permanent		4,102	4,506	**5,096**
Fixed-term		13	21	**18**
Part-time		50	59	**70**
Full-time		4,065	4,468	**5,044**
Atypical temporary workers (agency workers, contractors, etc.)		12	125	**155**
Abroad		1,014	2,596	**2,657**
Africa		4	6	**8**
Permanent		3	5	**6**
Fixed-term		1	1	**2**
Part-time		0	0	**0**
Full-time		4	6	**8**
Atypical temporary workers (agency workers, contractors, etc.)		0	0	**0**
Americas		19	824	**895**
Permanent		19	715	**895**
Fixed-term		0	109	**0**
Part-time		0	156	**1**
Full-time		19	668	**894**
Atypical temporary workers (agency workers, contractors, etc.)		4	4	**4**
Asia		32	511	**432**
Permanent		13	444	**417**
Fixed-term		19	67	**15**
Part-time		0	12	**0**
Full-time		32	499	**432**
Atypical temporary workers (agency workers, contractors, etc.)		0	31	**19**
Australia and Oceania		0	0	**0**
Rest of Europe		959	1,255	**1,322**
Permanent		957	1,254	**1,314**
Fixed-term		2	1	**8**
Part-time		7	15	**16**
Full-time		952	1,240	**1,306**
Atypical temporary workers (agency workers, contractors, etc.)		16	16	**10**
Employees abroad by category	(number)	1,014	2,596	**2,657**
Locals		995	2,574	**2,612**
Italian expatriates		14	18	**36**
International expatriates (including Third Country Nationals)		5	4	**9**

(continued)

EMPLOYMENT

		2021	2022	2023
Seniority	(years)	19.62	16.76	**13.49**
Local employees abroad	(%)	98.13	99.15	**98.31**
Local employees abroad by professional category	(number)			
Senior managers		9	23	**25**
Middle managers		132	182	**187**
White collars		452	761	**765**
Blue collars		402	1,608	**1,635**
Local senior managers and middle managers abroad	(%)	13.91	7.9	**8.0**
Non-Italian employees in positions of responsibility	(number)	82	207	**218**
Permanent employees	(number)	5,094	6,924	**7,728**
of which: men		4,432	5,372	**5,921**
of which: women		662	1,552	**1,807**
Fixed-term employees		35	199	**43**
of which: men		23	112	**27**
of which: women		12	87	**16**
Employees with full-time contracts		5,072	6,881	**7,684**
of which: men		4,447	5,444	**5,933**
of which: women		625	1,437	**1,751**
Employees with part-time contracts		57	242	**87**
of which: men		8	40	**15**
of which: women		49	202	**72**
Atypical temporary workers (agency workers, contractors, etc.)		32	176	**188**
of which: men		11	105	**116**
of which: women		21	71	**72**
Average age	(years)	46	44	**44**
New hires with permanent contracts	(number)	145	448	**363**
Italy		60	215	**190**
Abroad		85	233	**173**
Africa		1	3	**0**
Americas		3	33	**38**
Asia		1	69	**54**
Australia and Oceania		0	0	**0**
Rest of Europe		80	128	**81**
Rate of turnover	(%)	8.24	13.35	**12.91**
Italy		6.40	8.44	**8.10**
Abroad		16.11	22.28	**22.14**
Africa		50	150	**0**
Americas		20	18.64	**22.72**
Asia		9.52	37.65	**35.82**
Australia and Oceania		0	0	**0**
Rest of Europe		16.13	18.28	**17.31**
Terminations of permanent contracts		287	492	**533**
of which: resignations		64	263	**194**
of which: retirements		120	192	**168**
of which: layoffs		14	32	**169**
of which: other		89	5	**2**

EMPLOYEES BY PROFESSIONAL CATEGORY, AGE AND GENDER

	2021			2022			2023		
	Male (%)	Female (%)	Total (No.)	Male (%)	Female (%)	Total (No.)	Male (%)	Female (%)	Total (No.)
Total	87	13	5,129	77	23	7,123	77	23%	**7,771**
Senior managers	86	14	103	85	15	122	87	13%	**138**
Under 30	0	0	0	0	0	0	0	0	**0**
30-50	62	38	24	74	26	38	71	29	**35**
Over 50	94	6	79	90	10	84	91	9	**103**
Middle managers	78	22	838	76	24	885	70	30	**999**
Under 30	67	33	3	75	25	4	78	22	**9**
30-50	77	23	359	75	25	395	67	33	**505**
Over 50	78	22	476	77	23	486	75	25	**485**
White collars	82	18	2,437	77	23	2,867	70	30	**3,154**
Under 30	59	41	96	57	43	182	60	40	**285**
30-50	82	18	1,208	78	22	1,369	68	32	**1,670**
Over 50	83	17	1,133	79	21	1,316	80	20	**1,199**
Blue collars	99	1	1,751	77	23	3,249	82	18	**3,480**
Under 30	96	4	304	68	32	792	84	16	**948**
30-50	99	1	983	77	23	1,667	81	19	**1,810**
Over 50	98	2	464	85	15	790	90	10	**722**

EQUAL OPPORTUNITIES

		2021	2022	2023
Women employees in service	(%)	**13.14**	**23.01**	**23.46**
Women hired		20.69	29.24	**26.45**
Women in managerial positions (senior and middle managers)	(%)	21.47	22.84	**23.92**
Senior managers		13.59	14.75	**15.22**
Middle managers		22.43	23.95	**25.13**
White collars		18.42	22.92	**23.24**
Blue collars		1.31	23.15	**23.51**
Replacement rate by gender	(%)	0.51	0.91	**0.68**
Men		0.48	1.04	**0.76**
Women		0.64	0.70	**0.53**

TRAINING

		2021	2022	2023
Total attendances[a]	(number)	67,856	71,047	**81,676**
Training hours by type	(hours)	183,766	201,213	**247,301**
HSE and quality		115,259	112,282	**122,825**
Languages and IT		4,440	4,459	**4,282**
Conduct/Communication/Institutional		21,233	14,429	**26,556**
Professional - cross-cutting		12,483	21,733	**18,107**
Professional - technical/commercial		30,351	48,310	**75,351**
Total training hours by professional category		183,766	201,213	**247,301**
Senior managers		4,575	2,789	**3,205**
Middle managers		39,406	29,156	**34,061**
White collars		79,601	88,472	**104,511**
Blue collars		60,184	80,795	**105,524**
Training hours by delivery method	(hours)	183,766	201,213	**247,301**
of which: distance		78,470	50,542	**51,118**
of which: in class		105,296	150,671	**196,183**
Average training hours per employee by job category		44	39	**48**
Senior managers		44	29	**30**
Middle managers		47	35	**43**
White collars		33	36	**44**
Blue collars		34	46	**57**
Average hours of training by gender				
of which: men		37	41	**51**
of which: women		29	27	**32**
Training expenditures	(million €)	1,3	1,8	**2,3**
Average training and development expenditure per full-time employee		309	351	**450**

(a) Includes partial attendance, but excludes registered no-shows.

INDUSTRIAL RELATIONS

		2021	2022	2023
Employees covered by collective bargaining	(number)	**5,010**	**5,454**	**7,207**
Employees covered by collective bargaining	(%)			
Italy		100	100	**100**
Abroad		85.8	76.1	**77.6**
Consultations, negotiations with trade unions on organisational changes	(number)	0	3	**12**
Employees in trade unions		2,645	2,736	**2,806**
Employees in trade unions	(%)	63.6	59.6	**54.2**

PERSONAL HEALTH AND SAFETY

SAFETY

		2021	2022	2023
TRIR (Total Recordable Incident Rate)	(total recordable injuries/hours worked) x 1,000,000	**0.71**	**0.61**	**0.64**
Employees		0.72	0.81	**0.74**
Contractors		0.69	0.39	**0.44**
Italy		0.63	0.39	**0.67**
Abroad		1.06	1.43	**0.58**
High-consequence work-related injuries rate (excluding fatalities)	(serious injuries/hours worked) x 1,000,000	**0.13**	**0**	**0**
Employees		0	0	**0**
Contractors		0.28	0	**0**
Lost Time Injury Frequency rate (LTIF)	(injuries with days lost/hours worked) x 1,000,000	**0.64**	**0.61**	**0.59**
Employees		0.72	0.81	**0.67**
Contractors		0.55	0.39	**0.44**
Italy		0.63	0.39	**0.67**
Abroad		0.71	1.43	**0.44**
Injuries severity index	(days lost/hours worked) x 1,000	**0.07**	**0.06**	**0.01**
Employees		0.02	0.05	**0.01**
Contractors		0.14	0.07	**0.01**
Fatality index	(fatal injuries/hours worked) x 100,000,000	**0**	**6.13**	**0**
Employees		0	0	**0**
Contractors		0	13.11	**0**
Number of fatalities as a result of work-related injury	(number)	**0**	**1**	**0**
Employees		0	0	**0**
Contractors		0	1[a]	**0**
Near misses	(number)	**99**	**132**	**113**
Worked hours	(million hours)	**15.6**	**16.3**	**20.3**
Employees		8.3	8.7	**13.5**
Contractors		7.2	7.6	**6.8**
Training hours on safety	(hours)	**31,103**	**99,129**	**106,346**
of which: to senior managers		630	609	**528**
of which: to middle managers		6,969	10,397	**11,466**
of which: to white collars		14,806	44,308	**47,923**
of which: to blue collars		8,698	43,815	**46,429**
Process safety events	(number)	**3**	**6**	**3**
Tier 1		2	4	**2**
Tier 2		1	2	**1**

(a) In 2022, one fatal accident has been recorded for a contractor in the Priolo plant (operator hit by an object).

HEALTH

		2021	2022	2023
Number of deaths which resulted from occupational diseases	(number)	**0**	**2**	**1**
Employees included in health surveillance programmes		**4,879**	**4,894**	**5,374**
Number of health services provided		**87,410**	**117,898**	**123,229**
of which: to employees		87,167	117,699	**123,028**
of which: to contractors		229	126	**178**
of which: to relatives		0	0	**0**
of which: to others		14	73	**23**
Number of registrations to health promotion initiatives		**6,262**	**10,350**	**13,257**
of which: to employees		6,262	10,350	**13,167**
of which: to contractors		0	0	**90**
of which: to relatives		0	0	**0**
OIFR Occupational Illness Frequency Rate	(occupational illness claims/hours worked) x 1,000,000	**0.24**	**0.35**	**0.89**
Occupational Illness claims received	(number)	**2**	**3**	**12**
Employees		1	1	**11**
Former employees		1	2	**1**

ENVIRONMENT

AIR PROTECTION

		2021	2022	2023
NO_x (nitrogen oxide) emissions	(thousands of tonnes of NO_2eq.)	1.99	1.66	**1.39**
SO_x (sulphur oxide) emissions	(thousands of tonnes of SO_2eq.)	0.08	0.05	**0.05**
NMVOC (Non-Methane Volatile Organic Compounds) emissions	(thousands of tonnes)	2.12	1.64	**1.68**
PST (Total Suspended Particulate) emissions	(thousands of tonnes)	0.02	0.01	**0.01**

WASTE

		2021	2022	2023
Total waste from production activities	(tonnes)	60,513	57,862	**53,644**
of which: hazardous		39,046	37,021	**31,614**
of which: non-hazardous		21,467	20,841	**22,030**
Total hazardous waste from production activities recycled/recovered or disposed	(tonnes)	59,753	58,497	**53,267**
of which: hazardous	(tonnes)	38,191	37,933	**31,161**
of which: incinerated	(%)	12.77	10.86	**9.95**
of which: in landfill		0.09	0.38	**0.08**
of which: subjected to chemical/physical/biological treatment		0.83	0.74	**1.37**
of which: sent for other disposal		12.28	9.30	**13.99**
of which: recovered/recycled		74.04	78.72	**74.60**
of which: non-hazardous	(tonnes)	21,562	20,564	**22,105**
of which: incinerated	(%)	0.97	0.12	**0.19**
of which: in landfill		0.41	4.07	**0.79**
of which: subjected to chemical/physical/biological treatment		2.29	7.58	**10.46**
of which: sent for other disposal		16.09	7.78	**15.73**
of which: recovered/recycled		80.24	80.45	**72.83**
Waste from remediation activities	(tonnes)	41,042	50,718	**45,203**
of which: hazardous		6,851	8,113	**11,392**
of which: non-hazardous		34,191	42,605	**33,811**

PROTECTION OF WATER

		2021	2022	2023
Total water withdrawals[a]	(millions of cubic metres)	861	713	**563**
of which: sea water		783	630	**472**
of which: freshwater		78	83	**91**
of which: from surface water bodies		55	60	**72**
of which: withdrawn from underground		4	4	**4**
of which: withdrawn from aqueduct or tank		3	3	**2**
of which: water from GTP used in the production cycle		0	1	**1**
of which: water resources from other streams		16	15	**12**
Fresh water reused	%	92	90	**89**
Total water discharge	(millions of cubic metres)	853	705	**563**
of which: at sea		793	647	**487**
of which: in superficial water bodies		52	49	**58**
of which: in the sewerage water system		5	6	**7**
of which: given to third parties		3	3	**11**

(a) In 2023 (with an adjustment of historical data), the reporting methodology for freshwater withdrawals was changed to eliminate the portion of water withdrawn and sold to third parties without being used in production cycles.

BIODIVERSITY

		2023	
		Overlapping operating sites	Adjacent to operating sites (<1km)
Operating sites overlapping/adjacent to area (total)	(number)	**3**	**10**
Protected areas overlapping/adjacent to operating sites			
UNESCO Natural World Heritage Sites (WHS)		**0**	**0**
Natura 2000		**1**	**12**
IUCN		**2**	**5**
Ramsar		**0**	**2**
Other Protected Areas		**2**	**2**
Key Biodiversity Area (KBA)		**1**	**5**

SUPPLIERS

SUPPLIER ASSESSMENT

		2021	2022	2023
New suppliers screened using social criteria[a]	(%)	100	100	**100**

(a) Evaluation is carried out based on information available from open and/or supplier-reported sources and/or performance indicators and/or field audits, through at least one of the following processes: reputational Due Diligence, qualification process, performance appraisal feedback on HSE or compliance areas, feedback process, assessment on human rights issues (inspired by SA8000 standard or similar certification).

Methodological note

Versalis for 2023 - A Just Transition is part of Eni's sustainability reporting, which includes the Consolidated Non-Financial Statement (CNFS) and the Eni for Sustainability report, prepared in compliance with Global Reporting Initiative Sustainability Reporting Standards (GRI Standards). The Eni reporting system is supplemented by information provided at its corporate website to which reference should be made for more details about the issues discussed herein.

Versalis for 2023 - A Just Transition has been prepared in accordance with the GRI Standards 2021, to provide clear and detailed information to stakeholders on sustainability topics, as well as an overview of Versalis investments. The most significant sustainability topics (material topics) form the basis of this Report that provides qualitative and quantitative information about Versalis sustainability performance. The significance of topics is related to the sector and context in which the Company operates and, internally speaking, was determined by considering Eni business principles, values, strategies, and goals. The data and information given were collected with a view to providing a complete, clear and balanced picture of Versalis actions and characteristics. The process of gathering information and quantitative data was structured to ensure its comparability over the three-year period considered in order to ensure proper interpretation of the information and provide stakeholders with a comprehensive view of Versalis performance trends. KPIs are selected as the topics identified as having the most significant impact, collected on an annual basis according to the consolidation boundary for the year in question and refer to the 2021-2023 period. In addition, the figures reported represent the relevant share of KPIs reported in the Eni Consolidated Non-Financial Statement and Eni for 2023 - Sustainability performance, documents on which a limited assurance engagement was performed by the appointed independent auditors.

REPORTING SCOPE

The information included in this document refers to the activities of Versalis S.p.A. and its subsidiaries consolidated on a line-by-line basis, i.e. Versalis Deutschland GmbH, Versalis France s.a.s., Versalis International SA, Versalis Americas Inc, Dunastyr Polystyrene Manufacturing Co Ltd, Versalis UK Ltd, Versalis Pacific Trading (Shanghai) Co Ltd, Versalis Singapore PTE Ltd, Versalis Pacific (India) Pvt. Ltd, Versalis Zeal Ltd, Versalis Congo Sarlu, Versalis Mexico S. de R.L., Versalis Kimya Ticaret Limited Sirketi, Finproject S.p.A., Finproject Guangzhou Trading Ltd, Finproject India Pvt. Ltd., Finproject Asia Ltd., Asian Compounds Ltd., Finproject Romania Srl, Foam Creations (2008) Inc., Foam Creations Mexico S.A., Matrìca S.p.A., Novamont S.p.A., Mater Biotech S.p.A., Novamont France s.a.s., Novamont Iberia S.L.U., Novamont North America Inc., BioBag International AS, Dagöplast AS, BioBag Americas Inc.

It should be noted that the figures reported do not include Matrìca S.p.A. as it recently entered the scope and is in the process of aligning its systems with Eni requirements.

Unless otherwise specified, data and performance indicators refer to the year ended December 31st 2023, with 2022 and 2021 figures also shown to enable comparison. It should be noted that the figures reported do not include Matrica S.p.A. as it has recently entered the scope and is in the process of aligning its systems with Eni's requirements. It should also be noted that, solely for 2023, trademark and patent, employment and diversity, equal opportunity and inclusion figures include the company Novamont S.p.A. whose acquisition was completed in 2023. Furthermore, HSE (health, safety, and environment) figures exclude Novamont S.p.A. from the reporting boundary for the entire three-year period in question. In addition, HSE figures include the activities of the Brindisi Servizi Generali, Ravenna Servizi Industriali and Servizi Porto Marghera consortia for the years 2022 and 2023. Environmental figures (emissions, energy consumption, water consumption and waste) consider contributions directly attributable to Versalis operations; they also include any intercompany transactions with other Eni Group members.

The Operational Control approach was used to define the scope of greenhouse gas quantification. The categories of Scope 3 emissions excluded due to non-applicability or unavailability of reliable data, in accordance with the requirements and principles of the reference documents, are Categories 11, 13, and 14.

Planned reporting frequency is annual.

Calculation methodologies

CARBON NEUTRALITY

KPI	Methodology
GHG emissions	Greenhouse gas (GHG) emissions are accounted for and represented according to a classification by categories, defined as Scope 1, Scope 2 and Scope 3, in line with the definitions introduced by the GHG Protocol standards. **Scope 1 emissions**: direct GHG emissions are those deriving from sources associated with the company's assets (e.g., combustion, flaring, fugitive, and venting) and include CO_2, CH_4, and N_2O; the Global Warming Potential used for conversion to CO_2 equivalent is 25 for CH_4 and 298 for N_2O. Contributions of biogenic CO_2 emissions are not included. **Scope 2 emissions**: indirect GHG emissions related to the generation of electricity, steam and heat purchased from third parties and consumed in the company's assets. They are reported according to a "location-based" approach (specific information on supply contracts is being collected in order to build the "market-based" view as well). **Scope 3 emissions**: indirect GHG emissions associated with the value chain and expressed in CO_2 equivalent.
Energy consumption	**Consumption from primary sources**: total consumption of primary sources such as fuel gas, natural gas and other petroleum products. **Renewable energy consumption**: total consumption of energy generated by renewable sources, e.g. biomass. **Primary energy purchased from other companies**: total purchases of electricity, heat, and steam from third parties. Renewables consumption also depends on the national electricity mix.
Corporate Carbon Footprint	**Corporate Carbon Footprint**: the indicator refers to the total greenhouse gas emissions associated, either directly or indirectly, with an organisation's activities defined as Scope 1, Scope 2 and Scope 3.

OPERATIONAL EXCELLENCE

KPI	Methodology
EACH OF US	
Workers who are not employees	As regards workers who are not employees and whose work is controlled by the organisation, leased workers in Italy and abroad have been considered.
Industrial relations	As regards industrial relations, the minimum notice period regarding operational changes is in line with the provisions of current legislation and trade union agreements. Employees covered by collective bargaining agreements: this means employees whose employment relationship is regulated by collective contracts or agreements that may be national or regard a certain, profession, company or site.
Seniority	Average number of years that employees have been working for Versalis.
Hours of training	Hours provided to Versalis employees through training courses managed and run both by Eni Corporate University (classroom and distance learning) and independently, including on-the-job training. Average training hours are calculated as total training hours divided by the average number of employees in the year.
Local senior managers and middle managers abroad	Ratio of number of local senior + middle managers (employees native to the Country where their main work activities are based) to total number of overseas employees.
Rate of turnover	Ratio of the number of permanent new recruits + permanent employment terminations to number of permanent employees in the previous year.
Rate of replacement	Ratio of permanent new recruits to permanent employment terminations.

KPI	Methodology
SAFETY AND PEOPLE'S HEALTH	
Safety	Versalis uses a large number contractors to perform activities at its sites. **TRIR**: total recordable incident rate (injuries with days off, medical treatment and restricted work). Numerator: number of total recordable incidents; denominator: hours worked during the same period. Result of the ratio multiplied by 1,000,000. **Rate of high-consequence work-related injuries**: work-related injuries that resulted in more than 180 days off or causing total or permanent impairment. Numerator: number of high-consequence work-related injuries; denominator: hours worked during the same period. Result of the ratio multiplied by 1,000,000. **Near miss**: unplanned event that did not cause harm but had the potential to, an accident being avoided only by chance or the mitigating intervention of safety measures and/or equipment. Therefore, unplanned events not actually causing harm or injury should be considered near misses. **Process safety incident**: loss of primary containment (unplanned or uncontrolled release of any material, including non-toxic and non-flammable materials) from a "process". Process safety incidents are classified according to severity as Tier 1 (most severe) and Tier 2.
People's health	**OIFR (Occupational Illness Frequency Rate)**: frequency rate of occupational illnesses reported by employees. The ratio of the number of employee occupational illness claims during the reference accounting period to the hours worked in the same period. Result of the ratio multiplied by 1,000,000. **Number of occupational illness claims filed by heirs**: indicator used as a proxy for the number of fatalities due to work-related diseases. **Main types of disease**: claims for suspected occupational disease submitted to the employer concern illnesses that may have a causal link with the occupational risk, in that they may have been contracted in the course of the year and as a result of work activities involving prolonged exposure to risk agents present in the workplace. The risk may be caused by a process itself or the environment in which it takes place. The main risk agents liable to cause occupational disease following prolonged exposure are: (i) chemical agents (e.g. disease: neoplasms, diseases of the respiratory system, blood diseases); (ii) biological agents (e.g. disease: malaria); (iii) physical agents (e.g. disease: hearing loss).
ENVIRONMENT	
Air protection	**NO_x**: total direct emissions of nitrogen oxides from combustion processes with air. Includes NO_x emissions from flaring processes, including NO and NO_2 emissions, excluding N_2O. **SO_x**: total direct emissions of sulphur oxides, including SO_2 and SO_3. **NMVOC**: total direct emissions of hydrocarbons, substituted hydrocarbons and oxygenated hydrocarbons that evaporate at room temperature. Includes GPL but excludes methane. **TSP**: direct emissions of Total Suspended Particulate Matter, finely divided solids or liquids suspended in gaseous streams. Standard emission factors.
Waste	**Process waste**: waste generated during manufacturing or production processes. **Remediation waste**: this includes waste generated by soil decontamination and remediation, demolition work, excavation debris and/or sludges, oils and cleaning of contaminated equipment. The registered waste carrier will advise the disposal method.
Water resource	**Water withdrawal**: sum of all water drawn from seawater, freshwater and brackish groundwater or surface water. Treated groundwater refers to the portion of polluted groundwater subjected to remediation before being reused in the production cycle. **Water discharge**: in-house procedures for water-discharge operations regulate minimum quality standards and limits authorised for each operating site, ensuring compliance and prompt resolution should such limits be exceeded. **Seawater**: water whose content of Total Dissolved Solids (TDS) is greater than or equal to 30,000 mg. **Freshwater**: water whose maximum content of Total Dissolved Solids (TDS) is 2,000 mg. This freshwater limit complies with the provisions of IPIECA/API/IOGP 2020 guidance and is more conservative than the GRI reference standard (of 1,000 mg/l).
Biodiversity	**Number of sites overlapping protected areas and Key Biodiversity Areas (KBAs)**: Italian and overseas operating sites located within (or partially within) the boundaries of one or more protected areas or KBAs (as at December of each reporting year). **Number of sites adjacent to protected areas and Key Biodiversity Areas (KBAs)**: Italian and overseas operating sites that, whilst outside the boundaries of protected areas or KBAs, are still less than 1 km away (as at December of each reporting year).
RESPONSIBLE PROCUREMENT	
New suppliers screened using social criteria	The indicator is one used for suppliers undergoing assessment and refers to all new suppliers undergoing a new qualification process.

GRI Content Index

Statement of use	Versalis has reported in accordance with the GRI Standards for the period 01/01/2023 - 31/12/2023
GRI 1 used	GRI 1: Foundation 2021
GRI Sector Standard	-

GRI Standard	Disclosure	Page or disclosure number	Omissions
BACKGROUND INFORMATION			
GRI 2: General Disclosures 2021			
2-1	Organisational details	Versalis in the world	
2-2	Entities included in the organisation's sustainability reporting	Methodological note	
2-3	Reporting period, frequency and contact point	Methodological note	
2-4	Restatements of information	Methodological note	
2-5	External assurance	The Versalis for 2023 Sustainability report does not require assurance by an independent provider	
2-6	Activities, value chain and other business relationships	Versalis in the world	
2-7	Employees	Versalis in the world Each of us Key sustainability indicators	
2-8	Workers who are not employees	Each of us Key sustainability indicators	
2-9	Governance structure and composition	Governance and risk management	
2-10	Nomination and selection of the highest governance body	Governance and risk management	
2-11	Chair of the highest governance body	Governance and risk management	
2-12	Role of the highest governance and control body in overseeing the management of impacts	Governance and risk management	
2-13	Delegation of responsibility for managing impacts	Governance and risk management	
2-14	Role of the highest governance body in sustainability reporting	Governance and risk management	
2-15	Conflicts of interest	Governance and risk management	
2-16	Communication of critical concerns	Governance and risk management	
2-17	Collective knowledge of the highest governance body	Governance and risk management	
2-18	Evaluation of the performance of the highest governance body	Governance and risk management	
2-19	Remuneration policies	Governance and risk management	
2-20	Process to determine remuneration	Governance and risk management	
2-21	Annual total compensation ratio	There being no legal requirements, Versalis does not publish the compensation ratio due to confidentiality constraints	
2-22	Statement on sustainable development strategy	Versalis' sustainability commitment Carbon neutrality by 2050	
2-23	Embedding policy commitments	Versalis' sustainability commitment Carbon neutrality by 2050	
2-24	Processes to remediate negative impacts	Versalis' sustainability commitment Carbon neutrality by 2050	
2-25	Processes to remediate negative impacts	Stakeholder engagement activities Human rights	
2-26	Mechanisms for seeking advice and raising concerns	Governance and risk management Stakeholder engagement activities	
2-27	Compliance with laws and regulations	In 2023, Versalis received no final convictions for non-compliance with laws, regulations or other regulatory framework relating to human rights, bribery and corruption, violation of fair competition or fiscal rules	
2-28	Membership associations	Stakeholder engagement activities Versalis' Management Systems Circular economy	
2-29	Approach to stakeholder engagement	Stakeholder engagement activities	
2-30	Collective bargaining agreements	Each of us Key sustainability indicators	
DISCLOSURE ON MATERIAL TOPICS			
GRI 3: Material Topics 2021			
3-1	Process to determine material topics	Materiality assessment	
3-2	List of material topics	Materiality assessment	
MATERIAL TOPIC: TRANSPARENCY IN BUSINESS MANAGEMENT			
GRI 3: Material Topics 2021			
3-3	Management of material topics	Governance and risk management	
GRI 205: Anti-corruption 2016			
205-2	Communication and training about anti-corruption policies and procedures	Governance and risk management	
MATERIAL TOPIC: CONTRASTING CLIMATE CHANGE AND MANAGING ENERGY RESOURCES			
GRI 3: Material Topics 2021			
3-3	Management of material topics	Towards Net Zero by 2050 Chemistry from renewable raw materials GHG emissions and energy efficiency	
GRI 302: Energy 2016			
302-1	Energy consumption within the organisation	GHG emissions and energy efficiency Key sustainability indicators	
302-4	Reduction of energy consumption	GHG emissions and energy efficiency Key sustainability indicators	
GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	GHG emissions and energy efficiency Key sustainability indicators	
305-2	Energy indirect (Scope 2) GHG emissions	GHG emissions and energy efficiency Key sustainability indicators	

GRI Standard	Disclosure	Page or disclosure number	Omissions
MATERIAL TOPIC: WATER RESOURCE MANAGEMENT			
GRI 3: Material Topics 2021			
3-3	Management of material topics	Water management	
GRI 303: Water and effluents 2018			
303-1	Interactions with water as a shared resource	Water management	
303-2	Management of water discharge-related impacts	Water management	
303-3	Water withdrawal	Water management Key sustainability indicators	
303-4	Water discharge	Water management Key sustainability indicators	
MATERIAL TOPIC: AIR QUALITY			
GRI 3: Material Topics 2021			
3-3	Management of material topics	Air quality	
GRI 305: Emissions 2016			
305-7	Nitrogen oxides (NO_x), sulphur oxides (SO_x) and other significant emissions	Air quality Key sustainability indicators	
MATERIAL TOPIC: WASTE MANAGEMENT			
GRI 3: Material Topics 2021			
3-3	Management of material topics	Waste management	
GRI 306: Waste 2020			
306-1	Waste generation and significant waste-related impacts	Waste management	
306-2	Management of significant waste-related impacts	Waste management	
306-3	Waste generated	Waste management Key sustainability indicators	
306-4	Waste diverted from disposal	Waste management Key sustainability indicators	
306-5	Waste directed to disposal	Waste management Key sustainability indicators	
MATERIAL TOPIC: BIODIVERSITY			
GRI 3: Material Topics 2021			
3-3	Management of material topics	Biodiversity	
GRI 304: Biodiversity 2016			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Key sustainability indicators	
MATERIAL TOPIC: CIRCULAR ECONOMY			
GRI 3: Material Topics 2021			
3-3	Management of material topics	Circular economy	

GRI Standard	Disclosure	Page or disclosure number	Omissions
MATERIAL TOPIC: EMPLOYMENT AND WELL-BEING			
GRI 3: Material Topics 2021			
3-3	Management of material topics	Each of us	
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	Employment Key sustainability indicators	
MATERIAL TOPIC: DIVERSITY, EQUAL OPPORTUNITIES, AND INCLUSION			
GRI 3: Material Topics 2021			
3-3	Management of material topics	Diversity, equal opportunity, and inclusion Key sustainability indicators	
GRI 405: Diversity and Equal Opportunity 2016			
405-1	Breakdown of board members and employees per employee category by gender and age group	Governance and risk management Key sustainability indicators	
MATERIAL TOPIC: HEALTH AND SAFETY IN THE WORKPLACE			
GRI 3: Material Topics 2021			
3-3	Management of material topics	Safety, people's health and Environment	
GRI 403: Occupational Health and Safety 2018			
403-1	Occupational health and safety management system	Safety in the workplace People's health	
403-2	Hazard identification, risk assessment, and incident investigation	Safety in the workplace People's health	
403-3	Occupational health services	Personal health	
403-4	Worker participation, consultation, and communication on	Safety in the workplace People's health	
403-5	Worker training on occupational health and safety	Safety in the workplace	
403-6	Promotion of worker health	Safety in the workplace People's health	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Safety in the workplace People's health	
403-9	Work-related injuries	Safety in the workplace People's health	
403-10	Work-related ill health	Safety in the workplace People's health	
MATERIAL TOPIC: TRAINING AND PROFESSIONAL GROWTH			
GRI 3: Material Topics 2021			
3-3	Management of material topics	Each of us	
GRI 404: Training and education 2016			
404-1	Average hours of training per year per employee	Training and professional growth Key sustainability indicators	

GRI Standard	Disclosure	Page or disclosure number	Omissions
MATERIAL TOPIC: PRODUCT STEWARDSHIP			
GRI 3: Material Topics 2021			
3-3	Management of material topics	Product stewardship	
MATERIAL TOPIC: ASSET INTEGRITY			
GRI 3: Material Topics 2021			
3-3	Management of material topics	Asset integrity	
MATERIAL TOPIC: INNOVATION AND R&D			
GRI 3: Material Topics 2021			
3-3	Management of material topics	Innovation, Research and Development Chemistry from renewable raw materials Circular economy	
MATERIAL TOPIC: HUMAN RIGHTS			
GRI 3: Material Topics 2021			
3-3	Management of material topics	Human rights	
MATERIAL TOPIC: RESPONSIBLE PROCUREMENT			
GRI 3: Material Topics 2021			
3-3	Management of material topics	Responsible procurement	
GRI 414: Supplier Social Assessment 2016			
414-1	New suppliers that were screened using social criteria	Key sustainability indicators	
MATERIAL TOPIC: RELATIONSHIP WITH LOCAL COMMUNITIES			
GRI 3: Material Topics 2021			
3-3	Management of material topics	Relationships with local communities and customers	
MATERIAL TOPIC: CUSTOMER RELATIONSHIP MANAGEMENT			
GRI 3: Material Topics 2021			
3-3	Management of material topics	Relationships with local communities and customers	

Glossary

NET ZERO BY 2050	
CRACKING	In chemistry, cracking is a process used to produce light hydrocarbons through the thermal and/or catalytic breakdown of heavy hydrocarbon molecules.
ELASTOMERS	Polymers with elastic properties used in a variety of applications such as tyres, footwear, adhesives, building components and the automotive industry, pipes, electrical cables, household appliances, modifiers and additives for plastics and bitumen, synthetic latex for paper coating and moulded foam.
POLYMER	Macromolecule, i.e. a molecule with a high molecular weight, comprising large numbers of similar or different molecular units bonded together. The polymer consists of repeating units, similar to links, often called chains.
PYROLYSIS	Process of thermochemical decomposition of polymers.
OPERATIONAL EXCELLENCE	
ASSET INTEGRITY	An asset's capacity to operate effectively and accurately, whilst also protecting the wellbeing of staff and equipment throughout its life cycle, from design phase to its decommissioning.
HEALTHCARE	Outpatient and home treatment of acute and chronic conditions according to best practices and in agreement with the patient, including comprehensive health promotion and protection schemes and actions.
BIOETHANOL	Ethanol produced by fermentation process of biomass, i.e. sugar or starch crops (carbohydrates) such as cereals, sugar crops, starch and pomace waste.
COMPOUND	Mixture of polymers and/or polymers and additives to achieve specific properties in the final product.
INTERMEDIATES	Basic monomers obtained mainly from the cracking process for important industrial uses in the production of plastics, petroleum chemicals and other components in the rubber, solvent and lubricant industries.
LIFE CYCLE ASSESSMENT (LCA)	A structured and internationally standardised method for quantifying the potential impacts on the environment and human health associated with a product or service, starting from the respective use of resources and emissions.
MONOMER	Molecule capable of combining with two, three or multiple identical molecules to form higher molecular weight compounds.
POLYETHYLENE	Polymeric material derived from ethylene used to produce a wide range of finished products, such as packaging film, bottle, containers and compounds for civil and automotive applications.
POLYOLEFINS	Macromolecules obtained through the polymerisation of olefins.
HEALTH MONITORING PROGRAM	Provision for workers for whom the risk assessment has shown a health risk. The purpose of health surveillance is to: assess specific work suitability for work, detect clinical or preclinical abnormalities in good time, prevent deterioration in worker health, assess effectiveness of preventive measures in the workplace and encourage proper conduct and working practices.
STYRENICS	Highly-versatile, lightweight, recyclable plastics with good mechanical properties and high insulating power used in the production industrial and food packaging, household appliances, insulation, electrical and electronic equipment and automotive components.
DEVELOPMENT ALLIANCES	
SDG	Sustainable Development Goals (SDGs) are the plan to achieve a better and more sustainable future for all by 2030. Adopted by all United Nations members in 2015, they address global challenges the world is facing, including those related to poverty, inequality, climate change, environmental degradation, peace and justice.


S1501C

Eni's sustainability reporting

Eni presents its role in the energy transition through sustainability reporting, sharing values, corporate strategies, objectives and achievements to date. To respond in a complete and timely manner to the information needs of its stakeholders, both in terms of the diversification of the information presented and the level of detail, over time, Eni has developed a structured sustainability reporting system, recognising the importance of non-financial information.

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

MANDATORY REPORTING

The ▶ 2023 Consolidated Disclosure of Non-Financial Information (NFI), prepared in accordance with the requirements of Legislative Decree 254/2016 (incorporating European Directive 95/2014) and published in the 2023 Annual Report, provides a concise and integrated disclosure of the management model, the policies implemented, the principal risks and results related to the various sustainability topics.

VOLUNTARY REPORTING

▶ Eni for 2023 - A Just Transition, describes Eni's long-term value creation through the three levers of the integrated business model, subject to ▶ limited assurance by the independent company (PwC).
▶ Eni for 2023 - Sustainability performance provides an overview of key sustainability performance indicators over 5 years and includes the ▶ reasonable assurance for Scope 1 and Scope 2 GHG emissions Operated (no equity). The key contents are available in the ▶ Executive Summary in summary form.

OTHER REPORTS

In the coming months, Eni will also publish Eni for Human Rights, a document outlining the strategy to promote and respect human rights, describing the key activities and performance indicators. In addition, each year Eni publishes other sustainability reports at local and subsidiary level, which will be available on ▶ eni.com throughout 2024.

THE RECOGNITION RECEIVED BY ENI IN 2023

FTSE4Good

FTSE4Good: confirmed in the FTSE4Good Developed stock exchange index for the 17th consecutive year

World Benchmarking Alliance: Eni placed in the highest score range of the Gender Assessment 2023

CDP: confirmed leadership disclosure on climate change (A-). Rated B for Water Security, above average for the Oil & Gas sector (B-)

Equileap: included in the Top 100 of Equileap's Gender Equality Ranking 2023

Climate Action 100+: confirmed among the companies best aligned with the Net Zero Company Benchmark in terms of ambition and completeness of long-term GHG targets and transparency of the Capital Allocation process. The Just Transition approach, included for the first time in the benchmark, was positively evaluated

ISS ESG: included in the PRIME Investment Grade in September 2021

WBCSD: included for the 5th year among the ten best-performing companies for its sustainability reporting

ECOVADIS: achieved a rating of 77 out of 100, falling into the 99th percentile of companies with the highest score globally

IIGCC Net Zero Standard for Oil & Gas: Eni ranked 2nd out of 10 peers for number of aligned indicators

WDI: recipient of the Value Chain Data Award 2023 for the completeness of its supply chain information

MSCI ESG Ratings: confirmed by MSCI in its ESG "A" rating

Sustainalytics: confirmed in the medium risk range

ISS Quality Score: achieved ESG excellence scores

Moody's ESG Solutions: confirmed "advanced", ranked 1st out of 30 European O&G companies

MIB® ESG: included in the index for the third time

Transition Pathway Initiative (TPI): for the seventh consecutive year, Eni was among the industry leaders for climate disclosure and alignment with the long-term 1.5°C target

The Oil & Gas Methane Partnership 2.0 (OGMP 2.0): in 2023, Eni was awarded the "Gold Standard" level of the Oil & Gas Methane Partnership 2.0 initiative by UNEP

WBA Climate & Energy Benchmark: included among the O&G companies most aligned with the requirements of the WBA's Climate & Energy Benchmark in terms of targets, decarbonization strategy and Just Transition approach

CHRB: Eni ranked third overall in all industries in the extractives and apparel sectors

Carbon Tracker Initiative: confirmed first among peers in the Integrated Energy Company ranking of the Absolute Impact 2023 study

versalis

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