ENI'S THREE PILLAR STRATEGY			
2014-2016 OBJECTIVES	**ACHIEVEMENTS**	**HOW DID WE ACHIEVE THESE OBJECTIVES?**	**STATUS***
BUSINESS TARGETS			
Transformation into an integrated Oil & Gas company: refocusing and rationalisation of the corporate structure and organisation	- Integrated corporate governance - Annual structural savings of €700 million	- The centralisation of Support Functions. All business report directly to the chief executive - Sale of stakes in Snam and Galp	✓✓
Mid-downstream restructuring: recovery of profitability in Gas & Power, Refining & Marketing and Versalis	- G&P: a €200 million reduction in logistics costs vs. 2014 - R&M: reduction of break-even in all segments (R&M has lowered the break-even point faster than expected; from $7.5 per barrel in 2013 to around $4 in 2016) - Mid-downstream EBIT: €5 billion in 2014-2016, of which over €2 billion in 2016 (vs. €400 million in 2013)	logistics contracts - R&M: reduction of more than 30% in refining capacity, the conversion of the Venice and Gela plants into biorefineries. Greater efficiencies through the increased utilisation of the facilities from 66% to 95% in 2016 - Chemicals: improved efficiency of the production platform. Increased focus on higher margin products (specialised) up from 30% in 2010 to 40% in 2016 Development of green chemical products. Focus on strengthening international activities	✓✓
Reinforcement of the Upstream business: enhanced exploration potential and the development of projects for the creation of value also in a scenario characterised by low prices	- Resources of 13 billion barrels discovered since 2008, entirely conventional and in 10 different basins (2.5 times the volume produced in the same period) - An average unit exploration cost 2008-2016 of $2 per barrel (around 20% of the average cost per barrel for the sector) - Reduction in time-to-market of new projects to 4.5 years (compared with a sector average of 8.5 years) - Organic growth in production: +250 kboed in the last quarter of 2016; +15% vs. 2013 - A 30% reduction in technical costs in 2016 vs. 2014 - A lowering of the average break-even for new projects from $45/bl to $27/bl in three years - Upstream CFFO 2016 up by 30% compared with 2013 (at constant prices) and in unit terms from $25/bl to $32/bl	- Strong in-house geological know-how - Proprietary 3D seismic analysis models - Focus on 'near-field' exploration - A 'design-to-cost' approach in project development - Portfolio of conventional projects	✓✓
FINANCIAL RESULTS			
Cost Optimisation: CAPEX reduction	- The overall cost optimisation programme has led to savings of €10 billion in 2016 compared with 2014 - CAPEX was down by 33% in 2016 compared with 2014	- Portfolio flexibility which was boosted by recent major discoveries and has allowed for a re-programming of expenditure - Engineering optimisation through phased development, modularisation and standardisation - Supply chain revision particularly in terms of contract renegotiation	✓✓
Reduction of the cash neutrality level	- Eni has halfed its cash balance point from $127/barrel in 2013 to $50/barrel in 2016 - In the period 2014-2016, despite a 50% fall in the price of oil, Eni achieved a cumulative liquidity contribution of $34 billion, compared with $37 billion in the period 2011-2013	- Increase in Upstream CFFO (at constant prices) - Mid-downstream restructuring - Reduction in CAPEX	✓✓
Dividend sustainability	- Entirely cash dividend of €0.80 per share - Level of leverage among the lowest in the sector and in decline compared with 2013 (vs. an average increase of 20% among our peers)	- Review of the dividend policy, in line with the company's strategy - A Dual Exploration Model for the early monetisation on upstream investments (€5.4 billion cash in from the sale of exploration assets for 2.5 billion of boe between 2013 and 2016)	✓✓
GOVERNANCE, HSE AND DECARBONISATION			
Restructure of Eni's governance model	- Adoption of an integrated approach to support rapid and cohesive decision making - Risk reporting system improvements - Better integration and more constructive dialogue between BoD and Company	- In 2014 the Sustainability and Scenario Committee was set up as part of the BoD (this is the only example in the sector). The Committee has a consultive role on sustainability, energys ector scenarios and corporate governance	✓✓
HSE: Safety	- Zero injuries - From 2014 to 2016 Eni has been the sector's top performer in injury reduction (in 2016 Eni's TRIR was 0.35 vs 1.1 sector average	- Monitoring and control of risk reinforcement	✓
Reduce CO_2 emissions and improve efficiency in all activities	- Between 2010 and 2016, Eni reduced GHG emissions by more than 30%, a third of which from 2014 to 2016 - Gas flaring was reduced by 75% since 2007 - Upstream methan emissions were halved since 2007	- Conventional projects characterised by lower emissions - Flaring reduction and energy efficiency to increase volumnes of gas available for domestic markets and to reduce the facilities' energy consumption - CO_2 price sensitivity of $40/ton on all main projects to promote efficiency from initial project phases	✓✓
A low-carbon portfolio and the promotion of natural gas use as a partner to renewables for electricity generation	- High percentage of gas reserves - Portfolio resilience to the IEA 2°C scenario	- 58% of Eni's projects are gas and upcoming developments in Mozambique, Egypt and Indonesia confirm Eni's commitment.	✓✓
Develop renewable energies in Italy and in countries where Eni operates	- The creation of the New Energy Solutions business unit for the development of solar and wind projects - 2 plants for bio diesel production: Venezia (operating) and Gela (developing) - 2 plants for bioplastics production: Porto Torres (operating) and Gela (developing)	- Green conversion of Downstream assets - Focus R&D on energy mix diversification and on green business	✓

* Note:

✓✓ Objectives totally achieved

✓ Objectives partially achieved