

FOR

SUSTAINABILITY REPORT

ENI FOR 2018



MISSION

We are an **energy company**.

We are working to build a future where **everyone can access energy resources efficiently and sustainably**.

Our work is based on **passion and innovation**, on our unique strengths and skills, on the **quality of our people** and in recognising that **diversity** across all aspects of our operations and organisation is **something to be cherished**.

We believe in the **value of long term partnerships** with the Countries and communities where we operate.



WHY READ ENI FOR 2018?

In this document we want to tell and share values and corporate strategies in the field of sustainability: from the reduction of greenhouse emissions to the respect for the environment; from Human Rights to the people's training; from the promotion of local development to access to energy. We address internal and external stakeholders to describe the current scenario and communicate how the company deals with it, with its challenges and difficulties, the objectives it has set and the commitments made. "Eni for" consists of three documents:

- "**Sustainability Report**", in which we illustrate the cross-cutting themes of all the business unit, our operational excellence model and our commitment to local development in the Countries that host us.
- "**Path to decarbonization**", which describes our journey to combat climate change, which follows the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosure (TCFD).
- "**Performance**", where the main Key Performance Indicators of the last three years are reported with the relative comments (available on eni.com).

The document is enriched by the "Stories of Eni for", stories of some concrete projects that we have developed during the year, and testimonies from people with whom we have shared parts of our journey.

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Eni for 2018 - Performance (available on eni.com)
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The 2030 Agenda for Sustainable Development of the United Nations, presented in September 2015, identifies the 17 Sustainable Development Goals (SDGs) that represent common goals of sustainable development on the complex current social challenges. These objectives constitute an important reference point for the international community and for Eni in conducting its activities in the countries in which it operates.

Cover picture: The CATREP project (Center d'Appui Technique et Ressources Professionnelles) is a project that Eni has carried out in the Republic of the Congo, as part of Hinda Integrated Project, north of Pointe-Noire. The cultivation of a particular crop, the beans, with the support of a large organization like the World Food Program (WFP), has led to the improvement of nutrition for many farmers and their families.

IT IS A MORAL IMPERATIVE, A RESPONSIBILITY THAT INVOLVES EVERYONE, TO CREATE THE RIGHT CONDITIONS TO ALLOW EACH PERSON TO LIVE IN A DIGNIFIED MANNER. BY REJECTING A "THROWAWAY" CULTURE AND A MENTALITY OF INDIFFERENCE, THE ENTREPRENEURIAL WORLD HAS ENORMOUS POTENTIAL TO EFFECT SUBSTANTIAL CHANGE BY INCREASING THE QUALITY OF PRODUCTIVITY, CREATING NEW JOBS, RESPECTING LABOUR LAWS, FIGHTING AGAINST PUBLIC AND PRIVATE CORRUPTION AND PROMOTING SOCIAL JUSTICE, TOGETHER WITH THE FAIR AND EQUITABLE SHARING OF PROFITS.

MESSAGE OF HIS HOLINESS POPE FRANCIS TO THE EXECUTIVE CHAIRMAN OF THE "WORLD ECONOMIC FORUM" ON THE OCCASION OF THE ANNUAL GATHERING IN DAVOS-KLOSTERS (SWITZERLAND), JANUARY 23-26, 2018



ENI AND THE FAI - FONDO AMBIENTE ITALIANO (THE NATIONAL TRUST FOR ITALY) HAVE CARRIED OUT A REDEVELOPMENT PROJECT OF THE CONTI VECCHI SALT PANS IN ASSEMINI (SARDINIA). THIS PROJECT COMBINES THE PERMANENCE OF AN INDUSTRIAL MINING ACTIVITY WITH THE HISTORICAL-CULTURAL ENHANCEMENT OF BUILDINGS AND NATURALISTIC VALORIZATION OF THE SURROUNDING ENVIRONMENT.

MESSAGE TO OUR STAKEHOLDERS

The global scenario continues to be characterised by strong imbalances. Today, more than 800 million people suffer from hunger and 11% of the world's population has no access to clean water, there are poverty and inequality and one billion people still live without access to electricity where energy resources abound. These data – described in the first pages of Eni for 2018 – are a serious call to open our eyes to what is happening around us. We can't neglect the negative social and environmental effects of the current development model based on unlimited growth in consumption and on the “culture of waste”.

We cannot surrender to the idea that this model is immutable and we must start again from amazement to improve the garden of which we are the guardians. Whence the drive to seek new ideas and the courage to change, the desire to heed the profound existential needs of people and the path that in recent years – with effort and daily work, research and all the technology at our disposal – has led Eni to a new business model capable of long-term investment that goes beyond the profit maximization logic and look at the global value of individuals.

In 2040, the world population will exceed the 9 billion mark and energy demand will continue to grow. As a company operating in this industry, we feel a great responsibility towards the people who live in the countries that host us and towards a world increasingly conditioned by upheavals, starting with climate change.

Within the framework of the Paris Agreement and adopting the language of the Sustainable Development Goals (SDGs) set out in the United Nations 2030 Agenda, Eni recognizes the need to actively intervene in the fight against climate change through an accurate integrated strategy that is implemented in our path to decarbonization, as detailed in the dedicated report. We wish to contribute to the construction of an energy model in which everyone – especially in areas such as Africa, characterised by a strong demographic boom – can have access to innovative and clean mixes. We want to bring energy where it is needed, distribute it better, offer opportunities for development, invest in education and vocational training, health and access to water with dedicated projects and services of social value.

When the challenge is great and urgent, we must act together, seeking common objectives and values. For this reason, we believe it is essential and more fruitful to carry out development initiatives increasingly engaging all actors: governments, society, international bodies and private sector realities, including investment funds. The partnership we signed with the Food and Agriculture Organization (FAO) for access to clean and safe water by building wells powered by photovoltaic systems, the partnership with the United Nations Development Programme (UNDP) signed in 2018 to pool expertise on energy access and sustainable development in the Countries in which we operate and the patronage of the United Nations Educational, Scientific and Cultural Organization (UNESCO) at the Musée polyvalent du Cercle Africain in Pointe-Noire, Congo, all head in this direction. Another significant example is the Oil and Gas Climate Initiative (OGCI) that we contributed to found: in September 2018, the OGCI set the first collective target for reducing the intensity of methane emissions from upstream aggregate Oil & Gas activities.

In these pages we will talk about how we do business: first of all, this means constantly aiming for operational excellence, starting from the safety of all the people who work for us and with us and respect for the rights of everyone; it means also contributing to local development and aspiring to be a model and reference for our operational practices, recognising diversity as a source of wealth and opportunity for self-discovery. In this awareness, in 2018, Eni drew up the Eni Statement on Respect for Human Rights in line with the 2011 United Nations Guiding Principles for Business and Human Rights.

Even in the roughest seas one can go on without sinking, one must join forces to act together and in agreement pursuing the common good and the innate dignity of every human being, letting us be guided by our values: respect for cultures, generosity, altruism and ownership, that is the sense of belonging and responsibility that must direct every action, promoting listening, cohesion and inclusion. These are the values that allow the Company to transform itself while remaining true to its identity.



Claudio Descalzi
Chief Executive Officer



ENI IN THE WORLD

2018 RESULTS

1.85
MILLION BOE/D
NEW RECORD OF
THE HYDROCARBON
PRODUCTION

7,153
MILLION BOE OF PROVED
HYDROCARBON RESERVES

-20%
GHG EMISSION INTENSITY
INDEX UPSTREAM VS 2014

-66%
UPSTREAM METHANE
FUGITIVE EMISSIONS VS 2014

-16%
VOLUMES OF
HYDROCARBONS SENT TO
PROCESS FLARING VS 2014

30,950
ENI PEOPLE

87%
LOCAL UPSTREAM
EMPLOYEES IN HISTORICAL
PRESENCE COUNTRIES

0.35 TRIR
TOTAL RECORDABLE
INJURY RATE: -51% VS 2014

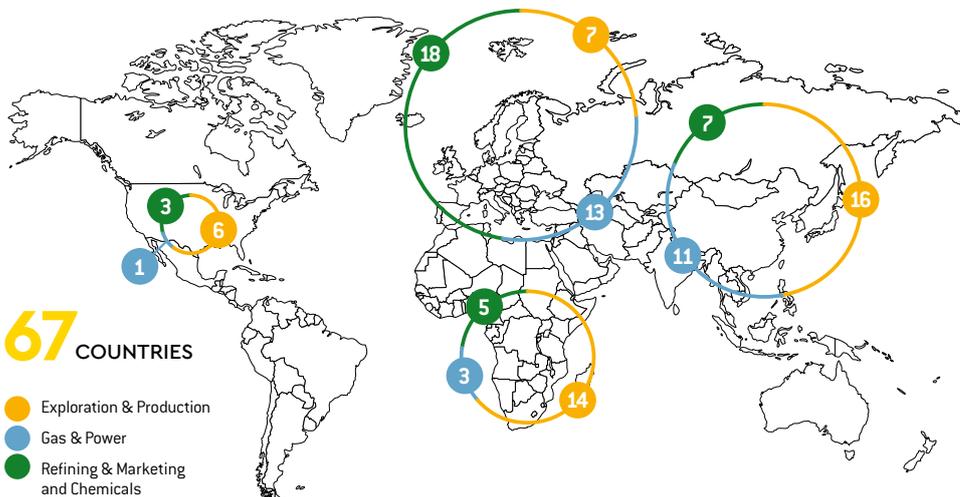
87%
FRESHWATER REUSED

<2%
FRESHWATER
WITHDRAWALS IN WATER
STRESS AREAS

60 BILLION M³
GAS SOLD TO THE DOMESTIC
MARKETS OF 17 COUNTRIES

1 GW
INSTALLED CAPACITY
OF THERMOELECTRIC
POWER STATIONS IN
SUB-SAHARAN AFRICA

67 Countries, one team: Eni inhabits the world and its identity is reflected in the **30,950 people** who make it up. It is a cosmopolitan, integrated energy company made up of people who aim to make it grow continuously by exploring the planet and constantly seeking new energy resources to create long-term value so that everyone can have access to energy in an efficient and sustainable way. The spirit of innovation and the courage of our founder Enrico Mattei continue to be closely intertwined with the company's roots. Eni looks to the future with a desire to grow and innovate, focusing on its people. Each one of them always acts to ensure safety, the protection and promotion of Human Rights, the protection of the environment and the fight against corruption. Guiding peoples and communities in their development is a "vocation" that Eni has had in its DNA from its inception and is well summarized in the "dual flag approach". According to this approach, Eni cooperates with host countries, interacting on a continuous basis with local institutions and stakeholders to identify the necessary interventions to respond to the needs of communities. This model of cooperation is an integral part and a strength of the company culture.

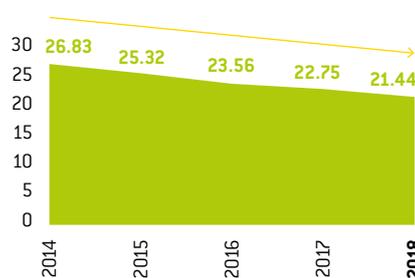


Research and development expenditures by typology



- Other issues including exploration
- Safety and water resources
- Environment
- Decarbonization

Upstream GHG Emission Intensity Index (tCO₂e/kboe)



Investments for local development (€ million)

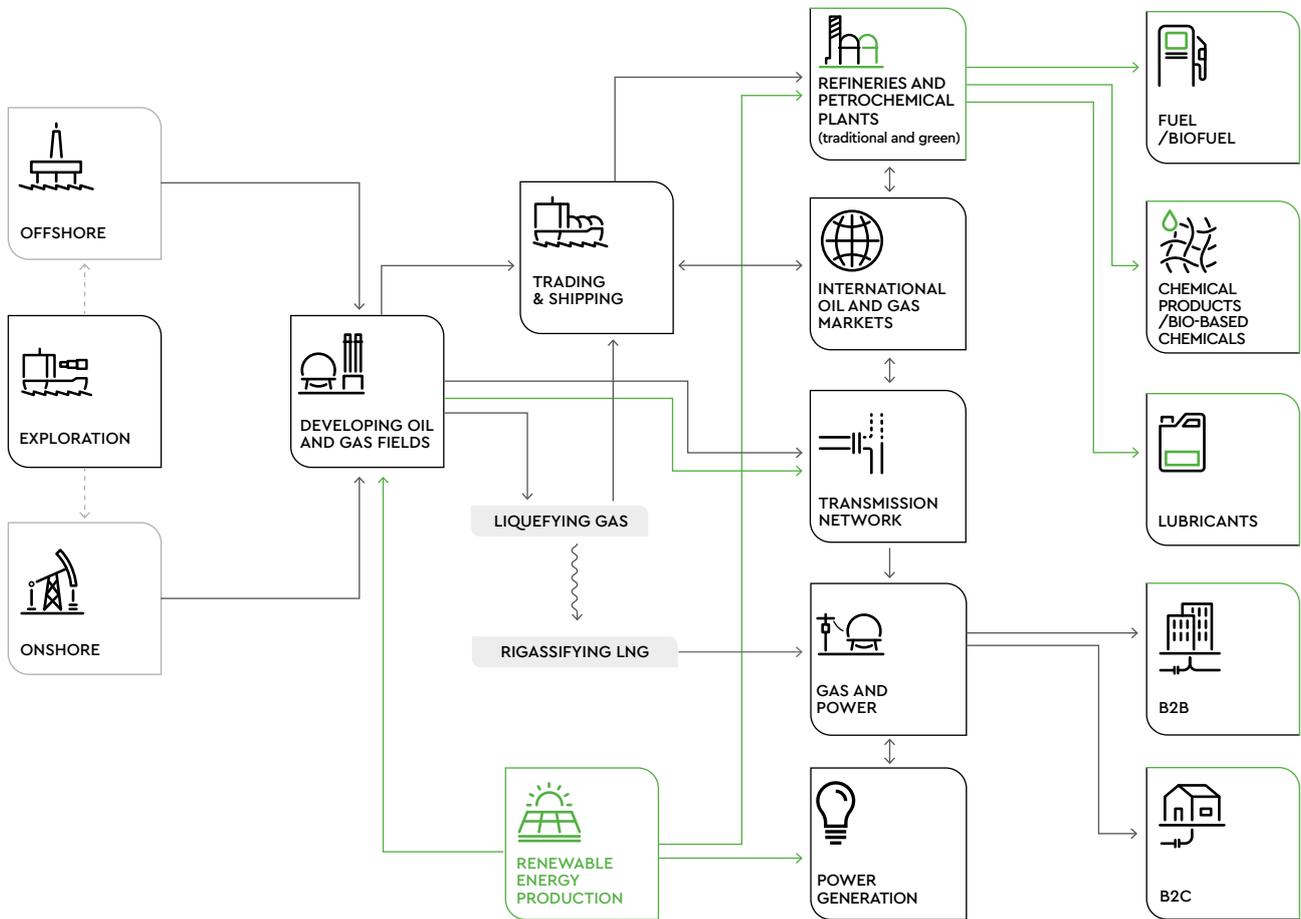


ENI ACTIVITIES: THE VALUE CYCLE

In an extremely volatile scenario, in recent years Eni has profoundly transformed its business to continue along its path of growth by further consolidating its financial structure. **This transformation has been pursued with speed of action by leveraging skills, know-how and technologies and placing the sustainability of its business model at the heart of the strategy.**

Eni is engaged in Oil & Gas exploration and production in over 40 Countries. The strategic objective of the business is the organic growth of production, leveraging a portfolio of geographically diversified assets, synergies between projects and consolidated relations with producer Countries. As regards gas, Eni is involved in all stages of the value chain: supply, trade and sale of gas and electricity, gas infrastructure, and supply and sale of LNG (Liquefied Natural Gas). In addition, Eni produces and sells fuels and other petroleum products mainly in Italy and chemical products also from renewables. Eni is committed to developing the business of energy from renewable sources, as well as to the remediation, environmental recovery and securing of disused industrial sites.

THANKS TO THE PROFOUND TRANSFORMATION OF THE COMPANY'S BUSINESS STARTED IN 2014, ENI IS NOW MORE FINANCIALLY SUSTAINABLE AND RESILIENT TO THE SCENARIO VOLATILITY THAN EVER BEFORE



The new Industrial Plan gives impetus to growth through an integrated business model. The portfolio of conventional assets¹, the high percentage of gas reserves and the development of renewable sources thanks to synergies with Eni's industrial assets will favour the evolution of the business model towards a low-carbon scenario, also thanks to technological development and digitalization in support of asset integrity and operating efficiency.

Moreover, in the Gas & Power sector Eni will continue to restructure its procurement portfolio and reduce logistics costs, also by increasing integration with other businesses including LNG and Trading. The Plan provides for the continued development of Green projects, including the start-up of the Gela green refinery plant and the expansion of the Venice plant, as well as the commitment to sustainable mobility through the increased supply of alternative fuels and the growth of enjoy². Circular economy initiatives for waste transformation will also be developed; through these, Eni aims to reduce greenhouse gas emissions in production processes by increasing energy efficiency.

1) Eni's production does not include fracking oil and gas.

2) enjoy is the car sharing service, implemented by Eni with the partnerships of Fiat and Trenitalia, with the aim of reducing the private vehicle fleet, relieving traffic congestion and improving the quality of life of those who live and work in the city.

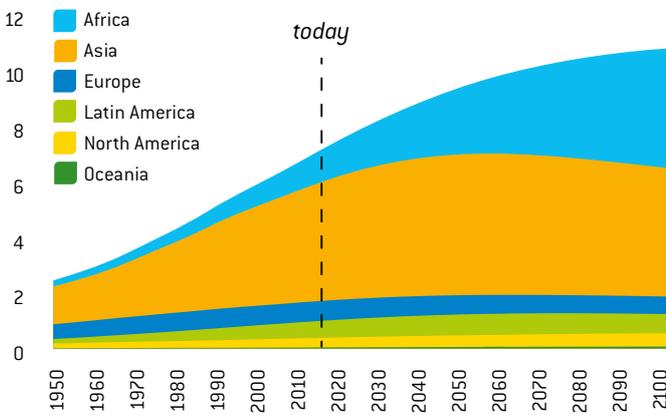


SCENARIO AND GLOBAL CHALLENGES

ENI'S MAIN CHALLENGE IS ENSURING ACCESS TO ENERGY RESOURCES FOR ALL EFFICIENTLY AND SUSTAINABLY WHILE COMBATING CLIMATE CHANGE

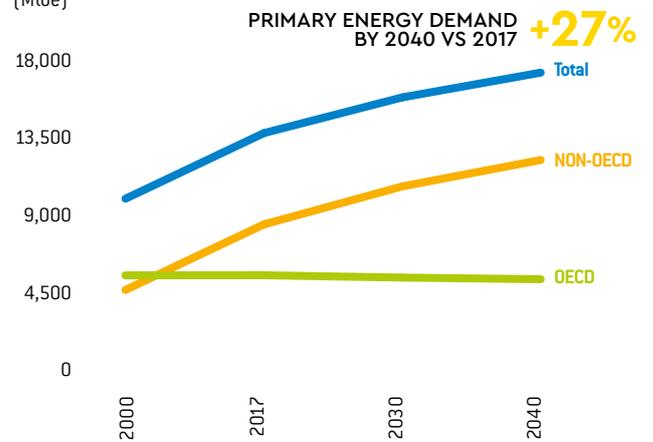
Eni is a company that operates on a global scale and in an industry critical for the achievement of the sustainable development goals set by the 2030 Agenda of the United Nations. Therefore, it is called upon to address the current macro trends and to participate in the global challenges that the world will face in the coming years. Today, world population has exceeded the 7.5 billion mark and 83% of it lives in less developed areas, which are often rich in resources. According to UN forecasts, **by 2040 world population will exceed 9 billion people**. Therefore, in the New Policies Scenario (NPS) of the International Energy Agency (IEA)³, **global energy demand is expected to grow by 27% by 2040 compared to 2017 levels**, driven mainly by non-OECD Countries (+45%).

World population
(Billions of people)



Source: United Nations, Department of Economic and Social Affairs, Population Division (2017). World Population Prospects: The 2017 Revision, custom data acquired via website.

Total primary energy demand
(Mtoe)



Source: IEA (2018) World Energy Outlook. All rights reserved.

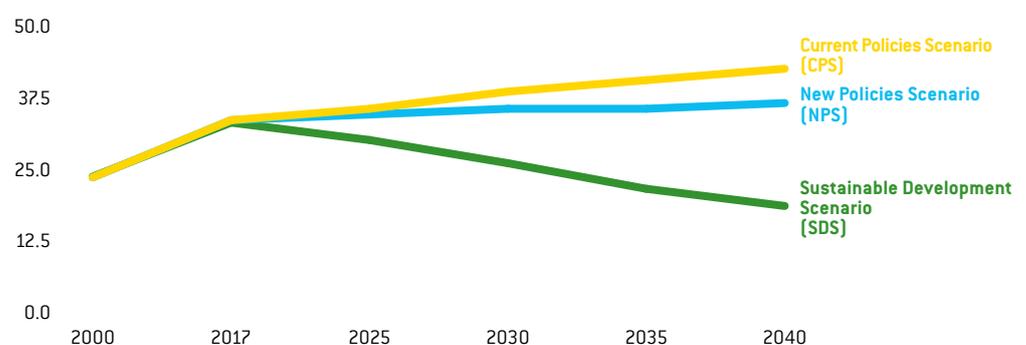
9 BILLION
PEOPLE IN 2040

At the same time, **it is necessary to combat climate change, limiting emissions of climate-changing gases into the atmosphere and contributing to the gradual decarbonization** of the energy system through an energy transition. According to the IEA Sustainable Development Scenario (SDS), based on the baseline assumption of achieving the Paris target⁴, **emissions should be reduced by 46% in 2040 compared to 2017⁵**.

+27%
PRIMARY ENERGY DEMAND AT 2040 VS 2017

-46%
CO₂ EMISSIONS AT 2040 VS 2017 ACCORDING TO THE SDS SCENARIO OF IEA

CO₂ emissions
(Gton)



Source: IEA (2018) World Energy Outlook. All rights reserved.

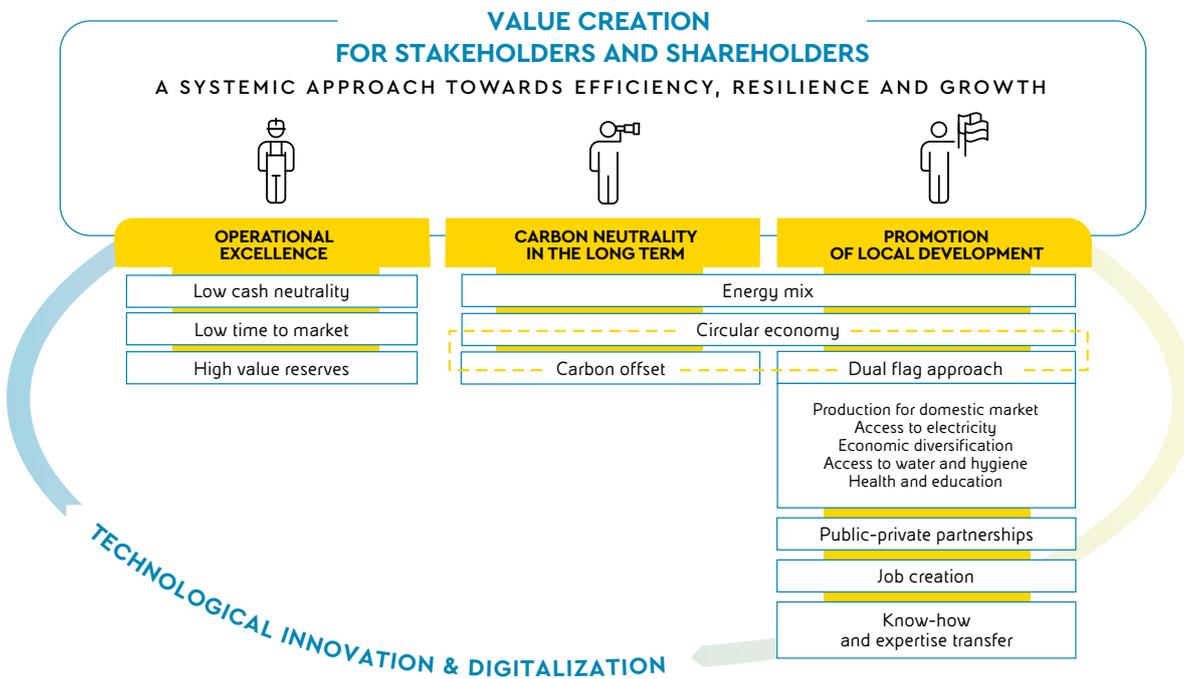
3) New Policies Scenario (IEA - WEO 2018). For more details on this and the other two IEA scenarios mentioned below, see: <https://www.iea.org/weo2018/scenarios/>.

4) The objective is to keep the global average temperature increase well below 2 degrees with respect to pre-industrial levels.

5) According to the other two IEA scenarios, the already mentioned NPS and the CPS (Current Policies Scenario), emissions by 2040 will increase by 10% and 30% respectively.

THE BUSINESS MODEL

Eni’s business model is focused on creating value for its stakeholders and shareholders. Eni recognizes that the main challenge in the energy sector is providing efficient and sustainable access of local communities to energy resources, while combating climate change. This challenge may trigger new paradigms of development affecting patterns of consumption and supply, as well as on industrial processes. In this framework, Eni has adopted a systemic approach to pursue efficiency, resilience and growth, which organically integrates sustainability to make it business, incorporates emerging trends of decarbonisation and inclusive development including them in its industrial plan and in the operating model. Eni, therefore, adopts a business model, fuelled by the application of own innovative technologies and the digitalization process, leveraging on the following levers: **1 operational excellence, 2 carbon neutrality in the long term, 3 promotion of local development.**



Efficiency and integration are the strategic drivers leading Eni’s business towards **operational excellence**. This allows the achievement of low cash neutrality, a low time-to-market and a high value resource portfolio, resilient also in low carbon scenario. The excellence of the operating model is also characterized by a steady commitment to minimize risks and create opportunities all along the value chain through the valorization of human resources, the safeguard of health and safety, the environmental protection, respect and promotion of Human Rights and focus on transparency and anti-corruption.

Secondly, Eni’s business model envisages a path to decarbonisation with the ambition to lead the Company to become **carbon neutral** in the long term, aiming at maximize efficiency and reduce direct emissions through the compensation of residual emissions, promoting an energy mix with a low carbon impact.

In the long term, Eni supports a change of energy paradigm and a conversion of the current consumption pattern towards a more sustainable and rational one, leveraging on the principles of circular economy, pursuing a path to conversion by exploiting the group’s expertise and positioning in the downstream business.

Promotion of local development in Eni’s Countries of activities is the third lever of the business model. First of all, we supply our gas production to the local market, expanding access to electricity and by promoting a large portfolio of initiatives addressed to local communities: from local economies diversification, to projects for health, education, access to water and hygiene.

This “Dual Flag” approach leverages on the collaboration with institutions, cooperation agencies and local stakeholders in order to identify actions to satisfy the needs of communities in accordance with the national development plans and the 2030 UN Agenda.

Eni is also committed to create job opportunities and transfer its know-how and expertise to the local partners.



ENI'S SUSTAINABILITY PATH



SEE THE WEBSITE ENI.COM
FOR THE COMPLETE TIMELINE

Travelling through time, from its beginnings to the present day, Eni has changed tremendously. Meetings, decisions, signatures, and every step taken have changed the course of events, in the Company, in Italy and in the world. These stages have been marked by the ability to innovate over the years, always paying special attention to people and local communities, and to the continuous search for solutions to design a future in which everyone can access energy resources in an efficient and sustainable manner. **From 2014 Eni has been profoundly renewed thanks to its people and a new integrated business model that leverages new business opportunities to create shared value in the long term.** Below are some of the milestones of Eni's sustainability journey.

<p>1953</p> <p>Ente Nazionale Idrocarburi is established</p> 	<p>1957</p> <p>The Mattei formula is experimented: first contract with Iran</p> 	<p>1977</p> <p>Launch of first studies on the production of electricity through photovoltaics</p> 		
<p>1996</p> <p>First Health, Safety and Environment Report</p>	<p>1999</p> <p>Adhesion to IPIECA</p> 	<p>2001</p> <p>Adhesion to United Nations Global Compact</p> 	<p>2003</p> <p>Adhesion to Global Gas Flaring Reduction (GGFR)</p>	
<p>EITI</p> <p>Adhesion to the Extractive Industries Transparency Index (EITI)</p>	<p>2005</p> <p>Adhesion to the Extractive Industries Transparency Index (EITI)</p>	<p>2006</p> <p>The Sustainability Unit is established and the first sustainability report is published</p> 	<p>2007</p> <p>Guidelines on the respect for Human Rights are issued</p>	<p>2007</p> <p>Listing on FTSE4Goods and CDP</p>
<p>2008</p> <p>Sustainability objectives for senior managers are set</p> 	<p>2011</p> <p>The Sustainability Policy is issued</p> 	<p>2014</p> <p>The Sustainability and Scenarios Committee is set up</p>	<p>2015</p> <p>Sustainability and business planning are integrated</p>	
<p>2015</p> <p>The Oil and Gas Climate Initiative (OGCI) is established together with 4 other CEOs of Oil & Gas companies</p> 	<p>2015</p> <p>The department for renewables development is set up</p>	<p>2016</p> <p>The new Mission and the new Integrated Business Model are presented to the Socially Responsible Investors (SRI)</p> 	<p>2016</p> <p>The event "Raising awareness on Human Rights in Eni's activities" is chaired by the CEO</p> 	
<p>2017</p> <p>Partnership with the Food and Agriculture Organization (FAO) of the United Nations</p>	<p>2017</p> <p>The Advisory Board is established</p> 	<p>2018</p> <p>The agreement with the United Nations Development Program (UNDP) is signed in order to promote universal energy access by 2030</p>	<p>2018</p> <p>Corporate Human Rights Benchmark – Eni ranks first among energy companies</p>	

ENI AND THE SUSTAINABLE DEVELOPMENT GOALS

The UN's 2030 Agenda for Sustainable Development, presented in New York in September 2015, identifies **17 Sustainable Development Goals (SDGs)** which represent **common goals for the current complex challenges and are an important reference for the international community**. As part of these global challenges, energy plays a fundamental role for the achievement of primary needs, for the socio-economic development of Countries, and for the protection of the environment and international security. With this awareness, **in its 2019-2022 Strategic Plan, Eni has set the objectives to contribute directly or indirectly to the achievement of the SDGs** and below are some examples which are then detailed in the document. The information is presented based on the model for prioritizing the SDGs for Eni defined in 2017 in collaboration with the Columbia Center on Sustainable Investment.



SDGs WITH A GLOBAL PRIORITY



SEE "ENI FOR 2018 - PERFORMANCE" FOR QUANTITATIVE CONTRIBUTIONS RELATING TO SDGs

PRIORITY AT GLOBAL LEVEL

Create long-term value through efficient and sustainable access to energy resources for everyone in a low-carbon future

CONTRAST TO CLIMATE CHANGE AND ACCESS TO ENERGY

- -43% GHG upstream emission intensity at 2025
- Zero process flaring at 2025
- -80% UPS fugitive methane emission at 2025
- 50% R&D investments in decarbonization, circular economy and energy transition at 2022
- Net zero carbon footprint on direct emissions of upstream activities (in equity) at 2030

- Increase the volume of gas sold to local markets
- Construction of the 3rd Turbine Power Station in Congo in 2019
- Planned doubling of installed capacity of the Okpai power plant, Nigeria in 2019
- Expected installed power from renewable sources of 5 GW in 2025



BUSINESS APPROACH

Incentivize long-lasting, inclusive and sustainable economic growth by promoting innovation and fair industrialization through operations integrity

PEOPLE

- Increased percentage of employed women
- Strengthening of work life balance initiatives
- Planned investment of €2 million a year in innovative topics
- Health investments of about €180 million at 2022

HUMAN RIGHTS

- Continue the training campaign on Human Rights
- Finalization of the Supplier Code of Conduct
- Complete integration of Human Rights into Environmental, Health and Social Impact Analyses



INTEGRITY IN BUSINESS MANAGEMENT

- Active participation in the initiatives of the EITI Board
- Continuous improvement of the Anti-Corruption Compliance Program
- Application of methodology to segment the population for anti-corruption training purposes

TECHNOLOGICAL INNOVATION

- Planned investments of about €900 million at 2022

MANAGEMENT OF ACTIVITIES

Reduce environmental impacts through responsible resource management and sustainable production and consumption models, protecting the ecosystems in which Eni operates

REDUCTION OF ENVIRONMENTAL IMPACTS

- Increase in the amount of groundwater treated and reused
- 86% production water reinjected at 2022
- Extension of the e-vpms[®] system to detect activities near pipelines and TPI* pilot testing
- Increase in the amount of recovered waste
- Broader disclosure of the BES** management indicator in key biodiversity areas

PEOPLE'S AND ASSET'S INTEGRITY

- Zero injuries
- Launch of the "Safety starts @ office" campaign and initiatives to consolidate safe behaviour and reduce at-risk behaviour
- Consolidation of the Safety Culture Program
- Consolidation of the process safety culture
- Creation of a pool of internal process safety auditors and monitoring of corrective actions resulting from audits



LOCAL LEVEL ACTIVITIES

Support host Countries by endorsing sustainable development paths in response to local needs

LOCAL DEVELOPMENT THROUGH PUBLIC-PRIVATE PARTNERSHIPS

- Investments for local development of €431.5 million at 2022 in projects related to: access to off-grid energy, economic diversification, education and training, access to water and sanitation and health



* TPI: Third Party Intrusion. For more details see p. 37.

** Biodiversity and Ecosystem Services. For more details see p. 38.



SUSTAINABILITY GOVERNANCE

2019 TARGETS FOR THE ANNUAL VARIABLE INCENTIVE PLAN FOR THE CEO/GM^(a):

- 25%**
ENVIRONMENTAL SUSTAINABILITY AND HUMAN CAPITAL
- 12.5%** SEVERITY INCIDENT RATE^(b)
- 12.5%** UPSTREAM GHG EMISSIONS INTENSITY

a) CEO: Chief Executive Officer – GM: General Manager.
 b) Severity incident rate (SIR): Eni's internal index to calculate the frequency of total recordable injuries compared to hours worked, taking into account the level of severity of the incident, based on days of absence from work.

FROM THE MANAGEMENT BODIES TO THE LOCAL REALITIES

Integrity and transparency are the principles that inspire Eni in outlining its Corporate Governance system⁶, which is the cornerstone of the Company's business model. **Eni's governance structure reflects the Company's desire to integrate sustainability into its business model.**

The Board of Directors (BoD) plays a central role in defining, based on the proposal of the Chief Executive Officer (CEO), sustainability policies and strategies, in identifying annual, four-year and long-term objectives shared by functions and subsidiaries and in verifying the related results, which are also presented to the Shareholders' Meeting, with this document and the Consolidated Disclosure of Non-Financial Information⁷.

In carrying out its tasks in the field of sustainability, the Board of Directors is supported, as from 2014, by the Sustainability and Scenarios Committee, with proactive and advisory functions on scenarios and sustainability. The Committee is an important forum for monitoring sustainability issues integrated into the Company's business model, such as climate change and Human Rights⁸. Eni's BoD has also **appointed an Advisory Board** to analyse, among other things, issues related to the decarbonization process on behalf of the Board and the CEO. In addition, the CEO's **Variable Incentive Plan** for 2018 and 2019 includes environmental and human capital sustainability objectives. These objectives are also set out for executives with strategic responsibilities and supported by other sustainability objectives (for example, relating to Human Rights, local interventions, SDGs and Public-Private Partnerships) in line with the specific responsibilities of the role held and with the provisions of the Company's Strategic Plan.

Roles and responsibilities on sustainability issues

BOARD OF DIRECTORS



6) For more information, please refer to the Corporate Governance Report published on the website eni.com.
 7) The Consolidated Disclosure of Non-Financial Information, included in the Annual Report, has been prepared in accordance with the provisions of Legislative Decree 254/2016, which in turn implements European Directive 95/2014.
 8) For further details on: climate change see "Eni for 2018 - Path to Decarbonization"; Human Rights, see "Human Rights Governance", p. 40.

INTERVIEW WITH PIETRO GUINDANI (SUSTAINABILITY AND SCENARIOS COMMITTEE)

Interview with the Sustainability and Scenarios Committee President.

In 2018, the Committee met 12 times and the meetings had an attendance rate of 96%.

At its meetings, the Committee discussed the following issues: scenarios, climate, environment and technologies, social issues, including Human Rights and non-financial reporting.

President Guindani, what are the reasons that led to the establishment of the Sustainability and Scenarios Committee chaired by you and what are the main issues of discussion?

The Board of Directors, with marked foresight, has set up an internal Committee dedicated to the themes of "Scenarios and Sustainability". This choice implies a fundamental programmatic meaning that the evolution of the long-term scenarios of the energy sector are intrinsically linked to the sustainability of the scenarios themselves, in a relationship of mutual dependence between human development, environmental dynamics, evolution of production technologies, distribution and energy consumption and industry perspectives. At the same time, this choice of governance signifies the awareness that Eni's business model will also evolve according to the energy transition scenarios that will occur. This approach is, in the opinion of the Board of Directors, the most appropriate for preserving the value of the Company and for seizing development potential that can create additional value for all stakeholders in the proactive, rather than reactive management of the portfolio of strategic initiatives. The balance between the deepening of long-term evolutionary scenarios and the timely review of developments actually observed in the relevant markets and in the evolution of technologies, has led the Committee to examine a broad, but intrinsically organic, number of main issues such as energy and sustainability scenarios, environmental and climate evolution, decarbonization strategies, the evolution of research and development of innovative technologies in the energy field, both in terms of energy sources and demand, segmented by end markets, the management of relations with stakeholders in the areas where Eni operates and a series of relevant collateral issues. The advisory function of the Committee was therefore substantiated by an action aimed at promoting, towards the Board of Directors, issues that are crucial for long-term development and for Eni's positioning on issues of general importance for the economy and society.



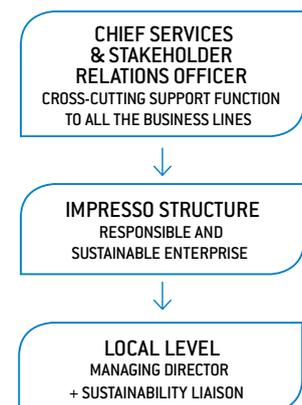
INTERVIEW

PRESIDENT PIETRO GUINDANI
NON-EXECUTIVE AND
INDEPENDENT DIRECTOR,
PRESIDENT OF THE
SUSTAINABILITY AND
SCENARIOS COMMITTEE

In accordance with its own Regulations, **the Sustainability and Scenarios Committee proposes/submits to the Board of Directors the main sustainability issues that emerged during its meetings.** Specifically, in 2018 the BoD:

- in the field of reporting, approved the 2017 Annual Report, including the Consolidated Disclosure of Non-Financial Information, the voluntary sustainability report (Eni for) and the Remuneration Report, which includes sustainability objectives in the incentive plans;
- analysed the 2017 HSE Results, the World Economic Forum (WEF) Climate Governance initiative, and the Sustainability Scenario which includes the SDGs priority model and public-private partnerships;
- on Human Rights, approved the Statement according to the UK "Modern Slavery Act" and the Eni Statement on Respect for Human Rights.

To ensure that its initiatives and conduct are implemented in such a way as to respect and consider the perspective of all the categories of stakeholders concerned, **Eni has made sustainability an integral part of its business model.** To this end, **Eni has set up, under the direct supervision of the Chief Services & Stakeholder Relations Officer, a cross-cutting sustainability structure "Responsible and Sustainable Enterprise (IMPRESSO)"**, which oversees the definition of sustainability policies, methodologies and tools, promoting ever greater integration with operational processes. IMPRESSO coordinates and supervises all sustainability-related activities, from monitoring the evolution of the external context to the setting of sustainability objectives for the Strategic Plan and the development of initiatives in the Countries in which Eni operates and makes use, at local offices, of liaisons to define development plans for the local community. This organization provides tangible and proactive support to the Managing Directors for the implementation of sustainability initiatives with which Eni contributes to value creation for all categories of stakeholders and to the socio-economic growth of the Countries in which it operates.





INTEGRATED RISK MANAGEMENT MODEL

THE INTEGRATED RISK MANAGEMENT MODEL ENSURES THAT MANAGEMENT MAKES INFORMED DECISIONS WITHIN AN ORGANIC AND COMPREHENSIVE VISION

Eni has developed and adopted an **Integrated Risk Management Model**⁹ to ensure that management takes risk-informed decisions, with full consideration of **actual and potential future risks, including medium and long-term ones, as part of an organic and comprehensive vision.**

The integrated risk management model:

- attributes the **Board of Directors with a central role in defining the nature and level of risk compatible with the strategic targets** including in the valuation process all those risks which could be consistent for the sustainability of the business in the medium/long-term;
- provides for a **quarterly analysis of the Company's risk profile** through periodic risk assessment & treatment and monitoring cycles, the results of which are presented to the Board of Directors and the Board of Statutory Auditors on a quarterly basis;
- is based on **impact assessments** that consider potential impacts, both quantitative (economic, financial or operational) and qualitative (such as environment, health and safety, social, reputation).

Two assessment cycles were carried out in 2018: the Annual Risk Profile Assessment in the first half of the year, which involved 80 subsidiaries in 27 Countries, and the Interim Top Risk Assessment in the second half of the year, which involved updating assessments and treatment actions for Eni's top risks and the main risks at business level. In addition, three monitoring cycles were carried out on the top risks.

The **portfolio of Eni's top risks** consists of **18 risks** classified into external, strategic and operational risks. The following table shows the main risks with ESG (environment, social, governance) effects whose main mitigation actions¹⁰ can be analysed in greater detail in Eni for.

RISK TYPE		MITIGATION ACTIONS EXAMPLES
POLITICAL AND SOCIAL INSTABILITY	Political and social instability in the areas of presence, which can result in internal conflicts, civil unrest, violence, sabotage, attacks with production interruptions and losses, disruption in gas supply via pipeline. Global security risk refers to malicious acts or events that can cause damage to people and tangible and intangible assets.	Stakeholder engagement activities, pp. 14-15; Human Rights and security, p. 42; Promotion of local development, pp. 48-64
CLIMATE CHANGE	Possibility of scenario/climate changes that could generate physical risks and risks related to energy transition (regulatory, market, technological, reputational) on Eni's businesses in the short, medium and long term.	Training, p. 28; Path to decarbonization, pp. 18-21; Annex Eni for 2018 - Path to Decarbonization
STAKEHOLDERS	Relations with local and international stakeholders on activities in the Oil & Gas industry, with impacts also on the media.	Stakeholder engagement activities, pp. 14-15; Promotion of local development, pp. 48-64
CYBER SECURITY AND INDUSTRIAL ESPIONAGE	Possibility of computer attacks aimed at i) compromising management information systems and industrial systems, ii) the theft of sensitive information for Eni, and iii) the theft and acquisition of Company information by other companies.	Digitalization, p. 17; Training, p. 28
ACCIDENTS	Risks of blow-outs and other major accidents to upstream assets, refineries and petrochemical plants, as well as in the transport of hydrocarbons and related products by sea and by land with damage to people and assets and impacts on the Company's profitability and reputation.	Technological Innovation, p. 16; Digitalization, p. 17; Training p. 28; Safety, pp. 30-33; Oil Spill Management, p. 37
INVESTIGATIONS AND PROCEEDINGS	Environmental and health proceedings and involvement in corruption investigations and litigation with an impact on Eni's profitability, operations and reputation.	Stakeholder engagement activities, pp. 14-15; Transparency and anti-corruption, pp. 44-45

9) For more information, see the 2018 Annual Report, Integrated Risk Management Process [p. 21].

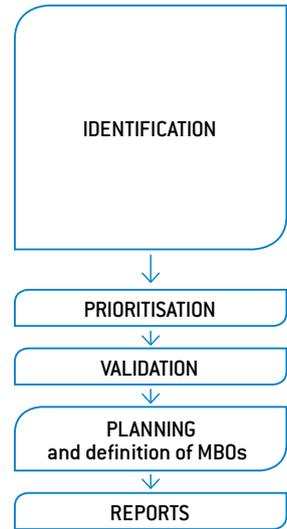
10) The complete portfolio of Eni's top risks is illustrated in the 2018 Annual Report [pp. 21-23]. Climate change risk is extensively described in Eni for 2018 - Path to Decarbonization.

MATERIALITY: KEY SUSTAINABILITY TOPICS

PROCESS FOR DETERMINING KEY TOPICS

The definition of material sustainability topics is based on a process that identifies all the relevant topics and, consequently, prioritizes them by taking into account:

- **SCENARIO ANALYSIS:** emerging issues with regard to business context and the progress achieved on the Strategic Plan objectives. The analysis is presented annually to the Sustainability and Scenarios Committee (CSS) and approved by Eni's BoD (see pp. 6, 18, 22, 46);
- **RISK ASSESSMENT RESULTS:** identification of Eni's main risks that include potential environmental, social, reputational and health and safety impacts. The CEO submits the Company's main risks to the BoD on a quarterly basis (see p. 12);
- **STAKEHOLDER PERSPECTIVE:** process for defining priority issues based on the sustainability requests received from the various stakeholders¹¹ (see pp. 14-15).



The identified topics, according to the priorities set for the different business lines, are the basis for the elaboration of the four-year Strategic Plan and the non-financial reporting (Consolidated Disclosure of Non-Financial Information and Eni for). The Strategic Plan combines economic-financial and sustainability objectives, thus enabling an integrated strategic planning. Furthermore, this year the main SDGs of reference have also been identified within the Strategic Plan. Once the Strategic Plan has been finalized, the sustainability management objectives (MBOs) assigned to all managers are defined. The key issues are then presented to the Management Committee and Sustainability and Scenarios Committee, and reported to the BoD at the beginning of the reporting process.

Below are the 2018 key issues associated with the sustainable development goals (SDGs) on which Eni's activities have a direct or indirect impact.

2018 Key Topics

Path to decarbonization	FIGHT AGAINST CLIMATE CHANGE	GHG emissions, promotion of natural gas, renewables, biofuels and green chemistry	7	9	12	13	17		
	TECHNOLOGICAL INNOVATION		7	9	12	13	17		
Operational Excellence model	PEOPLE	Employment and Diversity and Inclusion, Training, Health protection of workers and communities	3	4	5	8			
	SAFETY	Safety and asset integrity	3	8	9	11			
	REDUCTION OF ENVIRONMENTAL IMPACTS	Water resources, biodiversity and oil spills	3	6	12	14	15		
	HUMAN RIGHTS	Workers' and local communities' rights, Supply chain and Security	4	8	10	16	17		
	INTEGRITY IN BUSINESS MANAGEMENT	Transparency and Anti-Corruption	4	10	16	17			
Promotion of local development: Cooperation model	ACCESS TO ENERGY		7	9	10	13	17		
	LOCAL DEVELOPMENT THROUGH PUBLIC-PRIVATE PARTNERSHIPS	Economic diversification, Education and Training, Access to water and sanitation, Health	2	3	4	6	8	10	17
	LOCAL CONTENT		4	8	9				

11) Identified according to GRI standards, AA1000 Accountability and International Finance Corporation guidelines.



STAKEHOLDER ENGAGEMENT

OUR STAKEHOLDERS ARE FIRST AND FOREMOST PEOPLE WHO LIVE IN THE COMMUNITIES WHERE WE WORK

Our stakeholders are first and foremost people who live in the areas where Eni works: their knowledge and sharing of their concerns and expectations are the basis of our commitment to build lasting relationships in order to contribute, together, to a sustainable development. The direct involvement of stakeholders in each phase of the activities, the promotion and sharing of common principles and dialogue are at the basis of the creation of long-term value. Eni is present in 67 Countries, characterized by social, economic and cultural contexts, which may also be very different from one another: in carrying out the activities, the daily and proactive dialogue, in place with different stakeholders, is essential in order to establish a solid and transparent relationship of trust, which can be a promoter for shared development processes.

Issues arising from stakeholder dialogue





For this reason, Eni has set up an IT platform called the Stakeholder Management System (SMS) dedicated to support the management of the complex network of relationships in the territories, monitoring the expectations of the populations and the results of development projects.

This tool allows to survey and visualize, through a map, the relations with each category of stakeholder, highlighting any areas for improvement, with the possibility of better investigating the potential impacts on Human Rights, tracing the presence of vulnerable groups and the presence of areas of naturalistic and/or cultural value around the areas of activity, enabling a more conscious management of the operational realities.

Main stakeholder engagement activities in the year

PU ENI'S PEOPLE AND NATIONAL AND INTERNATIONAL LABOUR UNIONS

- Internal communication plan focused on strategy, targets, Eni's results through events and meetings on strategic issues
- Integrating skills and experiences (best practices sharing, storytelling, support to organization and communication of defined initiatives)
- Sample climate analysis
- Meeting with national and international labour unions, in the field of Global Framework Agreement, finalized to a dialogue on certain social and working situations in Countries of worker representatives' origin

LC LOCAL COMMUNITIES & COMMUNITY BASED ORGANIZATIONS

- Involvement of over 200 communities in the territories in which Eni operates
- Consultation activities with authorities and local communities for new exploration activities or for the development of new projects
- Collaboration with the authorities and the local communities for planning, management and realization of initiatives for the community (Congo: CATREP^(a) project; Mozambique: educational and agro-livestock development projects; Ghana: Livelihood Restoration Plan and water access project; Iraq: educational projects)

SP CONTRACTORS, SUPPLIERS AND COMMERCIAL PARTNERS

- Involvement of suppliers with Human Rights Assessment
- Communication, feedback and improvement plans
- Sharing the draft of the Supplier Code of Conduct on Eni's values of sustainability
- Participation in the IPIECA^(b) WG: Forum on Oil & Gas Sustainability best practices
- Green sourcing project: identification of the levers in the supply chain for the reduction of environmental impacts

FC FINANCIAL COMMUNITY

- Launch of the 2018 strategic plan in London, Milan and New York
- Road-show of top management and of the President on governance issues
- Conference call on quarterly results
- Participation of top management in thematic conferences organized by financial institutions
- Engagement with investors about industrial topics, financial and ESG themes also relating to Shareholders' Annual meetings

CC CUSTOMERS AND CONSUMERS

- Meetings and workshops with Presidents and managers of the energy sector of national and local CA^(c) on topics such as sustainability, circular economy, reclamation and environmental remediation
- Sponsorization of CA initiatives on the issues of sustainability and the circular economy to which Eni's senior officials have taken part, bearing witness to our initiatives in this regard
- Territorial meetings organized with the Customers' Associations of the CNCU^(d)

II DOMESTIC, EUROPEAN AND INTERNATIONAL INSTITUTIONS

- Meetings with local, national and international political and institutional members on energy and climate issues
- Active participation in technical-institutional worktables, mixed commissions on energy opportunities of dialogue promoted by Government and the Italian Parliament
- Meetings with national and local institutional delegations during State visits and at industrial sites

UR UNIVERSITIES AND RESEARCH CENTRES

- Meetings with representatives of Universities, Research Centers and third-party companies with which Eni collaborates or interfaces for the development of innovative technologies concerning the topics of greatest interest
- Collaborations with institutions with which Eni has a framework agreement, such as the Polytechnic of Milan and Turin, University of Bologna, MIT, CNR, INSTM, ENEA and INGV^(e)
- Collaborations for the development of impact assessment models (Columbia University and Milan Polytechnic)

OA VOLUNTARY PARTICIPATION IN ORGANIZATIONS AND CATEGORY ASSOCIATIONS

- Membership and participation to OGCI, IPIECA, WBCSD, UN Global Compact, CIDU, EITI^(f)
- Collaboration with DIHR^(g) and IHRB^(h)
- Conventions, debates, seminars and training initiatives on sustainability issues: creation of guidelines and sharing of best practices
- Participation to associative organism and specialized worktables
- Meetings with local business associations on the supplier qualification process

CD ORGANIZATIONS FOR COOPERATION AND DEVELOPMENT

- Promotion of public-private partnerships to carry out projects in line with Country development plans
- Sharing of internationally adopted policies and methodologies
- Capacity building activities carried out with institutions

a) Centre d'Appui Technique et de Ressources Professionnelles.

b) Oil & Gas Association active in environmental and social issues.

c) Consumers' Association.

d) Italian National Council of Consumers and Users.

e) Massachusetts Institute of Technology; National Research Council (Consiglio Nazionale delle Ricerche); National Interuniversity Consortium

for Materials Science and Technology (Consorzio Interuniversitario Nazionale per la Scienza e Tecnologia dei Materiali); National agency for new technologies,

energy and sustainable economic development (Agenzia nazionale per le nuove tecnologie, l'energia e lo sviluppo economico sostenibile); National Institute of Geophysics and Volcanology (Istituto nazionale di geofisica e vulcanologia).

f) Oil and Gas Climate Initiative; World Business Council for Sustainable Development; Inter-ministerial Committee for Human Rights; Extractive Industries Transparency Initiative.

g) The Danish Institute for Human Rights.

h) Institute for Human Rights and Business.



TECHNOLOGICAL DEVELOPMENT



Research and Development (R&D) is a **key element for Eni's transformation** into an integrated energy company for a low-carbon future. The availability and development of cutting-edge technological expertise at the service of innovation and sustainability and the continuous commitment expanding the areas of application of the energy solutions identified are the common denominator of the activities. Research projects cover every aspect of the production chain, with the aim of reducing risks and increasing efficiency, consolidating technological leadership and generally achieving greater quality, efficiency and sustainability in products, plants and processes. R&D becomes, therefore, the driver to create value, with the aim of minimizing the time to market needed for research to result in the development of technologies and their implementation on an industrial scale.

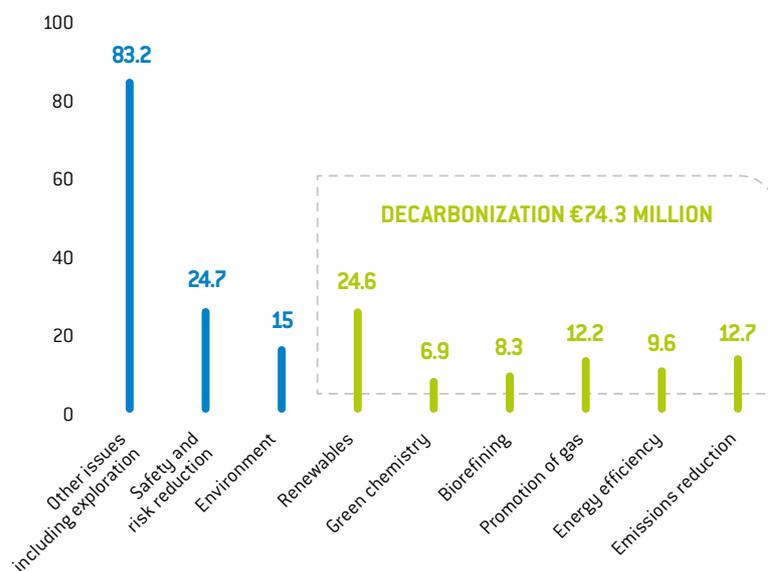
**€900
MILLION**
PLANNED INVESTMENTS
FOR THE 2019-2022
PERIOD

**€197
MILLION**
TOTAL EXPENDITURE
IN R&D IN 2018

7,280
EXISTING PATENTS

13
FIRST PATENT FILINGS
ON RENEWABLE
SOURCES

R&D expenditure in 2018
(€ million)



SEE "ENI FOR 2018
- PATH TO
DECARBONIZATION",
P. 31

The R&D objectives are set out in the following strategic guidelines:

- develop key technologies for **asset development**, ensuring the highest level of efficiency, safety and minimum environmental impact, reducing CAPEX, OPEX and time to market activities;
- **reduce, capture, transform or store CO₂, promote natural gas** by integrating it with renewable energy and developing innovative energy technologies;
- **reduce the use of raw materials, including through recycling**, transforming waste into products with value added, with a view to development based on the principles of the circular economy.



SEE "ENI FOR 2018
- PERFORMANCE", PP. 5-6

TANGIBLE VALUE GENERATED BY R&D AND DISSEMINATION OF TECHNICAL KNOW-HOW

Eni measures the value generated by applying innovative technologies developed both in-house and with third parties. In 2018, the estimated tangible value generated, i.e. the economic benefits associated with the application of innovative product/process technologies, was €921 million, slightly higher than in 2017, mainly due to the contribution of proprietary software and technologies. Moreover, to enhance internal skills, Eni is committed to spreading technical knowledge across all the functions and also through the Knowledge Management System (#KMS), focusing on two aspects: the quality of shared content and the integration of business lines on technical problem-solving issues.

**€921
MILLION**
ECONOMIC BENEFITS
FROM THE APPLICATION
OF PROPRIETARY
TECHNOLOGIES

DIGITALIZATION

The **digital transformation** launched by Eni represents a profound change involving the whole of Company and is based on a process of innovation for the reorganization of operational flows and the redefinition of organizational models. In order for the transformation to be carried out organically, a structured **change management** process is necessary to renew the Company culture and change the traditional approach to work, identifying more flexible and agile paths and adequate tools to involve people rationally and emotionally. Digital transformation is an opportunity for everyone: it allows us to operate with greater safety (see p. 31), provides new ways of working, enhances knowledge, makes us faster, more efficient, more flexible, and more sustainable towards the environment and stakeholders and more competitive within the reference market.



DIGITAL TRANSFORMATION: MAIN RESULTS OF THE YEAR

DIGITAL BUSINESS UNIT	Creation of the Digital Unit to implement the digital transformation at Eni.
DATA SCIENTIST	Recruitment of people with digital skills, also thanks to the relationship with academia.
DIGITAL COMPETENCE CENTER	Creation of the Center to strengthen the systems and methodologies for the inclusion, training and development of new professional roles and to upskill the traditional one.
DIGITAL TRANSFORMATION CENTER	Distance learning online environment for e-skill development and enhancement.
SIX-LEGGED HACKATHON	Launch of Eni's first internal Hackathon for the development of digital innovation ideas.
DIGITIZATION OF THE VIGGIANO OIL CENTER	The first phase of digitization of the plant in Italy has been completed. Eight months of work by multidisciplinary teams made up of data scientists, plant personnel and site personnel using the agile working method. CoVA is Eni's first digitized plant.
DIGITAL TWIN	Reproduction of a "virtual twin": a plant for drilling and HSE operational simulations. The digital twin also enables innovative operational training to be delivered.
CALL FOR INNOVATION	Launch of the first call for innovation for Italian start-ups relating to the digitization of: health and safety projects for Eni people; enhancement of service areas; manuals and integration with digital twins.



THE NEW SUPERCALCULATOR NAMED HPC4 QUADRUPLES THE CALCULATION POWER OF GREEN DATA CENTER MAKING IT THE MOST POWERFUL IN THE WORLD AT INDUSTRIAL LEVEL

FOCUS ON

A SUPERCOMPUTER IN THE GREEN DATA CENTER

In January 2018, at the Green Data Center in Ferrera Erbognone, Eni launched the new mainframe called HPC4, quadrupling the power of the entire infrastructure and making it the most powerful in the world at an industrial level.

PROJECT GOALS: accelerate the time-to-market of Eni's projects and optimize field management strategies for all production assets.

RESULTS: Thanks to HPC4 (which has a computing power of 18.6 PetaFLOPS), in May 2018, Eni set a record in the numerical modeling of Oil & Gas fields: in just 15 hours the mainframe performed

100,000 simulations of high-resolution field models, taking into account geological uncertainties.

To perceive the amount of computing capacity achieved by Eni, suffice it to think that HPC3* and HPC4 together reach a peak of 22.4 quintillion operations per second. Thanks to these technological capabilities, Eni can tap the potential of big data acquired through its operational activities.



MORE DETAILS ON ENI.COM

* Supercomputing system already in operation, which is associated with the new HPC4 mainframe.



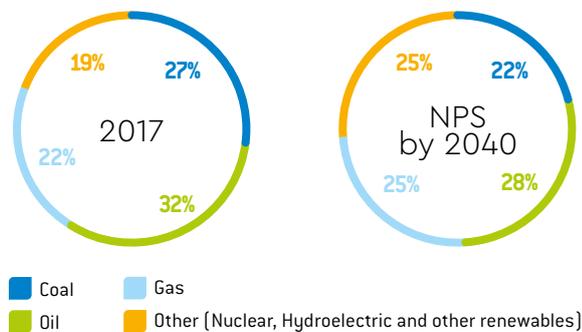
PATH TO DECARBONIZATION

WHY IS IT IMPORTANT TO ENI?

Eni recognizes the scientific evidence on climate change of the Intergovernmental Panel on Climate Change (IPCC) and aims at playing a leadership role in the energy transition process, backing the targets included in the Paris Agreement. In its strategy, Eni has defined a clear path to decarbonization made out of short, medium and long term actions.

SCENARIO ELEMENTS: CHALLENGES AND OPPORTUNITIES

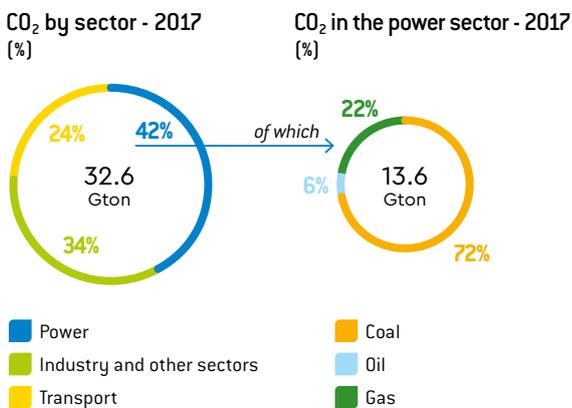
→ Energy mix



According to IEA's New Policies Scenario (NPS), in 2040 gas will account for 25% of total primary energy demand (from 22% in 2017); on the other hand coal will decrease at 22% (from 27% in 2017)

Source: IEA (2018) World Energy Outlook. All rights reserved.

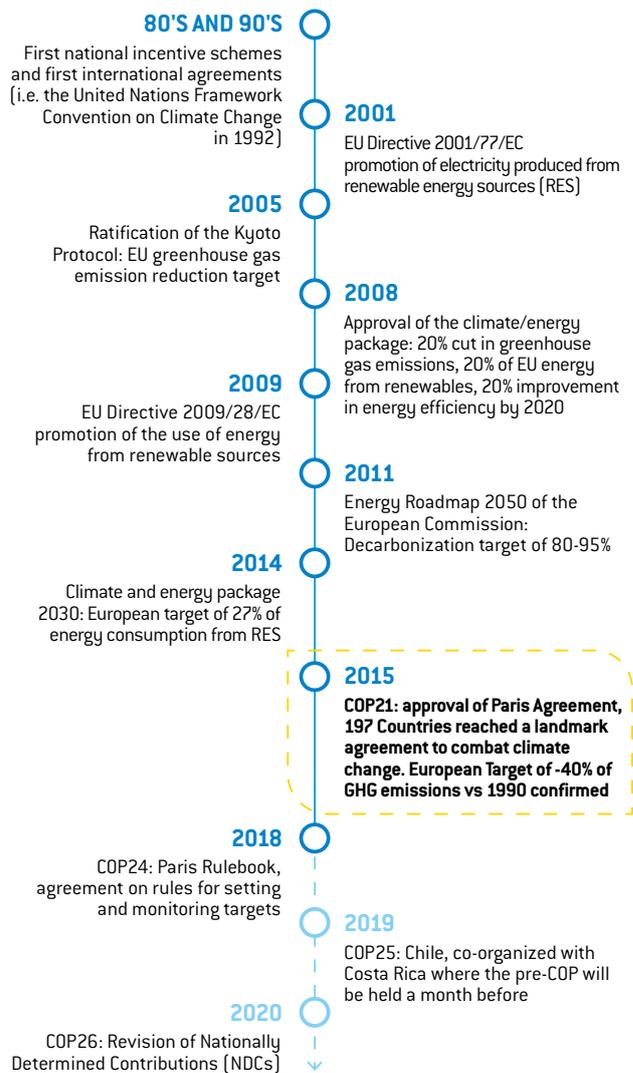
→ Energy-related global CO₂ emissions



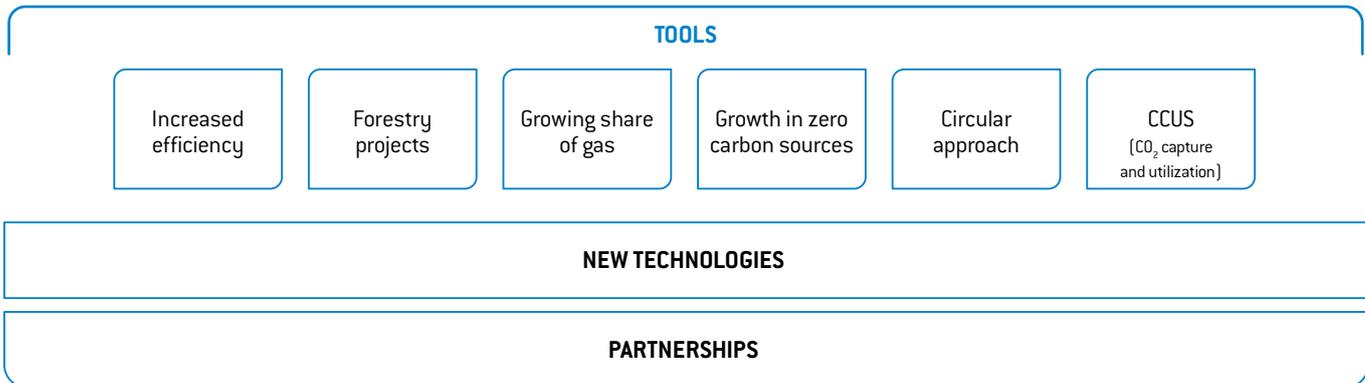
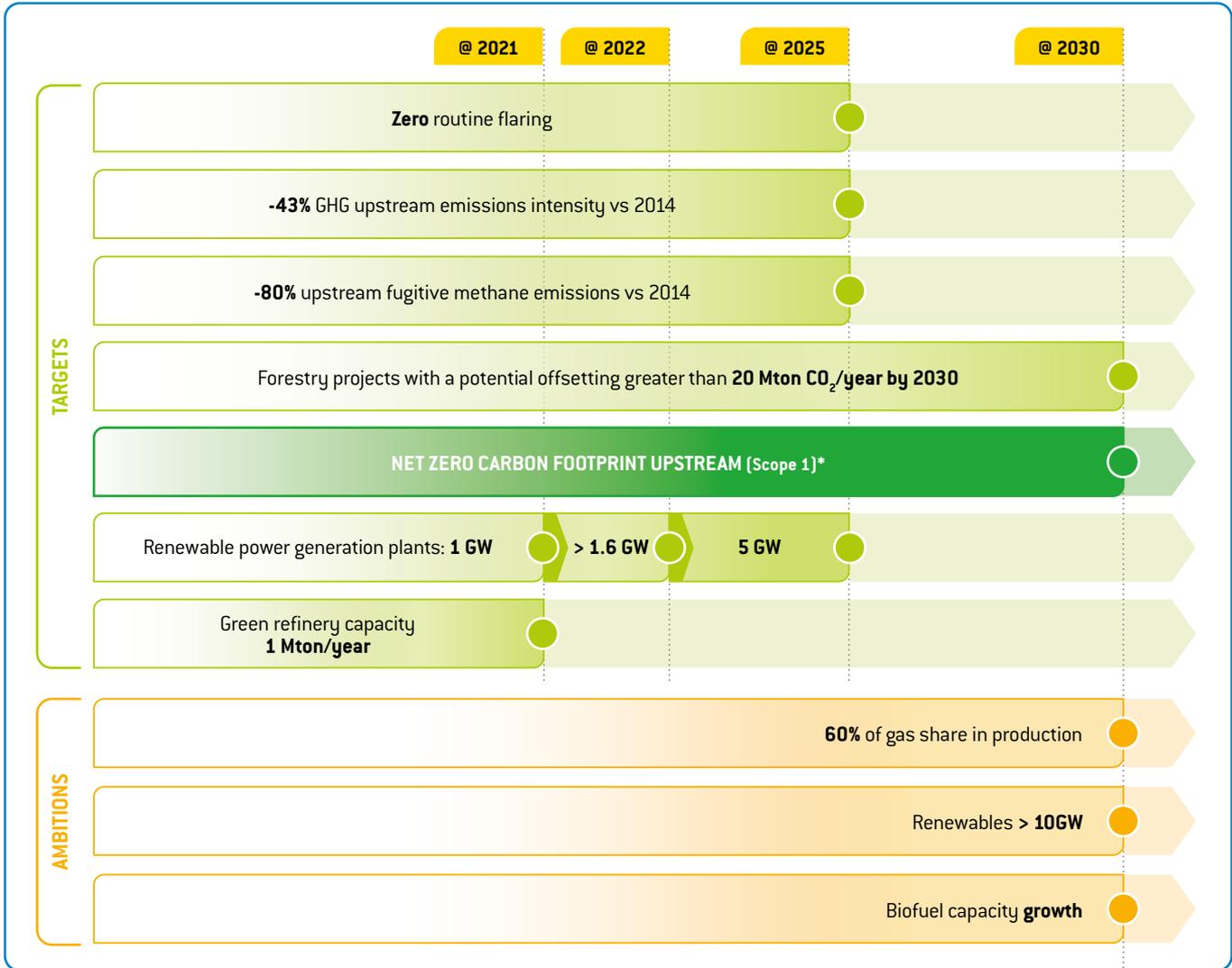
Energy-related global CO₂ emissions in 2017 are 32.6 billion tons, 13.6 of which come from electricity generation. Coal continues to dominate the global power mix (>70%)

Source: IEA (2018) World Energy Outlook. All rights reserved.

→ International climate commitments



→ Targets, ambitions and tools of the path to decarbonization



* On an equity basis.



DECARBONIZATION STRATEGY AND TARGETS

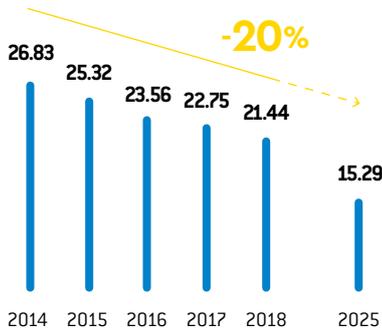


Eni has integrated in its business model a decarbonization strategy which is developed in short, medium and long term actions, with a constant **commitment in the implementation of its technological and scientific research activities (R&D)** in order both to achieve the maximum efficiency in the decarbonization process and to find innovative solutions that ease energy transition. In the **short term** Eni's strategy is based on the followings levers:

ENERGY EFFICIENCY AND DIRECT GHG EMISSIONS REDUCTION OF OPERATED ACTIVITIES

The objective for 2025 is to reduce upstream emission intensity by 43% compared to 2014. This objective will contribute to the target of improving the operating efficiency index by 2% a year by 2021 compared to 2014 and it will be pursued by all Eni business units.

Upstream GHG intensity index [tCO₂eq/kboe]



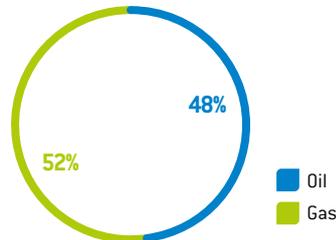
-43%

TARGET OF DIRECT GHG UPSTREAM EMISSIONS INTENSITY BY 2025 VS 2014

LOW CARBON AND RESILIENT OIL & GAS PORTFOLIO

Eni's hydrocarbon portfolio has a high incidence of natural gas (>50%), a bridge to a low-emission future. The main upstream projects being executed have a mean portfolio break-even point at a Brent price of \$25 per barrel and are therefore resilient in low carbon scenarios.

Oil & Gas portfolio [%]

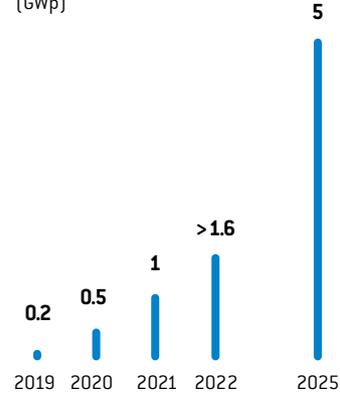


AVG. BREAK-EVEN
25 \$/BL
NEW UPSTREAM PROJECTS AVERAGE BREAK-EVEN PRICE

DEVELOPMENT OF RENEWABLES AND GREEN BUSINESS WITH A CIRCULAR APPROACH

The promotion of renewables aims at reaching an installed electricity generation capacity equal to more than 1.6 GW by 2022. In the green business, both the start-up of the Gela bio-refinery by 2019 and the completion of stage two of the Venice bio-refinery by 2021 are expected.

Installed electricity capacity from renewables [GWp]



FOCUS ON

VENICE AND GELA BIOREFINERIES

Eni added to its traditional business the green fuel production through the conversion of the Venice and Gela traditional refineries into biorefineries thanks to Ecofining – a proprietary technology – which enables the production of green diesel by using different typologies of biological origin raw materials (virgin vegetable oils, waste oils and oils coming from processes that treat other biological

origin material, also including waste, animal fats and by-products from the food industry).

Focus on the sustainability of biomass used is a priority and Eni, beyond the definition of a specific policy, is carrying out initiatives related to first generation feedstock substitution.



MORE DETAILS ON THE ANNEX "ENI FOR 2018 - PATH TO DECARBONIZATION"



MORE DETAILS ON ENI.COM ABOUT ENI'S POSITION ON BIOMASS

In the **medium term** Eni aims to achieve the **net zero carbon footprint** on direct emissions of upstream activities valued on an equity basis by 2030, increasing the efficiency of its upstream activities, reducing GHG emissions and developing forestry conservation projects.

More levers of Eni's decarbonization strategies are the growth of low carbon sources (with an increase of biofuel in the portfolio and the ambition of achieving a gas share of 60% in the hydrocarbons production), an increase of the zero emissions sources (such as solar photovoltaic, wind and hybrid systems with the ambition of achieving an installed capacity of 10GW by 2030 from renewable sources) and a circular approach which maximizes waste used as feedstock and that transforms and extends assets useful life.

The decarbonization path aims to make the Company carbon neutral in **the long term**, developing an integrated energy transition plan, from both the efficiency maximization and the direct emission reduction, promoting an energy mix with a low carbon impact, developing **circular economy and offset initiatives** through forestry projects development. Finally, a key role will be played by new technologies use for the capture and use of CO₂ emitted.

Overall spending in the four-year period 2019-22 for decarbonization, the circular economy and renewables is approximately €3.6 billion (it includes €0.5 billion for scientific and technological research activities designed to support these issues). In particular, these dedicated investments share is equal to the 9% of the total investments envisaged for the coming 4 years.

NET ZERO CARBON FOOTPRINT

TARGET ON DIRECT EMISSIONS OF UPSTREAM ACTIVITIES BY 2030



SEE THE ANNEX "ENI FOR 2018 - PATH TO DECARBONIZATION"



THE FORESTRY PROJECTS WILL ALLOW ECONOMIC DIVERSIFICATION ACTIVITIES, WITH THE CREATION OF NEW JOBS, FAVORING LOCAL DEVELOPMENT, IN LINE WITH THE NATIONAL DEVELOPMENT PLANS AND THE UN 2030 AGENDA.

FOCUS ON

FORESTRY PROJECTS

Within its decarbonization strategy, Eni plans to offset part of its emissions using carbon credits generated by projects aiming to conserve, restore and manage forests. These projects aim to reduce deforestation and forest degradation and preserve the biodiversity, ensuring also economic and social co-benefits for local communities.

In particular, these projects intend to enable economic diversification activities, with the creation of new employment, easing local development, consistently with the National Development Plans and the Agenda 2030. Rational use of forest resources allows also to promote more sustainable domestic behavior through clean cooking.



MORE DETAILS ON THE ANNEX "ENI FOR 2018 - PATH TO DECARBONIZATION"



OPERATIONAL EXCELLENCE MODEL

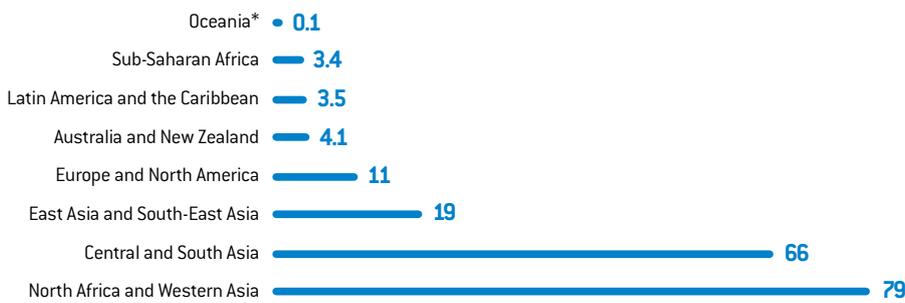
WHY IS IT IMPORTANT TO ENI?

The operational excellence that characterizes Eni's business model derives from the ability to operate by valuing its people, giving priority to the protection of safety and the environment, respecting and promoting Human Rights and always operating with integrity and transparency. In this way, the Company can create long-term value for all stakeholders thanks to a portfolio of high-value resources that is also resilient to low-carbon scenarios.

SCENARIO ELEMENTS: CHALLENGES AND OPPORTUNITIES

→ Water stress level

Freshwater withdrawals compared to available freshwater sources [%]



In 22 Countries around the world (mainly North Africa, West Asia and Central and South Asia), water stress – calculated as the ratio of freshwater withdrawals to total renewable freshwater resources – is over 70%. This testifies to a high probability of future water scarcity

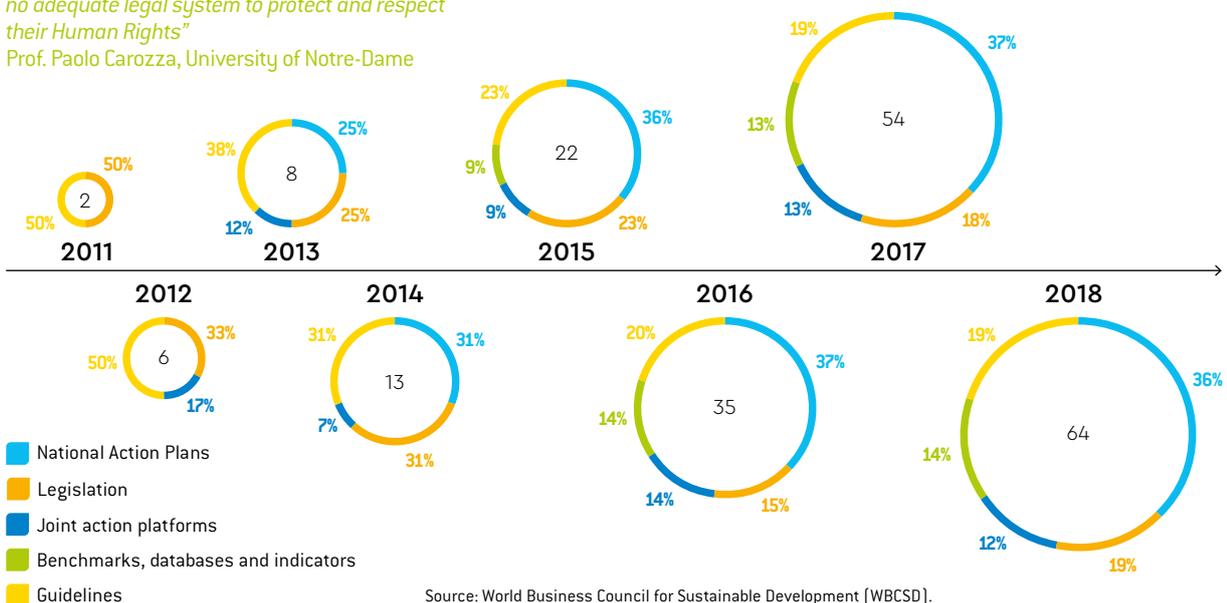
* Refers to Oceania, excluding Australia and New Zealand.

Source: United Nations – SDGs statistics 2014.

→ New international references in the field of Human Rights

Since 2011, when the United Nations published its "Guiding Principles on Business and Human Rights", legislation and documents on the issue have proliferated at international level

"4 billion people live in Countries where there is no adequate legal system to protect and respect their Human Rights"
Prof. Paolo Carozza, University of Notre-Dame



Source: World Business Council for Sustainable Development (WBCSD).



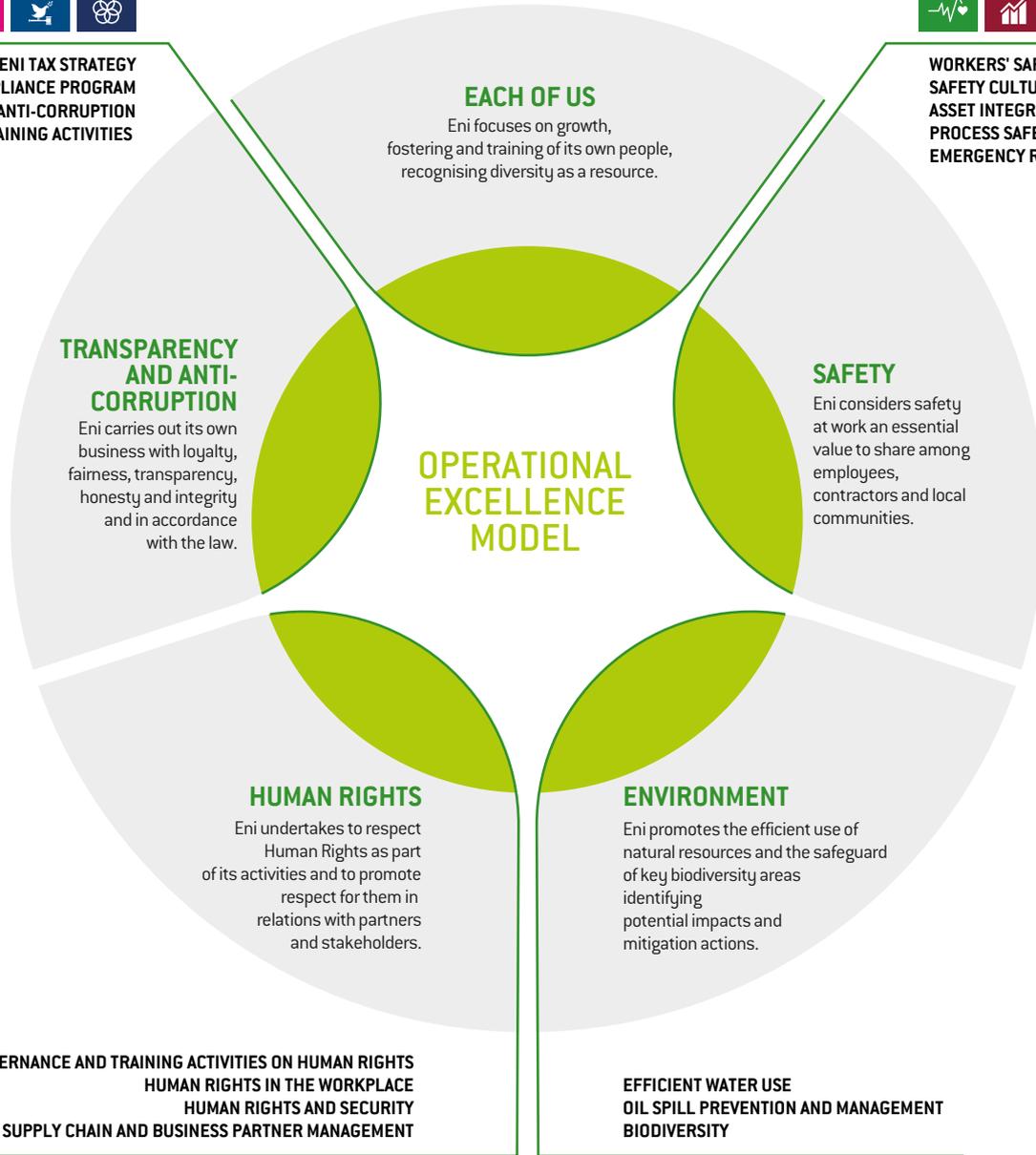
EACH OF US
DIVERSITY AND INCLUSION
WELFARE
TRAINING
PEOPLE'S HEALTH



EITI AND ENI TAX STRATEGY
COMPLIANCE PROGRAM
ANTI-CORRUPTION
TRAINING ACTIVITIES



WORKERS' SAFETY
SAFETY CULTURE
ASSET INTEGRITY
PROCESS SAFETY
EMERGENCY RESPONSE



GOVERNANCE AND TRAINING ACTIVITIES ON HUMAN RIGHTS
HUMAN RIGHTS IN THE WORKPLACE
HUMAN RIGHTS AND SECURITY
SUPPLY CHAIN AND BUSINESS PARTNER MANAGEMENT

EFFICIENT WATER USE
OIL SPILL PREVENTION AND MANAGEMENT
BIODIVERSITY





EACH OF US

WHY IS IT IMPORTANT TO ENI?

Eni's business model is based on skills, an asset that is built up over time and with dedication and which increases its value in the long term. In line with the evolution of the business, which is looking to a low-carbon future, the program for updating internal skills is essential to ensure their constant alignment to business needs.



PROGRESS IN 2018 VS 2017

- 4.4% increase in the **recruitment of women**
- Extension of **smart working** to 3 Eni companies as well as to all employees with specific pathologies
- +8% growth in investment in **training**
- Implementation of the **health management system** in all Eni companies, in Italy and abroad

OBJECTIVES

- Increased percentage of **employed women**
- Reinforcement of **worklife balance** initiatives¹²
- **Training**: planned investment of €2 million a year in innovative topics
- **Health**: investments of about €180 million by 2022

ENI REGULATORY INSTRUMENTS

→ Policy: Our people, Integrity in our operations, Code of Ethics

People are the indispensable and fundamental element for the Company's very existence and business objectives can only be achieved **with their dedication and professionalism, their skills and ability to work in an integrated way.**

Trust, courage towards the future and innovation are fundamental characteristics of Eni, together with its great ability to transform and adapt itself to possible national and international scenarios. It is precisely for this reason that, in the days of a shrinking Oil & Gas market, when all operators needed to recover efficiency also by cutting staff (resulting between 2014 and 2016 in a reduction of about 400,000 people in the Oil & Gas sector¹³), Eni is pursuing a different path with strategies that focus on its people, so as to maintain and develop their technical skills.

Thanks to this approach, in the period 2014-2016, despite a highly volatile market scenario, Eni reorganised itself with a simpler, more integrated and compact structure and implemented an efficiency policy centred also on the conversion of important industrial plants in Italy without any reduction in personnel (over 1,000 people trained for new activities).

In that same period, another historical success was achieved: the **discovery of Zohr**, the largest gas

30,950

PEOPLE

20,576 10,374

IN ITALY ABROAD



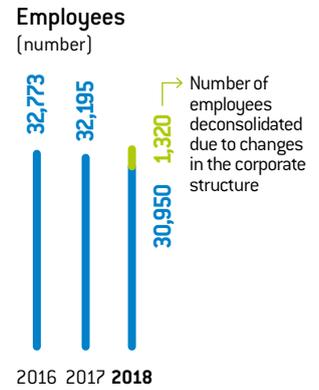
A DAILY INSPECTION BY THE OPERATING TEAM IN THE ONSHORE RECEIVING FACILITY (ORF) IN GHANA. DAILY INSPECTIONS ARE CARRIED OUT TO ENSURE THAT EVERYTHING IS IN ACCORDANCE WITH PROCEDURES.

12) Work-life balance: equilibrium between time allocated to private and professional needs.

13) Source: Graves & Co.

field ever found in the Mediterranean, brought into production with a time-to-market record for the sector (two and a half years from its discovery). Zohr is a success for several reasons: certainly for its extraordinary size, but even more so because before Eni, other companies had tried unsuccessfully in that same exploration area. Thanks to a team of people with significant technical and scientific skills, a strong attitude to take reasoned risks and the availability of innovative technologies (3D geophysical imaging, modelling of oil systems, processing of field simulations), Eni has discovered what others have not been able to do. Eni's history has grown with its people, with their skills and with the ability to work in an integrated way with all its stakeholders.

At the end of 2018, Eni had a **total of 30,950 people employed**, a decrease compared to 2017 entirely due to the new corporate structure¹⁴. Net of the changes in the Company, there was an increase of 75 employees compared to 2017. **New hires with permanent contracts increased by 27% compared to last year**, of whom 691 in Italy, where there was also an increase in the number of personnel employed in the younger age group (18-24) due to the hires at Italian industrial sites in Viggiano, Livorno, Sanazzaro, Mantua and Taranto.



The Eni team

106
NATIONALITIES



SEE PP. 10-17 OF "ENI FOR 2018 - PERFORMANCE"

14) Of note are the sale of Tigaz and the deconsolidation of Eni Norge.



7,307

WOMEN IN ENI IN 2018

98%

RETRIBUTION WOMEN VS MEN

33%

FEMALE PRESENCE ON BOARDS OF SUBSIDIARIES

25%

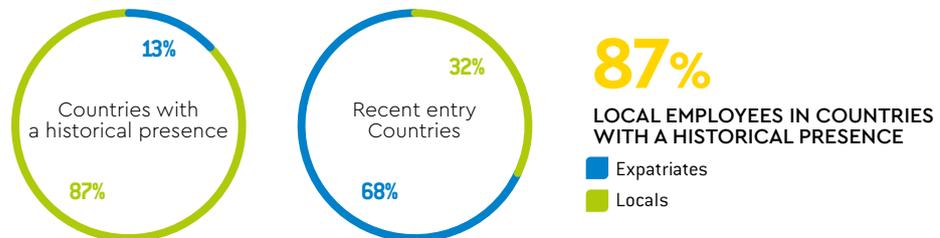
WOMEN IN MANAGEMENT POSITIONS

"ENI RESPECTS THE DIGNITY OF EACH PERSON AND PROVIDES EQUAL OPPORTUNITIES WITHOUT ANY DISCRIMINATION BASED ON RACE, COLOUR, GENDER, RELIGION, NATIONALITY, POLITICAL PREFERENCES, SEXUAL ORIENTATION, SOCIAL STATUS, AGE OR ANY OTHER PERSONAL CONDITION NOT RELEVANT TO THE WORK REQUIREMENTS" (POLICY: OUR PEOPLE)

DIVERSITY AND INCLUSION - THE CULTURE OF PLURALITY

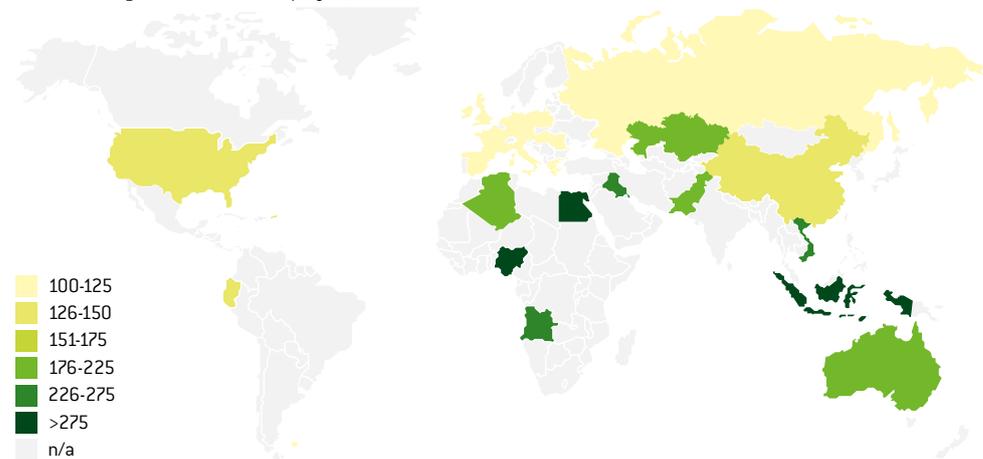
Eni considers plurality a resource, a source of enrichment and a heritage that makes the Company stronger and better able to face complex global challenges. The **values of diversity and plurality** are also conveyed and consolidated through a performance system that involves Eni's entire management and all of its people with management objectives linked to the diversity. Alliances with the Countries in which Eni operates has always been a hallmark of its international presence. The aim is to create value through the transfer of knowledge, while respecting local cultures. Confirming this, **in the upstream sector, the percentage of local employees out of the total workforce increased significantly in Countries with a historical presence** (such as Nigeria, Congo, Egypt, Libya and Kazakhstan), **reaching 87%, compared to Countries that have recently joined the Group** (such as Mexico, Ghana and Myanmar), where the process of transferring know-how is still in progress. In addition, **in all the Countries in which Eni operates, it ensures minimum levels of remuneration for local staff that are significantly higher than market levels.**

Local Eni people in the upstream sector (%)



Ratio between Eni minimum wage policy and market minimum wage (1st decile)

[Middle manager - Senior Staff - Employee]



Eni promotes projects with local universities to support the inclusion and development of professionals in the energy sector in the Countries in which it operates, such as the HUMAN CAPITAL PROJECT¹⁵ - Kazakhstan Deployment promoted by the World Economic Forum.

Moreover, with reference to the **promotion of gender equality**, Eni's approach to fostering greater representation of women at all levels is focused on three main drivers:

- objectives for **improvement in selection processes, internal development** and participation in training/engagement initiatives involving all managers;
- initiatives aimed at **encouraging the entry of women into technical career paths** (such as Think About Tomorrow – Percorsi per Giovani Donne, Inspiring Girls and Elis – Sistema Scuola Impresa¹⁶) and events aimed at middle, high school students and at universities, also with the involvement of women role models from the company;
- **corporate welfare tools** to promote the work-life balance of people with family responsibilities.

15) Collaboration agreement between the Colorado School of Mines and the Nazarbayev University and Satbayev University.

16) Think About Tomorrow - Technical paths for young women: orientation events dedicated to female students, in preparation for a possible career in the world of Energy. Inspiring Girls: a project promoted by Valore D with the aim of raising girls' awareness of their talent, beyond stereotypes. Elis - Sistema Scuola Impresa: a project aimed at offering educational opportunities to female students, by measuring up to "Role models for women", i.e., corporate professionals who embody virtuous models in their approach to work.

These activities help to consolidate the female presence in the Company. In fact, **the recruitment of women in 2018 increased by 4.4% compared to 2017** and, in staff functions, it reached 44% of the total hires. Eni is also a member of national and international associations and participates in initiatives and benchmarks aimed at sharing best practices, identifying common actions in the field of gender equity and enhancing women’s leadership. In particular, Eni has joined and signed:

- Manifesto for Female Employment¹⁷;
- Europe-wide call for action for inclusion and diversity: pledge "Inclusion and Diversity", promoted through the campaign #EmbraceDifference¹⁸.



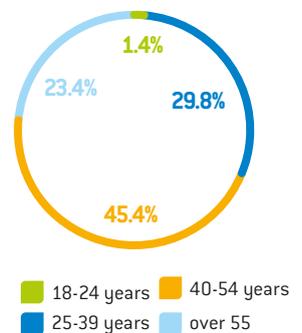
SEE PP. 10-17 OF "ENI FOR 2018 - PERFORMANCE"

The diversity of Eni’s people in terms of age is another factor of plurality. To enhance the knowledge of senior employees, initiatives have been implemented in recent years to encourage intergenerational exchange, such as the Mentoring project, in which experienced managers support the professional path of younger resources, and the Eni Faculty, with 550 active trainers to enhance the internal capital of knowledge and develop the ability to pass it on.

WELFARE

Eni invests in **improving people’s wellbeing in order to promote engagement, the bond with the Company and the creation of a climate oriented towards collaboration.** Welfare programs are also fundamental tools for pursuing diversity objectives, with particular reference to people with family responsibilities. The initiatives illustrated below refer to the main areas of intervention. In particular, in 2018 Eni focused on strengthening **smart working** and initiatives to support emerging needs, such as the **care of elderly family members and dependent family members.**

Employees by age group (%)



FAMILY*

EMPLOYEES WITH CHILDREN

- Parental leave** of 10 days paid 100% for both parents in all countries.
- Eni School Nursery** for children up to the age of 6, at the San Donato Milanese headquarter.
- Summer vacations** for children aged 6-14 as an opportunity for fun, learning and socialization.
- Summer camps** for children aged 15 to 16 to improve the knowledge of the English language.
- Educational/vocational guidance pathways** in choosing post-diploma career.

CROSS CUTTING

- Family holidays** for parents over 65.
- Fragility caregiver service** to provide support and guidance in the management of elderly or dependent family members through qualified operators.

*Approximately 3,000 adhesion in programs ranging from the nursery to initiatives for children and caregivers.

HEALTH AND WELL-BEING

PREVENTION CAMPAIGNS**

- Early Diagnosis Plan** for cancer prevention by age group and gender.
 - Prevention with Eni** with cancer screening and blood tests.
- ** About 4,000 adhesion.

PROMOTION OF HEALTHY LIFESTYLES

- Quality of corporate catering services** with care in the choice of raw materials and balanced menus.
- Well-being programme** with sports subscriptions at reduced rates.

WORK LIFE BALANCE

SMART WORKING

Possibility to work remotely from home for new parents and from 2018 extended to colleagues with pathologies.

FLEXIBLE WORKING HOURS

Forms of working time flexibility on a weekly and seasonal basis.

OTHER INITIATIVES

FLEXIBLE BENEFIT

Possibility of converting part of the annual bonus into welfare credit (social security and health funds, welfare services - educational and school services, recreational services, social services, consumer goods and facilities).

MAAM* – YOUR KID, YOUR MASTER

Digital path to transform the experience of parenting for mothers and fathers into an opportunity to discover and train soft, relational, organizational and innovation skills also at work.

*MAAM (Maternity As A Master).

17] Policy document signed between the companies associated with Valore D and the Italian Presidency of the Council of Ministers.
 18] <https://embracedifference.ert.eu>



"THE PROFESSIONAL KNOWLEDGE OF EMPLOYEES IS A KEY FACTOR FOR ENSURING SUSTAINABLE GROWTH"
(POLICY: OUR PEOPLE)

TRAINING

Eni considers **the skills of its people**, at all levels, to be crucial for operational excellence. For this reason, Eni plans and implements **training courses** in all the Countries in which it operates for delivery in a universal and cross-cutting manner, **projects for professional families and specialist initiatives for strategic activities with a high technical content**. Moreover, every year training necessities are mapped and evaluated according to specific needs. As regards the global scenario and in particular innovative and strategic issues – such as digitalization, energy transition and climate change – Eni carries out ad-hoc training courses. In 2018, in addition to training activities, engagement activities on issues related to climate change continued, also by the Chief Executive Officer, in order to increase internal awareness of the relevance of these issues.



SEE PP. 13-15 OF "ENI FOR 2018 - PERFORMANCE" AND P. 6 OF THE ANNEX "ENI FOR 2018 - PATH TO DECARBONIZATION" FOR THE EMPLOYEES' ENGAGEMENT ACTIVITIES

Training hours



€33.6 MILLION
INVESTED IN TRAINING
IN 2018

OVER 9% COMPARED
TO 2017

+5% TRAINING HOURS
COMPARED TO 2017

Main training pathways offered by Eni
(Training hours by type)



Also in 2018, safety played a central and strategic role in the training plan for all business areas, with a focus on: i) operational training, for the optimal management of emergencies in Italy and abroad; ii) interventions dedicated to training provided for by Legislative Decree no. 81/2008

Cross-cutting initiatives in the fields: Project Management, Procurement, Economics and Human Resources; training activities on Compliance issues and Path for the enhancement of **e-skills** also through the Digital Transformation Center platform (see p. 17)

i) Soft skill management training initiatives and new paths for managers and human resources development; ii) initiatives on **corporate identity** and support to **leadership** development at Eni; (iii) training programs on **Human Rights** (see p. 41); iv) Digital Awareness Initiative

Initiatives to spread a new **digital sensitivity and skills** and to improve **professional language skills**

Initiatives for the enhancement of the **core professional areas** within the scope of environmental regulations and health pathways, including the first-level Master's degree in Management of HSEQ Integrated Systems

Training pathways: i) dedicated to **professional families and local resources** in the technical and managerial areas (see p. 59); ii) on sustainability issues, including the **energy transition and climate change**

KNOWLEDGE MANAGEMENT
Processes and systems for the creation, development, sharing and application of **know-how available in the Company**.

SCHOOL AND UNIVERSITY TRAINING PATHS

- **School-Work Alternation pathways** (about 8,000 students involved in the 2016-2018 three-year period);
- **Master's in Energy Engineering and Operations** (in collaboration with the Politecnico di Torino);
- **Master's in Energy Innovation** (in collaboration with the Politecnico di Milano);
- **Medea Master's Course** - Management and Economics of Energy and the Environment (see p. 59).

PEOPLE'S HEALTH

Eni believes that health protection is essential and it **promotes the physical, psychological and social well-being of Eni's people, their families and the communities of the Countries in which it operates.**

The extreme variability of the business contexts in which Eni operates, from a geographical, climatic, epidemiological, social, political and regulatory point of view, requires the constant updating of the health risk matrices and makes it particularly challenging to ensure health at every stage of the business cycle. To rise to this challenge, Eni has developed a specific operational platform that ensures access to services, covering occupational health, industrial hygiene, traveller health, healthcare and medical emergency, as well as the health promotion initiatives for its people and local communities.

In this context, Eni pursues the following objectives:

- promote and maintain the health and well-being of Eni people by ensuring adequate **disease prevention**;
- ensure adequate **risk management in the workplace** and the development of health monitoring programs;
- identify, develop and **implement sustainable programs that ensure a positive impact on the health** of the populations of host Countries;
- ensure the application of the **principles of occupational medicine**, access to primary care and services for medical emergencies in every operating context.

5 KEY AREAS

- **Occupational health** and industrial hygiene
- **Healthcare and** traveller health
- **Medical emergency** management
- **Promotion of employee** health
- **Community health**

2018 INITIATIVES

PROCESS DIGITALIZATION	Start of the digitalization of health processes and services.
WORK-RELATED RISKS	Process of identifying, monitoring and controlling work risks, including those not specifically regulated, such as travel medicine, in cooperation with the industrial and health surveillance processes.
STANDARDIZATION OF HEALTH FACILITIES	Implementation of the program to standardize Company health facilities by surveying and checking the structural, functional and equipment requirements.
HEALTH PROMOTION	Identification and implementation of health promotion initiatives according to the strategy set out based on a study carried out in 2017.
RESPONSE TO MEDICAL EMERGENCIES	Verification of the application of the criteria for responding to health emergencies in accordance with Company policies.
COMMUNITY HEALTH	Promotion of the health of the populations of the partner Countries as a prerequisite for socio-economic development [See p. 62].



HEALTH CENTER IN PALMA IN MOZAMBIQUE.



SAFETY

WHY IS IT IMPORTANT TO ENI?

Eni considers the safety of people an essential part of its operations, a fundamental value to be shared between employees, contractors and local communities. For this purpose, Eni takes all the necessary steps to eliminate the occurrence of accidents, including: risk assessment and management organizational models, training plans, skills development and promotion of a safety culture.



ENI REGULATORY INSTRUMENTS

→ Policy: Our people, Integrity in our operations

PROGRESS IN 2018 VS 2017

- **Process safety and asset integrity**
Process safety audit programs carried out on business lines and operating sites
- **Consolidation of the safety culture**
Campaigns launched to promote safe behaviour at work and at home ("Safety starts @ home")

OBJECTIVES

- **Zero injuries**
- Launch of the "Safety starts @ office" campaign and initiatives to consolidate safe behaviour and reduce at-risk behaviour
- Consolidation of the **Safety Culture Program**¹⁹
- Consolidation of the **process safety** culture
- Creation of a pool of internal process safety auditors and monitoring of corrective actions resulting from audits

In 2018, the main interventions concerned the consolidation of injury rates, the consolidation of the safety culture, the focus on asset integrity, process safety and emergency management activities.



SEE P. 18 OF "ENI FOR 2018 - PERFORMANCE"

INJURY RATES AND INTERVENTION ACTIONS

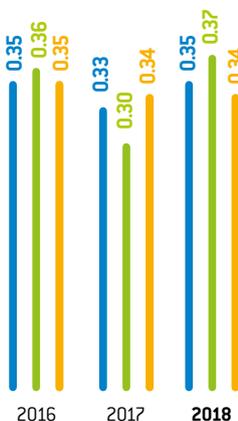
The total recordable injuries rate (TRIR) increased by 6% compared to 2017. The worsening was determined by the employees' index (due to an increase in accidents), while the contractors' index remained stable. In 2018, there were four fatal accidents involving contractors (1 in Nigeria as a result of crushing by a maneuvering vehicle, 1 in Algeria as a result of burns, 2 in Egypt for falls from height) and two serious accidents (in Alaska, a contractor who suffered severe trauma to his right leg and in Egypt, a contractor who fell from height).

The identification and analysis of the causes of the accidents in 2018 made it possible to identify the following actions aimed at preventing the repetition of such events:

- consolidating the **leadership and commitment of management**, both of Eni and of contractors, in order to spread the safety culture;
- strengthening the **Works Management and operational management** in the field (through the control of contractors, checks on work permits, use of electronic work permits - E-WP);
- focusing on activities related to the **management of contractors** both in the qualification phase (redefining the minimum HSE requirements for each type of service) and in the management of the contractual relationship (through Kick off Meetings and periodic audits to verify compliance with contractual requirements);
- providing **specific training** for operating personnel, in particular to supervise contractors;
- verifying the correct **implementation of HSE operating procedures**, standards and best practices and the implementation of lessons learned resulting from accidents to have occurred in other realities with a view to continuous improvement.

Total recordable injuries rate (TRIR)
[Total recordable injuries/ worked hours]x1,000,000

- Workforce
- Employees
- Contractors



In the light of this, Eni has also continued its commitment to the consolidation of the Severity Incident Rate (SIR), an internal index that takes into account the level of severity of incidents, and the Safety Culture Programme (SCP), an indicator of preventive safety management. In particular, the SIR is used in the short-term incentive plan of the CEO and senior managers with strategic responsibilities to focus Eni's commitment on reducing the most serious accidents.

19) Proactiveness indicator involving preventive safety management aspects.

SAFETY CULTURE

Eni has always been committed to the continuous dissemination of the safety culture as an essential part of activities, through projects that promote safe behaviour in all work environments and in life in general. The goal is to motivate safety so that every single employee is a safety leader at work, serving as an example, thanks to the management commitment.

MAIN INITIATIVES IN 2018 TO STRENGTHEN THE SAFETY CULTURE IN ALL PEOPLE (EMPLOYEES AND CONTRACTORS)

SAFETY STARTS @ HOME	Videos shared between employees and contractors in Italy and abroad by all the Business Lines, for each of the Safety Golden Rules that show a tangible application in the circumstances of everyday life.
INSIDE LESSON LEARNED	Dissemination and sharing of the most significant lessons learned through video clips of employees and contractors in Italy and abroad.
I LIVE SAFE	Theatrical events or round tables to raise awareness among top management, contractors and external guests.
WORKSHOPS AND NEWSLETTERS ON PROCESS SAFETY	Two workshops on "Fire-fighting" and "Pressure equipment" were organised for safety professionals and Eni personnel working in technical and technological services and plant managers. Quarterly newsletter on process safety, distributed at company level.

FOCUS ON

NEW DIGITAL TECHNOLOGIES TO SUPPORT THE HEALTH AND SAFETY OF OPERATORS AND 2018 RESULTS

As part of the digital transformation, in 2018 Eni started pilot projects relating to different application areas in the field of safety:

ELECTRONIC WORK PERMITS (e-WP): Eni makes available a computer application which supports the compilation, management and digital storage of Work Permits. In 2018, it was applied at 40 sites in Italy and abroad.

SMART SAFETY: provides site staff with a series of Personal Protective Equipment with sensors able to signal potential hazardous or emergency situations. In 2018, the Smart Kits were delivered to more than 200 operators in Viggiano, Sannazzaro, Brindisi and Ferrera Erbognone.

ENHANCED OPERATOR: applications usable on the move by site personnel on ATEX devices, such as smartphones or tablets, to report anomalous situations, collect and consult data during field trips or to receive remote support, thus increasing operator safety and facilitating operational activities and of maintenance. In 2018 the App was released for the management of 6 practical cases and 100 ATEX devices were delivered to the operators of Viggiano, Sannazzaro and Brindisi.

VIRTUAL REALITY APPLIED TO STAFF TRAINING: enables reproduction of the real environment using visual and audio effects and it guarantees that the operations carried out by the operator are as faithful as possible to reality. In 2018, two rooms were set up at the Safety Training Center in Gela and ECU in San Donato Milanese for the provision of training activities on fire-fighting scenarios.



IN 2018, THE SMART KITS WERE DELIVERED TO MORE THAN 200 OPERATORS IN VIGGIANO, SANNAZZARO, BRINDISI AND FERRERA ERBOGNONE.

MORE DETAILS ON ENI.COM



ASSET INTEGRITY GUARANTEES THE SAFEGUARD OF PEOPLE, THE ENVIRONMENT AND OPERATIONAL CONTINUITY

ASSET INTEGRITY

The asset integrity system guarantees that the **asset is operated in an effective and efficient way** to safeguard people, the environment and operational continuity.

The Asset Integrity Management System is developed throughout the **lifetime of the asset**, from the initial design phase (Design Integrity), to procurement, construction, installation and testing (Technical Integrity) to operational management and decommissioning (Operating Integrity). In 2018, the Technical Operating Assessment unit was set up which, in addition to what has already been done by the Business Units and by the Professional Areas, has the function of carrying out independent verifications regarding the implementation of Asset Integrity systems. The main benefits of an effective and efficient asset integrity management system are:

- guarantee process safety, through the proactive identification, assessment, prevention and mitigation of operational risks that could result from process and equipment malfunctions;
- greater reliability of the systems and subsystems of the asset;
- optimization of inspection and maintenance activities;
- maximization of asset value.



FOCUS ON

TECHNOLOGIES FOR MONITORING PIPELINES AND PLANTS

E-SPLORA

Set of technologies already applied in the field, able to provide information on the integrity of pipelines with minimum operational risks and low cost such as: presence of deposits, deformations, internal corrosion or break-ins. The different methodologies are based on miniaturized, autonomous sensors or mounted on low-risk cleaning tools.

DISTRIBUTED ROBOTICS FOR ASSET INTEGRITY

Eni is developing the elements of an innovative network for contin-

uous monitoring of plant integrity based on miniaturized wireless sensors with autonomous power supply. The network is supplemented by measurements of fugitive emissions and of thickness of metal components carried out by drones with autonomous navigation.

COMPOSITE COATING WITH METALLIC MATRIX

Eni has developed in collaboration with the Politecnico di Milano a coating that can be applied directly on site, to improve the corrosion and erosion resistance of valves, pipelines and other components of the lines such as curves and joints in general.

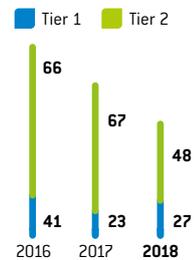
PROCESS SAFETY

Eni has developed and implemented a **Process Safety Management System**, monitored through dedicated audits, with the aim of preventing and controlling, throughout the life cycle of its assets, uncontrolled releases of hazardous substances that can become major accidents, protecting the safety of people, environment, productivity, Company assets and reputation. The monitoring of these releases (the so-called Process Safety Events Tier 1 and Tier 2²⁰) carried out in recent years shows a downward trend and constant improvement.

EMERGENCY PREPAREDNESS AND RESPONSE

In 2018, **the body of procedures on emergency management was consolidated**, increasing the timeliness of communication flows to the command line and the top and expanding support by means of cross-cutting figures belonging to the crisis unit. **Procedures are constantly tested in drills**, which are essential in order to prepare for emergency situations, testing response capacity in terms of plans, resources, vehicles and materials and identifying appropriate corrective actions. In 2018, more than 120 complex drills were managed with the involvement, in addition to Eni, of local authorities such as the Prefecture, Police, Port Authority and Fire Fighters and, in the case of third-level drills²¹, also Central Authorities. The main drills in 2018, organized in Sardinia and at the bio-refinery in Venice, simulated spills of product into the sea in order to test the adequacy of the response capacity.

Number of Process safety events



OVER

120

COMPLEX DRILLS WERE MANAGED IN 2018

ENI FOR STORIES

COLLABORATION WITH THE CIVIL PROTECTION DEPARTMENT (CPD)

CONTEXT

Since 2009, Eni has been a member of the Civil Protection Operational Committee, which is convened on the occasion of emergencies of particular impact on the population and the environment. In 2018, Eni contributed to the 1st National Forum on Alerting Systems, sharing the benefits of its systems and projects for the safety and operating levels of its people: the Prometeo tool for seismic monitoring of buildings and the APP Meteo project for hydrometeorological alerting.

RESULTS

In 2018, Eni participated in the management of the following emergencies.

- **“Snow” emergency:** in February, at the request of the CPD, Eni activated the Crisis Unit and the functions for the supply of fuel to face the prohibitive weather conditions and poor road and motorway conditions.
- **“Triveneto” weather emergency:** in October, Eni was involved in the supply of fuel following the bad weather wave that led to the declaration of the state of emergency in 11 Italian regions, particularly in the Triveneto area.
- **“Etna” seismic emergency:** on December 24, an earthquake



ENI COLLABORATES WITH THE CIVIL PROTECTION DEPARTMENT IN EMERGENCIES MANAGEMENT. IN THE PHOTO, THE EMERGENCY FUEL TANKS (ALPINE DIESEL) SUPPLIED DURING THE EARTHQUAKE IN CENTRAL ITALY IN 2016-2017.

swarm began in the area of Mount Etna that caused significant damage in several municipalities on the slopes of the volcano. Business functions were pre-alerted to deal with any request for support for the supply of fuels.

 [MORE DETAILS ON ENI.COM](#)



11.5 By 2030 (...) substantially decrease the direct economic losses relative to global gross domestic product caused by disas-

ters, including water-related disasters, with a focus on protecting the poor and people in vulnerable situations.

²⁰ Tier 1 and Tier 2 indicate the seriousness of the consequences (from the most serious to least serious) in terms of quantities released and damage to people.

²¹ Tier 1 emergencies: emergencies managed at site level by personnel and with the means provided; Tier 2 emergencies: emergencies manageable at local level with assistance from the central functions of the business unit and with the support of local authorities and public administrations; Tier 3 emergencies: serious hazard situation that is managed with the assistance of the business unit and central units, with activation of external plans in coordination with Authorities and Public Administrations.



ENVIRONMENT

WHY IS IT IMPORTANT TO ENI?

Eni operates in very different geographical contexts, which require specific assessments of the environmental aspects, and is committed to strengthening control and monitoring of its activities in order to mitigate their impacts on the environment by adopting constantly up-to-date international good practices and Best Available Techniques, both technical and managerial.



ENI REGULATORY INSTRUMENTS

→ Policy: Sustainability, Integrity in our operations, Eni biodiversity and ecosystem services policy; Eni's positioning with regards to Green Sourcing



FOR MORE DETAILS ON CIRCULAR ECONOMY, SEE "ENI FOR 2018 - PATH TO DECARBONIZATION", P. 26

PROGRESS IN 2018 VS 2017

Water: 2% decrease in freshwater withdrawals compared to 2017

Production water reinjected: 60% vs 59% in 2017

Operational oil spills: 20% decrease in volume of operational spills compared to 2017

Biodiversity: publication of the Biodiversity and Ecosystem Services (BES) policy

Waste: 57% reduction in hazardous waste compared to 2017

OBJECTIVES

Water: increase in the amount of groundwater treated and reused

Production water reinjected: 86% at 2022

Oil Spill: extension of the e-vpms® system to detect activities near pipelines and TPI pilot testing

Biodiversity: broader disclosure of the BES management indicator in key biodiversity areas

Waste: increase in the amount of recovered waste

Protection of the environment, based on the **principles of prevention, protection, information and participation**, is an essential component of how Eni operates. Particular attention is paid to the **efficient use of natural resources**, like water; to reducing operational oil spills; to managing waste through process traceability and control of the entire supply chain; and to managing the interaction with biodiversity and ecosystem services. In strategic terms, there is an increasingly active integration between the opportunities offered by remediation activities and those arising from the implementation of conversion and requalification projects. The transition path towards a **circular economy**, in which withdrawal of resources from the environment and waste disposal are minimized, represents a challenge and an opportunity for Eni, in terms of both profitability and improvement in environmental performances.

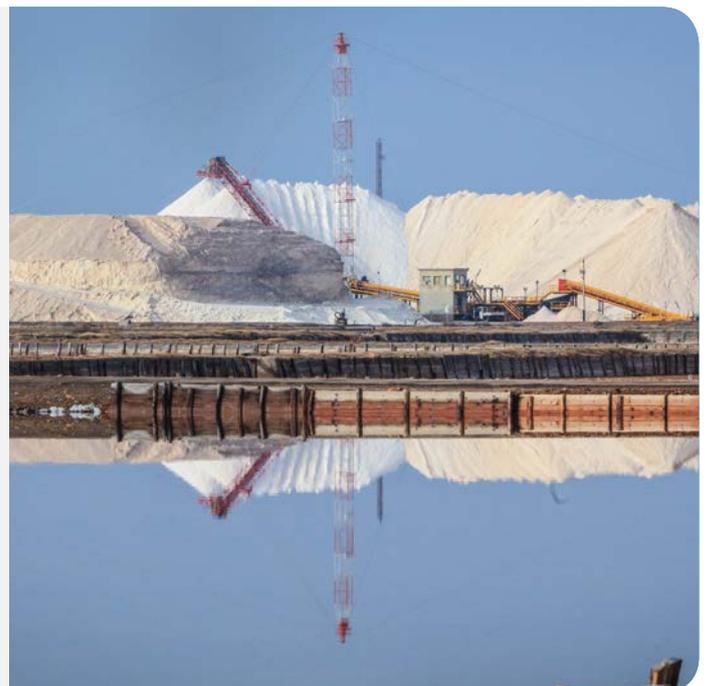
ENI FOR STORIES

THE CONTI-VECCHI SALT PANS: A MANUFACTURING SITE MADE A FAI HERITAGE

In the area of the Conti-Vecchi salt mines, located in Assemini (Sardinia), since 1931 there has been an industrial reality that produces salt and products for the chemical and agricultural industry, which has become increasingly important over the years. Similarly, the site is characterized by a great naturalistic value thanks to the presence of over 40,000 aquatic birds belonging to 50 different species. Together with the **FAI - Fondo Ambiente Italiano** (the National Trust for Italy), Eni has carried out a project for the redevelopment of the area, which has seen the renovation of historic buildings used for industrial activities and has identified a nature trail in the area. The project combines the ongoing industrial activity with the naturalistic enhancement of the surrounding environment, allowing visitors to observe both the industrial plants built in the early twentieth century and the landscape and fauna that characterise the area of the salt mines.



MORE DETAILS ON ENI.COM AND ON THE SYNDIAL WEBSITE



15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species.

EFFICIENT USE OF WATER

Eni uses water mainly for cooling and steam production. In 2018, **92% of water withdrawals were from the sea**, 7% from freshwater and the remaining 1% from brackish water. Water withdrawals are mainly used in chemical processes, which account for 54% of the total.

In line with the trend recorded in recent years, in 2018 Eni also reduced its total freshwater withdrawals by 2% compared to 2017. This result was made possible by new steam generators installed in the Porto Marghera petrochemical plant, which made it possible to reduce the amount of freshwater used in the cooling cycles. As a complement to interventions on the plants, Eni has reached a percentage of reuse of freshwater equal to 87% and, through the four-year strategic plan, it intends to increase the groundwater treated and reused for civil or industrial purposes and, likewise, to launch initiatives for the use of low-quality water to replace freshwater.

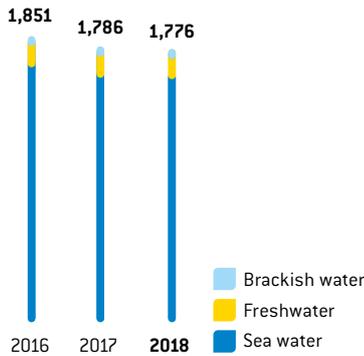
2%

DECREASE IN FRESHWATER WITHDRAWALS

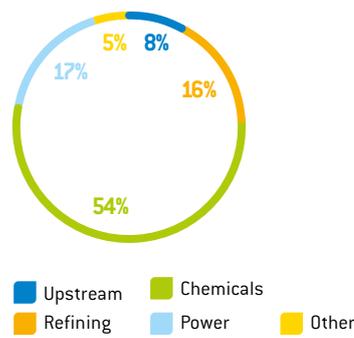
87%

FRESHWATER REUSE

Total water withdrawals, by source
(millions m³)



Total water withdrawals, by sector
(millions m³)



SEE PP. 19-20 OF "ENI FOR 2018 - PERFORMANCE"

WATER STRESSED AREAS

Eni pursues the efficient management of water, especially in water stressed areas and performs an **annual mapping and monitoring of water risks** and drought scenarios to define long-term actions, also to prevent and mitigate the effects of climate change. Only a small proportion of Eni's total water withdrawals come from freshwater sources (less than 7%) and, of these, less than a third in water stressed areas. Only 16% of these withdrawals refer to the upstream sector, while the remaining proportion is attributable to the Chemicals and downstream sectors. In addition, the actual value of withdrawals in water stressed areas is less than 2% as some sites, following in-depth analyses on site, were not at risk.

<7%

PERCENTAGE OF ENI FRESHWATER WITHDRAWALS

<2%

PERCENTAGE OF FRESH WATER WITHDRAWALS IN WATER STRESSED AREAS

Water withdrawals, by source
(%)





In 2018, initiatives to reduce impacts in water-stressed areas and freshwater withdrawals continued, as did projects in the upstream sector to give access to water to the populations in areas where Eni operates. In Italy, Eni is committed to increasing, over the period of the four-year plan, the amount of polluted groundwater treated and reused for civil or industrial purposes, to launching initiatives and assessments for the use of poor quality water (waste water or water from polluted groundwater, as well as rainwater and desalinated sea water), replacing fresh water, and reducing the water intensity of production. Considering the potential risks of possible water crises, as noted by the annual survey conducted by the World Economic Forum and the growing demand for information by stakeholders, for the first time, in 2018, a public response was provided to the CDP water to increase transparency on these issues.

DURING 2018, ON THE BRINDISI SITE, A PROJECT WAS IMPLEMENTED TO REDUCE BOTH SEAWATER AND FRESHWATER WITHDRAWALS. THANKS TO THE PROJECT, FRESHWATER CONSUMPTION CAN BE REDUCED BY 52%, EQUAL TO ABOUT 990,000 M³/YEAR (ABOUT 13% OF THE WATER CONSUMPTION OF A CITY THE SIZE OF BRINDISI).



ENI FOR STORIES

BRINDISI - REDUCTION OF FRESHWATER WITHDRAWALS

CONTEXT AND PROJECT GOALS

The Eni multi-company site in Brindisi, where an EniPower thermoelectric power plant, a Versalis petrochemical plant and a Syndial remediation plant are located, lies in a water stressed area. During 2018, a project was implemented at this site to reduce both seawater and freshwater withdrawals.

RESULTS

At the EniPower site, through the project, which received approval by the Italian Ministry of the Environment, a new plant has been built. It has been in operation since September 2018 and replaces both the old thermal desalination system supplied with seawater and the existing demineralisation modules* that used freshwater from wells and the Cillarese basin. Thanks to the project, freshwater consumption can be reduced by 52%, equal to about 990,000 m³/year, i.e., about 13% of the water consumption of a city the size of Brindisi.

* Systems used to remove salts dissolved in water and make it suitable for industrial use.
** TAF: groundwater treatment.

The demineralised water produced is used both for thermoelectric production and in the production processes of the co-located companies. The plant continues to use seawater as the main raw material but, while ensuring the same production, it makes it possible to reduce both withdrawals by about 6 million m³ a year and the amount of chemicals needed for conditioning seawater.

NEXT STEPS

A further improvement provides that, as an alternative discharging into the sea, part of the water treated by Syndial's TAF** plant can be sent to the new plant and reused in the production processes of the companies co-located at the petrochemical site. In particular, it is estimated that from the second half of 2019 about 125 m³/h of water will be used from the TAF plant.



[MORE DETAILS
ON ENI.COM](#)



6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of

freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.

PREVENTION AND OIL SPILL MANAGEMENT

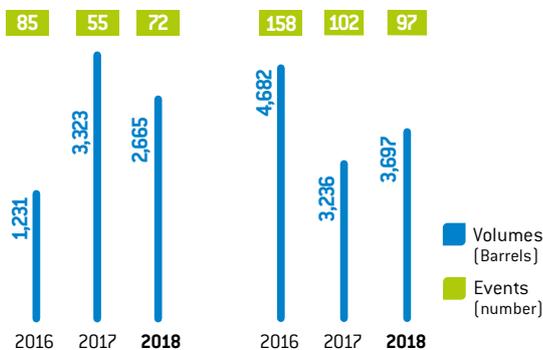
Eni is committed every day to managing the risk of oil spills in Italy and abroad through **increasingly well-integrated actions in all areas**, from the administrative level to the technical areas of prevention, control and quality/speed/effectiveness of interventions.

In 2018, the number of barrels spilled in operational oil spills has decreased by 20% compared with 2017. The year 2018 saw a reduction in the number of incidents by sabotage, while the volume spilled increased by 14% especially due to sabotage activities in the upstream sector in Nigeria and Egypt. In terms of preparedness and response, in Italy Eni completed the risk analysis of the areas crossed by pipelines, identifying the most sensitive points at which to set up potential containment actions in advance.

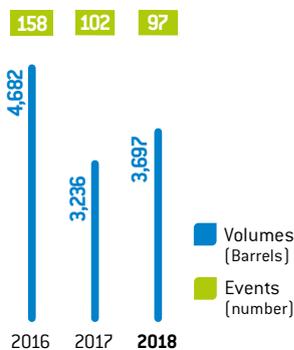


SEE P. 21 OF "ENI FOR 2018 - PERFORMANCE"

Operational oil spills*



Oil spills due to sabotage*



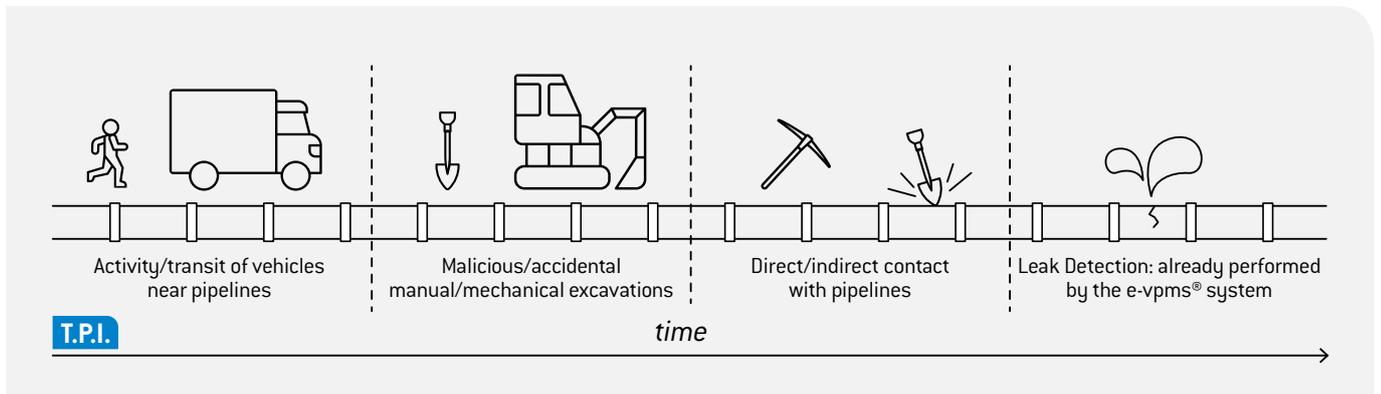
Oil spills due to sabotage - Nigeria*



In Nigeria, the number of sabotage oil spills was reduced by 8% compared to 2017. The volume of oil spills remained in line with last year (+1%).

■ Events (Number)
■ Volumes (Barrels)

* The 2017 figure related to the volume of the oil spills was updated following the closure of some investigations after the publication of the 2017 report. This circumstance could also occur for the 2018 data.



FOCUS ON

NEW TECHNOLOGIES FOR THE DETECTION OF SPILLS DUE TO SABOTAGE EVENTS AND OPERATIONAL LOSSES

In order to reduce oil spills and the resulting environmental damage, Eni is engaged in:

- the experimentation/application of techniques that allow the early detection of leaks, damage or effractive activities near oil pipelines, reducing response times and related spills. In this regard, in 2018, Eni completed the installation of the e-vpms® (Eni Vibroacoustic Pipeline Monitoring System - proprietary patent) and SSPS (Safety Security Pipeline System) tools on pipelines in Italy and on part of those in Nigeria;

- the development of solutions to prevent sabotages. In particular, in 2019, two pilot pipelines will be equipped with an upgrade of the e-vpms® system, called TPI (Third Party Intrusion), to detect activities close to of the pipeline (such as excavations and transiting vehicles) and allow, therefore, the intervention before the sabotage is completed. If successful, this system will then be extended to pipelines for finished products in other Countries, including Italy.



FOR MORE DETAILS ON THE BES POLICY AND MANAGEMENT, WITH APPLICATION EXAMPLES, SEE ENI.COM



SEE P. 20 OF "ENI FOR 2018 - PERFORMANCE"

BIODIVERSITY

Eni operates in multiple environmental contexts worldwide, characterized by diverse ecological sensitivity and different regulatory systems. **Management of BES (Biodiversity and Ecosystem Services) issues** is a **key component of the integrated Health, Safety and Environmental management system** as well as of **operating practices**. Eni ensures that the interrelations between environmental aspects like ecosystem services, climate change, water resource management and social issues, such as the sustainable development of local communities, are identified and managed correctly, as set out in the BES Policy. Also through collaboration with international scientific partners, Eni assesses the risks linked both to the complexity of each project and to the value of the natural environment and local social context. By applying the Mitigation Hierarchy²², priority is given to preventive mitigation measures, monitoring their effectiveness and adapting its management approach based on the results observed.



ENI FOR STORIES

MYANMAR*: AN EXAMPLE OF BIODIVERSITY MANAGEMENT OPTIMIZATION

CONTEXT

In the RSF-5 onshore Block, in central Myanmar, 3D seismic acquisition activities carried out during the exploration of the field covered an area of 520 km², characterized by the presence of sensitive areas equal to 1/3 of the entire seismic layout. A pool of international and local biologists conducted a biodiversity survey to verify the condition of the sensitive areas where vulnerable and endangered species were found according to the IUCN Red List** classification and other sensitive species of local flora and fauna. In addition, Eni conducted interviews in 8 villages to map the use that local communities make of natural resources and the value they attach to the environment for religious, archaeological and cultural reasons.

PROJECT

Eni rigorously implemented the Mitigation Hierarchy during seismic operations, applying various measures to avoid and/or minimize possible impacts, including, for example:

→ exclusion of sensitive areas from the seismic layout due to their

biodiversity value or possible related social sensitivities;

- presence of a local biologist for the daily assessment of environmental and social critical factors in the design of the seismic layout;
- implementation of an action plan to manage the area in a manner respectful of traditions and periodically inform communities about seismic activities, compensating for any damage with a reliable, transparent and fair mechanism;
- seismic activities were conducted using 80% of existing improved roads, minimizing potential indirect impacts.

RESULTS

The application of the preventive steps of the Mitigation Hierarchy allowed the seismic survey activities to have no direct negative effects on the surrounding biodiversity and ecosystem services.

It also enabled building consensus and trust with local communities, NGOs and local authorities.



MORE DETAILS ON ENI.COM



15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and,

by 2020, protect and prevent the extinction of threatened species.

* For more details on Human Rights and Myanmar see p. 50.

** IUCN: International Union for Conservation of Nature.

22] The sequence of actions to prevent and avoid impacts and, where this is not possible, reduce any impact to a minimum, restore and, where significant residual impacts remain, compensate the risks and impacts related to biodiversity on communities and on the environment.

HUMAN RIGHTS

WHY IS IT IMPORTANT TO ENI?

Eni's approach to Human Rights is based on the dignity of every human being and the responsibility of companies to contribute to the well-being of local communities. The continued commitment to guaranteeing respect for Human Rights is based on a due diligence process to ensure compliance with the UN Guiding Principles on Business and Human Rights by providing access to remedial measures in the event of impacts resulting from the activities of its subsidiaries.

PROGRESS IN 2018 VS 2017

- **Eni's Statement on Respect for Human Rights** published
- +36% **hours of training** provided on Human Rights
- Introduced preventive screening measures on **business partners' Human Rights conduct**, as well as specific **Human Rights clauses** to be included in business agreements
- Training on Human Rights delivered to 96% of **security personnel**

OBJECTIVES

- **Training:** continue the training campaign on Human Rights
- **Suppliers:** finalisation of the Supplier Code of Conduct
- **Human Rights in relations with communities:** complete integration of the Human Rights perspective into Environmental, Health and Social Impact Analyses



In 2018, Eni published the "Eni Statement on Respect for Human Rights" approved by the Board of Directors to illustrate its approach to the issue, the standards adopted and the commitments to meet its internationally recognized responsibilities. The document, addressed to Eni's stakeholders, including employees, business partners and local communities, identifies **salient Human Rights issues**²³ taking into account the Company's operating environment and outlines current standards and processes. This Statement, shared with authoritative third-party organizations, was created by the inter-functional working group on "Human Rights and Business," which was set up in 2017 following an event chaired by the CEO addressed to the members of the BoD, Board of Statutory Auditors and Management on the issue of Business and Human Rights. The document testifies to Eni's commitment to the "Guiding Principles on Business and Human Rights" approved by the United Nations in 2011.

ENI REGULATORY INSTRUMENTS

- **Policy: Sustainability, Our people, Our Partners in the Value Chain, Integrity in our operations; Code of Ethics; Eni Statement on Respect for Human Rights**

FOCUS ON

ENI'S STATEMENT ON RESPECT FOR HUMAN RIGHTS

The Statement, shared with authoritative organizations and experts, such as the Danish Institute for Human Rights, the Institute for Human Rights and Business, Unicef Italia, the Interministerial Committee for Human Rights and IndustriAll, testifies Eni's commitment to respect the "Guiding Principles on Business and Human Rights" and sets out some core issues.

MAIN ISSUES ADDRESSED IN THE STATEMENT

- **Eni's vision on Human Rights:** it is built on the dignity of every human being and on companies' responsibility to contribute to the well-being of local individuals and communities
- **Commitment to respect international treaties and standards** such as the International Charter of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the 10 principles of the UN Global Compact

- **Specific commitments** regarding training and awareness, respect for Human Rights in the workplace, for individuals and local communities, in security and in business relations in order to assess, manage and prevent the most important critical aspects related to the respect of Human Rights
- **Commitment to implement a due diligence process** for the respect of Human Rights in line with the approach required by the UN Guiding Principles (evaluation, integration, monitoring and reporting)
- **Commitment to develop complaint and remediation mechanisms** in case of negative impacts and against retaliation
- **Participation in multi-stakeholder initiatives** at local, national or international level, and public/private partnerships in this area



MORE DETAILS ON ENI.COM

23) The salient issues identify the main issues identified at Eni with regard to Human Rights.



ENI'S SALIENT ISSUES ON HUMAN RIGHTS SHARED DURING 2018 WITH EXTERNAL STAKEHOLDERS AND AUTHORITATIVE EXPERTS

HUMAN RIGHTS IN THE WORKPLACE PP. 26, 27, 29, 41

- Discrimination and equal treatment on the basis of religion, ethnicity and gender
- Safe and healthy working conditions
- Freedom of association and collective bargaining

HUMAN RIGHTS AND SECURITY P. 42

- Excessive use of force by public and private security forces
- Employee safety in high-risk environments

HUMAN RIGHTS IN THE SUPPLY CHAIN P. 43

- Modern slavery
- Migrant workers
- Freedom of association and collective bargaining
- Working conditions (wages and working hours)
- Safe and healthy working conditions

HUMAN RIGHTS IN COMMUNITIES P. 50

- Land rights
- Environmental impacts that affect livelihoods, health, availability of water for indigenous communities and peoples
- Closing of projects

Access to remedial measures in the event of violations: for the process of handling whistleblowing reports, including anonymous reports, from employees or third parties (see Whistleblowing report on Human Rights violations, p. 25 of Eni for 2018 - Performance); for complaint mechanisms, see Grievance, at p. 49.

50%

MANAGERS REPORTING DIRECTLY TO THE CEO TO WHOM A HUMAN RIGHTS OBJECTIVE WAS ASSIGNED

HUMAN RIGHTS GOVERNANCE

In 2018, the **Sustainability and Scenarios Committee**, which **makes proposals and advises** the Board of Directors **also on Human Rights issues**, examined the draft of Eni's Statement on Respect for Human Rights and the analysis of the results achieved by Eni in the second edition of the Corporate Human Rights Benchmark (CHRB), in which Eni ranked first among energy companies.

In 2018, the process of **integrating Human Rights into all dimensions of Eni's operations** continued. To this end, it was fundamental the support of the **Inter-functional Working Group on Human Rights and Business**, which, between 2017 and 2018, made it possible to identify the main areas for improvement and chart out a multi-year plan. This plan was broken down into **management objectives** linked to Human Rights performance and that fall within the MBOs of 50% of the managers directly reporting to the CEO, such as, for example, the Chief Upstream Officer and the Chief Exploration Officer, as well as the Chief Services & Stakeholder Relations Officer whom the procurement and security processes depend on. Respect for Human Rights is integrated at various levels in Company processes and the risk of possible abuses is monitored with specific instruments, such as **the Integrated Risk Management (IRM)²⁴ model**.



A MEETING WITH THE PEASANTS IN TCHIMBOUSSI, REPUBLIC OF THE CONGO. THE ANALYSIS OF THE NEEDS OF THE LOCAL COMMUNITIES IS A DYNAMIC PROCESS WHICH IS PERIODICALLY UPDATED AND IS BASED ON A PARTICIPATIVE APPROACH WITH RESPECT TO THE LOCAL CONTEXT THAT CONSIDERABLY TAKES INTO ACCOUNT THE STAKEHOLDERS' POINT OF VIEW.

24) These issues are considered in the risk model and integrated in the risk assessment in the social, environmental, health, safety and reputation impact metrics.

INTERVIEW WITH MINISTER FABRIZIO PETRI (CIDU)

Interview with the Plenipotentiary Minister Fabrizio Petri who has been President of the Italian Interministerial Committee for Human Rights (CIDU) since 2016. The CIDU, which aims to fulfil the commitments undertaken by Italy in agreements and conventions adopted at international level relating to the protection and promotion of Human Rights, has allowed Italy to adopt, among the first, a National Action Plan on Business and Human Rights (BHR).

President Petri, thanks to the work carried out in recent years by the CIDU, Italy now recognizes the importance of the relationship between business and Human Rights. In this regard, what role do you see for large companies like Eni?

In our opinion, the role of large companies is crucial above all for their ability to act as cultural transformers in the field of the protection of Human Rights by the private sector. The voluntary, soft law approach of the United Nations Guiding Principles and the Italian Action Plan requires that large companies take the lead, as they can control production chains, but above all because they can set a good example that stimulates small and medium-sized enterprises to take the necessary steps along the BHR path.

The CIDU is one of the authoritative stakeholders with which Eni has worked in developing its new Statement on Human Rights and the identification of "salient issues". What is your impression of Eni's track record in the field of Human Rights?

The Statement seemed well structured to us and it brings out Eni's commitment and clearly underlines its priorities. On behalf of the CIDU, I would like to express our hope that over time you will be able to further strengthen interaction, both at national and international level, with civil society and, in particular, with Human Rights defenders. Listening to the demands of the most defenceless groups of the population and of those most at risk of suffering violations of Human Rights, even primary ones, is perhaps the most important task of large companies like Eni.



INTERVIEW

MINISTER FABRIZIO PETRI
PRESIDENT OF THE
ITALIAN INTERMINISTERIAL
COMMITTEE FOR HUMAN
RIGHTS

HUMAN RIGHTS TRAINING ACTIVITIES

Continuing the **awareness-raising process** started in 2016, in 2018 training on Human Rights continued and was provided to **91%**²⁵ of employees, with the aim of creating a **common and shared language and culture** on the subject and improving understanding of the possible impacts of business on Human Rights. The main topics covered in the training courses concerned respect for Human Rights in the community, at the workplace and in relation to security. A training course on Human Rights in the supply chain has also been developed and will be delivered in 2019.

HUMAN RIGHTS IN THE WORKPLACE: INDUSTRIAL RELATIONS

Respecting the rights of the people working in Eni and for Eni is fundamental to build mutually satisfactory and lasting relationships. For this reason, **Eni has a constant dialogue with trade unions** and in 2018 it participated in the second meeting on corporate social responsibility in relation to the commitments undertaken under the **Global Framework Agreement on Industrial Relations**.

During the meeting, held in Montreux (CH) on December 5 2018, Eni presented the 2018-2021 Strategic Plan, focusing on employment trends, key performance results and HSE initiatives, as well as Eni's approach to sustainability issues. In addition, the activity carried out by Eni Foundation through its many projects around the world²⁶ was shared. The meeting was also an opportunity to discuss and assess the state and implementation of the Agreement, available in seven languages and usable in the form of a course open to all employees worldwide. Finally, during the meeting it was discussed the possible adoption of monitoring models on the implementation of the Agreement, in view of the renewal in 2019.

91%

EMPLOYEES TRAINED
ON HUMAN RIGHTS²⁵SEE PP. 24-25 OF "ENI FOR 2018
- PERFORMANCE"FOR MORE DETAILS SEE THE
HUMAN RIGHTS SECTION OF
ENI.COM WEBSITE, DRAWN UP
AND DEVELOPED IN COHERENCE
WITH THE "UN GUIDING
PRINCIPLES REPORTING
FRAMEWORK"SEE P. 17 OF "ENI FOR 2018 -
PERFORMANCE"

25] This percentage is calculated as the ratio between the number of registered employees who have completed a training course on the total number of registered employees.

26] The meeting was also attended by the international trade union federation IndustriALL Global Union, the main Italian trade unions, the members of the Select Committee of the European Works Council and a delegation of workers' representatives from the Eni's businesses in Congo, Ghana, Mozambique and Nigeria.



96%

SECURITY PERSONNEL
TRAINED ON HUMAN
RIGHTSSINCE 2009 TRAINING
SESSIONS HAVE BEEN
HELD IN 15 COUNTRIESSEE P. 24 OF "ENI FOR 2018 -
PERFORMANCE"

HUMAN RIGHTS AND SECURITY

Eni manages its security operations in accordance with international principles, including the **Voluntary Principles on Security & Human Rights**. In particular, during 2018, Eni's CEO approved the application to join the Voluntary Principles Initiative. Eni has designed a consistent set of rules, processes and instruments to ensure that:

- **Suppliers of security forces** are selected according to criteria related to Human Rights;
- The **contractual terms** include provisions on respect for Human Rights;
- **Security operators and supervisors** receive appropriate training;
- The **events most at risk** are managed in compliance with international standards.

Eni also delivers **training initiatives** and refresher courses **for Eni security personnel** both in the classroom (for new Security Officers) and in e-learning mode. Thanks also to these courses, the percentage of the staff belonging to the Security professional area trained in Human Rights reached 96%. Since 2009, Eni has been conducting a **training program for public and private security forces at its subsidiaries in a number of Countries**. It was recognized as a best practice in the 2013 joint publication Global Compact and Principles for Responsible Investment (PRI) of the United Nations.

From 2009 to date, training sessions have been carried out in Nigeria (2010), in Pakistan and Iraq (2011), in the Republic of Congo and Angola (2012), in Indonesia and Algeria (2013), in Mozambique (2014), in Kenya (2015), in Venezuela and Ecuador (2016), in Nigeria (2017) and Tunisia (2018).



A MOMENT OF THE WORKSHOP ON SECURITY AND HUMAN RIGHTS. THE TRAINING PROJECT HAS BEEN UNDERWAY SINCE 2010 AND IS PART OF ENI'S RENEWED COMMITMENT TO THESE ISSUES.

FOCUS ON

A WORKSHOP ON SECURITY AND HUMAN RIGHTS FOR TUNISIAN SECURITY FORCES (TUNIS, 22 AND 23 NOVEMBER 2018)

OBJECTIVE

To enhance knowledge of international law and Human Rights principles, by developing an active dialogue between stakeholders and identifying existing best practices in security management.

INITIATIVE

The seminar covered the main international standards governing the key principles of Human Rights. Topics with a more practical impact were then developed, in particular on the interaction with private security forces.

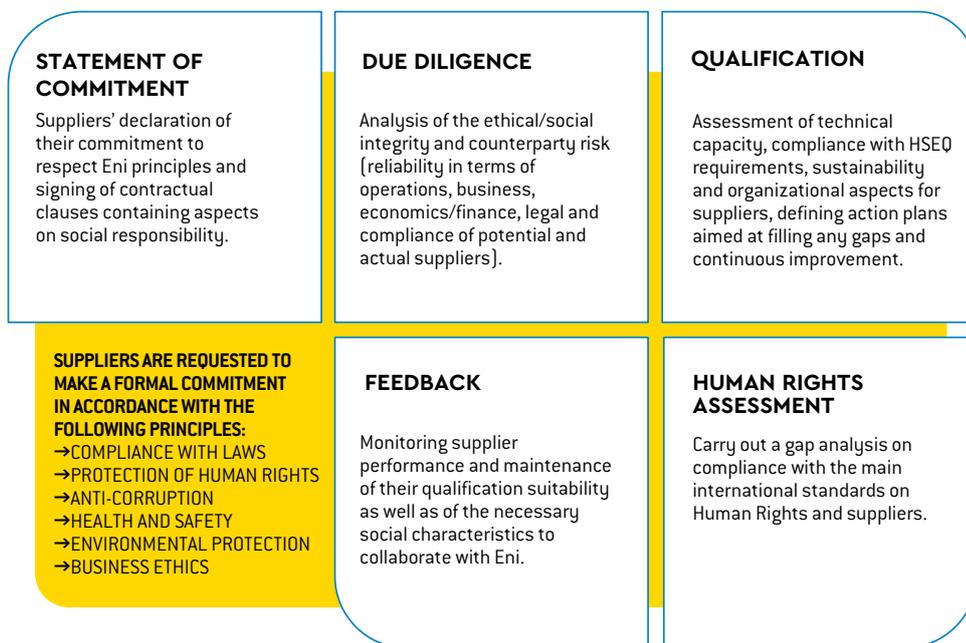
PARTICIPANTS

- 73 participants from security forces
- Mr. Damaj Oussama, Senior Consultant of Safestainable GmbH, a Swiss company based in Geneva, specialising in non-financial risks and using a sustainable approach to security management
- Personnel and management of Eni SpA and its Tunisian subsidiaries

MANAGEMENT OF SUPPLIERS AND BUSINESS PARTNERS

Eni is aware of the important role that its supply chain has in realizing its commitments with regard to social responsibility and as such it has implemented a **management model** to promote its values with suppliers and to involve them in the risk prevention process. This model enables Eni to **constantly monitor** its suppliers and to suspend relations if they do not meet the minimum acceptable standards laid down by Eni. In 2018, more than 5,000 suppliers were subject to verification and assessment on sustainability issues. For 19% of these suppliers, potential criticalities/areas for improvement were identified; in 91% of cases these were not serious enough to compromise the possibility of working with them.

Supplier selection and management process



OVER
5,000
SUPPLIERS TO BE AUDITED AND ASSESSED ON SUSTAINABILITY ISSUES IN 2018



SEE PP. 28-29 OF "ENI FOR 2018 - PERFORMANCE"

Furthermore, Eni is involved in numerous engagement activities with suppliers such as:

- **Local meetings** with local enterprises, organized with trade associations and/or local authorities, during which Eni's values and principles related to sustainability are illustrated;
- **Individual meetings** with selected suppliers in the field of **Human Rights assessment**, to raise and create awareness on the promotion and protection of Human Rights; in 2018, 20 suppliers were involved, of which 2 from Vietnam, 1 from Ecuador, 2 from Egypt and 15 from Italy;
- **Annual events** with the participation and awarding of suppliers who have achieved the best safety performance and who have distinguished themselves for their commitment (Safety & Environment Day).

Eni is also committed to **drawing up a code of conduct for suppliers**²⁷, which reaffirms the importance of respecting the key principles of sustainability in the supply chain. Further actions to counter modern forms of slavery and human trafficking and to prevent the exploitation of minerals associated with Human Rights violations in the supply chain are discussed respectively in the **Slavery and Human Trafficking Statement**²⁸ and in the **Position Statement on "Conflict minerals"**²⁹.

Finally, with more general reference to **Eni's business partners**, specific **clauses on Human Rights** were introduced in 2018 to be included in agreements entered into with Countries and other companies, aimed at representing and binding the parties to act in line with the main international standards and to exercise a suitable form of leverage on them. Each business partner is also subject to a prior audit aimed at identifying the presence of any critical issues relating to the respect for Human Rights and provide for appropriate measures for their management.

20
SUPPLIERS SUBJECT TO HUMAN RIGHTS ASSESSMENTS IN 2018



FOR MORE DETAILS SEE ENI.COM WEBSITE: "SLAVERY AND HUMAN TRAFFICKING STATEMENT" AND "CONFLICT MINERALS" POSITION

27) In 2018, a draft of the document was drawn up and a pilot campaign was launched, in Italy and abroad, which ended with a good response from suppliers.

28) In accordance with the UK Modern Slavery Act 2015.

29) In accordance with US SEC regulations.



TRANSPARENCY AND ANTI-CORRUPTION

WHY IS IT IMPORTANT TO ENI?

Improving the governance and transparency of the extraction sector is essential to promote good use of resources and prevent corruption. The repudiation of all forms of corruption has been one of the fundamental ethical principles of Eni's Code of Ethics since 1998 and this is why Eni has a system of rules and controls aimed at preventing corruption (Anti-Corruption Compliance Program).



ENI REGULATORY INSTRUMENTS

→ Policy: Anti-Corruption Management System Guideline;
Our partners in the value chain; Tax Strategy Guideline

ENI SPA WAS THE FIRST ITALIAN COMPANY TO ACHIEVE ISO 37001:2016 "ANTI-BRIBERY MANAGEMENT SYSTEMS" CERTIFICATION

PROGRESS IN 2018 VS 2017

- Voluntary publication of the **Country by Country report**
- 2 surveillance audits passed for ISO 37001:2016 certification "**Anti-Bribery Management Systems**"
- **Anti-corruption training**: initiatives launched with third parties and set out methodology to identify employees most at risk

OBJECTIVES

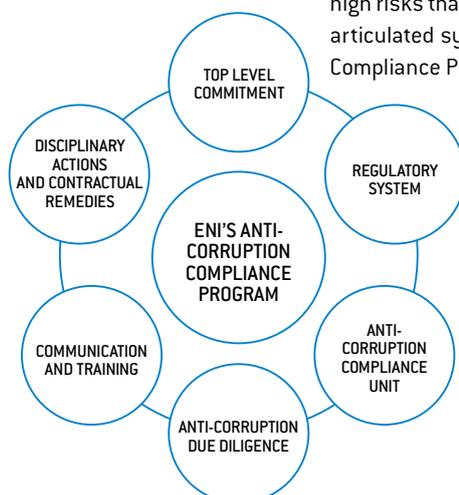
- Active **participation** in the initiatives of the EITI Board
- Continuous improvement of the **Anti-Corruption Compliance Program**
- Application of methodology to segment the population for **anti-corruption training purposes**

EITI AND ENI TAX STRATEGY

In order to improve governance and transparency in the extraction sector by increasing awareness among local communities and encouraging governments to publish a more exhaustive disclosure on payments, investments and revenues generated by Oil & Gas activities, Eni:

- has been a member of the **Extractive Industries Transparency Initiative (EITI)**³⁰ since 2005, following its activities both at an international level (as an observer at Board meetings) and at a local level (contributing annually to the preparation of Reports in its member Countries and participating in the activities of the Multi-Stakeholder Group as a member in 5 Countries and through local trade associations in 4 Countries);
- since 2015, in line with the EITI standard, provides a voluntary disclosure of payments made to governments and, since 2017, publishes its "**Report on payments to governments**" in compliance with European Directive 2013/34/EU. In March 2019, Eni also published the **Country by Country report** for 2017³¹ on a voluntary basis;
- has approved (Board of Directors) the **Tax Strategy Guidelines** that set out the commitments pursued by Eni from the point of view of taxation and whose primary objective is the payment of taxes in the various Countries.

Key elements of the Eni's Anti-Corruption Compliance Program



ENI'S ANTI-CORRUPTION COMPLIANCE PROGRAM

In line with the principle of "zero tolerance" expressed in the Code of Ethics, Eni has decided to face the high risks that the company deals with in carrying out its business activities by providing itself with an articulated system of rules and checks aimed at preventing corruption offences: the Anti-Corruption Compliance Program. The core of this programme lies in the top level commitment of Eni and the set of internal anti-corruption regulations that apply to Eni SpA and all its subsidiaries. Since 2010, the Anti-Corruption Compliance Program has been implemented by a dedicated organisational structure (Anti-Corruption Unit) which is responsible for providing specialist anti-corruption assistance to Eni and its subsidiaries. In order to prevent possible critical situations, the Compliance Program provides, among other things, for the performance of anti-corruption due diligence on counterparties at risk in order to assess their integrity, professional reliability and reputation.

Another pillar of the programme is **anti-corruption training** for employees:

- **e-learning courses**: online courses for the entire Company population;
- **general workshops**: interactive training sessions carried out on the basis of the index produced annually by Transparency International (Corruption Perception Index) and of Eni's presence in each Country³²;

30) EITI: Global initiative to promote responsible and transparent use of the financial resources generated in the extraction sector and to prevent corruption.

31) In compliance with the "Base Erosion and Profit Shifting - BEPS" Action Plan set out by the G20.

32) These sessions concern: i) the anti-corruption legislation applicable to Eni; ii) the risks arising from its violation; iii) the Anti-Corruption Compliance Program.

→ **job specific training:** training sessions generally provided alongside general workshops and aimed at professional areas with a specific corruption risk.

In order to optimise the identification of the recipients of training initiatives, in 2018 a methodology was developed, to be applied by 2019, for the systematic segmentation of Eni employees based on the corruption risk (based on risk drivers: Country, position, professional area and number of employees of the site). In addition, in order to spread the compliance culture at all levels, an internal communication initiative called "Compliance Tips" was implemented, in which possible risk situations in which an employee might incur (such as gifts, hospitality and due diligence) were addressed. Finally, Eni launched a number of anti-corruption training initiatives for third parties which will continue in 2019.

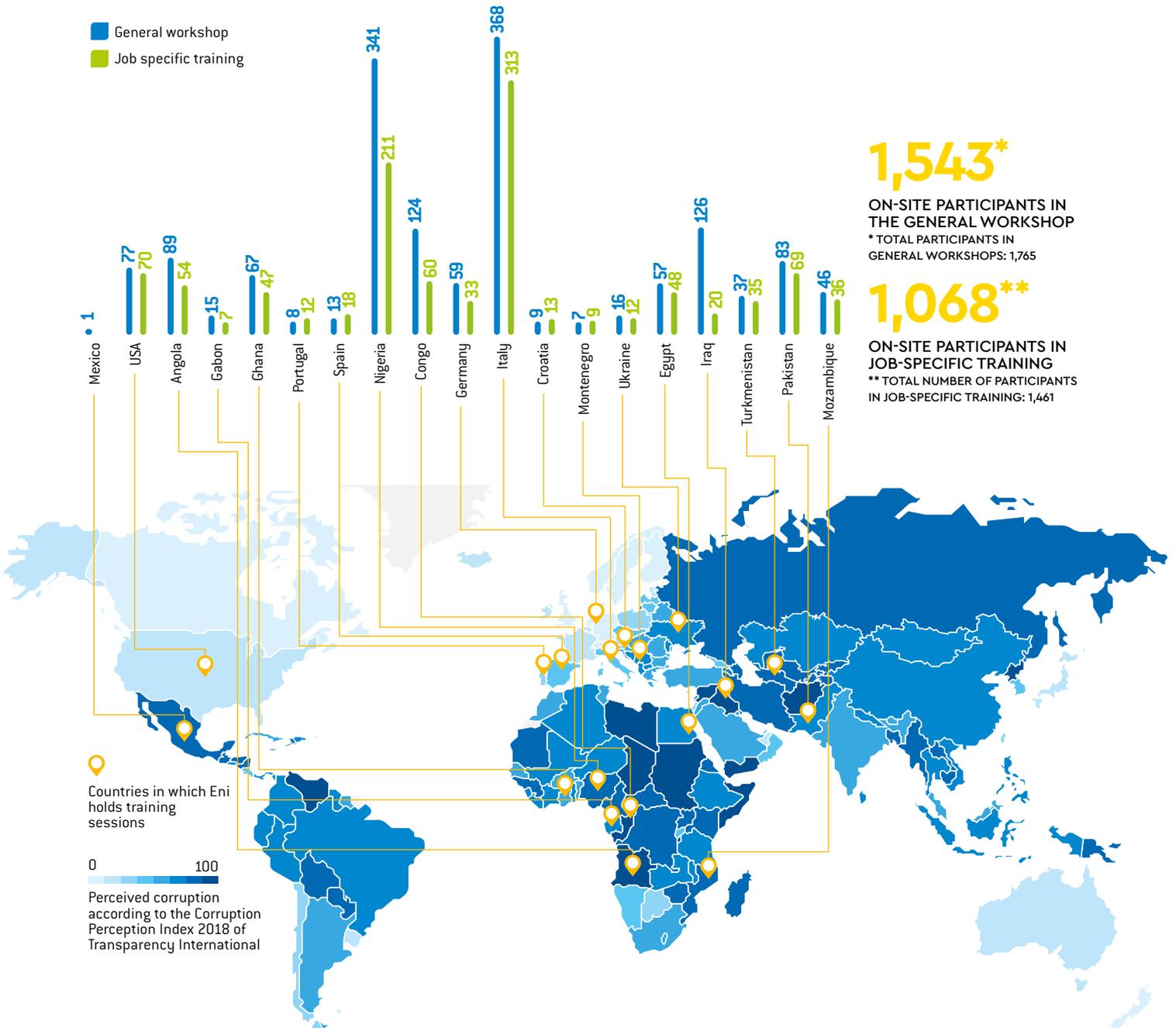


SEE PP. 26-27 OF "ENI FOR 2018 - PERFORMANCE"

Countries in which Eni organized anti-corruption workshops in 2018

(Number of participants)

- General workshop
- Job specific training



1,543*

ON-SITE PARTICIPANTS IN THE GENERAL WORKSHOP
* TOTAL PARTICIPANTS IN GENERAL WORKSHOPS: 1,765

1,068**

ON-SITE PARTICIPANTS IN JOB-SPECIFIC TRAINING
** TOTAL NUMBER OF PARTICIPANTS IN JOB-SPECIFIC TRAINING: 1,461

Countries in which Eni holds training sessions

0 100
Perceived corruption according to the Corruption Perception Index 2018 of Transparency International



PROMOTION OF LOCAL DEVELOPMENT: COOPERATION MODEL

WHY IS IT IMPORTANT TO ENI?

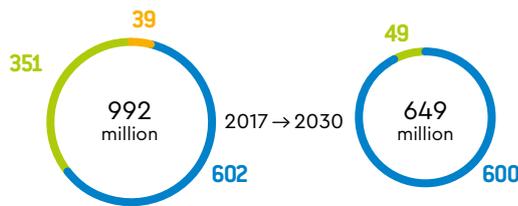
Eni's business activities create value by fostering the socio-economic growth of the Countries in which it operates. This value consists of the socio-economic, employment and intellectual capital impacts that the business generates directly, indirectly along the supply chain and at the induced level on a Country's economic system. Addressing the development needs of countries is Eni's hallmark. This is achieved through concrete actions developed in partnership with local and international institutions respecting and considering the perspective of all categories of stakeholders concerned. Efficient and sustainable access to energy resources is the cornerstone of the cooperation model in all Countries.

SCENARIO ELEMENTS: CHALLENGES AND OPPORTUNITIES

→ Access to energy

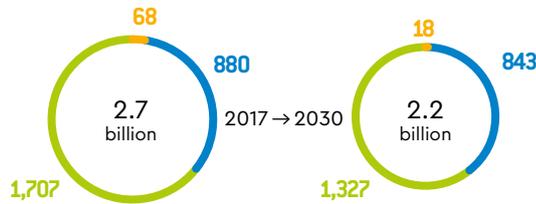
People without electricity (Millions of people)

By 2030 there will still be about 649 million people without access to electricity, the vast majority of whom will be in Sub-Saharan Africa



People without clean cooking (Millions of people)

By 2030 there will still be about 2.2 billion people without access to clean cooking, the majority of whom will be in developing Countries in Asia and in Sub-Saharan Africa



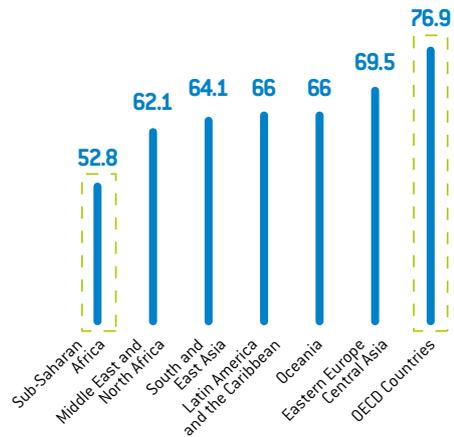
■ Sub-Saharan Africa ■ Developing countries in Asia ■ Rest of the World

Source: Based on IEA data (2018) World Energy Outlook. All rights reserved; as amended by Eni.

→ SDG Index

State of progress in achieving the SDGs by geographical area

The SDG Index shows a positive correlation between the degree to which SDGs are achieved and the income levels of the individual geographical areas

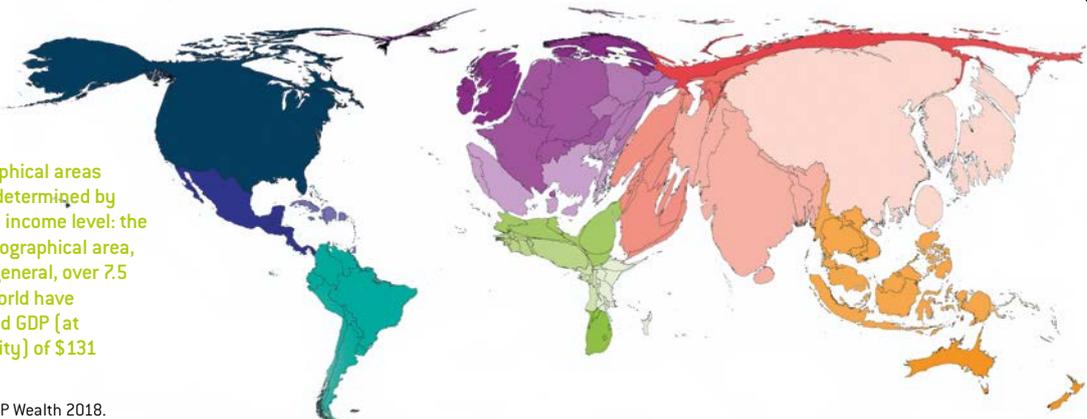


Source: Bertelsmann Stiftung and Sustainable Development Solutions Network, SDG Index and Dashboards Report 2018 Global Responsibilities.

→ Geographical areas by GDP

The size of the geographical areas shown on the map is determined by the associated overall income level: the higher the GDP in a geographical area, the larger its size. In general, over 7.5 billion people in the world have produced an estimated GDP (at purchasing power parity) of \$131 trillion in 2018

Source: Worldmapper - GDP Wealth 2018.





IN EVERY PHASE OF ACTIVITIES,
ENI HAS PROVIDED FOR
INSTRUMENTS TO CREATE VALUE
IN HOST COUNTRIES

OBJECTIVES 2019
Increased installed
capacity of the CEC in
CONGO to reach 484 MW

Doubling of the
installed capacity of the
Okpai plant in Nigeria to
reach approximately 1
GW of installed power



FAVOUR
ACCESS TO
ENERGY IS THE
MAIN EXAMPLE
FOR ENI OF
INTEGRATION
OF BUSINESS AND
SUSTAINABILITY



ACCESS
TO WATER
AND
SANITATION



COMMUNITY
HEALTH



PARTNERSHIP
THROUGH
PUBLIC-PRIVATE PARTNERSHIPS



**TODAY'S COMMITMENT
FOR THE FUTURE**

THROUGH THE DEFINITION OF EVALUATION
METHODOLOGIES OF IMPACTS/BENEFITS TO AMPLIFY ITS EFFECTS

INSTRUMENTS AND METHODOLOGIES



TO SUPPORT ITS
BUSINESS ACTIVITIES,
ENI DETERMINES
INTERVENTIONS TO
ENCOURAGE LOCAL
DEVELOPMENT IN
LINE WITH LOCAL
NEEDS AND COUNTRY
DEVELOPMENT
PLANS



EDUCATION
AND TRAINING



ECONOMIC
DIVERSIFICATION



431.5
€ million

OBJECTIVE
of investment in local
development projects in 2019-2022



ENI AS A PLAYER IN LOCAL DEVELOPMENT

ENI CONTRIBUTES TO THE SOCIO-ECONOMIC DEVELOPMENT OF HOST COUNTRIES THROUGH BUSINESS INVESTMENTS AND SPECIFIC INITIATIVES FOR LOCAL DEVELOPMENT

Eni's activities contribute as a whole to the development of the socio-economic systems of the host Countries. The **contribution comes from all business decisions** as well as from specific interventions designed for local development. Administrations, families and businesses can benefit from the effects of large-scale or local initiatives.

Investments in new projects and plants in operation are key factors in the development of infrastructure and employment. Moreover, **agreements to supply gas for domestic consumption or to exploit gas for electricity production** are powerful growth drivers for the entire local economy. When a **local supply chain** is in place, investment can be an effective lever for growth in economic and human capital. Where technical and technological skills are mature, local suppliers can take on a primary role in the collaboration with Eni; otherwise, there may be an opportunity for a transfer of know-how and growth of local skills. There is not only an **increase in the number of jobs**, but also a shift towards jobs with ever-increasing value added. Taken as a whole, the economic system benefits from the positive impact in terms of taxation and increased spending capacity. The development of local communities is also supported by **specific social projects**, associated with industrial projects or carried out in accordance with other specific needs of the host Countries, to overcome some of the weaknesses of the local socio-economic fabric.



ENI HAS STARTED PRODUCTION OF THE ZOHR SUPER-GIANT GAS PLANT. THE DISCOVERY IS LOCATED IN THE SHOROUK BLOCK, OFFSHORE EGYPT ABOUT 190 KILOMETERS NORTH OF PORT SAID.

ENI FOR STORIES

ZOHR PROJECT: AN EXAMPLE OF BUSINESS THAT PROMOTES SOCIO-ECONOMIC DEVELOPMENT IN EGYPT

Between 2017 and 2018 the acceleration of the Nooros and Zohr projects allowed Egypt to become self-sufficient and to save more than \$7 billion in LNG imports.

Zohr is one of the projects that Eni has realised through an innovative integrated approach, thanks to which the first gas was reached with a record time to market of 2.3 years from the discovery. After the completion of the first 5 treatment trains, in September 2018,

the project reached, a year ahead of the original development plan, a production of more than 2 billion cubic feet per day, equal to about 366,000 barrels of oil equivalent per day.

ECONOMIC IMPACT	LOCAL PROCUREMENT	GAS SELF-SUFFICIENCY	ENI'S IMPACT ON EMPLOYMENT	HUMAN CAPITAL DEVELOPMENT
\$13.9 billion at direct, indirect and induced level*	28.2% of the Eni local purchases compared to the total of the Eni purchases for the project	Through the supply of gas produced by Zohr, Egypt can meet its entire demand, zeroing LNG imports	Local employees: 11,336 Italy employees assigned to the Zohr project: 547	Local employees trained: 11,353 Local contractors trained: 37,881

Cumulative values 2016-2038

* Direct and indirect levels refer to purchases of local goods and services, taxes and wages paid by Eni and its suppliers to their local employees. The macroeconomic level refers to the spending power of families of Eni employees and its suppliers.



FOR AN EXPLANATION OF THE MODEL, SEE "INSTRUMENTS AND METHODOLOGIES" ON P. 63



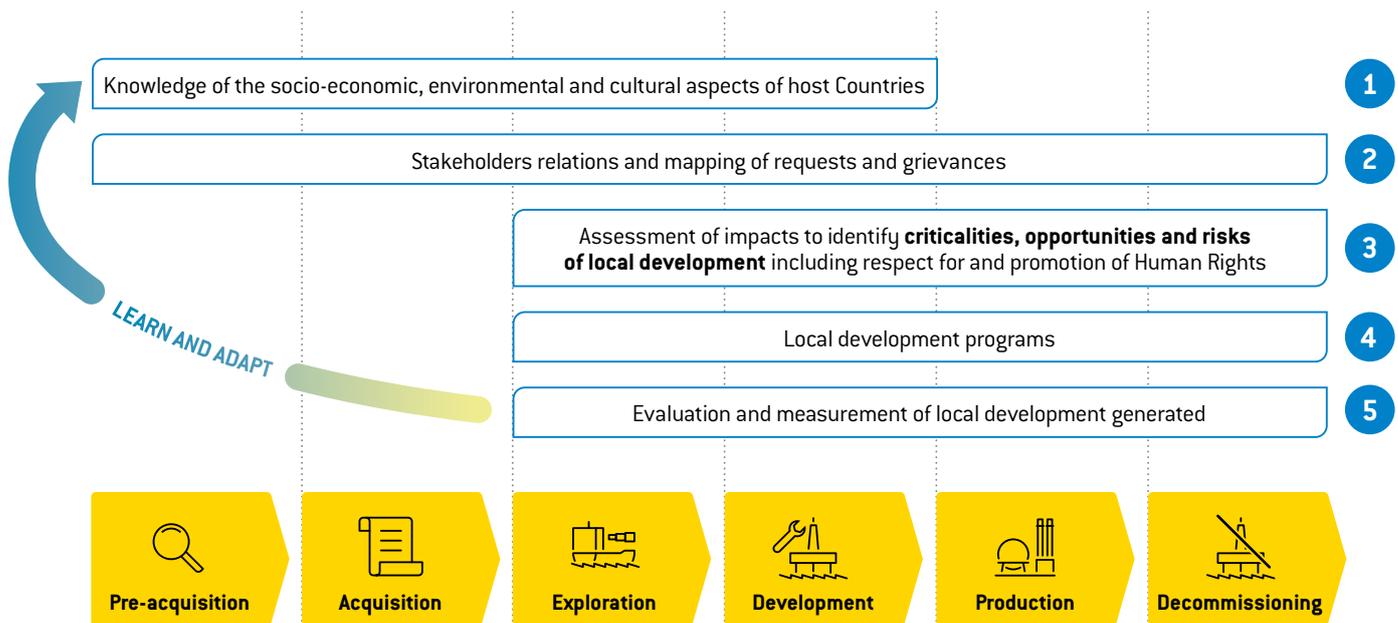
7.1 By 2030, ensure universal access to affordable, reliable and modern energy services.

SUSTAINABILITY THROUGHOUT ALL BUSINESS PHASES

To ensure value creation for the communities of the countries in which it operates, Eni has developed **analytical and management tools for the entire business cycle** from the negotiation phase to all operating processes from exploration to decommissioning. This is made possible by:

1. **knowledge of the context of the host Country** from a socio-economic, environmental and cultural point of view;
2. tools to relate with **local stakeholders** directly and/or indirectly involved throughout the business cycle to understand their requests, and any grievances, in order to consolidate mutual trust;
3. assessment of the impacts of business activities to identify **critical aspects, opportunities, risks to local development** from a socio-economic and environmental point of view, including respect and promotion of Human Rights;
4. definition and implementation of **local development programs** based on international and corporate standards, in line with the Country Development Plans, as well as with the United Nations 2030 Agenda and the National Determined Contributions (NDCs - COP21);
5. **evaluation and measurement of the local development generated** ("learn and adapt").

Tools provided for integrating sustainability in business



GRIEVANCE

Grievances are complaints made by an individual – or a group of individuals – relating to actual or perceived impacts caused by the company’s operational activities. Since 2016 Eni has used **an IT platform dedicated to the management and monitoring of relations with its stakeholders** (see pp. 14-15) in the Countries where it operates and handling grievances, in order to guarantee that all suggestions made by stakeholders are taken on board, provide adequate responses and identify and prevent potential risk factors. In 2018, Eni received 193 complaints from 6 subsidiaries/districts³³, of which 72%, or 138 cases, were resolved and closed. These complaints concerned the following issues: assessment of community needs, respect for community rights, systems for monitoring and assessing the effectiveness of investments in communities, compensation for land loss, assessment of social, economic and cultural impacts on communities, local content, respect for minimum wages, and respect for Human Rights.

72%
OF GRIEVANCES RECEIVED HAVE BEEN RESOLVED AND CLOSED

33] Eni Congo, Eni Ghana, Myanmar, NAOC in Nigeria, ENIMED and DIME in Italy.



HUMAN RIGHTS IN RELATIONS WITH COMMUNITIES

Preventing possible negative impacts on the Human Rights and providing for appropriate management measures is a key aspect of Eni's approach to developing its operations, as well as **informing and contributing to improving access to fundamental rights** among local communities. For this purpose, Human Rights are considered from the earliest stages of the feasibility assessment of new projects, through integrated studies of environmental, social and health impact related to the activities³⁴. In 2018, Eni adopted a **classification model for business projects** to determine the relative level of risk, based on which appropriate in-depth studies are carried out. These include the **Human Rights Impact Assessment (HRIA)**, which involves a preliminary study of a project's characteristics and a subsequent engagement with the main rightholders aimed at verifying the project's understanding and formulating the necessary recommendations to avoid possible impacts. In 2018, Human Right Assessments were carried out in Mozambique and Angola, in addition to the HRIA follow-up in Myanmar in 2016, for which Eni availed itself of the support of the Danish Institute for Human Rights. Also in 2018, Eni carried out a **mapping of indigenous populations** located in the vicinity of operations and projects and consolidated the internal methodology for the management of grievances received.

FOCUS ON

EVALUATING AND MANAGING THE RISKS OF ABUSE OF WORKERS' RIGHTS IN THE CONTEXT OF HUMAN RIGHTS IMPACT ASSESSMENTS

In 2016, the Danish Institute for Human Rights (DIHR) carried out an assessment on an Eni project in Myanmar before its implementation. Among the potential impacts on Human Rights that have emerged, risks of forced labor and other abuses of labor rights have been identified. Particular attention was paid to the most vulnerable categories of workers, such as contractors. Despite having noted the adoption of regulatory and contractual instruments aimed at ensuring compliance with international standards on Human Rights, the DIHR has highlighted, among the areas of particular criticality, the effective application of the clauses by the contractors towards their sub-contractors and the concrete monitoring possibilities available to Eni. In response to these challenges, some specific tools were de-

veloped, including a checklist for on-shore seismic acquisition aimed at accompanying the contractor in the management of sub-contractors and in relations with communities and other stakeholders, with a specific reference to the different operational phases. In 2018, at the end of the activities, the DIHR carried out a further assessment (i.e. follow-up) of the project which confirmed that Eni Myanmar has successfully implemented the mitigation measures recommended by the DIHR.

The impact study carried out in Myanmar was also reported in the 2018 Annual Report of the Danish Institute for Human Rights, where the main case studies to which the Institute contributed during the year are illustrated.



INTERVIEW

TECHNOSERVE, AN NGO WHO WORKS WITH SMALL ENTREPRENEURS IN MORE THAN 40 DEVELOPING COUNTRIES TO BUILD FARM, COMPANIES AND COMPETITIVE INDUSTRIES

INTERVIEW WITH TECHNOSERVE, AN NGO THAT IS SUPPORTING ENI IN THE IMPLEMENTATION OF THE LIVELIHOOD RESTORATION PLAN

The NGO Technoserve is working closely with the people involved by the project to ensure the continuity and growth of new businesses established in the area, supporting them through training in business management and mentoring by expert technicians.

Which are the main challenges faced during the implementation of the project and how are you addressing them?

As with all projects, we have encountered minor challenges during implementation. After the installation of starter packs (the physical assets transferred to beneficiaries to allow them to implement their selected livelihood activity), some beneficiaries started to compare the content of the equipment received, and requested for their option to be changed to other options with a perceived higher value. To address this challenge, my team and I have spent a lot of time explaining to recipients the importance of focusing on future revenues streams as the key driver for business growth and livelihood restoration. We have been working closely with the local community elders in addressing these issues. In addition Eni has supported us to implement a grievance management mechanism that has proved very useful in resolving any community tensions.

34) ESHIA - Environmental Social and Health Impact Assessment.



ENI PROMOTED SUPPORT ACTIVITIES FOR THE SANZULE FAMILIES THROUGH THE IMPLEMENTATION OF THE LIVELIHOOD RESTORATION PLAN (LRP), SUCH AS LIVESTOCK BREEDING.

ENI FOR STORIES

AN EXAMPLE OF VALUE CREATION: THE LIVELIHOOD RESTORATION PLAN (LRP)

To manage the socio-economic changes created by the Community Business project due to the construction of the natural gas reception and treatment plant in Sanzule, Eni launched a Livelihood Restoration Plan to restore the income-generating activities of the families affected and improve the living conditions of the beneficiaries.

CONTEXT

Developing Ghana's national-gas resources is a priority because it will improve access to energy and create additional income for the Country. The natural gas available locally at an affordable price will ensure a cleaner and more stable and secure energy supply. To implement the project, Eni purchased land from the Sanzule Community in the western part of Ghana to build on-shore gas reception facilities from the Sankofa field. The acquired area, of about 96 hectares, directly affected 205 families who were not relocated but used that land for their livelihood.

PROJECT GOALS

To mitigate the effects of the project activities, Eni implemented support activities for impacted families in order to re-establish their livelihood, through the implementation of the Livelihood Restoration Plan (LRP) in Sanzule to restore family income generating activities in a sustainable manner to reach at least pre-project levels and improve the living conditions of the beneficiaries. The LRP, which is part of the broader Environmental and Social Action Plan

(ESAP), was finalised in accordance with international standards, in particular with IFC PS5 (International Finance Corporation Performance Standard Number 5) on land acquisition and involuntary resettlement, also to fulfill the contractual obligations to receive financing related to the activities of the business project.

RESULTS AND BENEFICIARIES

The LRP programme aims to restore the livelihoods of the families affected through:

- Food assistance in the transitional phase;
- Training program on financial management to ensure proper management of compensation received as a result of land acquisition;
- Activation of new sustainable economic activities (such as: agricultural activities, livestock farming, aquaculture, training and market access).

 [MORE DETAILS ON ENI.COM](#)



8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and

growth of micro-, small- and medium-sized enterprises, including through access to financial services.



PARTNERSHIPS FOR DEVELOPMENT



"PUBLIC-PRIVATE PARTNERSHIPS (PPPs) ARE AN OPPORTUNITY TO EXPAND THE ROLE THAT COMPANIES CAN PLAY IN SUSTAINABLE DEVELOPMENT"

ALBERTO PIATTI,
ENI EXECUTIVE VICE PRESIDENT FOR RESPONSIBLE AND SUSTAINABLE ENTERPRISE

In determining social interventions that can contribute to development, it is an opportunity to have the support of all organizations: governments, companies, international organizations and private sector realities, investment funds and cooperation organizations that know the local area, the fragilities and needs of people. Faced with increasingly complex and global events, such as climate change and migratory flows, **Eni has chosen to extend the scope of development projects**, overcoming the boundary of the operational areas through alliances with partners committed on the territory and recognized at the international level through which the synergic action and the sharing of know-how becomes a driving force for the growth of communities and Countries of presence in line with the **2030 Agenda**.

Partnerships for development represent a strength for Eni to be further developed in order to **share experiences, professionalism, knowledge as well as economic and relational resources**. The objective is to guarantee, through authoritative and internationally recognized partners, technical and methodological support for the development and implementation of long-term projects, capacity building, training and awareness of people, evaluation models and monitoring of ongoing activities, awareness on issues of specific interest.

United Nations Development Programme (UNDP)

AFRICA
Promote the achievement of SDGs, in particular universal energy access by 2030, actions to combat climate change and the protection, recovery and sustainable use of the earth's ecosystem.



Food and Agriculture Organization of the United Nations (FAO)

NIGERIA
To promote access to clean and safe water through the construction of wells powered by photovoltaic systems, for domestic use and for irrigation. See p. 61



United Nations Educational, Scientific and Cultural Organization (UNESCO)

CONGO
Collaboration for the opening of the Musée du Cercle Africain, the first Museum in Pointe-Noire to promote and foster African culture and art, with particular attention to new generations.



HALO TRUST

ANGOLA
Mine clearance collaboration: "100 Women in Demining" Project. See p. 58

Centre International de Hautes Etudes Agronomiques Méditerranéennes (CIHEAM) - BARI

EGYPT
Design and technical support of an aquaculture program in Port Said.



Danish Institute for Human Rights

MYANMAR; MEXICO; ANGOLA; MOZAMBIQUE
Evaluation on issues related to Human Rights with the support of Danish Institute. See p. 50



Alma Mater Studiorum Università di Bologna

EGYPT
Project for the promotion of a sustainable development aquaculture of marine species in the coastal strip of Port Said.



Politecnico di Milano

ITALY; GHANA; ANGOLA; EGYPT; CONGO; NIGERIA
Projects to measure local content through the ELCE model and the socio-economic impacts of energy access projects through the Eni Impact Tool. See pp. 55, 63, 64

Fondazione Banco Alimentare

ITALY
Memorandum of Understanding for the promotion of development and "social solidarity" to combat food poverty.

GELA
Collaboration agreement between Eni entities in Gela, the Banco Alimentare Foundation and Banco Alimentare di Sicilia Foundation for food safety.



The Earth Institute Columbia University

GHANA
To contribute to the monitoring of SDGs at Country level.



Faculty of Agriculture of Università degli Studi di Milano

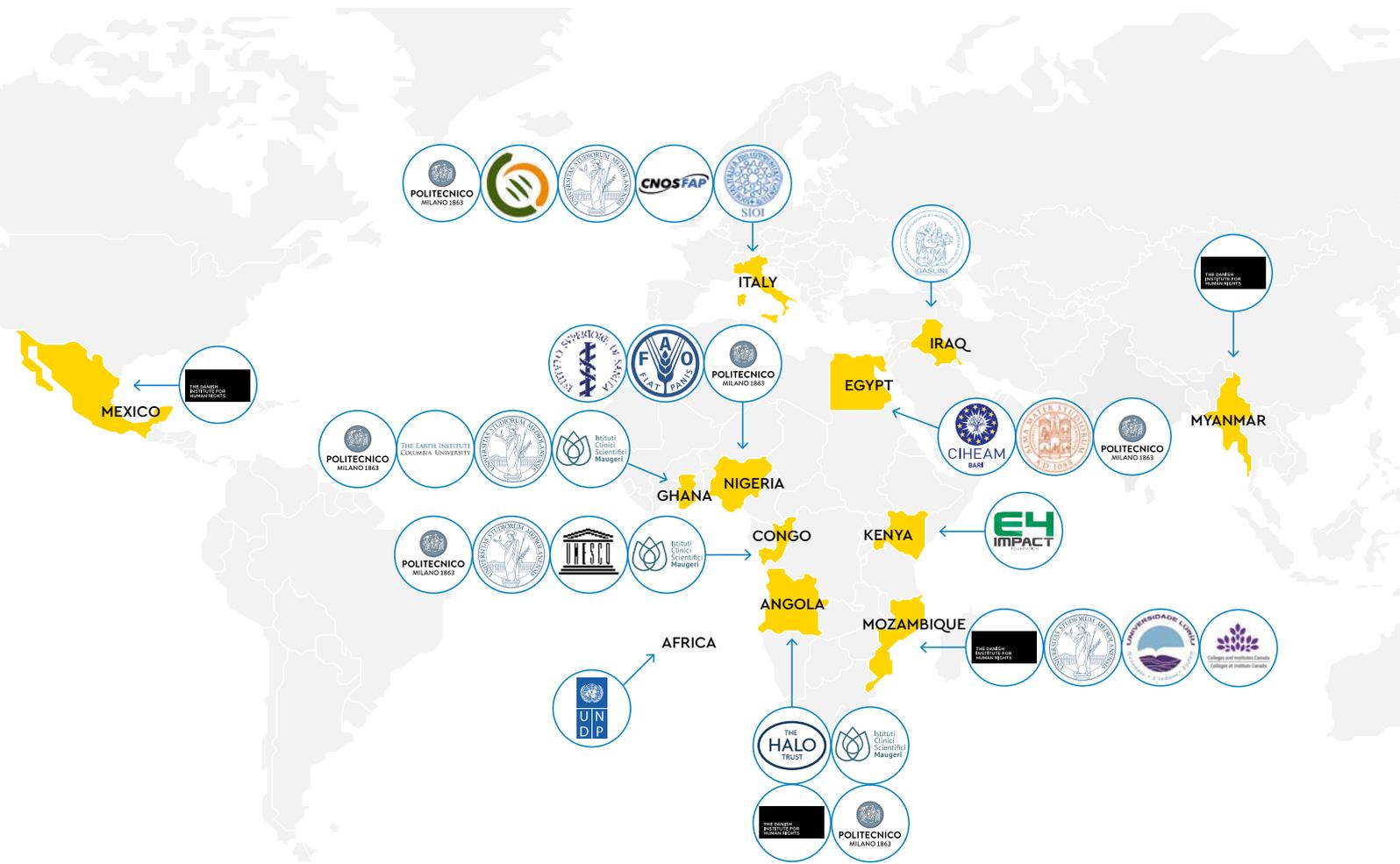
CONGO
Develop projects in the agro-zootechnical field and support the activities of CATREP. See p. 57

MOZAMBIQUE
Collaboration for the definition of an agri-zootechnical program in the Cabo Delgado area.

GHANA
Support activities for OCTP social programs.

ITALY - VAL D'AGRI
Support for the development of the Lucanian agri-food sector.





Centro Nazionale Opere Salesiane

ITALY
Memorandum of understanding for vocational training and for the introduction into the world of work.

4 QUALITY EDUCATION **8 ECONOMIC GROWTH AND CREATIVE INDUSTRIES**

E4IMPACT

KENYA
Project to promote entrepreneurship, in particular female and high-impact entrepreneurship, to stimulate the opening of new companies to internationalization and to create employment opportunities for young people.

5 GENDER EQUALITY **8 ECONOMIC GROWTH AND CREATIVE INDUSTRIES**

Lurio University

MOZAMBIQUE
Partnership for community development and protection of biodiversity in the Province of Cabo Delgado to increase the awareness of the importance of marine resources for sustenance and to increase local employment.

4 QUALITY EDUCATION **8 ECONOMIC GROWTH AND CREATIVE INDUSTRIES** **14 LIFE BELOW WATER**

Colleges and Institute of Canada (CiCan)

MOZAMBIQUE
Partnership for technical and vocational training at the Technical and Commercial Institute of Pemba, Cabo Delgado with infrastructure upgrading interventions, equipment of the laboratories, training of trainers and provision of scholarships.

4 QUALITY EDUCATION **8 ECONOMIC GROWTH AND CREATIVE INDUSTRIES**

Italian Society for International Organization (SIOI)

ITALY
Sponsorship of the conference "Italy and Norway in the Arctic between Cooperation and Future Challenges".

11 SUSTAINABLE DEVELOPMENT

Giannina Gaslini Hospital

IRAQ
Initiatives in the paediatric field of clinical support to local populations and training of staff. See page 62

3 GOOD HEALTH AND WELL-BEING

Istituti Clinici Scientifici Maugeri

CONGO; ANGOLA; GHANA
Consulting services for emergencies and toxicological emergencies.

3 GOOD HEALTH AND WELL-BEING **17 PARTNERSHIPS FOR THE GOALS**

Italian National Institute of Health (ISS)

NIGERIA
Specialist support and training plan for medical and laboratory staff aimed at early detection and treatment of malaria.

3 GOOD HEALTH AND WELL-BEING



ACCESS TO ENERGY



“WE ARE AN ENERGY COMPANY. WE ARE WORKING TO BUILD A FUTURE WHERE EVERYONE CAN ACCESS ENERGY RESOURCES EFFICIENTLY AND SUSTAINABLY”
ENI'S MISSION

The issue of access to energy has always been one of Eni's priority commitments and this is clearly reflected in Eni's mission. Energy is a central element for almost the major challenges and opportunities that the world is facing today. Whether it is work, safety, climate change, food production or increasing income, access to energy is essential.

GAS SALES TO LOCAL MARKETS

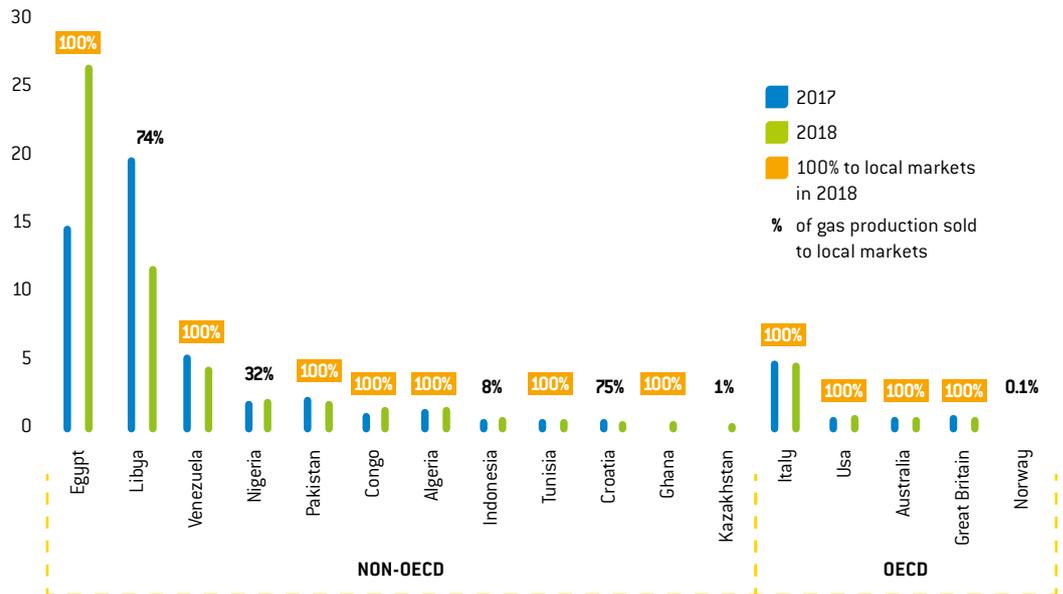
The strategy to bridge social and economic gaps through the development of energy sources is an integral part of the business model. In this regard, **Eni invests in building infrastructures for the production and transport of gas for both export and local consumption** so as to generate electricity fostering local markets development, aware that growing together reinforces the Company's credibility and opens new business opportunities as well as consolidates the relationships with Countries. Over time, this has made it possible to reach new **local markets** and to **guarantee the energy independence** of Countries, which is a prerequisite for economic growth. For example, in Libya Eni supplies almost all the gas needed by the power plants and in Egypt, where the entire production of gas already remains in the Country thanks to the discovery of the Zohr field, the conditions for energy independence will be created.

Overall, Eni, as operator, supplies the domestic markets in **17 Countries** thanks to a supply of **60 billion cubic metres** of natural gas in 2018. Specifically, in 11 Countries Eni sells its entire production to supply the local market.

70%
OF GAS SOLD TO LOCAL MARKETS

60 BILLION M³
OF GAS SOLD TO DOMESTIC MARKETS IN 17 COUNTRIES

Sales of gas to local markets*
(billion m³/year)



* Volumes of gross gas (100%) operated by Eni.

1 GW
INSTALLED IN SUB-SAHARAN AFRICA FOR OVER 18 MILLION PEOPLE

CONSTRUCTION OF THERMAL POWER STATIONS

In Africa, **Eni invests in the construction of thermal power stations by using the associated gas** which was traditionally used to be flared to diversify the energy mix (50% biomass and coal) by introducing a cleaner source such as natural gas. To date, Eni has invested a total of approximately **\$2 billion** in Sub-Saharan Africa in the **construction and restoration of networks and power plants in Nigeria and in Congo** (CEC and CED power plants), with a significant reduction of gas flaring in both Countries. In Nigeria, the **Okpai power plant** has an installed capacity of 480 MW and has generated about 35,000 GWh of energy (about 8-12% of the Country's capacity) since 2005. In 2019, it is expected to double its installed power capacity to reach about 1 GW, making it one of the largest combined cycle plants with low environmental impact and high efficiency. In addition, the **Congo power plant (CEC)**, built as a result of an agreement between Eni and the Republic of Congo, is the Country's main producer of electricity. Following the acquisition in 2007 of

the onshore M'Boundi gas field in Congo, Eni has developed a large-scale energy access model: the CEC is part of the Congo Integrated Gas Power Generation Project and since 2010 it has been supplying electricity to the cities of Pointe-Noire and Brazzaville, thanks to the upgrading of the transport network to Brazzaville and the expansion of the distribution network in Pointe-Noire. To date, with two gas turbines and a capacity of 314 MW, the **CEC covers three-quarters of the energy demand of the local population**. Eni has started a new investment that provides for the installation of a third 170 MW turbine (scheduled to go into operation at the end of 2019), whose additional gas supply will be ensured by the Marine XII block operated by Eni and which will allow the CEC to increase its capacity up to 484 MW.

2019 OBJECTIVES:

484 MW
OF CEC'S CAPACITY

1 GW
OKPAI'S CAPACITY

FOCUS ON

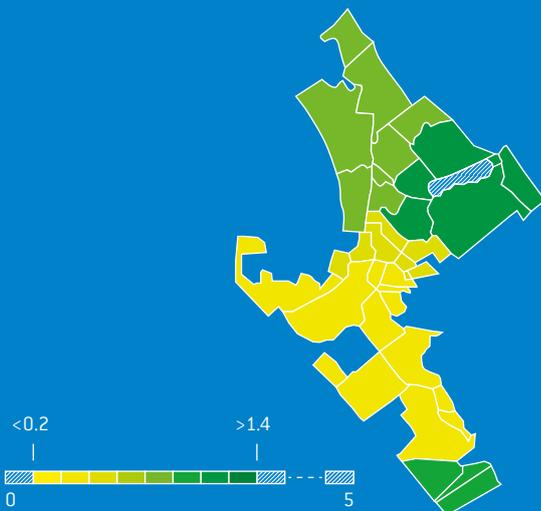
ASSESSMENT OF THE BENEFITS OF ELECTRICITY ACCESS PROJECTS IN POINTE-NOIRE, CONGO

In 2018, a local analysis was carried out with the aim of measuring the social, economic and environmental impacts of the CEC on the Pointe-Noire community. The data was collected in the field through interviews and structured according to the Eni Impact Tool* methodology validated by the Politecnico di Milano. The survey involved domestic users (about 1,000 families), 42 schools, 28 hospitals and 380 production and commercial businesses.

In the 8 years of activity of the CEC, Pointe-Noire has benefited from the electricity supply, ensuring greater access to electricity for the city's inhabitants, as confirmed by the evaluation conducted. The analysis, through the Eni Impact Tool, has made it possible to assess the overall "quality" of access to electricity (such as continuity of supply and voltage stability) as well as impacts related to the quality of life through specific metrics (natural, physical, human, social and financial livelihoods).

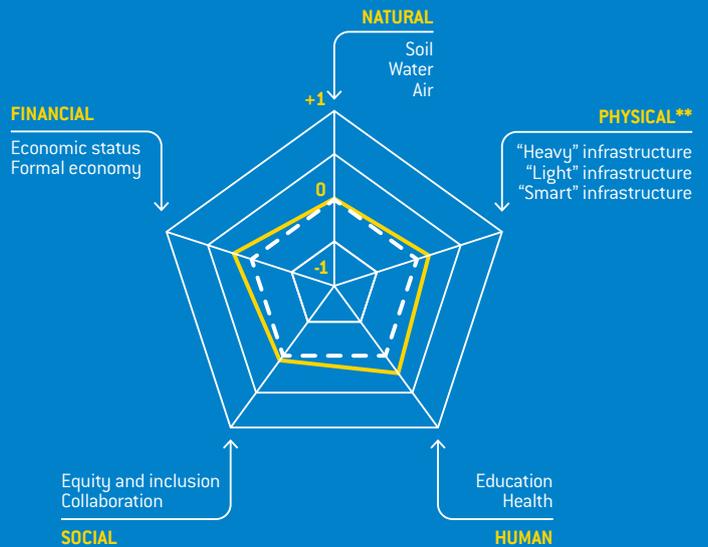
Map of Pointe-Noire Electricity access index

[Change from 2010 to 2018 - Index varying in the range from 0 to 5]



The map of Pointe-Noire shows the change in the electricity access index since the start of the CEC, highlighting the specificities of the 5 arrondissements under analysis: Loandjili, Lumumba, Mongo Mpoukou, Mvoumvou and Ngoyo. Throughout the survey area, there was an increase in access to electricity, with changes of varying magnitude depending on the arrondissement under consideration.

Community livelihood [Change from 2010 to 2018]



The chart shows how the greatest benefits have occurred in the human dimension (related to aspects such as education and health), in the physical dimension (related to infrastructure development) and in the financial dimension.

* For more information, see p. 63.

** "Heavy" infrastructure: electricity distribution network - "Light" infrastructure: equipment such as TVs, radios, refrigerators - "Smart" infrastructure: ICT equipment, mobile phones.



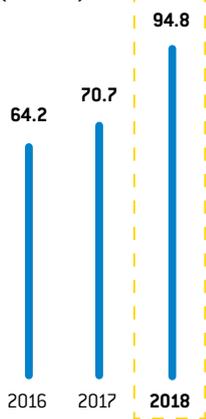
LOCAL DEVELOPMENT PROJECTS



Eni's distinctive mark is its willingness to meet the development needs of the Countries where it operates through concrete actions realized in collaboration with local institutions and stakeholders. Operating in very different Countries, it is **essential to know the local context and challenges**. Suffice it to think that 83%³⁵ of the world's population lives in areas, often rich in resources, but lagging behind in terms of development. In these areas, **Eni promotes interventions to support local development** which are not only located in the areas of Eni's operations, but are **designed with a broader scope and aligned to national development plans**. Better living conditions in the Countries where Eni operates can also contribute to the creation of a dignified life and reduce migrant flows through collaborations with different types of organisations to pool together not only economic resources, but also skills, know-how and experience [see p. 52].

€ 431.5 MILLION³⁶
 2019-2022 INVESTMENTS
 IN LOCAL DEVELOPMENT

Investments in local development (€ million)

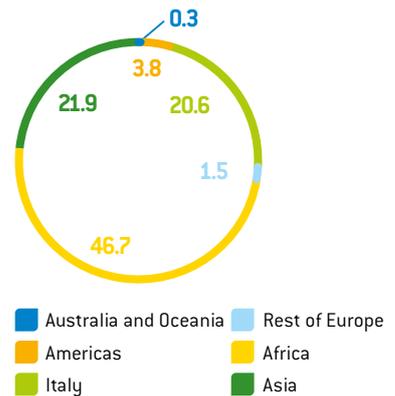


INVESTMENT BY SECTOR OF INTERVENTION

ACCESS TO OFF-GRID ENERGY	1.7
ECONOMIC DIVERSIFICATION	45.8
EDUCATION AND TRAINING	23.3
ACCESS TO WATER AND SANITATION	0.8
HEALTH	3.3
COMPENSATION AND RESETTLEMENT*	19.9
TOTAL	94.8

* Referred to resettlement activities in Kazakhstan and Mozambique and compensation activities in Ghana and Iraq.

Investments in local development 2018 by geographical area (€ million)



THE PLANT PROPAGATION CENTER (PPC) LABORATORY OF THE GREEN RIVER PROJECT IS LOCATED IN OBIÉ, IN THE RIVERS STATE IN NIGERIA. THE LABORATORY EXECUTES SOIL AND WATER ANALYSIS FOR THE FORMULATION OF FERTILIZATION PLANS, OFFERING BEST PRACTICES FOR THE CONSERVATION AND MANAGEMENT OF THE SOIL.

35) World Population Prospects data.

36) Included 24.5 Mln€ on Resettlement and Livelihood Restoration in Ghana, Kazakhstan, Messico e Mozambico.

ECONOMIC DIVERSIFICATION

In line with the Sustainable Development Goal (SDG) 8, Eni aims to foster the launch of different local, **autonomous and sustainable socio-economic activities** such as **agricultural projects** like the Green River Project in Nigeria, the CATREP project in Congo, and **food security** projects to support **micro-entrepreneurship, infrastructure, and gender empowerment** including support for the HALO Trust project in Angola or the Digital Village in Indonesia.

World hunger is still on the rise: in 2016, 815 million people worldwide were undernourished (+5% vs 2015)

Source: The Sustainable Development Goals Report 2018, UNSTAT



THE CATREP PROJECT IS RECOGNIZED BY THE MINISTRY OF AGRICULTURE, FARMING AND FISHERIES AND IS INCLUDED IN THE 2018-2021 NATIONAL DEVELOPMENT PLAN. AMONG ITS GOALS, THE CREATION OF SUSTAINABLE JOBS FOR YOUNG PEOPLE AND WOMEN THROUGH THE PROMOTION OF MODERN AGRICULTURE.

ENI FOR STORIES

CENTRE FOR TECHNICAL SUPPORT AND PROFESSIONAL RESOURCES CATREP, IN CONGO

CONTEXT

The CATREP (Centre d'Appui Technique et Ressources Professionnelles) project is part of the integrated Hinda project, which covers an area of 830 km² in the districts of Hinda, Loango, Mvouti and Tchiamba-Nzassi, with a total population of about 25,000 people. The project covers a land reserve of 100 hectares and involved 484 people and 2,420 family members.

PROJECT GOALS

The goals of the project – recognized by the Ministry of Agriculture, Livestock and Fisheries of Congo and included in the National Development Plan 2018-2021 – are:

1. creating sustainable jobs for young people and women through the promotion of modern agriculture;
2. sustainably improving the incomes of small producers and cooperatives in the project area;
3. promoting research and innovation.

RESULTS AND BENEFICIARIES

Started in 2012 with the construction and renovation of agricultural

and livestock infrastructure, in 2018 the second phase saw the start of organic farming activities on two hectares of land, in accordance with European legislation. After the first harvest, in January 2019, the results were: cultivation of 25 species of vegetables with a total production of 12.9 tonnes. The products are sold retail, at home and wholesale in restaurants, supermarkets and catering in Pointe-Noire. In 2018, in the CATREP facilities, livestock farming activities were also started (poultry, sheep and pigs), with a total production of over 32,000 eggs. In addition, outside the CATREP estate, the project provided market access technical assistance to 179 farmers and commercial support to 87 of them.

A cooperation program with the World Food Programme for the production and sale of dried beans has also been initiated throughout the project area. The Borlotti variety was also tested with good results in terms of adaptation and yield. The creation of a botanical garden with the cultivation and sale of medicinal plants is planned.



[MORE DETAILS ON ENI.COM](#)



The project as per National Development Plan 2018-2021 aims to reduce poverty and promote food and nutrition security (SDGs 1 and 2), foster sustainable, inclusive and sustainable economic growth, full and productive employment and decent work for all

(SDG 8). Encourage responsible production models (SDG 12). Gender equality (SDG 5) and partnership for the goals (SDG 17) are cross-cutting for all the goals of the project.



ENI SUPPORTS THE "100 WOMEN IN DEMINING" PROJECT BY HALO TRUST - ANGOLA WHICH HAS THE OBJECTIVE OF MAKING WOMEN PARTICIPATE IN THE REMEDIATION OF LAND ALSO CONTRIBUTING TO MAKING THEM ECONOMICALLY INDEPENDENT.

ENI FOR STORIES

HALO TRUST AND ENI: WOMEN FOR LIFE, IN ANGOLA

Since November 2017, Eni has been supporting the HALO Trust - Angola "100 Women in Demining" project, which was set up and implemented to involve women in the reclamation of land and to help make them economically independent. Eni's contribution in 2018 made it possible to train and employ the team that worked in the province of Benguela.

CONTEXT

Between 1975 and 2002 Angola was torn by one of the longest and most devastating civil wars in Africa. During this period, the land was scattered with tens of thousands of mines, with the result that there are still about 500,000 mines* in the Country today. In the lands around the area of Kanenguerere, in the province of Benguela (western Angola) the mines scattered in the 1980's put at risk the villagers, and the Mucubal, a tribe of semi-nomadic shepherds.

PROJECT GOALS

- To contribute to the empowerment of Angolan women by offering job opportunities in land mine clearance and training and professional development opportunities
- To prevent accidents due to land mines
- To return land to productive and/or social use
- To contribute to improving quality of life in rural areas

RESULTS AND BENEFICIARIES

There were 329 direct and indirect beneficiaries. Thanks to Eni's support, it was possible:

- to select and train women from 2 rural districts and the cities of Lobito and Benguela and to create an all-female team of 11 women (7 deminers, 2 paramedics, 1 driver and 1 administrator);
- to reclaim an area of 45,610 m² (the target was 40,000 m²) and return the land to the local communities;
- to deactivate 62 anti-personnel mines and destroy 50 munitions and 24 unexploded ordnance;
- to build the first school building in the area.



MORE DETAILS
ON ENI.COM

* <https://www.halotrust.org/100women/the-project/>.



1.4 By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including micro-

finance. **3.9** By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination. **5.1** End all forms of discrimination against all women and girls everywhere. **16.1** Significantly reduce all forms of violence and related death rates everywhere.

EDUCATION AND TRAINING

Eni's commitment to education is accomplished through specific programs aimed at promoting and improving schooling access, in close collaboration with local communities and Authorities, contributing to guaranteeing education to the new generations. This commitment includes the **construction of schools, projects for primary and secondary education, vocational training, teachers training and university scholarships**. The commitment to the consolidation of the level of education in local communities is also pursued through a **capacity building** process for both local staff and staff of other companies or institutions, through specific courses. Furthermore in 1957, on initiative of Enrico Mattei, the School for Higher Studies in Hydrocarbons was founded. In 1969, the School was renamed "Enrico Mattei" in memory of its founder. Since its foundation, it has trained more than 2,900 graduates, 57% of whom come from 110 Countries around the world. Since December 2001, the School has been part of the Eni Corporate University, founded in the same year to attract and recruit talented people and provide them with education. In particular, in 2018, the courses delivered to the local staff of subsidiaries were as follows:

NIGERIA	Training course aimed at providing technical knowledge on the production and maintenance activities of downstream plants for Investment Planning and Control and Refinery Performance Management, Supply and Logistics.
EGYPT	Training initiatives in the field of HSE, with the aim of increasing the culture of safety and the application of its principles in operations.
KAZAKHSTAN	For the "top managers" of the Kazakh state company, Eni has created a training course focused on the management of upstream projects, with reference also to local content issues and Business Management, Leadership and intensive English language courses.
TURKMENISTAN, OMAN AND VIETNAM	Eni has provided core business courses on the typical disciplines of Oil & Gas sector, with a significant participation of teachers belonging to its Faculty.

More than half of the children and adolescents worldwide are not achieving minimum proficiency levels in reading and mathematics

Source: The Sustainable Development Goals Report 2018, UNSTAT

SINCE THE FOUNDATION OF THE ENRICO MATTEI SCHOOL, MORE THAN 2,900 GRADUATES HAVE BEEN TRAINED, 57% OF WHOM COME FROM 110 COUNTRIES AROUND THE WORLD

INTERVIEW WITH MASTER MEDEA STUDENTS

Since 1991, the Enrico Mattei School has enriched its training programs by setting up the Master in Energy and Environment Economics - MEDEA, for Italian and foreign students.

What's your name, what's your background?

- My name is **Antonis Constantinou**, I am from Cyprus and I am a mechanical environmental engineer.
- I'm **Michael Sampene**, I'm from Ghana, I hold a bachelor's degree in chemical engineering.
- My name is **Ghina Atmaniwedhana** and I'm from Indonesia. I hold a bachelor degree in psychology.

What does sustainability mean to you? What other word would you choose to describe it?

Sustainability means ensuring continuity in the usage or exploitation of the limited resources that we have for inter and intra generational purposes. *[SAMPENE]*

Why did you choose Master Medea? What's the most important thing that you have learned from this program, that you won't forget and will have an influence in your professional career?

Thanks to the master MEDEA I had the big opportunity to gain a lot of knowledge on the Oil & Gas industry but also on financial environment and economics and I'm sure this will help me all along my professional life. This master is a big opportunity to meet a lot of people all over the world and also to meet a lot of cultures and I'm sure that this will be a huge gain in my life. *[CONSTANTINO]*

You are a young professional, not much older than the students that are striking for climate every Friday. How do you see yourself contributing to finding solutions to the climate issue? If you had to pick one, what kind of contribution do you think energy companies can bring in terms of technical or social solutions?

In terms of technical solutions, the energy companies should push forward new research and development and maximize all technologies available to reduce emissions. In terms of social solutions, companies should be able to raise awareness on climate change by solving the education gaps, especially in operating Countries. *[ATMANIWEDHANA]*



GHINA ATMANIWEDHANA, ANTONIS CONSTANTINO AND MICHAEL SAMPENE
MASTER STUDENTS IN MANAGEMENT AND ECONOMICS OF ENERGY AND ENVIRONMENT (MEDEA)



3 in 10 people lack access to safely managed drinking water services

Source: The Sustainable Development Goals Report 2018, UNSTAT

ACCESS TO WATER AND SANITARY SERVICES

Access to safe drinking water and basic sanitation has not only been recognised as a universal, autonomous and specific Human Right and a prerequisite for all other Human Rights, but it is also a central element for development. Eni is engaged in the lands where it is present to facilitate access to water and improve sanitation conditions by supporting SDG 6, with targeted actions such as the **construction of wells, drinking water plants, water distribution networks and sewers, as well as training activities.**



INTERVIEW

SUFFYAN KOROMA
REPRESENTATIVE OF FAO
IN NIGERIA AND ECONOMIC
COMMUNITY OF WEST AFRICAN
STATES (ECOWAS)

INTERVIEW WITH SUFFYAN KOROMA (FAO)

In February 2018, in Nigeria, Eni and FAO (Food and Agriculture Organization of the United Nations) signed a Collaboration Agreement for the implementation of sustainability activities in favor of communities affected by the humanitarian crisis in the North East of Nigeria. The Access to Water project is the first initiative identified by the agreement, to ensure access to clean and safe water thanks to the construction of wells powered by photovoltaic systems.

What is the Access to Water project? In which areas of the Country is it developing and to whom is it destined? Which SDGs are addressed by the project?

The "Access to Water" Project is a partnership between FAO and Eni to support the IDP - Internally Displaced Persons and the host communities affected by the crisis of the North East - Lake Chad. This project focuses mainly at targeting the following sustainable development goals: SDG 1, end poverty; SDG 2, end hunger; SDG 6, guarantee everyone the availability and sustainable management of water and sanitation; SDG 13, take urgent measures to fight climate change and its consequences.

What were the challenges in implementing the project? How were they overcome?

Check points and curfews limit the possibility of IDPs to move around and cultivate land. We are working with the Institutions to evaluate how to open up the perimeter of land accessible for farming purpose but, at the same time, without risking security. In terms of sustainability, we decided to build the wells in areas where IDPs cohabit with existing communities in order to share the benefits also with the stable population, and sensitized both guest and host communities on the advantages. Also, we combine water and agricultural support, to see the quickest way to enhance livelihood. We've given fast maturing vegetable seeds for them to be able to grow quickly using this water, therefore integrating both their diet and their sources of income.

What impact does it have on local populations? What feedback do you get from beneficiaries and stakeholders?

The impacts of water being available are numerous: first of all the possibility of having access to water without having to travel for miles to get it. This reduces the risk of people stepping on mines and being attacked when they are going to collect water. Increased access to clean and safe water also allows the development of agriculture and the reduction of diseases transmitted by contaminated water.



FETCHING POINT PROVIDED BY THE PROJECT, IN THE BENEFICIARY COMMUNITY GUR LAWAN, IN THE STATE OF BORNO.



THIS PROJECT IS THE FIRST INITIATIVE PROMOTED BY THE COLLABORATION BETWEEN FAO AND ENI. UNDER THE PROJECT, FAO WILL SUPPLY THE IDENTIFICATION OF THE AREAS OF INTERVENTION, AS WELL AS TECHNICAL SUPPORT AND KNOW-HOW IN THE ACTIVITIES IMPLEMENTATION, WHILE ENI WILL PERFORM WELLS POWERED BY PHOTOVOLTAIC SYSTEMS.

ENI FOR STORIES

ENI AND FAO TO PROMOTE ACCESS TO WATER IN NIGERIA

As part of the Eni and FAO collaboration agreement, signed in February 2018, FAO will provide support for the identification of the intervention areas as well as technical support and know-how, while Eni will build water wells powered by photovoltaic systems.

CONTEXT

North East Nigeria is experiencing a humanitarian emergency caused by the violent Boko Haram movement and the shrinking of the Chad Lake basin, the main source of water for local communities. The crisis has triggered important migration flows in the Country and the development of informal settlements both in Abuja and in the North East where many fleeing people are pouring in. In this context, the Federal Government of Nigeria has requested support from energy companies and Eni has signed a three-year Collaboration Agreement with FAO.

PROJECT GOALS

Eni will promote access to clean and safe water in Nigeria through the construction of wells powered by photovoltaic systems, for domestic use and for irrigation. FAO will provide support for the identification of areas of intervention, technical support and know-

how, as well as training in the sustainable use and maintenance of facilities.

RESULTS AND BENEFICIARIES

- First well in Waru (Abuja) with a 25,000 litre tank, equipped with a reverse osmosis treatment plant, which guarantees the potability of the water;
- 3 water collection points with 6 taps each, located in strategic points of the site to ensure maximum ease of access;
- About 4,000 people reached, including IDPs and local communities;
- 4 wells in the Borno State, respectively in the Local Government Areas of Chibok, Biu, Damboa and Bama.

 [MORE DETAILS ON ENI.COM](#)



6.a By 2030, expand international cooperation and capacity-building support to developing Countries in water- and sanitation-related activities and programmes, including water harvesting, desalina-

tion, water efficiency, wastewater treatment, recycling and reuse technologies. **13.1** Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all Countries.



90% of non OECD Countries have less than one physician per 1,000 people, and over 60% have fewer than three nurses or midwives per 1,000 people

Source: The Sustainable Development Goals Report 2018, UNSTAT

HEALTH

Improving community health, in synergy with business activities, contributes to the socio-economic development of the Countries in which Eni operates. This objective is pursued through the joint formulation with local institutions and the implementation of initiatives aimed at:

- creating **greater awareness and empowerment of beneficiary populations** on major public health issues;
- **improving access to renewed or newly established public health services** at various levels of the National System through activities of competence development and infrastructure adaptation.

The Countries in which interventions are currently concentrated are as follows: Iraq, Congo, Libya, Egypt, Mozambique, Indonesia, Angola, Pakistan, Mexico and Italy.



LAYING OF THE FOUNDATION STONE FOR THE CONSTRUCTION OF THE NEW UNIT OF THE BASRA HOSPITAL IN THE PRESENCE OF THE DEPUTY PRIME MINISTER FOR ENERGY AFFAIRS THAMER AL GHADBAN AND OF MANAGING DIRECTOR OF ENI IRAQ, MASSIMO INSULLA.

ENI FOR STORIES

INITIATIVES IN HEALTHCARE AND TRAINING OF STAFF IN IRAQ

An example of partnership for the development of Basra Governorship reference Health System.

CONTEXT

During 2018, Iraqi authorities asked Eni to support the Health Directorate of the Governorate of Basra (Al Basra, where 2.5 million inhabitants live) in developing the specialist services of reference of the local Health System, adapting them to international standards and to the growing regional demand.

PROJECT GOALS

- 1) To improve oncological diagnostics through the establishment of the Nuclear Medicine Unit at the Al Sadr University Hospital in Basra (with the direct participation of Niguarda Hospital in Milan). The project is planned to last 2 years, with an Eni investment of about €7.2 million.
- 2) To strengthen (in collaboration with the "Giannina Gaslini" Paediatric Hospital, Genoa) the Oncohaematology and Surgery Services of the Paediatric Hospital of Basra, improving both its infrastructure and diagnostic and therapeutic capabilities. The initiative is planned to last 2 years, with a budget of about €3.3 million.

RESULTS AND BENEFICIARIES:

- 1) Supply activities have been started for the Nuclear Medicine services to:
 - acquire equipment and systems;
 - build the infrastructure that will house the equipment.
- 2) The results of the project on the consolidation of the Oncohaematology and Surgery services include:
 - an initial intervention to restore the systems and facilities necessary for the hospital to fully operate;
 - a supply of urgent equipment and materials and essential medicines;
 - a programme of technical assistance and on-the-job training for Iraqi doctors and paramedics through missions to Italy at the Gaslini Hospital and vice versa;
 - a remote service (video conference, telemedicine) to support diagnostics and treatment of complex cases by the Gaslini Hospital.



MORE DETAILS
ON ENI.COM



3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and

access to safe, effective, quality and affordable essential medicines and vaccines for all.

INSTRUMENTS AND METHODOLOGIES FOR IMPACT ASSESSMENT

In developing projects for local communities, Eni uses a series of instruments and methodologies (see p. 49), in accordance with international standards, that favour the knowledge of the context, define the potential operational impacts locally; identify the needs of the local populations and the possible areas of intervention; set the project objectives, monitor progress through indicators, measure impacts on the communities, allow the review, if necessary, of interventions in order to better direct the future investment decisions. Moreover, Eni **measures the socio-economic value brought by its operations**, analyses and monitors the **social benefit generated by investments** through specific instruments, such as the Eni Impact Tool and the Local Content Evaluation Model (ELCE).



ENI IMPACT TOOL: EVALUATION OF THE BENEFITS OF LOCAL DEVELOPMENT PROJECTS

Eni has developed a **method for evaluating the social, economic and environmental impacts** of its activities locally in order to **quantify the benefits generated and better direct future initiatives**. The Eni Impact Tool, validated by the **Politecnico di Milano**, uses different methodologies to measure the change generated by a project on living conditions and resources of local communities and to assess their economic and environmental performance. The model is based on internationally recognised methodologies already used by entities such as the World Bank and in initiatives linked to the achievement of SDG 7 such as SEforALL. The impact at local level is assessed through the development of questionnaires and their administration in the contexts of intervention; at the same time, macroeconomic studies using public databases allow the impact analysis to be extended to a broader, national and global scale (for more information about the application of the model, see p. 55).

IN COLLABORATION WITH POLITECNICO DI MILANO

Impact analyses carried out with the Eni Impact Tool



LOCAL CONTENT EVALUATION MODEL

Local Content is the value added brought by Eni to the socio-economic fabric of a host community; it represents the way in which the Company, in conducting its activities, can become a driving force for the development of the local context. Its use is instrumental to a more effective planning of activities and greater support to the socio-economic development of local realities.

To make this value tangible and monitorable, from 2016 Eni has applied its own model, validated by the **Politecnico di Milano**. The ELCE (Eni Local Content Evaluation) model quantifies the benefits generated by activities in terms of GDP, jobs and additional spending capacity resulting from investment in training. The ELCE model assesses the **direct effects**, on the basis of economic and employment commitments (purchases of goods and services, taxes paid, labour costs, recruitment of local staff) supported by Eni, the **indirect effects** through the application of Keynesian multipliers obtained from questionnaires filled out by local suppliers and those **induced** by the analysis of variables of the economic sectors activated by Eni.

In the 2016-2018 three-year period, the ELCE measured the Local Content of OCTP projects in Ghana (production phase), East Hub and West Hub in Angola (whole life) and the Zohr project in Egypt as well as of the Italian operating sites of Ravenna (upstream/downstream), Sannazzaro de' Burgondi (R&M) and Val d'Agri (upstream).





APPLICATION OF THE ELCE MODEL TO THE ZOHR PROJECT 2016-2038*

In 2018 the evaluation of Local Content was conducted in particular on the Zohr project in Egypt. The analysis conducted gave evidence of how the project generated a double socio-economic impact in Egypt and in Italy, in terms of know-how required and suppliers involved (for cumulative data see p. 48).

	DIRECT EFFECTS Effects generated by Eni activities at local level <i>(company data)</i>	INDIRECT EFFECTS Effects generated by the activities of local suppliers <i>(representative sample data)</i>	INDUCED EFFECTS Effects generated on the local socio-economic context** <i>(estimate based on macroeconomic multipliers)</i>	
ECONOMIC IMPACT				
ANNUAL AVERAGE IN THE 2016-2038 PERIOD	→ Purchases of local goods and services → Wages of local employees → Eni taxes paid	→ Purchases of local goods and services by the supply chain → Salaries to local employees of the supply chain → Taxes paid by suppliers	→ Effect of domestic consumption, as an expense of Eni employees and suppliers, on the entire local economy	
	EGYPT 604 million \$	EGYPT 412 million \$	EGYPT 183 million \$	EGYPT 9 million \$
	+	+		
	ITALY 397 million \$	ITALY 308 million \$	ITALY 63 million \$	ITALY 26 million \$
EMPLOYMENT IMPACT				
ANNUAL AVERAGE IN THE 2016-2038 PERIOD OF THE MONTHLY HEADCOUNT	→ Local employees	→ Local employees in the supply chain	Potential local jobs, in sectors: → private, as a measure of domestic consumption → public, as a measure of the re-use of taxes	
	EGYPT 23,081	EGYPT 493	EGYPT 2,649	EGYPT 19,939
	+	+		
	ITALY 435	ITALY 24	ITALY 180	ITALY 231
HUMAN CAPITAL DEVELOPMENT				
ANNUAL AVERAGE IN THE 2016-2038 PERIOD	→ Training expenditure for local employees	→ Benefit linked to the expectation of salary raises thanks to training received compared to those who have not received training	→ Increase in domestic consumption and taxes on labour, due to higher wages achieved thanks to training received	
	EGYPT 2.5 million \$	EGYPT 1.1 million \$	EGYPT 1 million \$	EGYPT 0.4 million \$
	+	+		
INDIRECT AND INDUCED EFFECTS ARE ESTIMATED BASED ON THE TRAINING PROVIDED TO ENI EMPLOYEES DEDICATED TO THE ZOHR PROJECT.				

*All the data shown in the table are calculated as an average of the 2016-2038 period.

**The local socio-economic context refers to all the other sectors not involved in the supply chain.

INDEPENDENT AUDITORS' REPORT



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Independent auditors' report on the "Sustainability Report - Eni for 2018"

(Translation from the original Italian text)

To the Board of Directors of
Eni S.p.A.

We have been appointed to perform a limited assurance engagement on the "Sustainability Report - Eni for 2018" (hereinafter the "Report") of Eni Group (hereinafter also the "Group") for the year ended on December 31, 2018.

Directors' responsibility on the Report

The Directors of Eni S.p.A. are responsible for the preparation of the Report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative ("GRI Standards"), as described in the paragraph "Reporting Criteria" of the Report.

The Directors are also responsible for that part of internal control that they consider necessary in order to allow the preparation of a Report that is free from material misstatements caused by fraud or not intentional behaviors or events.

The Directors are also responsible for the identification of the stakeholders and of the significant matters to report.

Auditors' independence and quality control

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

Our audit firm applies the International Standard on Quality Control 1 (ISQC Italia 1) and, as a result, maintains a quality control system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable laws and regulations.

Auditors' responsibility

It is our responsibility to express, on the basis of the procedures performed, a conclusion about the compliance of the Report with the requirements of the GRI Standards. Our work has been performed in accordance with the principle of "International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (hereinafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. This

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principle requires the planning and execution of procedures in order to obtain a limited assurance that the Report is free from material misstatements.

Therefore, the extent of work performed in our examination was lower than that required for a full examination according to the ISAE 3000 Revised ("reasonable assurance engagement") and, hence, it does not provide assurance that we have become aware of all significant matters and events that would be identified during a reasonable assurance engagement.

The procedures performed on the Report were based on our professional judgment and included inquiries, primarily with company's personnel responsible for the preparation of the information included in the Report, documents analysis, recalculations and other procedures in order to obtain evidences considered appropriate.

In particular, we have performed the following procedures:

- a. analysis of the process relating to the definition of material aspects included in the Report, with reference to the criteria applied to identify priorities for the different stakeholders categories and to the internal validation of the process outcomes;
- b. comparison of economic and financial data and information included in the Report with those included in the Group's consolidated financial statement as of December 31, 2018;
- c. understanding of the processes that lead to the generation, detection and management of significant qualitative and quantitative information included in the Report.

In particular, we have conducted interviews and discussions with the management of Eni S.p.A. and with the personnel of Vår Energi AS (formerly Eni Norge AS), Eni Ghana Exploration and Production Ltd and Versalis S.p.A. and we have performed limited documentary evidence procedures, in order to collect information about the processes and procedures that support the collection, aggregation, processing and transmission of data and information to the department responsible for the preparation of the Report.

Furthermore, for significant information, considering the Group's activities and characteristics:

- at Group level
 - i. with reference to the qualitative information included in the Report, we carried out inquiries and acquired supporting documentation to verify its consistency with the available evidence;
 - ii. with reference to quantitative information, we have performed both analytical procedures and limited assurance procedures to ascertain on a sample basis the correct aggregation of data.
- for Eni S.p.A. (Torrente Tona production site of the *Distretto Centro Settentrionale* - DICS and Taranto refinery), Versalis S.p.A. (Priolo production site), Vår Energi AS (Goliat offshore production site), Eni Ghana Exploration and Production Ltd (John Agyekum Kufur offshore production site), that we have selected based on their activities, relevance to the consolidated performance indicators and locations, we have carried out site visits during which we have had discussions with management and have obtained evidence about the appropriate application of the procedures and the calculation methods used to determine the indicators.



Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the “Sustainability Report - Eni for 2018” of Eni Group for the year ended on December 31, 2018 has not been prepared, in all material aspects, in accordance with the requirements of the GRI Standards, as described in the paragraph “Reporting Criteria” of the Report.

Rome, May 7, 2019

EY S.p.A. Signed by:Riccardo Rossi, Partner

This report has been translated into the English language solely for the convenience of international readers.



ENI'S NON-FINANCIAL REPORTING

Transparent and ongoing dialogue with stakeholders allows us to establish, day after day, a constructive exchange based on integrity and mutual trust. Through reporting and a proactive approach, Eni wants to tell about its distinctive features, sharing values, business strategies and objectives and emphasizing the crucial contribution of the team in achieving results. Eni has developed a varied reporting system that seeks to provide timely information on different sustainability aspects.

ENI FOR 2018

Report that describes how Eni creates value in the long term through the integrated business model and that leverages on the promotion of local development, the operational excellence model and the path to decarbonization.



ENI FOR 2018 PATH TO DECARBONIZATION

In-depth analysis of Governance, risk management activities, strategy and main Eni metrics and targets on climate change, in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) of the Financial Stability Board.

ENI FOR 2018 PERFORMANCE

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

REPORTING PRINCIPLES AND CRITERIA

Eni for 2018 is prepared in accordance with the "Sustainability Reporting Standards" of the Global Reporting Initiative (GRI) with an "in accordance - core" level of compliance and also taking into consideration the "Oil & Gas industry guidance on voluntary sustainability reporting" of IPIECA/API/OGP. Furthermore, the contents are in line with the Advanced Level of the Differentiation Programme and the additional sustainability aspects provided for by the Blueprint for Corporate Sustainability Leadership of the UN Global Compact. In addition, Eni for 2018 was subject to a limited audit by the auditing firm EY.



2018 CONSOLIDATED DISCLOSURE OF NON-FINANCIAL INFORMATION

Document providing integrated disclosure on the management model, the policies applied and the main risks related to the environment, social issues, personnel, respect for Human Rights and the fight against corruption. Document prepared in accordance with the requirements of Legislative Decree 254/2016 and published in the 2018 Annual Report.

REPORT ON RESPECT OF HUMAN RIGHTS

Forthcoming report describing Eni's strategy on the promotion and respect of Human Rights and reporting on the main activities and performance indicators for 2018.

In addition to these documents, Eni publishes annual **Local Sustainability Reports** in order to provide local stakeholders with more detailed information about non-financial commitments and performances. These reports, together with more information on sustainability at Eni, are available online at **eni.com**.



WWW.ENI.COM



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